

5:12-54 et al

LEGISLATIVE HISTORY CHECKLIST

NJSA: 5:12-54 et al (Casino Control Act-- amend powers and duties of Casino Control Commission)

LAWS OF: 1987 **CHAPTER:** 354

Bill No: A3567

Sponsor(s): Schuber

Date Introduced: December 18, 1986

Committee: **Assembly:** Independent and Regional Authorities

Senate: Institutions, Health and Welfare

Amended during passage: Yes Amendments during passage denoted by asterisks.

Date of Passage: **Assembly:** June 29, 1987
Senate: December 17, 1987

Date of Approval: January 4, 1988

Following statements are attached if available:

Sponsor statement: Yes

Committee statement: **Assembly** Yes

Senate Yes

Fiscal Note: No

Veto Message: No

Message on Signing: No

Following were printed:

Reports: No

Hearings: Yes

974.90 New Jersey. Legislature. General Assembly. Independent and Regional
G191 Authorities Committee.
1987 Public meeting on A.3567 . . . , held 1-2-87, 2-5-87, 2-27-87 Trenton, 1987.

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ASSEMBLY, No. 3567

STATE OF NEW JERSEY

INTRODUCED DECEMBER 18, 1986

By Assemblymen SCHUBER and DiGAETANO

AN ACT to amend the "Casino Control Act," approved June 2, 1977
(P. L. 1977, c. 110).

1 BE IT ENACTED *by the Senate and General Assembly of the State*
2 *of New Jersey:*

1 1. Section 54 of P. L. 1977, c. 110 (C. 5:12-54) is amended to read
2 as follows:

3 54. Organization and Employees. a. The commission may estab-
4 lish, and from time to time alter, such plan of organization as it
5 may deem expedient, and may incur expenses within the limits of
6 funds available to it.

7 b. The commission shall elect annually by a majority of the full
8 commission one of its members, other than the chairman, to serve
9 as vice-chairman for the ensuing year. The vice-chairman shall
10 be empowered to carry out all of the responsibilities of the chair-
11 man as prescribed in this act during his absence, disqualification,
12 or inability to serve.

13 c. The commission shall appoint an executive secretary who shall
14 serve at its pleasure and shall be responsible for the conduct of its
15 administrative affairs. No person shall be eligible for such appoint-
16 ment unless he shall have at least 5 years of responsible experience
17 in public or business administration or possesses broad manage-
18 ment skills. **[The salary of the executive secretary shall be fixed**
19 **by the commission, but shall not exceed \$55,000.00.]**

20 d. The commission may employ such other personnel as it deems
21 necessary. All employees of the commission, except for secretarial
22 and clerical personnel, shall be in the unclassified service of the

**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 printed in italics thus is new matter.

Matter enclosed in asterisks or stars has been adopted as follows:

***—Assembly committee amendments adopted June 11, 1987.**

23 Civil Service. All employees of the commission shall be deemed
 24 confidential employees for the purposes of the "New Jersey Em-
 25 ployer-Employee Relations Act" (P. L. 1941, c. 100; C. 34:13A-1
 26 et seq.), as amended. Notwithstanding the provisions of any other
 27 law to the contrary, the commission may employ legal counsel who
 28 shall represent the commission in any proceeding to which it is
 29 a party, and who shall render legal advice to the commission upon
 30 its request. The commission may contract for the services of other
 31 professional, technical and operational personnel and consultants
 32 as may be necessary to the performance of its responsibilities
 33 under this act. Members and employees of the commission shall
 34 be enrolled in the Public Employees' Retirement System of New
 35 Jersey (P. L. 1954, c. 84; C. 43:15A-1 et seq.).

1 2. Section 58 of P. L. 1977, c. 110 (C. 5:12-58) is amended to
 2 read as follows:

3 58. Restrictions on Pre-Employment by Commissioners, Commis-
 4 sion Employees and Division Employees and Agents. a. Deleted
 5 by amendment.

6 b. No person shall be appointed to or employed by the commis-
 7 sion or division if, during the period commencing 3 years prior
 8 to appointment or employment, said person held any direct or in-
 9 direct interest in, or any employment by, any person which is
 10 licensed as a casino [hotel] licensee pursuant to section 87 of P. L.
 11 1977, c. 110 (C. 5:12-87) or as a casino service industry pursuant to
 12 subsection a. of section 92 of P. L. 1977, c. 110 (C. 5:12-92a.) or
 13 has an application for such a license pending before the commission;
 14 provided, however, that notwithstanding any other provision of this
 15 act to the contrary, any such person may be appointed to or em-
 16 ployed by the commission or division if his interest in any such
 17 casino [hotel] licensee or casino service industry which is publicly
 18 traded would not, in the opinion of the employing agency, interfere
 19 with the objective discharge of such person's employment obliga-
 20 tions, but in no instance shall any person be appointed to or em-
 21 ployed by the commission or division if his interest in such a casino
 22 [hotel] licensee or casino service industry which is publicly traded
 23 constituted a controlling interest in that casino [hotel] licensee or
 24 casino service industry; and provided further, however, that not-
 25 withstanding any other provision of this act to the contrary, any
 26 such person may be employed by the commission or division in a
 27 secretarial or clerical position if, in the opinion of the employing
 28 agency, his previous employment by, or interest in, any such casino
 29 licensee or casino service industry would not interfere with the
 30 objective discharge of such person's employment obligations.

31 c. Prior to appointment or employment, each member of the com-
32 mission, each employee of the commission, the director of the
33 Division of Gaming Enforcement and each employee and agent
34 of the division shall swear or affirm that he possesses no interest
35 in any business or organization licensed by or registered with the
36 commission.

37 d. Each member of the commission and the director of the divi-
38 sion shall file with the Executive Commission on Ethical Standards
39 a financial disclosure statement listing all assets and liabilities,
40 property and business interests, and sources of income of said
41 member or director and his spouse and shall provide to the
42 Attorney General a financial disclosure statement listing all assets
43 and liabilities, property and business interests, and sources of
44 income of the parents, brothers, sisters, and children of said mem-
45 ber or director. Such statement shall be under oath and shall be
46 filed at the time of appointment and annually thereafter.

47 e. Each employee of the commission, except for secretarial and
48 clerical personnel, and each employee and agent of the division,
49 except for secretarial and clerical personnel, shall file with the
50 Executive Commission on Ethical Standards a financial disclosure
51 statement listing all assets and liabilities, property and business
52 interests, and sources of income of said employee or agent and
53 his spouse. Such statement shall be under oath and shall be filed
54 at the time of employment and annually thereafter.

1 3. Section 59 of P. L. 1977, c. 110 (C. 5:12-59) is amended to read
2 as follows:

3 59. Employment Restrictions on Commissioners, Commission
4 Employees and Division Employees. a. The "New Jersey Conflicts
5 of Interest Law" (P. L. 1971, c. 182; C. 52:13D-12 et seq.) shall
6 apply to members of the commission and to all employees of the
7 commission and the division, except as herein specifically provided.

8 b. The commission shall, no later than January 1, 1981, promul-
9 gate a Code of Ethics that is modeled upon the Code of Judicial
10 Conduct of the American Bar Association, as amended and adopted
11 by the Supreme Court of New Jersey. This Code of Ethics shall
12 include, but not be limited to, provisions that address the pro-
13 priety of relationships and dealings between the commission and
14 its staff, and licensees and applicants for licensure under this act.

15 c. The division shall promulgate a Code of Ethics governing its
16 specific needs.

17 d. The Codes of Ethics promulgated by the commission and the
18 division shall not be in conflict with the laws of this State, except,

19 however, that said Codes of Ethics may be more restrictive than
20 any law of this State.

21 e. The Codes of Ethics promulgated by the commission and the
22 division shall be submitted to the Executive Commission on Ethical
23 Standards for approval. The Codes of Ethics shall include, but not
24 be limited to provisions that:

25 (1) No commission member or employee or division employee or
26 agent shall be permitted to gamble in any establishment licensed
27 by the commission except in the course of his duties.

28 (2) No commission member or employee or division employee or
29 agent shall solicit or accept employment from any person licensed
30 by or registered with the commission or from any applicant for a
31 period of four years after termination of service with the commis-
32 sion or division, unless subject to section 60 of this act.

33 (3) No commission member or employee or any division employee
34 or agent shall act in his official capacity in any matter wherein he
35 or his spouse, child, parent or sibling has a direct or indirect per-
36 sonal financial interest that might reasonably be expected to impair
37 his objectivity or independence of judgment.

38 (4) No commission employee or any division employee or agent
39 shall act in his official capacity in a matter concerning an applicant
40 for licensure or a licensee who is the employer of a spouse, child,
41 parent or sibling of said commission or division employee or agent
42 when the fact of the employment of such spouse, child, parent or
43 sibling might reasonably be expected to impair the objectivity and
44 independence of judgment of said commission employee or division
45 employee or agent.

46 (5) No spouse, child, parent or sibling of a commission member
47 shall be employed in any capacity by an applicant for a casino
48 license or a casino licensee nor by any holding, intermediary or
49 subsidiary company thereof.

50 (6) No commission member shall meet with any person, except
51 for any other member of the commission or employee of the com-
52 mission, or discuss with any issues involving any pending or pro-
53 posed application or any matter whatsoever which may reasonably
54 be expected to come before the commission, or any member thereof,
55 for determination unless the meeting or discussion takes place on
56 the business premises of the commission, provided, however, that
57 commission members may meet to consider matters requiring the
58 physical inspection of equipment or premises at the location of
59 the equipment or premises. All meetings or discussions subject to
60 this paragraph shall be noted in a log maintained for this purpose
61 and available for inspection pursuant to the provisions of P. L.
62 1963, c. 73 (C. 47:1A-1 et seq.).

63 f. No commission member or employee or division employee or
 64 agent shall have any interest, direct or indirect, in any applicant
 65 or in any person licensed by or registered with the commission
 66 during his term of office or employment.

67 g. Each commission member and employee of the commission,
 68 including legal counsel, and each employee and agent of the di-
 69 vision shall devote his entire time and attention to his duties and
 70 shall not pursue any other business or occupation or other gainful
 71 employment; provided, however, that secretarial and clerical per-
 72 sonnel may engage in such other gainful employment as shall not
 73 interfere with their duties to the commission or division, unless
 74 otherwise directed; and provided further, however, that other em-
 75 ployees of the commission and division and agents of the division
 76 may engage in such other gainful employment as shall not interfere
 77 or be in conflict with their duties to the commission or division,
 78 upon approval by the commission or the director of the division,
 79 as the case may be.

80 h. No member of the commission, employee of the commission,
 81 or employee or agent of the division shall:

82 (1) Use his official authority or influence for the purpose of
 83 interfering with or affecting the result of an election or a nomina-
 84 tion for office;

85 (2) Directly or indirectly coerce, attempt to coerce, command or
 86 advise any person to pay, lend or contribute anything of value to
 87 a party, committee, organization, agency or person for political
 88 purposes; or

89 (3) Take any active part in political campaigns or the manage-
 90 ment thereof; provided, however, that nothing herein shall pro-
 91 hibit a person from voting as he chooses or from expressing his
 92 personal opinions on political subjects and candidates.

93 i. For the purpose of applying the provisions of the "New Jersey
 94 Conflicts of Interest Law," any consultant or other person under
 95 contract for services to the commission *and the division* shall be
 96 deemed to be a special State employee, *except that the restrictions*
 97 *of section 4 of P. L. 1981, c. 142 (C. 52:13D-17.2) shall not apply to*
 98 *such person*. Such person and any corporation, firm or partnership
 99 in which he has an interest or by which he is employed shall not
 100 represent any person or party other than the commission before
 101 the commission.

1 4. Section 64 of P. L. 1977, c. 110 (C. 5:12-64) is amended to
 2 read as follows:

3 64. Commission Powers—Denials and Sanctions. The commis-
 4 sion shall assure, *to the extent required by this act*, that licenses,

5 *approvals, certificates, or permits shall not be issued to nor held by,*
 6 *nor shall there be any material involvement, directly or indirectly,*
 7 *with the licensed casino operation or the ownership thereof by, un-*
 8 *qualified or disqualified persons [or unsuitable persons,] or per-*
 9 *sons whose operations are conducted in a manner not conforming*
 10 *with the provisions of this act. For the purposes of this section,*
 11 *“unqualified person[,” “disqualified person,” or “unsuitable per-*
 12 *son]” shall mean any person who is found by the commission to be*
 13 *unqualified pursuant to criteria set forth in sections 84 or 89, and*
 14 *“disqualified person” shall mean any person found by the commis-*
 15 *sion to be disqualified pursuant to the criteria set forth in section*
 16 *86 [c., e., f., g., and h., or to lack the financial responsibility and*
 17 *capability specified in the provisions of section 84]. In enforcing*
 18 *the provisions of this act, the commission shall have the power and*
 19 *authority to deny any application; limit or restrict any license,*
 20 *registration, certificate, permit or approval; suspend or revoke any*
 21 *license, registration, certificate, permit or approval; and, impose a*
 22 *penalty on any person licensed, registered, or previously approved*
 23 *for any cause deemed reasonable by the commission pursuant to*
 24 *rules and regulations promulgated thereby, except that no such*
 25 *denial, limitation, suspension or revocation shall be issued solely*
 26 *by reason of the fact that an applicant, registrant, or licensee holds*
 27 *an interest in or is associated with any licensed casino enterprise*
 28 *in any other jurisdiction.*

1 5. Section 65 of P. L. 1977, c. 110 (C. 5:12-65) is amended to
 2 read as follows:

3 65. Subpenas; Oaths. The commission shall have the power and
 4 authority to issue subpenas and to compel the attendance of wit-
 5 nesses at any place within this State, to administer oaths and to
 6 require testimony under oath *before the commission or division in*
 7 *the course of any investigation or hearing conducted under this act.*
 8 The commission may serve or cause to be served its process or
 9 notices in a manner provided for the service of process and notice
 10 in civil actions in accordance with the rules of court. The commis-
 11 sion *and the division* shall have the authority to propound written
 12 interrogatories and *the commission* may appoint hearing examiners,
 13 to whom may be delegated the power and authority to administer
 14 oaths, issue subpenas, propound written interrogatories, and re-
 15 quire testimony under oath.

1 6. Section 68 of P. L. 1977, c. 110 (C. 5:12-68) is amended to
 2 read as follows:

3 68. Collection of Fees, Penalties or Tax. At any time within
 4 five years after any amount of fees, interest, penalties or tax re-

5 quired to be collected pursuant to the provisions of this act shall
6 become due and payable, the commission may bring a civil action in
7 the courts of this State or any other state or of the United States, in
8 the name of the State of New Jersey, to collect the amount delin-
9 quent, together with penalties and interest. An action may be
10 brought whether or not the person owing the amount is at such
11 time [a] *an applicant, licensee or registrant* pursuant to the pro-
12 visions of this act. If such action is brought in this State, a writ
13 of attachment may be issued and no bond or affidavit prior to the
14 issuance thereof shall be required. In all actions in this State, the
15 records of the commission shall be prima facie evidence of the de-
16 termination of the *fee or tax* or the amount of the delinquency.

1 7. Section 69 of P. L. 1977, c. 110 (C. 5:12-69) is amended to
2 read as follows:

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

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

10 c. Any interested person may file a petition with the commission
11 requesting the adoption, amendment or repeal of a regulation.
12 Such petition shall state clearly and concisely:

13 (1) The substance and nature of the regulation, amendment or
14 repeal requested;

15 (2) The reason for the request; and

16 (3) Reference to the authority of the commission to take the
17 action requested.

18 Upon receipt of the petition, the commission shall schedule the
19 matter for hearing within 90 days and shall render a decision within
20 30 days after the completion of said hearing.

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

24 e. *Notwithstanding any other provision of this act or the "Ad-*
25 *ministrative Procedure Act," P. L. 1968, c. 410 (C. 52:14B-1 et seq.)*
26 *to the contrary, the commission may, after notice provided in ac-*
27 *cordance with this subsection, authorize the temporary adoption,*
28 *amendment or repeal of any rule concerning the conduct of gaming*
29 *or the use or design of gaming equipment for an experimental*
30 *period not to exceed 90 days for the purpose of determining*
31 *whether such rules should be adopted on a permanent basis in ac-*

32 *cordance with the requirements of this section. Any rules experi-*
 33 *ment authorized by this subsection shall be conducted under such*
 34 *terms and conditions as the commission may deem appropriate.*
 35 *Notice of any temporary rulemaking action taken by the commis-*
 36 *sion pursuant to this subsection shall be published in the New Jer-*
 37 *sey Register, and provided to the newspapers designated by the*
 38 *commission pursuant to subsection d. of section 3 of P. L. 1975, c.*
 39 *231 (C. 10:4-8), at least seven days prior to the initiation of the*
 40 *experimental period and shall be prominently posted in each casino*
 41 *participating in the experiment. Nothing herein shall be deemed*
 42 *to require the publication of the text of any temporary rule adopted*
 43 *by the commission or notice of any modification of a rules experi-*
 44 *ment initiated in accordance with this subsection. The text of any*
 45 *temporary rule adopted by the commission shall be posted in each*
 46 *casino participating in the experiment and shall be available upon*
 47 *request from the commission. In no case shall any temporary rule*
 48 *authorize the use or operation of any game not authorized by the*
 49 *Legislature.*

1 ***[8. Section 73 of P. L. 1977, c. 110 (C. 5:12-73) is amended to**
 2 **read as follows:**

3 73. Meetings and Quorum. a. Meetings of the commission will
 4 be held at the discretion of the chairman at such times and places
 5 as he may deem necessary and convenient, or at the call of three
 6 members of the commission.

7 b. The commission shall in all respects comply with the provi-
 8 sions of the "Open Public Meetings Act" (P. L. 1975, c. 231; C.
 9 10:4-6 et seq.), *except that the commission may exclude the pub-*
 10 *lic from any deliberations or discussions of the commission occur-*
 11 *ring after a public hearing that may result in the grant, denial, or*
 12 *conditioning of casino entity licensure or the renewal or refusal*
 13 *to renew that licensure, or from any deliberations in accordance*
 14 *with the provisions of paragraph (9) of subsection b. of section 7*
 15 *of P. L. 1975, c. 231 (C. 10:4-12).*

16 c. Any other law, rule or regulation to the contrary notwith-
 17 standing, the commission shall take all necessary steps to ensure
 18 that all interested persons are given adequate notice of commission
 19 meetings, and the agenda of such meetings, through the utilization
 20 of all media engaged in the dissemination of information.

21 d. A majority of the full commission shall determine any action
 22 of the commission, except that no casino license may be issued
 23 without the approval of four members. In the event that a vacancy
 24 has existed in the commission for more than 60 days, a majority
 25 of the full commission may act with respect to any matter, includ-
 26 **ing the issuance of a casino license.]***

1 *~~[9.]~~* *8.* Section 74 of P. L. 1977, c. 110 (C. 5:12-74) is amended
2 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 public
5 meetings of the commission, which record shall be open to public
6 inspection.

7 A true copy of the minutes of every meeting of the commission
8 and of any regulations finally adopted by the commission shall be
9 forthwith delivered, by and under the certification of the executive
10 secretary, to the Governor, the Secretary of the Senate, and the
11 Clerk of the General Assembly.

12 b. The commission shall keep and maintain a list of all appli-
13 cants for licenses and registrations under this act together with a
14 record of all actions taken with respect to such applicants, which
15 file and record shall be open to public inspection; provided, how-
16 ever, that the foregoing information regarding any applicant whose
17 license or registration has been denied, revoked, or not renewed
18 shall be removed from such list after five years from the date of
19 such action.

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

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

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

39 f. Notice of the contents of any information or data released,
40 except to a duly authorized law enforcement agency pursuant to
41 subsection d. or e. of this section, may be given to any applicant,
42 registrant, or licensee in a manner prescribed by the rules and
43 regulations adopted by the commission.

44 g. Files, records, reports and other information in the possession
 45 of the New Jersey Division of Taxation pertaining to licensees
 46 shall be made available to the commission and the division as may
 47 be necessary to the effective administration of this act.

48 h. The following information to be reported periodically to the
 49 commission *by a casino licensee* shall not be considered confidential
 50 and shall be made available for public inspection:

51 (1) A licensee's [operating revenues and expenses] *gross reve-*
 52 *nue* from all authorized games as herein defined;

53 (2) (a) The dollar amount of patron checks initially accepted by
 54 a licensee, (b) the dollar amount of patron checks deposited to the
 55 licensee's bank account, (c) the dollar amount of such checks
 56 initially dishonored by the bank and returned to the licensee as
 57 "uncollected," and (d) the dollar amount ultimately uncollected
 58 after all reasonable efforts;

59 (3) The amount of gross revenue tax or investment alternative
 60 tax actually paid and the amount of investment, if any, required
 61 and allowed, pursuant to section 144 of P. L. 1977, c. 110 (C.
 62 5:12-144) and section 3 of P. L. 1984, c. 218 (C. 5:12-144.1);

63 (4) A list of the premises and the nature of improvements, costs
 64 thereof and the payees for all such improvements, which were the
 65 subject of an investment required and allowed pursuant to section
 66 144 of P. L. 1977, c. 110 (C. 5:12-144) and section 3 of P. L. 1984,
 67 c. 218 (C. 5:12-144.1);

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

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

74 (7) [All information and data submitted to the commission re-
 75 lating to the licensee's annual revenues and expenditures, including
 76 annual audits.] *All *quarterly and annual financial statements*
 77 *presenting historical data which are submitted to the commission,*
 78 *including all* annual financial statements * [submitted to the com-*
 79 *mission]* which have been audited by an independent certified*
 80 *public accountant licensed to practice in the State of New Jersey.*

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

1 * [10.] * *9.* Section 85 of P. L. 1977, c. 110 (C. 5:12-85) is
 2 amended to read as follows:

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

6 (1) The organization, financial structure and nature of all busi-
7 nesses operated by the corporation; the names and personal
8 employment and **[crinnial]** *criminal* histories of all officers, direc-
9 tors and principal employees of the corporation; the names of all
10 holding, intermediary and subsidiary companies of the corpora-
11 tion; and the organization, financial structure and nature of all
12 businesses operated by such of its holding, intermediary and sub-
13 sidiary companies as the commission may require, including names
14 and personal employment and criminal histories of such officers,
15 directors and principal employees of such corporations and com-
16 panies as the commission may require;

17 (2) The rights and privileges acquired by the holders of differ-
18 ent classes of authorized securities of such corporations and com-
19 panies as the commission may require, including the names, ad-
20 dresses and amounts held by all holders of such securities;

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

23 (4) The terms and conditions of all outstanding loans, mort-
24 gages, trust deeds, pledges or any other indebtedness or security
25 devices utilized by the corporation;

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

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

33 (7) A description of all bonus and **[profit sharing]** *profit-shar-*
34 *ing* arrangements;

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

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

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

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

43 (2) If it is a corporation, register with the commission and
44 furnish the commission with all the information required of a

45 corporate [license] *licensee* as specified in subsection a. (1), (2)
46 and (3) of this section and such other information as the com-
47 mission may require; or

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

56 e. No corporation shall be eligible to hold a casino license unless
57 each officer; each director; each person who directly or indirectly
58 holds any beneficial interest or ownership of the securities issued
59 by the corporation; any person who in the opinion of the commis-
60 sion has the ability to control the corporation or elect a majority
61 of the board of directors of that corporation, other than a banking
62 or other licensed lending institution which holds a mortgage or
63 other lien acquired in the ordinary course of business; each princi-
64 pal employee; and any lender, underwriter, agent, employee of the
65 corporation, or other person whom the commission may consider
66 appropriate for approval or qualification would, but for residence,
67 individually be qualified for approval as a casino key employee
68 pursuant to the provisions of this act.

69 d. No corporation which is a subsidiary shall be eligible to [re-
70 ceived] *receive* or hold a casino license unless each holding and
71 intermediary company with [resect] *respect* thereto:

72 (1) If it is a corporation, shall comply with the provisions of
73 subsection e. of this section as if said holding or intermediary
74 company were itself applying for a casino license; provided,
75 however, that the commission with the concurrence of the director
76 **[may waive, temporarily and conditionally, pending investigation*
77 *by the division and qualification by the commission, compliance*
78 *with the provisions of subsection c. hereof on the part of a pub-*
79 *licly-traded corporation as to any officer, director, lender, under-*
80 *writer, agent or employee thereof, or person directly or indirectly*
81 *holding a beneficial interest or ownership of the securities of such*
82 *corporation; and provided, further, however, that the commission*
83 *with the concurrence of the director]** may waive compliance with
84 the provisions of subsection e. hereof on the part of a publicly-
85 traded corporation which is a holding company as to any officer,
86 director, lender, underwriter, agent or employee thereof, or per-
87 son directly or indirectly holding a beneficial interest or owner-

88 ship of the securities of such corporation, where the commission
 89 and the director are satisfied that such officer, director, lender,
 90 underwriter, agent or employee is not significantly involved in the
 91 activities of the corporate licensee, and in the case of security hold-
 92 ers, does not have the ability to control the publicly-traded corpora-
 93 tion or elect one or more directors thereof; or

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

97 e. Any noncorporate applicant for a casino license shall provide
 98 the information required in subsection a. of this section in such
 99 form as may be required by the commission. No such applicant
 100 shall be eligible to hold a casino license unless each person who
 101 directly or **[indirectly]** *indirectly* holds any beneficial interest or
 102 ownership in the applicant, or who in the opinion of the commis-
 103 sion has the ability to control the applicant, or whom the commis-
 104 sion may consider appropriate for approval or qualification, would,
 105 but for residence, individually be qualified for approval as a casino
 106 key employee pursuant to the provisions of this act.

1 ***[11.]*** *10.* Section 86 of P. L. 1977, c. 110 (C. 5:12-86) is
 2 amended to read as follows:

3 86. Casino License—Disqualification Criteria. The commission
 4 shall deny a casino license to any applicant who is disqualified on
 5 the basis of any of the following criteria:

6 a. Failure of the applicant to prove by clear and convincing
 7 evidence that the applicant is qualified in accordance with the pro-
 8 visions of this act;

9 b. Failure of the applicant to provide information, documenta-
 10 tion and assurances required by the act or requested by the com-
 11 mission, or failure of the applicant to reveal any fact material to
 12 qualification, or the supplying of information which is untrue or
 13 misleading as to a material fact pertaining to the qualification
 14 criteria;

15 c. The conviction of the applicant, or of any person required to
 16 be qualified under this act as a condition of a casino license, of any
 17 offense in any jurisdiction which would be ***[under present New**
 18 **Jersey law]*** **[at the time of application]** ***[a violation of any of**
 19 **the following provisions of law]***:

20 (1) ***[With respect to]*** **[convictions obtained pursuant to]**
 21 **Any of the following** offenses under the “New Jersey Code of
 22 Criminal Justice,” P. L. 1978, c. 95 (Title 2C of the New Jersey
 23 Statutes) as amended and supplemented:

24 all crimes of the first degree;

- 25 N. J. S. 2C:5-1 (attempt to commit an offense which is listed in
26 this **[paragraph]** *subsection*);
- 27 N. J. S. 2C:5-2 (conspiracy to commit an offense which is listed
28 in this **[paragraph]** *subsection*);
- 29 N. J. S. 2C:11-4b. (manslaughter);
- 30 N. J. S. 2C:12-1b. (aggravated assault which constitutes a crime
31 of the second or third degree);
- 32 *N. J. S. 2C:13-1 (kidnapping)*;
- 33 *N. J. S. 2C:14-1 et seq. (sexual offenses which constitute crimes*
34 *of the second or third degree)*;
- 35 N. J. S. 2C:15-1 (robberies);
- 36 N. J. S. 2C:17-1a. and b. (crimes involving arson and related
37 offenses);
- 38 N. J. S. 2C:17-2a. and b. (causing or risking widespread injury
39 or damage);
- 40 N. J. S. 2C:18-2 (burglary which constitutes a crime of the sec-
41 ond degree);
- 42 N. J. S. 2C:20-1 et seq. (theft and related offenses which con-
43 stitute crimes of the second ***[and]*** **or** third ***[degrees]*** **de-*
43A *gree**);
- 44 **[N. J. S. 2C:20-7 (receiving stolen property);]**
- 45 N. J. S. 2C:21-1 et seq. (forgery and fraudulent practices which
46 constitute crimes of the second ***[and]*** **or** third ***[degrees]*** **de-*
46A **degree**);
- 47 N. J. S. 2C:21-4a. (falsifying or tampering with records);
- 48 N. J. S. 2C:21-14 (receiving deposits in a failing financial in-
49 stitution);
- 50 N. J. S. 2C:27-1 et seq. (bribery and corrupt influence);
- 51 N. J. S. 2C:28-1 et seq. (perjury and other falsification in official
52 matters which **[constitutes a crime]** *constitute crimes* of the sec-
53 ond, third ***[and]*** **or** fourth ***[degrees]*** **degree**);
- 54 N. J. S. 2C:30-2 and N. J. S. 2C:30-3 (misconduct in office and
55 abuse in office which constitutes a crime of the second degree);
- 55A **N. J. S. 2C:35-5 (manufacturing, distributing or dispensing a*
55B *controlled dangerous substance or a controlled dangerous substance*
55C *analog which constitutes a crime of the second or third degree)*;
- 55D *N. J. S. 2C:35-6 (employing a juvenile in a drug distribution*
55E *scheme)*;
- 55F *N. J. S. 2C:35-11 (distribution, possession or manufacture of*
56 *imitation controlled dangerous substances)*;
- 56A *N. J. S. 2C:35-13 (acquisition of controlled dangerous substances*
56B *by fraud)*;

56c N. J. S. 2C:37-1 et seq. (gambling offenses which constitute
57 crimes of third ***and*** *or* fourth ***degree*** *degree*);
58 N. J. S. 2C:37-7 (possession of a gambling device); *or*
59 **[(2)** With respect to convictions obtained under Title 2A of the
60 New Jersey Statutes:
61 N. J. S. 2A:85-5 (attempt to commit an offense which is in this
62 paragraph);
63 N. J. S. 2A:89-1 et seq. (arson and other burnings);
64 N. J. S. 2A:90-1 et seq. (assault and battery);
65 N. J. S. 2A:91-1 et seq. (banks and financial corporations);
66 N. J. S. 2A:93-1 (bribery of judge or magistrate; acceptance of
67 bribe);
68 N. J. S. 2A:93-2 (bribery of legislators; acceptance by legisla-
69 tors or other persons);
70 N. J. S. 2A:93-4 (soliciting or receiving award for official vote);
71 N. J. S. 2A:93-6 (giving or accepting bribes in connection with
72 government work, service, etc.);
73 N. J. S. 2A:93-10 (giving or promising bribe to participants in
74 sporting contest);
75 N. J. S. 2A:93-13 (giving or promising bribe to referee, umpire
76 or other official in sporting contest);
77 N. J. S. 2A:94-1 (breaking and entering or entering);
78 N. J. S. 2A:94-2 (use of high explosives in breaking or entering);
79 N. J. S. 2A:98-1 (conspiracy to commit an offense which is
80 enumerated in this paragraph);
81 N. J. S. 2A:99-1 (obstructing execution of process; assaulting
82 officers);
83 N. J. S. 2A:102-1 et seq. (embezzlement, conversion and mis-
84 appropriation);
85 N. J. S. 2A:103-1 et seq. (embracery);
86 N. J. S. 2A:105-1 et seq. (extortion, threats and unlawful tak-
87 ings);
88 N. J. S. 2A:108-9 (narcotic drugs; persuading others to use);
89 N. J. S. 2A:109-1 to N. J. S. 2A:109-3, N. J. S. 2A:109-6 to
90 N. J. S. 2A:109-9 (forgery and counterfeiting);
91 N. J. S. 2A:111-1 to N. J. S. 2A:111-3, N. J. S. 2A:111-5 to
92 N. J. S. 2A:111-15, N. J. S. 2A:111-18 to N. J. S. 2A:111-21.1,
93 N. J. S. 2A:111-23 and N. J. S. 2A:111-24, N. J. S. 2A:111-28 to
94 N. J. S. 2A:111-32, N. J. S. 2A:111-34 to N. J. S. 2A:111-35,
95 N. J. S. 2A:111-37 to N. J. S. 2A:111-46 (frauds and cheats);
96 N. J. S. 2A:112-1 et seq. (gaming);
97 N. J. S. 2A:113-1 (murder);
98 N. J. S. 2A:113-5 (manslaughter);

99 N. J. S. 2A :114-2 (incestuous conduct between parent and child);
 100 N. J. S. 2A :118-1 et seq. (kidnapping);
 101 N. J. S. 2A :119-1 to N. J. S. 2A :119-5, P. L. 1965, c. 52 (C.
 102 2A :119-5.1 et seq.) (larceny and other stealings);
 103 N. J. S. 2A :119-8 (stealing narcotic drugs; breaking and entering
 104 with intent to steal);
 105 P. L. 1968, c. 349 (C. 2A :119A-1 et seq.) (loansharking);
 106 N. J. S. 2A :121-1 et seq. (lotteries);
 107 N. J. S. 2A :125-1 et seq. (mayhem);
 108 N. J. S. 2A :131-1 to N. J. S. 2A :131-3 (perjury and subornation
 109 of perjury);
 110 N. J. S. 2A :135-3 (public officers or employees unlawfully obtain-
 111 ing state, county, municipal or school district funds);
 112 N. J. S. 2A :138-1 et seq. (rape and carnal abuse);
 113 N. J. S. 2A :139-1 et seq. (receiving stolen property);
 114 N. J. S. 2A :141-1 (robbery);
 115 N. J. S. 2A :143-2 (sodomy with children under 10);
 116 P. L. 1957, c. 49 (C. 2A :148-22.1) (giving false information to law
 117 enforcement officer or agency);
 118 (3) **[(2)]** Any high misdemeanor under section 19 of P. L. 1970,
 119 c. 226 (C. 24:21-19) or *an attempt, endeavor or conspiracy to*
 120 *commit any such high misdemeanor pursuant to section 24 of P. L.*
 121 *1970, c. 226 (C. 24:21-24); or* **]***
 121A **[(4)]** **[(3)]*** **[(2)]*** Any other offense **under present New*
 122 *Jersey or federal law** which indicates that licensure of the
 123 applicant would be inimical to the policy of this act and to casino
 124 operations; provided, however, that the automatic disqualification
 125 provisions of this subsection shall not apply with regard to any
 126 conviction which did not occur within the 10-year period immedi-
 127 ately preceding application for licensure and which the applicant
 128 demonstrates by clear and convincing evidence does not justify
 129 automatic disqualification pursuant to this subsection and any
 130 conviction which has been the subject of a judicial order of ex-
 131 punction or sealing **[**and provided, further however, that, any
 132 applicant or any person required to be qualified under this act as
 133 a condition of a casino license who is disqualified on the basis of
 134 paragraph (2) herein shall not be so disqualified if such applicant
 135 or person demonstrates to the commission by clear and convincing
 136 evidence that the act or acts which constitute the offense which
 137 forms the basis for such disqualification would not form the basis
 138 for a disqualification pursuant to paragraph (1) of this section**]**;
 139 d. Current prosecution or pending charges in any jurisdiction of

140 the applicant or of any person who is required to be qualified under
141 this act as a condition of a casino license, for any of the offenses
142 enumerated in subsection c. of this section; provided, however,
143 that at the request of the applicant or the person charged, the
144 commission shall defer decision upon such application during the
145 pendency of such charge;

146 e. The pursuit by the applicant or any person who is required to
147 be qualified under this act as a condition of a casino license of
148 economic gain in an occupational manner or context which is in
149 violation of the criminal or civil public policies of this State, if
150 such pursuit creates a reasonable belief that the participation of
151 such person in casino operations would be inimical to the policies of
152 this act or to legalized gaming in this State. For purposes of this
153 section, occupational manner or context shall be defined as the
154 systematic planning, administration, management, or execution of
155 an activity for financial gain;

156 f. The identification of the applicant or any person who is re-
157 quired to be qualified under this act as a condition of a casino
158 license as a career offender or a member of a career offender cartel
159 or an associate of a career offender or career offender cartel in such
160 a manner which creates a reasonable belief that the association is
161 of such a nature as to be inimical to the policy of this act and to
162 gaming operations. For purposes of this section, career offender
163 shall be defined as any person whose behavior is pursued in an
164 occupational manner or context for the purpose of economic gain,
165 utilizing such methods as are deemed criminal violations of the
166 public policy of this State. A career offender cartel shall be de-
167 fined as any group of persons who operate together as career
168 offenders;

169 g. The commission by the applicant or any person who is re-
170 quired to be qualified under this act as a condition of a casino
171 license of any act or acts which would constitute any offense under
172 subsection c. of this section, even if such conduct has not or may
173 not be prosecuted under the criminal laws of this State; and

174 h. Contumacious defiance by the applicant or any person who is
175 required to be qualified under this act of any legislative investi-
176 gatory body or other official investigatory body of any state or of
177 the United States when such body is engaged in the investigation
178 of crimes relating to gaming, official corruption, or organized crime
179 activity.

1 ***[12.]*** *11.* Section 88 of P. L. 1977, c. 110 (C. 5:12-88) is
2 amended to read as follows:

3 88. Renewal of Casino Licenses. a. Subject to the power of the
4 commission to deny, revoke, or suspend licenses, any casino license
5 in force shall be renewed by the commission for the next succeeding
6 license period upon proper application for renewal and payment of
7 license fees and taxes as required by law and the regulations of the
8 commission. The commission shall act upon any such application no
9 later than 30 days prior to the date of expiration of the current
10 license.

11 b. Application for renewal shall be filed with the commission no
12 later than ~~90~~ 120 days prior to the expiration of the current
13 license, and all license fees and taxes as required by law shall be
14 paid to the commission on or before the date of expiration of the
15 current license.

16 c. Upon renewal of any license the commission shall issue an
17 appropriate renewal certificate or validating device or sticker which
18 shall be attached to each casino license.

1 *~~13.~~* *12.* Section 89 of P. L. 1977, c. 110 (C. 5:12-89) is
2 amended to read as follows:

3 89. Licensing of Casino Key Employees. a. No person may be
4 employed as a casino key employee unless he is the holder of a
5 valid casino key employee license issued by the commission.

6 b. Each applicant must, prior to the issuance of any casino key
7 employee license, produce information, documentation and assur-
8 ances concerning the following qualification criteria:

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

19 (2) Each applicant for a casino key employee license shall pro-
20 duce such information, documentation and assurances as may be
21 required to establish by clear and convincing evidence the appli-
22 cant's ~~reputation for~~ good character, honesty and integrity. Such
23 information shall include, without limitation, data pertaining to
24 family, habits, character, *reputation*, criminal and arrest record,
25 business activities, financial affairs, and business, professional and
26 personal associates, covering at least the 10-year period imme-
27 diately preceding the filing of the application. Each applicant shall

28 notify the commission of any civil judgments obtained against such
29 applicant pertaining to antitrust or security regulation laws of the
30 federal government, of this State or of any other state, jurisdic-
31 tion, province or country. In addition, each applicant shall, upon
32 request of the commission or the division, produce letters of refer-
33 ence from law enforcement agencies having jurisdiction in the ap-
34 plicant's place of residence and principal place of business, which
35 letters of reference shall indicate that such law enforcement
36 agencies do not have any pertinent information concerning the ap-
37 plicant, or if such law enforcement agency does have information
38 pertaining to the applicant, shall specify what that information is.
39 If the applicant has been associated with gaming or casino opera-
40 tions in any capacity, position or employment in a jurisdiction
41 which permits such activity, the applicant shall, upon request of
42 the commission or division, produce letters of reference from the
43 gaming or casino enforcement or control agency, which shall specify
44 the experience of such agency with the applicant, his associates
45 and his participation in the gaming operations of that jurisdiction;
46 provided, however, that if no such letters are received from the
47 appropriate law enforcement agencies within 60 days of the appli-
48 cant's request therefor, the applicant may submit a statement under
49 oath that he is or was during the period such activities were con-
50 ducted in good standing with such gaming or casino enforcement
51 or control agency.

52 (3) Each applicant shall produce such information, documen-
53 tation and assurances as may be required to establish by clear and
54 convincing evidence that the applicant has sufficient business ability
55 and casino experience as to establish the reasonable likelihood of
56 success and efficiency in the particular position involved.

57 (4) Each applicant shall be a resident of the State of New Jersey
58 prior to the issuance of a casino key employee license; provided,
59 however, that upon petition by the holder of a casino license, the
60 commission may waive this residency requirement for any appli-
61 cant whose particular position will require him to be employed
62 outside the State.

63 The commission may also, by regulation, require that all appli-
64 cants for casino key employee licenses be residents of this State
65 for a period not to exceed six months immediately prior to the
66 issuance of such license, but application may be made prior to the
67 expiration of the required period of residency. The commission
68 shall, by resolution, waive the required residency period for an
69 applicant upon a showing that the residency period would cause
70 undue hardship upon the casino licensee which intends to employ
71 said applicant, or upon a showing of other good cause.

72 c. The commission shall endorse upon any license issued here-
73 under the particular positions as defined by this act or by regula-
74 tion which the licensee is qualified to hold.

75 d. The commission shall deny a casino key employee license to
76 any applicant who is disqualified on the basis of the criteria con-
77 tained in section 86 of this act.

78 e. Upon petition by the holder of a casino license [or the holder
79 of a temporary casino permit], the commission may, no earlier than
80 30 days after the date of the petition, issue a temporary license to
81 an applicant for a casino key employee license, provided that:

82 (1) The applicant for the casino key employee license has filed
83 a complete application as required by the commission;

84 (2) The division certifies to the commission that the complete
85 casino key employee license application as specified in paragraph
86 (1) of this subsection has been in the possession of the division for
87 at least 30 days;

88 (3) The information provided by the applicant indicates that
89 the applicant meets the requirements of subsection b. (3) of this
90 section;

91 (4) The petition for a temporary casino key employee license
92 certifies, and the commission finds, that an existing casino key
93 employee position of the petitioner is vacant *or will become vacant*
94 *within 60 days of the date of the petition* and that the issuance of
95 a temporary key employee license is necessary to fill the said
96 vacancy on an emergency basis to continue the efficient operation
97 of the casino, and that such circumstances are extraordinary and
98 not designed to circumvent the normal licensing procedures of this
99 act;

100 (5) The division does not object to the issuance of the temporary
101 casino key employee license.

102 In the event that an applicant for a casino key employee license
103 is the holder of a valid casino employee license issued pursuant to
104 section 90 of this act, and if the provisions of paragraphs (1), (2),
105 (3), and (5) of this subsection are satisfied, the commission may
106 issue a temporary casino key employee license upon petition by the
107 holder of a casino license [or the holder of a temporary casino
108 permit], if the commission finds the issuance of a casino key em-
109 ployee license will be delayed by necessary investigations and the
110 said temporary casino key employee license is necessary for the
111 operation of the casino.

112 Unless otherwise terminated pursuant to this act, any temporary
113 casino key employee license issued pursuant to this subsection shall

114 expire ***[six]*** **ninc** months from the date of its issuance***[**, and
115 shall be renewable by the commission, in the absence of objection
116 by the division as specified in paragraph (5) of this subsection,
117 for one additional three-month period**]***.

1 ***[14.]*** **13.** Section 90 of P. L. 1977, c. 110 (C. 5:12-90) is
2 amended to read as follows:

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

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

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

26 d. The commission shall endorse upon any license issued here-
27 under the particular positions as defined by regulation which the
28 licensee is qualified to hold.

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

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

36 g. A temporary license may be issued by the commission to
37 casino employees for positions not directly related to gaming activ-
38 ity if, in its judgment, the issuance of a plenary license will be
39 restricted by necessary investigations and said temporary licensing

40 of the applicant is necessary for the operation of the casino. Unless
 41 otherwise terminated pursuant to this act, a temporary license
 42 issued pursuant to this subsection shall expire six months from the
 43 date of its issuance and be renewable, at the discretion of the
 44 commission, for one additional six month period. Positions
 45 "directly related to gaming activity" shall include, but not be limited
 46 to, boxmen, floormen, dealers or croupiers, cage personnel, count
 47 room personnel, slot and slot booth personnel, credit and collection
 48 personnel, casino surveillance personnel, and casino security em-
 49 ployees whose employment duties require or authorize access to the
 50 casino.

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

- 61 (1) The nature and duties of the position applied for;
- 62 (2) The nature and seriousness of the offense *or conduct*;
- 63 (3) The circumstances under which the offense *or conduct*
 64 occurred;
- 65 (4) The date of the offense *or conduct*;
- 66 (5) The age of the applicant when the offense *or conduct* was
 67 committed;
- 68 (6) Whether the offense *or conduct* was an isolated or repeated
 69 incident;
- 70 (7) Any social conditions which may have contributed to the
 71 offense *or conduct*;
- 72 (8) Any evidence of rehabilitation, including good conduct in
 73 prison or in the community, counseling or psychiatric treatment
 74 received, acquisition of additional academic or vocational schooling,
 75 successful participation in correctional work-release programs, or
 76 the recommendation of persons who have or have had the applicant
 77 under their supervision.

1 ***[15.]*** *14.* Section 91 of P. L. 1977, c. 110 (C. 5:12-91) is
 2 amended to read as follows:

3 91. Registration of Casino Hotel Employees. a. No person may
 4 commence employment as a casino hotel employee unless he has
 5 been registered with the commission, which registration shall be
 6 in accordance with subsection f. of this section.

7 b. Any applicant for casino hotel employee registration shall
8 produce such information as the commission may require. Subse-
9 quent to the registration of a casino hotel employee, the commission
10 may revoke, suspend, limit, or otherwise restrict the registration
11 upon a finding that the registrant is disqualified on the basis of the
12 criteria contained in section 86 of P. L. 1977, c. 110 (C. 5:12-86).

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

22 d. Notwithstanding the provisions of subsection b. of this section
23 no casino hotel employee registration shall be revoked on the basis
24 of a conviction of any of the offenses enumerated in this act as
25 disqualification criteria *or the commission of any act or acts which*
26 *would constitute any offense under subsection c. of section 86 of*
27 *P. L. 1977, c. 110 (C. 5:12-86), as specified in subsection g. of that*
28 *section*, provided that the registrant has affirmatively demon-
29 strated his rehabilitation. In determining whether the registrant
30 has affirmatively demonstrated his rehabilitation the commission
31 shall consider the following factors:

- 32 (1) The nature and duties of the registrant's position;
- 33 (2) The nature and seriousness of the offense *or conduct*;
- 34 (3) The circumstances under which the offense *or conduct*
35 occurred;
- 36 (4) The date of the offense *or conduct*;
- 37 (5) The age of the registrant when the offense *or conduct* was
38 committed;
- 39 (6) Whether the offense *or conduct* was an isolated or repeated
40 incident;
- 41 (7) Any social conditions which may have contributed to the
42 offense *or conduct*;
- 43 (8) Any evidence of rehabilitation, including good conduct in
44 prison or in the community, counseling or psychiatric treatment
45 received, acquisition of additional academic or vocational school-
46 ing, successful participation in correctional work-release programs,
47 or the recommendation of persons who have or have had the regis-
48 trant under their supervision.

49 e. The commission may waive any disqualification criterion for
50 a casino hotel employee consistent with the public policy of this
51 act and upon a finding that the interests of justice so require.

52 f. Upon petition by the holder of a casino license [or temporary
53 casino permit], casino hotel employee registration shall be granted
54 to each applicant for casino hotel employee registration named
55 therein, provided that the petition certifies that each such applicant
56 has filed a completed application for casino hotel employee regis-
57 tration as required by the commission.

58 Any person who, on the effective date of this amendatory act,
59 possesses a current and valid temporary or plenary casino hotel
60 employee license, or has a completed application for such licensure
61 pending before the commission, shall be considered registered in
62 accordance with the provisions of this section.

1 *15. Section 94 of P. L. 1977, c. 110 (C. 5:12-94) is amended
2 to read as follows:

3 94. Approval and Denial of Registrations and Licenses Other
4 Than Casino Licenses. a. Upon the filing of an application for
5 any license or registration required by this act, other than a casino
6 license, and after submission of such supplemental information
7 as the commission may require, the commission shall request the
8 division to conduct such investigation into the qualification of the
9 applicant, and the commission shall conduct such hearings con-
10 cerning the qualification of the applicant, in accordance with its
11 regulations, as may be necessary to determine qualification for
12 such license or registration.

13 b. After such investigation, the commission may either deny the
14 application or grant a license to or accept the registration of an
15 applicant whom it determines to be qualified to hold such license
16 or registration.

17 c. The commission shall have the authority to deny any applica-
18 tion pursuant to the provisions of this act. When an application
19 is denied, the commission shall prepare and file its order denying
20 such application with the general reasons therefor, and if requested
21 by the applicant, shall further prepare and file a statement of the
22 reasons for the denial, including the specific findings of fact.

23 d. When the commission grants an application, the commission
24 may limit or place such restrictions thereupon as it may deem
25 necessary in the public interest. Licenses shall be granted and
26 registrations approved for a term of one year; provided, however,
27 that: (1) all casino employee licenses, gaming school resident
28 director, instructor, principal employee and sales representative

29 licenses, casino service industry licenses issued pursuant to subsec-
 30 section c. of section 92 of P. L. 1977, c. 110 (C. 5:12-92c.), and
 31 junket representative and junket enterprise licenses issued pursuant
 32 to section 102 of P. L. 1977, c. 110 (C. 5:12-102) shall be granted
 33 for a term of three years; **[and that]** (2) casino hotel employee
 34 registration shall remain in effect unless revoked, suspended,
 35 limited, or otherwise restricted by the commission in accordance
 36 with the provisions of P. L. 1977, c. 110 (C. 5:12-1 et seq.); *and* (3)
 37 *after the first two renewal periods succeeding the issuance of a*
 38 *casino key employee license or of a casino service industry license*
 39 *required pursuant to subsection a. of section 92 of P. L. 1977, c. 110*
 40 *(C. 5:12-92), the license term shall be for two years, but the com-*
 41 *mission shall reconsider the granting of such a license at any time*
 42 *at the request of the Division of Gaming Enforcement in the De-*
 43 *partment of Law and Public Safety.*

44 *Notwithstanding the provisions of paragraph (3) of this sub-*
 45 *section, the commission may, for the purpose of avoiding the*
 46 *renewal in the same year of all the licenses existing on the effective*
 47 *date of this 1987 amendatory act which are affected by that para-*
 48 *graph, renew an appropriate number of those licenses for a term*
 49 *of one year, but the renewal period for those licenses may not be*
 50 *adjusted more than once pursuant to this provision.*

51 e. After an application is submitted to the commission, final
 52 action of the commission shall be taken within 90 days after
 53 completion of all hearings and investigations and the receipt of
 54 all information required by the commission.*

1 16. Section 95 of P. L. 1977, c. 110 (C. ***[5:12-110]*** *5:12-95*)
 2 is amended to read as follows:

3 95. Renewal of Licenses and Registrations. Subject to the power
 4 of the commission to deny, revoke or suspend any license or
 5 registration, any license other than a casino license or any registra-
 6 tion may be renewed upon proper application for renewal **[no later**
 7 **than 120 days prior to the expiration of the current license or**
 8 **registration,]** and the payment of fees **[as provided by law on or**
 9 **before]** *in accordance with the rules of the commission, but in no*
 10 *event later than the date of expiration of the current license or*
 11 *registration. **[The commission shall act upon such application for***
 12 *renewal no later than 30 days prior to the date of expiration of*
 13 *the current license or registration.]*

1 17. Section 96 of P. L. 1977, c. 110 (C. 5:12-96) is amended to
 2 read as follows:

3 96. Operation Certificate. a. Notwithstanding the issuance of a
 4 license therefor, no casino may be opened or remain open to the

5 public, and no gaming activity, except for test purposes, may be
6 conducted therein, unless and until a valid operation certificate has
7 been issued to the casino licensee by the commission. Such certifi-
8 cate shall be issued by the commission upon a finding that a casino
9 complies in all respects with the requirements of this act and
10 regulations promulgated hereunder, that the casino licensee has
11 implemented necessary management controls and security precau-
12 tions, that casino personnel are properly trained and licensed for
13 their respective responsibilities, and that the casino is prepared
14 in all respects to receive the public.

15 b. The operation certificate shall include a statement of com-
16 pliance with subsection a. of this section and an itemized list by
17 category and number of the authorized games permitted in the
18 particular casino establishment.

19 c. A casino licensee shall notify the commission **[30 days]** in
20 advance of any proposed change in the number of authorized
21 games to be played in a particular casino, and shall request the
22 issuance of an operation certificate which permits such changes
23 to occur. The commission shall issue a revised operation certificate
24 unless it finds that the planned change in authorized games does not
25 conform to the requirements of this act or regulations promulgated
26 hereunder, or that there has been a change of circumstances in the
27 casino or with respect to the casino licensee materially affecting
28 compliance with subsection a. of this section.

29 d. An operation certificate shall remain in force and effect unless
30 altered in accordance with subsection c. of this section, or revoked,
31 suspended, limited, or otherwise altered by the commission in
32 accordance with this act.

33 e. It shall be an express condition of continued operation under
34 this act that a casino licensee shall maintain all books, records, and
35 documents pertaining to the licensee's operations and approved
36 hotel in a manner and location within this State approved by the
37 commission. All such books, records and documents shall be im-
38 mediately available for inspection during all hours of operation in
39 accordance with the rules of the commission and shall be maintained
40 for a period of seven years or such other period of time as the
41 commission shall require.

1 18. Section 99 of P. L. 1977, c. 110 (C. 5:12-99) is amended to
2 read as follows:

3 99. Internal Controls. a. Each casino licensee shall submit to the
4 commission a description of its system of internal procedures and
5 administrative and accounting controls. Such submission shall be
6 made at least **[90]** 120 days before gaming operations are to com-

7 mence or *at least 90 days* before changes in previously submitted
8 control plans are to become effective, unless otherwise directed by
9 the commission. Each such submission shall contain both narrative
10 and diagrammatic representations of the internal control system to
11 be utilized by the casino, including, but not limited to:

12 (1) Accounting controls, including the standardization of forms
13 and definition of terms to be utilized in the gaming operations;

14 (2) Procedures, forms, and, where appropriate, formulas cov-
15 ering the calculation of hold percentages, revenue drop, expense
16 and overhead schedules, complimentary services, junkets, cash
17 equivalent transactions, salary structure and personnel practices;

18 (3) Job descriptions and the system of personnel and chain-of-
19 command, establishing a diversity of responsibility among em-
20 ployees engaged in casino operations and identifying primary and
21 secondary supervisory positions for areas of responsibility, which
22 areas shall not be so extensive as to be impractical for an individual
23 to monitor;

24 (4) Procedures within the cashier's cage for the receipt, storage
25 and disbursal of chips, cash, and other cash equivalent used in
26 gaming; the cashing of checks; the redemption of chips and other
27 cash equivalents used in gaming; the pay-off of jackpots; and the
28 recording of transactions pertaining to gaming operations;

29 (5) Procedures for the collection and security of moneys at the
30 gaming tables;

31 (6) Procedures for the transfer and recordation of chips be-
32 tween the gaming tables and the cashier's cage;

33 (7) Procedures for the transfer of moneys from the gaming
34 tables to the counting process;

35 (8) Procedures and security for the counting and recordation
36 of revenue;

37 (9) Procedures for the security, storage and recordation of chips
38 and other cash equivalents utilized in the gaming operation;

39 (10) Procedures for the transfer of moneys or chips from and
40 to the slot machines;

41 (11) Procedures and standards for the opening and security of
42 slot machines;

43 (12) Procedures for the payment and recordation of slot ma-
44 chine jackpots;

45 (13) Procedures for the cashing and recordation of checks ex-
46 changed by casino patrons;

47 (14) Procedures governing the utilization of the private security
48 force within the casino;

49 (15) Procedures and security standards for the handling and
50 storage of gaming apparatus including cards, dice, machines,
51 wheels and all other gaming equipment;

52 (16) Procedures and rules governing the conduct of particular
53 games and the responsibility of casino personnel in respect there-
54 to; and

55 (17) Procedures for separately recording all transactions pur-
56 suant to section 101 of this act involving the Governor, any State
57 officer or employee, or any special State officer or employee, any
58 member of the Judiciary, any member of the Legislature, or any
59 officer of a municipality or county in which casino gaming is au-
60 thorized, and for the quarterly filing with the Attorney General of a
61 list reporting all such transactions.

62 b. The commission shall review each submission required by
63 subsection a. hereof, and shall determine whether it conforms to
64 the requirements of this act and to the regulations promulgated
65 thereunder and whether the system submitted provides adequate
66 and effective controls for the operations of the particular casino
67 submitting it. If the commission finds any insufficiencies, it shall
68 specify same in writing to the casino licensee, who shall make
69 appropriate alterations. When the commission determines a sub-
70 mission to be adequate in all respects, it shall notify the casino
71 licensee of same. No casino licensee shall commence gaming opera-
72 tions, or alter in fact its internal controls, unless and until such
73 system of controls is approved by the commission. **Except for*
74 *submissions pending on the effective date of this 1987 amendatory*
75 *act, the commission shall make a determination concerning a sub-*
76 *mission for changes in previously submitted control plans no later*
77 *than 90 days following receipt of the submission unless the com-*
78 *mission and the casino licensee agree to extend the period for*
79 *making such a determination. If there is no determination made*
80 *within 90 days and there is no agreement to extend the period for*
81 *making such a determination, then the submission shall be deemed*
82 *to be approved.**

1 19. Section 107 of P. L. 1977, c. 110 (C. 5:12-107) is amended to
2 read as follows:

3 107. Conduct of Hearings; Rules of Evidence; Punishment of
4 Contempts; Rehearing.

5 a. At all hearings of the commission in contested cases, as defined
6 in section 2 of P. L. 1968, c. 410 (C. 52:14B-2):

7 (1) Unless the commission hears the matter directly, the chair-
8 man shall refer the matter to the Office of Administrative Law in

9 accordance with P. L. 1978, c. 67 (C. 52:14F-1 et seq.); provided,
10 however, that the chairman may, in his discretion, designate a
11 member of the commission to serve as hearing examiner in a par-
12 ticular matter;

13 (2) The proceedings at the hearing shall be recorded or tran-
14 scribed;

15 (3) Oral evidence shall be taken only upon oath or affirmation;

16 (4) Each party to a hearing shall have the right to call and
17 examine witnesses; to introduce exhibits relevant to the issues of
18 the case, including the transcript of testimony at any investigative
19 hearing conducted by or on behalf of the commission; to cross-
20 examine opposing witnesses in any matters relevant to the issue
21 of the case; to impeach any witness, regardless of which party
22 called him to testify; and to offer rebuttal evidence;

23 (5) If an applicant, licensee, registrant or person who shall be
24 qualified pursuant to this act is a party and if such party shall not
25 testify in his own behalf, he may be called and examined as if under
26 cross-examination;

27 (6) The hearing shall not be conducted according to rules relat-
28 ing to the admissibility of evidence in courts of law. Any relevant
29 evidence may be admitted and shall be sufficient in itself to support
30 a finding if it is the sort of evidence upon which responsible persons
31 are accustomed to rely in the conduct of serious affairs, regardless
32 of the existence of any common law or statutory rule which might
33 make improper the admission of such evidence over objection in
34 a civil action; and

35 (7) The parties or their counsel may, by written stipulation,
36 agree that certain specified evidence may be admitted, although
37 such evidence may be otherwise subject to objection.

38 b. The commission may take official notice of any generally ac-
39 cepted information or technical or scientific matter in the field of
40 gaming and of any other fact which may be judicially noticed by
41 the courts of this State. The parties shall be informed of any in-
42 formation, matters or facts so noticed and shall be given a reason-
43 able opportunity, on request, to refute such information, matters
44 or facts by evidence or by written or oral presentation of authori-
45 ties, the manner of such refutation to be determined by the com-
46 mission. The commission may, in its discretion, before rendering
47 its decision, permit the filing of amended or supplemental pleadings
48 and shall notify all parties thereof and provide a reasonable op-
49 portunity for objections thereto.

50 c. If any person in proceedings before the commission disobeys
51 or resists any lawful order, refuses to respond to a subpoena, re-

52 fuses to take the oath or affirmation as a witness or thereafter re-
53 fuses to be examined, or is guilty of misconduct at the hearing or
54 so near the place thereof as to obstruct the proceeding, the person
55 may be punished for contempt in accordance with the Rules of
56 Court if the commission certifies the facts underlying the contu-
57 macious behavior to the Superior Court. Thereafter, the courts
58 shall have jurisdiction in the matter, and the same proceeding shall
59 be had, the same penalties may be imposed, and the person charged
60 may purge himself of the contempt in the same way as in the case
61 of a person who has committed contempt in the trial of a civil
62 action before the Superior Court.

63 d. (1) The commission may, upon motion therefor made within
64 10 days after the service of the decision and order, order a re-
65 hearing before the commission upon such terms and conditions as
66 it may deem just and proper *when the commission finds cause to*
67 *believe that the decision and order should be reconsidered in view*
68 *of the legal, policy or factual matters advanced by the moving party*
69 *or raised by the commission on its own motion.*

70 **[Such motion shall be granted only]** (2) *Upon motion made*
71 *within a reasonable time, but in no event later than one year from*
72 *the service of the decision and order, the commission may relieve*
73 *a party from the decision and order upon a showing that there is*
74 *additional evidence which is material and necessary and which*
75 *would be reasonably likely to change the decision of the commission,*
76 *and that sufficient reason existed for failure to present such*
77 *evidence at the hearing of the commission or on a motion under*
78 *paragraph (1) of this subsection. The motion shall be supported*
79 *by an affidavit of the moving party or his counsel showing with*
80 *particularity the materiality and necessity of the additional evi-*
81 *dence and the reason why it was not [introduced] presented at the*
82 *hearing or on a motion under paragraph (1) of this subsection.*
83 *Upon rehearing, rebuttal evidence to the additional evidence shall*
84 *be admitted. After rehearing, the commission may modify its*
85 *decision and order as the additional evidence may warrant.*

86 (3) *A motion for relief from a decision and order which is based*
87 *on any ground other than the presentation of newly discovered*
88 *evidence shall be governed as to both timelessness and sufficiently*
89 *by the regulations of the commission which shall be modeled, to the*
90 *extent practical, upon the rules then governing similar motions*
91 *before the courts of this State.*

1 20. Section 141 of P. L. 1977, c. 110 (C. 5:12-141) is amended to
2 read as follows:

3 141. Fees for Other Than Casino Licenses. The commission shall,

4 by regulation, establish [annual] fees for the *investigation and*
5 *consideration of applications for the* issuance and renewal of
6 registrations and licenses other than casino licenses, which fees
7 shall be payable by the *applicant*, licensee or [the] registrant.

1 21. Section 149 of P. L. 1977, c. 110 (C. 5:12-149) is amended to
2 read as follows:

3 149. Determination of Tax Liability. If a return or deposit
4 required by section 145 *with regard to obligations imposed by*
5 *subsection a. of section 144 of P. L. 1977, c. 110 (C. 5:12-144)* is not
6 filed or paid, or if a return or deposit when filed or paid is incorrect
7 or insufficient in the opinion of the [State Treasurer] *commission*,
8 the amount of tax due or deposit shall be determined by [the State
9 Treasurer from such information as may be available] *an audit of*
10 *the casino licensee's books and records performed by the commis-*
11 *sion*. Notice of such determination shall be given to the licensee
12 liable for the payment of the tax or deposit. Such determination
13 shall finally and irrevocably fix the tax unless the person against
14 whom it is assessed, within 30 days after receiving notice of such
15 determination, shall apply to the [State Treasurer] *commission*
16 for a hearing, or unless the [State Treasurer] *commission* on [his]
17 *its* own motion shall redetermine the same. After such hearing the
18 [State Treasurer] *commission* shall give notice of [his] *its* deter-
19 nation to the person against whom the tax is assessed.

1 22. Section 150 of P. L. 1977, c. 110 (C. 5:12-150) is amended to
2 read as follows:

3 150. Penalties. a. Any licensee who shall fail to file his return
4 when due or to pay any tax or deposit when the same becomes due,
5 as herein provided, shall be subject to such penalties and interest
6 as provided in the "State Tax Uniform Procedure Law," Sub-
7 title 9 of Title 54 of the Revised Statutes. If the State Treasurer
8 determines that the failure to comply with any provision of this
9 Article was excusable under the circumstances, he may remit such
10 part or all of the penalty as shall be appropriate under such
11 circumstances.

12 b. Any person failing to file a return, failing to pay the tax or
13 deposit, or filing or causing to be filed, or making or causing to be
14 made, or giving or causing to be given any return, certificate,
15 affidavit, representation, information, testimony or statement re-
16 quired or authorized by this act, or rules or regulations adopted
17 hereunder which is willfully false, or failing to keep any records
18 required by this act or rules and regulations adopted hereunder,
19 shall, in addition to any other penalties herein or elsewhere pre-
20 scribed, be guilty of a misdemeanor and subject to not more than
21 three years imprisonment or a fine of \$100,000.00 or both.

22 c. **[The]** *Except as to those determinations required to be made*
23 *by the commission pursuant to section 149 of P. L. 1977, c. 110*
24 *(C. 5:12-149), the certificate of the State Treasurer to the effect*
25 *that a tax or deposit has not been paid, that a return has not been*
26 *filed, that information has not been supplied, or that inaccurate*
27 *information has been supplied pursuant to the provisions of this act*
28 *or rules or regulations adopted hereunder, shall be presumptive*
29 *evidence thereof.*

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

1 23. This act shall take effect immediately.

GAMBLING—CASINOS

Amends "Casino Control Act" concerning certain powers, duties,
and employees of Casino Control Commission and Division of
Gaming Enforcement.

22 e. [The] Except as to those determinations required to be made
23 by the commission pursuant to section 14 of P. L. 1977, c. 11,
24 (C. 5:12-14), the certificate of the State Treasurer to the effect
25 that a tax or deposit has not been paid, that a return has not been
26 filed, that information has not been supplied, or that inaccurate
27 information has been supplied pursuant to the provisions of this act
28 or rules or regulations adopted hereunder, shall be presumptive
29 evidence thereof.

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

1 23. This act shall take effect immediately.

STATEMENT

This bill amends various provisions of the "Casino Control Act" concerning the Casino Control Commission and the Division of Gaming Enforcement.

The bill (1) eliminates the statutory salary cap for the Executive Secretary of the Casino Control Commission; (2) allows the Casino Control Commission and the Division of Gaming Enforcement, when hiring secretarial and clerical personnel, to waive the pre-employment restrictions; (3) eliminates the absolute ban on casino employment or representation by consultants used by the commission or the division; (4) explicitly authorizes the Casino Control Commission to attach conditions to the issuance of any license, thus conforming the act to the current interpretation of it by the New Jersey Supreme Court; (5) modifies the definitions of "qualified person" and "disqualified person" for consistency and clarity; (6) permits investigative subpoenas to be returnable before the Division of Gaming Enforcement; (7) subjects former applicants and registrants to suit for collection of fees and taxes owed to the State (present statutory language refers only to licensees); (8) permits the commission to adopt, without following the normal public notice procedure of the "Administrative Procedure Act," temporary rules concerning the conduct of gaming or the use or design of gaming equipment for an experimental period not to exceed 90 days; (9) exempts the commission from the "Open Public Meetings Act" in certain instances; (10) makes available for public inspection a casino licensee's gross revenue rather than its operating revenues and expenses, and only annual financial statements that have been audited by an independent certified public accountant licensed in New Jersey; (11) permits the commission to waive temporarily and conditionally for certain persons compliance with

qualification requirements; (12) makes various changes concerning disqualification criteria; (13) alters certain deadlines concerning the renewal of casino and non-casino licenses and the submission of internal control changes; (14) permits application for a temporary casino key employee license prior to the occurrence of a vacancy; (15) eliminates notice requirements regarding gaming changes; (16) alters time limitations concerning rehearings of commission decisions; (17) authorizes establishment of fees for investigation and consideration of applications, whether or not they result in registration or licensure; and (18) places responsibility for determining a casino's gross revenue tax liability on the commission rather than the State Treasurer.

GAMBLING—CASINOS

Amends "Casino Control Act" concerning certain powers, duties, and employees of Casino Control Commission and Division of Gaming Enforcement.

ASSEMBLY INDEPENDENT AND REGIONAL
AUTHORITIES COMMITTEE

STATEMENT TO

ASSEMBLY, No. 3567

with Assembly committee amendments

STATE OF NEW JERSEY

DATED: JUNE 11, 1987

The Assembly Independent and Regional Authorities Committee reports favorably Assembly Bill No. 3567 with committee amendments.

As amended, this bill amends various sections of the "Casino Control Act," P. L. 1977, c. 110 (C. 5:12-1 et seq.) concerning certain powers, duties and employees of the Casino Control Commission and the Division of Gaming Enforcement. The bill:

(1) eliminates the statutory cap imposed on the salary of the commission's executive secretary (currently, this salary cannot exceed \$55,000.00);

(2) permits the commission or division to waive preemployment restrictions on an individual basis for secretarial or clerical positions with the commission and division (at present, the preemployment restrictions of section 59 of the law apply to any person seeking employment with the commission or the division);

(3) eliminates the absolute ban on casino-related employment or representation by consultants used by the commission or division (presently, section 4 of the "New Jersey Conflicts of Interest Law," P. L. 1981, c. 142 (C. 52:13D-17.2) prohibits casino employment or representation by these consultants);

(4) amends section 64 of the law to eliminate any references to "unsuitable persons" in order to clarify the definition of "qualified person" and "disqualified person" and to explicitly recognize the authority of the commission to attach conditions to the issuance of a casino license, thus conforming the section to the present interpretation of it by the New Jersey Supreme Court;

(5) amends section 65 of the law to permit the commission to make investigative subpoenas returnable before the division (as presently interpreted by the Superior Court, section 65 allows investigative subpoenas issued by the commission to be made returnable only before the commission itself or a commission hearing examiner);

(6) amends section 68 of the law to include applicants and registrants among those persons subject to suit for collection of fees, interest, penalties or tax owed to the State, since, as presently worded, this section refers only to licensees;

(7) amends section 69 of the law to authorize the commission to adopt temporary rules, without following current public notice requirements of the "Administrative Procedure Act," P. L. 1968, c. 410 (C. 52:14B-1 et seq.), concerning the conduct of gaming or the use or design of gaming equipment for an experimental period not to exceed 90 days;

(8) amends section 74 of the law to make available for public inspection a casino licensee's gross revenue rather than its operating revenue and expenses from all authorized games, and to make available quarterly and financial statements, audited by an independent certified public accountant, that present historical data submitted to the commission;

(9) amends section 85 of the law to permit the commission with concurrence of the division to waive, temporarily and conditionally, compliance with qualification requirements for certain persons;

(10) amends section 86 of the law to make certain changes concerning disqualification criteria for casino licenses to simplify the evaluation of possible disqualifying offenses and to clarify that the Code of Criminal Justice contained in Title 2C shall be the standard against which to judge potential disqualifying offenses;

(11) amends section 88 of the law to change the deadline for submission of casino license renewal applications from 90 days to 120 days prior to the expiration of the license;

(12) amends section 89 of the law to permit applications for temporary casino key employee licenses to be filed with the commission prior to the occurrence of a vacancy since, if read literally, this section requires a licensee to wait until a position is actually vacant before submitting an application;

(13) amends sections 90 and 91 of the law to permit applicants or registrants, in appropriate cases, to demonstrate rehabilitation as to any type of disqualifying conduct since under current law, applicants or registrants are permitted to demonstrate rehabilitation only with regard to certain kinds of disqualifying conduct;

(14) amends section 96 of the law to eliminate the 30-day notice requirement with regard to changes in the number of authorized games in the casino (however licensees would still be required to give some advance notice);

(15) amends section 99 of the law to increase from 90 to 120 days the time within which a licensee must submit a description of its internal controls to the commission prior to commencing gaming operations but maintains the existing requirement that 90 days advance notice be given to the commission before any changes are made in previously submitted control plans;

(16) amends section 107 of the law to change the time limitations concerning rehearings of commission decisions to provide for various time limitations for "new trial" motions and for "relief from judgment" motions, and adopts additional grounds for these motions to conform with rules governing the State courts;

(17) authorizes the establishment of fees for investigation and consideration of applications whether or not a registration or license is ultimately issued (at present, the wording of section 141 of the law implies that fees are contingent on being issued a registration or license by the commission); and

(18) amends section 149 of the law to place responsibility for determining a casino's gross revenue tax obligation on the commission rather than the State Treasurer.

Amendments adopted by the committee make changes in various sections of the bill which can be summarized as follows:

(1) Section 8 of the bill is omitted thereby eliminating the proposed amendment to the act exempting the commission from the "Open Public Meetings Act," P. L. 1975, c. 231 (C. 10:4-6 et seq.) in certain instances;

(2) Section 9 of the bill is amended to conform the bill to existing practice and to clarify that the amendment to the act concerning the reporting of certain financial information shall apply only to historical data rather than to projections of future revenues;

(3) Section 10 of the bill is amended to omit proposed amendatory language regarding the temporary waiver of qualification requirements for casino key employees in certain instances;

(4) Section 11 of the bill is amended to add four additional offenses to the list of disqualifying criteria concerning issuance of a casino license;

(5) Section 13 of the bill is amended to conform section 88 of the act to a change previously made by amendment in Assembly Bill No. 3566 which was reported from committee on May 21, 1987;

(6) Section 15 of the bill is amended to provide for continuing annual review of casino key employee and casino service industry licenses for the first two renewal periods following issuance of a license

and to thereafter provide for issuance of two-year licenses while retaining discretion for the commission to issue such licenses for a one-year term in certain circumstances;

(7) Section 18 of the bill is amended to require the commission to make a determination on a submission for a change in internal controls no later than 90 days after receipt unless the commission and casino licensee agree to extend the period and to provide that if the commission does not render a determination within 90 days after receipt of a submission and there is no agreement to extend the period for making such a determination, then the submission shall be deemed to be approved.

SENATE INSTITUTIONS, HEALTH AND WELFARE
COMMITTEE

STATEMENT TO

ASSEMBLY, No. 3567

[OFFICIAL COPY REPRINT]

STATE OF NEW JERSEY

DATED: NOVEMBER 9, 1987

The Senate Institutions, Health and Welfare Committee favorably reports Assembly Bill No. 3567 OCR.

This bill amends various sections of the "Casino Control Act," P. L. 1977, c. 110 (C. 5:12-1 et seq.) concerning certain powers, duties and employees of the Casino Control Commission and the Division of Gaming Enforcement. The bill:

(1) eliminates the statutory cap imposed on the salary of the commission's executive secretary (currently, this salary cannot exceed \$55,000.00);

(2) permits the commission and the division to waive preemployment restrictions on an individual basis for secretarial or clerical positions with the commission and division (at present, preemployment restrictions apply to any person seeking employment with the commission or the division);

(3) eliminates the absolute ban on casino-related employment or representation by consultants used by the commission or division (presently, section 4 of P. L. 1981, c. 142 (C. 52:13D-17.2) prohibits casino employment or representation by these consultants);

(4) eliminates any references to "unsuitable persons" in order to clarify the definition of "qualified person" and "disqualified person" and to explicitly recognize the authority of the commission to attach conditions to the issuance of a casino license, thus conforming section 64 of the act to the present interpretation of the law by the New Jersey Supreme Court;

(5) permits the commission to make investigative subpoenas returnable before the division (as presently interpreted by the Superior Court, section 65 of the act allows investigative subpoenas issued by the commission to be made returnable only before the commission itself or a commission hearing examiner);

(6) includes applicants and registrants among those persons subject to suit for collection of fees, interest, penalties or tax owed to the State (as presently worded, this section refers only to licensees);

(7) authorizes the commission to adopt temporary rules, without following public notice requirements of the "Administrative Procedure Act," P. L. 1968, c. 410 (C. 52:14B-1 et seq.), concerning the conduct of gaming or the use or design of gaming equipment for an experimental period not to exceed 90 days;

(8) makes available for public inspection reports submitted to the commission regarding a casino licensee's gross revenue rather than its operating revenue and expenses from all authorized games, and quarterly and annual financial statements, audited by an independent certified public accountant, that present historical data submitted to the commission;

(9) makes certain changes concerning criteria for casino licenses and clarifies that the Code of Criminal Justice (Title 2C of the New Jersey Statutes), shall be the standard against which to judge potential disqualifying offenses. The bill deletes references to offenses listed in Title 2A of the New Jersey Statutes, and adds serious sexual offenses and recently enacted drug-related offenses to the list of disqualifying offenses;

(10) changes the deadline for submission of casino license renewal applications from 90 days to 120 days prior to the expiration of the license;

(11) permits applications for temporary casino key employee licenses to be filed with the commission prior to the occurrence of a vacancy since, if read literally, the act requires a licensee to wait until a position is actually vacant before submitting an application;

(12) permits applicants or registrants to demonstrate rehabilitation relating to the commission of any offense which would disqualify the person from licensure or registration (currently, applicants or registrants are permitted to demonstrate rehabilitation only with respect to convictions of any of the disqualifying offenses);

(13) provides for the issuance of two-year casino key employee and casino service industry licenses, after the first two one-year renewal periods have been completed;

(14) eliminates the 30-day notice requirement with regard to changes in the number of authorized games in the casino, however, licensees would still be required to give advance notice;

(15) increases from 90 to 120 days the time within which a casino licensee must submit a description of its internal controls to the commission prior to commencing gaming operations, but maintains the existing requirement that 90 days advance notice be given to the commission before any changes are made in previously submitted control plans. The bill also establishes time limits for review of submissions;

(16) alters the time limitations concerning rehearings of commission decisions;

(17) authorizes the establishment of fees for investigation and consideration of applications whether or not a registration or license is ultimately issued; and

(18) places the responsibility for determining a casino's gross revenue tax obligation on the commission, rather than the State Treasurer.

This bill is identical to Senate Bill No. 2897 Sca (Codey), which the committee also reported favorably on this date.
