

**LEGISLATIVE HISTORY CHECKLIST**  
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(Casino Control Act--amendments)

**NJSA:** 5:12-1 et al

**LAWS OF:** 1991 **CHAPTER:** 182

**BILL NO:** S3279

**SPONSOR(S):** codey and Gormley

**DATE INTRODUCED:** February 4, 1991

**COMMITTEE:** **ASSEMBLY** Independent Authorities  
**SENATE:** Institutions, Health & Welfare

**AMENDED DURING PASSAGE:** Yes Amendments during passage denoted by asterisks

**DATE OF PASSAGE:** **ASSEMBLY:** June 20, 1991  
**SENATE:** May 20, 1991

**DATE OF APPROVAL:** June 29, 1991

**FOLLOWING STATEMENTS ARE ATTACHED IF AVAILABLE:**

**SPONSOR STATEMENT:** Yes

**COMMITTEE STATEMENT:** **ASSEMBLY:** Yes  
**SENATE:** Yes

**FISCAL NOTE:** No

**VETO MESSAGE:** No

**MESSAGE ON SIGNING:** Yes

**FOLLOWING WERE PRINTED:**

**REPORTS:** No

**HEARINGS:** Yes

Hearing on bill with similar provisions:  
 974.90 New Jersey. Legislature Assembly. Independent Authorities  
 G191 Committee.  
 1991a Public hearing on A4481 (governing casinos), held 2-20-91.  
 Trenton, 1991.

KBP:pp

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STATE OF NEW JERSEY

INTRODUCED FEBRUARY 4, 1991

By Senators CODEY and GORMLEY

1 AN ACT concerning casino gambling, amending P.L.1978, c.7  
2 <sup>1</sup>[and], P.L.1981, c.142 and<sup>1</sup> P.L.1987, c.409, <sup>1</sup>[and]<sup>3</sup>[<sup>1</sup>]<sup>3</sup>  
3 amending and supplementing P.L.1977, c.110 <sup>1</sup>, and repealing  
4 sections 48 and 142 of P.L.1977, c.110<sup>1</sup>.

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

8 1. Section 1 of P.L.1977, c.110 (C.5:12-1) is amended to read  
9 as follows:

10 1. Short title; Declaration of Policy and Legislative Findings.

11 a. This act shall be known and may be cited as the "Casino  
12 Control Act."

13 b. The Legislature hereby finds and declares to be the public  
14 policy of this State, the following:

15 (1) The tourist, resort and convention industry of this State  
16 constitutes a critical component of its economic structure and, if  
17 properly developed, controlled and fostered, is capable of  
18 providing a substantial contribution to the general welfare, health  
19 and prosperity of the State and its inhabitants.

20 (2) By reason of its location, natural resources and worldwide  
21 prominence and reputation, the city of Atlantic City and its  
22 resort, tourist and convention industry represent a critically  
23 important and valuable asset in the continued viability and  
24 economic strength of the tourist, convention and resort industry  
25 of the State of New Jersey.

26 (3) The rehabilitation and redevelopment of existing tourist  
27 and convention facilities in Atlantic City, and the fostering and  
28 encouragement of new construction and the replacement of lost  
29 convention, tourist, entertainment and cultural centers in  
30 Atlantic City will offer a unique opportunity for the inhabitants  
31 of the entire State to make maximum use of the natural  
32 resources available in Atlantic City for the expansion and  
33 encouragement of New Jersey's hospitality industry, and to that  
34 end, the restoration of Atlantic City as the Playground of the  
35 World and the major hospitality center of the Eastern United  
36 States is found to be a program of critical concern and  
37 importance to the inhabitants of the State of New Jersey.

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:

<sup>1</sup> Senate SIH committee amendments adopted March 25, 1991.

<sup>2</sup> Senate floor amendments adopted May 9, 1991.

<sup>3</sup> Assembly AIA committee amendments adopted June 17, 1991.

1       (4) Legalized casino gaming has been approved by the citizens  
2 of New Jersey as a unique tool of urban redevelopment for  
3 Atlantic City. In this regard, the introduction of a limited number  
4 of casino rooms in major hotel convention complexes, permitted  
5 as an additional element in the hospitality industry of Atlantic  
6 City, will facilitate the redevelopment of existing blighted areas  
7 and the refurbishing and expansion of existing hotel, convention,  
8 tourist, and entertainment facilities; encourage the replacement  
9 of lost hospitality-oriented facilities; provide for judicious use of  
10 open space for leisure time and recreational activities; and  
11 attract new investment capital to New Jersey in general and to  
12 Atlantic City in particular.

13       (5) Restricting the issuance of casino licenses to major hotel  
14 and convention facilities is designed to assure that the existing  
15 nature and tone of the hospitality industry in New Jersey and in  
16 Atlantic City is preserved, and that the casino rooms licensed  
17 pursuant to the provisions of this act are always offered and  
18 maintained as an integral element of such hospitality facilities,  
19 rather than as the industry unto themselves that they have  
20 become in other jurisdictions.

21       (6) An integral and essential element of the regulation and  
22 control of such casino facilities by the State rests in the public  
23 confidence and trust in the credibility and integrity of the  
24 regulatory process and of casino operations. To further such  
25 public confidence and trust, the regulatory provisions of this act  
26 are designed to extend strict State regulation to all persons,  
27 locations, practices and associations related to the operation of  
28 licensed casino enterprises and all related service industries as  
29 herein provided. In addition, licensure of a limited number of  
30 casino establishments, with the comprehensive law enforcement  
31 supervision attendant thereto, is further designed to contribute to  
32 the public confidence and trust in the efficacy and integrity of  
33 the regulatory process.

34       (7) Legalized casino gaming in New Jersey can attain,  
35 maintain and retain integrity, public confidence and trust, and  
36 remain compatible with the general public interest only under  
37 such a system of control and regulation as insures, so far as  
38 practicable, the exclusion from participation therein of persons  
39 with known criminal records, habits or associations, and the  
40 exclusion or removal from any positions of authority or  
41 responsibility within casino gaming operations and establishments  
42 of any persons known to be so deficient in business probity,  
43 ability or experience, either generally or with specific reference  
44 to gaming, as to create or enhance the dangers of unsound, unfair  
45 or illegal practices, methods and activities in the conduct of  
46 gaming or the carrying on of the business and financial  
47 arrangements incident thereto.

48       (8) Since the public has a vital interest in casino operations in  
49 Atlantic City and has established an exception to the general  
50 policy of the State concerning gaming for private gain,

1 participation in casino operations as a licensee or registrant  
2 under this act shall be deemed a revocable privilege conditioned  
3 upon the proper and continued qualification of the individual  
4 licensee or registrant and upon the discharge of the affirmative  
5 responsibility of each such licensee or registrant to provide to the  
6 regulatory and investigatory authorities established by this act  
7 any assistance and information necessary to assure that the  
8 policies declared by this act are achieved. Consistent with this  
9 policy, it is the intent of this act to preclude the creation of any  
10 property right in any license, registration, certificate or  
11 reservation permitted by this act, the accrual of any value to the  
12 privilege of participation in gaming operations, or the transfer of  
13 any license, registration, certificate, or reservation, and to  
14 require that participation in gaming be solely conditioned upon  
15 the individual qualifications of the person seeking such privilege.

16 (9) Since casino operations are especially sensitive and in need  
17 of public control and supervision, and since it is vital to the  
18 interests of the State to prevent entry, directly or indirectly, into  
19 such operations or the ancillary industries regulated by this act of  
20 persons who have pursued economic gains in an occupational  
21 manner or context which are in violation of the criminal or civil  
22 public policies of this State, the regulatory and investigatory  
23 powers and duties shall be exercised to the fullest extent  
24 consistent with law to avoid entry of such persons into the casino  
25 operations or the ancillary industries regulated by this act.

26 (10) Since the development of casino gaming operations in  
27 Atlantic City will substantially alter the environment of New  
28 Jersey's coastal areas, and since it is necessary to insure that  
29 this substantial alteration be beneficial to the overall ecology of  
30 the coastal areas, the regulatory and investigatory powers and  
31 duties conferred by this act shall include, in cooperation with  
32 other public agencies, the power and the duty to monitor and  
33 regulate casinos and the growth of casino operations to respond  
34 to the needs of the coastal areas.

35 (11) The facilities in which licensed casinos are to be located  
36 are of vital law enforcement [and social] interest to the State,  
37 and it is in the public interest that the regulatory and  
38 investigatory powers and duties conferred by this act include the  
39 power and duty to review architectural and site plans to assure  
40 that the proposal is suitable by law enforcement[, aesthetic and  
41 architectural] standards.

42 (12) Since the economic stability of casino operations is in the  
43 public interest and competition in the casino operations in  
44 Atlantic City is desirable and necessary to assure the residents of  
45 Atlantic City and of this State and other visitors to Atlantic City  
46 varied attractions and exceptional facilities, the regulatory and  
47 investigatory powers and duties conferred by this act shall  
48 include the power and duty to regulate, control and prevent  
49 economic concentration in the casino operations and the ancillary  
50 industries regulated by this act, and to encourage and preserve

1 competition.

2 (13) It is in the public interest that the institution of licensed  
3 casino establishments in New Jersey be strictly regulated and  
4 controlled pursuant to the above findings and pursuant to the  
5 provisions of this act, which provisions are designed to engender  
6 and maintain public confidence and trust in the regulation of the  
7 licensed enterprises, to provide an effective method of rebuilding  
8 and redeveloping existing facilities and of encouraging new  
9 capital investment in Atlantic City, and to provide a meaningful  
10 and permanent contribution to the economic viability of the  
11 resort, convention, and tourist industry of New Jersey.

12 (14) Confidence in casino gaming operations is eroded to the  
13 extent the State of New Jersey does not provide a regulatory  
14 framework for casino gaming that permits and promotes stability  
15 and continuity in casino gaming operations.

16 (15) Continuity and stability in casino gaming operations  
17 cannot be achieved at the risk of permitting persons with  
18 unacceptable backgrounds and records of behavior to control  
19 casino gaming operations contrary to the vital law enforcement  
20 interest of the State.

21 (16) The aims of continuity and stability and of law  
22 enforcement will best be served by a system in which continuous  
23 casino operation can be assured under certain circumstances  
24 wherein there has been a transfer of property or another interest  
25 relating to an operating casino and the transferee has not been  
26 fully licensed or qualified, as long as control of the operation  
27 under such circumstances may be placed in the possession of a  
28 person or persons in whom the public may feel a confidence and a  
29 trust.

30 (17) A system whereby the suspension or revocation of casino  
31 operations under certain appropriate circumstances causes the  
32 imposition of a conservatorship upon the suspended or revoked  
33 casino operation serves both the economic and law enforcement  
34 interests involved in casino gaming operations.

35 (cf: P.L.1987, c.410, s.1)

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

38 5. "Authorized Game" or "Authorized Gambling  
39 Game"--Roulette, baccarat, blackjack, craps, big six wheel, slot  
40 machines, minibaccarat, red dog, pai gow, and <sup>1</sup>sic bo;<sup>1</sup> any  
41 variations or composites of such games, provided that such  
42 variations or composites are found by the commission suitable for  
43 casino use after an appropriate test or experimental period under  
44 such terms and conditions as the commission may deem  
45 appropriate <sup>1</sup>; and any other game which is authorized by the  
46 commission pursuant to section 3 of this amendatory and  
47 supplementary act, P.L. , c. (C. ) (now pending before the  
48 Legislature as this bill)<sup>1</sup>. "Authorized game" or "authorized  
49 gambling game" includes gaming tournaments in which players  
50 compete against one another in one or more of the games listed

1 herein or in approved variations or composites thereof if the  
 2 tournaments are authorized by the commission.

3 (cf: P.L.1985, c.350, s.1)

4 <sup>1</sup>3. (New section) The commission may authorize the  
 5 operation, for a trial period of not more than six months, of any  
 6 game in addition to the games authorized by statute or by the  
 7 commission prior to the effective date of this amendatory and  
 8 supplementary act, P.L. , c. (C. ). At any time during the  
 9 trial period or at the conclusion of the trial period, the  
 10 commission may recommend to the Legislature and the Governor  
 11 that authorization for that game be provided by statute. No  
 12 game authorized by the commission pursuant to this section shall  
 13 continue beyond six months unless authorized by enactment of  
 14 appropriate legislation.<sup>1</sup>

15 <sup>1</sup>[3.] <sup>4.</sup><sup>1</sup> Section 6 of P.L.1977, c.110 (C.5:12-6) is amended to  
 16 read as follows:

17 6. "Casino" --A single room [of at least 15,000 square feet] in  
 18 which casino gaming is conducted pursuant to the provisions of  
 19 this act.

20 (cf: P.L.1977, c.110, s.6)

21 <sup>1</sup>[4.] <sup>5.</sup><sup>1</sup> Section 7 of P.L.1977, c.110 (C.5:12-7) is amended to  
 22 read as follows:

23 7. "Casino Employee"--Any natural person employed in the  
 24 operation of a licensed casino, including, without limitation,  
 25 boxmen; dealers or croupiers; floormen; machine mechanics;  
 26 casino security employees; count room personnel; cage personnel;  
 27 slot machine and slot booth personnel; collection personnel;  
 28 casino surveillance personnel; and data processing personnel; or  
 29 any other natural person whose employment duties [require or  
 30 authorize access to restricted casino areas, including, without  
 31 limitation, appropriate maintenance personnel; waiters and  
 32 waitresses; and secretaries] <sup>1</sup>predominantly<sup>1</sup> involve the  
 33 maintenance or operation of gaming activity or equipment and  
 34 assets associated therewith or who, in the judgment of the  
 35 commission, is so regularly required to work in a restricted casino  
 36 area in gaming-related activities that licensure as a casino  
 37 employee is appropriate.

38 (cf: P.L.1987, c.353, s.1)

39 <sup>1</sup>[5.] <sup>6.</sup><sup>1</sup> (New section) "Casino hotel security  
 40 employee"--Any natural person employed to provide physical  
 41 security in the conduct of the business of an approved hotel but  
 42 who is not included within the definition of casino security  
 43 employee as stated in section 11 of P.L.1977, c.110 (C.5:12-11).

44 <sup>1</sup>[6.] <sup>7.</sup><sup>1</sup> Section 11 of P.L.1977, c.110 (C.5:12-11) is amended  
 45 to read as follows:

46 11. "Casino security employee" --Any natural person  
 47 employed by a casino licensee or its agent to provide physical  
 48 security in a casino [hotel] or restricted casino area.

49 (cf: P.L.1977, c. 110, s.11)

50 <sup>1</sup>[7.] <sup>8.</sup><sup>1</sup> Section 12 of P.L.1977, c.110 (C.5:12-12) is amended

1 to read as follows:

2 12. "Casino Service Industry"--Any form of enterprise which  
3 provides casino applicants or licensees with goods or services  
4 regarding the realty, construction, maintenance, or business of a  
5 proposed or existing casino hotel or related facility on a regular  
6 or continuing basis, including, without limitation, security  
7 businesses, gaming schools, manufacturers, distributors and  
8 servicers of gaming devices or equipment, garbage haulers,  
9 maintenance companies, food purveyors, and construction  
10 companies, or any other enterprise which purchases goods or  
11 services from or which does any other business with licensed  
12 casinos on a regular or continuing basis. Notwithstanding the  
13 foregoing, any form of enterprise engaged in the manufacture,  
14 sale, distribution or repair of slot machines within New Jersey,  
15 other than antique slot machines as defined in N.J.S.2C:37-7,  
16 shall be considered a casino service industry for the purposes of  
17 this act regardless of the nature of its business relationship, if  
18 any, with licensed casinos in this State.

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

24 (cf: P.L.1987, c.355, s.2)

25 19. Section 21 of P.L.1977, c.110<sup>1</sup> (C.5:12-21) is amended to  
26 read as follows:

27 21. "Game" or "gambling game" --Any banking or percentage  
28 game located exclusively within the casino played with cards,  
29 dice, tiles, dominoes, or any electronic, electrical, or mechanical  
30 device or machine for money, property, or any representative of  
31 value.<sup>1</sup>

32 (cf: P.L.1979, c.282, s.3)

33 <sup>1</sup>[8.] 10.<sup>1</sup> Section 27 of P.L.1977, c.110 (C.5:12-27) is amended  
34 to read as follows:

35 27. "Hotel" or "approved hotel" --A single building, or two or  
36 more buildings which are physically connected in a manner  
37 deemed appropriate by the commission and which are operated as  
38 one casino-hotel facility under the provisions of the "Casino  
39 Control Act," P.L.1977, c.110 (C.5:12-1 et seq.), located within  
40 the limits of the city of Atlantic City as said limits were defined  
41 as of November 2, 1976, and containing not fewer than [500] the  
42 number of sleeping units required by section 83 of P.L.1977, c.110  
43 (C.5:12-83), each of which sleeping units shall: a. be at least 325  
44 square feet measured to the center of perimeter walls, including  
45 bathroom and closet space and excluding hallways, balconies and  
46 lounges; [each containing] b. contain private bathroom facilities;  
47 and [each] c. be held available and used regularly for the lodging  
48 of tourists and convention guests [and conforming in all respects  
49 to the facilities requirements contained in this act. For the  
50 purpose of exceeding the maximum casino size specified in

1 section 83 of this act, an approved hotel may, by means of  
 2 physical connection, annex additional buildings or facilities to  
 3 increase the amount of its qualifying meeting, exhibition, dining,  
 4 entertainment, sports and kitchen support facilities space, but  
 5 not to increase its number of qualifying sleeping units. "Physical  
 6 connection" for the purposes herein means an enclosed permanent  
 7 pedestrian passageway]. In no event shall the main entrance or  
 8 only access to an approved hotel be through a casino.

9 (cf: P.L.1979, c.282, s.7)

10 <sup>1</sup>[9.] 11.1 (New section) "Institutional investor"--Any  
 11 retirement fund administered by a public agency for the  
 12 exclusive benefit of<sup>1</sup> federal, state, or local <sup>1</sup>[retirement fund]  
 13 public employees<sup>1</sup>; <sup>1</sup>[mutual fund] investment company  
 14 registered under the Investment Company Act of 1940 (15 U.S.C.  
 15 §80a-1 et seq.); collective investment trust organized by banks  
 16 under Part Nine of the Rules of the Comptroller of the  
 17 Currency<sup>1</sup>; closed end investment trust; <sup>1</sup>chartered or licensed<sup>1</sup>  
 18 life insurance company<sup>1</sup>]; or<sup>1</sup> property and casualty insurance  
 19 company; banking and other <sup>1</sup>chartered or<sup>1</sup> licensed lending  
 20 institution; investment advisor registered under The Investment  
 21 Advisors Act of 1940 <sup>1</sup>[15 U.S.C. §80b-1 et seq.]<sup>1</sup>; and such  
 22 other persons as the commission may determine for reasons  
 23 consistent with the policies of the "Casino Control Act,"  
 24 P.L.1977, c.110 (C.5:12-1 et seq.).

25 <sup>2</sup>[<sup>1</sup>[10.] 12.1 Section 53 of P.L.1977, c.110 (C.5:12-53) is  
 26 amended to read as follows:

27 53. Compensation of Members. Each member of the  
 28 commission other than the chairman shall receive [compensation  
 29 of \$67,500.00 per annum] an annual salary in an amount equal to  
 30 the annual salary for a Judge of the Superior Court. The  
 31 chairman shall receive [\$5,000.00 per annum in addition to his  
 32 compensation as a member of the commission] an annual salary in  
 33 an amount equal to the annual salary of a Judge of the Superior  
 34 Court, Appellate Division.

35 (cf: P.L.1984, c.82, s.1)<sup>2</sup>

36 <sup>1</sup>[11.] <sup>2</sup>[<sup>13.1</sup>] 12.2 Section 58 of P.L.1977, c.110 (C.5:12-58) is  
 37 amended to read as follows:

38 58. Restrictions on Pre-Employment by Commissioners,  
 39 Commission Employees and Division Employees and Agents.

40 a. Deleted by amendment.

41 b. No person shall be appointed to or employed by the  
 42 commission or division if, during the period commencing three  
 43 years prior to appointment or employment, said person held any  
 44 direct or indirect interest in, or any employment by, any person  
 45 which is licensed as a casino licensee pursuant to section 87 of  
 46 P.L.1977, c.110 (C.5:12-87) or as a casino service industry  
 47 pursuant to subsection a. of section 92 of P.L.1977, c.110  
 48 (C.5:12-92a.) or has an application for such a license pending  
 49 before the commission; provided, however, that notwithstanding  
 50 any other provision of this act to the contrary, any such person



1 may be appointed to or employed by the commission or division if  
2 his interest in any such casino licensee or casino service industry  
3 which is publicly traded would not, in the opinion of the  
4 employing agency, interfere with the objective discharge of such  
5 person's employment obligations, but in no instance shall any  
6 person be appointed to or employed by the commission or division  
7 if his interest in such a casino licensee or casino service industry  
8 which is publicly traded constituted a controlling interest in that  
9 casino licensee or casino service industry; and provided further,  
10 however, that notwithstanding any other provision of this act to  
11 the contrary, any such person may be employed by the  
12 commission or division in a secretarial or clerical position if, in  
13 the opinion of the employing agency, his previous employment by,  
14 or interest in, any such casino licensee or casino service industry  
15 would not interfere with the objective discharge of such person's  
16 employment obligations.

17 c. Prior to appointment or employment, each member of the  
18 commission, each employee of the commission, the director of  
19 the Division of Gaming Enforcement and each employee and  
20 agent of the division shall swear or affirm that he possesses no  
21 interest in any business or organization licensed by or registered  
22 with the commission.

23 d. Each member of the commission and the director of the  
24 division shall file with the Executive Commission on Ethical  
25 Standards a financial disclosure statement listing all assets and  
26 liabilities, property and business interests, and sources of income  
27 of said member or director and his spouse and shall provide to the  
28 [Attorney General] Executive Commission on Ethical Standards a  
29 financial disclosure statement listing all assets and liabilities,  
30 property and business interests, and sources of income of the  
31 parents, brothers, sisters, and children of said member or  
32 director. Such statement shall be under oath and shall be filed at  
33 the time of appointment and annually thereafter.

34 e. Each employee of the commission, except for secretarial  
35 and clerical personnel, and each employee and agent of the  
36 division, except for secretarial and clerical personnel, shall file  
37 with the Executive Commission on Ethical Standards a financial  
38 disclosure statement listing all assets and liabilities, property and  
39 business interests, and sources of income of said employee or  
40 agent and his spouse. Such statement shall be under oath and shall  
41 be filed at the time of employment and annually thereafter.

42 (cf: P.L.1987, c.354, s.2)

43 <sup>1</sup>[12.]<sup>2</sup>[14.1] <sup>13.2</sup> Section 63 of P.L.1977, c.110 (C.5:12-63) is  
44 amended to read as follows:

45 63. Duties of the Commission. The Casino Control  
46 Commission shall have general responsibility for the  
47 implementation of this act, as hereinafter provided, including,  
48 without limitation, the responsibility:

49 a. To hear and decide promptly and in reasonable order all  
50 license, registration, certificate, and permit applications and

1 causes affecting the granting, suspension, revocation, or renewal  
2 thereof;

3 b. To conduct all hearings pertaining to civil violations of this  
4 act or regulations promulgated hereunder;

5 c. To promulgate such regulations as in its judgment may be  
6 necessary to fulfill the policies of this act;

7 d. To collect all license and registration fees and taxes  
8 imposed by this act and the regulations issued pursuant hereto;

9 e. To levy and collect penalties for the violation of provisions  
10 of this act and the regulations promulgated hereunder;

11 f. To be present through its inspectors and agents at all times  
12 during the operation of any casino for the purpose of certifying  
13 the revenue thereof[,] and receiving complaints from the public[,]  
14 and conducting such other investigations into the conduct of the  
15 games and the maintenance of the equipment as from time to  
16 time the commission may deem necessary and proper]; and

17 g. To review and rule upon any complaint by a casino licensee  
18 regarding any investigative procedures of the division which are  
19 unnecessarily disruptive of casino operations. The need to  
20 inspect and investigate shall be presumed at all times. The  
21 disruption of a licensee's operations shall be proved by clear and  
22 convincing evidence, and establish that: (1) the procedures had  
23 no reasonable law enforcement purpose, and (2) the procedures  
24 were so disruptive as to inhibit unreasonably casino operations.

25 (cf: P.L.1987, c.137, s.2)

26 <sup>1</sup>[13.] <sup>2</sup>[15.<sup>1</sup>] <sup>14.</sup><sup>2</sup> Section 68 of P.L.1977, c.110 (C.5:12-68) is  
27 amended to read as follows:

28 68. Collection of Fees, Penalties or Tax. At any time within  
29 five years after any amount of fees, interest, penalties or tax  
30 required to be collected pursuant to the provisions of this act  
31 shall become due and payable, the commission may bring a civil  
32 action in the courts of this State or any other state or of the  
33 United States, in the name of the State of New Jersey, to collect  
34 the amount delinquent, together with penalties and interest. An  
35 action may be brought whether or not the person owing the  
36 amount is at such time an applicant, licensee or registrant  
37 pursuant to the provisions of this act. If such action is brought in  
38 this State, a writ of attachment may be issued and no bond or  
39 affidavit prior to the issuance thereof shall be required. In all  
40 actions in this State, the records of the commission shall be  
41 prima facie evidence of the determination of the fee or tax or  
42 the amount of the delinquency.

43 Each debt that is due and payable as a result of fees, interest,  
44 penalties, or taxes required to be collected pursuant to the  
45 provisions of P.L.1977, c.110 (C.5:12-1 et seq.) or the regulations  
46 promulgated thereunder, including any compensation authorized  
47 pursuant to section 33 of P.L.1978, c.7 (C.5:12-130.3), and each  
48 regulatory obligation imposed as a condition upon the issuance or  
49 renewal of a casino license which requires the licensee to  
50 maintain, as a fiduciary, a fund for a specific regulatory purpose,

1 shall constitute a lien on the real property in this State owned or  
2 hereafter acquired by the applicant, licensee, or registrant owing  
3 such a debt or on whom such an obligation has been imposed.  
4 Except as otherwise provided in R.S.54:5-9, such a lien shall be a  
5 first lien paramount to all prior or subsequent liens, claims, or  
6 encumbrances on that property.

7 (cf: P.L.1987, c.354, s.6)

8 <sup>1</sup>[14.] <sup>2</sup>[16.1] <sup>15.</sup><sup>2</sup> Section 69 of P.L.1977, c.110 (C.5:12-69) is  
9 amended to read as follows:

10 69. Regulations. a. The commission shall be authorized to  
11 adopt, amend, or repeal such regulations, consistent with the  
12 policy and objectives of this act, as it may deem necessary or  
13 desirable for the public interest in carrying out the provisions of  
14 this act.

15 b. Such regulations shall be adopted, amended, and repealed in  
16 accordance with the provisions of the "Administrative Procedure  
17 Act," (P.L.1968, c.410; C.52:14B-1 et seq.).

18 c. Any interested person may, in accordance with the  
19 provisions of the "Administrative Procedure Act," P.L.1968,  
20 c.410 (C.52:14B-1 et seq.), file a petition with the commission  
21 requesting the adoption, amendment or repeal of a regulation.

22 d. The commission may, in emergency circumstances,  
23 summarily adopt, amend or repeal any regulation pursuant to the  
24 "Administrative Procedure Act" (P.L.1968, c.410; C.52:14B-1  
25 et seq.).

26 e. Notwithstanding any other provision of this act or the  
27 "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1  
28 et seq.) to the contrary, the commission may, after notice  
29 provided in accordance with this subsection, authorize the  
30 temporary adoption, amendment or repeal or any rule concerning  
31 the conduct of gaming or the use or design of gaming equipment  
32 for an experimental period not to exceed [90] 180 days for the  
33 purpose of determining whether such rules should be adopted on a  
34 permanent basis in accordance with the requirements of this  
35 section. Any rules experiment authorized by this subsection shall  
36 be conducted under such terms and conditions as the commission  
37 may deem appropriate. Notice of any temporary rulemaking  
38 action taken by the commission pursuant to this subsection shall  
39 be published in the New Jersey Register, and provided to the  
40 newspapers designated by the commission pursuant to subsection  
41 d. of section 3 of P.L.1975, c.231 (C.10:4-8), at least seven days  
42 prior to the initiation of the experimental period and shall be  
43 prominently posted in each casino participating in the  
44 experiment. Nothing herein shall be deemed to require the  
45 publication of the text of any temporary rule adopted by the  
46 commission or notice of any modification of a rules experiment  
47 initiated in accordance with this subsection. The text of any  
48 temporary rule adopted by the commission shall be posted in each  
49 casino participating in the experiment and shall be available upon  
50 request from the commission. <sup>3</sup>[In no case shall any temporary

1 rule authorize the use or operation of any game not authorized by  
2 the Legislature.]<sup>3</sup>

3 (cf: P.L.1987, c.410, s.4)

4 <sup>1</sup>[15.] <sup>2</sup>[17.1] 16.<sup>2</sup> Section 70 of P.L.1977, c.110 (C.5:12-70) is  
5 amended to read as follows:

6 70. Required Regulations. The commission shall, without  
7 limitation on the powers conferred in the preceding section,  
8 include within its regulations the following specific provisions in  
9 accordance with the provisions of this act:

10 a. Prescribing the methods and forms of application which any  
11 applicant shall follow and complete prior to consideration of his  
12 application by the commission;

13 b. Prescribing the methods, procedures and form for delivery  
14 of information concerning any person's family, habits, character,  
15 associates, criminal record, business activities and financial  
16 affairs;

17 c. Prescribing procedures for the fingerprinting of an  
18 applicant, employee of a licensee, or registrant, or other methods  
19 of identification which may be necessary in the judgment of the  
20 commission to accomplish effective enforcement of restrictions  
21 on access to the casino floor and other restricted areas of the  
22 casino hotel complex;

23 d. Prescribing the manner and procedure of all hearings  
24 conducted by the commission or any hearing examiner, including  
25 special rules of evidence applicable thereto and notices thereof;

26 e. Prescribing the manner and method of collection of  
27 payments of taxes, fees, and penalties;

28 f. Defining and limiting the areas of operation, the rules of  
29 authorized games, odds, and devices permitted, and the method  
30 of operation of such games and devices;

31 g. Regulating the practice and procedures for negotiable  
32 transactions involving patrons, including limitations on the  
33 circumstances and amounts of such transactions, and the  
34 establishment of forms and procedures for negotiable instrument  
35 transactions, redemptions, and consolidations;

36 h. Prescribing grounds and procedures for the revocation or  
37 suspension of operating certificates and licenses;

38 i. Governing the manufacture, distribution, sale, and servicing  
39 of gaming devices and equipment;

40 j. Prescribing for gaming operations the procedures, forms and  
41 methods of management controls, including employee and  
42 supervisory tables of organization and responsibility, and  
43 minimum security standards, including security personnel  
44 structure, alarm and other electrical or visual security measures;

45 k. Prescribing the qualifications of, and the conditions  
46 pursuant to which, engineers, accountants, and others shall be  
47 permitted to practice before the commission or to submit  
48 materials on behalf of any applicant or licensee; provided,  
49 however, that no member of the Legislature, nor any firm with  
50 which said member is associated, shall be permitted to appear or

1 practice or act in any capacity whatsoever before the commission  
2 or division regarding any matter whatsoever, nor shall any  
3 member of the family of the Governor or of a member of the  
4 Legislature be permitted to so practice or appear in any capacity  
5 whatsoever before the commission or division regarding any  
6 matter whatsoever;

7 l. Prescribing minimum procedures for the exercise of  
8 effective control over the internal fiscal affairs of a licensee,  
9 including provisions for the safeguarding of assets and revenues,  
10 the recording of cash and evidence of indebtedness, and the  
11 maintenance of reliable records, accounts, and reports of  
12 transactions, operations and events, including reports to the  
13 commission;

14 m. Providing for a minimum uniform standard of accountancy  
15 methods, procedures and forms; a uniform code of accounts and  
16 accounting classifications; and such other standard operating  
17 procedures, including those controls listed in section 99a. hereof,  
18 as may be necessary to assure consistency, comparability, and  
19 effective disclosure of all financial information, including  
20 calculations of percentages of profit by games, tables, gaming  
21 devices and slot machines;

22 n. Requiring periodic financial reports and the form thereof,  
23 including an annual audit prepared by a certified public  
24 accountant licensed to do business in this State, attesting to the  
25 financial condition of a licensee and disclosing whether the  
26 accounts, records and control procedures examined are  
27 maintained by the licensee as required by this act and the  
28 regulations promulgated hereunder;

29 o. Governing the gaming-related advertising of casino  
30 licensees, their employees and agents, with the view toward  
31 assuring that such advertisements are in no way deceptive;  
32 provided, however, that such regulations shall not prohibit the  
33 advertisement of casino location, hours of operation, or types of  
34 games and other amenities offered, but in no circumstance shall  
35 permit the advertisement of information about odds, the number  
36 of games, or the size of the casino; and provided further,  
37 however, that such regulations shall require the words "Bet with  
38 your head, not over it" to appear on all billboards, signs, and  
39 other on-site advertising of a casino operation <sup>3</sup>and shall require  
40 the words "If you or someone you know has a gambling problem  
41 and wants help, call 1-800 GAMBLER" to appear on all print,  
42 electronic, billboard, and sign advertising of a casino operation<sup>3</sup>;  
43 and

44 p. [Governing entertainment presented by casino licensees in  
45 accordance with the prevailing community standards as  
46 determined by the commission] (Deleted by amendment, P.L. ,  
47 c. );

48 q. Concerning the distribution and consumption of alcoholic  
49 beverages on the premises of the licensee, which regulations shall  
50 be insofar as possible consistent with Title 33 of the Revised

1 Statutes, and shall deviate only insofar as necessary because of  
2 the unique character of the hotel casino premises and operations;  
3 [and]

4 r. [Limiting signs and other on-site advertising, with a view  
5 toward minimizing solicitation for gaming purposes from the  
6 public thoroughfares or otherwise dominating or despoiling the  
7 architecture or environment of the city] (Deleted by amendment,  
8 P.L. , c. ).

9 (cf: P.L.1982, c.148, s.1)

10 <sup>1</sup>[16.] <sup>2</sup>[18.1] <sup>17.2</sup> Section 71 of P.L.1977, c.110 (C.5:12-71) is  
11 amended to read as follows:

12 71. a. The commission shall, by regulation, provide for the  
13 establishment of a list of persons who are to be excluded or  
14 ejected from any licensed casino establishment. Such provisions  
15 shall define the standards for exclusion, and shall include  
16 standards relating to persons:

17 (1) Who are career or professional offenders as defined by  
18 regulations of the commission;

19 (2) Who have been convicted of a criminal offense under the  
20 laws of any state or of the United States, which is punishable by  
21 more than 6 months in prison, or any crime or offense involving  
22 moral turpitude; or

23 (3) Whose presence in a licensed casino would, in the opinion of  
24 the commission, be inimical to the interest of the State of New  
25 Jersey or, of licensed gaming therein, or both.

26 The commission shall promulgate definitions establishing those  
27 categories of persons who shall be excluded pursuant to this  
28 section, including cheats and persons whose privileges for  
29 licensure or registration have been revoked.

30 b. Race, color, creed, national origin or ancestry, or sex shall  
31 not be a reason for placing the name of any person upon such list.

32 c. The commission may impose sanctions upon a licensed  
33 casino or individual licensee or registrant in accordance with the  
34 provisions of this act if such casino or individual licensee or  
35 registrant knowingly fails to exclude or eject from the premises  
36 of any licensed casino any person placed by the commission on  
37 the list of persons to be excluded or ejected.

38 d. Any list compiled by the commission of persons to be  
39 excluded or ejected shall not be deemed an all-inclusive list, and  
40 licensed casino establishments shall have a duty to keep from  
41 their premises persons known to them to be within the  
42 classifications declared in paragraph a. of this section and the  
43 regulations promulgated thereunder.

44 e. Whenever the division petitions the commission to place the  
45 name [or description] of any person [is placed] on a list pursuant  
46 to this section, the commission shall serve notice of such fact to  
47 such person by personal service, by certified mail at the last  
48 known address of such person, or by publication daily for 1 week  
49 in a newspaper of general circulation in Atlantic City.

50 f. Within 30 days after service [by mail or in person or 60 days

1 from the time of last publication, as the case may be] of the  
2 petition in accordance with subsection e. of this section, the  
3 person named for exclusion or ejection may demand a hearing  
4 before the commission [and show cause why he should have his  
5 name removed from such list], at which hearing the division shall  
6 have the affirmative obligation to demonstrate by a  
7 preponderance of the evidence that the person named for  
8 exclusion or ejection satisfies the criteria for exclusion  
9 established by this section and the commission's regulations.  
10 Failure to demand such a hearing within [the time allotted in this  
11 section] 30 days after service shall be deemed an admission of all  
12 matters and facts alleged in the division's petition and shall  
13 preclude a person from having an administrative hearing, but  
14 shall in no way affect his or her right to judicial review as  
15 provided herein.

16 g. [Upon receipt of a demand for a hearing, the commission  
17 shall set a time and place for such hearing. Unless] The division  
18 may file an application with the commission requesting  
19 preliminary placement on the list of a person named in a petition  
20 for exclusion or ejection pending completion of a hearing on the  
21 petition. The hearing on the application for preliminary  
22 placement shall be a limited proceeding at which the division  
23 shall have the affirmative obligation to demonstrate that there is  
24 a reasonable possibility that the person satisfies the criteria for  
25 exclusion established by this section and the commission's  
26 regulations. If a person has been placed on the list as a result of  
27 an application for preliminary placement, unless otherwise agreed  
28 by the commission and the named person, [such] a hearing on the  
29 petition for exclusion or ejection shall [not be later than] be  
30 initiated within 30 days after the receipt of a demand for such  
31 hearing or the date of preliminary placement on the list,  
32 whichever is later.

33 h. If, upon completion of the hearing on the petition for  
34 exclusion or ejection, the commission determines that the  
35 [regulation does not or should not apply to the person so listed]  
36 person named therein does not satisfy the criteria for exclusion  
37 established by this section and the commission's regulations, the  
38 commission shall issue an order denying the petition. If the  
39 person named in the petition for exclusion or ejection had been  
40 placed on the list as a result of an application for preliminary  
41 placement, the commission shall notify all casino licensees of  
42 [such determination] his or her removal from the list.

43 i. If, upon completion of a hearing on the petition for exclusion  
44 or ejection, the commission determines that [the] placement of  
45 the name of the person on the [exclusionary] exclusion list [was]  
46 is appropriate, the commission shall make and enter an order to  
47 that effect, which order shall be served on all casino licensees.  
48 Such order shall be subject to review by the Superior Court in  
49 accordance with the rules of court.

50 (cf: P.L.1981, c.503, s.6)

1       <sup>1</sup>[17.]<sup>2</sup>[19.<sup>1</sup>] 18.<sup>2</sup> Section 74 of P.L.1977, c.110 (C.5:12-74) is  
2 amended to read as follows:

3       74. Minutes and Records. a. The commission shall cause to be  
4 made and kept a [verbatim] record of all proceedings held at  
5 public meetings of the commission[, which record shall be open to  
6 public inspection]. A verbatim transcript of those proceedings  
7 shall be prepared by the commission upon the request of any  
8 commissioner or upon the request of any other person and the  
9 payment by that person of the costs of preparation. A copy of a  
10 transcript shall be made available to any person upon request and  
11 payment of the costs of preparing the copy.

12       A true copy of the minutes of every meeting of the commission  
13 and of any regulations finally adopted by the commission shall be  
14 forthwith delivered, by and under the certification of the  
15 executive secretary, to the Governor, the Secretary of the  
16 Senate, and the Clerk of the General Assembly.

17       b. The commission shall keep and maintain a list of all  
18 applicants for licenses and registrations under this act together  
19 with a record of all actions taken with respect to such applicants,  
20 which file and record shall be open to public inspection; provided,  
21 however, that the foregoing information regarding any applicant  
22 whose license or registration has been denied, revoked, or not  
23 renewed shall be removed from such list after five years from the  
24 date of such action.

25       c. The commission shall maintain such other files and records  
26 as may be deemed desirable.

27       d. Except as provided in subsection h. of this section, all  
28 information and data required by the commission to be furnished  
29 hereunder, or which may otherwise be obtained, relative to the  
30 internal controls specified in section 99a. of this act or to the  
31 earnings or revenue of any applicant, registrant, or licensee shall  
32 be considered to be confidential and shall not be revealed in  
33 whole or in part except in the course of the necessary  
34 administration of this act, or upon the lawful order of a court of  
35 competent jurisdiction, or, with the approval of the Attorney  
36 General, to a duly authorized law enforcement agency.

37       e. All information and data pertaining to an applicant's  
38 criminal record, family, and background furnished to or obtained  
39 by the commission from any source shall be considered  
40 confidential and shall be withheld in whole or in part, except that  
41 any information shall be released upon the lawful order of a court  
42 of competent jurisdiction or, with the approval of the Attorney  
43 General, to a duly authorized law enforcement agency.

44       f. Notice of the contents of any information or data released,  
45 except to a duly authorized law enforcement agency pursuant to  
46 subsection d. or e. of this section, shall be given to any applicant,  
47 registrant, or licensee in a manner prescribed by the rules and  
48 regulations adopted by the commission.

49       g. Files, records, reports and other information in the  
50 possession of the New Jersey Division of Taxation pertaining to



1 licenses shall be made available to the commission and the  
2 division as may be necessary to the effective administration of  
3 this act.

4 h. The following information to be reported periodically to the  
5 commission by a casino licensee shall not be considered  
6 confidential and shall be made available for public inspection:

7 (1) A licensee's gross revenue from all authorized games as  
8 herein defined;

9 (2) (a) The dollar amount of patron checks initially accepted  
10 by a licensee, (b) the dollar amount of patron checks deposited to  
11 the licensee's bank account, (c) the dollar amount of such checks  
12 initially dishonored by the bank and returned to the licensee as  
13 "uncollected," and (d) the dollar amount ultimately uncollected  
14 after all reasonable efforts;

15 (3) The amount of gross revenue tax or investment alternative  
16 tax actually paid and the amount of investment, if any, required  
17 and allowed, pursuant to section 144 of P.L.1977, c.110  
18 (C.5:12-144) and section 3 of P.L.1984, c.218 (C.5:12-144.1);

19 (4) A list of the premises and the nature of improvements,  
20 costs thereof and the payees for all such improvements, which  
21 were the subject of an investment required and allowed pursuant  
22 to section 144 of P.L.1977, c.110 (C.5:12-144) and section 3 of  
23 P.L.1984, c.218 (C.5:12-144.1);

24 (5) The amount, if any, of tax in lieu of full local real property  
25 tax paid pursuant to section 146, and the amount of profits, if  
26 any, recaptured pursuant to section 147;

27 (6) A list of the premises, nature of improvements and costs  
28 thereof which constitute the cumulative investments by which a  
29 licensee has recaptured profits pursuant to section 147; and

30 (7) All quarterly and annual financial statements presenting  
31 historical data which are submitted to the commission, including  
32 all annual financial statements which have been audited by an  
33 independent certified public accountant licensed to practice in  
34 the State of New Jersey.

35 Nothing in this subsection shall be construed to limit access by  
36 the public to those forms and documents required to be filed  
37 pursuant to Article 11 of this act.

38 (cf: P.L.1987, c.410, s.5)

39 <sup>1</sup>[18.] <sup>2</sup>[20.1] <sup>19.2</sup> Section 76 of P.L.1977, c.110 (C.5:12-76) is  
40 amended to read as follows:

41 76. General Duties and Powers. a. The Division of Gaming  
42 Enforcement shall promptly and in reasonable order investigate  
43 all applications, enforce the provisions of this act and any  
44 regulations promulgated hereunder, and prosecute before the  
45 commission all proceedings for violations of this act or any  
46 regulations promulgated hereunder. The division shall provide the  
47 commission with all information necessary for all action under  
48 Article 6 of this act and for all proceedings involving  
49 enforcement of the provisions of this act or any regulations  
50 promulgated hereunder.

1 b. The division shall:

2 (1) Investigate the qualifications of each applicant before any  
3 license, certificate, or permit is issued pursuant to the provisions  
4 of this act;

5 (2) Investigate the circumstances surrounding any act or  
6 transaction for which commission approval is required;

7 (3) Investigate violations of this act and regulations  
8 promulgated hereunder;

9 (4) Initiate, prosecute and defend such proceedings before the  
10 commission, or appeals therefrom, as the division may deem  
11 appropriate;

12 (5) Provide assistance upon request by the commission in the  
13 consideration and promulgation of rules and regulations;

14 (6) Conduct continuing reviews of casino operations through  
15 on-site observation and other reasonable means to assure  
16 compliance with this act and regulations promulgated hereunder,  
17 subject to section 63g. of this act;

18 (7) Conduct audits of casino operations at such times, under  
19 such circumstances, and to such extent as the director shall  
20 determine, including reviews of accounting, administrative and  
21 financial records, and management control systems, procedures  
22 and records utilized by a casino licensee; and

23 (8) Be entitled to request information, materials and any other  
24 data from any licensee or registrant, or applicant for a license or  
25 registration under this act.

26 (cf: P.L.1979, c.282, s.16)

27 <sup>1</sup>[19.] <sup>2</sup>[21.1] 20.<sup>2</sup> Section 80 of P.L.1977, c.110 (C.5:12-80) is  
28 amended to read as follows:

29 80. General Provisions. a. It shall be the affirmative  
30 responsibility of each applicant and licensee to establish by clear  
31 and convincing evidence his individual qualifications, and for a  
32 casino license the qualifications of each person who is required to  
33 be qualified under this act as well as the qualifications of the  
34 facility in which the casino is to be located.

35 b. Any applicant, licensee, registrant, or any other person who  
36 must be qualified pursuant to this act shall provide all  
37 information required by this act and satisfy all requests for  
38 information pertaining to qualification and in the form specified  
39 by the commission. All applicants, registrants, and licensees  
40 shall waive liability as to the State of New Jersey, and its  
41 instrumentalities and agents, for any damages resulting from any  
42 disclosure or publication in any manner, other than a willfully  
43 unlawful disclosure or publication, of any material or information  
44 acquired during inquiries, investigations or hearings.

45 c. All applicants, licensees, registrants, intermediary  
46 companies, and holding companies shall consent to inspections,  
47 searches and seizures and the supplying of handwriting exemplars  
48 as authorized by this act and regulations promulgated hereunder.

49 d. All applicants, licensees, registrants, and any other person  
50 who shall be qualified pursuant to this act shall have the

1 continuing duty to provide any assistance or information required  
2 by the commission or division, and to cooperate in any inquiry or  
3 investigation conducted by the division and any inquiry,  
4 investigation, or hearing conducted by the commission. If, upon  
5 issuance of a formal request to answer or produce information,  
6 evidence or testimony, any applicant, licensee, registrant, or any  
7 other person who shall be qualified pursuant to this act refuses to  
8 comply, the application, license, registration or qualification of  
9 such person may be denied or revoked by the commission.

10 e. No applicant or licensee shall give or provide, offer to give  
11 or provide, directly or indirectly, any compensation or reward or  
12 any percentage or share of the money or property played or  
13 received through gaming activities, except as authorized by this  
14 act, in consideration for obtaining any license, authorization,  
15 permission or privilege to participate in any way in gaming  
16 operations.

17 f. Each applicant or person who must be qualified under this  
18 act shall be photographed and fingerprinted for identification and  
19 investigation purposes in accordance with procedures established  
20 by the commission.

21 g. All licensees, all registrants, all persons required to be  
22 qualified under this act, and all persons employed by a casino  
23 service industry licensed pursuant to this act, shall have a duty to  
24 inform the commission or division of any action which they  
25 believe would constitute a violation of this act. No person who so  
26 informs the commission or the division shall be discriminated  
27 against by an applicant, licensee or registrant because of the  
28 supplying of such information.

29 h. Any person who must be qualified pursuant to the "Casino  
30 Control Act," P.L.1977, c.110 (C.5:12-1 et seq.) in order to hold  
31 the securities of a casino licensee or any holding or intermediary  
32 company of a casino licensee may apply for qualification status  
33 prior to the acquisition of any such securities. <sup>1</sup>The commission  
34 may determine to accept such an application upon a finding that  
35 there is a reasonable likelihood that, if qualified, the applicant  
36 will obtain and hold securities of a licensee sufficient to require  
37 qualification.<sup>1</sup> Such an applicant shall be subject to the  
38 provisions of this section <sup>1</sup>and shall pay for the costs of all  
39 investigations and proceedings in relation to the application  
40 unless the applicant provides to the commission an agreement  
41 with one or more casino licensees which states that the licensee  
42 or licensees will pay those costs<sup>1</sup>.

43 (cf: P.L.1981, c.503, s.9)

44 <sup>1</sup>[20.] <sup>2</sup>[22.1] 21.<sup>2</sup> Section 81 of P.L.1977, c.110 (C.5:12-81) is  
45 amended to read as follows:

46 81. a. The commission may issue a statement of compliance  
47 to an applicant for any license or for qualification status under  
48 this act at any time the commission is satisfied that one or more  
49 particular eligibility criteria have been satisfied by an applicant.

50 b. Such statement shall specify the eligibility criterion

1 satisfied, the date of such satisfaction and a reservation to the  
2 commission to revoke the statement of compliance at any time  
3 based upon a change of circumstances affecting such compliance.

4 c. A statement of compliance certifying satisfaction of all of  
5 the requirements of subsection 84e. of this act with respect to a  
6 specific casino hotel proposal submitted by an eligible applicant  
7 may be accompanied by a written commitment from the  
8 commission that a casino license shall be reserved for a period  
9 not to exceed 30 months or within such additional time period as  
10 the commission may, upon a showing of good cause therefor,  
11 establish and shall be issued to such eligible applicant with  
12 respect to such proposal provided that such applicant (1) complies  
13 in all respects with the provisions of this act, (2) qualifies for a  
14 casino license within a period not to exceed 30 months of the  
15 date of such commitment or within such additional time period as  
16 the commission may, upon a showing of good cause therefor,  
17 establish, and (3) complies with such other conditions as the  
18 commission shall impose. The commission may revoke such  
19 reservation at any time it finds that the applicant is disqualified  
20 from receiving or holding a casino license or has failed to comply  
21 with any conditions imposed by the commission. Such reservation  
22 shall be automatically revoked if the applicant does not qualify  
23 for a casino license within the period of such commitment.

24 (cf: P.L.1978, c.7, s.14)

25 <sup>1</sup>[21.] <sup>2</sup>[23.1] 22.<sup>2</sup> Section 82 of P.L.1977, c.110 (C.5;12-82) is  
26 amended to read as follows:

27 82. Casino License--Applicant Eligibility. a. No casino shall  
28 operate unless all necessary licenses and approvals therefor have  
29 been obtained in accordance with law.

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

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

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

49 (3) Any person who has a written agreement with a casino  
50 licensee or with an eligible applicant for a casino license for the

1 complete management of a casino; and

2 (4) Any other person who has any control over either an  
3 approved hotel building or the land thereunder or the operation of  
4 a casino.

5 c. Prior to the operation of the casino, every agreement to  
6 lease an approved hotel building or the land thereunder and every  
7 agreement for the management of the casino shall be in writing  
8 and filed with the commission. No such agreement shall be  
9 effective unless expressly approved by the commission. The  
10 commission may require that any such agreement include within  
11 its terms any provision reasonably necessary to best accomplish  
12 the policies of this act. Consistent with the policies of this act:

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

19 (2) The commission, with the concurrence of the Attorney  
20 General which may not be unreasonably withheld, may determine  
21 that any owner, lessor or lessee of an approved hotel building or  
22 the land thereunder who does not own or lease the entire  
23 approved hotel building shall not be eligible to hold or required to  
24 hold a casino license;

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

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

32 (5) As to agreements to lease an approved hotel building or the  
33 land thereunder, unless it expressly and by formal vote for good  
34 cause determines otherwise, the commission shall require that  
35 each party thereto hold either a casino license or casino service  
36 industry license and that such an agreement be for a durational  
37 term exceeding 30 years, concern 100% of the entire approved  
38 hotel building or of the land upon which same is located, and  
39 include within its terms a buy-out provision conferring upon the  
40 casino licensee-lessee who controls the operation of the approved  
41 hotel the absolute right to purchase for an expressly set forth  
42 fixed sum the entire interest of the lessor or any person  
43 associated with the lessor in the approved hotel building or the  
44 land thereunder in the event that said lessor or said person  
45 associated with the lessor is found by the commission to be  
46 unsuitable to be associated with a casino enterprise;

47 (6) The commission shall not permit an agreement for the  
48 leasing of an approved hotel building or the land thereunder to  
49 provide for the payment of an interest, percentage or share of  
50 money gambled at the casino or derived from casino gaming

1 activity or of revenues or profits of the casino unless the party  
2 receiving payment of such interest, percentage or share is a party  
3 to the approved lease agreement; unless each party to the lease  
4 agreement holds either a casino license or casino service industry  
5 license and unless the agreement is for a durational term  
6 exceeding 30 years, concerns a significant portion of the entire  
7 approved hotel building or of the land upon which same is located,  
8 and includes within its terms a buy-out provision conforming to  
9 that described in paragraph (5) above;

10 (7) As to agreements for the management of a casino, the  
11 commission shall require that each party thereto hold a casino  
12 license, that the party thereto who is to manage the casino own  
13 at least 10% of all outstanding equity securities of any casino  
14 licensee or of any eligible applicant for a casino license if the  
15 said licensee or applicant is a corporation and the ownership of an  
16 equivalent interest in any casino licensee or in any eligible  
17 applicant for a casino license if same is not a corporation, and  
18 that such an agreement be for the complete management of the  
19 casino, provide for the sole and unrestricted power to direct the  
20 casino operations of the casino which is the subject of the  
21 agreement, and be for such a durational term as to assure  
22 reasonable continuity, stability and independence in the  
23 management of the casino;

24 (8) The commission may permit an agreement for the  
25 management of a casino to provide for the payment to the  
26 managing party of an interest, percentage or share of money  
27 gambled at the casino or derived from casino gaming activity or  
28 of revenues or profits of the casino; and,

29 (9) As to agreements to lease an approved hotel building or the  
30 land thereunder, agreements to jointly own an approved hotel  
31 building or the land thereunder and agreements for the  
32 management of a casino, the commission shall require that each  
33 party thereto shall be jointly and severally liable for all acts,  
34 omissions and violations of this act by any party thereto  
35 regardless of actual knowledge of such act, omission or violation  
36 and notwithstanding any provision in such agreement to the  
37 contrary.

38 d. No corporation shall be eligible to apply for a casino license  
39 unless:

40 (1) The corporation shall be incorporated in the State of New  
41 Jersey, although such corporation may be a wholly or partially  
42 owned subsidiary of a corporation which is organized pursuant to  
43 the laws of another state of the United States or of a foreign  
44 country;

45 (2) The corporation shall maintain an office of the corporation  
46 in the premises licensed or to be licensed;

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

49 (4) The corporation shall maintain a ledger in the principal  
50 office of the corporation in New Jersey which shall at all times

1 reflect the current ownership of every class of security issued by  
2 the corporation and shall be available for inspection by the  
3 commission or the division and authorized agents of the  
4 commission and the division at all reasonable times without  
5 notice;

6 (5) The corporation shall maintain all operating accounts  
7 required by the commission in a bank in New Jersey;

8 (6) The corporation shall include among the purposes stated in  
9 its certificate of incorporation the conduct of casino gaming and  
10 provide that the certificate of incorporation includes all  
11 provisions required by this act;

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

26 (8) The corporation, if it is not a publicly traded corporation,  
27 shall establish to the satisfaction of the commission that  
28 appropriate charter provisions create the absolute right of such  
29 non-publicly traded corporations and companies to repurchase at  
30 the market price or the purchase price, whichever is the lesser,  
31 any security, share or other interest in the corporation in the  
32 event that the commission disapproves a transfer in accordance  
33 with the provisions of this act;

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

39 (10) Any nonpublicly traded holding, intermediary or subsidiary  
40 company of the corporation, whether the corporation is publicly  
41 traded or not, shall establish to the satisfaction of the  
42 commission that its charter provisions are the same as those  
43 required under [paragraph] paragraphs (7) and (8) for a nonpublicly  
44 traded corporation to be eligible to apply for a casino license.

45 Notwithstanding the foregoing, any corporation or company  
46 which had bylaw provisions approved by the commission prior to  
47 the effective date of this 1987 amendatory act shall have one  
48 year from the effective date of this 1987 amendatory act to  
49 adopt appropriate charter provisions in accordance with the  
50 requirements of this subsection.

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

5 e. No person shall be issued or be the holder of more than  
6 three casino licenses. For the purpose of this subsection a person  
7 shall be considered the holder of a casino license if such license is  
8 issued to such person or if such license is held by any holding,  
9 intermediary or subsidiary company thereof, or by any officer,  
10 director, casino key employee or principal employee of such  
11 person, or of any holding, intermediary or subsidiary company  
12 thereof.

13 (cf: P.L.1987, c.410, s.6)

14 <sup>1</sup>[22.] <sup>2</sup>[24.1] <sup>23.2</sup> Section 83 of P.L. 1977, c.110 (C.5:12-83) is  
15 amended to read as follows:

16 83. Approved Hotel. a. An approved hotel for purposes of this  
17 act shall be a hotel providing facilities in accordance with this  
18 section. Nothing in this section shall be construed to limit the  
19 authority of the commission to determine the suitability of  
20 facilities as provided in this act, and nothing in this section shall  
21 be construed to require a casino to be <sup>1</sup>[larger than the minimum  
22 size or] <sup>1</sup> smaller than the maximum size herein provided.

23 [An approved hotel shall, in accordance with the following  
24 table:

25 a. Contain qualifying sleeping units as defined in section 27 of  
26 this act;

27 b. Contain qualifying indoor public space available and of the  
28 sort regularly used for conventions, exhibits, meetings, banquets  
29 and similar functions, and for dining, entertainment, and sports  
30 facilities, including restaurants, bars, lounges, show theaters,  
31 shops, dance halls, swimming facilities, and tennis facilities but  
32 excluding lobbies, casinos, and parking areas; and

33 c. Contain a single casino room as defined in section 6 of this  
34 act, in accordance with the minimum number of qualifying  
35 sleeping units and minimum amount of qualifying indoor public  
36 space as provided in the following chart, but, except as  
37 hereinafter provided, in no event may a casino room be permitted  
38 to exceed the maximum square footage stated:

39 Minimum Number 40 of Qualifying 41 Sleeping Units	42 Minimum Square Footage 43 of Qualifying Indoor 44 Public Space 45 Sq. Ft.	46 Maximum Square 47 Footage of 48 Casino Room 49 Sq. Ft.
50 500	65,000	30,000
750	80,000	40,000
1,000	95,000	50,000
1,250	110,000	60,000
1,500	125,000	70,000
1,750	140,000	85,000
2,000	155,000	100,000]



1 b. (1) In the case of a casino hotel in operation on the  
 2 effective date of this amendatory and supplementary act, P.L. ,  
 3 c. , an approved hotel shall:

4 (a) contain at least the number of qualifying sleeping units, as  
 5 defined in section 27 of P.L.1977, c.110 (C.5:12-27), which it has  
 6 on the effective date of this amendatory and supplementary act,  
 7 except that those units may be consolidated and reconfigured in  
 8 order to form suites so long as there remain at least 500  
 9 qualifying sleeping units; and

10 (b) contain a casino of not more than the amount of casino  
 11 space authorized on the basis of the provisions of this section  
 12 which were in effect on the day before the effective date of this  
 13 amendatory and supplementary act and applicable to that casino  
 14 at that time, <sup>1</sup>[except that the casino space may be increased if  
 15 additional qualifying sleeping units are added as provided  
 16 hereafter in this paragraph] unless the number of qualifying  
 17 sleeping units under subparagraph (a) of this paragraph and the  
 18 number of any qualifying sleeping units added after the effective  
 19 date of this amendatory and supplementary act permit an  
 20 increase on the following basis: 50,000 square feet for the first  
 21 500 qualifying sleeping units and 10,000 square feet for each  
 22 additional 100 qualifying sleeping units above 500, up to a  
 23 maximum of 200,000 square feet. No casino hotel in operation on  
 24 the effective date of this amendatory and supplementary act  
 25 shall be required to reduce the amount of its casino space below  
 26 the amount authorized as of the day before the effective date of  
 27 this amendatory and supplementary act unless the number of  
 28 qualifying sleeping units is reduced below the number required in  
 29 subparagraph (a) of this paragraph or, during the two years after  
 30 that effective date, the amount of qualifying indoor public  
 31 space<sup>3</sup>, including space serving as kitchen support facilities,<sup>3</sup> is  
 32 reduced in violation of section <sup>3</sup>[25] <sup>24</sup> of this <sup>3</sup>amendatory and  
 33 supplementary<sup>3</sup> act<sup>1</sup>.

34 <sup>1</sup>[The casino space in such an approved hotel may be increased  
 35 following the effective date of this amendatory and  
 36 supplementary act on the basis of the following formula:

<u>(number of hotel rooms</u> <u>added)</u>	=	<u>(amount of casino space</u> <u>that may be added)</u>
<u>(1,000 - number of hotel</u> <u>rooms on that effective</u> <u>date)</u>		<u>(120,000 - amount of</u> <u>casino space on that</u> <u>effective date)]<sup>1</sup></u>

44 For the purpose of increasing casino space, an agreement  
 45 approved by the commission for the addition of qualifying  
 46 sleeping units within two years after <sup>1</sup>[approval of the  
 47 agreement] the commencement of gaming operations in the  
 48 additional casino space<sup>1</sup> shall be deemed an addition of those  
 49 rooms, but if the agreement is not fulfilled due to conditions  
 50 within the control of the casino licensee, the casino licensee shall



(1,000 - number of hotel  
rooms on date casino ceased  
operations)

(120,000 - amount of  
casino space on date  
casino ceased opera-  
tions)]<sup>1</sup>

For the purpose of increasing casino space, an agreement approved by the commission for the addition of qualifying sleeping units within two years after <sup>1</sup>[approval of the agreement] the commencement of gaming operations in the additional casino space<sup>1</sup> shall be deemed an addition of those rooms, but if the agreement is not fulfilled due to conditions within the control of the casino licensee, the casino licensee shall close the additional casino space or any portion thereof as directed by the commission.

The calculation of the number of qualifying sleeping units added with respect to any such hotel shall not include any qualifying sleeping unit or other hotel or motel room in existence in Atlantic City on the effective date of this <sup>1</sup>amendatory and supplementary<sup>1</sup> act, whether or not that unit or room is offered or usable for occupancy on the effective date, or any replacement for such a unit or room which results from construction or renovation after the effective date.

c. In the case of a casino hotel not in operation prior to or on the effective date of this amendatory and supplementary act, <sup>1</sup>P.L. , c. ,<sup>1</sup> an approved hotel shall contain at least <sup>1</sup>[1,000] 500<sup>1</sup> qualifying sleeping units, as defined in section 27 of the "Casino Control Act," P.L.1977, c.110 (C.5:12-27), and a single casino room of not more than <sup>1</sup>[120,000] 50,000<sup>1</sup> square feet <sup>1</sup>, except that for each additional 100 qualifying sleeping units above 500, the maximum size of the casino room may be increased by 10,000 square feet, up to a maximum of 200,000 square feet<sup>1</sup>. The calculation of the number of qualifying sleeping units with respect to any such casino hotel shall not include any qualifying sleeping unit or other hotel or motel room in existence in Atlantic City on the effective date of this <sup>1</sup>amendatory and supplementary<sup>1</sup> act, whether or not that unit or room is offered or usable for occupancy on the effective date, or any replacement for such a unit or room which results from construction or renovation after the effective date.

d. Once a hotel is initially approved, the commission shall thereafter rely on the certification of the casino licensee with regard to the number of rooms and, when applicable, the amount of qualifying indoor public space and shall permit rehabilitation, renovation and alteration of any part of the approved hotel even if the rehabilitation, renovation, or alteration will mean that the casino licensee does not temporarily meet the requirements of subsection c. so long as the licensee certifies that the rehabilitation, renovation, or alteration shall be completed within one year.

e. (Deleted by amendment, P.L.1987, c.352.)

1 f. [If an approved hotel shall provide more than the minimum  
2 number of qualifying sleeping units as hereinbefore defined than  
3 is required by subsection c. hereof, the maximum casino space  
4 may be permitted to increase by 40 square feet for each such  
5 excess sleeping unit.] (Deleted by amendment, P.L. , c. )

6 g. [If a licensed facility shall provide more qualifying indoor  
7 public space as hereinbefore defined than is required by  
8 subsection c. hereof, the maximum allowable casino space may be  
9 permitted to increase by a figure representing one-half of the  
10 amount of such excess qualifying indoor public space, including  
11 space serving as kitchen support facilities.] (Deleted by  
12 amendment, P.L. , c. )

13 h. [In no event may the total of the increased allowable casino  
14 space be permitted to exceed a figure representing the original  
15 maximum casino size.] (Deleted by amendment, P.L. , c. )

16 i. The commission shall not impose any criteria or  
17 requirements regarding the contents of the hotel, including  
18 [qualifying] indoor public space, in addition to the criteria and  
19 requirements expressly specified in the "Casino Control Act,"  
20 P.L.1977, c.110 (C.5:12-1 et seq.); provided, however, that the  
21 commission shall be authorized to require each casino licensee to  
22 establish and maintain an approved hotel which is in all respects a  
23 superior, first-class facility of exceptional quality which will help  
24 restore Atlantic City as a resort, tourist and convention  
25 destination.

26 (cf: P.L.1987, c.352, s.1)

27 <sup>1</sup>[23.] <sup>2</sup>[25.1] <sup>24.2</sup> (New section) Notwithstanding the  
28 provisions of section 83 of P.L.1977, c.110 (C.5:12-83) to the  
29 contrary, for a period of two years after the effective date of  
30 this amendatory and supplementary act:

31 a. a casino hotel in operation on the effective date of this  
32 amendatory and supplementary act, P.L. , c. , shall, in  
33 addition to the number of qualifying sleeping units required by  
34 that section, contain sufficient qualifying indoor public space<sup>3</sup>,  
35 including space serving as kitchen support facilities,<sup>3</sup> to provide  
36 the basis, in conjunction with the number of qualifying sleeping  
37 units, for the size of the casino in operation on that effective  
38 date, as determined by the provisions of section 83 which were in  
39 effect on the day before the effective date of this amendatory  
40 and supplementary act; and

41 b. a hotel in operation on the effective date of this  
42 amendatory and supplementary act, P.L. , c. , in which a  
43 casino was located and operated prior to, but not as of, that  
44 effective date, and in which a casino is reestablished after that  
45 effective date, shall contain sufficient qualifying indoor <sup>3</sup>public<sup>3</sup>  
46 space<sup>3</sup>, including space serving as kitchen support facilities,<sup>3</sup> to  
47 provide the basis, in conjunction with the number of qualifying  
48 sleeping units, for the size of the casino in operation on the date  
49 that it ceased operations prior to the effective date of this act,  
50 as determined by the provisions of section 83 which were

1 applicable at that time.

2 (cf: P.L.1987, c.410, s.7)

3 <sup>1</sup>[24.] <sup>2</sup>[26.1] 25.<sup>2</sup> Section 84 of P.L.1977, c.110 (C.5:12-84) is  
4 amended to read as follows:

5 84. Casino License--Applicant Requirements. Any applicant  
6 for a casino license must produce information, documentation and  
7 assurances concerning the following qualification criteria:

8 a. Each applicant shall produce such information,  
9 documentation and assurances concerning financial background  
10 and resources as may be required to establish by clear and  
11 convincing evidence the financial stability, integrity and  
12 responsibility of the applicant, including but not limited to bank  
13 references, business and personal income and disbursement  
14 schedules, tax returns and other reports filed with governmental  
15 agencies, and business and personal accounting and check records  
16 and ledgers. In addition, each applicant shall, in writing,  
17 authorize the examination of all bank accounts and records as  
18 may be deemed necessary by the commission or the division.

19 b. Each applicant shall produce such information,  
20 documentation and assurances as may be necessary to establish  
21 by clear and convincing evidence the integrity of all financial  
22 backers, investors, mortgagees, bond holders, and holders of  
23 indentures, notes or other evidences of indebtedness, either in  
24 effect or proposed, which bears any relation to the casino  
25 proposal submitted by the applicant or applicants; provided,  
26 however, that this section shall not apply to banking or other  
27 licensed lending institutions exempted from the qualification  
28 requirements of subsections c. and d. of section 85 of P.L.1977,  
29 c.110 (C.5:12-85) and institutional investors waived from the  
30 qualification requirements of those subsections pursuant to the  
31 provisions of subsection f. of section 85 of P.L.1977, c.110  
32 (C.5:12-85). Any such banking or licensed lending institution or  
33 institutional investor shall, however, produce for the commission  
34 <sup>1</sup>or the division<sup>1</sup> upon <sup>1</sup>[its]<sup>1</sup> request any document or  
35 information which bears any relation to the casino proposal  
36 submitted by the applicant or applicants. The integrity of  
37 financial sources shall be judged upon the same standards as the  
38 applicant. In addition, the applicant shall produce whatever  
39 information, documentation or assurances as may be required to  
40 establish by clear and convincing evidence the adequacy of  
41 financial resources both as to the completion of the casino  
42 proposal and the operation of the casino.

43 c. Each applicant shall produce such information,  
44 documentation and assurances as may be required to establish by  
45 clear and convincing evidence the applicant's good character,  
46 honesty and integrity. Such information shall include, without  
47 limitation, information pertaining to family, habits, character,  
48 reputation, criminal and arrest record, business activities,  
49 financial affairs, and business, professional and personal  
50 associates, covering at least the 10-year period immediately

1 preceding the filing of the application. Each applicant shall  
2 notify the commission of any civil judgments obtained against any  
3 such applicant pertaining to antitrust or security regulation laws  
4 of the federal government, of this State or of any other state,  
5 jurisdiction, province or country. In addition, each applicant shall  
6 produce letters of reference from law enforcement agencies  
7 having jurisdiction in the applicant's place of residence and  
8 principal place of business, which letters of reference shall  
9 indicate that such law enforcement agencies do not have any  
10 pertinent information concerning the applicant, or if such law  
11 enforcement agency does have information pertaining to the  
12 applicant, shall specify what the information is. If the applicant  
13 has conducted gaming operations in a jurisdiction which permits  
14 such activity, the applicant shall produce letters of reference  
15 from the gaming or casino enforcement or control agency which  
16 shall specify the experiences of such agency with the applicant,  
17 his associates, and his gaming operation; provided, however, that  
18 if no such letters are received within 60 days of request therefor,  
19 the applicant may submit a statement under oath that he is or  
20 was during the period such activities were conducted in good  
21 standing with such gaming or casino enforcement or control  
22 agency.

23 d. Each applicant shall produce such information,  
24 documentation and assurances as may be required to establish by  
25 clear and convincing evidence that the applicant has sufficient  
26 business ability and casino experience as to establish the  
27 likelihood of creation and maintenance of a successful, efficient  
28 casino operation. The applicant shall produce the names of all  
29 proposed casino key employees as they become known and a  
30 description of their respective or proposed responsibilities, and a  
31 full description of security systems and management controls  
32 proposed for the casino and related facilities.

33 e. Each applicant shall produce such information,  
34 documentation and assurances to establish to the satisfaction of  
35 the commission the suitability of the casino and related facilities  
36 subject to subsection i. of section 83 of P.L.1977, c.110  
37 (C.5:12-83) and its proposed location will not adversely affect  
38 casino operations or overall environmental conditions. Each  
39 applicant shall submit an impact statement which shall include,  
40 without limitation, architectural and site plans which establish  
41 that the proposed facilities comply in all respects with the  
42 requirements of this act, the requirements of the master plan and  
43 zoning and planning ordinances of Atlantic City, without any use  
44 variance from the provisions thereof, and the requirements of the  
45 "Coastal Area Facility Review Act," P.L.1973, c.185 (C.13:19-1  
46 et seq.), a market impact study which analyzes the adequacy of  
47 the patron market and the effect of the proposal on such market  
48 and on the existing casino facilities licensed under this act; and  
49 an analysis of the effect of the proposal on the overall  
50 environment, including, without limitation, economic, social,

1 demographic and competitive conditions as well as the natural  
2 resources of Atlantic City and the State of New Jersey.

3 (cf: P.L.1987, c.410, s.7)

4 <sup>1</sup>[25.] <sup>2</sup>[27.1] <sup>26.2</sup> Section 85 of P.L.1977, c.110 (C.5:12-85) is  
5 amended to read as follows:

6 85. Additional Requirements. a. In addition to other  
7 information required by this act, a corporation applying for a  
8 casino license shall provide the following information:

9 (1) The organization, financial structure and nature of all  
10 businesses operated by the corporation; the names and personal  
11 employment and criminal histories of all officers, directors and  
12 principal employees of the corporation; the names of all holding,  
13 intermediary and subsidiary companies of the corporation; and  
14 the organization, financial structure and nature of all businesses  
15 operated by such of its holding, intermediary and subsidiary  
16 companies as the commission may require, including names and  
17 personal employment and criminal histories of such officers,  
18 directors and principal employees of such corporations and  
19 companies as the commission may require;

20 (2) The rights and privileges acquired by the holders of  
21 different classes of authorized securities of such corporations and  
22 companies as the commission may require, including the names,  
23 addresses and amounts held by all holders of such securities;

24 (3) The terms upon which securities have been or are to be  
25 offered;

26 (4) The terms and conditions of all outstanding loans,  
27 mortgages, trust deeds, pledges or any other indebtedness or  
28 security devices utilized by the corporation;

29 (5) The extent of the equity security holding in the corporation  
30 of all officers, directors and underwriters, and their remuneration  
31 in the form of salary, wages, fees or otherwise;

32 (6) Names of persons other than directors and officers who  
33 occupy positions specified by the commission or whose  
34 compensation exceeds an amount determined by the commission,  
35 and the amount of their compensation;

36 (7) A description of all bonus and profit-sharing arrangements;

37 (8) Copies of all management and service contracts; and

38 (9) A listing of stock options existing or to be created.

39 b. If a corporation applying for a casino license is, or if a  
40 corporation holding a casino license is to become, a subsidiary,  
41 each holding company and each intermediary company with  
42 respect thereto must, as a condition of the said subsidiary  
43 acquiring or retaining such license, as the case may be:

44 (1) Qualify to do business in the State of New Jersey; and

45 (2) If it is a corporation, register with the commission and  
46 furnish the commission with all the information required of a  
47 corporate licensee as specified in subsection a. (1), (2) and (3) of  
48 this section and such other information as the commission may  
49 require; or

50 (3) If it is not a corporation, register with the commission and  
51 furnish the commission with such information as the commission

1 may prescribe. [The commission may, in its discretion, make  
2 such investigations concerning the officers, directors,  
3 underwriters, security holders, partners, principals, trustees or  
4 persons owning or beneficially holding any interest in any holding  
5 company or intermediary company as it deems necessary, either  
6 at the time of initial registration or at any time thereafter.]

7 c. No corporation shall be eligible to hold a casino license  
8 unless each officer; each director; each person who directly or  
9 indirectly holds any beneficial interest or ownership of the  
10 securities issued by the corporation; any person who in the  
11 opinion of the commission has the ability to control the  
12 corporation or elect a majority of the board of directors of that  
13 corporation, other than a banking or other licensed lending  
14 institution which makes a loan or holds a mortgage or other lien  
15 acquired in the ordinary course of business; each principal  
16 employee; and any lender, underwriter, agent, employee of the  
17 corporation, or other person whom the commission may consider  
18 appropriate for approval or qualification would, but for residence,  
19 individually be qualified for approval as a casino key employee  
20 pursuant to the provisions of this act.

21 d. No corporation which is a subsidiary shall be eligible to  
22 receive or hold a casino license unless each holding and  
23 intermediary company with respect thereto:

24 (1) If it is a corporation, shall comply with the provisions of  
25 subsection c. of this section as if said holding or intermediary  
26 company were itself applying for a casino license; provided,  
27 however, that the commission with the concurrence of the  
28 director may waive compliance with the provisions of subsection  
29 c. hereof on the part of a publicly-traded corporation which is a  
30 holding company as to any officer, director, lender, underwriter,  
31 agent or employee thereof, or person directly or indirectly  
32 holding a beneficial interest or ownership of the securities of  
33 such corporation, where the commission and the director are  
34 satisfied that such officer, director, lender, underwriter, agent or  
35 employee is not significantly involved in the activities of the  
36 corporate licensee, and in the case of security holders, does not  
37 have the ability to control the publicly-traded corporation or  
38 elect one or more directors thereof; or

39 (2) If it is not a corporation, shall comply with the provisions  
40 of subsection e. of this section as if said company were itself  
41 applying for a casino license.

42 e. Any noncorporate applicant for a casino license shall  
43 provide the information required in subsection a. of this section  
44 in such form as may be required by the commission. No such  
45 applicant shall be eligible to hold a casino license unless each  
46 person who directly or indirectly holds any beneficial interest or  
47 ownership in the applicant, or who in the opinion of the  
48 commission has the ability to control the applicant, or whom the  
49 commission may consider appropriate for approval or  
50 qualification, would, but for residence, individually be qualified  
51 for approval as a casino key employee pursuant to the provisions



1 of this act.

2 f. Notwithstanding the provisions of subsections c. and d. of  
3 this section, <sup>1</sup>and in the absence of a prima facie showing by the  
4 director that there is any cause to believe that the institutional  
5 investor may be found unqualified,<sup>1</sup> an institutional investor  
6 holding either (1) under 10% of the equity securities of a casino  
7 licensee's holding or intermediary companies, or (2) debt  
8 securities of a casino licensee's holding or intermediary  
9 companies <sup>1</sup>, or another subsidiary company of a casino  
10 licensee's holding or intermediary companies which is related in  
11 any way to the financing of the casino licensee,<sup>1</sup> where the  
12 securities represent a percentage of <sup>3</sup>[<sup>1</sup>any issue of<sup>1</sup> the  
13 company's debt] the outstanding debt of the company<sup>3</sup> not  
14 exceeding 20%<sup>3</sup>, or a percentage of any issue of the outstanding  
15 debt of the company not exceeding 50%,<sup>3</sup> shall be granted a  
16 waiver of qualification if <sup>1</sup>such securities are <sup>3</sup>those of a<sup>3</sup>  
17 publicly traded <sup>3</sup>corporation<sup>3</sup> and<sup>1</sup> its holdings of such securities  
18 were purchased for investment purposes only and upon request by  
19 the commission it files with the commission a certified statement  
20 to the effect that it has no intention of influencing or affecting  
21 the affairs of the issuer, the casino licensee or its holding or  
22 intermediary companies; provided, however, that it shall be  
23 permitted to vote on matters put to the vote of the outstanding  
24 security holders. The commission may grant a waiver of  
25 qualification to an institutional investor holding a higher  
26 percentage of such securities upon a showing of good cause and if  
27 the conditions specified above are met. <sup>1</sup>Any institutional  
28 investor granted a waiver under this subsection which  
29 subsequently determines to influence or affect the affairs of the  
30 issuer shall provide not less than 30 days' notice of such intent  
31 and shall file with the commission an application for qualification  
32 before taking any action that may influence or affect the affairs  
33 of the issuer; provided, however, that it shall be permitted to  
34 vote on matters put to the vote of the outstanding security  
35 holders.<sup>1</sup> If an institutional investor changes its investment  
36 intent, or if the commission finds reasonable cause to believe  
37 that the institutional investor may be found unqualified, no action  
38 other than divestiture shall be taken by such investor with  
39 respect to its security holdings until there has been compliance  
40 with the provisions of P.L.1987, c.409 (C.5:12-95.12 et seq.),  
41 including the execution of a trust agreement. <sup>3</sup>The casino  
42 licensee and its relevant holding, intermediary or subsidiary  
43 company shall immediately notify the commission and the  
44 division of any information about, or actions of, an institutional  
45 investor holding its equity or debt securities where such  
46 information or action may impact upon the eligibility of such  
47 institutional investor for a waiver pursuant to this subsection.<sup>3</sup>

48 g. If at any time the commission finds that an institutional  
49 investor holding any security <sup>1</sup>[of a casino licensee or]<sup>1</sup> of a  
50 holding or intermediary company <sup>1</sup>[with respect thereto] of a  
51 casino licensee, or, where relevant, of another subsidiary

1 company of a holding or intermediary company of a casino  
 2 licensee which is related in any way to the financing of the casino  
 3 licensee,<sup>1</sup> fails to comply with the terms of subsection f. of this  
 4 section, or if at any time the commission finds that, by reason of  
 5 the extent or nature of its holdings, an institutional investor is in  
 6 a position to exercise such a substantial impact upon the  
 7 controlling interests of a licensee that qualification of the  
 8 institutional investor is necessary to protect the public interest,  
 9 the commission may, in accordance with the provisions of  
 10 <sup>1</sup>subsections a. through e. of this section or<sup>1</sup> subsections d. and e.  
 11 of section 105 of P.L.1977, c.110 (C.5:12-105), take any  
 12 necessary action to protect the public interest, including  
 13 requiring such an institutional investor to be qualified pursuant to  
 14 the provisions of the "Casino Control Act," P.L.1977, c.110  
 15 (C.5:12-1 et seq.).

16 (cf: P.L.1987, c.354, s.9)

17 <sup>1</sup>[26.] <sup>2</sup>[28.1] 27.<sup>2</sup> Section 86 of P.L.1977, c.110 (C.5:12-86) is  
 18 amended to read as follows:

19 86. Casino License--Disqualification Criteria. The  
 20 commission shall deny a casino license to any applicant who is  
 21 disqualified on the basis of any of the following criteria:

22 a. Failure of the applicant to prove by clear and convincing  
 23 evidence that the applicant is qualified in accordance with the  
 24 provisions of this act;

25 b. Failure of the applicant to provide information,  
 26 documentation and assurances required by the act or requested by  
 27 the commission, or failure of the applicant to reveal any fact  
 28 material to qualification, or the supplying of information which is  
 29 untrue or misleading as to a material fact pertaining to the  
 30 qualification criteria;

31 c. The conviction of the applicant, or of any person required to  
 32 be qualified under this act as a condition of a casino license, of  
 33 any offense in any jurisdiction which would be:

34 (1) Any of the following offenses under the "New Jersey Code  
 35 of Criminal Justice," P.L.1978, c.95 (Title 2C of the New Jersey  
 36 Statutes) as amended and supplemented:

37 all crimes of the first degree;

38 N.J.S.2C:5-1 (attempt to commit an offense which is listed in  
 39 this subsection);

40 N.J.S.2C:5-2 (conspiracy to commit an offense which is listed  
 41 in this subsection);

42 N.J.S.2C:11-4b. (manslaughter);

43 N.J.S.2C:12-1b. (aggravated assault which constitutes a crime  
 44 of the second or third degree);

45 N.J.S.2C:13-1 (kidnapping);

46 N.J.S.2C:14-1 et seq. (sexual offenses which constitute crimes  
 47 of the second or third degree);

48 N.J.S.2C:15-1 (robberies);

49 N.J.S.2C:17-1a. and b. (crimes involving arson and related  
 50 offenses);

51 N.J.S.2C:17-2a. and b. (causing or risking widespread injury or

1 damage);  
2 N.J.S.2C:18-2 (burglary which constitutes a crime of the  
3 second degree);  
4 N.J.S.2C:20-1 et seq. (theft and related offenses which  
5 constitute crimes of the second or third degree);  
6 N.J.S.2C:21-1 et seq. (forgery and fraudulent practices which  
7 constitute crimes of the second or third degree);  
8 [N.J.S.2C:21-4a. (falsifying or tampering with records);  
9 N.J.S.2C:21-14 (receiving deposits in a failing financial  
10 institution);]  
11 N.J.S.2C:27-1 et seq. (bribery and corrupt influence);  
12 N.J.S.2C:28-1 et seq. (perjury and other falsification in official  
13 matters which constitute crimes of the second, third or fourth  
14 degree);  
15 N.J.S.2C:30-2 and N.J.S.2C:30-3 (misconduct in office and  
16 abuse in office which constitutes a crime of the second degree);  
17 N.J.S.2C:35-5 (manufacturing, distributing or dispensing a  
18 controlled dangerous substance or a controlled dangerous  
19 substance analog which constitutes a crime of the second or third  
20 degree);  
21 N.J.S.2C:35-6 (employing a juvenile in a drug distribution  
22 scheme);  
23 N.J.S.2C:35-7 (distributing, dispensing or possessing a  
24 controlled dangerous substance or a controlled substance analog  
25 on or within 1,000 feet of school property or bus);  
26 N.J.S.2C:35-11 (distribution, possession or manufacture of  
27 imitation controlled dangerous substances);  
28 N.J.S.2C:35-13 (acquisition of controlled dangerous substances  
29 by fraud);  
30 N.J.S.2C:37-1 et seq. (gambling offenses which constitute  
31 crimes of third or fourth degree);  
32 N.J.S.2C:37-7 (possession of a gambling device); or  
33 (2) Any other offense under present New Jersey or federal law  
34 which indicates that licensure of the applicant would be inimical  
35 to the policy of this act and to casino operations; provided,  
36 however, that the automatic disqualification provisions of this  
37 subsection shall not apply with regard to any conviction which did  
38 not occur within the 10-year period immediately preceding  
39 application for licensure and which the applicant demonstrates by  
40 clear and convincing evidence does not justify automatic  
41 disqualification pursuant to this subsection and any conviction  
42 which has been the subject of a judicial order of expungement or  
43 sealing;  
44 d. Current prosecution or pending charges in any jurisdiction  
45 of the applicant or of any person who is required to be qualified  
46 under this act as a condition of a casino license, for any of the  
47 offenses enumerated in subsection c. of this section; provided,  
48 however, that at the request of the applicant or the person  
49 charged, the commission shall defer decision upon such  
50 application during the pendency of such charge;

1 e. The pursuit by the applicant or any person who is required  
2 to be qualified under this act as a condition of a casino license of  
3 economic gain in an occupational manner or context which is in  
4 violation of the criminal or civil public policies of this State, if  
5 such pursuit creates a reasonable belief that the participation of  
6 such person in casino operations would be inimical to the policies  
7 of this act or to legalized gaming in this State. For purposes of  
8 this section, occupational manner or context shall be defined as  
9 the systematic planning, administration, management, or  
10 execution of an activity for financial gain;

11 f. The identification of the applicant or any person who is  
12 required to be qualified under this act as a condition of a casino  
13 license as a career offender or a member of a career offender  
14 cartel or an associate of a career offender or career offender  
15 cartel in such a manner which creates a reasonable belief that  
16 the association is of such a nature as to be inimical to the policy  
17 of this act and to gaming operations. For purposes of this  
18 section, career offender shall be defined as any person whose  
19 behavior is pursued in an occupational manner or context for the  
20 purpose of economic gain, utilizing such methods as are deemed  
21 criminal violations of the public policy of this State. A career  
22 offender cartel shall be defined as any group of persons who  
23 operate together as career offenders;

24 g. The commission by the applicant or any person who is  
25 required to be qualified under this act as a condition of a casino  
26 license of any act or acts which would constitute any offense  
27 under subsection c. of this section, even if such conduct has not  
28 been or may not be prosecuted under the criminal laws of this  
29 State or any other jurisdiction or has been prosecuted under the  
30 criminal laws of this State or any other jurisdiction and such  
31 prosecution has been terminated in a manner other than with a  
32 conviction; and

33 h. Contumacious defiance by the applicant or any person who  
34 is required to be qualified under this act of any legislative  
35 investigatory body or other official investigatory body of any  
36 state or of the United States when such body is engaged in the  
37 investigation of crimes relating to gaming, official corruption, or  
38 organized crime activity.

39 (cf: P.L.1987, c.354, s.10)

40 <sup>2</sup>[129.] 28.<sup>2</sup> Section 88 of P.L.1977, c.110 (C.5:12-88) is  
41 amended to read as follows:

42 88. Renewal of Casino Licenses a. Subject to the power of the  
43 commission to deny, revoke, or suspend licenses, any casino  
44 license in force shall be renewed by the commission for the next  
45 succeeding license period upon proper application for renewal and  
46 payment of license fees and taxes as required by law and the  
47 regulations of the commission. The license period for a renewed  
48 casino license shall be <sup>3</sup>up to<sup>3</sup> one year for <sup>3</sup>each of<sup>3</sup> the first  
49 two renewal periods succeeding the initial issuance of a casino  
50 license pursuant to section 87 of P.L.1977, c.110 (C.5:12-87).  
51 Thereafter, a casino license <sup>3</sup>[shall] may<sup>3</sup> be renewed for a period

1 of up to two years, but the commission may reopen licensing  
2 hearings at any time. In addition, the commission shall reopen  
3 licensing hearings at any time at the request of the Division of  
4 Gaming Enforcement in the Department of Law and Public  
5 Safety. Notwithstanding the foregoing, the commission may, for  
6 the purpose of facilitating its administration of this act, renew  
7 the casino license of the holders of licenses initially opening after  
8 January 1, 1981 for a period of one year; provided, however, the  
9 renewal period for those particular casino licenses may not be  
10 adjusted more than once pursuant to this provision. The  
11 commission shall act upon any such application prior to the date  
12 of expiration of the current license.

13 b. Application for renewal shall be filed with the commission  
14 no later than 90 days prior to the expiration of the current  
15 license, and all license fees and taxes as required by law shall be  
16 paid to the commission on or before the date of expiration of the  
17 current license.

18 c. Upon renewal of any license the commission shall issue an  
19 appropriate renewal certificate or validating device or sticker  
20 which shall be attached to each casino license.<sup>1</sup>

21 (cf: P.L.1987, c.354, s.11)

22 <sup>1</sup>[27.] <sup>2</sup>[30.1] <sup>29.</sup><sup>2</sup> Section 90 of P.L.1977, c.110 (C.5:12-90) is  
23 amended to read as follows:

24 90. Licensing of Casino Employees. a. No person may  
25 commence employment as a casino employee unless he is the  
26 holder of a valid casino employee license.

27 b. Any applicant for a casino employee license must, prior to  
28 the issuance of any such license, produce sufficient information,  
29 documentation and assurances to meet the qualification criteria,  
30 including New Jersey residency, contained in subsection b. of  
31 section 89 of this act and any additional residency requirement  
32 imposed under subsection c. of this section; except that the  
33 standards for business ability and casino experience may be  
34 satisfied by a showing of casino job experience and knowledge of  
35 the provisions of this act and regulations pertaining to the  
36 particular position involved, or by successful completion of a  
37 course of study at a licensed school in an approved curriculum.

38 c. The commission may, by regulation, require that all  
39 applicants for casino employee licenses be residents of this State  
40 for a period not to exceed six months immediately prior to the  
41 issuance of such license, but application may be made prior to the  
42 expiration of the required period of residency. The commission  
43 shall, by resolution, waive the required residency period for an  
44 applicant upon a showing that the residency period would cause  
45 undue hardship upon the casino licensee which intends to employ  
46 said applicant, or upon a showing of other good cause.

47 d. The commission shall endorse upon any license issued  
48 hereunder the particular positions as defined by regulation which  
49 the licensee is qualified to hold.

50 e. The commission shall deny a casino employee license to any  
51 applicant who is disqualified on the basis of the criteria contained

1 in section 86 of this act.

2 f. For the purposes of this section, casino security employees  
3 shall be considered casino employees and must, in addition to any  
4 requirements under other laws, be licensed in accordance with  
5 the provisions of this act.

6 g. A temporary license may be issued by the commission to  
7 casino employees for positions not directly related to gaming  
8 activity if, in its judgment, the issuance of a plenary license will  
9 be restricted by necessary investigations and said temporary  
10 licensing of the applicant is necessary for the operation of the  
11 casino. In addition, a temporary license may be issued by the  
12 commission to a casino employee for the position of slot  
13 change person if the division has not responded to the application  
14 for licensure within <sup>1</sup>[30] <sup>15</sup> days of the filing of the application  
15 and if the employee's position involves working with an  
16 impressment of <sup>1</sup>[\$1,000] \$3,000<sup>1</sup> or less and no access to any  
17 other funds. Unless otherwise terminated pursuant to this act, a  
18 temporary license issued pursuant to this subsection shall expire  
19 six months from the date of its issuance and be renewable, at the  
20 discretion of the commission, for one additional six month period.  
21 Positions "directly related to gaming activity" shall include, but  
22 not be limited to, boxmen, floormen, dealers or croupiers, cage  
23 personnel, count room personnel, slot and slot booth personnel,  
24 credit and collection personnel, casino surveillance personnel, and  
25 casino security employees whose employment duties require or  
26 authorize access to the casino.

27 h. Notwithstanding the provisions of subsection e. of this  
28 section, no applicant shall be denied a casino employee license on  
29 the basis of a conviction of any of the offenses enumerated in  
30 this act as disqualification criteria or the commission of any act  
31 or acts which would constitute any offense under subsection c. of  
32 section 86 of P.L.1977, c.110 (C.5:12-86), as specified in  
33 subsection g. of that section; provided that the applicant has  
34 affirmatively demonstrated his rehabilitation. In determining  
35 whether the applicant has affirmatively demonstrated his  
36 rehabilitation the commission shall consider the following factors:

- 37 (1) The nature and duties of the position applied for;  
38 (2) The nature and seriousness of the offense or conduct;  
39 (3) The circumstances under which the offense or conduct  
40 occurred;  
41 (4) The date of the offense or conduct;  
42 (5) The age of the applicant when the offense or conduct was  
43 committed;  
44 (6) Whether the offense or conduct was an isolated or repeated  
45 incident;  
46 (7) Any social conditions which may have contributed to the  
47 offense or conduct;  
48 (8) Any evidence of rehabilitation, including good conduct in  
49 prison or in the community, counseling or psychiatric treatment  
50 received, acquisition of additional academic or vocational  
51 schooling, successful participation in correctional work-release

1 programs, or the recommendation of persons who have or have  
2 had the applicant under their supervision.

3 (cf: P.L.1987, c.354, s.13)

4 <sup>1</sup>[28.] <sup>2</sup>[31.1] <sup>30.2</sup> Section 91 of P.L.1977, c.110 (C.5:12-91) is  
5 amended to read as follows:

6 91. Registration of Casino Hotel and Casino Hotel Security  
7 Employees. a. No person may commence employment as a  
8 casino hotel employee or a casino hotel security employee unless  
9 he has been registered with the commission, which registration  
10 shall be in accordance with subsection f. of this section.

11 b. Any applicant for casino hotel employee or casino hotel  
12 security employee registration shall produce such information as  
13 the commission may require. Subsequent to the registration of a  
14 casino hotel employee or a casino hotel security employee, the  
15 commission may revoke, suspend, limit, or otherwise restrict the  
16 registration upon a finding that the registrant is disqualified on  
17 the basis of the criteria contained in section 86 of P.L.1977,  
18 c.110 (C.5:12-86).

19 c. The commission may, by regulation, require that all  
20 applicants for casino hotel employee or casino hotel security  
21 employee registration be residents of this State for a period not  
22 to exceed three months immediately prior to such registration,  
23 but application may be made prior to the expiration of the  
24 required period of residency. The commission shall waive the  
25 required residency period for an applicant upon a showing that  
26 the residency period would cause undue hardship upon the casino  
27 licensee which intends to employ said applicant, or upon a  
28 showing of other good cause.

29 d. Notwithstanding the provisions of subsection b. of this  
30 section, no casino hotel employee or casino hotel security  
31 employee registration shall be revoked on the basis of a  
32 conviction of any of the offenses enumerated in this act as  
33 disqualification criteria or the commission of any act or acts  
34 which would constitute any offense under subsection c. of section  
35 86 of P.L.1977, c.110 (C.5:12-86), as specified in subsection g. of  
36 that section, provided that the registrant has affirmatively  
37 demonstrated his rehabilitation. In determining whether the  
38 registrant has affirmatively demonstrated his rehabilitation the  
39 commission shall consider the following factors:

40 (1) The nature and duties of the registrant's position;

41 (2) The nature and seriousness of the offense or conduct;

42 (3) The circumstances under which the offense or conduct  
43 occurred;

44 (4) The date of the offense or conduct;

45 (5) The age of the registrant when the offense or conduct was  
46 committed;

47 (6) Whether the offense or conduct was an isolated or repeated  
48 incident;

49 (7) Any social conditions which may have contributed to the  
50 offense or conduct;

51 (8) Any evidence of rehabilitation, including good conduct in

1 prison or in the community, counseling or psychiatric treatment  
2 received, acquisition of additional academic or vocational  
3 schooling, successful participation in correctional work-release  
4 programs, or the recommendation of persons who have or have  
5 had the registrant under their supervision.

6 e. The commission may waive any disqualification criterion for  
7 a casino hotel employee or a casino hotel security employee  
8 consistent with the public policy of this act and upon a finding  
9 that the interests of justice so require.

10 f. Upon petition by the holder of a casino license, casino hotel  
11 employee or casino hotel security employee registration shall be  
12 granted to each applicant for [casino hotel employee] such  
13 registration named therein, provided that the petition certifies  
14 that each such applicant has filed a completed application for  
15 casino hotel employee or casino hotel security employee  
16 registration as required by the commission.

17 [Any person who, on the effective date of this amendatory act,  
18 possesses a current and valid temporary or plenary casino hotel  
19 employee license, or has a completed application for such  
20 licensure pending before the commission, shall be considered  
21 registered in accordance with the provisions of this section.]

22 Any person who, on the effective date of this amendatory and  
23 supplementary act, P.L. , c. , possesses a current and valid  
24 casino employee license and serves solely as a casino hotel  
25 security employee, or has a completed application for such  
26 licensure pending before the commission in order to serve as a  
27 casino hotel security employee, shall be considered registered in  
28 accordance with the provisions of this section.

29 (cf: P.L.1987, c.354, s.14)

30 <sup>1</sup>[29.] <sup>2</sup>[32.1] <sup>31.2</sup> Section 94 of P.L.1977, c.110 (C.5:12-94) is  
31 amended to read as follows:

32 94. Approval and Denial of Registrations and Licenses Other  
33 Than Casino Licenses. a. Upon the filing of an application for  
34 any license or registration required by this act, other than a  
35 casino license, and after submission of such supplemental  
36 information as the commission may require, the commission shall  
37 request the division to conduct such investigation into the  
38 qualification of the applicant, and the commission shall conduct  
39 such hearings concerning the qualification of the applicant, in  
40 accordance with its regulations, as may be necessary to  
41 determine qualification for such license or registration.

42 b. After such investigation, the commission may either deny  
43 the application or grant a license to or accept the registration of  
44 an applicant whom it determines to be qualified to hold such  
45 license or registration.

46 c. The commission shall have the authority to deny any  
47 application pursuant to the provisions of this act. When an  
48 application is denied, the commission shall prepare and file its  
49 order denying such application with the general reasons therefor,  
50 and if requested by the applicant, shall further prepare and file a



1 statement of the reasons for the denial, including the specific  
2 findings of fact.

3 d. When the commission grants an application, the commission  
4 may limit or place such restrictions thereupon as it may deem  
5 necessary in the public interest. Licenses shall be granted and  
6 registrations approved for a term of one year; provided, however,  
7 that: (1) all casino employee licenses, gaming school resident  
8 director, instructor, principal employee and sales representative  
9 licenses, casino service industry licenses issued pursuant to  
10 subsection c. of section 92 of P.L.1977, c.110 (C.5:12-92c.), and  
11 junket representative and junket enterprise licenses issued  
12 pursuant to section 102 of P.L.1977, c.110 (C.5:12-102) shall be  
13 granted for a term of three years; (2) casino hotel employee  
14 registration shall remain in effect unless revoked, suspended,  
15 limited, or otherwise restricted by the commission in accordance  
16 with the provisions of P.L.1977, c.110 (C.5:12-1 et seq.); and (3)  
17 after the first two renewal periods succeeding the issuance of a  
18 casino key employee license or of a casino service industry  
19 license required pursuant to subsection a. of section 92 of  
20 P.L.1977, c.110 (C.5:12-92), the license term shall be for two  
21 years[, but the]. The commission shall reconsider the granting of  
22 [such a] any license or the approval of any registration at any  
23 time at the request of the Division of Gaming Enforcement in the  
24 Department of Law and Public Safety.

25 Notwithstanding the provisions of paragraph (3) of this  
26 subsection, the commission may, for the purpose of avoiding the  
27 renewal in the same year of all the licenses existing on the  
28 effective date of this 1987 amendatory act which are affected by  
29 that paragraph, renew an appropriate number of those licenses  
30 for a term of one year, but the renewal period for those licenses  
31 may not be adjusted more than once pursuant to this provision.

32 e. After an application is submitted to the commission, final  
33 action of the commission shall be taken within 90 days after  
34 completion of all hearings and investigations and the receipt of  
35 all information required by the commission.

36 (cf: P.L.1987, c.354, s.15)

37 <sup>1</sup>[30.] <sup>2</sup>[33.1] <sup>3</sup>32.<sup>2</sup> Section 3 of P.L.1987, c.409 (C.5:12-95.12)  
38 is amended to read as follows:

39 3. Applicability and Requirements.

40 a. Except as provided in subsection b. of this section,  
41 whenever any person contracts to transfer any property relating  
42 to an ongoing casino operation, including a security holding in a  
43 casino licensee or holding or intermediary company, under  
44 circumstances which require that the transferee obtain casino  
45 licensure under section 82 of the "Casino Control Act," P.L.1977,  
46 c.110 (C.5:12-82), or qualification under section 84 or 85 of the  
47 "Casino Control Act," P.L.1977, c.110 (C.5:12-84 and 5:12-85),  
48 the contract shall not specify a closing or settlement date which  
49 is earlier than the 121st day after the submission of a completed  
50 application for licensure or qualification, which application shall

1 include a fully executed and approved trust agreement in  
2 accordance with section 5 of this 1987 amendatory and  
3 supplementary act. Any contract provision which specifies an  
4 earlier closing or settlement date shall be void for all purposes.  
5 Subsequent to the earlier of the report of the division on interim  
6 authorization or the 90th day after the timely submission of the  
7 completed application, but no later than the closing or settlement  
8 date, the commission shall hold a hearing and render a decision on  
9 the interim authorization of the applicant. If the commission  
10 grants interim authorization, then, subject to the provisions of  
11 sections 3 through 7 of this 1987 amendatory and supplementary  
12 act, the closing or settlement may occur without interruption of  
13 casino operations. If the commission denies interim  
14 authorization, there shall be no closing or settlement until the  
15 commission makes a determination on the qualification of the  
16 applicant, and if the commission then denies qualification the  
17 contract shall thereby be terminated for all purposes without  
18 liability on the part of the transferor.

19 b. Whenever any person, as a result of a transfer of  
20 publicly-traded securities of a casino licensee or a holding or  
21 intermediary company or a <sup>1</sup>[subsidiary] financing entity<sup>1</sup> of a  
22 casino licensee <sup>1</sup>[or of a holding or intermediary company]<sup>1</sup>, is  
23 required to qualify under section 84 or 85 of the "Casino Control  
24 Act," P.L.1977, c.110 (C.5:12-84 and 5:12-85), the person shall,  
25 within 30 days after the commission determines that qualification  
26 is required [under section 84] or declines to waive qualification  
27 under section 84, under paragraph (1) of subsection d. of section  
28 85, or under subsection f. of section 85, or within such additional  
29 time as the commission may for good cause allow, file a  
30 completed application for such licensure or qualification, which  
31 application shall include a fully executed and approved trust  
32 agreement in accordance with section 5 of [this 1987 amendatory  
33 and supplementary act] P.L.1987, c.409 (C.5:12-95.14), or in the  
34 alternative, such person, within 120 days after the commission  
35 determines that qualification is <sup>1</sup>[necessary] required or a waiver  
36 of qualification is denied<sup>1</sup>, shall divest such securities as the  
37 commission may require in order to remove the need for  
38 qualification. <sup>1</sup>if such person determines to divest such  
39 securities, notice of such determination shall be filed with the  
40 commission within 30 days after the commission determines that  
41 qualification is required or that a waiver of qualification is  
42 denied.<sup>1</sup> No extension of the time for filing a completed  
43 application shall be granted unless the person submits a written  
44 acknowledgement of the jurisdiction of the commission and the  
45 obligations imposed by the "Casino Control Act," P.L.1977, c.110  
46 (C.5:12-1 et seq.). If a person required by this section to file an  
47 application fails to do so in a timely manner, such failure shall  
48 constitute a per se disqualification to continue to act as a  
49 security holder, and the commission shall take appropriate action  
50 under the "Casino Control Act." If a person required by this

1 section to file an application does so in a timely manner, then,  
2 subsequent to the earlier of the report of the division on interim  
3 authorization or the 90th day after submission of the completed  
4 application, but not later than the 120th day after such  
5 submission, the commission shall hold a hearing and render a  
6 decision on the interim authorization of such person. The  
7 pendency of proceedings under this subsection shall not prevent  
8 the renewal of a casino license under section 88 of the "Casino  
9 Control Act," P.L.1977, c.110 (C.5:12-88), so long as any person  
10 required by this subsection to file an application has complied  
11 with this subsection and has otherwise complied with the "Casino  
12 Control Act."

13 (cf: P.L.1987, c.409, s.3)

14 <sup>1</sup>[31.] <sup>2</sup>[34,<sup>1</sup>] <sup>3</sup>33.<sup>2</sup> Section 5 of P.L.1987, c.409 (C.5:12-95.14)  
15 is amended to read as follows:

16 5. Provisions and Application of Trust Agreement.

17 a. (1) Where the applicant is not required to obtain a casino  
18 license, the trust agreement filed pursuant to section 3 of this  
19 1987 amendatory and supplementary act shall transfer and convey  
20 all of the applicant's present and future right, title and interest  
21 in the property described in section 3, including all voting rights  
22 in securities, to the trustee.

23 (2) Where the applicant is required to obtain a casino license,  
24 the trust agreement filed pursuant to section 3 of this 1987  
25 amendatory and supplementary act shall transfer and convey to  
26 the trustee, if the applicant is a corporation, all outstanding  
27 equity securities of the corporation, and, if the applicant is other  
28 than a corporation, all outstanding interest in the applicant.

29 (3) The compensation for the service, costs and expenses of  
30 the trustee or trustees shall be stated in the trust agreement and  
31 shall be approved by the commission.

32 (4) The trust agreement filed pursuant to section 3 of this 1987  
33 amendatory and supplementary act shall, in all instances, contain  
34 such provisions as the commission may deem necessary and  
35 desirable.

36 b. With respect to applicants described in subsection b. of  
37 section 3 of this 1987 amendatory and supplementary act, if the  
38 commission denies interim authorization, it shall order that the  
39 trust agreement become operative, or take such other action as  
40 may be appropriate in accordance with this 1987 amendatory and  
41 supplementary act. With respect to all applicants under section  
42 3, if the commission grants interim authorization, it shall  
43 thereafter order that the trust agreement become operative at  
44 such time as it finds reasonable cause to believe that the  
45 applicant or any person required to be qualified in connection  
46 with the application may be found unqualified.

47 c. While the trust agreement remains operative, the trustee  
48 shall exercise all rights incident to the ownership of the property  
49 subject to the trust, and shall be vested with all powers, authority  
50 and duties necessary to the unencumbered exercise of such rights,

1 as provided in sections 31 through 40 of P.L.1978, c.7  
2 (C.5:12-130.1 through 5:12-130.11), except that the applicant  
3 shall have no right to participate in the earnings of the casino  
4 hotel or receive any return on its investment or debt security  
5 holdings during the time the trust is operative.

6 d. The trust agreement, once operative, shall remain operative  
7 until the commission finds the applicant qualified, or the  
8 commission finds the applicant unqualified and the property  
9 subject to the trust is disposed of in accordance with subsection  
10 e. of section 5 of this 1987 amendatory and supplementary act,  
11 except that the applicant may request the commission to direct  
12 the trustee to dispose of the property subject to the trust, in  
13 accordance with that subsection e., prior to a finding with  
14 respect to qualification.

15 e. If the commission denies qualification to a person subject to  
16 sections 3 through 7 of this 1987 amendatory and supplementary  
17 act, the trustee shall endeavor and be authorized to sell, assign,  
18 convey or otherwise dispose of all property subject to the trust to  
19 such persons as shall be appropriately licensed or qualified or  
20 shall obtain interim authorization in accordance with those  
21 sections. The disposition of trust property by the trustee shall be  
22 completed within 120 days of the denial of qualification, or  
23 within such additional time as the commission may for good cause  
24 allow, and shall be conducted in accordance with sections 31  
25 through 40 of P.L.1978, c.7 (C.5:12-130.1 through 5:12-130.11),  
26 except that the proceeds of such disposition shall be distributed  
27 to the unqualified applicant only in an amount not <sup>1</sup>[exceeding] to  
28 exceed the lower of<sup>1</sup> the actual cost of the assets to such  
29 unqualified applicant<sup>1</sup>[,] or the value of such assets<sup>1</sup> calculated  
30 as if the investment had been made on the date the trust becomes  
31 operative, and any excess remaining proceeds shall be paid to the  
32 casino revenue fund.

33 (cf: P.L.1987, c.409, s.5)

34 <sup>1</sup>[32.] <sup>2</sup>[35.1] <sup>34.2</sup> Section 96 of P.L.1977, c.110 (C.5:12-96) is  
35 amended to read as follows;

36 96. Operation Certificate. a. Notwithstanding the issuance of  
37 a license therefor, no casino may be opened or remain open to the  
38 public, and no gaming activity, except for test purposes, may be  
39 conducted therein, unless and until a valid operation certificate  
40 has been issued to the casino licensee by the commission. Such  
41 certificate shall be issued by the commission upon a finding that  
42 a casino complies in all respects with the requirements of this act  
43 and regulations promulgated hereunder, that the casino licensee  
44 has implemented necessary management controls and security  
45 precautions, that casino personnel are properly trained and  
46 licensed for their respective responsibilities, and that the casino  
47 is prepared in all respects to receive the public.

48 b. The operation certificate shall include a statement of  
49 compliance with subsection a. of this section and an itemized list  
50 by category and number of the authorized games permitted in the

1 particular casino establishment.

2 c. A casino licensee shall [notify the commission in advance of  
3 any proposed change], in accordance with regulations  
4 promulgated by the commission, file any changes in the number  
5 of authorized games to be played in a particular casino, and shall  
6 request the issuance of an operation certificate which permits  
7 such changes to occur. The commission shall issue a revised  
8 operation certificate unless it finds that the planned change in  
9 authorized games does not conform to the requirements of this  
10 act or regulations promulgated hereunder, or that there has been  
11 a change of circumstances in the casino or with respect to the  
12 casino licensee materially affecting compliance with subsection  
13 a. of this section] with the commission and the division, which  
14 shall review the changes for compliance with the "Casino Control  
15 Act," P.L.1977, c.110 (C.5:12-1 et seq.) or regulations  
16 promulgated thereunder.

17 d. An operation certificate shall remain in force and effect  
18 unless altered in accordance with subsection c. of this section, or  
19 revoked, suspended, limited, or otherwise altered by the  
20 commission in accordance with this act.

21 e. It shall be an express condition of continued operation under  
22 this act that a casino licensee shall maintain all books, records,  
23 and documents pertaining to the licensee's operations and  
24 approved hotel in a manner and location within this State  
25 approved by the commission. All such books, records and  
26 documents shall be immediately available for inspection during  
27 all hours of operation in accordance with the rules of the  
28 commission and shall be maintained for [a period of seven years  
29 or] such [other] period of time as the commission shall require.

30 (cf: P.L.1987, c.354, s.17)

31 <sup>1</sup>[33.] <sup>2</sup>[36.1] <sup>35.2</sup> Section 97 of P.L.1977, c.110 (C.5:12-97) is  
32 amended to read as follows:

33 97. Hours of Operation. a. No casino licensed pursuant to this  
34 act shall operate between the hours of [6] <sup>1</sup>[8] <sup>6</sup><sup>1</sup> a.m. and 10  
35 a.m. on Saturdays, Sundays and State and Federal holidays, or  
36 between the hours of 4 a.m. and 10 a.m. on all other days, except  
37 that for a period of three years following the effective date of  
38 this amendatory and supplementary act, P.L. , c. , the  
39 commission may extend the hours of operation <sup>3</sup>[on any day]<sup>3</sup>, up  
40 to and including 24 hours of operation, <sup>3</sup>[if] on any Saturday,  
41 Sunday, or State or Federal holiday, or on any day on which<sup>3</sup> the  
42 commission determines that there is an event to be held in a  
43 casino or in Atlantic City that will have a substantial citywide  
44 impact with respect to the number of visitors to the city and will  
45 have an economic impact on the casino industry which would  
46 justify the extension of those hours.

47 b. A casino licensee shall file with the commission a schedule  
48 of hours prior to the issuance of an initial operation certificate.  
49 If the casino licensee proposes any change in scheduled hours,  
50 such change may not be effected until such licensee files a notice

1 of the new schedule of hours with the commission. Such filing  
2 must be made 30 days prior to the effective date of the proposed  
3 change in hours.

4 c. Nothing herein shall be construed to limit a casino licensee  
5 in opening its casino later than, or closing its casino earlier than,  
6 the times stated in its schedule of operating hours; provided,  
7 however, that any such alterations in its hours shall comply with  
8 the provisions of subsection a. of this section and with regulations  
9 of the commission pertaining to such alterations.

10 (cf: P.L.1977, c.110, s.97)

11 <sup>1</sup>[34.] <sup>2</sup>[37.1] <sup>3</sup>36.<sup>2</sup> Section 98 of P.L.1977, c.110 (C.5:12-98) is  
12 amended to read as follows:

13 98. a. Each casino licensee shall arrange the facilities of its  
14 casino in such a manner as to promote maximum comfort for the  
15 patrons and optimum security for the casino operation, and shall  
16 comply in all respects with regulations of the commission  
17 pertaining thereto.

18 b. Each casino licensee shall:

19 (1) Install a closed circuit television system according to  
20 specifications approved by the commission, and provide access on  
21 the licensed premises to the system or its signal by the  
22 commission or the division, in accordance with regulations  
23 pertaining thereto;

24 (2) [Provide exterior public entrances to a casino only through  
25 an enclosed lobby or receiving foyer of not less than 400 square  
26 feet; provided, however, that nothing herein shall limit the  
27 number of such entrances to a casino;

28 (3)] Establish a single room [of at least 15,000 square feet] as  
29 its casino, and provide that visibility between any two areas in  
30 the casino, whether or not contiguous, may not be obstructed by  
31 partitions of any kind which cover more than 50% of the  
32 structural opening; provided, however, that multi-level casinos  
33 otherwise complying with this subsection shall be permitted; and

34 [(4)] (3) Not permit the interior of the casino to be visible from  
35 outside the casino hotel facility]; and

36 (5) Not be entitled to have considered any meeting space and  
37 restaurant, entertainment, and sports space which has direct  
38 public access only through the casino as counting toward the  
39 minimum ancillary space requirements of section 83 of this act].

40 (cf: P.L.1977, c.110, s.98)

41 <sup>1</sup>[35.] <sup>2</sup>[38.1] <sup>3</sup>37.<sup>2</sup> Section 99 of P.L.1977, c.110 (C.5:12-99) is  
42 amended to read as follows:

43 99. Internal Controls. a. Each casino licensee shall submit to  
44 the commission a description of its system of internal procedures  
45 and administrative and accounting controls for gaming operations  
46 and a description of any changes thereof. Such submission shall  
47 be made at least [120] 60 days before gaming operations are to  
48 commence [or at least 90 days before changes in previously  
49 submitted control plans are to become effective] or at least  
50 60 days before any change in those procedures or controls is to

- 1 take effect, unless otherwise directed by the commission. Each  
2 such submission shall contain both narrative and diagrammatic  
3 representations of the internal control system to be utilized by  
4 the casino, including, but not limited to:
- 5 (1) Accounting controls, including the standardization of forms  
6 and definition of terms to be utilized in the gaming operations;
  - 7 (2) Procedures, forms, and, where appropriate, formulas  
8 covering the calculation of hold percentages, revenue drop,  
9 expense and overhead schedules, complimentary services, junkets,  
10 cash equivalent transactions, salary structure and personnel  
11 practices;
  - 12 (3) Job descriptions and the system of personnel and  
13 chain-of-command, establishing a diversity of responsibility  
14 among employees engaged in casino operations and identifying  
15 primary and secondary supervisory positions for areas of  
16 responsibility, which areas shall not be so extensive as to be  
17 impractical for an individual to monitor;
  - 18 (4) Procedures within the cashier's cage for the receipt,  
19 storage and disbursal of chips, cash, and other cash equivalents  
20 used in gaming; the cashing of checks; the redemption of chips  
21 and other cash equivalents used in gaming; the pay-off of  
22 jackpots; and the recording of transactions pertaining to gaming  
23 operations;
  - 24 (5) Procedures for the collection and security of moneys at the  
25 gaming tables;
  - 26 (6) Procedures for the transfer and recordation of chips  
27 between the gaming tables and the cashier's cage;
  - 28 (7) Procedures for the transfer of moneys from the gaming  
29 tables to the counting process;
  - 30 (8) Procedures and security for the counting and recordation of  
31 revenue;
  - 32 (9) Procedures for the security, storage and recordation of  
33 chips and other cash equivalents utilized in the gaming operation;
  - 34 (10) Procedures for the transfer of moneys or chips from and  
35 to the slot machines;
  - 36 (11) Procedures and standards for the opening and security of  
37 slot machines;
  - 38 (12) Procedures for the payment and recordation of slot  
39 machine jackpots;
  - 40 (13) Procedures for the cashing and recordation of checks  
41 exchanged by casino patrons;
  - 42 (14) Procedures governing the utilization of the private  
43 security force within the casino;
  - 44 (15) Procedures and security standards for the handling and  
45 storage of gaming apparatus including cards, dice, machines,  
46 wheels and all other gaming equipment;
  - 47 (16) Procedures and rules governing the conduct of particular  
48 games and the responsibility of casino personnel in respect  
49 thereto; and
  - 50 (17) Procedures for separately recording all transactions

1 pursuant to section 101 of this act involving the Governor, any  
2 State officer or employee, or any special State officer or  
3 employee, any member of the Judiciary, any member of the  
4 Legislature, or any officer of a municipality or county in which  
5 casino gaming is authorized, and for the quarterly filing with the  
6 Attorney General of a list reporting all such transactions.

7 In addition, each casino licensee shall submit to the commission  
8 a description of its system of internal procedures and  
9 administrative and accounting controls for non-gaming operations  
10 and a description of any changes thereof no later than five days  
11 after those operations commence or after any change in those  
12 procedures or controls takes effect.

13 b. The commission shall review each submission required by  
14 subsection a. hereof, and shall determine whether it conforms to  
15 the requirements of this act and to the regulations promulgated  
16 thereunder and whether the system submitted provides adequate  
17 and effective controls for the operations of the particular casino  
18 hotel submitting it. If the commission finds any insufficiencies, it  
19 shall specify same in writing to the casino licensee, who shall  
20 make appropriate alterations. When the commission determines a  
21 submission to be adequate in all respects, it shall notify the  
22 casino licensee of same. No casino licensee shall commence or  
23 alter gaming operations[, or alter in fact its internal controls,]  
24 unless and until such system of controls is approved by the  
25 commission. [Except for submissions pending on the effective  
26 date of this 1987 amendatory act, the commission shall make a  
27 determination concerning a submission for changes in previously  
28 submitted control plans no later than 90 days following receipt of  
29 the submission unless the commission and the casino licensee  
30 agree to extend the period for making such a determination. If  
31 there is no determination made within 90 days and there is no  
32 agreement to extend the period for making such a determination,  
33 then the submission shall be deemed to be approved.]

34 (cf: P.L.1987, c.354, s.18)

35 <sup>1</sup>[36.] <sup>2</sup>[39.1] <sup>38.2</sup> Section 100 of P.L.1977, c.110 (C.5:12-100)  
36 is amended to read as follows:

37 100. Games and Gaming Equipment. a. This act shall not be  
38 construed to permit any gaming except the conduct of authorized  
39 games in a casino room in accordance with this act and the  
40 regulations promulgated hereunder.

41 b. Gaming equipment shall not be possessed, maintained or  
42 exhibited by any person on the premises of a casino hotel complex  
43 except in the casino room and in secure areas used for the  
44 inspection, repair or storage of such equipment and specifically  
45 designated for that purpose by the casino licensee with the  
46 approval of the commission. No gaming equipment shall be  
47 possessed, maintained, exhibited, brought into or removed from a  
48 casino room by any person unless such equipment is necessary to  
49 the conduct of an authorized game, has permanently affixed,  
50 imprinted, impressed or engraved thereon an identification



1 number or symbol authorized by the commission, is under the  
2 exclusive control of a casino licensee or his employees, and is  
3 brought into or removed from the casino room at times  
4 authorized for that purpose by the commission or at other times  
5 when prior notice has been given to and written approval granted  
6 by an authorized agent of the commission.

7 Notwithstanding the foregoing, a person may, with the prior  
8 approval of the commission and under such terms and conditions  
9 as may be required by the commission, possess, maintain or  
10 exhibit gaming equipment in any other area of the casino hotel  
11 complex; provided such equipment is used for nongaming purposes.

12 c. Each casino hotel shall contain a count room and such other  
13 secure facilities as may be required by the commission for the  
14 counting and storage of cash, coins, tokens and checks received in  
15 the conduct of gaming and for the inspection, counting and  
16 storage of dice, cards, chips and other representatives of value.  
17 All drop boxes and other devices wherein cash, coins, or tokens  
18 are deposited at the gaming tables or in slot machines, and all  
19 areas wherein such boxes and devices are kept while in use, shall  
20 be equipped with two locking devices, one key to which shall be  
21 under the exclusive control of the commission and the other  
22 under the exclusive control of the casino licensee, and said drop  
23 boxes and other devices shall not be brought into or removed  
24 from the casino room, or locked or unlocked, except at such  
25 times, in such places, and according to such procedures as the  
26 commission may require.

27 d. All chips used in gaming at all casinos shall be of such size  
28 and uniform color by denomination as the commission shall  
29 require by regulation.

30 e. All gaming shall be conducted according to rules  
31 promulgated by the commission. All wagers and pay-offs of  
32 winning wagers at table games shall be made according to rules  
33 promulgated by the commission, which shall establish such  
34 minimum wagers and other limitations as may be necessary to  
35 assure the vitality of casino operations and fair odds to and  
36 maximum participation by casino patrons; provided, however,  
37 that a licensee may establish a higher minimum wager with the  
38 prior approval of the commission. Each slot machine shall have a  
39 minimum payout of 83%.

40 f. Each casino licensee shall make available in printed form to  
41 any casino patron upon request the complete text of the rules of  
42 the commission regarding games and the conduct of gaming,  
43 pay-offs of winning wagers, an approximation of the odds of  
44 winning for each wager, and such other advice to the player as  
45 the commission shall require. Each casino licensee shall  
46 prominently post within the casino room according to regulations  
47 of the commission such information about gaming rules, pay-offs  
48 of winning wagers, the odds of winning for each wager, and such  
49 other advice to the player as the commission shall require.

50 g. Each gaming table shall be equipped with a sign indicating

1 the permissible minimum and maximum wagers pertaining  
2 thereto. It shall be unlawful for a casino licensee to require any  
3 wager to be greater than the stated minimum or less than the  
4 stated maximum; provided, however, that any wager actually  
5 made by a patron and not rejected by a casino licensee prior to  
6 the commencement of play shall be treated as a valid wager.  
7 h. No slot machine shall be used to conduct gaming unless it is  
8 identical in all electrical, mechanical and other aspects to a  
9 model thereof which has been specifically tested by the division  
10 and licensed for use by the commission. The commission shall, by  
11 regulation, establish such technical standards for licensure,  
12 including mechanical and electrical reliability, security against  
13 tampering, the comprehensibility of wagering, and noise and light  
14 levels, as it may deem necessary to protect the player from fraud  
15 or deception and to insure the integrity of gaming. In no event  
16 shall slot machines, including walkways between them, occupy  
17 more than [30%] <sup>1</sup>[40%] <sup>3</sup>[42%] <sup>1</sup>45%<sup>3</sup> of the first 50,000 square  
18 feet of floor space of a casino, or more than [25%] <sup>1</sup>[30%] <sup>3</sup>32%<sup>1</sup>  
19 of any additional floor space of a casino larger than 50,000 square  
20 feet in the case of a casino hotel with fewer than 1,200 qualifying  
21 sleeping units or more than <sup>1</sup>[40%] <sup>3</sup>[42%] <sup>1</sup>45%<sup>3</sup> of such  
22 additional floor space in the case of a casino hotel with at least  
23 1,200 qualifying sleeping units. In the case of casinos in operation  
24 on the effective date of this amendatory and supplementary act,  
25 P.L., c. , up to 10% of the number of slot machines in  
26 operation on that effective date may be added by the end of the  
27 first year after the effective date, up to 20% of that number may  
28 be added by the end of the second year after the effective date,  
29 and up to 30% of that number may be added by the end of the  
30 third year after the effective date. The commission shall, by  
31 regulation, determine the permissible density of particular  
32 licensed slot machines or combinations thereof, based upon their  
33 size and light and noise levels, so as to create and maintain a  
34 gracious playing environment in the casino and to avoid deception  
35 or frequent distraction to players at gaming tables. The  
36 denominations of such machines shall be set by the licensee,  
37 subject to the prior approval of the commission.  
38 i. Each casino shall be arranged in such fashion as to allow  
39 floor space for each gaming table, including the space occupied  
40 by the table, in accordance with the following:  
41 Baccarat--300 square feet  
42 Blackjack--100 square feet  
43 Craps--200 square feet  
44 Roulette--150 square feet  
45 Big Six Wheel--150 square feet] (Deleted by amendment,  
46 P.L., c. )  
47 j. Each casino shall be arranged in such fashion as to assure  
48 that gaming tables shall at all times be present, whether in use or  
49 not, according to the following:  
50 (1) At least one baccarat or minibaccarat table for every

1 50,000 square feet of casino space or part thereof; and

2 (2) No more than one Big Six Wheel and table for every 10,000  
3 square feet of casino space or part thereof.] (Deleted by  
4 amendment, P.L. , c. .)

5 k. It shall be unlawful for any person to exchange or redeem  
6 chips for anything whatsoever, except currency, negotiable  
7 personal checks, negotiable counter checks or other chips. A  
8 casino licensee shall, upon the request of any person, redeem that  
9 licensee's gaming chips surrendered by that person in any amount  
10 over \$25.00 with a check drawn upon the licensee's account at  
11 any banking institution in this State and made payable to that  
12 person.

13 l. It shall be unlawful for any casino licensee or <sup>1</sup>[his] its<sup>1</sup>  
14 agents or employees to employ, contract with, or use any skill or  
15 barker to induce any person to enter a casino or play at any game  
16 or for any purpose whatsoever.

17 m. It shall be unlawful for a dealer in any authorized game in  
18 which cards are dealt to deal cards by hand or other than from a  
19 device specifically designed for that purpose.

20 n. It shall be unlawful for any casino key employee, other than  
21 a junket representative, or any casino employee, other than a  
22 bartender, waiter, waitress, or other casino employee who in the  
23 judgment of the commission is not directly involved with the  
24 conduct of gaming operations, to wager at any game in any casino  
25 in this State.

26 o. (1) It shall be unlawful for any casino key employee or  
27 boxman, floorman, or any other casino employee who shall serve  
28 in a supervisory position to solicit or accept, and for any other  
29 casino employee to solicit, any tip or gratuity from any player or  
30 patron at the casino where he is employed.

31 (2) A dealer may accept tips or gratuities from a patron at the  
32 table at which such dealer is conducting play, subject to the  
33 provisions of this subsection. All such tips or gratuities shall be  
34 immediately deposited in a lockbox reserved for that purpose,  
35 accounted for, and placed in a pool for distribution pro rata  
36 among the dealers [on a weekly basis], with the distribution based  
37 upon the number of hours each dealer has worked.

38 (cf: P.L.1987, c.355, s.7)

39 <sup>1</sup>[37.] <sup>2</sup>[40.1] <sup>3</sup>39.<sup>2</sup> Section 101 of P.L.1977, c.110 (C.5:12-101)  
40 is amended to read as follows:

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

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

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

1 in gaming activity, without maintaining a written record thereof  
2 in accordance with the rules of the commission.

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  
6 accept a check, other than a recognized traveler's check or other  
7 cash equivalent from any person to enable such person to take  
8 part in gaming activity as a player, or may give cash or cash  
9 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 his representative  
13 and is exchanged only for a credit slip or slips which total an  
14 amount equal to the amount for which the check is drawn, which  
15 slip or slips may be presented for chips at a gaming table; and

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

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

25 c. When a casino licensee or other person licensed under this  
26 act, or any person acting on behalf of or under any arrangement  
27 with a casino licensee or other person licensed under this act,  
28 cashes a check in conformity with the requirements of subsection  
29 b. of this section, the casino licensee shall cause the deposit of  
30 such check in a bank for collection or payment within (1) seven  
31 calendar days of the date of the transaction for a check in an  
32 amount of \$1,000.00 or less; (2) 14 calendar days of the date of  
33 the transaction for a check in an amount greater than \$1,000.00  
34 but less than or equal to \$5,000.00; or (3) 45 calendar days of the  
35 date of the transaction for a check in an amount greater than  
36 \$5,000.00. Notwithstanding the foregoing, the drawer of the  
37 check may redeem the check by exchanging cash [or], cash  
38 equivalents, chips, or a check which meets the requirements of  
39 subsection g. of this section in an amount equal to the amount for  
40 which the check is drawn; or he may redeem the check in part by  
41 exchanging cash [or], cash equivalents, chips, or a check which  
42 meets the requirements of subsection g. of this section and  
43 another check which meets the requirements of subsection b. of  
44 this section for the difference between the original check and the  
45 cash [or], cash equivalents, chips, or check tendered; or he may  
46 issue one check which meets the requirements of subsection b. of  
47 this section in an amount sufficient to redeem two or more  
48 checks drawn to the order of the casino licensee. If there has  
49 been a partial redemption or a consolidation in conformity with  
50 the provisions of this subsection, the newly issued check shall be

1 delivered to a bank for collection or payment within the period  
2 herein specified. No casino licensee or any person licensed under  
3 this act, and no person acting on behalf of or under any  
4 arrangement with a casino licensee or other person licensed under  
5 this act, shall accept any check or series of checks in redemption  
6 or consolidation of another check or checks in accordance with  
7 this subsection for the purpose of avoiding or delaying the deposit  
8 of a check in a bank for collection or payment within the time  
9 period prescribed by this subsection.

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

14 d. No casino licensee or any other person licensed under this  
15 act, or any other person acting on behalf of or under any  
16 arrangement with a casino licensee or other person licensed under  
17 this act, shall transfer, convey, or give, with or without  
18 consideration, a check cashed in conformity with the  
19 requirements of this section to any person other than:

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

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

23 (3) A purchaser of the casino license as approved by the  
24 commission. The limitation on transferability of checks imposed  
25 herein shall apply to checks returned by any bank to the casino  
26 licensee without full and final payment.

27 e. No person other than one licensed as a casino key employee  
28 or as a casino employee may engage in efforts to collect upon  
29 checks that have been returned by banks without full and final  
30 payment, except that an attorney-at-law representing a casino  
31 licensee may bring action for such collection.

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

40 g. Notwithstanding the provisions of subsection b. of this  
41 section to the contrary, a casino licensee may accept a check  
42 from a person to enable the person to take part in gaming  
43 activity as a player, [or] may give cash or cash equivalents in  
44 exchange for <sup>1</sup>[the] such a<sup>1</sup> check, or may accept a check in  
45 redemption or partial redemption of a check issued in accordance  
46 with subsection b., provided that:

47 (1) (a) The check is drawn by a casino licensee pursuant to the  
48 provisions of subsection k. of section 100 of P.L.1977, c.110  
49 (C.5:12-100 k.) or upon a withdrawal of funds from an account  
50 established in accordance with the provisions of subsection b. of

1 this section or is drawn by a casino licensee for winnings from  
2 slot machine payoffs;

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

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

12 (2) The check is identifiable in a manner approved by the  
13 commission as a check issued for a purpose listed in paragraph (1)  
14 of this subsection;

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

16 (4) The check is presented to the cashier or the cashier's  
17 representative by the original payee and its validity is verified by  
18 the drawer <sup>1</sup>in the case of a check drawn pursuant to  
19 subparagraph (a) of paragraph (1) of this subsection, or the check  
20 is verified in accordance with regulations promulgated by the  
21 commission in the case of a check issued pursuant to  
22 subparagraph (b) or subparagraph (c) of paragraph (1) of this  
23 subsection<sup>1</sup>; and

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

26 No casino licensee shall issue a check for the purpose of  
27 making a loan or otherwise providing or allowing any advance or  
28 credit to a person to enable the person to take part in gaming  
29 activity as a player.

30 h. Notwithstanding the provisions of subsection b. and  
31 subsection c. of this section to the contrary, a casino licensee  
32 may, at a location outside the casino, accept a personal check or  
33 checks from a person for up to <sup>3</sup>[\$2,500] \$1,500<sup>3</sup> in exchange for  
34 cash or cash equivalents, and may, at <sup>1</sup>[a cashier's cage] such  
35 locations within the casino as may be permitted by the  
36 commission<sup>1</sup>, accept a personal check or checks for up to  
37 <sup>3</sup>[\$2,500] \$1,500<sup>3</sup> in exchange for cash, cash equivalents, tokens,  
38 chips, or plaques to enable the person to take part in gaming  
39 activity as a player or non-gaming activity, as the case may be,  
40 provided that:

41 (1) The check is drawn on the patron's bank or brokerage cash  
42 management account;

43 (2) The check is for a specific amount;

44 (3) The check is <sup>1</sup>[make] made<sup>1</sup> payable to the casino licensee;

45 (4) The check is dated but not post-dated;

46 (5) The patron's identity is established by examination of one  
47 of the following: valid credit card, driver's license, passport, or  
48 other form of identification credential which contains, at a  
49 minimum, the patron's signature;

50 (6) The check is restrictively endorsed "For Deposit Only" to

1 the casino licensee's bank account and deposited on the next  
2 banking day following the date of the transaction; <sup>1</sup>and<sup>1</sup>

3 (7) <sup>1</sup>[No other check or checks are outstanding.] The total  
4 amount of personal checks accepted by <sup>3</sup>[all licensees] any one  
5 licensee<sup>3</sup> pursuant to this subsection that are outstanding at any  
6 time, including the current check being submitted <sup>3</sup>[to a  
7 licensee]<sup>3</sup>, does not exceed <sup>3</sup>[\$2,500] \$1,500<sup>3,1</sup>

8 i. Checks cashed pursuant to the provisions of subsection h. of  
9 this section which are subsequently uncollectable may not be  
10 deducted from the total of all sums received in calculating gross  
11 revenue pursuant to section 24 of P.L.1977, c.110 (C.5:12-24)<sup>1</sup>;<sup>1</sup>

12 j. A person may request the commission to put that person's  
13 name on a list of persons to whom the extension of credit by a  
14 casino as provided in this section would be prohibited <sup>1</sup>by  
15 submitting to the commission the person's name, address, and  
16 date of birth<sup>1</sup>. The person does not need to provide a reason for  
17 this request. The commission shall provide this list to the credit  
18 department of each casino; neither the commission nor the  
19 credit department of a casino shall divulge the names on this list  
20 to any person or entity other than those provided for in this  
21 subsection. If such a person wishes to have that person's name  
22 removed from the list, the person shall submit this request to the  
23 commission, which shall so inform the credit departments of  
24 casinos no later than three days after the submission of the  
25 request. \*

26 (cf: P.L.1987, c.426, s.4)

27 <sup>1</sup>[38.] <sup>2</sup>[41.<sup>1</sup>] <sup>40.</sup><sup>2</sup> Section 102 of P.L.1977, c.110 (C.5:12-102)  
28 is amended to read as follows:

29 102. Junkets and Complimentary Services. a. No junkets may  
30 be organized or permitted except in accordance with the  
31 provisions of this act. No person may act as a junket  
32 representative or junket enterprise except in accordance with  
33 this section. Notwithstanding any other provisions of P.L.1977,  
34 c.110 (C.5:12-1 et seq.), junket enterprises engaged in activities  
35 governed by this section shall not be subject to the provisions of  
36 section 92 and subsection b. of section 104 of P.L.1977, c.110  
37 (C.5:12-92 and c.5:12-104) with regard to those activities, unless  
38 otherwise directed by the commission pursuant to subsection k. of  
39 this section.

40 b. A junket representative shall be licensed as a casino key  
41 employee in accordance with the provisions of P.L.1977, c.110  
42 (C.5:12-1 et seq.); provided, however, that said licensee need not  
43 be a resident of this State. Any person who holds a current and  
44 valid casino key employee license may act as a junket  
45 representative while employed by a casino licensee without  
46 further endorsement of his license. No casino licensee or junket  
47 enterprise may employ or otherwise engage a junket  
48 representative who is not so licensed.

49 c. A junket enterprise shall be licensed in accordance with the  
50 provisions of this section prior to conducting any business

1 whatsoever with a casino licensee, its employees or agents. A  
2 junket enterprise, as well as such of its owners, management and  
3 supervisory personnel and other principal employees as the  
4 commission may consider appropriate for qualification, must  
5 qualify under the standards, except residency, established for  
6 qualification of a casino key employee under P.L.1977, c.110  
7 (C.5:12-1 et seq.). No casino licensee or junket enterprise may  
8 employ or otherwise engage the services of a junket enterprise  
9 who is not so licensed.

10 Notwithstanding the foregoing, any licensed junket  
11 representative who is the sole owner and operator of a junket  
12 enterprise shall not be required to be licensed as a junket  
13 enterprise pursuant to this section if his junket representative  
14 license is endorsed as such.

15 d. Prior to the issuance of any license required by this section,  
16 an applicant for licensure shall submit to the jurisdiction of the  
17 State of New Jersey and shall demonstrate to the satisfaction of  
18 the commission that he is amenable to service of process within  
19 this State. Failure to establish or maintain compliance with the  
20 requirements of this subsection shall constitute sufficient cause  
21 for the denial, suspension or revocation of any license issued  
22 pursuant to this section.

23 e. (Deleted by amendment, P.L.1987, c.426.)

24 f. Every agreement concerning junkets entered into by a  
25 casino licensee and a junket representative or junket enterprise  
26 shall be deemed to include a provision for its termination without  
27 liability on the part of the casino licensee, if the commission  
28 orders the termination upon the suspension, limitation,  
29 conditioning, denial or revocation of the licensure of the junket  
30 representative or junket enterprise, in accordance with the  
31 provisions of P.L.1977, c.110 (C.5:12-1 et seq.). Failure to  
32 expressly include such a condition in the agreement shall not  
33 constitute a defense in any action brought to terminate the  
34 agreement.

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

40 h. A casino licensee shall be responsible for any violation or  
41 deviation from the terms of a junket. Notwithstanding any other  
42 provisions of this act, the commission may, after hearings in  
43 accordance with this act, order restitution to junket participants,  
44 assess penalties for such violations or deviations, prohibit future  
45 junkets by the casino licensee, junket enterprise or junket  
46 representative, and order such further relief as it deems  
47 appropriate.

48 i. The commission shall, by regulation, prescribe methods,  
49 procedures and forms for the delivery and retention of  
50 information concerning the conduct of junkets by casino



1 licensees. Without limitation of the foregoing, each casino  
2 licensee, in accordance with the rules of the commission, shall:

3 (1) Maintain on file a report describing the operation of any  
4 junket engaged in on its premises, which report may include  
5 acknowledgments by the participants, signed on the date of  
6 arrival, that they understand the terms of the particular junket;

7 (2) Submit to the commission and division a report on those  
8 arrangements which would be junkets but for the fact that those  
9 arrangements do not include a selection or approval of  
10 participants in accordance with the terms of section 29 of  
11 P.L.1977, c.110 (C.5:12-29); and

12 (3) Submit to the commission and division a list of all its  
13 employees who are acting as junket representatives but whose  
14 licenses are not endorsed as such.

15 j. Each casino licensee, junket representative or junket  
16 enterprise shall, in accordance with the rules of the commission,  
17 file a report with the division with respect to each list of junket  
18 patrons or potential junket patrons purchased directly or  
19 indirectly by the casino licensee, junket representative or  
20 enterprise.

21 k. The commission shall have the authority to determine,  
22 either by regulation, or upon petition by the holder of a casino  
23 license, that a type of arrangement otherwise included within the  
24 definition of "junket" established by section 29 of P.L.1977, c.110  
25 (C.5:12-29) shall not require compliance with any or all of the  
26 requirements of this section. The commission shall seek the  
27 opinion of the division prior to granting any exemption. In  
28 granting exemptions, the commission shall consider such factors  
29 as the nature, volume and significance of the particular type of  
30 arrangement, and whether the exemption would be consistent  
31 with the public policies established by this act. In applying the  
32 provisions of this subsection, the commission may condition,  
33 limit, or restrict any exemption as the commission may deem  
34 appropriate.

35 l. No junket enterprise or junket representative or person  
36 acting as a junket representative may:

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

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

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

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

49 (5) Pay for any services, including transportation, or other  
50 items of value provided to, or for the benefit of, any patron

1 participating in a junket.

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

5 (1) The complimentary consists of room, food, beverage or  
6 entertainment expenses provided directly to the patron and his  
7 guests by the licensee or indirectly to the patron and his guests  
8 on behalf of a licensee by a third party; or

9 (2) The complimentary consists of documented transportation  
10 expenses provided directly to the patron and his guests by the  
11 licensee or indirectly to the patron and his guests on behalf of a  
12 licensee by a third party, provided that the licensee complies  
13 with regulations promulgated by the commission to ensure that a  
14 patron's and his guests' documented transportation expenses are  
15 paid for or reimbursed only once; or

16 (3) The complimentary consists of coins, tokens, cash or other  
17 complimentary items or services provided through a bus coupon  
18 or other complimentary distribution program approved by the  
19 commission or maintained pursuant to commission regulation; or

20 (4) The complimentary consists of].

21 Notwithstanding the foregoing, a casino licensee may offer and  
22 provide complimentary cash or noncash gifts which are not  
23 otherwise included in paragraphs (1) through (3) of this subsection  
24 to any person, provided that any such [noncash] gifts in excess of  
25 \$2,000.00 per trip, or such greater amount as the commission may  
26 establish by regulation [provided directly to the patron and his  
27 guests by the licensee or indirectly to the patron and his guests  
28 on behalf of a licensee by a third party shall be], are supported by  
29 documentation regarding the reason the [noncash] gift was  
30 provided to the patron and his guests, including where applicable,  
31 a patron's player rating, [to] which documentation shall be  
32 maintained by the casino licensee. For the purposes of this  
33 paragraph, all [noncash] gifts presented to a patron and the  
34 patron's guests directly by the licensee or indirectly on behalf of  
35 the licensee by a third party within any five-day period shall be  
36 considered to have been made during a single [noncash gift] trip.  
37 <sup>1</sup>In the case of cash gifts, the commission shall establish by  
38 regulation the total amount of such gifts that a licensee may  
39 provide to a patron each year.<sup>1</sup>

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

50 n. As used in this subsection, "person" means any State officer

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

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

23 o. (1) Any person who, on the effective date of this 1987  
24 amendatory act, holds a current and valid plenary junket  
25 representative license or a junket enterprise license authorizing  
26 the conduct of junket activities, shall be considered licensed in  
27 accordance with the provisions of this section as a junket  
28 representative or junket enterprise, respectively, for the  
29 remaining term of his current license.

30 (2) Any person who, on the effective date of this 1987  
31 amendatory act, holds a current and valid temporary junket  
32 representative or junket enterprise license authorizing the  
33 conduct of junket activities shall be permitted to act as, or  
34 perform the services of a junket representative or junket  
35 enterprise so long as such junket representative or junket  
36 enterprise files with the commission an application for licensure  
37 pursuant to the provisions of this 1987 amendatory act within 90  
38 days of the effective date hereof. Any junket representative or  
39 junket enterprise so filing shall be permitted to engage in junket  
40 activities until the commission has acted upon such application.  
41 Any junket representative or junket enterprise not so filing shall  
42 not be permitted to act as, or perform the services of, a junket  
43 representative or junket enterprise upon the expiration of 90 days  
44 from and after the effective date of this 1987 amendatory act.  
45 (cf: P.L.1987, c.426, s.5)

46 [39.] 2[42.1] 41.2 Section 103 of P.L.1977, c.110 (C.5:12-103)  
47 is amended to read as follows:

48 103. a. Notwithstanding any law to the contrary, the authority  
49 to grant any license for, or to permit or prohibit the presence of,  
50 alcoholic beverages in, on, or about any premises licensed as part

1 of a casino hotel shall exclusively be vested in the commission.

2 b. Unless otherwise stated, and except where inconsistent with  
3 the purpose or intent of this act or the common understanding of  
4 usage thereof, definitions contained in Title 33 of the Revised  
5 Statutes shall apply to this section. Any definition contained  
6 therein shall apply to the same word in any form.

7 c. Notwithstanding any provision of Title 33 of the Revised  
8 Statutes, the rules, regulations and bulletins promulgated by the  
9 director of the Division of Alcoholic Beverage Control, or any  
10 provision promulgated by any local authority, the authority to  
11 issue, renew, transfer, revoke or suspend a Casino Hotel  
12 Alcoholic Beverage License or any portion, location, privilege or  
13 condition thereof; to fine or penalize a Casino Hotel Alcoholic  
14 Beverage Licensee; to enforce all statutes, laws, ruling, or  
15 regulations relating to such license; and to collect license fees  
16 and establish application standards therefor, shall be, consistent  
17 with this act, exclusively vested in the commission or the division.

18 d. Except as otherwise provided in this section, the provisions  
19 of Title 33 of the Revised Statutes and the rules, regulations and  
20 bulletins promulgated by the director of the Division of Alcoholic  
21 Beverage Control shall apply to a Casino Hotel and Casino Hotel  
22 Alcoholic Beverage Licensee licensed under this act.

23 e. Notwithstanding any provision to the contrary, the  
24 commission may promulgate any regulations and special rulings  
25 and findings as may be necessary for the proper enforcement,  
26 regulation, and control of alcoholic beverages in casino hotels  
27 when the commission finds that the uniqueness of casino  
28 operations and the public interest require that such regulations,  
29 rulings, and findings are appropriate. Regulations of the  
30 commission may include but are not limited to: designation and  
31 duties of enforcement personnel; all forms necessary or  
32 convenient in the administration of this section; inspections,  
33 investigations, searches, seizures; licensing and disciplinary  
34 standards; requirements and standards for any hearings or  
35 disciplinary or other proceedings that may be required from time  
36 to time; the assessment of fines or penalties for violations; hours  
37 of sale; sales in original containers; sales on credit; out-of-door  
38 sales; limitations on sales; gifts and promotional materials;  
39 locations or places for sale; control of signs and other displays;  
40 identification of licensees and their employees; employment of  
41 aliens and minors; storage, transportation and sanitary  
42 requirements; records to be kept by the Casino Hotel Alcoholic  
43 Beverage Licensees and availability thereof; practices unduly  
44 designed to increase consumption of alcoholic beverages; and  
45 such other matters whatsoever as are or may become necessary  
46 and consistent with the administration of this act.

47 f. (1) It shall be unlawful for any person, including any casino  
48 licensee[,] or any of its lessees, agents or employees, to expose  
49 for sale, solicit or promote the sale of, possess with intent to sell,  
50 sell, give, dispense, or otherwise transfer or dispose of alcoholic

1 beverages in, on or about any portion of the premises of a casino  
2 hotel, unless said person possesses [an appropriate] a Casino Hotel  
3 Alcoholic Beverage License.

4 (2) It shall be unlawful for any person issued a Casino Hotel  
5 Alcoholic Beverage License to expose, possess, sell, give,  
6 dispense, transfer, or otherwise dispose of alcoholic beverages,  
7 other than within the terms and conditions of the Casino Hotel  
8 Alcoholic Beverage License issued, the provisions of Title 33 of  
9 the Revised Statutes, the rules and regulations promulgated by  
10 the director of the Division of Alcoholic Beverage Control, and,  
11 when applicable, the regulations promulgated pursuant to this act.

12 g. In issuing a Casino Hotel Alcoholic Beverage License the  
13 commission shall describe the scope of the particular license and  
14 the restrictions and limitations thereon as it deems necessary and  
15 reasonable. The commission may, in a single Casino Hotel  
16 Alcoholic Beverage License, permit the holder of such a license  
17 to perform any or all of the following activities, subject to  
18 applicable laws, rules and regulations:

19 (1) To sell any alcoholic beverage by the glass or other open  
20 receptacle, but not in an original container, for on-premise  
21 consumption within a casino; provided, however, that no [food or]  
22 alcoholic beverage[, other than nonalcoholic beverages or  
23 garnishments used in the preparation of alcoholic beverages for  
24 consumption by the glass,] shall be sold, given or be available for  
25 consumption; offered, delivered or otherwise brought to a patron;  
26 or consumed at a gaming table unless so requested by the patron.

27 (2) To sell any alcoholic beverage by the glass or other open  
28 receptacle for on-premise consumption within [an enclosed  
29 cabaret or entertainment room not in a casino.

30 (3) To sell any alcoholic beverage by the glass or other open  
31 receptacle for on-premise consumption within an enclosed  
32 restaurant or banquet room or a series of enclosed connected  
33 rooms, with or without an adjacent outdoor dining area, not in a  
34 casino.

35 (4) To sell any alcoholic beverage by the glass or other open  
36 receptacle for on-premise consumption within a pub room not in  
37 a casino, or from one] a casino hotel, but not in a casino, or from  
38 a fixed location outside a building or structure containing a  
39 casino but on a casino hotel premises.

40 ~~[(5)]~~ (3) To sell any alcoholic beverage in original containers for  
41 consumption outside the licensed area from [one] an enclosed  
42 package room not in a casino]; provided, however, that no food  
43 shall be made available for consumption in a package room and no  
44 direct access to or from a casino may exist in a package room].

45 ~~[(6)]~~ (4) To sell any alcoholic beverage [from one fixed] by the  
46 glass or other open receptacle or in original containers from a  
47 room service location within an enclosed room not in a casino;  
48 provided, however, that [the licensed room service room has no  
49 direct access to or from a casino and] any sale of alcoholic  
50 beverages is delivered only to a guest room or to any other room

1 in the casino hotel authorized by the commission, other than any  
2 room authorized by the commission pursuant to paragraph (1),  
3 [(2),] (3), [(4),] or (5) of this subsection.

4 [(7)] (5) To possess or to store alcoholic beverages in original  
5 containers intended but not actually exposed for sale [in an area,  
6 room or location so licensed. The holder of a Casino Hotel  
7 Alcoholic Beverage License permitting such possession and  
8 storage shall be entitled, subject to applicable laws, rules, and  
9 regulations, to store any alcoholic beverage intended for sale] at  
10 a fixed location on a casino hotel premises, not in a casinol, and  
11 not otherwise licensed under this section]; and to transfer or  
12 deliver such alcoholic beverages only to a [licensed location for  
13 which such licensee is licensed] location approved pursuant to this  
14 section; provided, however, that no access to or from a [licensed]  
15 storage location shall be permitted except during the normal  
16 course of business by employees or agents of the licensee, or by  
17 licensed employees or agents of wholesalers or distributors  
18 licensed pursuant to Title 33 of the Revised Statutes and any  
19 applicable rules and regulations; and provided further, however,  
20 that no provision of this section shall be construed to prohibit a  
21 Casino Hotel Alcoholic Beverage Licensee from obtaining an  
22 off-site storage license from the Division of Alcoholic Beverage  
23 Control.

24 h. (1) No Casino Hotel Alcoholic Beverage License which  
25 authorizes the sale of alcoholic beverages within a casino  
26 pursuant to subsection g.(1) of this section shall issue to any  
27 applicant who does not hold a casino license issued pursuant to  
28 this act.

29 (2) No Casino Hotel Alcoholic Beverage License which  
30 authorizes the possession, sale or storage of alcoholic beverages  
31 pursuant to subsection g.(2), (3), (4), or (5)[, (6), or (7)] of this  
32 section shall issue to any applicant who would not qualify under  
33 the standards for licensure of a casino [employee as defined under  
34 this act, except that such applicant need not be an employee of  
35 the casino licensee] service industry pursuant to subsection c. of  
36 section 92 of P.L.1977, c.110 (C.5:12-92).

37 (3) No Casino Hotel Alcoholic Beverage License which  
38 authorizes the possession or storage of alcoholic beverages  
39 pursuant to subsection g.[(7)] of this section, shall issue to any  
40 applicant who does not hold a Casino Hotel Alcoholic Beverage  
41 License, permitting any activity pursuant to subsection g.(1), (2),  
42 (3), or (4)[, (5) or (6)] of this section.

43 i. The commission may revoke, suspend, refuse to renew or  
44 refuse to transfer any Casino Hotel Alcoholic Beverage License,  
45 or fine or penalize any Casino Hotel Alcoholic Beverage Licensee  
46 for violations of any provision of Title 33 of the Revised Statutes,  
47 the rules and regulations promulgated by the director of the  
48 Division of Alcoholic Beverage Control, and the regulations  
49 promulgated by the commission.

50 j. Jurisdiction over all alcoholic beverage licenses previously

1 issued with respect to the casino hotel facility is hereby vested in  
2 the commission, which in its discretion may by regulation provide  
3 for the conversion thereof into a Casino Hotel Alcoholic  
4 Beverage License as provided in this section.

5 (cf: P.L.1982, c.148, s.2)

6 <sup>1</sup>[40.] <sup>2</sup>[43.1] <sup>2</sup>42. Section 105 of P.L.1977, c.110 (C.5:12-105)  
7 is amended to read as follows:

8 105. Disposition of Securities by Corporate Licensee. a. The  
9 sale, assignment, transfer, pledge or other disposition of any  
10 security issued by a corporation which holds a casino license is  
11 conditional and shall be ineffective if disapproved by the  
12 commission.

13 b. Every security issued by a corporation which holds a casino  
14 license shall bear, on both sides of the certificate evidencing such  
15 security, a statement of the restrictions imposed by this section,  
16 except that in the case of a publicly traded corporation  
17 incorporated prior to the effective date of this act, a statement  
18 of restriction shall be necessary only insofar as certificates are  
19 issued by such corporation after the effective date of this act.

20 c. The Secretary of State shall not accept for filing any  
21 articles of incorporation of any corporation which includes as a  
22 stated purpose the conduct of casino gaming, or any amendment  
23 which adds such purpose to articles of incorporation already filed,  
24 unless such articles or amendments have been approved by the  
25 commission and a copy of such approval is annexed thereto upon  
26 presentation for filing with the Secretary of State.

27 d. If at any time the commission finds that an individual owner  
28 or holder of any security of a corporate licensee or of a holding  
29 or intermediary company with respect thereto is not qualified  
30 under this act, and if as a result the corporate licensee is no  
31 longer qualified to continue as a casino licensee in this State, the  
32 commission shall, pursuant to the provisions of this act, [propose]  
33 take any necessary action to protect the public interest, including  
34 the suspension or revocation of the casino license of the  
35 corporation; provided, however, that if the holding or  
36 intermediary company is a publicly traded corporation and the  
37 commission finds disqualified any holder of any security thereof  
38 who is required to be qualified under section 85 d. of this act, and  
39 the commission also finds that: (1) the holding or intermediary  
40 company has complied with the provisions of section 82 d. (7) of  
41 this act; (2) the holding or intermediary company has made a good  
42 faith effort, including the prosecution of all legal remedies, to  
43 comply with any order of the commission requiring the  
44 divestiture of the security interest held by the disqualified  
45 holder; and (3) such disqualified holder does not have the ability  
46 to control the corporate licensee or any holding or intermediary  
47 company with respect thereto, or to elect one or more members  
48 of the board of directors of such corporation or company, the  
49 commission shall not take action against the casino licensee or  
50 the holding or intermediary company with respect to the

1 continued ownership of the security interest by the disqualified  
2 holder. For purposes of this act, a security holder shall be  
3 presumed to have the ability to control a publicly traded  
4 corporation, or to elect one or more members of its board of  
5 directors, if such holder owns or beneficially holds 5% or more of  
6 the <sup>1</sup>[voting] equity<sup>1</sup> securities of such corporation, unless such  
7 presumption of control or ability to elect is rebutted by clear and  
8 convincing evidence.

9 e. Commencing on the date the commission serves notice upon  
10 a corporation of the determination of disqualification under  
11 subsection d. of this section, it shall be unlawful for the named  
12 individual:

13 (1) To receive any dividends or interest upon any such  
14 securities;

15 (2) To exercise, directly or through any trustee or nominee,  
16 any right conferred by such securities; or

17 (3) To receive any remuneration in any form from the  
18 corporate licensee for services rendered or otherwise.

19 f. After a nonpublicly traded corporation has been issued a  
20 casino license pursuant to the provisions of this act, but prior to  
21 the issuance or transfer of any security to any person required to  
22 be but not yet qualified in accordance with the provisions of this  
23 act, such corporation shall file a report of its proposed action  
24 with the commission, and shall request the approval of the  
25 commission for the transaction. If the commission shall deny the  
26 request, the corporation shall not issue or transfer such security.  
27 After a publicly traded corporation has been issued a casino  
28 license, such corporation shall file a report quarterly with the  
29 commission, which report shall list all owners and holders of any  
30 security issued by such corporate casino licensee.

31 g. Each corporation which has been issued a casino license  
32 pursuant to the provisions of this act shall file a report of any  
33 change of its corporate officers or members of its board of  
34 directors with the commission. No officer or director shall be  
35 entitled to exercise any powers of the office to which he was so  
36 elected or appointed until qualified by the commission in  
37 accordance with the provisions of this act.

38 (cf: P.L.1987, c.355, s.9)

39 <sup>1</sup>[41.] <sup>2</sup>[44.1] <sup>43.2</sup> Section 106 of P.L.1977, c.110 (C.5:12-106)  
40 is amended to read as follows:

41 106. [Work Permits] Casino Employment. a. A casino licensee  
42 shall not appoint or employ any person not registered or not  
43 possessing a current and valid license permitting such  
44 appointment or employment. [A casino licensee shall, in  
45 accordance with the rules of the commission, apply for a work  
46 permit for each such employee, which shall be granted if the  
47 employee is the holder of a current and valid registration or  
48 license which permits employment in the position to be held.  
49 Each work permit shall be renewed annually in accordance with  
50 rules and regulations promulgated by the commission.]



1 b. A casino licensee shall, within 24 hours of receipt of written  
2 notice thereof, terminate the appointment or employment of any  
3 person whose license or registration has been revoked or has  
4 expired. A casino licensee shall comply in all respects with any  
5 order of the commission imposing limitations or restrictions upon  
6 the terms of employment or appointment in the course of any  
7 investigation or hearing.

8 (cf: P.L.1987, c.410, s.9)

9 <sup>1</sup>[42.] <sup>2</sup>[45.1] <sup>44.2</sup> Section 111 of P.L.1977, c.110 (C.5:12-111)  
10 is amended to read as follows:

11 111. Penalties for Willful Evasion of Payment of License Fees,  
12 Other Acts and Omissions. Any person who willfully fails to  
13 report, pay or truthfully account for and pay over any license fee  
14 or tax imposed by the provisions of this act, or willfully attempts  
15 in any manner to evade or defeat any such license fee, tax, or  
16 payment thereof is guilty of a [misdemeanor] crime of the fourth  
17 degree and subject to [not more than three years imprisonment or  
18 a fine of] the penalties therefor, except that the amount of a fine  
19 may be up to \$25,000.00 [or both], and in the case of a person  
20 other than a natural person, [to a fine of not more than] the  
21 amount of a fine may be up to \$100,000.00, and shall in addition  
22 be liable for a penalty of three times the amount of the license  
23 fee evaded and not paid, collected or paid over, which penalty  
24 shall be assessed by the commission and collected in accordance  
25 with the provisions of this act.

26 (cf: P.L.1977, c.110, s.111)

27 <sup>1</sup>[43.] <sup>2</sup>[46.1] <sup>45.2</sup> Section 112 of P.L.1977, c.110 (C.5:12-112)  
28 is amended to read as follows:

29 112. Unlicensed Casino Gambling Games Unlawful; Penalties.  
30 a. Any person who violates the provisions of sections 80 or 82 or  
31 of Article 7 of this act, or permits any gambling game, slot  
32 machine or device to be conducted, operated, dealt or carried on  
33 in any casino by a person other than a person licensed for such  
34 purposes pursuant to this act is guilty of a [misdemeanor] crime  
35 of the fourth degree and subject to [a term of imprisonment of  
36 not more than three years or a fine of] the penalties therefor,  
37 except that the amount of a fine may be up to \$25,000.00 [or  
38 both], and in the case of a person other than a natural person, [to  
39 a fine of not more than] the amount of a fine may be up to  
40 \$100,000.00.

41 b. Any licensee who places games or slot machines into play or  
42 displays such games or slot machines in a casino without  
43 authority of the commission to do so is guilty of a [misdemeanor]  
44 crime of the fourth degree and subject to [not more than three  
45 years imprisonment or a fine of] the penalties therefor, except  
46 that the amount of a fine may be up to \$25,000.00 [or both], and  
47 in the case of a person other than a natural person, [to a fine of  
48 not more than] the amount of a fine may be up to \$100,000.00.

49 c. Any person who operates, carries on or exposes for play any  
50 gambling game, gaming device or slot machine after his license

1 has expired and prior to the actual renewal thereof is guilty of a  
2 [misdemeanor] crime of the fourth degree and subject to [not  
3 more than three years imprisonment or a fine of] the penalties  
4 therefor, except that the amount of a fine may be up to  
5 \$25,000.00 [or both], and in the case of a person other than a  
6 natural person, [to a fine of not more than] the amount of a fine  
7 may be up to \$100,000.00.

8 (cf: P.L.1977, c.110, s.112)

9 <sup>1</sup>[44.] <sup>2</sup>[47.1] 46.2 (New section) A person commits a  
10 disorderly persons offense if, in playing a game in a licensed  
11 casino, the person uses, or assists another in the use of, an  
12 electronic, electrical or mechanical device which is designed,  
13 constructed, or programmed specifically for use in obtaining an  
14 advantage at playing any game in a licensed casino. A device  
15 used by any person in violation of this section shall be subject to  
16 forfeiture pursuant to the provisions of N.J.S.2C:64-1 et seq.

17 Each casino licensee shall post notice of this prohibition and  
18 the penalties of this section in a manner determined by the  
19 commission.

20 <sup>1</sup>[45.] <sup>2</sup>[48.1] 47.2 Section 115 of P.L.1977, c.110 (C.5:12-115)  
21 is amended to read as follows:

22 115. Cheating Games and Devices in a Licensed Casino;  
23 Penalty. a. It shall be unlawful:

24 (1) Knowingly to conduct, carry on, operate, deal or allow to  
25 be conducted, carried on, operated or dealt any cheating or  
26 thieving game or device; or

27 (2) Knowingly to deal, conduct, carry on, operate or expose for  
28 play any game or games played with cards, dice or any  
29 mechanical device, or any combination of games or devices,  
30 which have in any manner been marked or tampered with, or  
31 placed in a condition, or operated in a manner, the result of  
32 which tends to deceive the public or tends to alter the normal  
33 random selection of characteristics or the normal chance of the  
34 game which could determine or alter the result of the game.

35 b. It shall be unlawful knowingly to use or possess any marked  
36 cards, loaded dice, plugged or tampered with machines or devices.

37 c. Any person who violates this section is guilty of a  
38 [misdemeanor] crime of the fourth degree and subject to [not  
39 more than three years imprisonment or a fine of] the penalties  
40 therefor, except that the amount of a fine may be up to  
41 \$25,000.00 [or both], and in the case of a person other than a  
42 natural person, [to a fine of not more than] the amount of a fine  
43 may be up to \$100,000.00.

44 (cf: P.L.1977, c.110, s.115)

45 <sup>1</sup>[46.] <sup>2</sup>[49.1] 48.2 Section 116 of P.L.1977, c.110 (C.5:12-116)  
46 is amended to read as follows:

47 116. Unlawful possession of device, equipment or other  
48 material illegally manufactured, distributed, sold or serviced  
49 Any person who possesses any device, equipment or material  
50 which he knows has been manufactured, distributed, sold,

1 tampered with or serviced in violation of the provisions of this  
2 act is guilty of a [misdemeanor] crime of the fourth degree and  
3 subject to [not more than three years imprisonment or a fine of]  
4 the penalties therefor, except that the amount of a fine may be  
5 up to \$25,000.00 [or both], and in the case of a person other than  
6 a natural person, [to a fine of not more than] the amount of a fine  
7 may be up to \$100,000.00.

8 (cf: P.L.1977, c.110, s.116)

9 <sup>1</sup>[47.] <sup>2</sup>[50.1] <sup>49.</sup><sup>2</sup> Section 117 of P.L.1977, c.110 (C.5:12-117)  
10 is amended to read as follows:

11 117. Employment Without License[,] or Registration[, or Work  
12 Permit]; Penalty. a. Any person who, without obtaining the  
13 requisite license or registration as provided in this act, works or  
14 is employed in a position whose duties would require licensing or  
15 registration under the provisions of this act is guilty of a  
16 [misdemeanor] crime of the fourth degree and subject to [not  
17 more than three years' imprisonment or a fine of] the penalties  
18 therefor, except that the amount of a fine may be up to  
19 \$10,000.00 [or both], and in the case of a person other than a  
20 natural person, [to a fine of not more than] the amount of a fine  
21 may be up to \$50,000.00.

22 b. Any person who employs or continues to employ an  
23 individual not duly licensed or registered under the provisions of  
24 this act in a position whose duties require a license or  
25 registration under the provisions of this act is guilty of a  
26 [misdemeanor] crime of the fourth degree and subject to [not  
27 more than three years' imprisonment or a fine of] the penalties  
28 therefor, except that the amount of a fine may be up to  
29 \$10,000.00 [or both], and in the case of a person other than a  
30 natural person, [to a fine of not more than] the amount of a fine  
31 may be up to \$50,000.00.

32 c. [Any person who employs an individual without obtaining a  
33 work permit as required by this act, is guilty of a misdemeanor  
34 and subject to a fine of not more than \$10,000.00, and in the case  
35 of a person other than a natural person, to a fine of not more  
36 than \$50,000.00.] (Deleted by amendment, P.L. , c. .)

37 d. Any person violating the provisions of subsection 101 e. of  
38 this act shall be guilty of a [misdemeanor] crime of the third  
39 degree, and shall be subject to [imprisonment for not more than  
40 seven years or a fine of not more than] the penalties therefor,  
41 except that the amount of a fine may be up to \$25,000.00[, or  
42 both]. Any licensee permitting or allowing such a violation shall  
43 also be punishable under this subsection, in addition to any other  
44 sanctions the commission may impose.

45 (cf: P.L.1987, c.410, s.10)

46 <sup>1</sup>[48.] <sup>2</sup>[51.1] <sup>50.</sup><sup>2</sup> Section 118 of P.L.1977, c.110 (C.5:12-118)  
47 is amended to read as follows:

48 118. Regulations Requiring Exclusion or Rejection of Certain  
49 Persons from Licensed Casinos; Unlawful Entry by Person Whose  
50 Name Has Been Placed on List; Penalty. Any person whose name

1 is on the list of persons promulgated by the commission pursuant  
2 to the provisions of section 71 of this act who knowingly enters  
3 the premises of a licensed casino is guilty of a [misdemeanor]  
4 disorderly persons offense<sup>1</sup>, except that any person who has been  
5 convicted of this offense three times is guilty of a crime of the  
6 fourth degree for each subsequent offense<sup>1</sup>.

7 (cf: P.L.1977, c.110, s.118)

8 <sup>1</sup>[49.] <sup>2</sup>[52.<sup>1</sup>] <sup>51.</sup><sup>2</sup> Section 119 of P.L.1977, c.110 (C.5:12-119)  
9 is amended to read as follows:

10 119. Gaming by Certain Persons Prohibited; Penalties;  
11 Defenses. a. No person under the age at which a person is  
12 authorized to purchase and consume alcoholic beverages, other  
13 than a person licensed under the provisions of this act in the  
14 regular course of his licensed activities, shall enter a licensed  
15 casino except by way of passage to another room.

16 b. Any licensee or employee of a casino who allows a person  
17 under the age at which a person is authorized to purchase and  
18 consume alcoholic beverages to remain in a casino is guilty of a  
19 disorderly [person] persons offense; except that the establishment  
20 of all of the following facts by a licensee or employee allowing  
21 any such underage person to remain shall constitute a defense to  
22 any prosecution therefor:

23 (1) That the underage person falsely represented in writing  
24 that he or she was at or over the age at which a person is  
25 authorized to purchase and consume alcoholic beverages;

26 (2) That the appearance of the underage person was such that  
27 an ordinary prudent person would believe him or her to be at or  
28 over the age at which a person is authorized to purchase and  
29 consume alcoholic beverages; and

30 (3) That the admission was made in good faith, relying upon  
31 such written representation and appearance, and in the  
32 reasonable belief that the underage person was actually at or  
33 over the age at which a person is authorized to purchase and  
34 consume alcoholic beverages.

35 (cf: P.L.1983, c.134, s.2)

36 <sup>1</sup>[50.] <sup>2</sup>[53.<sup>1</sup>] <sup>52.</sup><sup>2</sup> Section 120 of P.L.1977, c.110 (C.5:12-120)  
37 is amended to read as follows:

38 120. Prohibited Political Contributions; Penalty. Any person  
39 who makes or causes to be made a political contribution  
40 prohibited by the provisions of this act is guilty of a  
41 [misdemeanor] crime of the fourth degree and subject to [not  
42 more than three years' imprisonment or a fine of] the penalties  
43 therefor, except that the amount of a fine may be up to  
44 \$100,000.00 [or both], and in the case of a person other than a  
45 natural person, [to a fine of not more than] the amount of a fine  
46 may be up to \$250,000.00.

47 (cf: P.L.1987, c.410, s.12)

48 <sup>2</sup>[154.] <sup>53.</sup><sup>2</sup> Section 121 of P.L.1977, c.110 (C.5:12-121) is  
49 amended to read as follows:

50 121. Authority of gaming licensee and agents to detain or

1 question persons suspected of cheating; immunity from liability;  
2 posted notice required.

3 a. Any licensee or its officers, employees or agents may  
4 question any individual in the casino reasonably suspected of  
5 violating any of the provisions of sections 113 through 116 of [this  
6 act] P.L.1977, c.110 (C.5:12-113 through 116) or of section <sup>3</sup>[47]  
7 46<sup>3</sup> of P.L. , c. (C. ) (now pending before the Legislature as  
8 this bill). No licensee or its officers, employees or agents shall  
9 be criminally or civilly liable by reason of any such questioning.

10 b. Any licensee or its officers, employees or agents who shall  
11 have probable cause for believing there has been a violation of  
12 sections 113 through 116 of [this act] P.L.1977, c.110 (C.5:12-113  
13 through 116) or of section <sup>3</sup>[47] 46<sup>3</sup> of P.L. , c. (C. ) (now  
14 pending before the Legislature as this bill) in the casino by any  
15 person may take such person into custody and detain him in the  
16 establishment in a reasonable manner for a reasonable length of  
17 time, for the purpose of notifying law enforcement or commission  
18 authorities. Such taking into custody and detention shall not  
19 render such licensee or its officers, employees or agents  
20 criminally or civilly liable for false arrest, false imprisonment,  
21 slander or unlawful detention, unless such taking into custody or  
22 detention is unreasonable under all of the circumstances.

23 c. No licensee or his officers, employees or agents shall be  
24 entitled to any immunity from civil or criminal liability provided  
25 in this section unless there is displayed in a conspicuous manner  
26 in the casino a notice in bold face type clearly legible and in  
27 substantially this form:

28 "Any gaming licensee or officer, employee or agent thereof  
29 who has probable cause for believing that any person is violating  
30 any of the provisions of the Casino Control Act prohibiting  
31 cheating or swindling in gaming may detain such person in the  
32 establishment for the purpose of notifying a police officer or  
33 Casino Control Commission authorities."<sup>1</sup>

34 (cf: P.L.1977, c.110, s.121)

35 <sup>1</sup>[51.] <sup>2</sup>[55.1] <sup>54.2</sup> Section 31 of P.L.1978, c.7 (C.5:12-130.1) is  
36 amended to read as follows:

37 31. Institution of Conservatorship and Appointment of  
38 Conservators.

39 a. Notwithstanding any other provision of the Casino Control  
40 Act, (1) upon the revocation of a casino license, (2) upon, in the  
41 discretion of the commission, the suspension of a casino license  
42 or operation certificate for a period of in excess of 120 days, or  
43 (3) upon the failure or refusal to renew a casino license, and  
44 notwithstanding the pendency of any appeal therefrom, the  
45 commission [shall] may appoint and constitute a conservator to,  
46 among other things, take over and into his possession and control  
47 all the property and business of the licensee relating to the casino  
48 and the approved hotel; provided, however, that this subsection  
49 shall not apply in any instance in which the casino in the casino  
50 hotel facility for which the casino license had been issued has not

1 been, in fact, in operation and open to the public, and provided  
 2 further that no person shall be appointed as conservator unless  
 3 the commission is satisfied that he is individually qualified  
 4 according to the standard applicable to casino key employees,  
 5 except that casino experience shall not be necessary for  
 6 qualification.

7 b. (Deleted by amendment, P.L.1987, c.410.)

8 c. The commission may proceed in a conservatorship action in  
 9 a summary manner or otherwise and shall have the power to  
 10 appoint and remove one or more conservators and to enjoin the  
 11 former or suspended licensee from exercising any of its privileges  
 12 and franchises, from collecting or receiving any debts and from  
 13 paying out, selling, assigning or transferring any of its property to  
 14 other than a conservator, except as the commission may  
 15 otherwise order. The commission shall have such further powers  
 16 as shall be appropriate for the fulfillment of the purposes of this  
 17 act.

18 d. Every conservator shall, before assuming his duties, execute  
 19 and file a bond for the faithful performance of his duties payable  
 20 to the commission in the office of the commission with such  
 21 surety or sureties and in such form as the commission shall  
 22 approve and in such amount as the commission shall prescribe.

23 e. When more than one conservator is appointed pursuant to  
 24 this section, the provisions of this article applicable to one  
 25 conservator shall be applicable to all; the debts and property of  
 26 the former or suspended licensee may be collected and received  
 27 by any of them; and the powers and rights conferred upon them  
 28 shall be exercised by a majority of them.

29 f. The commission shall require that the former or suspended  
 30 licensee purchase liability insurance, in an amount determined by  
 31 the commission, to protect a conservator from liability for any  
 32 acts or omissions of the conservator occurring during the duration  
 33 of the conservatorship which are reasonably related to, and  
 34 within the scope of, the conservator's duties.

35 (cf: P.L.1987, c.410, s.15)

36 <sup>1</sup>[52.] <sup>2</sup>[56.1] 55.2 (New section) Upon the appointment of a  
 37 conservator, the commission shall provide the conservator with  
 38 written instructions which enumerate the specific powers and  
 39 duties conferred by the commission on the conservator with  
 40 respect to the conservatorship. A conservator shall be under the  
 41 direct supervision of the commission and shall exercise only those  
 42 powers and perform only those duties expressly conferred on the  
 43 conservator by the commission. The commission may, at any  
 44 time after a conservatorship is established, modify the powers of  
 45 the conservator by providing the conservator with a new set of  
 46 written instructions.

47 <sup>1</sup>[53.] <sup>2</sup>[57.1] 56.2 Section 32 of P.L.1978, c.7 (C:5:12-130.2) is  
 48 amended to read as follows:

49 **32. Powers, Authorities and Duties of Conservators.**

50 a. Upon his appointment, the conservator shall become vested

1 with the title of all the property of the former or suspended  
2 licensee relating to the casino and the approved hotel, subject to  
3 any and all valid liens, claims, and encumbrances. The  
4 conservator shall have the duty to conserve and preserve the  
5 assets so acquired to the end that such assets shall continue to be  
6 operated on a sound and businesslike basis.

7 b. Subject to the [general] direct supervision of the  
8 commission and pursuant to the written instructions of the  
9 commission issued pursuant to section <sup>3</sup>[52] 55<sup>3</sup> of P.L. , c.  
10 (C. ) (now pending before the Legislature as this bill) and any  
11 [specific] other order [it] the commission may deem appropriate,  
12 a conservator shall have power to:

13 (1) Take into his possession all the property of the former or  
14 suspended licensee relating to the casino and the approved hotel,  
15 including its books, records and papers;

16 (2) Institute and defend actions by or on behalf of the former  
17 or suspended licensee;

18 (3) Settle or compromise with any debtor or creditor of the  
19 former or suspended licensee, including any taxing authority;

20 (4) Continue the business of the former or suspended licensee  
21 and to that end enter into contracts, borrow money and pledge,  
22 mortgage or otherwise encumber the property of the former or  
23 suspended licensee as security for the repayment of the  
24 conservator's loans; provided, however, that such power shall be  
25 subject to any provisions and restrictions in any existing credit  
26 documents;

27 (5) Hire, fire and discipline employees;

28 (6) Review all outstanding agreements to which the former or  
29 suspended licensee is a party that fall within the purview of  
30 section 104b. of P.L.1977, c.110 (C.5:12-104b.) and advise the  
31 commission as to which, if any, of such agreements should be the  
32 subject of scrutiny, examination or investigation by the  
33 commission; and

34 (7) Do all further acts as shall best fulfill the purposes of the  
35 Casino Control Act.

36 c. Except during the pendency of a suspension or during the  
37 pendency of any appeal from any action or event set forth in  
38 section 31 a. of this amendatory and supplementary act which  
39 precipitated the conservatorship or in instances in which the  
40 commission finds that the interests of justice so require, the  
41 conservator, subject to the prior approval of and in accordance  
42 with such terms and conditions as may be prescribed by the  
43 commission, and after appropriate prior consultation with the  
44 former licensee as to the reasonableness of such terms and  
45 conditions, shall endeavor to and be authorized to sell, assign,  
46 convey or otherwise dispose of in bulk, subject to any and all  
47 valid liens, claims, and encumbrances, all the property of a  
48 former licensee relating to the casino and the approved hotel only  
49 upon prior written notice to all creditors and other parties in  
50 interest and only to such persons who shall be eligible to apply for

1 and shall qualify as a casino licensee in accordance with the  
2 provisions of the Casino Control Act. Prior to any such sale, the  
3 former licensee shall be granted, upon request, a summary review  
4 by the commission of such proposed sale.

5 d. The commission may direct that the conservator, for an  
6 indefinite period of time, retain the property and continue the  
7 business of the former or suspended licensee relating to the  
8 casino and the approved hotel. During such period of time or any  
9 period of operation by the conservator, he shall pay when due,  
10 without in any way being personally liable, all secured obligations  
11 and shall not be immune from foreclosure or other legal  
12 proceedings to collect the secured debt, nor with respect thereto  
13 shall such conservator have any legal rights, claims, or defenses  
14 other than those which would have been available to the former  
15 or suspended licensee.

16 e. A conservator shall cooperate fully with any investigation  
17 or inquiry conducted by the commission or the division during the  
18 conservatorship or after the discontinuation of the  
19 conservatorship.

20 (cf: P.L.1987, c.410, s.16)

21 <sup>1</sup>[54.] <sup>2</sup>[58.<sup>1</sup>] 57.<sup>2</sup> Section 33 of P.L.1978, c.7 (C.5:12-130.3) is  
22 amended to read as follows:

23 33. Compensation of Conservators and Others. In any  
24 proceeding pursuant to section 31 of [this amendatory and  
25 supplementary act] P.L.1978, c.7 (C.5:12-130.1), the commission  
26 shall [allow], upon the appointment of a conservator, establish a  
27 reasonable rate of compensation for the services, costs and  
28 expenses in the conservatorship action of the conservator[.]. The  
29 commission shall also designate the party or parties responsible  
30 for the payment of compensation to the conservator and shall  
31 direct that the responsible party or parties guarantee payment in  
32 such manner as the commission shall deem appropriate. The rate  
33 of compensation payable to the attorney for the conservator, the  
34 appraiser, the auctioneer, the accountant and such other persons  
35 as the commission may appoint in connection with the  
36 conservatorship action shall be established by the commission at  
37 the time of appointment. All requests for payment by the  
38 conservator and other persons appointed by the commission in  
39 connection with the conservatorship shall be subject to the  
40 approval of the commission, and the commission shall reduce any  
41 fee which it deems to be excessive. Fees payable to the  
42 conservator and expenses incurred in the course of the  
43 conservatorship shall have priority for payment over all other  
44 debts or obligations of the former or suspended licensee,  
45 including debts or obligations secured by the former or suspended  
46 licensee's property.

47 (cf: P.L.1978, c.7, s.33)

48 <sup>1</sup>[55.] <sup>2</sup>[59.<sup>1</sup>] 58.<sup>2</sup> Section 145 of P.L.1977, c.110 (C.5:12-145)  
49 is amended to read as follows:

50 145. Casino revenue fund. a. There is hereby created and



1 established in the Department of the Treasury a separate special  
2 account to be known as the "Casino Revenue Fund," into which  
3 shall be deposited all revenues from the tax imposed by section  
4 144 of this act [and]; the investment alternative tax imposed by  
5 section 3 of P.L.1984, c.218 (C.5:12-144.1); and all penalties  
6 levied and collected by the commission pursuant to P.L.1977,  
7 c.110 (C.5:12-1 et seq.) and the regulations promulgated  
8 thereunder, except that the first \$500,000 in penalties collected  
9 each fiscal year shall be paid into the General Fund for  
10 appropriation by the Legislature to the Department of Health to  
11 provide funds to the Council on Compulsive Gambling of New  
12 Jersey.

13 b. The commission shall require at least monthly deposits by  
14 the licensee of the tax established pursuant to subsection a. of  
15 section 144 of P.L.1977, c.110 (C.5:12-144), at such times, under  
16 such conditions, and in such depositories as shall be prescribed by  
17 the State Treasurer. The deposits shall be deposited to the credit  
18 of the Casino Revenue Fund. The commission may require a  
19 monthly report and reconciliation statement to be filed with it on  
20 or before the 10th day of each month, with respect to gross  
21 revenues and deposits received and made, respectively, during the  
22 preceding month.

23 c. Moneys in the Casino Revenue Fund shall be appropriated  
24 exclusively for reductions in property taxes, rentals, telephone,  
25 gas, electric, and municipal utilities charges of eligible senior  
26 citizens and disabled residents of the State, and for additional or  
27 expanded health services or benefits or transportation services or  
28 benefits to eligible senior citizens and disabled residents, as shall  
29 be provided by law. On or about March 15 and September 15 of  
30 each year, the State Treasurer shall publish in at least 10  
31 newspapers circulating generally in the State a report accounting  
32 for the total revenues received in the Casino Revenue Fund and  
33 the specific amounts of money appropriated therefrom for  
34 specific expenditures during the preceding six months ending  
35 December 31 and June 30.

36 (cf: P.L.1984, c.218, s.4)

37 <sup>1</sup>[56.] <sup>2</sup>[60.1] <sup>59.2</sup> Section 150 of P.L.1977, c.110 (C.5:12-150)  
38 is amended to read as follows:

39 150. Penalties. a. Any licensee who shall fail to file his  
40 return when due or to pay any tax or deposit when the same  
41 becomes due, as herein provided, shall be subject to such  
42 penalties and interest as provided in the "State Tax Uniform  
43 Procedure Law," Subtitle 9 of Title 54 of the Revised Statutes. If  
44 the State Treasurer determines that the failure to comply with  
45 any provision of this Article was excusable under the  
46 circumstances, he may remit such part or all of the penalty as  
47 shall be appropriate under such circumstances.

48 b. Any person failing to file a return, failing to pay the tax or  
49 deposit, or filing or causing to be filed, or making or causing to  
50 be made, or giving or causing to be given any return, certificate,

1 affidavit, representation, information, testimony or statement  
2 required or authorized by this act, or rules or regulations adopted  
3 hereunder which is willfully false, or failing to keep any records  
4 required by this act or rules and regulations adopted hereunder,  
5 shall, in addition to any other penalties herein or elsewhere  
6 prescribed, be guilty of a [misdemeanor] a crime of the fourth  
7 degree and subject to [not more than three years' imprisonment  
8 or a fine of] the penalties therefor, except that the amount of a  
9 fine may be up to \$100,000.00 [or both].

10 c. Except as to those determinations required to be made by  
11 the commission pursuant to section 149 of P.L.1977, c.110  
12 (C.5:12-149), the certificate of the State Treasurer to the effect  
13 that a tax or deposit has not been paid, that a return has not been  
14 filed, that information has not been supplied, or that inaccurate  
15 information has been supplied pursuant to the provisions of this  
16 act or rules or regulations adopted hereunder, shall be  
17 presumptive evidence thereof.

18 d. If any part of any underpayment of tax required to be shown  
19 on a return is due to fraud, there shall be added to the tax an  
20 amount equal to 50% of the underpayment.

21 (cf: P.L.1987, c.354, s.22)

22 <sup>2</sup>[161.] 60.<sup>2</sup> Section 4 of P.L.1981, c.142 (C.52:13D-17.2) is  
23 amended to read as follows:

24 4. a. As used in this section "person" means any State officer  
25 or employee subject to financial disclosure by law or executive  
26 order and any other State officer or employee with responsibility  
27 for matters affecting casino activity; any special State officer  
28 or employee with responsibility for matters affecting casino  
29 activity; the Governor; any member of the Legislature or any  
30 full-time member of the Judiciary; any full-time professional  
31 employee of the Office of the Governor, or the Legislature;  
32 members of the Casino Reinvestment Development Authority;  
33 the head of a principal department; the assistant or deputy heads  
34 of a principal department, including all assistant and deputy  
35 commissioners; the head of any division of a principal  
36 department; any member of the governing body, or the municipal  
37 judge or the municipal attorney of a municipality wherein a  
38 casino is located; any member of or attorney for the planning  
39 board or zoning board of adjustment of a municipality wherein a  
40 casino is located, or any professional planner, or consultant  
41 regularly employed or retained by such planning board or zoning  
42 board of adjustment.

43 b. No State officer or employee, nor any person, nor any  
44 member of the immediate family of any State officer or  
45 employee, or person, nor any partnership, firm or corporation  
46 with which any such State officer or employee or person is  
47 associated or in which he has an interest, nor any partner,  
48 officer, director or employee while he is associated with such  
49 partnership, firm, or corporation, shall hold, directly or  
50 indirectly, an interest in, or hold employment with, or represent,

1 appear for, or negotiate on behalf of, any holder of, or applicant  
2 for, a casino license, or any holding or intermediary company  
3 with respect thereto, in connection with any cause, application,  
4 or matter. No special State officer or employee without  
5 responsibility for matters affecting casino activity, excluding  
6 those serving in the Departments of Education, Health, Higher  
7 Education and Human Services, shall hold, directly or indirectly,  
8 an interest in, [or hold employment with,] or represent, appear  
9 for, or negotiate on behalf of, any holder of, or applicant for, a  
10 casino license, or any holding or intermediary company with  
11 respect thereto, in connection with any cause, application, or  
12 matter. However, a special State officer or employee without  
13 responsibility for matters affecting casino activity may hold  
14 employment directly with any holder of or applicant for a casino  
15 license or any holding or intermediary company thereof and if so  
16 employed may hold, directly or indirectly, an interest in, or  
17 represent, appear for, or negotiate on behalf of, his employer,  
18 except as otherwise prohibited by law.

19 c. No person or any member of his immediate family, nor any  
20 partnership, firm or corporation with which such person is  
21 associated or in which he has an interest, nor any partner,  
22 officer, director or employee while he is associated with such  
23 partnership, firm or corporation, shall, within two years next  
24 subsequent to the termination of the office or employment of  
25 such person, hold, directly or indirectly, an interest in, or hold  
26 employment with, or represent, appear for or negotiate on behalf  
27 of, any holder of, or applicant for, a casino license in connection  
28 with any cause, application or matter, or any holding or  
29 intermediary company with respect to such holder of, or  
30 applicant for, a casino license in connection with any phase of  
31 casino development, permitting, licensure or any other matter  
32 whatsoever related to casino activity. Nothing herein contained  
33 shall alter or amend the post-employment restrictions applicable  
34 to members and employees of the Casino Control Commission and  
35 employees and agents of the Division of Gaming Enforcement  
36 pursuant to subsection b. (2) of section 59 and to section 60 of  
37 P.L.1977, c.110 (C.5:12-59b. (2) and C.5:12-60).

38 d. This section shall not apply to the spouse of a State officer  
39 or employee, which State officer or employee is without  
40 responsibility for matters affecting casino activity, who becomes  
41 the spouse subsequent to the State officer's or employee's  
42 appointment or employment as a State officer or employee and  
43 who is not individually or directly employed by a holder of, or  
44 applicant for, a casino license, or any holding or intermediary  
45 company.

46 e. The Joint Legislative Committee on Ethical Standards and  
47 the Executive Commission on Ethical Standards, as appropriate,  
48 shall forthwith determine and publish, and periodically update, a  
49 list of those positions in State government with responsibility for  
50 matters affecting casino activity.

1 f. No person shall solicit or accept, directly or indirectly, any  
2 complimentary service or discount from any casino applicant or  
3 licensee which he knows or has reason to know is other than a  
4 service or discount that is offered to members of the general  
5 public in like circumstance.

6 g. No person shall influence, or attempt to influence, by use of  
7 his official authority, the decision of the commission or the  
8 investigation of the division in any application for licensure or in  
9 any proceeding to enforce the provisions of this act or the  
10 regulations of the commission. Any such attempt shall be  
11 promptly reported to the Attorney General; provided, however,  
12 that nothing in this section shall be deemed to proscribe a request  
13 for information by any person concerning the status of any  
14 application for licensure or any proceeding to enforce the  
15 provisions of this act or the regulations of the commission.

16 h. Any person who willfully violates the provisions of this  
17 section is a disorderly person and shall be subject to a fine not to  
18 exceed \$500.00 or imprisonment not to exceed six months, or  
19 both.<sup>1</sup>

20 (cf: P.L.1984, c.218, s.36)

21 <sup>1</sup>[57.] <sup>2</sup>[62.1] 61.<sup>2</sup> Sections 48 and 142 of P.L.1977, c.110  
22 (C.5:12-48 and 5:12-142) are repealed.

23 <sup>1</sup>[58.] <sup>2</sup>[63.1] 62.<sup>2</sup> This act shall take effect immediately<sup>2</sup>[,  
24 but the change in compensation authorized pursuant to section 53  
25 of P.L.1977, c.110 (C.5:12-53) as amended by section 10 of this  
26 act shall be inoperative until an increase takes effect which  
27 raises the amount of the annual salaries received by the heads of  
28 the principal departments above \$95,000]<sup>2</sup>.

29

30

31

## GAMBLING

32

33 Makes various changes in the laws governing the operation and  
34 regulation of casinos.

## SPONSOR'S STATEMENT

### STATEMENT

This bill makes numerous changes in the laws governing the operation and regulation of casinos. Among those changes are the following:

1) The Casino Control Commission is relieved from the responsibility of making judgments about the architecture and aesthetics of casino hotels.

2) New casino hotels must have at least 1,000 rooms, which would entitle them to casino space of up to 120,000 square feet. Existing casino hotels that add to their present number of rooms would be entitled to expanded casino space up to the same maximum.

3) Present statutory requirements for minimum indoor public space (e.g., restaurants and convention space) are eliminated. Existing hotels, however, must maintain such space for two years after the effective date of this act.

4) The ability of institutional investors (e.g., mutual funds and pension funds) to invest in casinos is facilitated in order to expand the sources of financing for casinos.

5) Greater flexibility is given to the casinos in both non-gaming operations (e.g., the elimination of commission review of non-gaming advertising) and in gaming operations (e.g., the elimination of statutory requirements requiring a minimum amount of space for various games).

6) Two new games, red dog and pai gow, are authorized.

7) Weekend and holiday gaming hours are expanded from 20 to 22, and the commission is empowered to authorize 24-hour gaming on certain occasions.

8) Licensure as a casino employee is required only of employees involved in gaming-related activities. Security employees who work solely in the hotel and not the casino are required to be registered rather than licensed.

9) Certain checks, such as bank-to-bank checks and personal checks of up to \$2,500, are permitted to be accepted and cashed by casinos.

10) Cash as well as the presently authorized noncash gifts are permitted as complimentaries.

11) The use of an electronic device by a player to gain advantage while playing a game is prohibited.

12) The appointment of a conservator for a casino in trouble is made permissive rather than mandatory in order to give the commission more flexibility in dealing with such circumstances, and the compensation and the mode of operation of the conservator are clarified.

13) If and when the increase in the salaries of cabinet officers occurs, the salaries of the commissioners will become comparable to those of Judges of the Superior Court. This will restore the parity which previously existed and served as the basis for the commissioners' salaries.

14) A person may request to be put on a list of persons to whom the extension of credit by a casino is prohibited.

15) Moneys from penalties levied and collected by the commission are to be paid into the Casino Revenue Fund, except that the first \$500,000 collected each fiscal year shall be used to support the Council on Compulsive Gambling in New Jersey.

SENATE INSTITUTIONS, HEALTH AND WELFARE COMMITTEE

STATEMENT TO

SENATE, No. 3279

with committee amendments

STATE OF NEW JERSEY

DATED: MARCH 25, 1991

The Senate Institutions, Health and Welfare Committee favorably reports Senate Bill No. 3279 with committee amendments.

As amended by committee, this bill makes numerous changes in the laws governing the operation and regulation of casinos. Among those changes are the following:

- 1) Three new games, red dog, pai gow and sic bo, are authorized.
- 2) Greater flexibility is given to the casinos in both non-gaming operations (e.g., the elimination of commission review of non-gaming advertising) and in gaming operations (e.g., the elimination of statutory requirements requiring a minimum amount of space for various games).
- 3) The formula for determining the maximum allowable casino size is changed and is based on the number of hotel rooms of a licensee. New casino hotels must have at least 500 rooms, which would entitle them to casino space of up to 50,000 square feet. A casino could add an additional 10,000 square feet for each additional 100 rooms over 500, up to a maximum of 200,000 square feet. Existing casino hotels that add to their present number of rooms would be entitled to expanded casino space of 10,000 square feet for each additional 100 rooms over 500, up to the same maximum of 200,000 square feet.
- 4) Present statutory requirements for minimum indoor public space (e.g., restaurants and convention space) are eliminated; however, existing hotels must maintain such space for two years after the effective date of this bill.
- 5) The ability of institutional investors (e.g., investment companies and pension funds) to invest in casinos is facilitated in order to expand the sources of financing for casinos.
- 6) Licensure as a casino employee is required only of employees involved in gaming-related activities. Security employees who work solely in the hotel and not the casino are required to be registered rather than licensed.
- 7) The commission is empowered to authorize 24-hour gaming on certain occasions.
- 8) The commission is relieved of the responsibility of making judgments about the architecture and aesthetics of casino hotels.
- 9) Casinos can increase their space allotment for slot machines from 30% to 42% and 25% to 32%, where applicable. The increase must be phased-in over a three-year period.
- 10) Certain checks, such as bank-to-bank checks and personal checks of up to \$2,500, are permitted to be accepted and cashed by casinos.

11) A person may request the commission to put his name on a list of persons to whom the extension of credit by a casino is prohibited.

12) Cash, as well as the presently authorized noncash gifts, is permitted as a complimentary, except that the commission is directed to establish a maximum amount of cash gifts that a licensee may provide to a patron each year.

13) The use of an electronic device by a player to gain advantage while playing a game is prohibited.

14) The appointment of a conservator for a casino in trouble is made permissive rather than mandatory in order to give the commission more flexibility in dealing with such circumstances, and the compensation and the mode of operation of the conservator are clarified.

15) Moneys from penalties levied and collected by the commission are to be paid into the Casino Revenue Fund, except that the first \$500,000 collected each fiscal year shall be used to support the Council on Compulsive Gambling in New Jersey.

16) If and when the increase in the salaries of cabinet officers occurs, the salaries of the commissioners of the Casino Control Commission will become comparable to those of Judges of the Superior Court. This will restore the parity which previously existed and served as the basis for the commissioners' salaries.

The committee amended the bill to:

- Add the game of sic bo to the list of authorized games (section 2);

- Permit the Casino Control Commission to authorize the operation of new games for a trial period of up to six months and to recommend to the Legislature and the Governor that a game be added to the statutory list of games (section 3);

- Clarify the language regarding the identification of employees who would fall within the category of "casino employees," that is, a casino employee shall include a person whose duties "predominantly" involve the maintenance and operation of gaming activity or equipment and assets associated therewith (section 5);

- Add technical language to the definition of "game," that is, that a game can be played with tiles or dominoes, as well as with dice or cards, to take into account the addition of the games of pai gow and sic bo (section 9);

- Refine the definition of "institutional investor" and clarify the provisions governing the waiver of qualification for institutional investors (sections 11 and 27);

- Authorize the commission to determine whether an application for prequalification (in order to hold the securities of a casino licensee) is to be accepted and require an applicant for prequalification to pay the costs of the investigation unless a casino licensee agrees to pay (section 21);

- Change the formula for casino space so that a 500 hotel room facility authorizes 50,000 square feet of casino space. Provision is made for an additional 10,000 square feet for each additional 100 rooms above 500, up to a maximum casino space of 200,000 square feet for existing and new casino hotels (section 24);



SENATE Amendments  
(Proposed by Senator Codey)

to

SENATE, No. 3279 (1R)

(Sponsored by Senator CODEY)

**ADOPTED**

**MAY -9 1991**

OMIT SECTION 12 IN ITS ENTIRETY

RENUMBER SECTIONS 13 THROUGH 62 AS SECTIONS 12 THROUGH 61

REPLACE SECTION 63 TO READ:

<sup>1</sup>[58.] <sup>2</sup>[~~63.1~~] ~~62.~~<sup>2</sup> This act shall take effect immediately<sup>2</sup>[, but the change in compensation authorized pursuant to section 53 of P.L.1977, c.110 (C.5:12-53) as amended by section 10 of this act shall be inoperative until an increase takes effect which raises the amount of the annual salaries received by the heads of the principal departments above \$95,000]<sup>2</sup>.

STATEMENT

This amendment removes from the bill the provisions that would establish the salary of each commissioner of the Casino Control Commission at an amount equal to that for a Judge of the Superior Court and the salary of the chairman at an amount equal to that for a Judge of the Superior Court, Appellate Division.

SENATE SIH COMMITTEE

AMENDMENTS

to

SENATE, No 3279  
(Sponsored by Senator Codey)

**ADOPTED**  
**MAR 25 1991**

REPLACE TITLE TO READ:

AN ACT concerning casino gambling, amending P.L.1978, c.7<sup>1</sup>[and], P.L.1981, c.142 and<sup>1</sup> P.L.1987, c.409, <sup>1</sup>[and],<sup>1</sup> amending and supplementing P.L.1977, c.110 <sup>1</sup>, and repealing sections 48 and 142 of P.L.1977, c.110<sup>1</sup>.

REPLACE SECTION 2 TO READ:

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

5. "Authorized Game" or "Authorized Gambling Game"--Roulette, baccarat, blackjack, craps, big six wheel, slot machines, minibaccarat, red dog, pai gow, and <sup>1</sup>sic bo;<sup>1</sup> any variations or composites of such games, provided that such variations or composites are found by the commission suitable for casino use after an appropriate test or experimental period under such terms and conditions as the commission may deem appropriate <sup>1</sup>; and any other game which is authorized by the commission pursuant to section 3 of this amendatory and supplementary act, P.L. , c. (C. ) (now pending before the Legislature as this bill)<sup>1</sup>. "Authorized game" or "authorized gambling game" includes gaming tournaments in which players compete against one another in one or more of the games listed herein or in approved variations or composites thereof if the tournaments are authorized by the commission.

(cf: P.L.1985, c.350, s.1)

INSERT NEW SECTION 3 TO READ:

13. (New section) The commission may authorize the operation, for a trial period of not more than six months, of any game in addition to the games authorized by statute or by the commission prior to the effective date of this amendatory and supplementary act, P.L. , c. (C. ). At any time during the trial period or at the conclusion of the trial period, the commission may recommend to the Legislature and the Governor that authorization for that game be provided by statute. No game authorized by the commission pursuant to this section shall continue beyond six months unless authorized by enactment of appropriate legislation.<sup>1</sup>

RENUMBER SECTION 3 AS SECTION 4

REPLACE SECTION 4 TO READ:

<sup>1</sup>[4.] 5.<sup>1</sup> Section 7 of P.L.1977, c.110 (C.5:12-7) is amended to read as follows:

7. "Casino Employee"--Any natural person employed in the operation of a licensed casino, including, without limitation, boxmen; dealers or croupiers; floormen; machine mechanics; casino security employees; count room personnel; cage personnel; slot machine and slot booth personnel; collection personnel; casino surveillance personnel; and data processing personnel; or any other natural person whose employment duties [require or authorize access to restricted casino areas, including, without limitation, appropriate maintenance personnel; waiters and waitresses; and secretaries] <sup>1</sup>predominantly<sup>1</sup> involve the maintenance or operation of gaming activity or equipment and assets associated therewith or who, in the judgment of the commission, is so regularly required to work in a restricted casino area in gaming-related activities that licensure as a casino employee is appropriate.

(cf: P.L.1987, c.353, s.1)

RENUMBER SECTIONS 5 THROUGH 7 AS SECTIONS 6 THROUGH 8INSERT NEW SECTION 9 TO READ:

<sup>1</sup>9. Section 21 of P.L.1977, c.110 (C.5:12-21) is amended to read as follows:

21. "Game" or "gambling game" --Any banking or percentage game located exclusively within the casino played with cards, dice, tiles, dominoes, or any electronic, electrical, or mechanical device or machine for money, property, or any representative of value.<sup>1</sup>

(cf: P.L.1979, c.282, s.3)

RENUMBER SECTION 8 AS SECTION 10REPLACE SECTION 9 TO READ:

<sup>1</sup>[9.] 11.<sup>1</sup> (New section) "Institutional investor"--Any <sup>1</sup>retirement fund administered by a public agency for the exclusive benefit of<sup>1</sup> federal, state, or local <sup>1</sup>[retirement fund] public employees<sup>1</sup>; <sup>1</sup>[mutual fund] investment company registered under the Investment Company Act of 1940 (15 U.S.C. §80a-1 et seq.); collective investment trust organized by banks under Part Nine of the Rules of the Comptroller of the Currency<sup>1</sup>; closed end investment trust; <sup>1</sup>chartered or licensed<sup>1</sup> life insurance company<sup>1</sup>; <sup>1</sup>or<sup>1</sup> property and casualty insurance company; banking and other <sup>1</sup>chartered or<sup>1</sup> licensed lending institution; investment advisor registered under The Investment Advisors Act of 1940 <sup>1</sup>[15 U.S.C. §80b-1 et seq.]<sup>1</sup>; and such other persons as the commission may determine for reasons consistent with the policies of the "Casino Control Act," P.L.1977, c.110 (C.5:12-1 et seq.).

RENUMBER SECTIONS 10 THROUGH 18 AS SECTIONS 12 THROUGH 20

REPLACE SECTION 19 TO READ:

<sup>1</sup>[19.] 21.<sup>1</sup> Section 80 of P.L.1977, c.110 (C.5:12-80) is amended to read as follows:

80. General Provisions. a. It shall be the affirmative responsibility of each applicant and licensee to establish by clear and convincing evidence his individual qualifications, and for a casino license the qualifications of each person who is required to be qualified under this act as well as the qualifications of the facility in which the casino is to be located.

b. Any applicant, licensee, registrant, or any other person who must be qualified pursuant to this act shall provide all information required by this act and satisfy all requests for information pertaining to qualification and in the form specified by the commission. All applicants, registrants, and licensees shall waive liability as to the State of New Jersey, and its instrumentalities and agents, for any damages resulting from any disclosure or publication in any manner, other than a willfully unlawful disclosure or publication, of any material or information acquired during inquiries, investigations or hearings.

c. All applicants, licensees, registrants, intermediary companies, and holding companies shall consent to inspections, searches and seizures and the supplying of handwriting exemplars as authorized by this act and regulations promulgated hereunder.

d. All applicants, licensees, registrants, and any other person who shall be qualified pursuant to this act shall have the continuing duty to provide any assistance or information required by the commission or division, and to cooperate in any inquiry or investigation conducted by the division and any inquiry, investigation, or hearing conducted by the commission. If, upon issuance of a formal request to answer or produce information, evidence or testimony, any applicant, licensee, registrant, or any other person who shall be qualified pursuant to this act refuses to comply, the application, license, registration or qualification of such person may be denied or revoked by the commission.

e. No applicant or licensee shall give or provide, offer to give or provide, directly or indirectly, any compensation or reward or any percentage or share of the money or property played or received through gaming activities, except as authorized by this act, in consideration for obtaining any license, authorization, permission or privilege to participate in any way in gaming operations.

f. Each applicant or person who must be qualified under this act shall be photographed and fingerprinted for identification and investigation purposes in accordance with procedures established by the commission.

g. All licensees, all registrants, all persons required to be qualified under this act, and all persons employed by a casino service industry licensed pursuant to this act, shall have a duty to inform the commission or division of any action which they believe would constitute a violation of this act. No person who so informs the commission or the division shall be discriminated against by an applicant, licensee or registrant because of the supplying of such information.

h. Any person who must be qualified pursuant to the "Casino Control Act," P.L.1977, c.110 (C.5:12-1 et seq.) in order to hold the securities of a casino licensee or any holding or intermediary company of a casino licensee may apply for qualification status prior to the acquisition of any such securities. <sup>1</sup>The commission may determine to accept such an application upon a finding that there is a reasonable likelihood that, if qualified, the applicant will obtain and hold securities of a licensee sufficient to require qualification.<sup>1</sup> Such an applicant shall be subject to the provisions of this section <sup>1</sup>and shall pay for the costs of all investigations and proceedings in relation to the application unless the applicant provides to the commission an agreement with one or more casino licensees which states that the licensee or licensees will pay those costs<sup>1</sup>.

(cf: P.L.1981, c.503, s.9)

RENUMBER SECTIONS 20 AND 21 AS SECTIONS 22 AND 23

REPLACE SECTION 22 TO READ:

<sup>1</sup>[22.] 24.<sup>1</sup> Section 83 of P.L. 1977, c.110 (C.5:12-83) is amended to read as follows:

83. Approved Hotel. a. An approved hotel for purposes of this act shall be a hotel providing facilities in accordance with this section. Nothing in this section shall be construed to limit the authority of the commission to determine the suitability of facilities as provided in this act, and nothing in this section shall be construed to require a casino to be <sup>1</sup>[larger than the minimum size or]<sup>1</sup> smaller than the maximum size herein provided.

[An approved hotel shall, in accordance with the following table:

- a. Contain qualifying sleeping units as defined in section 27 of this act;
- b. Contain qualifying indoor public space available and of the sort regularly used for conventions, exhibits, meetings, banquets and similar functions, and for dining, entertainment, and sports facilities, including restaurants, bars, lounges, show theaters, shops, dance halls, swimming facilities, and tennis facilities but excluding lobbies, casinos, and parking areas; and
- c. Contain a single casino room as defined in section

6 of this act, in accordance with the minimum number of qualifying sleeping units and minimum amount of qualifying indoor public space as provided in the following chart, but, except as hereinafter provided, in no event may a casino room be permitted to exceed the maximum square footage stated:

Minimum Number of Qualifying Sleeping Units	Minimum Square Footage of Qualifying Indoor Public Space Sq. Ft.	Maximum Square Footage of Casino Room Sq. Ft.
500	65,000	30,000
750	80,000	40,000
1,000	95,000	50,000
1,250	110,000	60,000
1,500	125,000	70,000
1,750	140,000	85,000
2,000	155,000	100,000]

b. (1) In the case of a casino hotel in operation on the effective date of this amendatory and supplementary act, P.L. , c. , an approved hotel shall:

(a) contain at least the number of qualifying sleeping units, as defined in section 27 of P.L.1977, c.110 (C.5:12-27), which it has on the effective date of this amendatory and supplementary act, except that those units may be consolidated and reconfigured in order to form suites so long as there remain at least 500 qualifying sleeping units; and

(b) contain a casino of not more than the amount of casino space authorized on the basis of the provisions of this section which were in effect on the day before the effective date of this amendatory and supplementary act and applicable to that casino at that time, <sup>1</sup>[except that the casino space may be increased if additional qualifying sleeping units are added as provided hereafter in this paragraph] unless the number of qualifying sleeping units under subparagraph (a) of this paragraph and the number of any qualifying sleeping units added after the effective date of this amendatory and supplementary act permit an increase on the following basis: 50,000 square feet for the first 500 qualifying sleeping units and 10,000 square feet for each additional 100 qualifying sleeping units above 500, up to a maximum of 200,000 square feet. No casino hotel in operation on the effective date of this amendatory and supplementary act shall be required to reduce the amount of its casino space below the amount authorized as of the day before the effective date of this amendatory and supplementary act unless the number of qualifying sleeping units is reduced below the number required in subparagraph (a) of this paragraph or, during the two years after that effective date, the amount of qualifying indoor public space is reduced in violation of section 25 of this act<sup>1</sup>.

<sup>1</sup>[The casino space in such an approved hotel may be increased following the effective date of this amendatory and supplementary act on the basis of the following formula:

<u>(number of hotel rooms added)</u>	<u>(amount of casino space that may be added)</u>
<u>(1,000 - number of hotel rooms on that effective date)</u>	<u>(120,000 - amount of casino space on that effective date)]<sup>1</sup></u>

For the purpose of increasing casino space, an agreement approved by the commission for the addition of qualifying sleeping units within two years after <sup>1</sup>[approval of the agreement] the commencement of gaming operations in the additional casino space<sup>1</sup> shall be deemed an addition of those rooms, but if the agreement is not fulfilled due to conditions within the control of the casino licensee, the casino licensee shall close the additional casino space or any portion thereof as directed by the commission.

The calculation of the number of qualifying sleeping units added with respect to any such casino hotel shall not include any qualifying sleeping unit or other hotel or motel room in existence in Atlantic City on the effective date of this <sup>1</sup>amendatory and supplementary<sup>1</sup> act, whether or not that unit or room is offered or usable for occupancy on the effective date, or any replacement for such a unit or room which results from construction or renovation after the effective date.

(2) In the case of a hotel in operation on the effective date of this amendatory and supplementary act, P.L. , c. , in which a licensed casino was located and operated prior to, but not as of, that effective date, and in which a casino is reestablished after that effective date, an approved hotel shall:

(a) contain at least the number of qualifying sleeping units, as defined in section 27 of P.L.1977, c.110 (C.5:12-27), which it had on the date the casino ceased operations prior to the effective date of this <sup>1</sup>amendatory and supplementary<sup>1</sup> act, except that those units may be consolidated and reconfigured in order to form suites so long as there remain at least 500 qualifying sleeping units; and

(b) contain a casino of not more than the amount of casino space the casino had on the date it ceased operations prior to <sup>1</sup>[that] the<sup>1</sup> effective date <sup>1</sup>of this amendatory and supplementary act<sup>1</sup>, <sup>1</sup>[except that the casino space may be increased if additional qualifying sleeping units are added as provided hereafter in this paragraph] unless the number of qualifying sleeping units under subparagraph (a) of this paragraph and the number of any qualifying sleeping units added after the effective date of this amendatory and

supplementary act permit an increase on the following basis: 50,000 square feet for the first 500 qualifying sleeping units and 10,000 square feet for each additional 100 qualifying sleeping units above 500, up to a maximum of 200,000 square feet. No casino hotel which operates pursuant to this paragraph shall be required to reduce the amount of its casino space below the amount it had on the date it ceased operations unless the number of qualifying sleeping units is reduced below the number required in subparagraph (a) of this paragraph or, during the two years after the effective date of this amendatory and supplementary act, the amount of qualifying indoor public space is reduced in violation of section 25 of this act<sup>1</sup>.

<sup>1</sup>[The casino space in such an approved hotel may be increased following the effective date of this amendatory and supplementary act on the basis of the following formula:

<u>(number of hotel rooms added)</u>	=	<u>(amount of casino space that may be added)</u>
<u>(1,000 - number of hotel rooms on date casino ceased operations)</u>		<u>(120,000 - amount of casino space on date casino ceased operations)<sup>1</sup></u>

For the purpose of increasing casino space, an agreement approved by the commission for the addition of qualifying sleeping units within two years after <sup>1</sup>[approval of the agreement] the commencement of gaming operations in the additional casino space<sup>1</sup> shall be deemed an addition of those rooms, but if the agreement is not fulfilled due to conditions within the control of the casino licensee, the casino licensee shall close the additional casino space or any portion thereof as directed by the commission.

The calculation of the number of qualifying sleeping units added with respect to any such hotel shall not include any qualifying sleeping unit or other hotel or motel room in existence in Atlantic City on the effective date of this <sup>1</sup>amendatory and supplementary<sup>1</sup> act, whether or not that unit or room is offered or usable for occupancy on the effective date, or any replacement for such a unit or room which results from construction or renovation after the effective date.

c. In the case of a casino hotel not in operation prior to or on the effective date of this amendatory and supplementary act, <sup>1</sup>P.L. , c. ~~(G.)~~<sup>1</sup>, an approved hotel shall contain at least <sup>1</sup>[1,000] 500<sup>1</sup> qualifying sleeping units, as defined in section 27 of the "Casino Control Act," P.L.1977, c.110 (C.5:12-27), and a single casino room of not more than <sup>1</sup>[120,000] 50,000<sup>1</sup> square feet <sup>1</sup>, except that for each additional 100 qualifying sleeping units above



500, the maximum size of the casino room may be increased by 10,000 square feet, up to a maximum of 200,000 square feet<sup>1</sup>. The calculation of the number of qualifying sleeping units with respect to any such casino hotel shall not include any qualifying sleeping unit or other hotel or motel room in existence in Atlantic City on the effective date of this <sup>1</sup>amendatory and supplementary<sup>1</sup> act, whether or not that unit or room is offered or usable for occupancy on the effective date, or any replacement for such a unit or room which results from construction or renovation after the effective date.

d. Once a hotel is initially approved, the commission shall thereafter rely on the certification of the casino licensee with regard to the number of rooms and, when applicable, the amount of qualifying indoor public space and shall permit rehabilitation, renovation and alteration of any part of the approved hotel even if the rehabilitation, renovation, or alteration will mean that the casino licensee does not temporarily meet the requirements of subsection c. so long as the licensee certifies that the rehabilitation, renovation, or alteration shall be completed within one year.

e. (Deleted by amendment, P.L.1987, c.352.)

f. [If an approved hotel shall provide more than the minimum number of qualifying sleeping units as hereinbefore defined than is required by subsection c. hereof, the maximum casino space may be permitted to increase by 40 square feet for each such excess sleeping unit.] (Deleted by amendment, P.L. , c. .)

g. [If a licensed facility shall provide more qualifying indoor public space as hereinbefore defined than is required by subsection c. hereof, the maximum allowable casino space may be permitted to increase by a figure representing one-half of the amount of such excess qualifying indoor public space, including space serving as kitchen support facilities.] (Deleted by amendment, P.L. , c. .)

h. [In no event may the total of the increased allowable casino space be permitted to exceed a figure representing the original maximum casino size.] (Deleted by amendment, P.L. , c. .)

i. The commission shall not impose any criteria or requirements regarding the contents of the hotel, including [qualifying] indoor public space, in addition to the criteria and requirements expressly specified in the "Casino Control Act," P.L.1977, c.110 (C.5:12-1 et seq.); provided, however, that the commission shall be authorized to require each casino licensee to establish and maintain an approved hotel which is in all respects a superior, first-class facility of exceptional quality which will help restore Atlantic City as a resort, tourist and convention destination.

(cf: P.L.1987, c.352, s.1)

RENUMBER SECTION 23 AS SECTION 25REPLACE SECTION 24 TO READ:

<sup>1</sup>[24.] 26.<sup>1</sup> Section 84 of P.L.1977, c.110 (C.5:12-84) is amended to read as follows:

84. Casino License--Applicant Requirements. Any applicant for a casino license must produce information, documentation and assurances concerning the following qualification criteria:

a. Each applicant shall produce such information, documentation and assurances concerning financial background and resources as may be required to establish by clear and convincing evidence the financial stability, integrity and responsibility of the applicant, including but not limited to bank references, business and personal income and disbursement schedules, tax returns and other reports filed with governmental agencies, and business and personal accounting and check records and ledgers. In addition, each applicant shall, in writing, authorize the examination of all bank accounts and records as may be deemed necessary by the commission or the division.

b. Each applicant shall produce such information, documentation and assurances as may be necessary to establish by clear and convincing evidence the integrity of all financial backers, investors, mortgagees, bond holders, and holders of indentures, notes or other evidences of indebtedness, either in effect or proposed, which bears any relation to the casino proposal submitted by the applicant or applicants; provided, however, that this section shall not apply to banking or other licensed lending institutions exempted from the qualification requirements of subsections c. and d. of section 85 of P.L.1977, c.110 (C.5:12-85) and institutional investors waived from the qualification requirements of those subsections pursuant to the provisions of subsection f. of section 85 of P.L.1977, c.110 (C.5:12-85). Any such banking or licensed lending institution or institutional investor shall, however, produce for the commission <sup>1</sup>or the division<sup>1</sup> upon <sup>1</sup>[its]<sup>1</sup> request any document or information which bears any relation to the casino proposal submitted by the applicant or applicants. The integrity of financial sources shall be judged upon the same standards as the applicant. In addition, the applicant shall produce whatever information, documentation or assurances as may be required to establish by clear and convincing evidence the adequacy of financial resources both as to the completion of the casino proposal and the operation of the casino.

c. Each applicant shall produce such information, documentation and assurances as may be required to establish by clear and convincing evidence the applicant's good character, honesty and integrity. Such information shall include, without limitation, information pertaining to family, habits, character,

reputation, criminal and arrest record, business activities, financial affairs, and business, professional and personal associates, covering at least the 10-year period immediately preceding the filing of the application. Each applicant shall notify the commission of any civil judgments obtained against any such applicant pertaining to antitrust or security regulation laws of the federal government, of this State or of any other state, jurisdiction, province or country. In addition, each applicant shall produce letters of reference from law enforcement agencies having jurisdiction in the applicant's place of residence and principal place of business, which letters of reference shall indicate that such law enforcement agencies do not have any pertinent information concerning the applicant, or if such law enforcement agency does have information pertaining to the applicant, shall specify what the information is. If the applicant has conducted gaming operations in a jurisdiction which permits such activity, the applicant shall produce letters of reference from the gaming or casino enforcement or control agency which shall specify the experiences of such agency with the applicant, his associates, and his gaming operation; provided, however, that if no such letters are received within 60 days of request therefor, the applicant may submit a statement under oath that he is or was during the period such activities were conducted in good standing with such gaming or casino enforcement or control agency.

d. Each applicant shall produce such information, documentation and assurances as may be required to establish by clear and convincing evidence that the applicant has sufficient business ability and casino experience as to establish the likelihood of creation and maintenance of a successful, efficient casino operation. The applicant shall produce the names of all proposed casino key employees as they become known and a description of their respective or proposed responsibilities, and a full description of security systems and management controls proposed for the casino and related facilities.

e. Each applicant shall produce such information, documentation and assurances to establish to the satisfaction of the commission the suitability of the casino and related facilities subject to subsection i. of section 83 of P.L.1977, c.110 (C.5:12-83) and its proposed location will not adversely affect casino operations or overall environmental conditions. Each applicant shall submit an impact statement which shall include, without limitation, architectural and site plans which establish that the proposed facilities comply in all respects with the requirements of this act, the requirements of the master plan and zoning and planning ordinances of Atlantic City, without any use variance

from the provisions thereof, and the requirements of the "Coastal Area Facility Review Act," P.L.1973, c.185 (C.13:19-1 et seq.), a market impact study which analyzes the adequacy of the patron market and the effect of the proposal on such market and on the existing casino facilities licensed under this act; and an analysis of the effect of the proposal on the overall environment, including, without limitation, economic, social, demographic and competitive conditions as well as the natural resources of Atlantic City and the State of New Jersey.

(cf: P.L.1987, c.410, s.7)

**REPLACE SECTION 25 TO READ:**

<sup>1</sup>[25.] 27.1 Section 85 of P.L.1977, c.110 (C.5:12-85) is amended to read as follows:

85. Additional Requirements. a. In addition to other information required by this act, a corporation applying for a casino license shall provide the following information:

(1) The organization, financial structure and nature of all businesses operated by the corporation; the names and personal employment and criminal histories of all officers, directors and principal employees of the corporation; the names of all holding, intermediary and subsidiary companies of the corporation; and the organization, financial structure and nature of all businesses operated by such of its holding, intermediary and subsidiary companies as the commission may require, including names and personal employment and criminal histories of such officers, directors and principal employees of such corporations and companies as the commission may require;

(2) The rights and privileges acquired by the holders of different classes of authorized securities of such corporations and companies as the commission may require, including the names, addresses and amounts held by all holders of such securities;

(3) The terms upon which securities have been or are to be offered;

(4) The terms and conditions of all outstanding loans, mortgages, trust deeds, pledges or any other indebtedness or security devices utilized by the corporation;

(5) The extent of the equity security holding in the corporation of all officers, directors and underwriters, and their remuneration in the form of salary, wages, fees or otherwise;

(6) Names of persons other than directors and officers who occupy positions specified by the commission or whose compensation exceeds an amount determined by the commission, and the amount of their compensation;

(7) A description of all bonus and profit-sharing arrangements;

(8) Copies of all management and service contracts; and

(9) A listing of stock options existing or to be created.

b. If a corporation applying for a casino license is, or if a corporation holding a casino license is to become, a subsidiary, each holding company and each intermediary company with respect thereto must, as a condition of the said subsidiary acquiring or retaining such license, as the case may be:

(1) Qualify to do business in the State of New Jersey; and

(2) If it is a corporation, register with the commission and furnish the commission with all the information required of a corporate licensee as specified in subsection a. (1), (2) and (3) of this section and such other information as the commission may require; or

(3) If it is not a corporation, register with the commission and furnish the commission with such information as the commission may prescribe. [The commission may, in its discretion, make such investigations concerning the officers, directors, underwriters, security holders, partners, principals, trustees or persons owning or beneficially holding any interest in any holding company or intermediary company as it deems necessary, either at the time of initial registration or at any time thereafter.]

c. No corporation shall be eligible to hold a casino license unless each officer; each director; each person who directly or indirectly holds any beneficial interest or ownership of the securities issued by the corporation; any person who in the opinion of the commission has the ability to control the corporation or elect a majority of the board of directors of that corporation, other than a banking or other licensed lending institution which makes a loan or holds a mortgage or other lien acquired in the ordinary course of business; each principal employee; and any lender, underwriter, agent, employee of the corporation, or other person whom the commission may consider appropriate for approval or qualification would, but for residence, individually be qualified for approval as a casino key employee pursuant to the provisions of this act.

d. No corporation which is a subsidiary shall be eligible to receive or hold a casino license unless each holding and intermediary company with respect thereto:

(1) If it is a corporation, shall comply with the provisions of subsection c. of this section as if said holding or intermediary company were itself applying for a casino license; provided, however, that the commission with the concurrence of the director may waive compliance with the provisions of subsection c. hereof on the part of a publicly-traded corporation which is a holding company as to any officer, director, lender, underwriter, agent or employee thereof, or person directly or indirectly holding a beneficial interest or ownership of

the securities of such corporation, where the commission and the director are satisfied that such officer, director, lender, underwriter, agent or employee is not significantly involved in the activities of the corporate licensee, and in the case of security holders, does not have the ability to control the publicly-traded corporation or elect one or more directors thereof; or

(2) If it is not a corporation, shall comply with the provisions of subsection e. of this section as if said company were itself applying for a casino license.

e. Any noncorporate applicant for a casino license shall provide the information required in subsection a. of this section in such form as may be required by the commission. No such applicant shall be eligible to hold a casino license unless each person who directly or indirectly holds any beneficial interest or ownership in the applicant, or who in the opinion of the commission has the ability to control the applicant, or whom the commission may consider appropriate for approval or qualification, would, but for residence, individually be qualified for approval as a casino key employee pursuant to the provisions of this act.

f. Notwithstanding the provisions of subsections c. and d. of this section, <sup>1</sup>and in the absence of a prima facie showing by the director that there is any cause to believe that the institutional investor may be found unqualified,<sup>1</sup> an institutional investor holding either (1) under 10% of the equity securities of a casino licensee's holding or intermediary companies, or (2) debt securities of a casino licensee's holding or intermediary companies <sup>1</sup>, or another subsidiary company of a casino licensee's holding or intermediary companies which is related in any way to the financing of the casino licensee,<sup>1</sup> where the securities represent a percentage of <sup>1</sup>any issue of<sup>1</sup> the company's debt not exceeding 20% shall be granted a waiver of qualification if <sup>1</sup>such securities are publicly traded and<sup>1</sup> its holdings of such securities were purchased for investment purposes only and upon request by the commission it files with the commission a certified statement to the effect that it has no intention of influencing or affecting the affairs of the issuer, the casino licensee or its holding or intermediary companies; provided, however, that it shall be permitted to vote on matters put to the vote of the outstanding security holders. The commission may grant a waiver of qualification to an institutional investor holding a higher percentage of such securities upon a showing of good cause and if the conditions specified above are met. <sup>1</sup>Any institutional investor granted a waiver under this subsection which subsequently determines to influence or affect the affairs of the issuer shall provide not less than 30 days' notice of such intent and shall file with the commission an application for qualification before taking any action

that may influence or affect the affairs of the issuer; provided, however, that it shall be permitted to vote on matters put to the vote of the outstanding security holders.<sup>1</sup> If an institutional investor changes its investment intent, or if the commission finds reasonable cause to believe that the institutional investor may be found unqualified, no action other than divestiture shall be taken by such investor with respect to its security holdings until there has been compliance with the provisions of P.L.1987, c.409 (C.5:12-95.12 et seq.), including the execution of a trust agreement.

g. If at any time the commission finds that an institutional investor holding any security <sup>1</sup>[of a casino licensee or]<sup>1</sup> of a holding or intermediary company <sup>1</sup>[with respect thereto] of a casino licensee, or, where relevant, of another subsidiary company of a holding or intermediary company of a casino licensee which is related in any way to the financing of the casino licensee,<sup>1</sup> fails to comply with the terms of subsection f. of this section, or if at any time the commission finds that, by reason of the extent or nature of its holdings, an institutional investor is in a position to exercise such a substantial impact upon the controlling interests of a licensee that qualification of the institutional investor is necessary to protect the public interest, the commission may, in accordance with the provisions of <sup>1</sup>subsections a. through e. of this section or<sup>1</sup> subsections d. and e. of section 105 of P.L.1977, c.110 (C.5:12-105), take any necessary action to protect the public interest, including requiring such an institutional investor to be qualified pursuant to the provisions of the "Casino Control Act," P.L.1977, c.110 (C.5:12-1 et seq.).

(cf: P.L.1987, c.354, s.9)

RENUNBER SECTION 26 AS SECTION 28

INSERT NEW SECTION 29 TO READ:

<sup>1</sup>29. Section 88 of P.L.1977, c.110 (C.5:12-88) is amended to read as follows:

88. Renewal of Casino Licenses a. Subject to the power of the commission to deny, revoke, or suspend licenses, any casino license in force shall be renewed by the commission for the next succeeding license period upon proper application for renewal and payment of license fees and taxes as required by law and the regulations of the commission. The license period for a renewed casino license shall be one year for the first two renewal periods succeeding the initial issuance of a casino license pursuant to section 87 of P.L.1977, c. 110 (C. 5:12-87). Thereafter, a casino license shall be renewed for a period of up to two years, but the commission may reopen licensing hearings at any time. In addition, the commission shall reopen licensing hearings

at any time at the request of the Division of Gaming Enforcement in the Department of Law and Public Safety. Notwithstanding the foregoing, the commission may, for the purpose of facilitating its administration of this act, renew the casino license of the holders of licenses initially opening after January 1, 1981 for a period of one year; provided, however, the renewal period for those particular casino licenses may not be adjusted more than once pursuant to this provision. The commission shall act upon any such application prior to the date of expiration of the current license.

b. Application for renewal shall be filed with the commission no later than 90 days prior to the expiration of the current license, and all license fees and taxes as required by law shall be paid to the commission on or before the date of expiration of the current license.

c. Upon renewal of any license the commission shall issue an appropriate renewal certificate or validating device or sticker which shall be attached to each casino license.<sup>1</sup>

(cf: P.L.1987, c.354, s.11)

REPLACE SECTION 27 TO READ:

<sup>1</sup>[27.] ~~30.~~<sup>1</sup> Section 90 of P.L.1977, c.110 (C.5:12-90) is amended to read as follows:

90. Licensing of Casino Employees. a. No person may commence employment as a casino employee unless he is the holder of a valid casino employee license.

b. Any applicant for a casino employee license must, prior to the issuance of any such license, produce sufficient information, documentation and assurances to meet the qualification criteria, including New Jersey residency, contained in subsection b. of section 89 of this act and any additional residency requirement imposed under subsection c. of this section; except that the standards for business ability and casino experience may be satisfied by a showing of casino job experience and knowledge of the provisions of this act and regulations pertaining to the particular position involved, or by successful completion of a course of study at a licensed school in an approved curriculum.

c. The commission may, by regulation, require that all applicants for casino employee licenses be residents of this State for a period not to exceed six months immediately prior to the issuance of such license, but application may be made prior to the expiration of the required period of residency. The commission shall, by resolution, waive the required residency period for an applicant upon a showing that the residency period would cause undue hardship upon the casino licensee which intends to employ said applicant, or upon a showing of other good cause.

d. The commission shall endorse upon any license issued hereunder the particular positions as defined by regulation which the licensee is qualified to hold.



e. The commission shall deny a casino employee license to any applicant who is disqualified on the basis of the criteria contained in section 86 of this act.

f. For the purposes of this section, casino security employees shall be considered casino employees and must, in addition to any requirements under other laws, be licensed in accordance with the provisions of this act.

g. A temporary license may be issued by the commission to casino employees for positions not directly related to gaming activity if, in its judgment, the issuance of a plenary license will be restricted by necessary investigations and said temporary licensing of the applicant is necessary for the operation of the casino. In addition, a temporary license may be issued by the commission to a casino employee for the position of slot changeperson if the division has not responded to the application for licensure within <sup>1</sup>[30] <sup>15</sup> days of the filing of the application and if the employee's position involves working with an impressment of <sup>1</sup>[\$1,000] <sup>3,000</sup> or less and no access to any other funds. Unless otherwise terminated pursuant to this act, a temporary license issued pursuant to this subsection shall expire six months from the date of its issuance and be renewable, at the discretion of the commission, for one additional six month period. ~~Positions "directly related to gaming activity" shall include, but not be limited to, boxmen, floormen, dealers or croupiers, cage personnel, count room personnel, slot and slot booth personnel, credit and collection personnel, casino surveillance personnel, and casino security employees whose employment duties require or authorize access to the casino.~~

h. Notwithstanding the provisions of subsection e. of this section, no applicant shall be denied a casino employee license on the basis of a conviction of any of the offenses enumerated in this act as disqualification criteria or the commission of any act or acts which would constitute any offense under subsection c. of section 86 of P.L.1977, c.110 (C.5:12-86), as specified in subsection g. of that section; provided that the applicant has affirmatively demonstrated his rehabilitation. In determining whether the applicant has affirmatively demonstrated his rehabilitation the commission shall consider the following factors:

- (1) The nature and duties of the position applied for;
- (2) The nature and seriousness of the offense or conduct;
- (3) The circumstances under which the offense or conduct occurred;
- (4) The date of the offense or conduct;
- (5) The age of the applicant when the offense or conduct was committed;
- (6) Whether the offense or conduct was an isolated or repeated incident;
- (7) Any social conditions which may have contributed

to the offense or conduct;

(8) Any evidence of rehabilitation, including good conduct in prison or in the community, counseling or psychiatric treatment received, acquisition of additional academic or vocational schooling, successful participation in correctional work-release programs, or the recommendation of persons who have or have had the applicant under their supervision.

(cf: P.L.1987, c.354, s.13)

RENUMBER SECTIONS 28 AND 29 AS SECTIONS 31 AND 32

REPLACE SECTION 30 TO READ:

<sup>1</sup>[30.] 33.<sup>1</sup> Section 3 of P.L.1987, c.409 (C.5:12-95.12) is amended to read as follows:

3. Applicability and Requirements.

a. Except as provided in subsection b. of this section, whenever any person contracts to transfer any property relating to an ongoing casino operation, including a security holding in a casino licensee or holding or intermediary company, under circumstances which require that the transferee obtain casino licensure under section 82 of the "Casino Control Act," P.L.1977, c.110 (C.5:12-82), or qualification under section 84 or 85 of the "Casino Control Act," P.L.1977, c.110 (C.5:12-84 and 5:12-85), the contract shall not specify a closing or settlement date which is earlier than the 121st day after the submission of a completed application for licensure or qualification, which application shall include a fully executed and approved trust agreement in accordance with section 5 of this 1987 amendatory and supplementary act. Any contract provision which specifies an earlier closing or settlement date shall be void for all purposes. Subsequent to the earlier of the report of the division on interim authorization or the 90th day after the timely submission of the completed application, but no later than the closing or settlement date, the commission shall hold a hearing and render a decision on the interim authorization of the applicant. If the commission grants interim authorization, then, subject to the provisions of sections 3 through 7 of this 1987 amendatory and supplementary act, the closing or settlement may occur without interruption of casino operations. If the commission denies interim authorization, there shall be no closing or settlement until the commission makes a determination on the qualification of the applicant, and if the commission then denies qualification the contract shall thereby be terminated for all purposes without liability on the part of the transferor.

b. Whenever any person, as a result of a transfer of publicly-traded securities of a casino licensee or a holding or intermediary company or a <sup>1</sup>[subsidiary] financing entity<sup>1</sup> of a casino licensee <sup>1</sup>[or of a holding

or intermediary company]<sup>1</sup>, is required to qualify under section 84 or 85 of the "Casino Control Act," P.L.1977, c.110 (C.5:12-84 and 5:12-85), the person shall, within 30 days after the commission determines that qualification is required [under section 84] or declines to waive qualification under section 84, under paragraph (1) of subsection d. of section 85, or under subsection f. of section 85, or within such additional time as the commission may for good cause allow, file a completed application for such licensure or qualification, which application shall include a fully executed and approved trust agreement in accordance with section 5 of [this 1987 amendatory and supplementary act] P.L.1987, c.409 (C.5:12-95.14), or in the alternative, such person, within 120 days after the commission determines that qualification is <sup>1</sup>[necessary] required or a waiver of qualification is denied<sup>1</sup>, shall divest such securities as the commission may require in order to remove the need for qualification. <sup>1</sup>If such person determines to divest such securities, notice of such determination shall be filed with the commission within 30 days after the commission determines that qualification is required or that a waiver of qualification is denied.<sup>1</sup> No extension of the time for filing a completed application shall be granted unless the person submits a written acknowledgement of the jurisdiction of the commission and the obligations imposed by the "Casino Control Act," P.L.1977, c.110 (C.5:12-1 et seq.). If a person required by this section to file an application fails to do so in a timely manner, such failure shall constitute a per se disqualification to continue to act as a security holder, and the commission shall take appropriate action under the "Casino Control Act." If a person required by this section to file an application does so in a timely manner, then, subsequent to the earlier of the report of the division on interim authorization or the 90th day after submission of the completed application, but not later than the 120th day after such submission, the commission shall hold a hearing and render a decision on the interim authorization of such person. The pendency of proceedings under this subsection shall not prevent the renewal of a casino license under section 88 of the "Casino Control Act," P.L.1977, c.110 (C.5:12-88), so long as any person required by this subsection to file an application has complied with this subsection and has otherwise complied with the "Casino Control Act."

(cf: P.L.1987, c.409, s.3)

**REPLACE SECTION 31 TO READ:**

<sup>1</sup>[31.] 34.<sup>1</sup> Section 5 of P.L.1987, c.409 (C.5:12-95.14) is amended to read as follows:

5. Provisions and Application of Trust Agreement.

a. (1) Where the applicant is not required to obtain a casino license, the trust agreement filed pursuant to

section 3 of this 1987 amendatory and supplementary act shall transfer and convey all of the applicant's present and future right, title and interest in the property described in section 3, including all voting rights in securities, to the trustee.

(2) Where the applicant is required to obtain a casino license, the trust agreement filed pursuant to section 3 of this 1987 amendatory and supplementary act shall transfer and convey to the trustee, if the applicant is a corporation, all outstanding equity securities of the corporation, and, if the applicant is other than a corporation, all outstanding interest in the applicant.

(3) The compensation for the service, costs and expenses of the trustee or trustees shall be stated in the trust agreement and shall be approved by the commission.

(4) The trust agreement filed pursuant to section 3 of this 1987 amendatory and supplementary act shall, in all instances, contain such provisions as the commission may deem necessary and desirable.

b. With respect to applicants described in subsection b. of section 3 of this 1987 amendatory and supplementary act, if the commission denies interim authorization, it shall order that the trust agreement become operative, or take such other action as may be appropriate in accordance with this 1987 amendatory and supplementary act. With respect to all applicants under section 3, if the commission grants interim authorization, it shall thereafter order that the trust agreement become operative at such time as it finds reasonable cause to believe that the applicant or any person required to be qualified in connection with the application may be found unqualified.

c. While the trust agreement remains operative, the trustee shall exercise all rights incident to the ownership of the property subject to the trust, and shall be vested with all powers, authority and duties necessary to the unencumbered exercise of such rights, as provided in sections 31 through 40 of P.L.1978, c.7 (C.5:12-130.1 through 5:12-130.11), except that the applicant shall have no right to participate in the earnings of the casino hotel or receive any return on its investment or debt security holdings during the time the trust is operative.

d. The trust agreement, once operative, shall remain operative until the commission finds the applicant qualified, or the commission finds the applicant unqualified and the property subject to the trust is disposed of in accordance with subsection e. of section 5 of this 1987 amendatory and supplementary act, except that the applicant may request the commission to direct the trustee to dispose of the property subject to the trust, in accordance with that subsection e., prior to a finding with respect to qualification.

e. If the commission denies qualification to a person subject to sections 3 through 7 of this 1987 amendatory and supplementary act, the trustee shall endeavor and be authorized to sell, assign, convey or otherwise dispose of all property subject to the trust to such persons as shall be appropriately licensed or qualified or shall obtain interim authorization in accordance with those sections. The disposition of trust property by the trustee shall be completed within 120 days of the denial of qualification, or within such additional time as the commission may for good cause allow, and shall be conducted in accordance with sections 31 through 40 of P.L.1978, c.7 (C.5:12-130.1 through 5:12-130.11), except that the proceeds of such disposition shall be distributed to the unqualified applicant only in an amount not <sup>1</sup>[exceeding] to exceed the lower of<sup>1</sup> the actual cost of the assets to such unqualified applicant<sup>1</sup>,] or the value of such assets<sup>1</sup> calculated as if the investment had been made on the date the trust becomes operative, and any excess remaining proceeds shall be paid to the casino revenue fund.

(cf: P.L.1987, c.409, s.5)

RENUMBER SECTION 32 AS SECTION 35

REPLACE SECTION 33 TO READ:

<sup>1</sup>[33.] 36.<sup>1</sup> Section 97 of P.L.1977, c.110 (C.5:12-97) is amended to read as follows:

97. Hours of Operation. a. No casino licensed pursuant to this act shall operate between the hours of [6] <sup>1</sup>[8] 6<sup>1</sup> a.m. and 10 a.m. on Saturdays, Sundays and State and Federal holidays, or between the hours of 4 a.m. and 10 a.m. on all other days, except that for a period of three years following the effective date of this amendatory and supplementary act, P.L. , c. , the commission may extend the hours of operation on any day, up to and including 24 hours of operation, if the commission determines that there is an event to be held in a casino or in Atlantic City that will have a substantial citywide impact with respect to the number of visitors to the city and will have an economic impact on the casino industry which would justify the extension of those hours.

b. A casino licensee shall file with the commission a schedule of hours prior to the issuance of an initial operation certificate. If the casino licensee proposes any change in scheduled hours, such change may not be effected until such licensee files a notice of the new schedule of hours with the commission. Such filing must be made 30 days prior to the effective date of the proposed change in hours.

c. Nothing herein shall be construed to limit a casino licensee in opening its casino later than, or closing its casino earlier than, the times stated in its schedule of

operating hours; provided, however, that any such alterations in its hours shall comply with the provisions of subsection a. of this section and with regulations of the commission pertaining to such alterations.

(cf: P.L.1977, c.110, s.97)

RENUMBER SECTIONS 34 AND 35 AS SECTIONS 37 AND 38

REPLACE SECTION 36 TO READ:

<sup>1</sup>[36.] <sup>1</sup>39. Section 100 of P.L.1977, c.110 (C.5:12-100) is amended to read as follows:

100. Games and Gaming Equipment. a. This act shall not be construed to permit any gaming except the conduct of authorized games in a casino room in accordance with this act and the regulations promulgated hereunder.

b. Gaming equipment shall not be possessed, maintained or exhibited by any person on the premises of a casino hotel complex except in the casino room and in secure areas used for the inspection, repair or storage of such equipment and specifically designated for that purpose by the casino licensee with the approval of the commission. No gaming equipment shall be possessed, maintained, exhibited, brought into or removed from a casino room by any person unless such equipment is necessary to the conduct of an authorized game, has permanently affixed, imprinted, impressed or engraved thereon an identification number or symbol authorized by the commission, is under the exclusive control of a casino licensee or his employees, and is brought into or removed from the casino room at times authorized for that purpose by the commission or at other times when prior notice has been given to and written approval granted by an authorized agent of the commission.

Notwithstanding the foregoing, a person may, with the prior approval of the commission and under such terms and conditions as may be required by the commission, possess, maintain or exhibit gaming equipment in any other area of the casino hotel complex; provided such equipment is used for nongaming purposes.

c. Each casino hotel shall contain a count room and such other secure facilities as may be required by the commission for the counting and storage of cash, coins, tokens and checks received in the conduct of gaming and for the inspection, counting and storage of dice, cards, chips and other representatives of value. All drop boxes and other devices wherein cash, coins, or tokens are deposited at the gaming tables or in slot machines, and all areas wherein such boxes and devices are kept while in use, shall be equipped with two locking devices, one key to which shall be under the exclusive control of the commission and the other under the exclusive control of the casino licensee, and said drop boxes and other devices shall not be brought into or removed from the casino room, or locked or unlocked, except at such times,

in such places, and according to such procedures as the commission may require.

d. All chips used in gaming at all casinos shall be of such size and uniform color by denomination as the commission shall require by regulation.

e. All gaming shall be conducted according to rules promulgated by the commission. All wagers and pay-offs of winning wagers at table games shall be made according to rules promulgated by the commission, which shall establish such minimum wagers and other limitations as may be necessary to assure the vitality of casino operations and fair odds to and maximum participation by casino patrons; provided, however, that a licensee may establish a higher minimum wager with the prior approval of the commission. Each slot machine shall have a minimum payout of 83%.

f. Each casino licensee shall make available in printed form to any casino patron upon request the complete text of the rules of the commission regarding games and the conduct of gaming, pay-offs of winning wagers, an approximation of the odds of winning for each wager, and such other advice to the player as the commission shall require. Each casino licensee shall prominently post within the casino room according to regulations of the commission such information about gaming rules, pay-offs of winning wagers, the odds of winning for each wager, and such other advice to the player as the commission shall require.

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

h. No slot machine shall be used to conduct gaming unless it is identical in all electrical, mechanical and other aspects to a model thereof which has been specifically tested by the division and licensed for use by the commission. The commission shall, by regulation, establish such technical standards for licensure, including mechanical and electrical reliability, security against tampering, the comprehensibility of wagering, and noise and light levels, as it may deem necessary to protect the player from fraud or deception and to insure the integrity of gaming. In no event shall slot machines, including walkways between them, occupy more than [30%] <sup>1</sup>[40%] 42%<sup>1</sup> of the first 50,000 square feet of floor space of a casino, or more than [25%] <sup>1</sup>[30%] 32%<sup>1</sup> of any additional floor space of a casino larger than 50,000 square feet in the case of a casino hotel with fewer than 1,200 qualifying sleeping units or more than <sup>1</sup>[40%] 42%<sup>1</sup> of such additional floor

space in the case of

a casino hotel with at least 1,200 qualifying sleeping units. In the case of casinos in operation on the effective date of this amendatory and supplementary act, P.L. , c. , up to 10% of the number of slot machines in operation on that effective date may be added by the end of the first year after the effective date, up to 20% of that number may be added by the end of the second year after the effective date, and up to 30% of that number may be added by the end of the third year after the effective date. The commission shall, by regulation, determine the permissible density of particular licensed slot machines or combinations thereof, based upon their size and light and noise levels, so as to create and maintain a gracious playing environment in the casino and to avoid deception or frequent distraction to players at gaming tables. The denominations of such machines shall be set by the licensee, subject to the prior approval of the commission.

i. [Each casino shall be arranged in such fashion as to allow floor space for each gaming table, including the space occupied by the table, in accordance with the following:

Baccarat--300 square feet

Blackjack--100 square feet

Craps--200 square feet

Roulette--150 square feet

Big Six Wheel--150 square feet] (Deleted by amendment, P.L. , c. .)

j. [Each casino shall be arranged in such fashion as to assure that gaming tables shall at all times be present, whether in use or not, according to the following:

(1) At least one baccarat or minibaccarat table for every 50,000 square feet of casino space or part thereof; and

(2) No more than one Big Six Wheel and table for every 10,000 square feet of casino space or part thereof.] (Deleted by amendment, P.L. , c. .)

k. It shall be unlawful for any person to exchange or redeem chips for anything whatsoever, except currency, negotiable personal checks, negotiable counter checks or other chips. A casino licensee shall, upon the request of any person, redeem that licensee's gaming chips surrendered by that person in any amount over \$25.00 with a check drawn upon the licensee's account at any banking institution in this State and made payable to that person.

l. It shall be unlawful for any casino licensee or <sup>1</sup>[his] <sup>1</sup>its<sup>1</sup> agents or employees to employ, contract with, or use any skill or barker to induce any person to enter a casino or play at any game or for any purpose whatsoever.

m. It shall be unlawful for a dealer in any authorized game in which cards are dealt to deal cards by hand or other than from a device specifically designed for that



purpose.

n. It shall be unlawful for any casino key employee, other than a junket representative, or any casino employee, other than a bartender, waiter, waitress, or other casino employee who in the judgment of the commission is not directly involved with the conduct of gaming operations, to wager at any game in any casino in this State.

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

(2) A dealer may accept tips or gratuities from a patron at the table at which such dealer is conducting play, subject to the provisions of this subsection. All such tips or gratuities shall be immediately deposited in a lockbox reserved for that purpose, accounted for, and placed in a pool for distribution pro rata among the dealers [on a weekly basis], with the distribution based upon the number of hours each dealer has worked.

(cf: P.L.1987, c.355, s.7)

**REPLACE SECTION 37 TO READ:**

<sup>1</sup>[37.] 40.<sup>1</sup> Section 101 of P.L.1977, c.110 (C.5:12-101) is amended to read as follows:

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

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

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

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

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

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

(3) The check is presented to the cashier or his representative and is exchanged only for a credit slip or slips which total an amount equal to the amount for which

the check is drawn, which slip or slips may be presented for chips at a gaming table; and

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

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

c. When a casino licensee or other person licensed under this act, or any person acting on behalf of or under any arrangement with a casino licensee or other person licensed under this act, cashes a check in conformity with the requirements of subsection b. of this section, the casino licensee shall cause the deposit of such check in a bank for collection or payment within (1) seven calendar days of the date of the transaction for a check in an amount of \$1,000.00 or less; (2) 14 calendar days of the date of the transaction for a check in an amount greater than \$1,000.00 but less than or equal to \$5,000.00; or (3) 45 calendar days of the date of the transaction for a check in an amount greater than \$5,000.00. Notwithstanding the foregoing, the drawer of the check may redeem the check by exchanging cash [or], cash equivalents, chips, or a check which meets the requirements of subsection g. of this section in an amount equal to the amount for which the check is drawn; or he may redeem the check in part by exchanging cash [or], cash equivalents, chips, or a check which meets the requirements of subsection g. of this section and another check which meets the requirements of subsection b. of this section for the difference between the original check and the cash [or], cash equivalents, chips, or check tendered; or he may issue one check which meets the requirements of subsection b. of this section in an amount sufficient to redeem two or more checks drawn to the order of the casino licensee. If there has been a partial redemption or a consolidation in conformity with the provisions of this subsection, the newly issued check shall be delivered to a bank for collection or payment within the period herein specified. No casino licensee or any person licensed under this act, and no person acting on behalf of or under any arrangement ~~with a casino licensee or other person licensed under this act~~, shall accept any check or series of checks in redemption or consolidation of another check or checks in accordance with this subsection for the purpose of avoiding or delaying the deposit of a check in a bank for collection or payment within the time period prescribed by this subsection.

In computing a time period prescribed by this

subsection, the last day of the period shall be included unless it is a Saturday, Sunday, or a State or federal holiday, in which event the time period shall run until the next business day.

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

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

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

(3) A purchaser of the casino license as approved by the commission. The limitation on transferability of checks imposed herein shall apply to checks returned by any bank to the casino licensee without full and final payment.

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

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

g. Notwithstanding the provisions of subsection b. of this section to the contrary, a casino licensee may accept a check from a person to enable the person to take part in gaming activity as a player, [or] may give cash or cash equivalents in exchange for <sup>1</sup>[the] such a<sup>1</sup> check, or may accept a check in redemption or partial redemption of a check issued in accordance with subsection b., provided that:

(1) (a) The check is drawn by a casino licensee pursuant to the provisions of subsection k. of section 100 of P.L.1977, c.110 (C.5:12-100 k.) or upon a withdrawal of funds from an account established in accordance with the provisions of subsection b. of this section or is drawn by a casino licensee for winnings from slot machine payoffs;

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

licensee, or the person presenting the check; or

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

(2) The check is identifiable in a manner approved by the commission as a check issued for a purpose listed in paragraph (1) of this subsection;

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

(4) The check is presented to the cashier or the cashier's representative by the original payee and its validity is verified by the drawer <sup>1</sup>in the case of a check drawn pursuant to subparagraph (a) of paragraph (1) of this subsection, or the check is verified in accordance with regulations promulgated by the commission in the case of a check issued pursuant to ~~subparagraph (b) or subparagraph (c) of paragraph (1) of this subsection~~<sup>1</sup>; and

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

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

h. Notwithstanding the provisions of subsection b. and subsection c. of this section to the contrary, a casino licensee may, at a location outside the casino, accept a personal check or checks from a person for up to \$2,500 in exchange for cash or cash equivalents, and may, at <sup>1</sup>[a cashier's cage] such locations within the casino as may be permitted by the commission<sup>1</sup>, accept a personal check or checks for up to \$2,500 in exchange for cash, cash equivalents, tokens, chips, or plaques to enable the person to take part in gaming activity as a player or non-gaming activity, as the case may be, provided that:

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

(2) The check is for a specific amount;

(3) The check is <sup>1</sup>[make] made<sup>1</sup> payable to the casino licensee;

(4) The check is dated but not post-dated;

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

(6) The check is restrictively endorsed "For Deposit Only" to the casino licensee's bank account and deposited on the next banking day following the date of the transaction; <sup>1</sup>and<sup>1</sup>

(7) <sup>1</sup>[No other check or checks are outstanding.] The total amount of personal checks accepted by all licensees

pursuant to this subsection that are outstanding at any time, including the current check being submitted to a licensee, does not exceed \$2,500.<sup>1</sup>

i. Checks cashed pursuant to the provisions of subsection h. of this section which are subsequently uncollectable may not be deducted from the total of all sums received in calculating gross revenue pursuant to section 24 of P.L.1977, c.110 (C.5:12-24)<sup>1</sup>;<sup>1</sup>

j. A person may request the commission to put that person's name on a list of persons to whom the extension of credit by a casino as provided in this section would be prohibited<sup>1</sup> by submitting to the commission the person's name, address, and date of birth<sup>1</sup>. The person does not need to provide a reason for this request. The commission shall provide this list to the credit department of each casino; neither the commission nor the credit department of a casino shall divulge the names on this list to any person or entity other than those provided for in this subsection. If such a person wishes to have that person's name removed from the list, the person shall submit this request to the commission, which shall so inform the credit departments of casinos no later than three days after the submission of the request.

(cf: P.L.1987, c.426, s.4)

REPLACE SECTION 38 TO READ:

<sup>1</sup>[38.] 41.<sup>1</sup> Section 102 of P.L.1977, c.110 (C.5:12-102) is amended to read as follows:

102. Junkets and Complimentary Services. a. No junkets may be organized or permitted except in accordance with the provisions of this act. No person may act as a junket representative or junket enterprise except in accordance with this section. Notwithstanding any other provisions of P.L.1977, c.110 (C.5:12-1 et seq.), junket enterprises engaged in activities governed by this section shall not be subject to the provisions of section 92 and subsection b. of section 104 of P.L.1977, c.110 (C.5:12-92 and c.5:12-104) with regard to those activities, unless otherwise directed by the commission pursuant to subsection k. of this section.

b. A junket representative shall be licensed as a casino key employee in accordance with the provisions of P.L.1977, c.110 (C.5:12-1 et seq.); provided, however, that said licensee need not be a resident of this State. Any person who holds a current and valid casino key employee license may act as a junket representative while employed by a casino licensee without further endorsement of his license. No casino licensee or junket enterprise may employ or otherwise engage a junket representative who is not so licensed.

c. A junket enterprise shall be licensed in accordance with the provisions of this section prior to conducting any business whatsoever with a casino licensee, its employees or agents. A junket enterprise, as well as

such of its owners, management and supervisory personnel and other principal employees as the commission may consider appropriate for qualification, must qualify under the standards, except residency, established for qualification of a casino key employee under P.L.1977, c.110 (C.5:12-1 et seq.). No casino licensee or junket enterprise may employ or otherwise engage the services of a junket enterprise who is not so licensed.

Notwithstanding the foregoing, any licensed junket representative who is the sole owner and operator of a junket enterprise shall not be required to be licensed as a junket enterprise pursuant to this section if his junket representative license is endorsed as such.

d. Prior to the issuance of any license required by this section, an applicant for licensure shall submit to the jurisdiction of the State of New Jersey and shall demonstrate to the satisfaction of the commission that he is amenable to service of process within this State. Failure to establish or maintain compliance with the requirements of this subsection shall constitute sufficient cause for the denial, suspension or revocation of any license issued pursuant to this section.

e. (Deleted by amendment, P.L.1987, c.426.)

f. Every agreement concerning junkets entered into by a casino licensee and a junket representative or junket enterprise shall be deemed to include a provision for its termination without liability on the part of the casino licensee, if the commission orders the termination upon the suspension, limitation, conditioning, denial or revocation of the licensure of the junket representative or junket enterprise, in accordance with the provisions of P.L.1977, c.110 (C.5:12-1 et seq.). Failure to expressly include such a condition in the agreement shall not constitute a defense in any action brought to terminate the agreement.

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

h. A casino licensee shall be responsible for any violation or deviation from the terms of a junket. Notwithstanding any other provisions of this act, the commission may, after hearings in accordance with this act, order restitution to junket participants, assess penalties for such violations or deviations, prohibit future junkets by the casino licensee, junket enterprise or junket representative, and order such further relief as it deems appropriate.

i. The commission shall, by regulation, prescribe methods, procedures and forms for the delivery and retention of information concerning the conduct of junkets by casino licensees. Without limitation of the

foregoing, each casino licensee, in accordance with the rules of the commission, shall:

(1) Maintain on file a report describing the operation of any junket engaged in on its premises, which report may include acknowledgments by the participants, signed on the date of arrival, that they understand the terms of the particular junket;

(2) Submit to the commission and division a report on those arrangements which would be junkets but for the fact that those arrangements do not include a selection or approval of participants in accordance with the terms of section 29 of P.L.1977, c.110 (C.5:12-29); and

(3) Submit to the commission and division a list of all its employees who are acting as junket representatives but whose licenses are not endorsed as such.

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

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

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

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

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

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

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

(5) Pay for any services, including transportation, or other items of value provided to, or for the benefit of,

any patron participating in a junket.

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

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

(2) The complimentary consists of documented transportation expenses provided directly to the patron and his guests by the licensee or indirectly to the patron and his guests on behalf of a licensee by a third party, provided that the licensee complies with regulations promulgated by the commission to ensure that a patron's and his guests' documented transportation expenses are paid for or reimbursed only once; or

(3) The complimentary consists of coins, tokens, cash or other complimentary items or services provided through a bus coupon or other complimentary distribution program approved by the commission or maintained pursuant to commission regulation; or

(4) The complimentary consists of].

Notwithstanding the foregoing, a casino licensee may offer and provide complimentary cash or noncash gifts which are not otherwise included in paragraphs (1) through (3) of this subsection to any person, provided that any such [noncash] gifts in excess of \$2,000.00 per trip, or such greater amount as the commission may establish by regulation [provided directly to the patron and his guests by the licensee or indirectly to the patron and his guests on behalf of a licensee by a third party shall be], are supported by documentation regarding the reason the [noncash] gift was provided to the patron and his guests, including where applicable, a patron's player rating, [to] which documentation shall be maintained by the casino licensee. For the purposes of this paragraph, all [noncash] gifts presented to a patron and the patron's guests directly by the licensee or indirectly on behalf of the licensee by a third party within any five-day period shall be considered to have been made during a single [noncash gift] trip. <sup>1</sup>In the case of cash gifts, the commission shall establish by regulation the total amount of such gifts that a licensee may provide to a patron each year.<sup>1</sup>

Each casino licensee shall maintain a regulated complimentary service account, for those complimentaries which are permitted pursuant to this section, and shall submit a quarterly report to the commission based upon such account and covering all complimentary services offered or engaged in by the licensee during the immediately preceding quarter. Such reports shall include identification of the regulated complimentary services and their respective costs, the number of persons by



category of service who received the same, and such other information as the commission may require.

n. As used in this subsection, "person" means any State officer or employee subject to financial disclosure by law or executive order and any other State officer or employee with responsibility for matters affecting casino activity; any special State officer or employee with responsibility for matters affecting casino activity; the Governor; any member of the Legislature or full-time member of the Judiciary; any full-time professional employee of the Office of the Governor, or the Legislature; members of the Casino Reinvestment Development Authority; the head of a principal department; the assistant or deputy heads of a principal department, including all assistant and deputy commissioners; the head of any division of a principal department; any member of the governing body, or the municipal judge or the municipal attorney of a municipality wherein a casino is located; any member of or attorney for the planning board or zoning board of adjustment of a municipality wherein a casino is located, or any professional planner or consultant regularly employed or retained by such planning board or zoning board of adjustment.

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

o. (1) Any person who, on the effective date of this 1987 amendatory act, holds a current and valid plenary junket representative license or a junket enterprise license authorizing the conduct of junket activities, shall be considered licensed in accordance with the provisions of this section as a junket representative or junket enterprise, respectively, for the remaining term of his current license.

(2) Any person who, on the effective date of this 1987 amendatory act, holds a current and valid temporary junket representative or junket enterprise license authorizing the conduct of junket activities shall be permitted to act as, or perform the services of a junket representative or junket enterprise so long as such junket representative or junket enterprise files with the commission an application for licensure pursuant to the provisions of this 1987 amendatory act within 90 days of the effective date hereof. Any junket representative or junket enterprise so filing shall be permitted to engage in junket activities until the commission has acted upon such application. Any junket representative or junket enterprise not so filing shall not be permitted to act as, or perform the services of, a junket representative or junket enterprise upon the expiration of 90 days from and after the effective date of this 1987 amendatory act.

(cf: P.L.1987, c.426, s.5)

RENUMBER SECTION 39 AS SECTION 42REPLACE SECTION 40 TO READ:

<sup>1</sup>[40.] ~~43.~~<sup>1</sup> Section 105 of P.L.1977, c.110 (C.5:12-105) is amended to read as follows:

105. Disposition of Securities by Corporate Licensee. a. The sale, assignment, transfer, pledge or other disposition of any security issued by a corporation which holds a casino license is conditional and shall be ineffective if disapproved by the commission.

b. Every security issued by a corporation which holds a casino license shall bear, on both sides of the certificate evidencing such security, a statement of the restrictions imposed by this section, except that in the case of a publicly traded corporation incorporated prior to the effective date of this act, a statement of restriction shall be necessary only insofar as certificates are issued by such corporation after the effective date of this act.

c. The Secretary of State shall not accept for filing any articles of incorporation of any corporation which includes as a stated purpose the conduct of casino gaming, or any amendment which adds such purpose to articles of incorporation already filed, unless such articles or amendments have been approved by the commission and a copy of such approval is annexed thereto upon presentation for filing with the Secretary of State.

d. If at any time the commission finds that an individual owner or holder of any security of a corporate licensee or of a holding or intermediary company with respect thereto is not qualified under this act, and if as a result the corporate licensee is no longer qualified to continue as a casino licensee in this State, the commission shall, pursuant to the provisions of this act, [propose] take any necessary action to protect the public interest, including the suspension or revocation of the casino license of the corporation; provided, however, that if the holding or intermediary company is a publicly traded corporation and the commission finds disqualified any holder of any security thereof who is required to be qualified under section 85 d. of this act, and the commission also finds that: (1) the holding or intermediary company has complied with the provisions of section 82 d. (7) of this act; (2) the holding or intermediary company has made a good faith effort, including the prosecution of all legal remedies, to comply with any order of the commission requiring the divestiture of the security interest held by the disqualified holder; and (3) such disqualified holder does not have the ability to control the corporate licensee or any holding or intermediary company with respect thereto, or to elect one or more members of the board of directors of such corporation or company, the commission shall not take action against the casino

licensee or the holding or intermediary company with respect to the continued ownership of the security interest by the disqualified holder. For purposes of this act, a security holder shall be presumed to have the ability to control a publicly traded corporation, or to elect one or more members of its board of directors, if such holder owns or beneficially holds 5% or more of the <sup>1</sup>[voting] equity<sup>1</sup> securities of such corporation, unless such presumption of control or ability to elect is rebutted by clear and convincing evidence.

e. Commencing on the date the commission serves notice upon a corporation of the determination of disqualification under subsection d. of this section, it shall be unlawful for the named individual:

(1) To receive any dividends or interest upon any such securities;

(2) To exercise, directly or through any trustee or nominee, any right conferred by such securities; or

(3) To receive any remuneration in any form from the corporate licensee for services rendered or otherwise.

f. After a nonpublicly traded corporation has been issued a casino license pursuant to the provisions of this act, but prior to the issuance or transfer of any security to any person required to be but not yet qualified in accordance with the provisions of this act, such corporation shall file a report of its proposed action with the commission, and shall request the approval of the commission for the transaction. If the commission shall deny the request, the corporation shall not issue or transfer such security. After a publicly traded corporation has been issued a casino license, such corporation shall file a report quarterly with the commission, which report shall list all owners and holders of any security issued by such corporate casino licensee.

g. Each corporation which has been issued a casino license pursuant to the provisions of this act shall file a report of any change of its corporate officers or members of its board of directors with the commission. No officer or director shall be entitled to exercise any powers of the office to which he was so elected or appointed until qualified by the commission in accordance with the provisions of this act.

(cf: P.L.1987, c.355, s.9)

RENUMBER SECTIONS 41 THROUGH 47 AS SECTIONS 44 THROUGH 50

REPLACE SECTION 48 TO READ:

<sup>1</sup>[48.] 51.<sup>1</sup> Section 118 of P.L.1977, c.110 (C.5:12-118) is amended to read as follows:

118. Regulations Requiring Exclusion or Rejection of Certain Persons from Licensed Casinos; Unlawful Entry by Person Whose Name Has Been Placed on List; Penalty. Any person whose name is on the list of persons promulgated

by the commission pursuant to the provisions of section 71 of this act who knowingly enters the premises of a licensed casino is guilty of a [misdemeanor] disorderly persons offense<sup>1</sup>, except that any person who has been convicted of this offense three times is guilty of a crime of the fourth degree for each subsequent offense<sup>1</sup>.

(cf: P.L.1977, c.110, s.118)

RENUMBER SECTIONS 49 AND 50 AS SECTIONS 52 AND 53

INSERT NEW SECTION 54 TO READ:

<sup>1</sup>54. Section 121 of P.L.1977, c.110 (C.5:12-121) is amended to read as follows:

121. Authority of gaming licensee and agents to detain or question persons suspected of cheating; immunity from liability; posted notice required.

a. Any licensee or its officers, employees or agents may question any individual in the casino reasonably suspected of violating any of the provisions of sections 113 through 116 of [this act] or of section 47 of P.L. , c. (C. ) (now pending before the <sup>A</sup> Legislature as this bill). No licensee or its officers, employees or agents shall be criminally or civilly liable by reason of any such questioning.

P.L.1977, c.110  
(C.5:12-113 through 116)

b. Any licensee or its officers, employees or agents who shall have probable cause for believing there has been a violation of sections 113 through 116 of [this act] or of section 47 of P.L. , c. (C. ) (now pending before the Legislature as this bill) in the casino by any person may take such person into custody and detain him in the establishment in a reasonable manner for a reasonable length of time, for the purpose of notifying law enforcement or commission authorities. Such taking into custody and detention shall not render such licensee or its officers, employees or agents criminally or civilly liable for false arrest, false imprisonment, slander or unlawful detention, unless such taking into custody or detention is unreasonable under all of the circumstances.

c. No licensee or his officers, employees or agents shall be entitled to any immunity from civil or criminal liability provided in this section unless there is displayed in a conspicuous manner in the casino a notice in bold face type clearly legible and in substantially this form:

"Any gaming licensee or officer, employee or agent thereof who has probable cause for believing that any person is violating any of the provisions of the Casino Control Act prohibiting cheating or swindling in gaming may detain such person in the establishment for the purpose of notifying a police officer or Casino Control Commission authorities."<sup>1</sup>

(cf: P.L.1977, c.110, s.121)

RENUMBER SECTIONS 51 THROUGH 56 AS SECTIONS 55 THROUGH 60

INSERT NEW SECTION 61 TO READ:

<sup>1</sup>61. Section 4 of P.L.1981, c.142 (C.52:13D-17.2) is amended to read as follows:

4. a. As used in this section "person" means any State officer or employee subject to financial disclosure by law or executive order and any other State officer or employee with responsibility for matters affecting casino activity; any special State officer or employee with responsibility for matters affecting casino activity; the Governor; any member of the Legislature or any full-time member of the Judiciary; any full-time professional employee of the Office of the Governor, or the Legislature; members of the Casino Reinvestment Development Authority; the head of a principal department; the assistant or deputy heads of a principal department, including all assistant and deputy commissioners; the head of any division of a principal department; any member of the governing body, or the municipal judge or the municipal attorney of a municipality wherein a casino is located; any member of or attorney for the planning board or zoning board of adjustment of a municipality wherein a casino is located, or any professional planner, or consultant regularly employed or retained by such planning board or zoning board of adjustment.

b. No State officer or employee, nor any person, nor any member of the immediate family of any State officer or employee, or person, nor any partnership, firm or corporation with which any such State officer or employee or person is associated or in which he has an interest, nor any partner, officer, director or employee while he is associated with such partnership, firm, or corporation, shall hold, directly or indirectly, an interest in, [or hold employment with,] or represent, appear for, or negotiate on behalf of, any holder of, or applicant for, a casino license, or any holding or intermediary company with respect thereto, in connection with any cause, application, or matter. ~~No special State officer or employee without responsibility for matters affecting casino activity, excluding those serving in the Departments of Education, Health, Higher Education and Human Services, shall hold, directly or indirectly, an interest in, [or hold employment with,] or represent, appear for, or negotiate on behalf of, any holder of, or applicant for, a casino license, or any holding or intermediary company with respect thereto, in connection with any cause, application, or matter.~~ However, a special State officer or employee without responsibility for matters affecting casino activity may hold employment directly with any holder of or applicant for a casino license or any holding or intermediary company thereof and if so employed may hold, directly or

indirectly, an interest in, or represent, appear for, or negotiate on behalf of, his employer, except as otherwise prohibited by law.

c. No person or any member of his immediate family, nor any partnership, firm or corporation with which such person is associated or in which he has an interest, nor any partner, officer, director or employee while he is associated with such partnership, firm or corporation, shall, within two years next subsequent to the termination of the office or employment of such person, hold, directly or indirectly, an interest in, or hold employment with, or represent, appear for or negotiate on behalf of, any holder of, or applicant for, a casino license in connection with any cause, application or matter, or any holding or intermediary company with respect to such holder of, or applicant for, a casino license in connection with any phase of casino development, permitting, licensure or any other matter whatsoever related to casino activity. Nothing herein contained shall alter or amend the post-employment restrictions applicable to members and employees of the Casino Control Commission and employees and agents of the Division of Gaming Enforcement pursuant to subsection b. (2) of section 59 and to section 60 of P.L.1977, c.110 (C.5:12-59b. (2) and C.5:12-60).

d. This section shall not apply to the spouse of a State officer or employee, which State officer or employee is without responsibility for matters affecting casino activity, who becomes the spouse subsequent to the State officer's or employee's appointment or employment as a State officer or employee and who is not individually or directly employed by a holder of, or applicant for, a casino license, or any holding or intermediary company.

e. The Joint Legislative Committee on Ethical Standards and the Executive Commission on Ethical Standards, as appropriate, shall forthwith determine and publish, and periodically update, a list of those positions in State government with responsibility for matters affecting casino activity.

f. No person shall solicit or accept, directly or indirectly, any complimentary service or discount from any casino applicant or licensee which he knows or has reason to know is other than a service or discount that is offered to members of the general public in like circumstance.

g. No person shall influence, or attempt to influence, by use of his official authority, the decision of the commission or the investigation of the division in any application for licensure or in any proceeding to enforce the provisions of this act or the regulations of the commission. Any such attempt shall be promptly reported to the Attorney General; provided, however, that nothing in this section shall be deemed to proscribe a request

for information by any person concerning the status of any application for licensure or any proceeding to enforce the provisions of this act or the regulations of the commission.

h. Any person who willfully violates the provisions of this section is a disorderly person and shall be subject to a fine not to exceed \$500.00 or imprisonment not to exceed six months, or both.<sup>1</sup>

(cf: P.L.1984, c.218, s.36)

RENUMBER SECTIONS 57 AND 58 AS SECTIONS 62 AND 63

ASSEMBLY INDEPENDENT AUTHORITIES COMMITTEE

STATEMENT TO

[SECOND REPRINT]

SENATE, No. 3279

with committee amendments

STATE OF NEW JERSEY

DATED: JUNE 17, 1991

The Assembly Independent Authorities Committee reports favorably Senate Bill No. 3279 [2R] with committee amendments.

As amended, this bill makes numerous changes in the laws governing the operation and regulation of casinos. Among those changes are the following:

1) Three new games, red dog, pai gow and sic bo, are authorized, and the Casino Control Commission is authorized to permit additional new games for an experimental period of up to six months.

2) Greater flexibility is given to the casinos in both non-gaming operations (e.g., the elimination of commission review of non-gaming advertising) and in gaming operations (e.g., the elimination of statutory requirements requiring a minimum amount of space for various games).

3) The formula for determining the maximum allowable casino size is changed and is based on the number of hotel rooms of a licensee. New casino hotels must have at least 500 rooms, which would entitle them to casino space of up to 50,000 square feet. A casino could add an additional 10,000 square feet for each additional 100 rooms over 500, up to a maximum of 200,000 square feet. Existing casino hotels that add to their present number of rooms would be entitled to expanded casino space of 10,000 square feet for each additional 100 rooms over 500, up to the same maximum of 200,000 square feet.

4) Present statutory requirements for minimum indoor public space (e.g., restaurants and convention space) are eliminated; however, existing hotels must maintain such space for two years after the effective date of this bill.

5) The ability of institutional investors (e.g., investment companies and pension funds) to invest in casinos is facilitated in order to expand the sources of financing for casinos.

6) Licensure as a casino employee is required only of employees involved in gaming-related activities. Security employees who work solely in the hotel and not the casino are required to be registered rather than licensed.

7) The commission is empowered to authorize 24-hour gaming on any Saturday, Sunday, or State or federal holiday and on certain other occasions.

8) The commission is relieved of the responsibility of making judgments about the architecture and aesthetics of casino hotels.



9) Casinos can increase their space allotment for slot machines from 30% to 45% and 25% to 32%, where applicable. The increase must be phased-in over a three-year period.

10) Certain checks, such as bank-to-bank checks and personal checks of up to \$1,500, are permitted to be accepted and cashed by casinos.

11) A person may request the commission to put his name on a list of persons to whom the extension of credit by a casino is prohibited.

12) Cash, as well as the presently authorized noncash gifts, is permitted as a complimentary, except that the commission is directed to establish a maximum amount of cash gifts that a licensee may provide to a patron each year.

13) The use of an electronic device by a player to gain advantage while playing a game is prohibited.

14) The appointment of a conservator for a casino in trouble is made permissive rather than mandatory in order to give the commission more flexibility in dealing with such circumstances, and the compensation and the mode of operation of the conservator are clarified.

15) Moneys from penalties levied and collected by the commission are to be paid into the Casino Revenue Fund, except that the first \$500,000 collected each fiscal year shall be used to support the Council on Compulsive Gambling in New Jersey.

The committee amended the bill to:

- Refine the provisions governing the waiver of qualification for institutional investors to provide that a waiver shall be granted for institutional investors holding securities which represent a percentage not exceeding 20% of the outstanding debt of the company or a percentage of any issue of the outstanding debt of the company not exceeding 50%;

- Permit the Casino Control Commission to authorize the operation of gaming hours up to 24 hours on any Saturday or Sunday or Federal and State holidays;

- Authorize the expansion of space allotment of slot machines to 45% of the first 50,000 square feet of a casino from 30% under current law, and to 32% of any additional floor space over 50,000 square feet from the current level of 25%;

- Provide that checks up to \$1,500 may be cashed to enable persons to take part in gaming activities provided that the total amount of personal checks accepted by a licensee at any time, including the check submitted to the licensee, does not exceed \$1,500;

- Require casino advertising to include certain language addressed to compulsive gamblers;

- Make various technical changes.

- Provide that an existing casino that agrees to add more hotel rooms is given two years from the beginning of casino operations in the expanded casino space to build those rooms. The bill originally provided that a casino was allowed two years from the date of the agreement that was approved by the commission (section 24);

- Authorize the commission to renew a casino license for a period of up to two years rather than requiring a two-year renewal period (section 29);

- Permit the issuance of a temporary casino employee license for a slot changeperson if the Division of Gaming Enforcement has not responded to the person's application within 15 days and if the position involves working with no more than \$3,000. The bill originally provided for 30 days and \$1,000, respectively (section 30);

- Clarify the procedures for divesting securities if a person is required to divest and make the procedures applicable to a person holding securities in a financing entity of a casino licensee (section 33);

- Clarify the rate of return to a person required to divest (section 34);

- Delete the expansion of weekend and holiday gaming hours from 20 to 22 hours (section 36);

- Increase the space allotment for slot machines above the percentages originally provided in the bill, i.e., 40% to 42% and 30% to 32%, where applicable (section 39);

- Clarify the provisions regarding the cashing of personal checks up to \$2,500 to provide that the total amount of personal checks accepted by all licensees that are outstanding at any time for a casino patron does not exceed \$2,500, and add technical language to address verification of bank-to-bank checks (section 40);

- Provide that with respect to cash complimentaries, the commission shall establish an annual limit per patron, per casino (section 41);

- Make a technical change to replace a reference to "voting securities" with "equity securities," a defined term in the Casino Control Act (section 43);

- Increase the penalty for a person on the exclusion list who enters a casino after a third conviction, from a disorderly persons offense to a crime of the fourth degree (section 51); and

- Authorize a special State officer or employee without responsibility for matters affecting casino activity to hold employment with a casino and to hold an interest in and represent that casino (section 61).

ASSEMBLY AIA COMMITTEE

AMENDMENTS

ADOPTED

DATE 6-17-91

to

SENATE, No. 3279 (2R)  
(Sponsored by Senator CODEY)

REPLACE TITLE TO READ:

AN ACT concerning casino gambling, amending P.L.1978, c.7  
1[and], P.L.1981, c.142 and<sup>1</sup> P.L.1987, c.409, 1[and]<sup>3</sup>1<sup>3</sup>  
amending and supplementing P.L.1977, c.110 <sup>1</sup>, and repealing  
sections 48 and 142 of P.L.1977, c.110<sup>1</sup>.

REPLACE SECTION 15 TO READ:

1[14.] 2[16.1] 15.<sup>2</sup> Section 69 of P.L.1977, c.110 (C.5:12-69) is  
amended to read as follows:

69. Regulations. a. The commission shall be authorized to  
adopt, amend, or repeal such regulations, consistent with the  
policy and objectives of this act, as it may deem necessary or  
desirable for the public interest in carrying out the provisions of  
this act.

b. Such regulations shall be adopted, amended, and repealed in  
accordance with the provisions of the "Administrative Procedure  
Act," (P.L.1968, c.410; C.52:14B-1 et seq.).

c. Any interested person may, in accordance with the  
provisions of the "Administrative Procedure Act," P.L.1968,  
c.410 (C.52:14B-1 et seq.), file a petition with the commission  
requesting the adoption, amendment or repeal of a regulation.

d. The commission may, in emergency circumstances,  
summarily adopt, amend or repeal any regulation pursuant to the  
"Administrative Procedure Act" (P.L.1968, c.410; C.52:14B-1  
et seq.).

e. Notwithstanding any other provision of this act or the  
"Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1  
et seq.) to the contrary, the commission may, after notice  
provided in accordance with this subsection, authorize the  
temporary adoption, amendment or repeal or any rule concerning  
the conduct of gaming or the use or design of gaming equipment  
for an experimental period not to exceed [90] 180 days for the  
purpose of determining whether such rules should be adopted on a  
permanent basis in accordance with the requirements of this  
section. Any rules experiment authorized by this subsection shall  
be conducted under such terms and conditions as the commission  
may deem appropriate. Notice of any temporary rulemaking  
action taken by the commission pursuant to this subsection shall  
be published in the New Jersey Register, and provided to the  
newspapers designated by the commission pursuant to subsection

d. of section 3 of

P.L.1975, c.231 (C.10:4-8), at least seven days prior to the initiation of the experimental period and shall be prominently posted in each casino participating in the experiment. Nothing herein shall be deemed to require the publication of the text of any temporary rule adopted by the commission or notice of any modification of a rules experiment initiated in accordance with this subsection. The text of any temporary rule adopted by the commission shall be posted in each casino participating in the experiment and shall be available upon request from the commission. <sup>3</sup>[In no case shall any temporary rule authorize the use or operation of any game not authorized by the Legislature.]<sup>3</sup> (cf: P.L.1987, c.410, s.4)

REPLACE SECTION 16 TO READ:

<sup>1</sup>[15.] <sup>2</sup>[17.1] 16.<sup>2</sup> Section 70 of P.L.1977, c.110 (C.5:12-70) is amended to read as follows:

70. Required Regulations. The commission shall, without limitation on the powers conferred in the preceding section, include within its regulations the following specific provisions in accordance with the provisions of this act:

a. Prescribing the methods and forms of application which any applicant shall follow and complete prior to consideration of his application by the commission;

b. Prescribing the methods, procedures and form for delivery of information concerning any person's family, habits, character, associates, criminal record, business activities and financial affairs;

c. Prescribing procedures for the fingerprinting of an applicant, employee of a licensee, or registrant, or other methods of identification which may be necessary in the judgment of the commission to accomplish effective enforcement of restrictions on access to the casino floor and other restricted areas of the casino hotel complex;

d. Prescribing the manner and procedure of all hearings conducted by the commission or any hearing examiner, including special rules of evidence applicable thereto and notices thereof;

e. Prescribing the manner and method of collection of payments of taxes, fees, and penalties;

f. Defining and limiting the areas of operation, the rules of authorized games, odds, and devices permitted, and the method of operation of such games and devices;

g. Regulating the practice and procedures for negotiable transactions involving patrons, including limitations on the circumstances and amounts of such transactions, and the establishment of forms and procedures for negotiable instrument transactions, redemptions, and consolidations;

h. Prescribing grounds and procedures for the revocation or suspension of operating certificates and licenses;

i. Governing the manufacture, distribution, sale, and servicing of gaming devices and equipment;

j. Prescribing for gaming operations the procedures, forms and methods of management controls, including employee and supervisory tables of organization and responsibility, and minimum security standards, including security personnel structure, alarm and other electrical or visual security measures;

~~k. Prescribing the qualifications of, and the conditions~~ pursuant to which, engineers, accountants, and others shall be permitted to practice before the commission or to submit materials on behalf of any applicant or licensee; provided, however, that no member of the Legislature, nor any firm with which said member is associated, shall be permitted to appear or practice or act in any capacity whatsoever before the commission or division regarding any matter whatsoever, nor shall any member of the family of the Governor or of a member of the Legislature be permitted to so practice or appear in any capacity whatsoever before the commission or division regarding any matter whatsoever;

l. Prescribing minimum procedures for the exercise of effective control over the internal fiscal affairs of a licensee, including provisions for the safeguarding of assets and revenues, the recording of cash and evidence of indebtedness, and the maintenance of reliable records, accounts, and reports of transactions, operations and events, including reports to the commission;

m. Providing for a minimum uniform standard of accountancy methods, procedures and forms; a uniform code of accounts and accounting classifications; and such other standard operating procedures, including those controls listed in section 99a. hereof, as may be necessary to assure consistency, comparability, and effective disclosure of all financial information, including calculations of percentages of profit by games, tables, gaming devices and slot machines;

n. Requiring periodic financial reports and the form thereof, including an annual audit prepared by a certified public accountant licensed to do business in this State, attesting to the financial condition of a licensee and disclosing whether the accounts, records and control procedures examined are maintained by the licensee as required by this act and the regulations promulgated hereunder;

o. Governing the gaming-related advertising of casino licensees, their employees and agents, with the view toward assuring that such advertisements are in no way deceptive; provided, however, that such regulations shall not prohibit the advertisement of casino location, hours of operation, or types of games and other amenities offered, but in no circumstance shall permit the advertisement of information about odds, the number of games, or the size of the casino; and provided further,

however, that such regulations shall require the words "Bet with your head, not over it" to appear on all billboards, signs, and other on-site advertising of a casino operation <sup>3</sup>and shall require the words "If you or someone you know has a gambling problem and wants help, call 1-800 GAMBLER" to appear on all print, electronic, billboard, and sign advertising of a casino operation<sup>3</sup>; and

p. [Governing entertainment presented by casino licensees in accordance with the prevailing community standards as determined by the commission] (Deleted by amendment, P.L. , c. );

q. Concerning the distribution and consumption of alcoholic beverages on the premises of the licensee, which regulations shall be insofar as possible consistent with Title 33 of the Revised Statutes, and shall deviate only insofar as necessary because of the unique character of the hotel casino premises and operations; [and]

r. [Limiting signs and other on-site advertising, with a view toward minimizing solicitation for gaming purposes from the public thoroughfares or otherwise dominating or despoiling the architecture or environment of the city] (Deleted by amendment, P.L. , c. ).

(cf: P.L.1982, c.148, s.1)

**REPLACE SECTION 23 TO READ:**

<sup>1</sup>[22.] <sup>2</sup>[24. <sup>1</sup>] <sup>2</sup>23. <sup>2</sup> Section 83 of P.L. 1977, c.110 (C.5:12-83) is amended to read as follows:

83. Approved Hotel. a. An approved hotel for purposes of this act shall be a hotel providing facilities in accordance with this section. Nothing in this section shall be construed to limit the authority of the commission to determine the suitability of facilities as provided in this act, and nothing in this section shall be construed to require a casino to be <sup>1</sup>[larger than the minimum size or]<sup>1</sup> smaller than the maximum size herein provided.

[An approved hotel shall, in accordance with the following table:

a. Contain qualifying sleeping units as defined in section 27 of this act;

b. Contain qualifying indoor public space available and of the sort regularly used for conventions, exhibits, meetings, banquets and similar functions, and for dining, entertainment, and sports facilities, including restaurants, bars, lounges, show theaters, shops, dance halls, swimming facilities, and tennis facilities but excluding lobbies, casinos, and parking areas; and

c. Contain a single casino room as defined in section 6 of this act, in accordance with the minimum number of qualifying sleeping units and minimum amount of qualifying indoor public space as provided in the following chart, but, except as hereinafter provided, in no event may a casino room be permitted to exceed the

maximum square footage stated:

Minimum Number of Qualifying Sleeping Units	Minimum Square Footage of Qualifying Indoor Public Space Sq. Ft.	Maximum Square Footage of Casino Room Sq. Ft.
500	65,000	30,000
750	80,000	40,000
1,000	95,000	50,000
1,250	110,000	60,000
1,500	125,000	70,000
1,750	140,000	85,000
2,000	155,000	100,000]

b. (1) In the case of a casino hotel in operation on the effective date of this amendatory and supplementary act, P.L. , c. , an approved hotel shall:

(a) contain at least the number of qualifying sleeping units, as defined in section 27 of P.L.1977, c.110 (C.5:12-27), which it has on the effective date of this amendatory and supplementary act, except that those units may be consolidated and reconfigured in order to form suites so long as there remain at least 500 qualifying sleeping units; and

(b) contain a casino of not more than the amount of casino space authorized on the basis of the provisions of this section which were in effect on the day before the effective date of this amendatory and supplementary act and applicable to that casino at that time, <sup>1</sup>[except that the casino space may be increased if additional qualifying sleeping units are added as provided hereafter in this paragraph] unless the number of qualifying sleeping units under subparagraph (a) of this paragraph and the number of any qualifying sleeping units added after the effective date of this amendatory and supplementary act permit an increase on the following basis: 50,000 square feet for the first 500 qualifying sleeping units and 10,000 square feet for each additional 100 qualifying sleeping units above 500, up to a maximum of 200,000 square feet. No casino hotel in operation on the effective date of this amendatory and supplementary act shall be required to reduce the amount of its casino space below the amount authorized as of the day before the effective date of this amendatory and supplementary act unless the number of qualifying sleeping units is reduced below the number required in subparagraph (a) of this paragraph or, during the two years after that effective date, the amount of qualifying indoor public space<sup>3</sup>, including space serving as kitchen support facilities,<sup>3</sup> is reduced in violation of section <sup>3</sup>[25] 24<sup>3</sup> of this <sup>3</sup>amendatory and supplementary<sup>3</sup> act<sup>1</sup>.

<sup>1</sup>[The casino space in such an approved hotel may be increased following the effective date of this amendatory and supplementary act on the basis of the following formula:

(number of hotel rooms added)

(amount of casino space that may be added)

(1,000 - number of hotel rooms on that effective date)

(120,000 - amount of casino space on that effective date)]<sup>1</sup>

For the purpose of increasing casino space, an agreement approved by the commission for the addition of qualifying sleeping units within two years after <sup>1</sup>[approval of the agreement] the commencement of gaming operations in the additional casino space<sup>1</sup> shall be deemed an addition of those rooms, but if the agreement is not fulfilled due to conditions within the control of the casino licensee, the casino licensee shall close the additional casino space or any portion thereof as directed by the commission.

The calculation of the number of qualifying sleeping units added with respect to any such casino hotel shall not include any qualifying sleeping unit or other hotel or motel room in existence in Atlantic City on the effective date of this <sup>1</sup>amendatory and supplementary<sup>1</sup> act, whether or not that unit or room is offered or usable for occupancy on the effective date, or any replacement for such a unit or room which results from construction or renovation after the effective date.

(2) In the case of a hotel in operation on the effective date of this amendatory and supplementary act, P.L. , c. , in which a licensed casino was located and operated prior to, but not as of, that effective date, and in which a casino is reestablished after that effective date, an approved hotel shall:

(a) contain at least the number of qualifying sleeping units, as defined in section 27 of P.L.1977, c.110 (C.5:12-27), which it had on the date the casino ceased operations prior to the effective date of this <sup>1</sup>amendatory and supplementary<sup>1</sup> act, except that those units may be consolidated and reconfigured in order to form suites so long as there remain at least 500 qualifying sleeping units; and

(b) contain a casino of not more than the amount of casino space the casino had on the date it ceased operations prior to <sup>1</sup>[that] the<sup>1</sup> effective date <sup>1</sup>of this amendatory and supplementary act<sup>1</sup>, <sup>1</sup>[except that the casino space may be increased if additional qualifying sleeping units are added as provided hereafter in this paragraph] unless the number of qualifying sleeping units under subparagraph (a) of this paragraph and the number of any qualifying sleeping units added after the effective date of this amendatory and supplementary act permit an increase on the following basis: 50,000 square feet for the first 500 qualifying sleeping units and



10,000 square feet for each additional 100 qualifying sleeping units above 500, up to a maximum of 200,000 square feet. No casino hotel which operates pursuant to this paragraph shall be required to reduce the amount of its casino space below the amount it had on the date it ceased operations unless the number of qualifying sleeping units is reduced below the number required in subparagraph (a) of this paragraph or, during the two years after the effective date of this amendatory and supplementary act, the amount of qualifying indoor public space<sup>3</sup>, including space serving as kitchen support facilities,<sup>3</sup> is reduced in violation of section <sup>3</sup>[25] 24<sup>3</sup> of this <sup>3</sup>amendatory and supplementary<sup>3</sup> act<sup>1</sup>.

<sup>1</sup>[The casino space in such an approved hotel may be increased following the effective date of this amendatory and supplementary act on the basis of the following formula:

<u>(number of hotel rooms added)</u>	<u>(amount of casino space that may be added)</u>
<u>(1,000 - number of hotel rooms on date casino ceased operations)</u>	<u>(120,000 - amount of casino space on date casino ceased operations)<sup>1</sup></u>

For the purpose of increasing casino space, an agreement approved by the commission for the addition of qualifying sleeping units within two years after <sup>1</sup>[approval of the agreement] the commencement of gaming operations in the additional casino space<sup>1</sup> shall be deemed an addition of those rooms, but if the agreement is not fulfilled due to conditions within the control of the casino licensee, the casino licensee shall close the additional casino space or any portion thereof as directed by the commission.

The calculation of the number of qualifying sleeping units added with respect to any such hotel shall not include any qualifying sleeping unit or other hotel or motel room in existence in Atlantic City on the effective date of this <sup>1</sup>amendatory and supplementary<sup>1</sup> act, whether or not that unit or room is offered or usable for occupancy on the effective date, or any replacement for such a unit or room which results from construction or renovation after the effective date.

c. In the case of a casino hotel not in operation prior to or on the effective date of this amendatory and supplementary act, <sup>1</sup>P.L. , c. <sup>1</sup> an approved hotel shall contain at least <sup>1</sup>[1,000] 500<sup>1</sup> qualifying sleeping units, as defined in section 27 of the "Casino Control Act," P.L.1977, c.110 (C.5:12-27), and a single casino room of not more than <sup>1</sup>[120,000] 50,000<sup>1</sup> square feet <sup>1</sup>,

except that for each additional 100 qualifying sleeping units above 500, the maximum size of the casino room may be increased by 10,000 square feet, up to a maximum of 200,000 square feet<sup>1</sup>. The calculation of the number of qualifying sleeping units with respect to any such casino hotel shall not include any qualifying sleeping unit or other hotel or motel room in existence in Atlantic City on the effective date of this <sup>1</sup>amendatory and supplementary<sup>1</sup> act, whether or not that unit or room is offered or usable for occupancy on the effective date, or any replacement for such a unit or room which results from construction or renovation after the effective date.

d. Once a hotel is initially approved, the commission shall thereafter rely on the certification of the casino licensee with regard to the number of rooms and, when applicable, the amount of qualifying indoor public space and shall permit rehabilitation, renovation and alteration of any part of the approved hotel even if the rehabilitation, renovation, or alteration will mean that the casino licensee does not temporarily meet the requirements of subsection c. so long as the licensee certifies that the rehabilitation, renovation, or alteration shall be completed within one year.

e. (Deleted by amendment, P.L.1987, c.352.)

f. [If an approved hotel shall provide more than the minimum number of qualifying sleeping units as hereinbefore defined than is required by subsection c. hereof, the maximum casino space may be permitted to increase by 40 square feet for each such excess sleeping unit.] (Deleted by amendment, P.L. , c. .)

g. [If a licensed facility shall provide more qualifying indoor public space as hereinbefore defined than is required by subsection c. hereof, the maximum allowable casino space may be permitted to increase by a figure representing one-half of the amount of such excess qualifying indoor public space, including space serving as kitchen support facilities.] (Deleted by amendment, P.L. , c. .)

h. [In no event may the total of the increased allowable casino space be permitted to exceed a figure representing the original maximum casino size.] (Deleted by amendment, P.L. , c. .)

i. The commission shall not impose any criteria or requirements regarding the contents of the hotel, including [qualifying] indoor public space, in addition to the criteria and requirements expressly specified in the "Casino Control Act," P.L.1977, c.110 (C.5:12-1 et seq.); provided, however, that the commission shall be authorized to require each casino licensee to establish and maintain an approved hotel which is in all respects a superior, first-class facility of exceptional quality which will help restore Atlantic City as a resort, tourist and convention destination.

(cf: P.L.1987, c.352, s.1)

REPLACE SECTION 24 TO READ:

<sup>1</sup>[23.] <sup>2</sup>[25.1] <sup>24.2</sup> (New section) Notwithstanding the provisions of section 83 of P.L.1977, c.110 (C.5:12-83) to the contrary, for a period of two years after the effective date of this amendatory and supplementary act:

a. a casino hotel in operation on the effective date of this amendatory and supplementary act, P.L. , c. , shall, in addition to the number of qualifying sleeping units required by that section, contain sufficient qualifying indoor public space<sup>3</sup>, including space serving as kitchen support facilities,<sup>3</sup> to provide the basis, in conjunction with the number of qualifying sleeping units, for the size of the casino in operation on that effective date, as determined by the provisions of section 83 which were in effect on the day before the effective date of this amendatory and supplementary act; and

b. a hotel in operation ~~on the effective date of this amendatory and supplementary act, P.L. , c. ,~~ in which a casino was located and operated prior to, but not as of, that effective date, and in which a casino is reestablished after that effective date, shall contain sufficient qualifying indoor <sup>3</sup>public<sup>3</sup> space<sup>3</sup>, including space serving as kitchen support facilities,<sup>3</sup> to provide the basis, in conjunction with the number of qualifying sleeping units, for the size of the casino in operation on the date that it ceased operations prior to the effective date of this act, as determined by the provisions of section 83 which were applicable at that time.

(cf: P.L.1987, c.410, s.7)

REPLACE SECTION 26 TO READ:

<sup>1</sup>[25.] <sup>2</sup>[27.1] <sup>26.2</sup> Section 85 of P.L.1977, c.110 (C.5:12-85) is amended to read as follows:

85. Additional Requirements. a. In addition to other information required by this act, a corporation applying for a casino license shall provide the following information:

(1) The organization, financial structure and nature of all businesses operated by the corporation; the names and personal employment and criminal histories of all officers, directors and principal employees of the corporation; the names of all holding, intermediary and subsidiary companies of the corporation; and the organization, financial structure and nature of all businesses operated by such of its holding, intermediary and subsidiary companies as the commission may require, including names and personal employment and criminal histories of such officers, directors and principal employees of such corporations and companies as the commission may require;

(2) The rights and privileges acquired by the holders of different classes of authorized securities of such corporations and companies as the commission may require,

including the names, addresses and amounts held by all holders of such securities;

(3) The terms upon which securities have been or are to be offered;

(4) The terms and conditions of all outstanding loans, mortgages, trust deeds, pledges or any other indebtedness or security devices utilized by the corporation;

(5) The extent of the equity security holding in the corporation of all officers, directors and underwriters, and their remuneration in the form of salary, wages, fees or otherwise;

(6) Names of persons other than directors and officers who occupy positions specified by the commission or whose compensation exceeds an amount determined by the commission, and the amount of their compensation;

(7) A description of all bonus and profit-sharing arrangements;

(8) Copies of all management and service contracts; and

(9) A listing of stock options existing or to be created.

b. If a corporation applying for a casino license is, or if a corporation holding a casino license is to become, a subsidiary, each holding company and each intermediary company with respect thereto must, as a condition of the said subsidiary acquiring or retaining such license, as the case may be:

(1) Qualify to do business in the State of New Jersey; and

(2) If it is a corporation, register with the commission and furnish the commission with all the information required of a corporate licensee as specified in subsection a. (1), (2) and (3) of this section and such other information as the commission may require; or

(3) If it is not a corporation, register with the commission and furnish the commission with such information as the commission may prescribe. [The commission may, in its discretion, make such investigations concerning the officers, directors, underwriters, security holders, partners, principals, trustees or persons owning or beneficially holding any interest in any holding company or intermediary company as it deems necessary, either at the time of initial registration or at any time thereafter.]

c. No corporation shall be eligible to hold a casino license unless each officer; each director; each person who directly or indirectly holds any beneficial interest or ownership of the securities issued by the corporation; any person who in the opinion of the commission has the ability to control the corporation or elect a majority of the board of directors of that corporation, other than a banking or other licensed lending institution which makes a loan or holds a mortgage or other lien acquired in the ordinary course of business; each principal employee; and any lender, underwriter, agent, employee of the

corporation, or other person whom the commission may consider appropriate for approval or qualification would, but for residence, individually be qualified for approval as a casino key employee pursuant to the provisions of this act.

d. No corporation which is a subsidiary shall be eligible to receive or hold a casino license unless each holding and intermediary company with respect thereto:

(1) If it is a corporation, shall comply with the provisions of subsection c. of this section as if said holding or intermediary company were itself applying for a casino license; provided, however, that the commission with the concurrence of the director may waive compliance with the provisions of subsection c. hereof on the part of a publicly-traded corporation which is a holding company as to any officer, director, lender, underwriter, agent or employee thereof, or person directly or indirectly holding a beneficial interest or ownership of the securities of such corporation, where the commission and the director are satisfied that such officer, director, lender, underwriter, agent or employee is not significantly involved in the activities of the corporate licensee, and in the case of security holders, does not have the ability to control the publicly-traded corporation or elect one or more directors thereof; or

(2) If it is not a corporation, shall comply with the provisions of subsection e. of this section as if said company were itself applying for a casino license.

e. Any noncorporate applicant for a casino license shall provide the information required in subsection a. of this section in such form as may be required by the commission. No such applicant shall be eligible to hold a casino license unless each person who directly or indirectly holds any beneficial interest or ownership in the applicant, or who in the opinion of the commission has the ability to control the applicant, or whom the commission may consider appropriate for approval or qualification, would, but for residence, individually be qualified for approval as a casino key employee pursuant to the provisions of this act.

f. Notwithstanding the provisions of subsections c. and d. of this section, <sup>1</sup>and in the absence of a prima facie showing by the director that there is any cause to believe that the institutional investor may be found unqualified,<sup>1</sup> an institutional investor holding either (1) under 10% of the equity securities of a casino licensee's holding or intermediary companies, or (2) debt securities of a casino licensee's holding or intermediary companies <sup>1</sup>, or another subsidiary company of a casino licensee's holding or intermediary companies which is related in any way to the financing of the casino licensee,<sup>1</sup> where the securities represent a percentage of <sup>3</sup>[<sup>1</sup>any issue of<sup>1</sup> the company's debt] the outstanding debt of the company<sup>3</sup> not exceeding 20%<sup>3</sup>, or a percentage of

any issue of the outstanding debt of the company not exceeding 50%,<sup>3</sup> shall be granted a waiver of qualification if <sup>1</sup>such securities are <sup>3</sup>those of a<sup>3</sup> publicly traded <sup>3</sup>corporation<sup>3</sup> and<sup>1</sup> its holdings of such securities were purchased for investment purposes only and upon request by the commission it files with the commission a certified statement to the effect that it has no intention of influencing or affecting the affairs of the issuer, the casino licensee or its holding or intermediary companies; provided, however, that it shall be permitted to vote on matters put to the vote of the outstanding security holders. The commission may grant a waiver of qualification to an institutional investor holding a higher percentage of such securities upon a showing of good cause and if the conditions specified above are met. <sup>1</sup>Any institutional investor granted a waiver under this subsection which subsequently determines to influence or affect the affairs of the issuer shall provide not less than 30 days' notice of such intent and shall file with the commission an application for qualification before taking any action that may influence or affect the affairs of the issuer; provided, however, that it shall be permitted to vote on matters put to the vote of the outstanding security holders.<sup>1</sup> If an institutional investor changes its investment intent, or if the commission finds reasonable cause to believe that the institutional investor may be found unqualified, no action other than divestiture shall be taken by such investor with respect to its security holdings until there has been compliance with the provisions of P.L.1987, c.409 (C.5:12-95.12 et seq.), including the execution of a trust agreement. <sup>3</sup>The casino licensee and its relevant holding, intermediary or subsidiary company shall immediately notify the commission and the division of any information about, or actions of, an institutional investor holding its equity or debt securities where such information or action may impact upon the eligibility of such institutional investor for a waiver pursuant to this subsection.<sup>3</sup>

g. If at any time the commission finds that an institutional investor holding any security <sup>1</sup>[of a casino licensee or]<sup>1</sup> of a holding or intermediary company <sup>1</sup>[with respect thereto] of a casino licensee, or, where relevant, of another subsidiary company of a holding or intermediary company of a casino licensee which is related in any way to the financing of the casino licensee,<sup>1</sup> fails to comply with the terms of subsection f. of this section, or if at any time the commission finds that, by reason of the extent or nature of its holdings, an institutional investor is in a position to exercise such a substantial impact upon the controlling interests of a licensee that qualification of the institutional investor is necessary to protect the public interest, the commission may, in accordance with the

~~provisions of <sup>1</sup>subsections a. through e. of this section or <sup>1</sup>subsections d. and e. of section 105 of P.L.1977, c.110 (C.5:12-105), take any necessary action to protect the public interest, including requiring such an institutional investor to be qualified pursuant to the provisions of the "Casino Control Act," P.L.1977, c.110 (C.5:12-1 et seq.).~~  
(cf: P.L.1987, c.354, s.9)

**REPLACE SECTION 28 TO READ:**

~~<sup>2</sup>[129.] <sup>2</sup>28.~~ <sup>2</sup>Section 88 of P.L.1977, c.110 (C.5:12-88) is amended to read as follows:

88. Renewal of Casino Licenses a. Subject to the power of the commission to deny, revoke, or suspend licenses, any casino license in force shall be renewed by the commission for the next succeeding license period upon proper application for renewal and payment of license fees and taxes as required by law and the regulations of the commission. The license period for a renewed casino license shall be <sup>3</sup>up to<sup>3</sup> one year for <sup>3</sup>each of<sup>3</sup> the first two renewal periods succeeding the initial issuance of a casino license pursuant to section 87 of P.L.1977, c.110 (C.5:12-87). Thereafter, a casino license <sup>3</sup>[shall] <sup>3</sup>may<sup>3</sup> be renewed for a period of up to two years, but the commission may reopen licensing hearings at any time. In addition, the commission shall reopen licensing hearings at any time at the request of the Division of Gaming Enforcement in the Department of Law and Public Safety. Notwithstanding the foregoing, the commission may, for the purpose of facilitating its administration of this act, renew the casino license of the holders of licenses initially opening after January 1, 1981 for a period of one year; provided, however, the renewal period for those particular casino licenses may not be ~~adjusted more than once pursuant to this provision.~~ The commission shall act upon any such application prior to the date of expiration of the current license.

b. Application for renewal shall be filed with the commission no later than 90 days prior to the expiration of the current license, and all license fees and taxes as required by law shall be paid to the commission on or before the date of expiration of the current license.

c. Upon renewal of any license the commission shall issue an appropriate renewal certificate or validating device or sticker which shall be attached to each casino license.<sup>1</sup>  
(cf: P.L.1987, c.354, s.11)

**REPLACE SECTION 35 TO READ:**

~~<sup>1</sup>[33.] <sup>2</sup>[36.] <sup>2</sup>35.~~ <sup>2</sup>Section 97 of P.L.1977, c.110 (C.5:12-97) is amended to read as follows:

97. Hours of Operation. a. No casino licensed pursuant to this act shall operate between the hours of

[6] <sup>1</sup>[8] 6<sup>1</sup> a.m. and 10 a.m. on Saturdays, Sundays and State and Federal holidays, or between the hours of 4 a.m. and 10 a.m. on all other days, except that for a period of three years following the effective date of this amendatory and supplementary act, P.L. , c. , the commission may extend the hours of operation <sup>3</sup>[on any day]<sup>3</sup>, up to and including 24 hours of operation, <sup>3</sup>[if] on any Saturday, Sunday, or State or Federal holiday, or on any day on which<sup>3</sup> the commission determines that there is an event to be held in a casino or in Atlantic City that will have a substantial citywide impact with respect to the number of visitors to the city and will have an economic impact on the casino industry which would justify the extension of those hours.

b. A casino licensee shall file with the commission a schedule of hours prior to the issuance of an initial operation certificate. If the casino licensee proposes any change in scheduled hours, such change may not be effected until such licensee files a notice of the new schedule of hours with the commission. Such filing must be made 30 days prior to the effective date of the proposed change in hours.

c. Nothing herein shall be construed to limit a casino licensee in opening its casino later than, or closing its casino earlier than, the times stated in its schedule of operating hours; provided, however, that any such alterations in its hours shall comply with the provisions of subsection a. of this section and with regulations of the commission pertaining to such alterations.

(cf: P.L.1977, c.110, s.97)

**REPLACE SECTION 38 TO READ:**

<sup>1</sup>[36.] <sup>2</sup>[39.] 38.<sup>2</sup> Section 100 of P.L.1977, c.110 (C.5:12-100) is amended to read as follows:

100. Games and Gaming Equipment. a. This act shall not be construed to permit any gaming except the conduct of authorized games in a casino room in accordance with this act and the regulations promulgated hereunder.

b. Gaming equipment shall not be possessed, maintained or exhibited by any person on the premises of a casino hotel complex except in the casino room and in secure areas used for the inspection, repair or storage of such equipment and specifically designated for that purpose by the casino licensee with the approval of the commission. No gaming equipment shall be possessed, maintained, exhibited, brought into or removed from a casino room by any person unless such equipment is necessary to the conduct of an authorized game, has permanently affixed, imprinted, impressed or engraved thereon an identification number or symbol authorized by the commission, is under the exclusive control of a casino licensee or his employees, and is brought into or removed from the casino room at times authorized for that purpose by the commission or at other times when prior notice has



been given to and written approval granted by an authorized agent of the commission.

Notwithstanding the foregoing, a person may, with the prior approval of the commission and under such terms and conditions as may be required by the commission, possess, maintain or exhibit gaming equipment in any other area of the casino hotel complex; provided such equipment is used for nongaming purposes.

c. Each casino hotel shall contain a count room and such other secure facilities as may be required by the commission for the counting and storage of cash, coins, tokens and checks received in the conduct of gaming and for the inspection, counting and storage of dice, cards, chips and other representatives of value. All drop boxes and other devices wherein cash, coins, or tokens are deposited at the gaming tables or in slot machines, and all areas wherein such boxes and devices are kept while in use, shall be equipped with two locking devices, one key to which shall be under the exclusive control of the commission and the other under the exclusive control of the casino licensee, and said drop boxes and other devices shall not be brought into or removed from the casino room, or locked or unlocked, except at such times, in such places, and according to such procedures as the commission may require.

d. All chips used in gaming at all casinos shall be of such size and uniform color by denomination as the commission shall require by regulation.

e. All gaming shall be conducted according to rules promulgated by the commission. All wagers and pay-offs of winning wagers at table games shall be made according to rules promulgated by the commission, which shall establish such minimum wagers and other limitations as may be necessary to assure the vitality of casino operations and fair odds to and maximum participation by casino patrons; provided, however, that a licensee may establish a higher minimum wager with the prior approval of the commission. Each slot machine shall have a minimum payout of 83%.

f. Each casino licensee shall make available in printed form to any casino patron upon request the complete text of the rules of the commission regarding games and the conduct of gaming, pay-offs of winning wagers, an approximation of the odds of winning for each wager, and such other advice to the player as the commission shall require. Each casino licensee shall prominently post within the casino room according to regulations of the commission such information about gaming rules, pay-offs of winning wagers, the odds of winning for each wager, and such other advice to the player as the commission shall require.

g. Each gaming table shall be equipped with a sign indicating the permissible minimum and maximum wagers pertaining thereto. It shall be unlawful for a casino

licensee to require any wager to be greater than the stated minimum or less than the stated maximum; provided, however, that any wager actually made by a patron and not rejected by a casino licensee prior to the commencement of play shall be treated as a valid wager.

~~h. No slot machine shall be used to conduct gaming unless it is identical in all electrical, mechanical and other aspects to a model thereof which has been specifically tested by the division and licensed for use by the commission. The commission shall, by regulation, establish such technical standards for licensure, including mechanical and electrical reliability, security against tampering, the comprehensibility of wagering, and noise and light levels, as it may deem necessary to protect the player from fraud or deception and to insure the integrity of gaming. In no event shall slot machines, including walkways between them, occupy more than [30%] <sup>1</sup>[40%] <sup>3</sup>[42%<sup>1</sup>] 45%<sup>3</sup> of the first 50,000 square feet of floor space of a casino, or more than [25%] <sup>1</sup>[30%] 32%<sup>1</sup> of any additional floor space of a casino larger than 50,000 square feet in the case of a casino hotel with fewer than 1,200 qualifying sleeping units or more than <sup>1</sup>[40%] <sup>3</sup>[42%<sup>1</sup>] 45%<sup>3</sup> of such additional floor space in the case of a casino hotel with at least 1,200 qualifying sleeping units. In the case of casinos in operation on the effective date of this amendatory and supplementary act, P.L. , c. , up to 10% of the number of slot machines in operation on that effective date may be added by the end of the first year after the effective date, up to 20% of that number may be added by the end of the second year after the effective date, and up to 30% of that number may be added by the end of the third year after the effective date. The commission shall, by regulation, determine the permissible density of particular licensed slot machines or combinations thereof, based upon their size and light and noise levels, so as to create and maintain a gracious playing environment in the casino and to avoid deception or frequent distraction to players at gaming tables. The denominations of such machines shall be set by the licensee, subject to the prior approval of the commission.~~

i. [Each casino shall be arranged in such fashion as to allow floor space for each gaming table, including the space occupied by the table, in accordance with the following:

Baccarat--300 square feet

Blackjack--100 square feet

Craps--200 square feet

Roulette--150 square feet

Big Six Wheel--150 square feet] (Deleted by amendment, P.L. , c. .)

j. [Each casino shall be arranged in such fashion as to assure that gaming tables shall at all times be present, whether in use or not, according to the

following:

(1) At least one baccarat or minibaccarat table for every 50,000 square feet of casino space or part thereof; and

(2) No more than one Big Six Wheel and table for every 10,000 square feet of casino space or part thereof.] ~~(Deleted by amendment, P.L. , c. )~~

k. It shall be unlawful for any person to exchange or redeem chips for anything whatsoever, except currency, negotiable personal checks, negotiable counter checks or other chips. A casino licensee shall, upon the request of any person, redeem that licensee's gaming chips surrendered by that person in any amount over \$25.00 with a check drawn upon the licensee's account at any banking institution in this State and made payable to that person.

l. It shall be unlawful for any casino licensee or <sup>1</sup>[his] <sup>1</sup>its<sup>1</sup> agents or employees to employ, contract with, or use any shill or barker to induce any person to enter a casino or play at any game or for any purpose whatsoever.

m. It shall be unlawful for a dealer in any authorized game in which cards are dealt to deal cards by hand or other than from a device specifically designed for that purpose.

n. It shall be unlawful for any casino key employee, other than a junket representative, or any casino employee, other than a bartender, waiter, waitress, or other casino employee who in the judgment of the commission is not directly involved with the conduct of gaming operations, to wager at any game in any casino in this State.

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

(2) A dealer may accept tips or gratuities from a patron at the table at which such dealer is conducting play, subject to the provisions of this subsection. All such tips or gratuities shall be immediately deposited in a lockbox reserved for that purpose, accounted for, and placed in a pool for distribution pro rata among the dealers [on a weekly basis], with the distribution based upon the number of hours each dealer has worked.

(cf: P.L.1987, c.355, s.7)

**REPLACE SECTION 39 TO READ:**

<sup>1</sup>[37.] <sup>2</sup>[40.1] <sup>39.2</sup> Section 101 of P.L.1977, c.110 (C.5:12-101) is amended to read as follows:

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

licensed under this act, shall:

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

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

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

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

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

(3) The check is presented to the cashier or his representative and is exchanged only for a credit slip or slips which total an amount equal to the amount for which the check is drawn, which slip or slips may be presented for chips at a gaming table; and

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

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

c. When a casino licensee or other person licensed under this act, or any person acting on behalf of or under any arrangement with a casino licensee or other person licensed under this act, cashes a check in conformity with the requirements of subsection b. of this section, the casino licensee shall cause the deposit of such check in a bank for collection or payment within (1) seven calendar days of the date of the transaction for a check in an amount of \$1,000.00 or less; (2) 14 calendar days of the date of the transaction for a check in an amount greater than \$1,000.00 but less than or equal to \$5,000.00; or (3) 45 calendar days of the date of the transaction for a check in an amount greater than \$5,000.00. Notwithstanding the foregoing, the drawer of the check may redeem the check by exchanging cash [or], cash equivalents, chips, or a check which meets the requirements of subsection g. of this section in an amount equal to the amount for which the check is drawn; or he may redeem the check in part by exchanging cash

[or], cash equivalents, chips, or a check which meets the requirements of subsection g. of this section and another check which meets the requirements of subsection b. of this section for the difference between the original check and the cash [or], cash equivalents, chips, or check tendered; or he may issue one check which meets the requirements of subsection b. of this section in an amount sufficient to redeem two or more checks drawn to the order of the casino licensee. If there has been a partial redemption or a consolidation in conformity with the provisions of this subsection, the newly issued check shall be delivered to a bank for collection or payment within the period herein specified. No casino licensee or any person licensed under this act, and no person acting on behalf of or under any arrangement with a casino licensee or other person licensed under this act, shall accept any check or series of checks in redemption or consolidation of another check or checks in accordance with this subsection for the purpose of avoiding or delaying the deposit of a check in a bank for collection or payment within the time period prescribed by this subsection.

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

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

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

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

(3) A purchaser of the casino license as approved by the commission. The limitation on transferability of checks imposed herein shall apply to checks returned by any bank to the casino licensee without full and final payment.

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

f. Notwithstanding the provisions of any law to the contrary, checks cashed in conformity with the requirements of this act shall be valid instruments, enforceable at law in the courts of this State. Any check cashed, transferred, conveyed or given in violation of

this act shall be invalid and unenforceable for the purposes of collection but shall be included in the calculation of gross revenue pursuant to section 24 of P.L.1977, c.110 (C.5:12-24).

g. Notwithstanding the provisions of subsection b. of this section to the contrary, a casino licensee may accept a check from a person to enable the person to take part in gaming activity as a player, [or] may give cash or cash equivalents in exchange for <sup>1</sup>[the] such a<sup>1</sup> check, or may accept a check in redemption or partial redemption of a check issued in accordance with subsection b., provided that:

(1) (a) The check is drawn by a casino licensee pursuant to the provisions of subsection k. of section 100 of P.L.1977, c.110 (C.5:12-100 k.) or upon a withdrawal of funds from an account established in accordance with the provisions of subsection b. of this section or is drawn by a casino licensee for winnings from slot machine payoffs;

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

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

(2) The check is identifiable in a manner approved by the commission as a check issued for a purpose listed in paragraph (1) of this subsection;

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

(4) The check is presented to the cashier or the cashier's representative by the original payee and its validity is verified by the drawer <sup>1</sup>in the case of a check drawn pursuant to subparagraph (a) of paragraph (1) of this subsection, or the check is verified in accordance with regulations promulgated by the commission in the case of a check issued pursuant to subparagraph (b) or subparagraph (c) of paragraph (1) of this subsection<sup>1</sup>; and

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

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

h. Notwithstanding the provisions of subsection b. and subsection c. of this section to the contrary, a casino licensee may, at a location outside the casino, accept a personal check or checks from a person for up to <sup>3</sup>[\$2,500] \$1,500<sup>3</sup> in exchange for cash or cash

equivalents, and may, at <sup>1</sup>[a cashier's cage] such locations within the casino as may be permitted by the commission<sup>1</sup>, accept a personal check or checks for up to <sup>3</sup>[\$2,500] \$1,500<sup>3</sup> in exchange for cash, cash equivalents, tokens, chips, or plaques to enable the person to take part in gaming activity as a player or non-gaming activity, as the case may be, provided that:

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

(2) The check is for a specific amount;

(3) The check is <sup>1</sup>[make] made<sup>1</sup> payable to the casino licensee;

(4) ~~The check is dated but not post-dated;~~

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

(6) The check is restrictively endorsed "For Deposit Only" to the casino licensee's bank account and deposited on the next banking day following the date of the transaction; <sup>1</sup>and<sup>1</sup>

(7) <sup>1</sup>[No other check or checks are outstanding.] The total amount of personal checks accepted by <sup>3</sup>[all licensees] any one licensee<sup>3</sup> pursuant to this subsection that are outstanding at any time, including the current check being submitted <sup>3</sup>[to a licensee]<sup>3</sup>, does not exceed <sup>3</sup>[\$2,500] \$1,500<sup>3</sup>.<sup>1</sup>

i. Checks cashed pursuant to the provisions of subsection h. of this section which are subsequently uncollectable may not be deducted from the total of all sums received in calculating gross revenue pursuant to section 24 of P.L.1977, c.110 (C.5:12-24)<sup>1</sup>;<sup>1</sup>

j. A person may request the commission to put that person's name on a list of persons to whom the extension of credit by a casino as provided in this section would be prohibited <sup>1</sup>by submitting to the commission the person's name, address, and date of birth<sup>1</sup>. The person does not need to provide a reason for this request. The commission shall provide this list to the credit department of each casino; neither the commission nor the credit department of a casino shall divulge the names on this list to any person or entity other than those provided for in this subsection. If such a person wishes to have that person's name removed from the list, the person shall submit this request to the commission, which shall so inform the credit departments of casinos no later than three days after the submission of the request.

(cf: P.L.1987, c.426, s.4)

**REPLACE SECTION 53 TO READ:**

<sup>2</sup>[154.] <sup>2</sup>53.<sup>2</sup> Section 121 of P.L.1977, c.110 (C.5:12-121) is amended to read as follows:

121. Authority of gaming licensee and agents to detain

or question persons suspected of cheating; immunity from liability; posted notice required.

a. Any licensee or its officers, employees or agents may question any individual in the casino reasonably suspected of violating any of the provisions of sections 113 through 116 of [this act] P.L.1977, c.110 (C.5:12-113 through 116) or of section <sup>3</sup>[47] 46<sup>3</sup> of P.L. , c. (C. ) (now pending before the Legislature as this bill). No licensee or its officers, employees or agents shall be criminally or civilly liable by reason of any such questioning.

b. Any licensee or its officers, employees or agents who shall have probable cause for believing there has been a violation of sections 113 through 116 of [this act] P.L.1977, c.110 (C.5:12-113 through 116) or of section <sup>3</sup>[47] 46<sup>3</sup> of P.L. , c. (C. ) (now pending before the Legislature as this bill) in the casino by any person may take such person into custody and detain him in the establishment in a reasonable manner for a reasonable length of time, for the purpose of notifying law enforcement or commission authorities. Such taking into custody and detention shall not render such licensee or its officers, employees or agents criminally or civilly liable for false arrest, false imprisonment, slander or unlawful detention, unless such taking into custody or detention is unreasonable under all of the circumstances.

c. No licensee or his officers, employees or agents shall be entitled to any immunity from civil or criminal liability provided in this section unless there is displayed in a conspicuous manner in the casino a notice in bold face type clearly legible and in substantially this form:

"Any gaming licensee or officer, employee or agent thereof who has probable cause for believing that any person is violating any of the provisions of the Casino Control Act prohibiting cheating or swindling in gaming may detain such person in the establishment for the purpose of notifying a police officer or Casino Control Commission authorities."<sup>1</sup>

(cf: P.L.1977, c.110, s.121)

**REPLACE SECTION 56 TO READ:**

<sup>1</sup>[53.] <sup>2</sup>[57.1] 56.<sup>2</sup> Section 32 of P.L.1978, c.7 (C.5:12-130.2) is amended to read as follows:

**32. Powers, Authorities and Duties of Conservators.**

a. Upon his appointment, the conservator shall become vested with the title of all the property of the former or suspended licensee relating to the casino and the approved hotel, subject to any and all valid liens, claims, and encumbrances. The conservator shall have the duty to conserve and preserve the assets so acquired to the end that such assets shall continue to be operated on a sound and businesslike basis.



b. Subject to the [general] direct supervision of the commission and pursuant to the written instructions of the commission issued pursuant to section <sup>3</sup>[52] 55<sup>3</sup> of P.L. , c. (C. ) (now pending before the Legislature as this bill) and any [specific] other order [it] the commission may deem appropriate, a conservator shall have power to:

(1) Take into his possession all the property of the former or suspended licensee relating to the casino and the approved hotel, including its books, records and papers;

(2) Institute and defend actions by or on behalf of the former or suspended licensee;

(3) Settle or compromise with any debtor or creditor of the former or suspended licensee, including any taxing authority;

(4) Continue the business of the former or suspended licensee and to that end enter into contracts, borrow money and pledge, mortgage or otherwise encumber the property of the former or suspended licensee as security for the repayment of the conservator's loans; provided, however, that such power shall be subject to any provisions and restrictions in any existing credit documents;

(5) Hire, fire and discipline employees;

(6) Review all outstanding agreements to which the former or suspended licensee is a party that fall within the purview of section 104b. of P.L.1977, c.110 (C.5:12-104b.) and advise the commission as to which, if any, of such agreements should be the subject of scrutiny, examination or investigation by the commission; and

(7) Do all further acts as shall best fulfill the purposes of the Casino Control Act.

c. Except during the pendency of a suspension or during the pendency of any appeal from any action or event set forth in section 31 a. of this amendatory and supplementary act which precipitated the conservatorship or in instances in which the commission finds that the interests of justice so require, the conservator, subject to the prior approval of and in accordance with such terms and conditions as may be prescribed by the commission, and after appropriate prior consultation with the former licensee as to the reasonableness of such terms and conditions, shall endeavor to and be authorized to sell, assign, convey or otherwise dispose of in bulk, subject to any and all valid liens, claims, and encumbrances, all the property of a former licensee relating to the casino and the approved hotel only upon prior written notice to all creditors and other parties in interest and only to such persons who shall be eligible to apply for and shall qualify as a casino licensee in accordance with the provisions of the Casino Control Act. Prior to any such sale, the former licensee

shall be granted, upon request, a summary review by the commission of such proposed sale.

d. The commission may direct that the conservator, for an indefinite period of time, retain the property and continue the business of the former or suspended licensee relating to the casino and the approved hotel. During such period of time or any period of operation by the conservator, he shall pay when due, without in any way being personally liable, all secured obligations and shall not be immune from foreclosure or other legal proceedings to collect the secured debt, nor with respect thereto shall such conservator have any legal rights, claims, or defenses other than those which would have been available to the former or suspended licensee.

e. A conservator shall cooperate fully with any investigation or inquiry conducted by the commission or the division during the conservatorship or after the discontinuation of the conservatorship.

(cf: P.L.1987, c.410, s.16)



# OFFICE OF THE GOVERNOR

## NEWS RELEASE

**CN-001**

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**TRENTON, N.J. 08625**

**Release:**

Saturday  
June 29, 1991

### GOVERNOR FLORIO SIGNS LEGISLATION BOOSTING CASINOS Law Will Enable Casino Industry to Stay Competitive

Governor Jim Florio today signed legislation providing casinos more flexibility to increase games and hours, while maintaining strict control over potential areas of abuse. This legislation is intended to help the casino industry grow and remain competitive.

"Atlantic City is the jewel of our Jersey Shore. Today, we're going to make this jewel shine a little brighter for the people who come here. We're making sure the casinos fulfill the promise of helping Atlantic City develop to its full potential," said Governor Florio. "It's just one more step in making this area a premier New Jersey location for vacationers and conventions."

The bill, S 3279/A 5025, sponsored by Senators Richard Codey and Bill Gormley, and Assemblyman Fred Scerni, expands the scope of casinos in several areas. Combined with the expansion of the Atlantic City airport and plans for a new convention center, these efforts are expected to not only boost the industry, but help Atlantic City fulfill its potential laid out when casinos first were built.

The law allows the casinos to remain open around the clock at the discretion of the Casino Control Commission on weekends, holidays and during periods when there is an event that has city-wide impact. In addition, the law provides incentives for hotels to provide more hotel rooms by allowing them to expand casino space. It also provides for the expansion of slot machines and new games. At the same time, the law assures strong consumer safeguards and boost efforts to help compulsive gamblers.

"Everyone in New Jersey has a vital stake in Atlantic City particularly with the casinos," said the Governor. "We want to make sure they're run right and we want to make sure that people have a good time when they come here."

"We're investing in Atlantic City's future today so that people around the world will come here as a matter of first choice. The changes in this bill are going to help everyone -- from our visitors to the people who live here," said Governor Florio. "Because New Jersey works best when it invests in itself. This bill is a step forward for Atlantic City and it's one more way we'll make New Jersey work for everyone."

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## FACT SHEET

The new amendments to the Casino Control Act accomplish a number of initiatives to boost casino services and also protect industry integrity. Some of the major initiatives include:

### GAMING:

- Permits 24-hour gaming on weekends, holidays and during periods of time when there is an event with city-wide impact at the discretion of the Casino Control Commission.
- Authorizes the additional games of Red Dog, Pai Gow and Sic Bo. The CCC has the ability to authorize a six-month test period for additional games, during which the commission may recommend to the Governor and the Legislature that the authorization be provided by statute.
- Casinos will be permitted to commit up to 45 percent of their total casino floor space to slot machines. This increase, up from 30 percent, will be phased in over a three-year period.

### INDUSTRY CHANGES:

- Changes the formula for determining the maximum allowable casino size, now basing it on the number of the licensee's hotel rooms. New casino hotels must have at least 500 rooms, which would entitle them to casino space of up to 200,000 square feet. Existing casino hotels that add to their present number of rooms would be entitled to expanded casino space of 10,000 square feet for each additional 100 rooms over 500, up to the same maximum of 200,000 square feet. Casinos can receive credit for existing rooms over limits.
- Changes the definition of casino employee to downgrade the licensure of maintenance personnel, waiters, waitresses, secretaries and hotel security guards to registrant, provided they are not involved in the maintenance or operation of gaming activity.
- CCC will no longer review aesthetic plans for a casino. The public space requirements are deleted. Two or more buildings can be connected to qualify as a casino hotel.
- Eliminates regulations governing entertainment and advertising of non-gaming activity. Advertising as it relates to gaming activity continues to be regulated by the CCC.

### INDUSTRY/CUSTOMER SAFEGUARDS:

- The appointment of a conservator for a casino in financial trouble is made permissive rather than mandatory in order to give the CCC more flexibility in dealing with such circumstances.
- Monies from penalties levied and collected by CCC are to be paid into the Casino Revenue Fund, except that the first \$500,000 collected each fiscal year shall be used to support the Council on Compulsive Gambling in New Jersey.

- Gaming print advertising must include "If You or Someone You Know Has a Gambling Problem and Wants Help, Call 1-800-GAMBLER, in addition to "Bet With Your Head, Not Over It."
- A person may request the CCC to put his/her name on a list of persons to whom the extension of credit by a casino is prohibited.
- The use of an electronic device by a player to gain advantage while playing a game is prohibited.