

5:12-6.1

LEGISLATIVE HISTORY CHECKLIST

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LAWS OF: 2011 **CHAPTER:** 19

NJSA: 5:12-6.1 (Revises various aspects of casino industry regulation)

BILL NO: S12 (Substituted for A3517)

SPONSOR(S) Whelan and others

DATE INTRODUCED: November 15, 2010

COMMITTEE: **ASSEMBLY:** ---

SENATE: State Government, Wagering, Tourism & Historic Preservation

AMENDED DURING PASSAGE: Yes

DATE OF PASSAGE: **ASSEMBLY:** January 10, 2011

SENATE: January 10, 2011

DATE OF APPROVAL: February 1, 2011

FOLLOWING ARE ATTACHED IF AVAILABLE:

FINAL TEXT OF BILL (Fourth reprint enacted)

S12

SPONSOR'S STATEMENT: (Begins on page 146 of introduced bill) Yes

COMMITTEE STATEMENT: **ASSEMBLY:** No

SENATE: Yes

(Audio archived recordings of the committee meetings, corresponding to the date of the committee statement, *may possibly* be found at www.njleg.state.nj.us)

FLOOR AMENDMENT STATEMENT: Yes 11-22-10
12-13-10
1-6-11
1-10-11

LEGISLATIVE FISCAL ESTIMATE: Yes 1-5-11
1-13-11

A3517

SPONSOR'S STATEMENT: (Begins on page 145 of original bill) Yes

COMMITTEE STATEMENT: **ASSEMBLY:** Yes Regulatory

SENATE: No

FLOOR AMENDMENT STATEMENT: Yes 12-13-10
1-6-11

LEGISLATIVE FISCAL ESTIMATE: Yes

(continued)

VETO MESSAGE: No

GOVERNOR'S PRESS RELEASE ON SIGNING: Yes

FOLLOWING WERE PRINTED:

To check for circulating copies, contact New Jersey State Government Publications at the State Library (609) 278-2640 ext.103 or <mailto:refdesk@njstatelib.org>

REPORTS: No

HEARINGS: No

NEWSPAPER ARTICLES: Yes

"Gov. Christie signs bipartisan legislation designed to revitalize Atlantic City," NewJerseyNewsroom.com, 2-2-11

"State bets \$261M on stalled casino site," The Star-Ledger, 2-2-11

"Christie drops \$26M on casino site," The times, 2-2-11

"Christie expands his reach in A.C.," The Philadelphia Inquirer, 2-2-11

"Christie signs Tourism District bill, says Revel casino to open June 2012," The Press of Atlantic City, 2-2-11

"Christie Signs AC bills, Says construction Will Resume on Revel," New Jersey 101.5, 2-2-11

"2 laws signed, aim to lift A.C.," Courier-Post, 2-2-11

"Betting on A.C., Christie Oks gaming district, aid for megacasino," Courier News, 2-2-11

"Christie Oks A.C. renewal measures," Asbury Park Press, 2-2-11

"Christie says Atlantic City Mayor Lorenzo Langford 'should be ashamed of himself' for calling tourism plan an apartheid," The Press of Atlantic City, 2-2-11

"Langford voices objections," Courier-Post, 2-2-11

"Atlantic City mayor unhappy with new laws' changes," Asbury Park Press, 2-2-11

"Christie Oks law to revamp casinos, track," The Record, 2-2-11

"Revel on track for 2012 opening," Asbury Park Press, 2-2-11

"Deal removes obstacle for Revel," Courier-Post, 2-2-11

"New Jersey Passes Tax Breaks for Stalled Revel Casino," Bloomberg Press, 2-2-11

"Christie has much political capital riding on success of Atlantic City plan," 2-2-11

OTHER:

974.90 G191 2010

Report of the Governor's Advisory Commission on New Jersey Gaming, Sports and Entertainment : an economic recovery plan for the State of New Jersey / Governor's Advisory Commission on New Jersey Gaming, Sports and Entertainment.

by New Jersey. Governor's Gaming, Sports and Entertainment Advisory Commission.

[Trenton, NJ : New Jersey Office of the governor, 2010]

LAW/KR

§7 - C.5:12-6.1
§11 –
C.5:12-14.2a
§16 - C.5:12-33a
§23 - C.5:12-45.3
§43 - C.5:12-74.1
§§50, 51 -
C.5:12-85.1 &
5:12-85.2
§54 - C.5:12-87.1
§57 - C.5:12-91.1
§125 –
C.5:12-54.1
§133 - Repealer
§134 - Note

P.L.2011, CHAPTER 19, *approved February 1, 2011*
Senate, No. 12 (*Fourth Reprint*)

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

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

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

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

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

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

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

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

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

Matter underlined thus is new matter.

Matter enclosed in superscript numerals has been adopted as follows:

¹Senate floor amendments adopted November 22, 2010.

²Senate floor amendments adopted December 13, 2010.

³Assembly floor amendments adopted January 6, 2011.

⁴Assembly floor amendments adopted January 10, 2011.

1 (3) The rehabilitation and redevelopment of existing tourist and
2 convention facilities in Atlantic City, and the fostering and encouragement
3 of new construction and the replacement of lost convention, tourist,
4 entertainment and cultural centers in Atlantic City will offer a unique
5 opportunity for the inhabitants of the entire State to make maximum use of
6 the natural resources available in Atlantic City for the expansion and
7 encouragement of New Jersey's hospitality industry, and to that end, the
8 restoration of Atlantic City as the Playground of the World and the major
9 hospitality center of the Eastern United States is found to be a program of
10 critical concern and importance to the inhabitants of the State of New
11 Jersey.

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

22 (5) Restricting the issuance of casino licenses to major hotel and
23 convention facilities is designed to assure that the existing nature and tone
24 of the hospitality industry in New Jersey and in Atlantic City is preserved,
25 and that the casino rooms licensed pursuant to the provisions of this act are
26 always offered and maintained as an integral element of such hospitality
27 facilities, rather than as the industry unto themselves that they have become
28 in other jurisdictions.

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

40 (7) Legalized casino gaming in New Jersey can attain, maintain and
41 retain integrity, public confidence and trust, and remain compatible with
42 the general public interest only under such a system of control and
43 regulation as insures, so far as practicable, the exclusion from participation
44 therein of persons with known criminal records, habits or associations, and
45 the exclusion or removal from any positions of authority or responsibility
46 within casino gaming operations and establishments of any persons known
47 to be so deficient in business probity, either generally or with specific
48 reference to gaming, as to create or enhance the dangers of unsound, unfair

1 or illegal practices, methods and activities in the conduct of gaming or the
2 carrying on of the business and financial arrangements incident thereto.

3 (8) Since the public has a vital interest in casino operations in Atlantic
4 City and has established an exception to the general policy of the State
5 concerning gaming for private gain, participation in casino operations as a
6 licensee or registrant under this act shall be deemed a revocable privilege
7 conditioned upon the proper and continued qualification of the individual
8 licensee or registrant and upon the discharge of the affirmative
9 responsibility of each such licensee or registrant to provide to the
10 regulatory and investigatory authorities established by this act any
11 assistance and information necessary to assure that the policies declared by
12 this act are achieved. Consistent with this policy, it is the intent of this act
13 to preclude the creation of any property right in any license, registration,
14 certificate or reservation permitted by this act, the accrual of any value to
15 the privilege of participation in gaming operations, or the transfer of any
16 license, registration, certificate, or reservation, and to require that
17 participation in gaming be solely conditioned upon the individual
18 qualifications of the person seeking such privilege.

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

28 (10) (Deleted by amendment, P.L.1995, c.18.)

29 (11) The facilities in which licensed casinos are to be located are of vital
30 law enforcement interest to the State, and it is in the public interest that the
31 regulatory and investigatory powers and duties conferred by this act include
32 the power and duty to review architectural and site plans to assure that the
33 proposal is suitable by law enforcement standards.

34 (12) Since the economic stability of casino operations is in the public
35 interest and competition in the casino operations in Atlantic City is
36 desirable and necessary to assure the residents of Atlantic City and of this
37 State and other visitors to Atlantic City varied attractions and exceptional
38 facilities, the regulatory and investigatory powers and duties conferred by
39 this act shall include the power and duty to regulate, control and prevent
40 economic concentration in the casino operations and the ancillary industries
41 regulated by this act, and to encourage and preserve competition.

42 (13) It is in the public interest that the institution of licensed casino
43 establishments in New Jersey be strictly regulated and controlled pursuant
44 to the above findings and pursuant to the provisions of this act, which
45 provisions are designed to engender and maintain public confidence and
46 trust in the regulation of the licensed enterprises, to provide an effective
47 method of rebuilding and redeveloping existing facilities and of
48 encouraging new capital investment in Atlantic City, and to provide a

1 meaningful and permanent contribution to the economic viability of the
2 resort, convention, and tourist industry of New Jersey.

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

7 (15) Continuity and stability in casino gaming operations cannot be
8 achieved at the risk of permitting persons with unacceptable backgrounds
9 and records of behavior to control casino gaming operations contrary to the
10 vital law enforcement interest of the State.

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

18 (17) A system whereby the suspension or revocation of casino operations
19 under certain appropriate circumstances causes the imposition of a
20 conservatorship upon the suspended or revoked casino operation serves
21 both the economic and law enforcement interests involved in casino gaming
22 operations.

23 (18) As recognized in the July 2010 Report of the Governor's Advisory
24 Commission on New Jersey Gaming, Sports, and Entertainment, and as
25 confirmed in subsequent legislative hearings held throughout the State,
26 legalized casino gaming in New Jersey presently stands at a crossroads,
27 facing critical challenges that jeopardize its important role in the State
28 economy, and it is in the public interest to modernize and streamline the
29 current outdated casino regulatory structure in order to achieve efficiencies
30 and cost savings that are more appropriately directed to marketing and
31 infrastructure improvement efforts while, at the same time, maintaining
32 strict integrity in the regulation of casino operations.

33 (19) The ability of the legalized casino gaming industry in New Jersey to
34 compete in an ever-expanding national gaming market requires a regulatory
35 system that is sufficiently flexible to encourage persons and entities holding
36 casino gaming licenses outside of New Jersey to participate in casino
37 gaming in Atlantic City, to allow licensees to take full and timely
38 advantage of advancements in technology, particularly in information
39 technology, and business management, and to encourage the efficient
40 utilization of resources between and among affiliated New Jersey licensees
41 operating casinos located in Atlantic City and between and among a New
42 Jersey affiliate and its licensed affiliates in other jurisdictions.

43 (cf: P.L.1995, c.18, s.1)

44

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

1 2. As used in this act, the words and terms have the meanings ascribed
2 to them in [sections 3 through 48 of this act] P.L.1977, c.110 (C.5:12-1 et
3 seq.), unless a different meaning clearly appears in the context.
4 (cf: P.L.1977, c.110, s.2)

5
6 3. Section 3 of P.L.1995, c.18 (C.5:12-2.2) is amended to read as
7 follows:

8 3. "Annuity jackpot guarantee" -- A financial arrangement established
9 in accordance with the rules of the [commission] division to assure that all
10 payments that are due to the winner of an annuity jackpot are actually paid
11 when due regardless of the future financial stability of the slot system
12 operator that is responsible for making such payments.
13 (cf: P.L.2005, c.46, s.2)

14
15 4. Section 5 of P.L.1977, c.110 (C.5:12-5) is amended to read as
16 follows:

17 5. "Authorized Game" or "Authorized Gambling Game"-- Roulette,
18 baccarat, blackjack, craps, big six wheel, slot machines, minibaccarat, red
19 dog, pai gow, and sic bo; any variations or composites of such games,
20 provided that such variations or composites are found by the [commission]
21 division suitable for use after an appropriate test or experimental period
22 under such terms and conditions as the [commission] division may deem
23 appropriate; and any other game which is determined by the [commission]
24 division to be compatible with the public interest and to be suitable for
25 casino use after such appropriate test or experimental period as the
26 [commission] division may deem appropriate. "Authorized game" or
27 "authorized gambling game" includes gaming tournaments in which players
28 compete against one another in one or more of the games authorized herein
29 or by the [commission] division or in approved variations or composites
30 thereof if the tournaments are authorized by the [commission] division.
31 (cf: P.L.1993, c.292, s.1)

32
33 5. Section 2 of P.L.2002, c.65 (C.5:12-5.2) is amended to read as
34 follows:

35 2. "Cash equivalent value" The monetary value that a casino licensee
36 shall assign to a jackpot or payout that consists of merchandise or any thing
37 of value other than cash, tokens, chips or plaques. The [commission]
38 division shall promulgate rules defining "cash equivalent value" in order to
39 assure fairness, uniformity and comparability of valuation of jackpots and
40 payoffs that include merchandise or any thing of value.
41 (cf: P.L.2002, c.65, s.2)

42
43 6. Section 6 of P.L.1977, c.110 (C.5:12-6) is amended to read as
44 follows:

45 6. "Casino" or "casino room" or "licensed casino" -- One or more
46 locations or rooms in a casino hotel facility that have been approved by the
47 [commission] division for the conduct of casino gaming in accordance

1 with the provisions of this act. "Casino " or "casino room" or "licensed
2 casino" shall not include any casino simulcasting facility authorized
3 pursuant to the "Casino Simulcasting Act," P.L.1992, c.19 (C.5:12-191 et
4 seq.).

5 (cf: P.L.1996, c.84, s.1)

6
7 7. (New section) "Casino bankroll" – Cash maintained in the casino,
8 excluding any funds necessary for the normal operation of the casino, such
9 as change banks, slot hopper fills, slot booths, cashier imprest funds and
10 redemption area funds.

11
12 8. Section 7 of P.L.1977, c.110 (C.5:12-7) is amended to read as
13 follows:

14 7. "Casino Employee"--Any natural person, not otherwise included in
15 the definition of casino key employee, who is employed by a casino
16 licensee, or a holding or intermediary company of a casino licensee, and is
17 involved in the operation of a licensed casino or a simulcasting facility or
18 performs services or duties in a casino, simulcasting facility or a restricted
19 casino area, including, without limitation, boxmen; dealers or croupiers;
20 floormen; machine mechanics; casino security employees; count room
21 personnel; cage personnel; slot machine and slot booth personnel;
22 collection personnel; casino surveillance personnel; simulcasting facility
23 personnel involved in wagering-related activities in a simulcasting facility;
24 **[and]** data processing personnel; and information technology employees;
25 or any other natural person whose employment duties predominantly
26 involve the maintenance or operation of gaming activity or equipment and
27 assets associated therewith or who, in the judgment of the commission, is
28 so regularly required to work in a restricted casino area that **[licensure]**
29 registration as a casino employee is appropriate.

30 (cf: P.L.1992, c.19, s.23)

31
32 9. Section 9 of P.L.1977, c.110 (C.5:12-9) is amended to read as
33 follows:

34 9. "Casino Key Employee"--Any natural person employed **[in the**
35 **operation of]** by a casino licensee or holding or intermediary company of a
36 casino licensee, and involved in the operation of a licensed casino or a
37 simulcasting facility in a supervisory capacity or empowered to make
38 discretionary decisions which regulate casino or simulcasting facility
39 operations, including, without limitation, pit bosses; shift bosses; credit
40 executives; casino cashier supervisors; casino or simulcasting facility
41 managers and [assistant managers] managers and supervisors of
42 information technology employees; junket supervisors; marketing directors;
43 and managers or supervisors of casino security employees; or any other
44 natural person empowered to make discretionary decisions which regulate
45 the management of an approved hotel, including, without limitation, hotel
46 managers; entertainment directors; and food and beverage directors; or any

1 other employee so designated by the Casino Control Commission for
2 reasons consistent with the policies of this act.

3 (cf: P.L.1992, c.19, s.24)

4

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

7 12. "Casino Service Industry Enterprise" -- Any vendor **[which]**
8 offering goods or services which directly relate to casino or gaming
9 activity, including gaming equipment and simulcast wagering equipment
10 manufacturers, suppliers, repairers and independent testing laboratories,
11 junket enterprises and junket representatives, that provides casino
12 applicants or licensees with goods or services **[regarding the realty,**
13 **construction, maintenance, or business of a proposed or existing casino**
14 **hotel or related facility or which purchases goods or services from, or**
15 **which does any other business with, casino applicants or licensees on a**
16 **regular or continuing basis, including, without limitation, junket**
17 **enterprises, security businesses, gaming schools, manufacturers,**
18 **distributors and servicers of gaming and casino simulcasting devices or**
19 **equipment, in-State and out-of-State sending tracks as defined in section 2**
20 **of the "Casino Simulcasting Act," P.L.1992, c.19 (C.5:12-192), garbage**
21 **haulers, maintenance companies, food purveyors, and construction**
22 **companies]**. Notwithstanding the foregoing, any form of enterprise
23 engaged in the manufacture, sale, distribution, testing or repair of slot
24 machines within New Jersey, other than antique slot machines as defined in
25 N.J.S.2C:37-7, shall be considered a casino service industry enterprise for
26 the purposes of this act regardless of the nature of its business relationship,
27 if any, with casino applicants and licensees in this State.

28 For the purposes of this section, "casino applicant" includes any person
29 required to hold a casino license pursuant to section 82 of P.L.1977, c.110
30 (C.5:12-82) who has applied to the **[commission]** division for a casino
31 license or any approval required under P.L.1977, c.110 (C.5:12-1 et seq.).
32 (cf: P.L.2009, c.36, s.1)

33

34 11. (New section) "Corporate Officer" – The chief executive officer,
35 chief financial officer, chief operating officer, chief information officer and
36 chief legal officer of a corporation, or their equivalents in any
37 unincorporated entity.

38

39 12. Section 2 of P.L.1983, c.41 (C.5:12-14a) is amended to read as
40 follows:

41 2. "Complimentary service or item" - A service or item provided at no
42 cost or at a reduced price. The furnishing of a complimentary service or
43 item by a casino licensee shall be deemed to constitute the indirect
44 payment for the service or item by the casino licensee, and shall be valued
45 in an amount based upon the retail price normally charged by the casino
46 licensee for the service or item. The value of a complimentary service or
47 item not normally offered for sale by a casino licensee or provided by a
48 third party on behalf of a casino licensee shall be the cost to the casino

1 licensee of providing the service or item, as determined in accordance with
2 the rules of the [commission] division.

3 (cf: P.L.1983, c.41, s.2)

4

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

7 20. "Family" - Spouse, domestic partner, partner in a civil union,
8 parents, grandparents, children, grandchildren, siblings, uncles, aunts,
9 nephews, nieces, fathers-in-law, mothers-in-law, daughters-in-law, sons-in-
10 law, brothers-in-law and sisters-in-law, whether by the whole or half blood,
11 by marriage, adoption or natural relationship.

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

13

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

16 24. "Gross Revenue" - The total of all sums actually received by a
17 casino licensee from gaming operations, less only the total of all sums
18 actually paid out as winnings to patrons; provided, however, that the cash
19 equivalent value of any merchandise or thing of value included in a jackpot
20 or payout shall not be included in the total of all sums paid out as winnings
21 to patrons for purposes of determining gross revenue. Non-cashable credits
22 in any form, including coupons, electronic credits and vouchers, shall not
23 be considered sums actually received by a casino licensee from gaming
24 operations for purposes of determining gross revenue ¹, except that
25 promotional gaming credits shall be considered sums actually received by a
26 casino licensee from gaming operations for purposes of determining gross
27 revenue unless excluded pursuant to section 2 of P.L.2008, c.12 (C.5:12-
28 144.2) ¹. "Gross Revenue" shall not include any amount received by a
29 casino from casino simulcasting pursuant to the "Casino Simulcasting Act,"
30 P.L.1992, c.19 (C.5:12-191 et al.).

31 (cf: P.L.2009, c.36, s.2)]²

32

33 ²[15.] 14. ² Section 25 of P.L.1977, c.110 (C.5:12-25) is amended to
34 read as follows:

35 25. "Hearing examiner" - **[A]** The director, a commissioner or other
36 person authorized by the director or the commission to conduct hearings.

37 (cf: P.L.1977, c.110, s.25)

38

39 ²[16.] 15. ² Section 11 of P.L.1991, c.182 (C.5:12-27.1) is amended to
40 read as follows:

41 11. "Institutional investor" - Any retirement fund administered by a
42 public agency for the exclusive benefit of federal, State, or local public
43 employees; investment company registered under the Investment Company
44 Act of 1940 (15 U.S.C. s.80a-1 et seq.); collective investment trust
45 organized by banks under Part Nine of the Rules of the Comptroller of the
46 Currency; closed end investment trust; chartered or licensed life insurance
47 company or property and casualty insurance company; banking and other

1 chartered or licensed lending institution; investment advisor registered
2 under The Investment Advisors Act of 1940 (15 U.S.C. s.80b-1 et seq.);
3 and such other persons as the **[commission]** division may determine for
4 reasons consistent with the policies of the "Casino Control Act," P.L.1977,
5 c.110 (C.5:12-1 et seq.).

6 (cf: P.L.1991, c.182, s.11)
7

8 ²**[17.]** 16.² (New section) "Multi-casino employee" – Any registered
9 casino employee or licensed casino key employee who, upon the petition of
10 two or more affiliated casino licensees, is endorsed by the commission or
11 division, as applicable, to perform any compatible functions for any of the
12 petitioning casino licensees.
13

14 ²**[18.]** 17.² Section 35 of P.L.1977, c.110 (C.5:12-35) is amended to
15 read as follows:

16 35. "Operation certificate" - A certificate issued by the **[commission]**
17 division which certifies that operation of a casino and, if applicable, a
18 simulcasting facility conforms to the requirements of this act and applicable
19 regulations and that its personnel and procedures are efficient and prepared
20 to entertain the public.

21 (cf: P.L.1993, c.292, s.4)
22

23 ²**[19.]** 18.² Section 36 of P.L.1977, c.110 (C.5:12-36) is amended to
24 read as follows:

25 36. "Party" --The **[commission, the]** division, or any licensee,
26 registrant, or applicant, or any person appearing of record for any licensee,
27 registrant, or applicant in any proceeding before the division or the
28 commission or in any proceeding for judicial review of any action, decision
29 or order of the division or commission.

30 (cf: P.L.2002, c.65, s.7)
31

32 ²**[20.]** 19.² Section 1 of P.L.2008, c.12 (C.5:12-38a) is amended to read
33 as follows:

34 1. "Promotional gaming credit" - A slot machine credit or other item
35 approved by the **[commission]** division that is issued by a licensee to a
36 patron for the purpose of enabling the placement of a wager at a slot
37 machine in the licensee's casino. No such credit shall be reported as a
38 promotional gaming credit unless the casino licensee can establish that the
39 credit was issued by the casino licensee and received from a patron as a
40 wager at a slot machine in the licensee's casino.

41 (cf: P.L.2008, c.12, s.1)
42

43 ²**[21.]** 20.² Section 39 of P.L.1977, c.110 (C.5:12-39) is amended to
44 read as follows:

45 39. "Publicly traded corporation" --Any corporation or other legal
46 entity, except a natural person, which:

- 1 a. Has one or more classes of security registered pursuant to section 12
2 of the Securities Exchange Act of 1934, as amended (15 U.S.C. s. 78l.), or
3 b. Is an issuer subject to section 15(d) of the Securities Exchange Act
4 of 1934, as amended (15 U.S.C. s. 78o.), or
5 c. Has one or more classes of securities traded in any open market in
6 any foreign jurisdiction or regulated pursuant to a statute of any foreign
7 jurisdiction which the **[commission]** division determines to be substantially
8 similar to either or both of the aforementioned statutes.
9 (cf: P.L.1992, c.9, s.7)

10

11 ²[22.] 21.² Section 3 of P.L.1987, c.353 (C.5:12-43.1) is amended to
12 read as follows:

- 13 3. "Restricted Casino Areas"--The cashier's cage, the soft count room,
14 the hard count room, the slot cage booths and runway areas, the interior of
15 table game pits, the surveillance room and catwalk areas, the slot machine
16 repair room and any other area specifically designated by the
17 **[commission]** division as restricted in a licensee's operation certificate.
18 (cf: P.L.1987, c.353, s.3)

19

20 ²[23.] 22.² Section 4 of P.L.2004, c.184 (C.5:12-45.1) is amended to
21 read as follows:

- 22 4. "Slot system agreement" - A written agreement governing the
23 operation and administration of a multi-casino progressive slot machine
24 system that is approved by the **[commission]** division and executed by the
25 participating casino licensees and any slot system operator.
26 (cf: P.L.2004, c.184, s.4)

27

28 ²[24.] 23.² (New section) "State of emergency" – Any emergency
29 situation, including the failure to enact a general appropriation law by the
30 deadline prescribed by Article VIII, Section II, paragraph 2 of the New
31 Jersey Constitution, a state of emergency declared by the President of the
32 United States or the Governor of the State of New Jersey and a State
33 ordered State employee furlough, during which division and commission
34 employees are unable to perform the duties and responsibilities required of
35 them under this act.

36

37 ²[25.] 24.² Section 46 of P.L.1977, c.110 (C.5:12-46) is amended to
38 read as follows:

- 39 46. "Statement of compliance" --A statement by the commission, upon
40 the input of the division, which may be issued to an applicant for a casino
41 license or any person who must be qualified pursuant to this act in order to
42 hold the securities of a casino licensee or any holding or intermediary
43 company of a casino licensee, indicating satisfactory completion of a
44 particular stage or stages of the license consideration process, and which
45 states that unless there is a change of any material circumstance pertaining
46 to such particular stage or stages of license consideration involved in the
47 statement, such applicant has complied with requirements mandated by this

1 act **[and by the commission]** and is therefore approved for license
2 qualification to the stage or stages for which the statement has been issued.
3 (cf: P.L.1977, c.110, s.46)

4
5 ²~~[26.]~~ 25.² Section 69 of P.L.1977, c.110 (C.5:12-69) is amended to
6 read as follows:

7 69. Regulations. a. The **[commission]** division shall be authorized to
8 adopt, amend, or repeal such regulations, consistent with the policy and
9 objectives of this act, as amended and supplemented, as it may deem
10 necessary to protect the public interest in carrying out the provisions of this
11 act. The commission shall be authorized to adopt, amend or repeal such
12 regulations as may be necessary for the conduct of hearings before the
13 commission under subsections a. and b. of section 63 of P.L.1977, c.110
14 (C.5:12-63) and for the matters within all other responsibilities and duties
15 of the commission imposed by P.L.1977, c.110 (C.5:12-1 et seq.).

16 b. Such regulations of the division and the commission authorized by
17 this section shall be adopted, amended, and repealed in accordance with the
18 provisions of the "Administrative Procedure Act," P.L.1968, c.410
19 (C.52:14B-1 et seq.), unless otherwise specified by this act.

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

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

27 e. Notwithstanding any other provision of this act or the
28 "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.) to
29 the contrary, the **[commission]** division may, after notice provided in
30 accordance with this subsection, authorize the temporary adoption,
31 amendment or repeal of any rule concerning the conduct of gaming or
32 simulcast wagering, or the use or design of gaming or simulcast wagering
33 equipment, or the internal procedures and administrative and accounting
34 controls required by section 99 of P.L.1977, c.110 (C.5:12-99) for a period
35 not to exceed 270 days for the purpose of determining whether such rules
36 should be adopted on a permanent basis in accordance with the
37 requirements of this section. Any temporary rulemaking authorized by this
38 subsection shall be subject to such terms and conditions as the
39 **[commission]** division may deem appropriate. Notice of any temporary
40 rulemaking action taken by the **[commission]** division pursuant to this
41 subsection shall be published in the New Jersey Register, and provided to
42 the newspapers designated by the **[commission]** division pursuant to
43 subsection d. of section 3 of P.L.1975, c.231 (C.10:4-8), at least seven days
44 prior to the implementation of the temporary rules. Nothing herein shall be
45 deemed to require the publication of the text of any temporary rule adopted
46 by the **[commission]** division or notice of any modification of any
47 temporary rulemaking initiated in accordance with this subsection. The text

1 of any temporary rule adopted by the **[commission]** division shall be
2 available in each casino or simulcasting facility participating in the
3 temporary rulemaking and shall be available upon request from the
4 **[commission]** division.

5 f. Orders, rules and regulations concerning implementation of
6 P.L.1977, c.110 (C.5:12-1 et seq.) issued or promulgated by the
7 commission prior to the effective date of P.L. , c. (C.)(pending
8 before the Legislature as this bill), shall continue with full force and effect
9 until amended or repealed by the division or commission pursuant to law;
10 provided, however, that any references to the commission in such orders,
11 rules and regulations shall be deemed to refer to the division unless the
12 context indicates otherwise.

13 g. Notwithstanding any other provision of this act or the
14 “Administrative Procedure Act,” P.L.1968, c.410 (C.52:14B-1 et seq.) to
15 the contrary, during the 90-day period following the effective date of
16 P.L. , c. (C.)(pending before the Legislature as this bill) the division
17 may, after notice provided in accordance with this subsection, summarily
18 adopt, amend or repeal any order, rule or regulation issued or promulgated
19 by the commission prior to the effective date of P.L. , c. (C.)
20 (pending before the Legislature as this bill), for a period not to exceed 270
21 days for the purpose of determining whether such rules should be adopted
22 on a permanent basis in accordance with the requirements of this section.
23 Any summary rulemaking authorized by this subsection shall be subject to
24 such terms and conditions as the division may deem appropriate. Notice of
25 any temporary rulemaking action taken by the division pursuant to this
26 subsection shall be published in the New Jersey Register, and provided to
27 the newspapers designated by the division pursuant to subsection d. of
28 section 3 of P.L.1975, c.231 (C.10:4-8), at least seven days prior to the
29 implementation of the temporary rules. Nothing herein shall be deemed to
30 require the publication of the text of any temporary rule adopted by the
31 division or notice of any modification of any temporary rulemaking
32 initiated in accordance with this subsection. The text of any temporary rule
33 adopted by the division shall be available in each casino or simulcasting
34 facility participating in the temporary rulemaking and shall be available
35 upon request from the division.

36 h. Notwithstanding any other provision of this act or the
37 “Administrative Procedure Act,” P.L.1968, c.410 (C.52:14B-1 et seq.) to
38 the contrary, the commission and the division may, after notice provided in
39 accordance with this subsection, summarily adopt, amend, or repeal any
40 order, rule, or regulation issued or promulgated by the commission or
41 division, for a period not to exceed 270 days for the purpose of initiating
42 the implementation of Internet wagering at casinos. The summary
43 rulemaking authorized by this subsection shall be subject to such terms and
44 conditions as the commission or division may deem appropriate. Notice of
45 any temporary rulemaking action taken by the commission or division
46 pursuant to this subsection shall be published in the New Jersey Register,
47 and provided to the newspapers designated by the commission or division
48 pursuant to subsection d. of section 3 of P.L.1975, c.231 (C.10:4-8), at least

1 seven days prior to the implementation of the temporary rules. Nothing
2 herein shall be deemed to require the publication of the text of any
3 temporary rule adopted by the commission or division or notice of any
4 modification of any temporary rulemaking initiated in accordance with this
5 subsection. The text of any temporary rule adopted by the commission or
6 division shall be available in each casino participating in the temporary
7 rulemaking and shall be available upon request from the commission or
8 division.¹

9 (cf: P.L.2002, c.65, s.10)

10
11 ²[27.] 26.² Section 70 of P.L.1977, c.110 (C.5:12-70) is amended to
12 read as follows:

13 70. Required Regulations. a. The **[commission]** division shall, without
14 limitation **[on the powers conferred in the preceding section,]** include
15 **[within its regulations]** the following specific provisions in its regulations
16 in accordance with the provisions of this act:

17 **[a.]** (1) Prescribing the methods and forms of application and
18 registration which any applicant or registrant shall follow and complete
19 **[prior to consideration of his application by the commission];**

20 **[b.]** (2) Prescribing the methods, procedures and form for delivery of
21 information concerning any person's family, habits, character, associates,
22 criminal record, business activities and financial affairs;

23 **[c.]** (3) Prescribing such procedures for the fingerprinting of an
24 applicant, employee of a licensee, or registrant, **[or other]** and methods of
25 identification which may be necessary **[in the judgment of the commission]**
26 to accomplish effective enforcement of restrictions on access to the casino
27 floor, the simulcasting facility, and other restricted areas of the casino hotel
28 complex;

29 (4) Prescribing the method of notice to an applicant, registrant or
30 licensee concerning the release of any information or data provided to the
31 commission or division by such applicant, registrant or licensee;

32 **[d.]** (5) Prescribing the manner and procedure of all hearings conducted
33 by the [commission] division or any hearing examiner, including special
34 rules of evidence applicable thereto and notices thereof;

35 **[e.]** (6) Prescribing the manner and method of collection of payments of
36 taxes, fees, and penalties;

37 **[f.]** (7) Defining and limiting the areas of operation, the rules of
38 authorized games, odds, and devices permitted, and the method of operation
39 of such games and devices;

40 **[g.]** (8) Regulating the practice and procedures for negotiable
41 transactions involving patrons, including limitations on the circumstances
42 and amounts of such transactions, and the establishment of forms and
43 procedures for negotiable instrument transactions, redemptions, and
44 consolidations;

45 **[h.]** (9) Prescribing grounds and procedures for the revocation or
46 suspension of operating certificates, [and] licenses and registrations;

- 1 **[i.] (10)** Governing the manufacture, distribution, sale, deployment, and
2 servicing of gaming devices and equipment;
- 3 **[j.] (11)** Prescribing for gaming operations the procedures, forms and
4 methods of management controls, including employee and supervisory
5 tables of organization and responsibility, and minimum security and
6 surveillance standards, including security personnel structure, alarm and
7 other electrical or visual security measures; provided, however, that the
8 **[commission] division** shall grant an applicant for a casino license or a
9 casino licensee broad discretion concerning the organization and
10 responsibilities of management personnel who are not directly involved in
11 the supervision of gaming or simulcast wagering operations;
- 12 **[k.] (12)** Prescribing the qualifications of, and the conditions pursuant
13 to which, engineers, accountants, and others shall be permitted to practice
14 before the **[commission] division** or to submit materials on behalf of any
15 applicant or licensee; provided, however, that no member of the
16 Legislature, nor any firm with which said member is associated, shall be
17 permitted to appear or practice or act in any capacity whatsoever before the
18 commission or division regarding any matter whatsoever, nor shall any
19 member of the family of the Governor or of a member of the Legislature be
20 permitted to so practice or appear in any capacity whatsoever before the
21 commission or division regarding any matter whatsoever;
- 22 **[l.] (13)** Prescribing minimum procedures for the exercise of effective
23 control over the internal fiscal affairs of a licensee, including provisions for
24 the safeguarding of assets and revenues, the recording of cash and evidence
25 of indebtedness, and the maintenance of reliable records, accounts, and
26 reports of transactions, operations and events, including reports to the
27 **[commission] division**;
- 28 **[m.] (14)** Providing for a minimum uniform standard of accountancy
29 methods, procedures and forms; a uniform code of accounts and accounting
30 classifications; and such other standard operating procedures, including
31 those controls listed in **[section 99a. hereof] subsection a. of section 99 of**
32 **P.L.1977, c.110 (C.5:12-99)**, as may be necessary to assure consistency,
33 comparability, and effective disclosure of all financial information,
34 including calculations of percentages of profit by games, tables, gaming
35 devices and slot machines;
- 36 **[n.] (15)** Requiring quarterly financial reports and the form thereof,
37 and an annual audit prepared by a certified public accountant licensed to do
38 business in this State, attesting to the financial condition of a licensee and
39 disclosing whether the accounts, records and control procedures examined
40 are maintained by the licensee as required by this act and the regulations
41 promulgated hereunder;
- 42 **[o.] (16)** Governing the gaming-related advertising of casino
43 licensees, their employees and agents, with the view toward assuring that
44 such advertisements are in no way deceptive; provided, however, that such
45 regulations shall require the words "Bet with your head, not over it," or
46 some comparable language approved by the **[commission] division**, to
47 appear on all billboards, signs, and other on-site advertising of a casino

1 operation and shall require the words "If you or someone you know has a
2 gambling problem and wants help, call 1-800 GAMBLER," or some
3 comparable language approved by the **[commission]** division, which
4 language shall include the words "gambling problem" and "call 1-800
5 GAMBLER," to appear legibly on all print, billboard, and sign advertising
6 of a casino operation; and

7 **[p.] (17)** (Deleted by amendment, P.L.1991, c.182).

8 **[q.] (18)** Concerning the distribution and consumption of alcoholic
9 beverages on the premises of the licensee, which regulations shall be
10 insofar as possible consistent with Title 33 of the Revised Statutes, and
11 shall deviate only insofar as necessary because of the unique character of
12 the hotel casino premises and operations;

13 **[r.] (19)** (Deleted by amendment, P.L.1991, c.182).

14 **b.** The commission shall, in its regulations, prescribe the manner and
15 procedure of all hearings conducted by the commission, including special
16 rules of evidence applicable thereto and notices thereof.

17 (cf: P.L.2002, c.65, s.11)

18
19 ²**[28.] 27.**² Section 52 of P.L.1977, c.110 (C.5:12-52) is amended to
20 read as follows:

21 52. a. **[Initial appointments to the commission made pursuant to this**
22 **amendatory and supplementary act shall be for terms as follows:**

23 (1) One member for 2 years;

24 (2) One member for 3 years;

25 (3) One member for 4 years; and

26 (4) One member for 5 years.] (Deleted by amendment, P.L. , c.)

27 (pending before the Legislature as this bill)

28 **b.** **[The term of each of the members first appointed pursuant to this**
29 **amendatory and supplementary act shall be designated by the Governor.]**
30 (Deleted by amendment, P.L. , c.)(pending before the Legislature as this
31 bill)

32 **c.** **[After the initial appointments, all]** The commission shall consist of
33 five members who shall be appointed for terms of 5 years; provided,
34 however, that no member shall serve more than two terms of 5 years each.

35 **d.** Appointments to the commission **[and designation of the chairman]**
36 ⁴and designation of the chairman⁴ shall be made by the Governor with the
37 advice and consent of the Senate. Prior to nomination, the Governor shall
38 cause an inquiry to be conducted by the Attorney General into the
39 nominee's background, with particular regard to the nominee's financial
40 stability, integrity, and responsibility and his reputation for good character,
41 honesty, and integrity.

42 **e.** Appointments to fill vacancies on the commission shall be for the
43 unexpired term of the member to be replaced.

44 **f.** **[The member designated by the Governor to serve as chairman]**
45 ⁴[Commencing after the expiration of the term of the chair who is serving
46 on the effective date of P.L. , c. (pending before the Legislature as this
47 bill), the members of the commission shall elect a chairman from among

1 the members, who] The member designated by the Governor to serve as
2 chairman⁴ shall serve in such capacity throughout such member's entire
3 term and until his successor shall have been duly ~~appointed~~ ⁴~~appointed~~
4 ~~appointed~~⁴ and qualified. ⁴~~[The member who is serving as the chair of the~~
5 ~~commission on the effective date of P.L. , c. (pending before the~~
6 ~~Legislature as this bill) shall continue to serve in such capacity throughout~~
7 ~~such member's entire term and until the successor is duly elected and~~
8 ~~qualified.]~~⁴ No such member, however, shall serve in such capacity for
9 more than 10 years. The chairman shall be the chief executive officer of
10 the commission. All members shall devote full time to their duties of office
11 and shall not pursue or engage in any other business, occupation or other
12 gainful employment.

13 g. A commissioner may be removed from office for misconduct in
14 office, willful neglect of duty, or other conduct evidencing unfitness for his
15 office, or for incompetence. A proceeding for removal may be instituted by
16 the Attorney General in the Superior Court. Notwithstanding any provision
17 of this or any other act, any commissioner or employee of the commission
18 shall automatically forfeit his office or position upon conviction of any
19 crime. Any commissioner or employee of the commission shall be subject
20 to the duty to appear and testify and to removal from his office, position or
21 employment in accordance with the provisions of P.L.1970, c.72 (C.2A:81-
22 17.2a et seq.).

23 h. Each member of the commission shall serve for the duration of his
24 term and until his successor shall be duly appointed and qualified, ~~[subject~~
25 ~~to]~~ ⁴~~[notwithstanding] subject to~~⁴ the limitations in subsections c. and f. of
26 this section~~]; provided, however, that in the event that a successor is not~~
27 ~~duly appointed and qualified within 120 days after the expiration of the~~
28 ~~member's term, a vacancy shall be deemed to exist]~~ ⁴~~; provided, however,~~
29 ~~that in the event that a successor is not duly appointed and qualified within~~
30 ~~120 days after the expiration of the member's term, a vacancy shall be~~
31 ~~deemed to exist~~⁴.

32 (cf: P.L.1980, c.138, s.1)

33

34 ²~~[29.]~~ 28.² Section 54 of P.L.1977, c.110 (C.5:12-54) is amended to
35 read as follows:

36 54. Organization and Employees. a. The commission may establish, and
37 from time to time alter, such plan of organization as it may deem expedient,
38 and may incur expenses within the limits of funds available to it.

39 b. The commission shall elect annually by a majority of the full
40 commission one of its members, other than the chairman, to serve as vice-
41 chairman for the ensuing year. The vice-chairman shall be empowered to
42 carry out all of the responsibilities of the chairman as prescribed in this act
43 during his absence, disqualification, or inability to serve.

44 c. The commission shall appoint an executive secretary who shall
45 serve at its pleasure and shall be responsible for the conduct of its
46 administrative affairs. No person shall be eligible for such appointment
47 unless he shall have at least 5 years of responsible experience in public or

1 business administration or possesses broad management skills. The
2 position of executive secretary shall be in the unclassified service of the
3 civil service.

4 d. The commission may employ such other personnel as it deems
5 necessary. All employees of the commission, except for secretarial and
6 clerical personnel, shall be in the unclassified service of the Civil Service.
7 All employees of the commission shall be deemed confidential employees
8 for the purposes of the "New Jersey Employer-Employee Relations Act"
9 (P.L.1941, c.100; C.34:13A-1 et seq.), as amended. 【Notwithstanding the
10 provisions of any other law to the contrary, the commission may employ
11 legal counsel who shall represent the commission in any proceeding to
12 which it is a party, and who shall render legal advice to the commission
13 upon its request.】 ³Notwithstanding the provisions of any other law to the
14 contrary, the commission may employ legal counsel who shall represent the
15 commission in any proceeding to which it is a party, and who shall render
16 legal advice to the commission upon its request.³ The commission may
17 contract for the services of 【other】 ³other³ professional, technical and
18 operational personnel and consultants ³【, and of legal counsel.】³ as may be
19 necessary to the performance of its responsibilities under this act.

20 e. Members and employees of the commission shall be enrolled in the
21 Public Employees' Retirement System of New Jersey (P.L.1954, c.84;
22 C.43:15A-1 et seq.).
23 (cf: P.L.1987, c.354, s.1)

24
25 ²【30.】 29.² Section 58 of P.L.1977, c.110 (C.5:12-58) is amended to
26 read as follows:

27 58. Restrictions on Pre-Employment by Commissioners, Commission
28 Employees and Division Employees and Agents.

29 a. Deleted by amendment.

30 b. No person shall be appointed to or employed by the commission or
31 division if, during the period commencing three years prior to appointment
32 or employment, said person held any direct or indirect interest in, or any
33 employment by, any person which is licensed as a casino licensee pursuant
34 to section 87 of P.L.1977, c.110 (C.5:12-87) or as a casino service industry
35 enterprise pursuant to subsection a. of section 92 of P.L.1977, c.110
36 (C.5:12-92) or has an application 【for such a license】 pending 【before the
37 commission】; provided, however, that notwithstanding any other provision
38 of this act to the contrary, any such person may be appointed to or
39 employed by the commission or division if his interest in any such casino
40 licensee or casino service industry enterprise which is publicly traded
41 would not, in the opinion of the employing agency, interfere with the
42 objective discharge of such person's employment obligations, but in no
43 instance shall any person be appointed to or employed by the commission
44 or division if his interest in such a casino licensee or casino service industry
45 enterprise which is publicly traded constituted a controlling interest in that
46 casino licensee or casino service industry enterprise; and provided further,
47 however, that notwithstanding any other provision of this act to the

1 contrary, any such person may be employed by the commission or division
2 in a secretarial or clerical position if, in the opinion of the employing
3 agency, his previous employment by, or interest in, any such casino
4 licensee or casino service industry enterprise would not interfere with the
5 objective discharge of such person's employment obligations.

6 c. Prior to appointment or employment, each member of the
7 commission, each employee of the commission, the director of the Division
8 of Gaming Enforcement and each employee and agent of the division shall
9 swear or affirm that he possesses no interest in any business or organization
10 licensed by or registered with the commission.

11 d. Each member of the commission and the director of the division
12 shall file with the State Ethics Commission a financial disclosure statement
13 listing all assets and liabilities, property and business interests, and sources
14 of income of said member or director and said member's or director's
15 spouse, domestic partner or partner in a civil union, as the case may be, and
16 shall provide to the State Ethics Commission a financial disclosure
17 statement listing all assets and liabilities, property and business interests,
18 and sources of income of the parents, brothers, sisters, and children of said
19 member or director. Such statement shall be under oath and shall be filed
20 at the time of appointment and annually thereafter.

21 e. Each employee of the commission, except for secretarial and clerical
22 personnel, and each employee and agent of the division, except for
23 secretarial and clerical personnel, shall file with the State Ethics
24 Commission a financial disclosure statement listing all assets and liabilities,
25 property and business interests, and sources of income of said employee or
26 agent and said employee's or agent's spouse, domestic partner or partner in
27 a civil union, as the case may be. Such statement shall be under oath and
28 shall be filed at the time of employment and annually thereafter.
29 Notwithstanding the provisions of subsection (n) of section 10 of P.L.1971,
30 c.182 (C.52:13D-21), only financial disclosure statements filed by a
31 commission or division employee or agent who is in a policy-making
32 management position shall be posted on the Internet site of the State Ethics
33 Commission.

34 (cf: P.L.2009, c.36, s.4)

35
36 ²[31.] 30.² Section 59 of P.L.1977, c.110 (C.5:12-59) is amended to
37 read as follows:

38 59. Employment Restrictions on Commissioners, Commission
39 Employees and Division Employees.

40 a. The "New Jersey Conflicts of Interest Law," P.L.1971, c.182
41 (C.52:13D-12 et seq.) shall apply to members of the commission, **[and]** to
42 all employees of the commission, to the director and to all employees of the
43 division, except as herein specifically provided.

44 b. The commission shall**[, no later than January 1, 1981,]** promulgate
45 and maintain a Code of Ethics that is modeled upon the Code of Judicial
46 Conduct of the American Bar Association, as amended and adopted by the
47 Supreme Court of New Jersey. **[This Code of Ethics shall include, but not**
48 **be limited to, provisions that address the propriety of relationships and**

1 dealings between the commission and its staff, and licensees and applicants
2 for licensure under this act.]

3 c. The division shall promulgate and maintain a Code of Ethics
4 governing its specific needs.

5 d. The Codes of Ethics promulgated and maintained by the commission
6 and the division shall not be in conflict with the laws of this State, except,
7 however, that said Codes of Ethics may be more restrictive than any law of
8 this State.

9 e. The Codes of Ethics promulgated and maintained by the commission
10 and the division, and any amendments or restatements thereof, shall be
11 submitted to the State Ethics Commission for approval. The Codes of
12 Ethics shall include, but not be limited to provisions that:

13 (1) No commission member or employee or division director, employee
14 or agent shall be permitted to gamble in any establishment licensed by the
15 commission except in the course of his duties.

16 (2) No commission member or employee or division director, employee
17 or agent shall solicit or accept employment from any person licensed by or
18 registered with the commission or from any applicant for a period of four
19 years after termination of service with the commission or division, except
20 as otherwise provided in section 60 of this act.

21 (3) No commission member or employee or **[any]** division director,
22 employee or agent shall act in his official capacity in any matter wherein he
23 or his spouse, domestic partner or partner in a civil union, child, parent or
24 sibling has a direct or indirect personal financial interest that might
25 reasonably be expected to impair his objectivity or independence of
26 judgment.

27 (4) No commission member or employee or **[any]** division director,
28 employee or agent shall act in his official capacity in a matter concerning
29 an applicant for licensure or a licensee who is the employer of a spouse,
30 domestic partner or partner in a civil union, child, parent or sibling of said
31 commission or division employee or agent when the fact of the employment
32 of such spouse, domestic partner or partner in a civil union, child, parent or
33 sibling might reasonably be expected to impair the objectivity and
34 independence of judgment of said commission employee or division
35 employee or agent.

36 (5) No spouse, domestic partner or partner in a civil union, child, parent
37 or sibling of a commission member or the division director shall be
38 employed in any capacity by an applicant for a casino license or a casino
39 licensee nor by any holding, intermediary or subsidiary company thereof.

40 (6) No commission member shall meet with any person, except for any
41 other member of the commission or employee of the commission, or
42 discuss any issues involving any pending or proposed application or any
43 matter whatsoever which may reasonably be expected to come before the
44 commission, or any member thereof, for determination unless the meeting
45 or discussion takes place on the business premises of the commission,
46 provided, however, that commission members may meet to consider matters
47 requiring the physical inspection of equipment or premises at the location
48 of the equipment or premises. All meetings or discussions subject to this

1 paragraph shall be noted in a log maintained for this purpose and available
2 for inspection pursuant to the provisions of P.L.1963, c.73 (C.47:1A-1 et
3 seq.).

4 f. No commission member or employee or division director, employee
5 or agent shall have any interest, direct or indirect, in any applicant or in any
6 person licensed by or registered with the commission during his term of
7 office or employment.

8 g. Each commission member and employee of the commission,
9 **[including legal counsel,]** the division director and each employee and
10 agent of the division shall devote his entire time and attention to his duties
11 and shall not pursue any other business or occupation or other gainful
12 employment; provided, however, that secretarial and clerical personnel may
13 engage in such other gainful employment as shall not interfere with their
14 duties to the commission or division, unless otherwise directed; and
15 provided further, however, that other employees of the commission and
16 division and agents of the division may engage in such other gainful
17 employment as shall not interfere or be in conflict with their duties to the
18 commission or division, upon approval by the commission or the director of
19 the division, as the case may be.

20 h. No member of the commission, employee of the commission, or
21 director, employee or agent of the division shall:

22 (1) Use his official authority or influence for the purpose of interfering
23 with or affecting the result of an election or a nomination for office;

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

27 (3) Take any active part in political campaigns or the management
28 thereof; provided, however, that nothing herein shall prohibit a person from
29 voting as he chooses or from expressing his personal opinions on political
30 subjects and candidates.

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

39 (cf: P.L.2005, c.382, s.6)

40

41 ²**[32.]** 31.² Section 60 of P.L.1977, c.110 (C.5:12-60) is amended to
42 read as follows:

43 60. Post-employment restrictions.

44 a. No member of the commission nor the division director shall hold
45 any direct or indirect interest in, or be employed by, any applicant or by
46 any person licensed by or registered **[with the commission]** under this act
47 for a period of 4 years commencing on the date his membership on the
48 commission or directorship, as the case may be, terminates.

1 b. (1) No employee of the commission or employee or agent of the
2 division may acquire any direct or indirect interest in, or accept
3 employment with, any applicant or any person licensed by or registered
4 with the commission, for a period of two years commencing at the
5 termination of employment with the commission or division, except that a
6 secretarial or clerical employee of the commission or the division may
7 accept such employment at any time after the termination of employment
8 with the commission or division. At the end of two years and for a period
9 of two years thereafter, a former employee or agent who held a policy-
10 making management position at any time during the five years prior to
11 termination of employment may acquire an interest in, or accept
12 employment with, any applicant or person licensed by or registered with the
13 commission or division upon application to and the approval of the
14 commission or the director, as the case may be, upon a finding that the
15 interest to be acquired or the employment will not create the appearance of
16 a conflict of interest and does not evidence a conflict of interest in fact.

17 (2) Notwithstanding the provisions of this subsection, if the
18 employment of a commission employee or a division employee or agent,
19 other than an employee or agent who held a policy-making management
20 position at any time during the five years prior to termination of
21 employment, is terminated as a result of a reduction in the workforce at the
22 commission or division, the employee or agent may, at any time prior to the
23 end of the two-year period, accept employment with any applicant or
24 person licensed by or registered **[with the commission]** under this act upon
25 **[application to and the approval of]** ⁴**[notification to]** application to and
26 the approval of⁴ the division or the commission **[upon]** , as the case may
27 be, ⁴**[unless there is]** upon⁴ a finding that the employment will **[not]** ⁴**not**⁴
28 create the appearance of a conflict of interest and does **[not]** ⁴**not**⁴ evidence
29 a conflict of interest in fact. ⁴The commission or the division shall take
30 action on an application within 30 days of receipt and an application may
31 be submitted to the commission or the division prior to or after the
32 commencement of the employment.⁴ **[The decision of the commission**
33 **shall be final, and the employee or agent shall not be subject to a**
34 **determination by the State Ethics Commission under section 4 of P.L.1981,**
35 **c.142 (C.52:13D-17.2).]**

36 c. No commission member, division director, or person employed by
37 the commission or division shall represent any person or party other than
38 the State before or against the commission or division for a period of two
39 years from the termination of his office or employment with the
40 commission or division.

41 d. No partnership, firm or corporation in which a former commission
42 member or employee or former division director, employee or agent has an
43 interest, nor any partner, officer or employee of any such partnership, firm
44 or corporation shall make any appearance or representation which is
45 prohibited to said former member, employee, or agent; provided, however,
46 that nothing herein shall prohibit such partnership, firm or corporation from
47 making such appearance or representation on behalf of a casino service

1 industry enterprise licensed under subsection c. of section 92 of P.L.1977,
2 c.110 (C.5:12-92).

3 e. Notwithstanding any post-employment restriction imposed by this
4 section, nothing herein shall prohibit a former commission member or
5 employee or former division director, employee or agent, at any time after
6 termination of such membership or employment, from acquiring an interest
7 in, or soliciting or obtaining employment with, any person **[licensed]**
8 registered as a casino service industry enterprise under subsection c. of
9 section 92 of **[this act or any applicant for such licensure]** P.L.1977, c.110
10 (C.5:12-92).

11 (cf: P.L.2009, c.36, s.5)

12

13 ²**[33.]** 32.² Section 61 of P.L.1977, c.110 (C.5:12-61) is amended to
14 read as follows:

15 61. a. No applicant or person or organization licensed by or registered
16 **[with the commission]** under this act shall employ or offer to employ, or
17 provide, transfer or sell, or offer to provide, transfer or sell any interest,
18 direct or indirect, in any person licensed by or registered **[with the**
19 **commission]** under this act to any person restricted from such transactions
20 by the provisions of sections 58, 59, and 60 of **[this act]** P.L.1977, c.110
21 (C.5:12-58, 5:12-59 and 5:12-60).

22 b. The **[commission]** division shall impose such sanctions upon an
23 applicant or a licensed or registered person for violations of this section as
24 authorized by Article 9 of this act.

25 (cf: P.L.1977, c.110, s.61)

26

27 ²**[34.]** 33.² Section 63 of P.L.1977, c.110 (C.5:12-63) is amended to
28 read as follows:

29 63. Duties of the Commission. (1) The Casino Control Commission
30 shall have [general responsibility for the implementation of this act, as
31 hereinafter provided, including, without limitation, the responsibility] the
32 following responsibilities under this act:

33 a. To hear and decide promptly and in reasonable order (1) all
34 applications for a casino license, [registration, certificate, and permit
35 applications and causes affecting the granting, suspension, revocation, or
36 renewal thereof] including applications filed by all persons required
37 individually to qualify in connection therewith; (2) all applications for
38 interim casino authorization, including but not limited to applications filed
39 by persons required individually to qualify in connection therewith; (3)
40 statements of compliance issued pursuant to section 81 of P.L.1977, c.110
41 (C.5:12-81); and (4) all applications for a casino key employee license;

42 b. To **[conduct all hearings pertaining to civil violations of this act or**
43 **regulations promulgated hereunder]** review and decide any appeal from: (1)
44 a notice of violation and penalty assessment issued by the director upon any
45 applicant, qualifier, licensee or registrant under this act; (2) any
46 determination made by the director regarding: (i) any ruling on an

1 application for a casino service industry enterprise license; (ii) any ruling
2 on an application for any other license or qualification under this act; (iii) a
3 revocation of a license or registration; (iv) any ruling on a request for
4 statement of compliance; or (v) placement on an exclusion list;

5 c. To promulgate such regulations as **[in its judgment]** may be
6 necessary to **[fulfill the policies of this act]** conduct hearings under
7 subsections a. and b. of this section;

8 d. **[To collect all license and registration fees and taxes imposed by**
9 **this act and the regulations issued pursuant hereto;]** (Deleted by
10 amendment, P.L. , c.) (pending before the Legislature as this bill)

11 e. **[To levy and collect penalties for the violation of provisions of this**
12 **act and the regulations promulgated hereunder;]** (Deleted by amendment,
13 P.L. , c.) (pending before the Legislature as this bill)

14 f. **[To be present through its inspectors and agents at all times, except**
15 **as provided by section 4 of P.L.2008, c.23 (C.5:12-211), during the**
16 **operation of any casino or simulcasting facility for the purpose of certifying**
17 **the revenue thereof, receiving complaints from the public relating to the**
18 **conduct of gaming and simulcast wagering operations, examining records**
19 **of revenues and procedures, and conducting periodic reviews of operations**
20 **and facilities for the purpose of evaluating current or suggested provisions**
21 **of P.L.1977, c.110 (C.5:12-1 et seq.) and the regulations promulgated**
22 **thereunder;]** (Deleted by amendment, P.L. , c.) (pending before the
23 Legislature as this bill)

24 g. To refer to the division for investigation and prosecution any
25 evidence of a violation of P.L.1977, c.110 (C.5:12-1 et seq.) or the
26 regulations promulgated thereunder;

27 h. To review and rule upon any complaint by a casino licensee
28 regarding any investigative procedures of the division which are
29 unnecessarily disruptive of casino or simulcasting facility operations. The
30 need to inspect and investigate shall be presumed at all times. The
31 disruption of a licensee's operations shall be proved by clear and
32 convincing evidence, which evidence shall establish that: (1) the procedures
33 had no reasonable law enforcement purpose, and (2) the procedures were so
34 disruptive as to inhibit unreasonably casino or simulcasting facility
35 operations; and

36 i. **[To ensure that there is no duplication of duties and responsibilities**
37 **between it and the division]** (Deleted by amendment, P.L. , c.)(pending
38 before the Legislature as this bill)

39 j. To refer to the division for investigative hearing matters concerning
40 the conduct of gaming and gaming operations as well as the enforcement of
41 the provisions of P.L.1977, c.110 (C.5:12-1 et seq.).

42 (2) The Casino Control Commission shall proceed promptly, along with
43 the division, to take all actions as may be deemed necessary and
44 appropriate, including the promulgation of regulations, for the expeditious
45 implementation of Internet wagering when such wagering is permitted by
46 State and federal law.

47 (cf: P.L.2008, c.23, s.1)

1 ²[35.] 34.² Section 66 of P.L.1977, c.110 (C.5:12-66) is amended to
2 read as follows:

3 66. Investigative hearings. The **[commission]** division shall have the
4 authority to conduct investigative hearings concerning the conduct of
5 gaming and gaming operations as well as the enforcement of the provisions
6 of P.L.1977, c.110 (C.5:12-1 et seq.), as amended and supplemented, in
7 accordance with the procedures set forth in the act and any applicable
8 implementing regulations.
9 (cf: P.L.1995, c.18, s.15)

10

11 ²[36.] 35.² Section 68 of P.L.1977, c.110 (C.5:12-68) is amended to
12 read as follows:

13 68. Collection of Fees, Penalties or Tax. At any time within five years
14 after any amount of fees, interest, penalties or tax required to be collected
15 pursuant to the provisions of this act shall become due and payable, the
16 **[commission]** division may bring a civil action in the courts of this State or
17 any other state or of the United States, in the name of the State of New
18 Jersey, to collect the amount delinquent, together with penalties and
19 interest. An action may be brought whether or not the person owing the
20 amount is at such time an applicant, licensee or registrant pursuant to the
21 provisions of this act. If such action is brought in this State, a writ of
22 attachment may be issued and no bond or affidavit prior to the issuance
23 thereof shall be required. In all actions in this State, the records of the
24 commission and the division shall be prima facie evidence of the
25 determination of the fee or tax or the amount of the delinquency.

26 Each debt that is due and payable as a result of fees, interest, penalties,
27 or taxes required to be collected pursuant to the provisions of P.L.1977,
28 c.110 (C.5:12-1 et seq.) or the regulations promulgated thereunder,
29 including any compensation authorized pursuant to section 33 of P.L.1978,
30 c.7 (C.5:12-130.3), and each regulatory obligation imposed as a condition
31 upon the issuance or renewal of a casino license which requires the licensee
32 to maintain, as a fiduciary, a fund for a specific regulatory purpose, shall
33 constitute a lien on the real property in this State owned or hereafter
34 acquired by the applicant, licensee, or registrant owing such a debt or on
35 whom such an obligation has been imposed. Except as otherwise provided
36 in R.S.54:5-9, such a lien shall be a first lien paramount to all prior or
37 subsequent liens, claims, or encumbrances on that property.

38 (cf: P.L.1991, c.182, s.14)

39

40 ²[37.] 36.² Section 71 of P.L.1977, c.110 (C.5:12-71) is amended to
41 read as follows:

42 71. Regulation Requiring Exclusion of Certain Persons. a. The
43 **[commission]** division shall, by regulation, provide for the establishment
44 of a list of persons who are to be excluded or ejected from any licensed
45 casino establishment. Such provisions shall define the standards for
46 exclusion, and shall include standards relating to persons:

- 1 (1) Who are career or professional offenders as defined by regulations
2 **【of the commission】** promulgated hereunder;
- 3 (2) Who have been convicted of a criminal offense under the laws of
4 any state or of the United States, which is punishable by more than six
5 months in prison, or any crime or offense involving moral turpitude; or
- 6 (3) Whose presence in a licensed casino hotel would, in the opinion of
7 the **【commission】** director, be inimical to the interest of the State of New
8 Jersey or of licensed gaming therein, or both.
- 9 The **【commission】** division shall promulgate definitions establishing
10 those categories of persons who shall be excluded pursuant to this section,
11 including cheats and persons whose privileges for licensure or registration
12 have been revoked.
- 13 b. Race, color, creed, national origin or ancestry, or sex shall not be a
14 reason for placing the name of any person upon such list.
- 15 c. The **【commission】** division may impose sanctions upon a licensed
16 casino or individual licensee or registrant in accordance with the provisions
17 of this act if such casino or individual licensee or registrant knowingly fails
18 to exclude or eject from the premises of any licensed casino any person
19 placed by the **【commission】** division on the list of persons to be excluded
20 or ejected.
- 21 d. Any list compiled by the **【commission】** division of persons to be
22 excluded or ejected shall not be deemed an all-inclusive list, and licensed
23 casino establishments shall have a duty to keep from their premises persons
24 known to them to be within the classifications declared in paragraphs (1)
25 and (2) of subsection a. of this section and the regulations promulgated
26 thereunder, or known to them to be persons whose presence in a licensed
27 casino hotel would be inimical to the interest of the State of New Jersey or
28 of licensed gaming therein, or both, as defined in standards established by
29 the **【commission】** division.
- 30 e. **【Whenever the division petitions the commission to place】** Prior to
31 placing the name of any person on a list pursuant to this section, the
32 **【commission】** division shall serve notice of such fact to such person by
33 personal service, by certified mail at the last known address of such person,
34 or by publication daily for one week in a newspaper of general circulation
35 in Atlantic City.
- 36 f. Within 30 days after service of the petition in accordance with
37 subsection e. of this section, the person named for exclusion or ejection
38 may demand a hearing before the **【commission】** director or the director's
39 designee, at which hearing the **【division】** director or the director's
40 designee shall have the affirmative obligation to demonstrate by a preponderance of
41 the evidence that the person named for exclusion or ejection satisfies the
42 criteria for exclusion established by this section and the **【commission's】**
43 applicable regulations. Failure to demand such a hearing within 30 days
44 after service shall be deemed an admission of all matters and facts alleged
45 in the **【division's】** director's petition and shall preclude a person from
46 having an administrative hearing, but shall in no way affect his or her right
47 to judicial review as provided herein.

1 g. The division may [file an application with the commission
2 requesting] make a preliminary placement on the list of a person named in
3 a petition for exclusion or ejection pending completion of a hearing on the
4 petition. The hearing on the application for preliminary placement shall be
5 a limited proceeding at which the division shall have the affirmative
6 obligation to demonstrate that there is a reasonable possibility that the
7 person satisfies the criteria for exclusion established by this section and the
8 [commission's] applicable regulations. If a person has been placed on the
9 list as a result of an application for preliminary placement, unless otherwise
10 agreed by the [commission] director and the named person, a hearing on
11 the petition for exclusion or ejection shall be initiated within 30 days after
12 the receipt of a demand for such hearing or the date of preliminary
13 placement on the list, whichever is later.

14 h. If, upon completion of the hearing on the petition for exclusion or
15 ejection, the [commission] director determines that the person named
16 therein does not satisfy the criteria for exclusion established by this section
17 and the [commission's] applicable regulations, the [commission] director
18 shall issue an order denying the petition. If the person named in the
19 petition for exclusion or ejection had been placed on the list as a result of
20 an application for preliminary placement, the [commission] director shall
21 notify all casino licensees of [his or her] the person's removal from the
22 list.

23 i. If, upon completion of a hearing on the petition for exclusion or
24 ejection, the [commission] director determines that placement of the name
25 of the person on the exclusion list is appropriate, the [commission] director
26 shall make and enter an order to that effect, which order shall be served on
27 all casino licensees. Such order shall be subject to review by the
28 commission in accordance with regulations promulgated thereunder, which
29 final decision shall be subject to review by the Superior Court in
30 accordance with the rules of court.

31 (cf: P.L.1993, c.292, s.9)

32

33 ²[38.] 37.² Section 1 of P.L.2001, c.39 (C.5:12-71.2) is amended to
34 read as follows:

35 1. a. The [commission] division shall provide by regulation for the
36 establishment of a list of persons self-excluded from gaming activities at all
37 licensed casinos and simulcasting facilities. Any person may request
38 placement on the list of self-excluded persons by acknowledging in a
39 manner to be established by the [commission] division that the person is a
40 problem gambler and by agreeing that, during any period of voluntary
41 exclusion, the person may not collect any winnings or recover any losses
42 resulting from any gaming activity at such casinos and facilities.

43 b. The regulations of the [commission] division shall establish
44 procedures for placements on, and removals from, the list of self-excluded
45 persons. Such regulations shall establish procedures for the transmittal to
46 licensed casinos and simulcasting facilities of identifying information
47 concerning self-excluded persons, and shall require licensed casinos and

1 simulcasting facilities to establish procedures designed, at a minimum, to
2 remove self-excluded persons from targeted mailings or other forms of
3 advertising or promotions and deny self-excluded persons access to credit,
4 **[complementaries]** complimentaries, check cashing privileges club
5 programs, and other similar benefits.

6 c. A licensed casino or simulcasting facility or employee thereof shall
7 not be liable to any self-excluded person or to any other party in any
8 judicial proceeding for any harm, monetary or otherwise, which may arise
9 as a result of:

10 (1) the failure of a licensed casino or simulcasting facility to withhold
11 gaming privileges from, or restore gaming privileges to, a self-excluded
12 person; or

13 (2) otherwise permitting a self-excluded person to engage in gaming
14 activity in such licensed casino or simulcasting facility while on the list of
15 self-excluded persons.

16 d. Notwithstanding the provisions of P.L.1977, c.110 (C.5:12-1 et seq.)
17 or any other law to the contrary, the **[commission's]** division's list of self-
18 excluded persons shall not be open to public inspection. Nothing herein,
19 however, shall be construed to prohibit a casino licensee from disclosing
20 the identity of persons self-excluded pursuant to this section to affiliated
21 gaming entities in this State or other jurisdictions for the limited purpose of
22 assisting in the proper administration of responsible gaming programs
23 operated by such gaming affiliated entities.

24 e. A licensed casino or simulcasting facility or employee thereof shall
25 not be liable to any self-excluded person or to any other party in any
26 judicial proceeding for any harm, monetary or otherwise, which may arise
27 as a result of disclosure or publication in any manner, other than a willfully
28 unlawful disclosure or publication, of the identity of any self-excluded
29 person.

30 (cf: P.L.2002, c.65, s.12)

31

32 ²**[39.]** 38.² Section 2 of P.L.2001, c.39 (C.5:12-71.3) is amended to
33 read as follows:

34 2. a. A person who is prohibited from gaming in a licensed casino or
35 simulcasting facility by any provision of P.L.1977, c.110 (C.5:12-1 et seq.)
36 or any order of the director, commission, or court of competent jurisdiction,
37 including any person on the self-exclusion list pursuant to section 1 of
38 P.L.2001, c.39 (C.5:12-71.2), shall not collect, in any manner or
39 proceeding, any winnings or recover any losses arising as a result of any
40 prohibited gaming activity.

41 b. For the purposes of P.L.1977, c.110 (C.5:12-1 et seq.), any gaming
42 activity in a licensed casino or simulcasting facility which results in a
43 prohibited person obtaining any money or thing of value from, or being
44 owed any money or thing of value by, the casino or simulcasting facility
45 shall be considered, solely for purposes of this section, to be a fully
46 executed gambling transaction.

47 c. In addition to any other penalty provided by law, any money or
48 thing or value which has been obtained by, or is owed to, any prohibited

1 person by a licensed casino or simulcasting facility as a result of wagers
2 made by a prohibited person shall be subject to forfeiture [by order of the
3 commission, on complaint of the division,] following notice to the
4 prohibited person and opportunity to be heard. A licensed casino or
5 simulcasting facility shall inform a prohibited person of the availability of
6 such notice on the division's Internet website when ejecting the prohibited
7 person and seizing any chips, vouchers or other representative of money
8 owed by a casino to the prohibited person as authorized by this subsection.

9 Of any forfeited amount under \$100,000, one-half shall be deposited into
10 the State General Fund for appropriation by the Legislature to the
11 Department of Health and Senior Services to provide funds for compulsive
12 gambling treatment and prevention programs in the State and the remaining
13 one-half shall be deposited into the Casino Revenue Fund. Of any forfeited
14 amount of \$100,000 or more, \$50,000 shall be deposited into the State
15 General Fund for appropriation by the Legislature to the Department of
16 Health and Senior Services to provide funds for compulsive gambling
17 treatment and prevention programs and the remainder shall be deposited
18 into the Casino Revenue Fund.

19 d. In any proceeding brought by the division against a licensee or
20 registrant pursuant to section 108 of P.L.1977, c.110 (C.5:12-108) for a
21 willful violation of the commission's self-exclusion regulations, the
22 [commission] division may order, in addition to any other sanction
23 authorized by section 129 of P.L.1977, c.110 (C.5:12-129), the forfeiture of
24 any money or thing of value obtained by the licensee or registrant from any
25 self-excluded person. Any money or thing of value so forfeited shall be
26 disposed of in the same manner as any money or thing of value forfeited
27 pursuant to subsection c. of this section.

28 (cf: P.L.2001, c.39, s.2)

29
30 ²[40.] 39.² Section 72 of P.L.1977, c.110 (C.5:12-72) is amended to
31 read as follows:

32 72. Commission reports and recommendations. The commission, in
33 consultation with the division, shall carry on a continuous study of the
34 operation and administration of casino control laws which may be in effect
35 in other jurisdictions, literature on this subject which may from time to time
36 become available, federal laws which may affect the operation of casino
37 gaming in this State, and the reaction of New Jersey citizens to existing and
38 potential features of casino gaming under this act. It shall be responsible for
39 ascertaining any defects in this act or in the rules and regulations issued
40 thereunder, formulating recommendations for changes in this act to prevent
41 abuses thereof, guarding against the use of this act as a cloak for the
42 carrying on of illegal gambling or other criminal activities, and insuring
43 that this act and the rules and regulations shall be in such form and be so
44 administered as to serve the true purposes of this act. The commission, after
45 consultation with the division, shall make to the Governor and the
46 Legislature an annual report of all revenues, expenses and disbursements,
47 and shall include therein such recommendations for changes in this act as
48 the commission or division deems necessary or desirable. The commission,

1 after consultation with the division, shall also report recommendations that
2 promote more efficient operations of the division and the commission. The
3 commission, after consultation with the division, shall report immediately
4 to the Governor and the Legislature any matters which in its judgment
5 require immediate changes in the laws of this State in order to prevent
6 abuses and evasions of this act or of rules and regulations promulgated
7 hereunder, or to rectify undesirable conditions in connection with the
8 operation and regulation of casino gaming.

9 (cf: P.L.1995, c.18, s.19)

10

11 ²[41.] 40.² Section 74 of P.L.1977, c.110 (C.5:12-74) is amended to
12 read as follows:

13 74. Minutes and Records. a. The Executive Secretary of the
14 commission shall cause to be made and kept a record and verbatim
15 transcripts of all proceedings held at public meetings of the commission.
16 **[A verbatim transcript of those proceedings shall be prepared by the**
17 **commission upon the request of any commissioner or upon the request of**
18 **any other person and the payment by that person of the costs of**
19 **preparation.]** A copy of **[a]** any such verbatim transcript shall be made
20 available to any person upon request and payment of the costs of preparing
21 the copy.

22 A true copy of the minutes of every meeting of the commission and of
23 any regulations finally adopted by the commission shall be forthwith
24 delivered, by and under the certification of the executive secretary, to the
25 Governor, the Secretary of the Senate, and the Clerk of the General
26 Assembly.

27 b. The division or the commission, as appropriate, shall keep and
28 maintain a list of all applicants for licenses and registrations under this act
29 together with a record of all actions taken with respect to such applicants,
30 which file and record shall be open to public inspection; provided,
31 however, that the foregoing information regarding any applicant whose
32 license or registration has been denied~~[,]~~ or revoked~~[,]~~ or not renewed]
33 shall be removed from such list after five years from the date of such
34 action.

35 c. The Executive Secretary of the commission shall maintain such
36 other files and records as may be deemed desirable.

37 d. **[Except as provided in subsection h. of this section, all information**
38 **and data required by the commission to be furnished hereunder, or which**
39 **may otherwise be obtained, relative to the internal controls specified in**
40 **section 99a. of this act or to the earnings or revenue of any applicant,**
41 **registrant, or licensee shall be considered to be confidential and shall not be**
42 **revealed in whole or in part except in the course of the necessary**
43 **administration of this act, or upon the lawful order of a court of competent**
44 **jurisdiction, or, with the approval of the Attorney General, to a duly**
45 **authorized law enforcement agency.]** (Deleted by amendment, P.L. , c.)
46 (pending before the Legislature as this bill)

- 1 e. [All information and data pertaining to an applicant's criminal
2 record, family, and background furnished to or obtained by the commission
3 from any source shall be considered confidential and shall be withheld in
4 whole or in part, except that any information shall be released upon the
5 lawful order of a court of competent jurisdiction or, with the approval of
6 the Attorney General, to a duly authorized law enforcement agency.]
7 (Deleted by amendment, P.L. , c.)(pending before the Legislature as
8 this bill)
- 9 f. [Notice of the contents of any information or data released, except
10 to a duly authorized law enforcement agency pursuant to subsection d. or e.
11 of this section, shall be given to any applicant, registrant, or licensee in a
12 manner prescribed by the rules and regulations adopted by the
13 commission.] (Deleted by amendment, P.L. , c.)(pending before the
14 Legislature as this bill)
- 15 g. Files, records, reports and other information in the possession of the
16 New Jersey Division of Taxation pertaining to licensees shall be made
17 available to the commission and the division as may be necessary to the
18 effective administration of this act.
- 19 h. [The following information to be reported periodically to the
20 commission by a casino licensee shall not be considered confidential and
21 shall be made available for public inspection:
- 22 (1) A licensee's gross revenue from all authorized games as herein
23 defined, and its gross revenue from simulcast wagering;
- 24 (2) (a) The dollar amount of patron checks initially accepted by a
25 licensee, (b) the dollar amount of patron checks deposited to the licensee's
26 bank account, (c) the dollar amount of such checks initially dishonored by
27 the bank and returned to the licensee as "uncollected," and (d) the dollar
28 amount ultimately uncollected after all reasonable efforts;
- 29 (3) The amount of gross revenue tax or investment alternative tax
30 actually paid and the amount of investment, if any, required and allowed,
31 pursuant to section 144 of P.L.1977, c.110 (C.5:12-144) and section 3 of
32 P.L.1984, c.218 (C.5:12-144.1);
- 33 (4) A list of the premises and the nature of improvements, costs thereof
34 and the payees for all such improvements, which were the subject of an
35 investment required and allowed pursuant to section 144 of P.L.1977, c.110
36 (C.5:12-144) and section 3 of P.L.1984, c.218 (C.5:12-144.1);
- 37 (5) The amount, if any, of tax in lieu of full local real property tax paid
38 pursuant to section 146, and the amount of profits, if any, recaptured
39 pursuant to section 147;
- 40 (6) A list of the premises, nature of improvements and costs thereof
41 which constitute the cumulative investments by which a licensee has
42 recaptured profits pursuant to section 147; and
- 43 (7) All quarterly and annual financial statements presenting historical
44 data which are submitted to the commission, including all annual financial
45 statements which have been audited by an independent certified public
46 accountant licensed to practice in the State of New Jersey.

1 Nothing in this subsection shall be construed to limit access by the
2 public to those forms and documents required to be filed pursuant to Article
3 11 of this act.】 (Deleted by amendment, P.L. , c.)(pending before the
4 Legislature as this bill)

5 i. The division shall keep and maintain records in accordance with the
6 division’s regulations promulgated hereunder.

7 (cf: P.L.1993, c.292, s.10)

8
9 ²[42.] 41.² Section 75 of P.L.1977, c.110 (C.5:12-75) is amended to
10 read as follows:

11 75. The commission and the division may exercise any proper power or
12 authority necessary to perform the duties assigned to **【it】** each entity by
13 law, and no specific enumeration of powers in this act shall be read to limit
14 the authority of the **【commission】** division to administer this act.

15 (cf: P.L.1977, c.110, s.75)

16
17 ²[43.] 42.² Section 76 of P.L.1977, c.110 (C.5:12-76) is amended to
18 read as follows:

19 76. General Duties and Powers.

20 **【a.】** The Division of Gaming Enforcement shall have the general
21 responsibility for the implementation of P.L.1977, c.110, (C.5:12-1 et seq.),
22 and to issue any approvals necessary as hereinafter provided, including
23 without limitation, the responsibility to:

24 a. Enforce the provisions of this act and any regulations promulgated
25 hereunder;

26 b. **【(1) promptly】** Promptly and in reasonable order investigate all
27 applications**【,** enforce the provisions of this act and any regulations
28 promulgated hereunder, and prosecute before the commission all
29 proceedings for violations of this act or any regulations promulgated
30 hereunder**】** for licensure and all registrations under this act;

31 c. Issue reports and recommendations to the commission with respect
32 to all entities and natural persons required to qualify for a casino license, an
33 application for interim casino authorization or a petition for a statement of
34 compliance;

35 d. Promptly and in reasonable order review and approve or deny all
36 casino service industry enterprise license applications;

37 e. Accept and maintain registrations for all casino employee and
38 vendor registrants;

39 f. Revoke any registration or casino service industry enterprise license
40 upon findings pursuant to the disqualification criteria in section 86 of
41 P.L.1977, c.110 (C.5:12-86);

42 g. Promulgate such regulations as may be necessary to fulfill the
43 policies of this act;

44 h. Initiate and decide any actions against licensees or registrants for
45 violation of this act or regulations promulgated hereunder, and impose
46 sanctions and levy and collect penalties upon finding violations;

- 1 **[(2) provide]** i. Provide the commission with all information that the
2 director deems necessary for [all] any action to be taken by the
3 commission under Article 6 of [this act] P.L.1977, c.110 (C.5:12-80
4 through 95); [and for all proceedings involving enforcement of the
5 provisions of this act or any regulations promulgated hereunder; and
6 (3) ensure that there is no duplication of duties and responsibilities
7 between it and the commission.
8 b. The division shall:
9 (1) Investigate the qualifications of each applicant before any license,
10 certificate, or permit is issued pursuant to the provisions of this act;
11 (2) Investigate the circumstances surrounding any act or transaction for
12 which commission approval is required;
13 (3) Investigate violations of this act and regulations promulgated
14 hereunder;
15 (4) **j.** Initiate, prosecute and defend [such proceedings before the
16 commission, or] appeals [therefrom], as the [division] director may deem
17 appropriate;
18 **[(5)]** Provide assistance upon request by the commission in the
19 consideration and promulgation of rules and regulations;
20 (6) **k.** Conduct continuing reviews of casino operations through on-site
21 observation and other reasonable means to assure compliance with this act
22 and regulations promulgated hereunder, subject to subsection h. of section
23 63 of [this act] P.L.1977, c.110 (C.5:12-63);
24 **[(7)]** **l.** Receive and take appropriate action on any referral from the
25 commission relating to any evidence of a violation of P.L.1977, c.110
26 (C.5:12-1 et seq.) or the regulations promulgated thereunder;
27 **[(8)]** **m.** Exchange fingerprint data with, and receive criminal history
28 record information from, the Federal Bureau of Investigation for use in
29 considering applicants for any license or registration issued pursuant to the
30 provisions of P.L.1977, c.110 (C.5:12-1 et seq.);
31 **[(9)]** **n.** Conduct audits of casino operations at such times, under such
32 circumstances, and to such extent as the director shall determine, including
33 reviews of accounting, administrative and financial records, and
34 management control systems, procedures and records utilized by a casino
35 licensee;
36 **[(10)]** Be entitled to request **o.** Request and receive information,
37 materials and any other data from any licensee or registrant, or applicant for
38 a license or registration under this act; and
39 **[(11)]** **p.** Report to the Attorney General recommendations that promote
40 more efficient operations of the division.
41 q. Receive complaints from the public relating to the conduct of
42 gaming and simulcasting operations, examine records and procedures, and
43 conduct periodic reviews of operations and facilities for the purpose of
44 evaluating current or suggested provisions of P.L.1977, c.110 (C.5:12-1 et
45 seq.) and the regulations promulgated thereunder, as the director deems
46 appropriate;

1 r. Certify the revenue of any casino or simulcasting facility in such
2 manner as the director deems appropriate;

3 s. Create and maintain a list of all excluded patrons;

4 t. Initiate and decide all actions for involuntary exclusion of patrons
5 pursuant to section 71 of P.L.1977, c.110 (C.5:12-71);

6 u. Issue an operation certificate upon the commission's grant of an
7 application for a casino license;

8 v. Recommend that the commission issue or revoke statements of
9 compliance pursuant to section 81 of P.L.1977, c.110 (C.5:12-81) and the
10 regulations promulgated thereunder;

11 w. Accept impact statements submitted by an applicant for a casino
12 license pursuant to section 84 of P.L.1977, c.110 (C.5:12-84); and

13 x. Utilize, in its discretion, the services of a private entity for the
14 purpose of expediting criminal history record background checks required
15 to be performed by the division pursuant to the provisions of P.L.1977,
16 c.110 (C.5:12-1 et seq.), provided that the private entity has been awarded a
17 contract in accordance with the public contracting laws of this State.

18 (cf: P.L.1995, c.18, s.20)

19
20 ²[44.] 43.² (New section) a. Except as otherwise provided in this act,
21 all information and data required by the division or commission to be
22 furnished pursuant to the act or the regulations promulgated hereunder, or
23 which may otherwise be obtained, relative to the internal controls specified
24 in subsection a. of section 99 of P.L.1977, c.110 (C.5:12-99) or to the
25 earnings or revenue of any applicant, registrant, or licensee shall be
26 considered to be confidential and shall not be revealed in whole or in part
27 except in the course of the necessary administration of this act, or upon the
28 lawful order of a court of competent jurisdiction, or, with the approval of
29 the Attorney General, to a duly authorized law enforcement agency.

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

37 c. Notice of the contents of any information or data released, except to
38 a duly authorized law enforcement agency pursuant to subsection a. or b. of
39 this section, shall be given to any applicant, registrant, or licensee in a
40 manner prescribed by the rules and regulations adopted by the division.

41 d. The following information to be reported periodically to the division
42 by a casino licensee shall not be considered confidential and shall be made
43 available for public inspection:

44 (1) A licensee's gross revenue from all authorized games as defined
45 herein, and the licensee's gross revenue from simulcast wagering;

46 (2) (i) The dollar amount of patron checks initially accepted by a
47 licensee, (ii) the dollar amount of patron checks deposited to the licensee's
48 bank account, (iii) the dollar amount of such checks initially dishonored by

1 the bank and returned to the licensee as uncollected, and (iv) the dollar
2 amount ultimately uncollected after all reasonable efforts;

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

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

11 (5) The amount, if any, of tax in lieu of full local real property tax paid
12 pursuant to section 146 of P.L.1977, c.110 (C.5:12-146), and the amount of
13 profits, if any, recaptured pursuant to section 147 of P.L.1977, c.110
14 (C.5:12-147);

15 (6) A list of the premises, nature of improvements and costs thereof
16 which constitute the cumulative investments by which a licensee has
17 recaptured profits pursuant to section 147 of P.L.1977, c.110 (C.5:12-147);
18 and

19 (7) All quarterly and annual financial statements presenting historical
20 data which are submitted to the division, including all annual financial
21 statements which have been audited by an independent certified public
22 accountant licensed to practice in the State of New Jersey.

23 Nothing in this subsection shall be construed to limit access by the
24 public to those forms and documents required to be filed pursuant to Article
25 11 of this act.

26
27 ²[45.] 44.² Section 80 of P.L.1977, c.110 (C.5:12-80) is amended to
28 read as follows:

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

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

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

47 d. All applicants, licensees, registrants, and any other person who shall
48 be qualified pursuant to this act shall have the continuing duty to provide

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

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

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

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

28 h. (Deleted by amendment, P.L.1995, c.18.)

29 (cf: P.L.2009, c.36, s.6)

30

31 ²[46.] 45.² Section 81 to P.L.1977, c.110 (C.5:12-81) is amended to
32 read as follows:

33 81. Statement of compliance.

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

1 **[commission]** director that the applicant actually intends, if found
2 qualified, to engage in the business or activity that would require the
3 issuance of the license or the determination of qualification status.

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

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

43 b. Any statement of compliance issued under P.L.1977, c.110 (C.5:12-
44 1 et seq.) shall specify:

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

- 1 (2) the date as of which such satisfaction was determined by the
2 commission;
- 3 (3) the continuing obligation of the applicant or person to file any
4 information required by the **[commission or]** division as part of any
5 application for a license or qualification status, including information
6 related to the eligibility criterion for which the statement of compliance was
7 issued; and
- 8 (4) the obligation of the applicant or person to reestablish its
9 satisfaction of the eligibility criterion should there be a change in any
10 material fact or circumstance that is relevant to the eligibility criterion for
11 which the statement of compliance was issued.
- 12 c. **[A statement of compliance certifying satisfaction of all of the**
13 **requirements of subsection e. of section 84 of this act with respect to a**
14 **specific casino hotel proposal submitted by an eligible applicant may be**
15 **accompanied by a written commitment from the commission that a casino**
16 **license shall be reserved for a period not to exceed 30 months or within**
17 **such additional time period as the commission may, upon a showing of**
18 **good cause therefor, establish and shall be issued to such eligible applicant**
19 **with respect to such proposal provided that such applicant (1) complies in**
20 **all respects with the provisions of this act, (2) qualifies for a casino license**
21 **within a period not to exceed 30 months of the date of such commitment or**
22 **within such additional time period as the commission may, upon a showing**
23 **of good cause therefor, establish, and (3) complies with such other**
24 **conditions as the commission shall impose. The commission may revoke**
25 **such reservation at any time it finds that the applicant is disqualified from**
26 **receiving or holding a casino license or has failed to comply with any**
27 **conditions imposed by the commission. Such reservation shall be**
28 **automatically revoked if the applicant does not qualify for a casino license**
29 **within the period of such commitment. No license other than a casino**
30 **license shall be reserved by the commission.]** (Deleted by amendment,
31 P.L. , c.)(pending before the Legislature as this bill)
- 32 d. Any statement of compliance issued pursuant to this section shall be
33 withdrawn by the commission if:
- 34 (1) the applicant or person otherwise fails to satisfy the standards for
35 licensure or qualification;
- 36 (2) the applicant or person fails to comply with any condition imposed
37 **[by the commission];** or
- 38 (3) the commission finds, on recommendation of the division, cause to
39 revoke the statement of compliance for any other reason.
- 40 e. Notwithstanding any other provision of this section, unless
41 otherwise extended by the commission upon application by the recipient
42 and for good cause shown, any statement of compliance issued by the
43 commission pursuant to this section shall expire 48 months after its date of
44 issuance**[, unless the recipient also has received a commitment for the**
45 **reservation of a casino license, in which case the statement of compliance**
46 **shall expire on the same date as the commitment].**

1 f. [Any statement of compliance issued by the commission prior to the
2 effective date of this amendatory and supplementary act, P.L.2002, c.65,
3 shall expire in accordance with the provisions of subsection e. of this
4 section as if the statement had been issued on such effective date, unless the
5 statement is otherwise extended, withdrawn or revoked prior to such date in
6 accordance with the provisions of this section.] (Deleted by amendment,
7 P.L. , c.) (pending before the Legislature as this bill)
8 (cf: P.L.2002, c.65, s.13)
9

10 ²[47.] 46.² Section 82 of P.L.1977, c.110 (C.5:12-82) is amended to
11 read as follows:

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

14 b. Only the following persons shall be eligible to hold a casino license;
15 and, unless otherwise determined by the commission with the concurrence
16 of the Attorney General which may not be unreasonably withheld in
17 accordance with subsection c. of this section, each of the following persons
18 shall be required to hold a casino license prior to the operation of a casino
19 in the casino hotel with respect to which the casino license has been applied
20 for:

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

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

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

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

37 c. Prior to the operation of a casino and, if applicable, a casino
38 simulcasting facility, every agreement to lease an approved casino hotel or
39 the land thereunder and every agreement for the management of the casino
40 and, if applicable, any authorized games in a casino simulcasting facility,
41 shall be in writing and filed with the commission and the division. No such
42 agreement shall be effective unless expressly approved by the commission.
43 The commission may require that any such agreement include within its
44 terms any provision reasonably necessary to best accomplish the policies of
45 this act. Consistent with the policies of this act:

46 (1) The commission, with the concurrence of the Attorney General
47 which may not be unreasonably withheld, may determine that any person
48 who does not have the ability to exercise any significant control over either

- 1 the approved casino hotel or the operation of the casino contained therein
2 shall not be eligible to hold or required to hold a casino license;
- 3 (2) The commission, with the concurrence of the Attorney General
4 which may not be unreasonably withheld, may determine that any owner,
5 lessor or lessee of an approved casino hotel or the land thereunder who
6 does not own or lease ~~the entire~~ a significant portion of an approved
7 casino hotel shall not be eligible to hold or required to hold a casino
8 license;
- 9 (3) The commission shall require that any person or persons eligible to
10 apply for a casino license organize itself or themselves into such form or
11 forms of business association as the commission shall deem necessary or
12 desirable in the circumstances to carry out the policies of this act;
- 13 (4) The commission may issue separate casino licenses to any persons
14 eligible to apply therefor;
- 15 (5) As to agreements to lease an approved casino hotel or the land
16 thereunder, unless it expressly and by formal vote for good cause
17 determines otherwise, the commission shall require that each party thereto
18 hold either a casino license or casino service industry enterprise license and
19 that such an agreement ~~be for a durational term exceeding 30 years,~~
20 ~~concern 100% of the entire approved casino hotel or of the land upon which~~
21 ~~same is located, and~~ shall include within its terms a buy-out provision
22 conferring upon the casino licensee-lessee who controls the operation of the
23 approved casino hotel the absolute right to purchase for an expressly set
24 forth fixed sum the entire interest of the lessor or any person associated
25 with the lessor in the approved casino hotel or the land thereunder in the
26 event that said lessor or said person associated with the lessor is found by
27 the commission or director, as the case may be, to be unsuitable to be
28 associated with a casino enterprise;
- 29 (6) The commission shall not permit an agreement for the leasing of an
30 approved casino hotel or the land thereunder to provide for the payment of
31 an interest, percentage or share of money gambled at the casino or derived
32 from casino gaming activity or of revenues or profits of the casino unless
33 the party receiving payment of such interest, percentage or share is a party
34 to the approved lease agreement; unless each party to the lease agreement
35 holds either a casino license or casino service industry enterprise license
36 ~~and unless the agreement is for a durational term exceeding 30 years,~~
37 ~~concerns a significant portion of the entire approved casino hotel or of the~~
38 ~~land upon which same is located~~, and includes within its terms a buy-out
39 provision conforming to that described in paragraph (5) above;
- 40 (7) As to agreements for the management of a casino and, if applicable,
41 the authorized games in a casino simulcasting facility, the commission shall
42 require that each party thereto hold a casino license or a casino service
43 industry enterprise license pursuant to subsection a. of section 92 of
44 P.L.1977, c.110 (C.5:12-92), that the party thereto who is to manage the
45 casino gaming operations own at least 10% of all outstanding equity
46 securities of any casino licensee or of any eligible applicant for a casino
47 license if the said licensee or applicant is a corporation and the ownership

1 of an equivalent interest in any casino licensee or in any eligible applicant
2 for a casino license if same is not a corporation, and that such an agreement
3 be for the complete management of all casino space in the casino hotel and,
4 if applicable, all authorized games in a casino simulcasting facility, provide
5 for the sole and unrestricted power to direct the casino gaming operations
6 of the casino hotel which is the subject of the agreement, and be for such a
7 durational term as to assure reasonable continuity, stability and
8 independence in the management of the casino gaming operations, provided
9 that the provisions of this paragraph shall not apply to a slot system
10 agreement between a group of casino licensees and a casino service
11 industry enterprise licensed pursuant to subsection a. of section 92 of
12 P.L.1977, c.110 (C.5:12-92), or an eligible applicant for such license, and
13 that, with regard to such agreements, the casino service industry enterprise
14 licensee or applicant may operate and administer the multi-casino
15 progressive slot machine system, including, but not limited to, the operation
16 of a monitor room or the payment of progressive **[jackpots]**, including
17 annuity ³, ³ jackpots, or both, and further provided that the obligation to pay
18 a progressive jackpot or establish an annuity jackpot guarantee shall be the
19 sole responsibility of the casino licensee or casino service industry
20 enterprise licensee or applicant designated in the slot system agreement and
21 that no other party shall be jointly or severally liable for the payment or
22 funding of such jackpots or guarantees unless such liability is specifically
23 established in the slot system agreement;

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

30 (9) Notwithstanding any other provision of P.L.1977, c.110 (C.5:12-1 et
31 seq.) to the contrary, the commission may permit an agreement between a
32 casino licensee and a casino service industry enterprise licensed pursuant to
33 the provisions of subsection a. of section 92 of P.L.1977, c.110 (C.5:12-92)
34 for the conduct of casino simulcasting in a simulcasting facility or for the
35 operation of a multi-casino progressive slot machine system, to provide for
36 the payment to the casino service industry enterprise of an interest,
37 percentage or share of the money derived from the casino licensee's share
38 of proceeds from simulcast wagering activity or the operation of a multi-
39 casino progressive slot machine system; and

40 (10) As to agreements to lease an approved casino hotel or the land
41 thereunder, agreements to jointly own an approved casino hotel or the land
42 thereunder and agreements for the management of casino gaming
43 operations or for the conduct of casino simulcasting in a simulcasting
44 facility, the commission shall require that each party thereto, except for a
45 banking or other chartered or licensed lending institution or any subsidiary
46 thereof, or any chartered or licensed life insurance company or property and
47 casualty insurance company, or the State of New Jersey or any political
48 subdivision thereof or any agency or instrumentality of the State or any

1 political subdivision thereof, shall be jointly and severally liable for all
2 acts, omissions and violations of this act by any party thereto regardless of
3 actual knowledge of such act, omission or violation and notwithstanding
4 any provision in such agreement to the contrary. Notwithstanding the
5 foregoing, nothing in this paragraph shall require a casino licensee to be
6 jointly and severally liable for any acts, omissions or violations of this act,
7 P.L.1977, c.110 (C.5:12-1 et seq.), committed by any casino service
8 industry enterprise licensee or applicant performing as a slot system
9 operator pursuant to a slot system agreement.

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

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

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

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

19 (4) The corporation shall maintain a ledger in the principal office of the
20 corporation in New Jersey which shall at all times reflect the current
21 ownership of every class of security issued by the corporation and shall be
22 available for inspection by the commission or the division and authorized
23 agents of the commission and the division at all reasonable times without
24 notice;

25 (5) The corporation shall maintain all operating accounts required by
26 the commission in a bank in New Jersey, except that a casino licensee may
27 establish deposit-only accounts in any jurisdiction in order to obtain
28 payment of any check described in section 101 of P.L.1977, c.110 (C.5:12-
29 101);

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

33 (7) The corporation, if it is not a publicly traded corporation, shall file
34 with the **【commission】** division such adopted corporate charter provisions
35 as may be necessary to establish the right of prior approval by the
36 commission with regard to transfers of securities, shares, and other interests
37 in the applicant corporation; and, if it is a publicly traded corporation,
38 provide in its corporate charter that any securities of such corporation are
39 held subject to the condition that if a holder thereof is found to be
40 disqualified **【by the commission】** pursuant to the provisions of this act,
41 such holder shall dispose of his interest in the corporation; provided,
42 however, that, notwithstanding the provisions of N.J.S.14A:7-12 and
43 N.J.S.12A:8-101 et seq., nothing herein shall be deemed to require that any
44 security of such corporation bear any legend to this effect;

45 (8) The corporation, if it is not a publicly traded corporation, shall
46 establish to the satisfaction of the **【commission】** division that appropriate
47 charter provisions create the absolute right of such non-publicly traded
48 corporations and companies to repurchase at the market price or the

1 purchase price, whichever is the lesser, any security, share or other interest
2 in the corporation in the event that the commission disapproves a transfer in
3 accordance with the provisions of this act;

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

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

14 **【Notwithstanding the foregoing, any corporation or company which had
15 bylaw provisions approved by the commission prior to the effective date of
16 this 1987 amendatory act shall have one year from the effective date of this
17 1987 amendatory act to adopt appropriate charter provisions in accordance
18 with the requirements of this subsection.】**

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

23 e. No person shall be issued or be the holder of a casino license if the
24 issuance or the holding results in undue economic concentration in Atlantic
25 City casino operations by that person. ³For the purpose of this subsection,
26 "undue economic concentration" means that a person would have such
27 actual or potential domination of the casino gaming market in Atlantic City
28 as to substantially impede or suppress competition among casino licensees
29 or adversely impact the economic stability of the casino industry in Atlantic
30 City. In determining whether the issuance or holding of a casino license by
31 a person will result in undue economic concentration, the commission shall
32 consider the following criteria:

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

- 35 The total number of licensed casinos in this State;
- 36 Total casino and casino simulcasting facility square footage;
- 37 Number of guest rooms;
- 38 Number of slot machines;
- 39 Number of table games;
- 40 Net revenue;
- 41 Table game win;
- 42 Slot machine win;
- 43 Table game drop;
- 44 Slot machine drop; and
- 45 Number of persons employed by the casino hotel;

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

- 1 (3) The relative position of other persons who hold casino licenses, as
2 evidenced by the market shares of each such person in the categories in (1)
3 above;
- 4 (4) The current and projected financial condition of the casino industry;
5 (5) Current market conditions, including level of competition, consumer
6 demand, market concentration, any consolidation trends in the industry and
7 any other relevant characteristics of the market;
- 8 (6) Whether the licensed casinos held or to be held by the person have
9 separate organizational structures or other independent obligations;
- 10 (7) The potential impact of licensure on the projected future growth and
11 development of the casino industry and Atlantic City;
- 12 (8) The barriers to entry into the casino industry, including the licensure
13 requirements of this act, P.L.1977, c.110 (C.5:12-1 et seq.), and whether the
14 issuance or holding of a casino license by the person will operate as a
15 barrier to new companies and individuals desiring to enter the market;
- 16 (9) Whether the issuance or holding of the license by the person will
17 adversely impact on consumer interests, or whether such issuance or
18 holding is likely to result in enhancing the quality and customer appeal of
19 products and services offered by casino licensees in order to maintain or
20 increase their respective market shares;
- 21 (10) Whether a restriction on the issuance or holding of an additional
22 license by the person is necessary in order to encourage and preserve
23 competition and to prevent undue economic concentration in casino
24 operations; and
- 25 (11) Any other evidence deemed relevant by the commission.³

26 The commission shall, after conducting public hearings thereon,
27 promulgate rules and regulations in accordance with the "Administrative
28 Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.) defining ³[the] any
29 additional³ criteria the commission will use in determining what constitutes
30 undue economic concentration.

31 For the purpose of this subsection a person shall be considered the
32 holder of a casino license if such license is issued to such person or if such
33 license is held by any holding, intermediary or subsidiary company thereof,
34 or by any [officer, director, casino key employee or principal employee of
35 such person, or of any holding, intermediary or subsidiary company
36 thereof] person required to be qualified in conjunction with such casino
37 license.

38 (cf: P.L.2009, c.36, s.7)

39

40 ²[48.] 47.² Section 83 of P.L.1977, c.110 (C.5:12-83) is amended to
41 read as follows:

42 83. a. An approved hotel for purposes of this act shall be a hotel
43 providing facilities in accordance with this section. Nothing in this section
44 shall be construed to limit the authority of the commission to determine the
45 suitability of facilities as provided in this act, and nothing in this section
46 shall be construed to require a casino to be smaller than the maximum size
47 herein provided.

1 Nothing in this section shall be construed as authorizing the commission,
2 based on the provisions of this section, to determine the suitability of
3 facilities, or to deny a license, for a small-scale casino facility or a staged
4 casino facility that is permitted by law supplementing P.L.1977, c.110
5 (C.5:12-1 et seq.).

6 b. (Deleted by amendment, P.L.2002, c.65).

7 c. A casino hotel shall include an approved hotel containing at least
8 500 qualifying sleeping units, as defined in section 27 of the "Casino
9 Control Act," P.L.1977, c.110 (C.5:12-27), and a casino, the total square
10 footage of which shall not exceed 60,000 square feet, except that for each
11 additional 100 qualifying sleeping units above 500, the maximum amount
12 of the casino space may be increased by 10,000 square feet, up to a
13 maximum of 200,000 square feet of casino space. For the purpose of
14 increasing casino space, an agreement approved by the commission for the
15 addition of qualifying sleeping units within two years after the
16 commencement of gaming operations in the additional casino space shall be
17 deemed an addition of those sleeping units, but if the agreement is not
18 fulfilled due to conditions within the control of the casino licensee, the
19 casino licensee shall close the additional casino space or any portion
20 thereof as directed by the commission.

21 d. Once a hotel is initially approved, the commission and the division
22 shall thereafter rely on the certification of the casino licensee with regard to
23 the number of qualifying sleeping units and shall permit replacement,
24 rehabilitation, renovation and alteration of any part of the approved hotel
25 even if the replacement, rehabilitation, renovation, or alteration will mean
26 that the casino licensee does not temporarily meet the requirements of
27 subsection c. so long as the licensee certifies that the replacement,
28 rehabilitation, renovation, or alteration shall be completed within one year
29 or such other reasonable period of time as the commission may approve.

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

31 f. (Deleted by amendment, P.L.1991, c.182).

32 g. (Deleted by amendment, P.L.1991, c.182).

33 h. (Deleted by amendment, P.L.1991, c.182).

34 I. The **【commission】** division shall not impose any criteria or
35 requirements regarding the contents of the approved hotel in addition to the
36 criteria and requirements expressly specified in the "Casino Control Act,"
37 P.L.1977, c.110 (C.5:12-1 et seq.) and the regulations promulgated
38 thereunder; provided, however, that the **【commission】** division shall **【be**
39 **authorized to】** require each casino licensee to establish and maintain an
40 approved hotel which is in all respects a superior, first-class facility of
41 exceptional quality which will help restore Atlantic City as a resort, tourist
42 and convention destination.

43 (cf: P.L.2002, c.65, s.14)

44
45 ²**【49.】** 48.² Section 84 of P.L.1977, c.110 (C.5:12-84) is amended to
46 read as follows:

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

4 a. Each applicant shall produce such information, documentation and
5 assurances concerning financial background and resources as may be
6 required to establish by clear and convincing evidence the financial
7 stability, integrity and responsibility of the applicant, including but not
8 limited to bank references, business and personal income and disbursement
9 schedules, tax returns and other reports filed with governmental agencies,
10 and business and personal accounting and check records and ledgers. In
11 addition, each applicant shall, in writing, authorize the examination of all
12 bank accounts and records as may be deemed necessary by the commission
13 or the division. The commission or the division may consider any relevant
14 evidence of financial stability; provided, however, it is presumed that a
15 casino licensee or applicant is financially stable if it establishes by clear
16 and convincing evidence that it meets each of the following standards:

17 (1) The ability to assure the financial integrity of casino operations by
18 the maintenance of a casino bankroll or equivalent provisions adequate to
19 pay winning wagers to casino patrons when due. A casino licensee or
20 applicant shall be presumed to have met this standard if it maintains, on a
21 daily basis, a casino bankroll, or a casino bankroll and equivalent
22 provisions, in an amount which is at least equal to the average daily
23 minimum casino bankroll or equivalent provisions, calculated on a monthly
24 basis, for the corresponding month in the previous year. For any casino
25 licensee or applicant which has been in operation for less than a year, such
26 amount shall be determined by the division based upon levels maintained
27 by a comparable casino licensee;

28 (2) The ability to meet ongoing operating expenses which are essential
29 to the maintenance of continuous and stable casino operations. A casino
30 licensee or applicant shall be presumed to have met this standard if it
31 demonstrates the ability to achieve positive gross operating profit,
32 measured on an annual basis;

33 (3) The ability to pay, as and when due, all local, state and federal
34 taxes, including the tax on gross revenues imposed by subsection a. of
35 section 144 of P.L.1977, c.110 (C.5:12-144), the investment alternative tax
36 obligations imposed by subsection b. of section 144 of P.L.1977, c.110
37 (C.5:12-144) and section 3 of P.L.1984, c.218 (C.5:12-144.1), and any fees
38 imposed by the act or the regulations promulgated pursuant thereto;

39 (4) The ability to make necessary capital and maintenance expenditures
40 in a timely manner which are adequate to ensure maintenance of a superior,
41 first-class facility of exceptional quality pursuant i. of section
42 83 of P.L.1977, c.110 (C.5:12-83). A casino licensee or applicant shall be
43 presumed to have met this standard if it demonstrates that its capital and
44 maintenance expenditures, over the five-year period which includes the
45 three most recent calendar years and the upcoming two calendar years,
46 average at least five percent of net revenue per annum, except that any
47 casino licensee or applicant which has been in operation for less than three
48 years shall be required to otherwise establish compliance with this

1 standard; and

2 (5) The ability to pay, exchange, refinance or extend debts, including
3 long-term and short-term principal and interest and capital lease
4 obligations, which will mature or otherwise come due and payable during
5 the license term, or to otherwise manage such debts and any default with
6 respect to such debts. The division also may require that a casino licensee
7 or applicant advise as to its plans to meet this standard with respect to any
8 material debts coming due and payable within 12 months after the end of
9 the license term.

10 b. [Each applicant shall produce such information, documentation and
11 assurances as may be necessary to establish by clear and convincing
12 evidence the integrity of all financial backers, investors, mortgagees,
13 bondholders, and holders of indentures, notes or other evidences of
14 indebtedness, either in effect or proposed, which bears any relation to the
15 casino proposal submitted by the applicant or applicants; provided,
16 however, that this section shall not apply to banking or other licensed
17 lending institutions exempted from the qualification requirements of
18 subsections c. and d. of section 85 of P.L.1977, c.110 (C.5:12-85) and
19 institutional investors waived from the qualification requirements of those
20 subsections pursuant to the provisions of subsection f. of section 85 of
21 P.L.1977, c.110 (C.5:12-85). Any such banking or licensed lending
22 institution or institutional investor shall, however, produce for the
23 commission or the division upon request any document or information
24 which bears any relation to the casino proposal submitted by the applicant
25 or applicants. The integrity of financial sources shall be judged upon the
26 same standards as the applicant. In addition, the applicant shall produce
27 whatever information, documentation or assurances as may be required to
28 establish by clear and convincing evidence the adequacy of financial
29 resources both as to the completion of the casino proposal and the operation
30 of the casino.] (Deleted by amendment, P.L. . c.)(pending before the
31 Legislature as this bill)

32 c. Each applicant shall produce such information, documentation and
33 assurances as may be required to establish by clear and convincing
34 evidence the applicant's good character, honesty and integrity. Such
35 information shall include, without limitation, information pertaining to
36 family, habits, character, reputation, criminal and arrest record, business
37 activities, financial affairs, and business, professional and personal
38 associates, covering at least the 10-year period immediately preceding the
39 filing of the application. Each applicant shall notify the commission and
40 division of any civil judgments obtained against any such applicant
41 pertaining to antitrust or security regulation laws of the federal government,
42 of this State or of any other state, jurisdiction, province or country. In
43 addition, each applicant shall produce letters of reference from law
44 enforcement agencies having jurisdiction in the applicant's place of
45 residence and principal place of business, which letters of reference shall
46 indicate that such law enforcement agencies do not have any pertinent
47 information concerning the applicant, or if such law enforcement agency
48 does have information pertaining to the applicant, shall specify what the

1 information is. If the applicant has conducted gaming operations in a
2 jurisdiction which permits such activity, the applicant shall produce letters
3 of reference from the gaming or casino enforcement or control agency
4 which shall specify the experiences of such agency with the applicant, his
5 associates, and his gaming operation; provided, however, that if no such
6 letters are received within 60 days of request therefor, the applicant may
7 submit a statement under oath that he is or was during the period such
8 activities were conducted in good standing with such gaming or casino
9 enforcement or control agency.

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

19 e. Each applicant shall produce such information, documentation and
20 assurances to establish [to the satisfaction of the commission] the
21 suitability of the casino and related facilities subject to subsection i. of
22 section 83 of P.L.1977, c.110 (C.5:12-83) and that its proposed location
23 will not adversely affect casino operations. Each applicant shall submit to
24 the division an impact statement which shall include, without limitation,
25 architectural and site plans which establish that the proposed facilities
26 comply in all respects with the requirements of this act and the
27 requirements of the master plan and zoning and planning ordinances of
28 Atlantic City, without any use variance from the provisions thereof; a
29 market impact study which analyzes the adequacy of the patron market and
30 the effect of the proposal on such market and on the existing casino
31 facilities licensed under this act; and an analysis of the effect of the
32 proposal on the overall economic and competitive conditions of Atlantic
33 City and the State of New Jersey.

34 f. For the purposes of this section, each applicant shall [submit] be
35 responsible for the submission to the division of the [applicant's] name,
36 address, fingerprints and written consent for a criminal history record
37 background check to be performed for each person who must individually
38 qualify in conjunction with the casino license application. The division is
39 hereby authorized to exchange fingerprint data with and receive criminal
40 history record information from the State Bureau of Identification in the
41 Division of State Police and the Federal Bureau of Investigation consistent
42 with applicable State and federal laws, rules and regulations. The applicant
43 shall bear the cost for the criminal history record background check,
44 including all costs of administering and processing the check. The Division
45 of State Police shall promptly notify the division in the event a current or
46 prospective licensee, who was the subject of a criminal history record

1 background check pursuant to this section, is arrested for a crime or offense
2 in this State after the date the background check was performed.

3 (cf: P.L.2009, c.36, s.8)

4
5 ²~~50.~~ 49.² Section 85 of P.L.1997, c.110 (C.5:12-85) is amended to
6 read as follows:

7 85. Additional Requirements.

8 a. In addition to other information required by this act, a corporation or
9 other form of business organization applying for a casino license shall
10 provide the following information, in such form as may be established by
11 regulation:

12 (1) The organization, financial structure and nature of all businesses
13 operated by the **【corporation】** applicant; the names and personal
14 employment and criminal histories of all officers, directors and **【principal】**
15 such other employees of the **【corporation】** applicant as the division may
16 require; the names of all holding, intermediary and subsidiary companies of
17 the **【corporation】** applicant; and the organization, financial structure and
18 nature of all businesses operated by such of its holding, intermediary and
19 subsidiary companies as the **【commission】** division may require, including
20 the names and personal employment and criminal histories of such
21 corporate officers, directors and **【principal】** other employees of such
22 holding, intermediary and subsidiary **【corporations and】** companies as the
23 **【commission】** division may require;

24 (2) The rights and privileges acquired by the holders of different classes
25 of authorized securities of **【such corporations】** the applicant and such
26 companies as the **【commission】** division may require, including the names,
27 addresses and amounts held by all holders of such securities;

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

29 (4) The terms and conditions of all outstanding loans, mortgages, trust
30 deeds, pledges or any other indebtedness or security devices utilized by the
31 **【corporation】** applicant;

32 (5) The extent of the equity security holding in the **【corporation】**
33 applicant of all officers, directors and underwriters, and their remuneration
34 in the form of salary, wages, fees or otherwise;

35 (6) Names of persons other than directors and officers who occupy
36 positions specified by the **【commission】** division or whose compensation
37 exceeds an amount determined by the **【commission】** division, and the
38 amount of their compensation;

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

40 (8) Copies of all management and service contracts; **【and】**

41 (9) A listing of stock options existing or to be created; and

42 (10) Documentation establishing that it is qualified to do business in the
43 State of New Jersey.

44 b. **【If a corporation or other form of business organization applying for**
45 **a casino license is, or if a corporation or other form of business**
46 **organization holding a casino license is to become, a subsidiary, each**

1 holding company, intermediary company, and other entity required to be
2 qualified with respect thereto must, as a condition of the said subsidiary
3 acquiring or retaining such license, as the case may be:

4 (1) Establish by clear and convincing evidence that it meets the
5 standards set forth in subsections a., c., and d. of section 84 of P.L.1977,
6 c.110 (C.5:12-84) as if it were itself applying for a casino license, and the
7 standards, but for residence, required for approval as a casino key employee
8 pursuant to the provisions of this act in accordance with subsections c., d.
9 and e. of this section, as applicable; and

10 (2) ~~Qualify~~ Each holding, intermediary and subsidiary company of an
11 applicant for or holder of a casino license shall be required to qualify to do
12 business in the State of New Jersey; and

13 ~~[(3)]~~ (1) If it is a corporation, register with the ~~[commission]~~ division
14 and furnish the ~~[commission]~~ division with all the information required of
15 a corporate licensee as specified in subsection a. (1), (2) and (3) of this
16 section and such other information as the ~~[commission]~~ division may
17 require; or

18 ~~[(4)]~~ (2) If it is not a corporation, register with the ~~[commission]~~
19 division and furnish the ~~[commission]~~ division with such information as
20 the ~~[commission]~~ division may prescribe.

21 c. ~~[No corporation shall be eligible to hold a casino license unless~~
22 ~~each officer; each director; each person who directly or indirectly holds any~~
23 ~~beneficial interest or ownership of the securities issued by the corporation;~~
24 ~~any person who in the opinion of the commission has the ability to control~~
25 ~~the corporation or elect a majority of the board of directors of that~~
26 ~~corporation, other than a banking or other licensed lending institution~~
27 ~~which makes a loan or holds a mortgage or other lien acquired in the~~
28 ~~ordinary course of business; each principal employee; and any lender,~~
29 ~~underwriter, agent, employee of the corporation, or other person whom the~~
30 ~~commission may consider appropriate for approval or qualification would,~~
31 ~~but for residence, individually be qualified for approval as a casino key~~
32 ~~employee pursuant to the provisions of this act.]~~ (Deleted by amendment,
33 P.L. __, c.)(pending before the Legislature as this bill)

34 d. ~~[No corporation or other form of business organization which is a~~
35 ~~subsidiary shall be eligible to receive or hold a casino license unless each~~
36 ~~holding and intermediary company with respect thereto:~~

37 (1) If it is a corporation, shall comply with the provisions of subsection
38 c. of this section as if said holding or intermediary company were itself
39 applying for a casino license; provided, however, that the commission with
40 the concurrence of the director may waive compliance with the provisions
41 of subsection c. hereof on the part of a holding company as to any officer,
42 director, lender, underwriter, agent or employee thereof, or person directly
43 or indirectly holding a beneficial interest or ownership of the securities of
44 such corporation, where the commission and the director are satisfied that
45 such officer, director, lender, underwriter, agent or employee is not
46 significantly involved in the activities of the corporate licensee, and in the

1 case of security holders, does not have the ability to control the holding
2 company or elect one or more directors thereof; or

3 (2) If it is not a corporation, shall comply with the provisions of
4 subsection e. of this section as if said company were itself applying for a
5 casino license; provided, however, that the commission with the
6 concurrence of the director may waive compliance with the provisions of
7 subsection e. of this section on the part of a noncorporate business
8 organization which is a holding company as to any person who directly or
9 indirectly holds any beneficial interest or ownership in such company,
10 when the commission and the director are satisfied that such person does
11 not have the ability to control the company.】 (Deleted by amendment,
12 P.L. , c.) (pending before the Legislature as this bill)

13 e. 【Any noncorporate applicant for a casino license shall provide the
14 information required in subsection a. of this section in such form as may be
15 required by the commission. No such applicant shall be eligible to hold a
16 casino license unless each person who directly or indirectly holds any
17 beneficial interest or ownership in the applicant, or who in the opinion of
18 the commission has the ability to control the applicant, or whom the
19 commission may consider appropriate for approval or qualification, would,
20 but for residence, individually be qualified for approval as a casino key
21 employee pursuant to the provisions of this act.】 (Deleted by amendment,
22 P.L. , c.) (pending before the Legislature as this bill)

23 f. 【Notwithstanding the provisions of subsections c. and d. of this
24 section, and in the absence of a prima facie showing by the director that
25 there is any cause to believe that the institutional investor may be found
26 unqualified, an institutional investor holding either (1) under 10% of the
27 equity securities of a casino licensee's holding or intermediary companies,
28 or (2) debt securities of a casino licensee's holding or intermediary
29 companies, or another subsidiary company of a casino licensee's holding or
30 intermediary companies which is related in any way to the financing of the
31 casino licensee, where the securities represent a percentage of the
32 outstanding debt of the company not exceeding 20%, or a percentage of any
33 issue of the outstanding debt of the company not exceeding 50%, shall be
34 granted a waiver of qualification if such securities are those of a publicly
35 traded corporation and its holdings of such securities were purchased for
36 investment purposes only and upon request by the commission it files with
37 the commission a certified statement to the effect that it has no intention of
38 influencing or affecting the affairs of the issuer, the casino licensee or its
39 holding or intermediary companies; provided, however, that it shall be
40 permitted to vote on matters put to the vote of the outstanding security
41 holders. The commission may grant a waiver of qualification to an
42 institutional investor holding a higher percentage of such securities upon a
43 showing of good cause and if the conditions specified above are met. Any
44 institutional investor granted a waiver under this subsection which
45 subsequently determines to influence or affect the affairs of the issuer shall
46 provide not less than 30 days' notice of such intent and shall file with the
47 commission an application for qualification before taking any action that
48 may influence or affect the affairs of the issuer; provided, however, that it

1 shall be permitted to vote on matters put to the vote of the outstanding
2 security holders. If an institutional investor changes its investment intent,
3 or if the commission finds reasonable cause to believe that the institutional
4 investor may be found unqualified, no action other than divestiture shall be
5 taken by such investor with respect to its security holdings until there has
6 been compliance with the provisions of P.L.1987, c.409 (C.5:12-95.12 et
7 al.), including the execution of a trust agreement. The casino licensee and
8 its relevant holding, intermediary or subsidiary company shall immediately
9 notify the commission and the division of any information about, or actions
10 of, an institutional investor holding its equity or debt securities where such
11 information or action may impact upon the eligibility of such institutional
12 investor for a waiver pursuant to this subsection. **】** (Deleted by amendment,
13 P.L. , c.)(pending before the Legislature as this bill)

14 g. **【**If at any time the commission finds that an institutional investor
15 holding any security of a holding or intermediary company of a casino
16 licensee, or, where relevant, of another subsidiary company of a holding or
17 intermediary company of a casino licensee which is related in any way to
18 the financing of the casino licensee, fails to comply with the terms of
19 subsection f. of this section, or if at any time the commission finds that, by
20 reason of the extent or nature of its holdings, an institutional investor is in a
21 position to exercise such a substantial impact upon the controlling interests
22 of a licensee that qualification of the institutional investor is necessary to
23 protect the public interest, the commission may, in accordance with the
24 provisions of subsections a. through e. of this section or subsections d. and
25 e. of section 105 of P.L.1977, c.110 (C.5:12-105), take any necessary action
26 to protect the public interest, including requiring such an institutional
27 investor to be qualified pursuant to the provisions of the "Casino Control
28 Act," P.L.1977, c.110 (C.5:12-1 et seq.). **】** (Deleted by amendment, P.L. ,
29 c.)(pending before the Legislature as this bill)
30 (cf: P.L.2009, c.36, s.9)

31
32 ²**【51.】** 50.² (New section) a. No casino license shall be issued to any
33 applicant or retained by any holder unless the commission determines that
34 all persons designated by the division as persons who must qualify in
35 conjunction with such license meet all applicable qualification criteria and
36 are not unqualified by reason of any disqualification criteria set forth in
37 section 86 of P.L.1977, c.110 (C.5:12-86).

38 b. Corporate applicants for and holders of casino licenses shall be
39 required to establish and maintain the qualifications of the following: (1)
40 each officer of the corporation; (2) each director of the corporation; (3)
41 each person who directly or indirectly holds any beneficial interest or
42 ownership of the securities issued by such applicant or holder; (4) any
43 holder who in the opinion of the director has the ability to control the
44 applicant for or holder of a casino license or to elect a majority of the board
45 of directors of such applicant or holder; and (5) each holding, intermediary
46 or subsidiary company of an applicant for or holder of a casino license.

47 c. As to each holding, intermediary and subsidiary company of an
48 applicant for or holder of a casino license, such applicants and holders shall

1 be required to establish and maintain the qualifications of the following:
2 (1) each Corporate Officer; (2) each director of the corporation; (3) each
3 person who directly or indirectly holds a beneficial interest or ownership
4 interest of 5% or more in such holding, intermediary or subsidiary
5 company; (4) any person who in the opinion of the director has the ability
6 to control or elect a majority of the board of directors of such holding,
7 intermediary or subsidiary company; and (5) any other person who the
8 director may consider appropriate for qualification.

9 d. The director shall have the authority to waive any or all of the
10 qualification requirements for any person listed in paragraph (1), (2) or (3)
11 of subsection c. of this section.

12 e. Applicants for and holders of casino licenses shall be required to
13 establish and maintain the qualifications of any financial backer, investor,
14 mortgagee, bondholder, or holders of indentures, notes or other evidences
15 of indebtedness, either in effect or proposed which bears relation to the
16 casino operation or casino hotel premises who holds 25% or more of such
17 financial instruments or evidences of indebtedness; provided however in
18 circumstances of default, any person holding 10% of such financial
19 instruments or evidences of indebtedness shall be required to establish and
20 maintain his qualifications as required pursuant to subsection c. of this
21 section. The director may, in his discretion, require that any other financial
22 backer, investor, mortgagee, bondholder, or holder of indentures, notes or
23 other evidences of indebtedness who does not meet the threshold set forth
24 herein to establish and maintain his qualifications as required pursuant to
25 subsection c. of this section.

26 f. Banks and licensed lending institutions shall be exempt from any
27 qualification requirements under this act if such bank or licensed lending
28 institution is acting in the ordinary course of business.

29 g. An institutional investor holding either (1) under 25% of the equity
30 securities of a casino licensee's holding or intermediary companies, or (2)
31 debt securities of a casino licensee's holding or intermediary companies, or
32 another subsidiary company of a casino licensee's holding or intermediary
33 companies which is related in any way to the financing of the casino
34 licensee, where the securities represent a percentage of the outstanding debt
35 of the company not exceeding 25%, or a percentage of any issue of the
36 outstanding debt of the company not exceeding 50% ⁴unless the full issue is
37 in the amount of \$150 million or less⁴, shall be granted a waiver of
38 qualification if such securities are those of a ²[publicly traded]²
39 corporation², whether publicly traded or privately held.² and its holdings of
40 such securities were purchased for investment purposes only and it files a
41 certified statement to the effect that it has no intention of influencing or
42 affecting the affairs of the issuer, the casino licensee or its holding or
43 intermediary companies; provided, however, that it shall be permitted to
44 vote on matters put to the vote of the outstanding security holders. The
45 director may grant a waiver of qualification to an institutional investor
46 holding a higher percentage of such securities upon a showing of good
47 cause and if the conditions specified above are met. Any institutional
48 investor granted a waiver under this subsection which subsequently

1 determines to influence or affect the affairs of the issuer shall provide not
2 less than 30 days' notice of such intent and shall file with the division an
3 application for qualification before taking any action that may influence or
4 affect the affairs of the issuer; provided, however, that it shall be permitted
5 to vote on matters put to the vote of the outstanding security holders. If an
6 institutional investor changes its investment intent, or if the director finds
7 reasonable cause to believe that the institutional investor may be found
8 unqualified, no action other than divestiture shall be taken by such investor
9 with respect to its security holdings until there has been compliance with
10 the provisions of P.L.1987, c.409 (C.5:12-95.12 et seq.), including the
11 execution of a trust agreement. The casino licensee and its relevant
12 holding, intermediary or subsidiary company shall immediately notify the
13 division of any information about, or actions of, an institutional investor
14 holding its equity or debt securities where such information or action may
15 impact upon the eligibility of such institutional investor for a waiver
16 pursuant to this subsection.

17 h. If at any time the director finds that an institutional investor holding
18 any security of a holding or intermediary company of a casino licensee, or,
19 where relevant, of another subsidiary company of a holding or intermediary
20 company of a casino licensee which is related in any way to the financing
21 of the casino licensee, fails to comply with the terms of subsection f. of this
22 section, or if at any time the director finds that, by reason of the extent or
23 nature of its holdings, an institutional investor is in a position to exercise
24 such a substantial impact upon the controlling interests of a licensee that
25 qualification of the institutional investor is necessary to protect the public
26 interest, the director may, in accordance with the provisions of subsections
27 a. through e. of this section or subsections d. and e. of section 105 of
28 P.L.1977, c.110 (C.5:12-105), take any necessary action to protect the
29 public interest, including requiring such an institutional investor to be
30 qualified pursuant to the provisions of the "Casino Control Act," P.L.1977,
31 c.110 (C.5:12-1 et seq.).

32 i. Any company required to qualify pursuant to subsection b. of this
33 section shall establish by clear and convincing evidence that it meets
34 ²~~[that]~~ the² standards set forth in section 84 of P.L.1977, c.110 (C.5:12-
35 84).

36 j. As to each company required to qualify pursuant to subsection c. of
37 this section, the applicant for or holder of the casino license shall establish
38 by clear and convincing evidence that each such company meets the
39 standards set forth in subsections a., c., and d. of section 84 of P.L.1977,
40 c.110 (C.5:12-84).

41 k. Any natural person required to qualify pursuant to subsections b.
42 and c. of this section shall be required to establish his qualifications in
43 accordance with the standards applicable to casino key employees in
44 section 89 of this act ², P.L.1977, c.110 (C.5:12-89)²; provided, however
45 that persons required to qualify pursuant to subsection c. of this section
46 shall not be required to establish residency.

47

48 ²~~[52.]~~ 51.² (New section) The provisions of this act shall apply to the

1 extent appropriate with the same force and effect with regard to casino
2 license applicants and casino licensees that have a legal existence that is
3 other than corporate.

4
5 ²[53.] 52.² Section 86 of P.L.1977, c.110 (C.5:12-86) is amended to
6 read as follows:

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

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

12 b. Failure of the applicant to provide information, documentation and
13 assurances required by the act or requested by the commission or the
14 division, or failure of the applicant to reveal any fact material to
15 qualification, or the supplying of information which is untrue or misleading
16 as to a material fact pertaining to the qualification criteria;

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

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

23 all crimes of the first degree;

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

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

28 Subsection b. of N.J.S.2C:11-4 (manslaughter);

29 N.J.S.2C:11-5 (vehicular homicide which constitutes a crime of the
30 second degree);

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

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

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

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

37 Subsections a. and b. of N.J.S.2C:17-1 (crimes involving arson and
38 related offenses);

39 Subsections a. and b. of N.J.S.2C:17-2 (causing or risking widespread
40 injury or damage);

41 N.J.S.2C:18-2 (burglary which constitutes a crime of the second or third
42 degree);

43 N.J.S.2C:20-1 et seq. (theft and related offenses which constitute crimes
44 of the second or third degree);

45 N.J.S.2C:21-1 et seq. (forgery and fraudulent practices which constitute
46 crimes of the second or third degree);

47 N.J.S. 2C:24-4 (endangering the welfare of a child);

48 N.J.S.2C:27-1 et seq. (bribery and corrupt influence);

- 1 N.J.S.2C:28-1 et seq. (perjury and other falsification in official matters
2 which constitute crimes of the second, third or fourth degree);
- 3 N.J.S.2C:30-2 and N.J.S.2C:30-3 (misconduct in office and abuse in
4 office which constitutes a crime of the second degree);
- 5 N.J.S.2C:35-5 (manufacturing, distributing or dispensing a controlled
6 dangerous substance or a controlled dangerous substance analog which
7 constitutes a crime of the second or third degree);
- 8 N.J.S.2C:35-6 (employing a juvenile in a drug distribution scheme);
- 9 N.J.S.2C:35-7 (distributing, dispensing or possessing a controlled
10 dangerous substance or a controlled substance analog on or within 1,000
11 feet of school property or bus);
- 12 N.J.S.2C:35-7.1 (distributing, dispensing or possessing a controlled
13 dangerous substance or a controlled substance analog in proximity to public
14 housing facilities, parks or buildings);
- 15 N.J.S.2C:35-11 (distribution, possession or manufacture of imitation
16 controlled dangerous substances);
- 17 N.J.S.2C:35-13 (acquisition of controlled dangerous substances by
18 fraud);
- 19 N.J.S.2C:37-1 et seq. (gambling offenses which constitute crimes of the
20 third or fourth degree);
- 21 N.J.S.2C:37-7 (possession of a gambling device);
- 22 Any second degree racketeering crime under Chapter 41 of Title 2C of
23 the New Jersey Statutes; or
- 24 (2) Any of the following offenses under the “Casino Control Act,”
25 P.L.1977, c.110 (C.5:12-1 et seq.):
- 26 P.L.1977, c.110, s.113 (C.5:12-113) (swindling and cheating);
- 27 P.L.1991, c.182, s.46 (C.5:12-113.1) (use of device to gain advantage at
28 casino game);
- 29 P.L.1977, c.110, s.114 (C.5:12-114) (unlawful use of bogus chips or
30 gaming billets, marked cards, dice, cheating devices, unlawful coins);
- 31 P.L.1977, c.110, s.115 (C.5:12-115) (cheating games and devices in a
32 licensed casino); or
- 33 P.L.1977, c.110, s.116 (C.5:12-116) (unlawful possession of device,
34 equipment or other material illegally manufactured, distributed, sold or
35 delivered; or
- 36 **[(2)] (3)** Any other offense under present New Jersey or federal law
37 which indicates that licensure of the applicant would be inimical to the
38 policy of this act and to casino operations; provided, however, that the
39 automatic disqualification provisions of this subsection shall not apply with
40 regard to any conviction which did not occur within the 10-year period
41 immediately preceding application for licensure and which the applicant
42 demonstrates by clear and convincing evidence does not justify automatic
43 disqualification pursuant to this subsection and any conviction which has
44 been the subject of a judicial order of expungement or sealing;
- 45 d. Current prosecution or pending charges in any jurisdiction of the
46 applicant or of any person who is required to be qualified under this act as a
47 condition of a casino license, for any of the offenses enumerated in
48 subsection c. of this section; provided, however, that at the request of the

1 applicant or the person charged, the commission shall defer decision upon
2 such application during the pendency of such charge;

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

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

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

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

36 i. Failure by the applicant or any person required to be qualified under
37 this act as a condition of a casino license to (i) make required payments in
38 accordance with a child support order; (ii) repay an overpayment for food
39 stamp benefits or low income home energy assistance benefits incurred as a
40 former recipient of Capital Aid to Families with Dependent Children or
41 Work First New Jersey; or (iii) repay any other debt owed to the State;
42 unless such applicant provides proof to the director's satisfaction of
43 payment of or arrangement to pay any such debts prior to licensure.

44 (cf: P.L.1991, c.182, s.27)

45

46 ²[54.] 53.² Section 87 of P.L.1977, c.110 (C.5:12-87) is amended to
47 read as follows:

1 87. a. Upon the filing of an application for a casino license and such
2 supplemental information as the commission or division may require, **[the**
3 **commission shall request]** and upon the filing of such information as may
4 be required by section 88 of P.L.1977, c.110 (C.5:12-88), the division **[to]**
5 shall conduct **[such]** an investigation into the qualification of the applicant,
6 and **[the commission shall conduct a hearing thereon concerning the**
7 qualification of the applicant in accordance with its regulations] submit a
8 report and recommendation to the commission.

9 b. Upon the submission of a report and recommendation by the
10 division, the commission shall conduct a hearing thereon concerning the
11 qualification of the applicant. After such **[investigation and]** hearing, the
12 commission may either deny the application or grant a casino license to an
13 applicant whom it determines to be qualified to hold such license, which
14 final action shall be taken within 90 days after completion of the hearing.

15 c. The commission shall have the authority to deny any application
16 pursuant to the provisions of this act. When an application is denied, the
17 commission shall prepare and file an order **[denying such application with]**
18 stating the general reasons therefor, and if requested by the applicant, shall
19 further prepare and file a statement of the reasons for the denial, including
20 the specific findings of facts.

21 d. **[After an application is submitted to the commission, final action of**
22 **the commission shall be taken within 90 days after completion of all**
23 **hearings and investigations and the receipt of all information required by**
24 **the commission.]** (Deleted by amendment, P.L. , c.)(pending before
25 the Legislature as this bill)

26 e. **[If satisfied that an applicant is qualified to receive a casino**
27 **license]** When an application is granted, and upon tender of all required
28 license fees and taxes **[as required by law and regulations of the**
29 commission], and such bonds as the commission may require for the
30 faithful performance of all requirements imposed by law or regulations, the
31 commission shall issue a casino license **[for the term of 1 year].**

32 f. The commission shall fix the amount of the bond or bonds to be
33 required under this section in such amounts as it may deem appropriate, by
34 rules of uniform application. The bonds so furnished may be applied by the
35 commission to the payment of any unpaid liability of the licensee under this
36 act. The bond shall be furnished in cash or negotiable securities, by a
37 surety bond guaranteed by a satisfactory guarantor, or by an irrevocable
38 letter of credit issued by a banking institution of this State acceptable to the
39 commission. If furnished in cash or negotiable securities, the principal
40 shall be placed without restriction at the disposal of the commission, but
41 any income shall inure to the benefit of the licensee.

42 (cf: P.L.1979, c.282, s.23)

43
44 ²**[55.] 54.**² (New section) No later than five years after the date of the
45 issuance of a license pursuant to section 87 of P.L.1977, c.110 (C.5:12-87)
46 and every five years thereafter or within such lesser periods as the division

1 may direct, a casino licensee and the qualifying entities and individuals
2 thereof shall submit to the division such documentation or information as
3 the division may by regulation require, to demonstrate to the satisfaction of
4 the director that they continue to meet the requirements of sections 84 and
5 85 of P.L.1977, c.110 (C.5:12-84 and C.5:12-85), and section ²[51] 50² of
6 P.L. , c. (C.) (pending before the Legislature as this bill). If, upon
7 review, the director determines that no information sufficient to warrant
8 revocation, suspension, limitation, or conditioning of such license exists,
9 the director shall issue a summary report so advising the commission, and
10 the license shall remain in full force and effect. If the director determines
11 that a hearing on any issue is required, the division shall issue a report and
12 recommendation to the commission in accordance with section 87 of
13 P.L.1977, c.110 (C.5:12-87), which shall initiate a hearing pursuant to
14 subsection b. of that section. In addition, the director may reopen licensing
15 hearings at any time.

16

17 ²[56.] 55² Section 89 of P.L.1977, c.110 (C.5:12-89) is amended to
18 read as follows:

19 89. Licensing of Casino Key Employees. a. No casino licensee or a
20 holding or intermediary company of a casino licensee may employ any
21 person [may be employed] as a casino key employee unless **[he]** the
22 person is the holder of a valid casino key employee license issued by the
23 commission.

24 b. Each applicant for a casino key employee license must, prior to the
25 issuance of any casino key employee license, produce information,
26 documentation and assurances concerning the following qualification
27 criteria:

28 (1) Each applicant for a casino key employee license shall produce such
29 information, documentation and assurances as may be required to establish
30 by clear and convincing evidence the financial stability, integrity and
31 responsibility of the applicant, including but not limited to bank references,
32 business and personal income and disbursements schedules, tax returns and
33 other reports filed with governmental agencies, and business and personal
34 accounting and check records and ledgers. In addition, each applicant shall,
35 in writing, authorize the examination of all bank accounts and records as
36 may be deemed necessary by the commission or the division.

37 (2) Each applicant for a casino key employee license shall produce such
38 information, documentation and assurances as may be required to establish
39 by clear and convincing evidence the applicant's good character, honesty
40 and integrity. Such information shall include, without limitation, data
41 pertaining to family, habits, character, reputation, criminal and arrest
42 record, business activities, financial affairs, and business, professional and
43 personal associates, covering at least the 10-year period immediately
44 preceding the filing of the application. Each applicant shall notify the
45 commission and the division of any civil judgments obtained against such
46 applicant pertaining to antitrust or security regulation laws of the federal
47 government, of this State or of any other state, jurisdiction, province or
48 country. In addition, each applicant shall, upon request of the commission

1 or the division, produce letters of reference from law enforcement agencies
2 having jurisdiction in the applicant's place of residence and principal place
3 of business, which letters of reference shall indicate that such law
4 enforcement agencies do not have any pertinent information concerning the
5 applicant, or if such law enforcement agency does have information
6 pertaining to the applicant, shall specify what that information is. If the
7 applicant has been associated with gaming or casino operations in any
8 capacity, position or employment in a jurisdiction which permits such
9 activity, the applicant shall, upon request of the commission or division,
10 produce letters of reference from the gaming or casino enforcement or
11 control agency, which shall specify the experience of such agency with the
12 applicant, his associates and his participation in the gaming operations of
13 that jurisdiction; provided, however, that if no such letters are received
14 from the appropriate law enforcement agencies within 60 days of the
15 applicant's request therefor, the applicant may submit a statement under
16 oath that he is or was during the period such activities were conducted in
17 good standing with such gaming or casino enforcement or control agency.

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

19 (4) Each applicant employed by a casino licensee shall be a resident of
20 the State of New Jersey prior to the issuance of a casino key employee
21 license; provided, however, that upon petition by the holder of a casino
22 license, the commission may waive this residency requirement for any
23 applicant whose particular position will require him to be employed outside
24 the State; and provided further that no applicant employed by a holding or
25 intermediary company of a casino licensee shall be required to establish
26 residency in this State.

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

35 (5) For the purposes of this section, each applicant shall submit to the
36 division the applicant's name, address, fingerprints and written consent for
37 a criminal history record background check to be performed. The division
38 is hereby authorized to exchange fingerprint data with and receive criminal
39 history record information from the State Bureau of Identification in the
40 Division of State Police and the Federal Bureau of Investigation consistent
41 with applicable State and federal laws, rules and regulations. The applicant
42 shall bear the cost for the criminal history record background check,
43 including all costs of administering and processing the check. The Division
44 of State Police shall promptly notify the division in the event a current or
45 prospective licensee, who was the subject of a criminal history record
46 background check pursuant to this section, is arrested for a crime or offense
47 in this State after the date the background check was performed.

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

1 d. The commission shall deny a casino key employee license to any
2 applicant who is disqualified on the basis of the criteria contained in section
3 86 of this act.

4 e. Upon petition by the holder of a casino license, the commission may
5 issue a temporary license to an applicant for a casino key employee license,
6 provided that:

7 (1) The applicant for the casino key employee license has filed a
8 ~~complete~~ completed application as required by the commission;

9 (2) The division either certifies to the commission that the completed
10 casino key employee license application as specified in paragraph (1) of
11 this subsection has been in the possession of the division for at least 15
12 days or agrees to allow the commission to consider the application in some
13 lesser time;

14 (3) (Deleted by amendment, P.L.1995, c.18.)

15 (4) The petition for a temporary casino key employee license certifies,
16 and the commission finds, that an existing casino key employee position of
17 the petitioner is vacant or will become vacant within 60 days of the date of
18 the petition and that the issuance of a temporary key employee license is
19 necessary to fill the said vacancy on an emergency basis to continue the
20 efficient operation of the casino, and that such circumstances are
21 extraordinary and not designed to circumvent the normal licensing
22 procedures of this act;

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

25 **[In the event that an applicant for a casino key employee license is the**
26 **holder of a valid casino employee license issued pursuant to section 90 of**
27 **this act, and if the provisions of paragraphs (1), (2), and (5) of this**
28 **subsection are satisfied, the commission may issue a temporary casino key**
29 **employee license upon petition by the holder of a casino license, if the**
30 **commission finds the issuance of a casino key employee license will be**
31 **delayed by necessary investigations and the said temporary casino key**
32 **employee license is necessary for the operation of the casino].**

33 Unless otherwise terminated pursuant to this act, any temporary casino
34 key employee license issued pursuant to this subsection shall expire nine
35 months from the date of its issuance.

36 (cf: P.L.2009, c.36, s.10)

37

38 ²~~[57.]~~ 56.² Section 91 of P.L.1977, c.110 (C.5:12-91) is amended to
39 read as follows:

40 91. Registration of Casino **[Service]** Employees. a. No person may
41 commence employment as a casino **[service]** employee unless **[the person**
42 **has been registered with the commission, which registration shall be in**
43 **accordance with subsection f. of this section]** such person has a valid
44 registration on file with the division, which registration shall be prepared
45 and filed in accordance with the regulations promulgated hereunder.

46 b. **[Any applicant for casino service]** A casino employee
47 **[registration]** registrant shall produce such information as the

1 **【commission】** division by regulation may require. Subsequent to the
2 registration of a casino **【service】** employee, the **【commission】** director
3 may revoke, suspend, limit, or otherwise restrict the registration upon a
4 finding that the registrant is disqualified on the basis of the criteria
5 contained in section 86 of P.L.1977, c.110 (C.5:12-86). If a casino
6 **【service】** employee registrant has not been employed in any position within
7 a casino hotel facility for a period of three years, the registration of that
8 casino **【service】** employee shall lapse.

9 c. **【The commission may, by regulation, require that all applicants for**
10 **casino service employee registration be residents of this State for a period**
11 **not to exceed three months immediately prior to such registration, but**
12 **application may be made prior to the expiration of the required period of**
13 **residency. The commission shall waive the required residency period for**
14 **an applicant upon a showing that the residency period would cause undue**
15 **hardship upon the casino licensee which intends to employ said applicant,**
16 **or upon a showing of other good cause.】** (Deleted by amendment, P.L. ,
17 c.)(pending before the Legislature as this bill)

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

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

42 e. **【The commission may waive any disqualification criterion for a**
43 **casino service employee consistent with the public policy of this act and**
44 **upon a finding that the interests of justice so require.】** (Deleted by
45 amendment, P.L. , c.)(pending before the Legislature as this bill)

46 f. **【Upon petition by the holder of a casino license, casino service**
47 **employee registration shall be granted to each applicant for such**

1 registration named therein, provided that the petition certifies that each
2 such applicant has filed a completed application for casino service
3 employee registration as required by the commission.

4 All casino hotel employee registrations shall expire 120 days after the
5 effective date of this amendatory and supplementary act, P.L.2002, c.65.
6 Any holder of a casino hotel employee registration may until that date
7 convert that registration to a casino service employee registration without
8 fee.】 (Deleted by amendment, P.L. , c.)(pending before the Legislature
9 as this bill)

10 g. For the purposes of this section, each **【applicant】** registrant shall
11 submit to the division the **【applicant's】** registrant's name, address,
12 fingerprints and written consent for a criminal history record background
13 check to be performed. The division is hereby authorized to exchange
14 fingerprint data with and receive criminal history record information from
15 the State Bureau of Identification in the Division of State Police and the
16 Federal Bureau of Investigation consistent with applicable State and federal
17 laws, rules and regulations. The **【applicant】** registrant shall bear the cost
18 for the criminal history record background check, including all costs of
19 administering and processing the check. The Division of State Police shall
20 promptly notify the division in the event a current or prospective licensee,
21 who was the subject of a criminal history record background check
22 pursuant to this section, is arrested for a crime or offense in this State after
23 the date the background check was performed.
24 (cf: P.L.2009, c.36, s.12)

25
26 ²**【58.】** 57.² (New section) Upon the joint petition of two or more
27 affiliated casino licensees, a registered casino employee or licensed casino
28 key employee who is employed by any affiliated casino licensee may be
29 endorsed by the commission or division, as applicable, as a multi-casino
30 employee of each of the petitioners; provided, however, that no such multi-
31 casino employee shall be permitted to engage in any incompatible
32 functions, as determined by the division.

33
34 ²**【59.】** 58.² Section 92 of P.L.1977, c.110 (C.5:12-92) is amended to
35 read as follows:

36 92. Licensing of casino service industry enterprises. a. (1) Any business
37 to be conducted with a casino applicant or licensee by a vendor offering
38 goods or services which directly relate to casino or gaming activity,
39 including gaming equipment and simulcast wagering equipment
40 manufacturers, suppliers, repairers **【and】** independent testing laboratories,
41 **【shall be considered regular or continuing and】** junket enterprises and
42 junket representatives, and any person employed by a junket enterprise or
43 junket representative in a managerial or supervisory position, shall require
44 **【that the vendor be licensed】** licensure as a casino service industry
45 enterprise in accordance with the provisions of this act prior to conducting
46 any business whatsoever with a casino applicant or licensee, its employees
47 or agents; provided, however, that upon a showing of good cause by a

1 casino applicant or licensee for each business transaction, the
2 **[commission] director** may permit an applicant for a casino service
3 industry enterprise license to conduct business transactions with such
4 casino applicant or licensee prior to the licensure of that casino service
5 industry enterprise applicant under this subsection.

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

24 b. Each casino service industry enterprise **[included in subsection a. of**
25 **this section]**, as well as its owners; management and supervisory personnel;
26 and **[principal]** employees if such **[principal]** employees have
27 responsibility for services to a casino applicant or licensee, must qualify
28 under the standards, except residency, established for qualification of a
29 casino key employee under this act.

30 c. (1) Any vendor that offers goods or services to a casino applicant or
31 licensee that **[are] is** not included in subsection a. of this section including,
32 **[without limitation, construction companies, vending machine providers,**
33 **linen suppliers, junket enterprises, garbage handlers, maintenance**
34 **companies, limousine services, food purveyors and suppliers of alcoholic**
35 **beverages] but not limited to casino site contractors and subcontractors,**
36 **shopkeepers located within the approved hotels, and gaming schools that**
37 **possess slot machines for the purpose of instruction, and any non-**
38 **supervisory employee of a junket enterprise licensed under subsection a. of**
39 **this section,** shall be required to **[apply for a casino service industry**
40 **enterprise license when, based upon the dollar amount of business being**
41 **conducted with casino applicants or licensees or other factors established**
42 **by the rules of the commission, licensure is deemed necessary to protect the**
43 **public interest and the policies of] register with the division in accordance**
44 **with the regulations promulgated under this act, P.L.1977, c.110 (C.5:12-1**
45 **et seq.).**

46 **[The rules of the commission shall require that each casino service**
47 **industry enterprise required to be licensed pursuant to this subsection, as**

1 well as such of its owners, management, supervisory personnel, and
2 principal employees with responsibility for services to a casino applicant or
3 licensee as the commission may direct, shall establish by clear and
4 convincing evidence their good character, honesty and integrity.】

5 (2) Notwithstanding the provisions of paragraph (1) of this subsection,
6 the 【commission】 director may, consistent with the public interest and the
7 policies of this act, direct 【by regulation】 that vendors engaging in certain
8 types of business with a casino applicant or licensee not included in
9 subsection a. of this section be required to apply for a casino service
10 industry enterprise license pursuant to this subsection 【regardless of the
11 dollar amount of that business】, including, without limitation, non-casino
12 applicants or licensees required to hold a Casino Hotel Alcoholic Beverage
13 license pursuant to section 103 of P.L.1977, c.110 (C.5:12-103); in-State
14 and out-of-State sending tracks as defined in section 2 of the "Casino
15 Simulcasting Act," P.L.1992, c.19 (C.5:12-192); shopkeepers located
16 within the approved hotels; and gaming schools that possess slot machines
17 for the purpose of instruction.

18 (3) 【The commission may exempt any person or field of commerce
19 from the licensing requirements of this subsection if the person or field of
20 commerce demonstrates (i) that it is regulated by a public agency that
21 determines whether a person subject to its jurisdiction possesses good
22 character, honesty and integrity; or (ii) that it is a publicly traded
23 corporation or a wholly owned subsidiary, either directly or indirectly, of a
24 publicly traded corporation, and that the amount of revenue received by the
25 person from all casino applicants and licensees within the 12-month period
26 in which the greatest amount of casino business was conducted by the
27 person seeking exemption is less than one-tenth of one percent of all
28 revenues received by the person and its holding and intermediary
29 companies during the same 12-month period, and that licensing is not
30 deemed necessary in order to protect the public interest or to accomplish
31 the policies established by this act. The commission shall periodically
32 review this threshold to determine whether it should be adjusted for
33 inflation or any other relevant factor consistent with the policies of
34 P.L.1977, c.110 (C.5:12-1 et seq.).

35 Upon granting an exemption or at any time thereafter, the commission
36 may limit or place such restrictions thereupon as it may deem necessary in
37 the public interest, and shall require the exempted person to cooperate with
38 the commission and the division and, upon request, to provide information
39 in the same manner as required of a casino service industry enterprise
40 licensed pursuant to this subsection; provided, however, that no exemption
41 be granted unless the casino service industry enterprise complies with the
42 requirements of sections 134 and 135 of this act.】 (Deleted by amendment,
43 P.L. , c.)(pending before the Legislature as this bill)

44 d. 【Licensure pursuant to subsection c. of this section of any casino
45 service industry enterprise may be denied to any applicant or qualifier
46 thereof】 Any applicant, licensee or qualifier of a casino service industry
47 enterprise license under subsection a. or b. of this section, and any vendor

1 registrant under subsection c. of this section shall be disqualified in
2 accordance with the criteria contained in section 86 of this act, except that
3 **【licensure or qualification shall not be denied if such disqualified applicant**
4 **or qualifier】** no such vendor registration under subsection c. of this section
5 shall be denied or revoked if such vendor registrant can affirmatively
6 demonstrate rehabilitation as provided in subsection **【h】** d. of section **【90】**
7 91 of P.L.1977, c.110 **【(C.5:12-90)】** (C.5:12-91).

8 e. No casino service industry enterprise license shall be issued
9 pursuant to subsection a. **【or subsection c.】** of this section to any person
10 unless that person shall provide proof of valid business registration with the
11 Division of Revenue in the Department of the Treasury.

12 f. **【A casino service industry enterprise licensed pursuant to subsection**
13 **a. or subsection c. of this section shall require proof, from a subcontractor**
14 **to a casino service industry enterprise contract with a casino applicant or**
15 **casino licensee, of valid business registration with the Division of Revenue;**
16 **verification information shall be forwarded by the casino service industry**
17 **enterprise to the Division of Taxation in the Department of the Treasury.**
18 **No subcontract to a casino service industry enterprise contract with a casino**
19 **applicant or casino licensee shall be entered into by any casino service**
20 **industry enterprise contractor unless the subcontractor first provides proof**
21 **of valid business registration.】** (Deleted by amendment, P.L. , c.)
22 (pending before the Legislature as this bill)

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

37 (cf: P.L.2009, c.36, s.13)

38

39 ²**【60.】** 59.² Section 93 of P.L.1977, c.110 (C.5:12-93) is amended to
40 read as follows:

41 93. Registration of Labor Organizations. a. Each labor organization,
42 union or affiliate seeking to represent employees who are employed in a
43 casino hotel, casino or casino simulcasting facility by a casino licensee
44 shall register with the **【commission】** division biennially, and shall disclose
45 such information to the **【commission】** division as the **【commission】**
46 division may require, including the names of all affiliated organizations,
47 pension and welfare systems and all officers and agents of such

1 organizations and systems; provided, however, that no labor organization,
2 union, or affiliate shall be required to furnish such information to the extent
3 such information is included in a report filed by any labor organization,
4 union, or affiliate with the Secretary of Labor pursuant to 29 U.S.C.s.431 et
5 seq. or s. 1001 et seq. if a copy of such report, or of the portion thereof
6 containing such information, is furnished to the **[commission]** division
7 pursuant to the aforesaid federal provisions. The **[commission]** division
8 may in its discretion exempt any labor organization, union, or affiliate from
9 the registration requirements of this subsection where the **[commission]**
10 division finds that such organization, union or affiliate is not the certified
11 bargaining representative of any employee who is employed in a casino
12 hotel, casino or casino simulcasting facility by a casino licensee, is not
13 involved actively, directly or substantially in the control or direction of the
14 representation of any such employee, and is not seeking to do so.

15 b. No person may act as an officer, agent or principal employee of a
16 labor organization, union or affiliate registered or required to be registered
17 pursuant to this section if the person has been found disqualified by the
18 **[commission]** division in accordance with the criteria contained in section
19 86 of that act. The **[commission]** division may, for purposes of this
20 subsection, waive any disqualification criterion consistent with the public
21 policy of this act and upon a finding that the interests of justice so require.

22 c. Neither a labor organization, union or affiliate nor its officers and
23 agents not otherwise individually licensed or registered under this act and
24 employed by a casino licensee may hold any financial interest whatsoever
25 in the casino hotel, casino, casino simulcasting facility or casino licensee
26 whose employees they represent.

27 d. Any person, including any labor organization, union or affiliate,
28 who shall violate, aid and abet the violation, or conspire or attempt to
29 violate this section is guilty of a crime of the fourth degree.

30 e. The **[commission or the]** division may maintain a civil action and
31 proceed in a summary manner, without posting bond, against any person,
32 including any labor organization, union or affiliate, to compel compliance
33 with this section, or to prevent any violations, the aiding and abetting
34 thereof, or any attempt or conspiracy to violate this section.

35 f. In addition to any other remedies provided in this section, a labor
36 organization, union or affiliate registered or required to be registered
37 pursuant to this section may be prohibited by the **[commission]** division
38 from receiving any dues from any employee licensed or registered under
39 that act and employed by a casino licensee or its agent, if any officer, agent
40 or principal employee of the labor organization, union or affiliate has been
41 found disqualified and if such disqualification has not been waived by the
42 **[commission]** division in accordance with subsection b. of this section.
43 The **[commission or the]** division may proceed in the manner provided by
44 subsection e. of this section to enforce an order of the **[commission]**
45 director prohibiting the receipt of dues.

1 g. Nothing contained in this section shall limit the power of the
2 **[commission] division** to proceed in accordance with subsection c. of
3 section 107 of P.L.1977, c.110 (C.5:12-107).
4 (cf: P.L.2002, c.65, s.18)

5
6 ²**[61.] 60.**² Section 94 of P.L.1977, c.110 (C.5:12-94) is amended to
7 read as follows:

8 94. a. Upon the filing of an application for **[any] a casino key employee**
9 license **[or registration]** required by this act, other than a casino license,
10 and after submission of such supplemental information as the commission
11 may require, the commission shall request the division to conduct such
12 investigation into the qualification of the applicant, and the commission
13 shall conduct such hearings concerning the qualification of the applicant, in
14 accordance with its regulations, as may be necessary to determine
15 qualification for such license**[or registration]**.

16 b. After such investigation, the commission may either deny the
17 application or grant a license to **[or accept the registration of]** an applicant
18 whom it determines to be qualified to hold such license**[or registration]**.

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

25 d. When the commission grants an application, the commission may
26 limit or place such restrictions thereupon as it may deem necessary in the
27 public interest.

28 e. Casino **[service] employee registration and vendor registration** shall
29 **[,] be effective** upon issuance, **and shall** remain in effect unless revoked,
30 suspended, limited, or otherwise restricted by the **[commission] division**.
31 Notwithstanding the foregoing, if a casino **[service] employee registrant**
32 has not been employed in any position within a casino hotel facility or a
33 vendor registrant has not conducted business with a casino hotel facility for
34 a period of three years, the registration of that casino **[service] employee**
35 or vendor registrant shall lapse. **[Licenses may be granted and renewed as**
36 **follows:**

37 (1) All casino employee licenses, casino service industry enterprise
38 licenses issued pursuant to subsection c. of section 92 of P.L.1977, c.110
39 (C.5:12-92), and junket representative and junket enterprise licenses issued
40 pursuant to section 102 of P.L.1977, c.110 (C.5:12-102) shall be issued for
41 an initial term of four years, and may be renewed for subsequent terms of
42 five years each; and

43 (2) All casino key employee licenses and casino service industry
44 enterprise licenses required pursuant to subsection a. of section 92 of
45 P.L.1977, c.110 (C.5:12-92) shall be issued for an initial term of three
46 years, and may be renewed for subsequent terms of five years each.]

1 f. Notwithstanding the foregoing, the commission shall reconsider the
2 granting of any casino key employee license [or the approval of any
3 registration] at any time at the request of the division. Notwithstanding the
4 foregoing, the division may reconsider the granting of any license or may
5 revoke any registration at any time.

6 [e.] g. After an application for a casino key employee license is
7 submitted to the commission, final action of the commission shall be taken
8 within 90 days after completion of all hearings and investigations and the
9 receipt of all information required by the commission.

10 [f. A complete application for the renewal of a casino employee or
11 casino key employee license shall be filed with the commission no later
12 than the last day of the fifth month prior to the month in which the current
13 license term expires.]

14 h. (1) Not later than five years after obtaining a casino key employee
15 license pursuant to section 89 of P.L.1977, c.110 (C.5:12-89) or a casino
16 service industry enterprise license issued pursuant to subsection a. of
17 section 92 of P.L.1977, c.110 (C.5:12-92), and every five years thereafter,
18 the licensee shall submit such information and documentation as the
19 commission or division, as applicable, may by regulation require, to
20 demonstrate to the satisfaction of the commission or director, as applicable,
21 that it continues to meet the requirements, respectively, of section 89 or
22 subsection a. of section 92 of P.L.1977, c.110 (C.5:12-89 and C.5:12-92).
23 Upon receipt of such information, the commission or division, as
24 applicable, may take such action on the license, including suspension or
25 revocation, as it deems appropriate.

26 (2) Registrations for casino employees issued pursuant to section 91 of
27 P.L.1977, c.110 (C.5:12-91), and vendor registration issued pursuant to
28 subsection c. of section 92 of P.L.1977, c.110 (C.5:12-92), shall remain
29 valid unless suspended or revoked or unless such registration expires or is
30 voided pursuant to law.

31 i. (1) The division shall establish by regulation appropriate fees to be
32 paid upon the filing of the informational filings required by paragraph (1)
33 of subsection h. of this section. Such fees shall be deposited into the
34 Casino Control Fund established by section 143 of P.L.1977, c.110 (C.5:12-
35 143).

36 (2) The division shall establish by regulation appropriate fees to be
37 imposed on each casino licensee and the method for the collection of such
38 fees for each casino registrant employed by an operating casino and for
39 each vendor registrant which provides goods or services to a casino,
40 regardless of the nature of any contractual relationship between the vendor
41 registrant and casino, if any. Such fees shall be deposited into the Casino
42 Control Fund established by section 143 of P.L.1977, c.110 (C.5:12-143).

43 (cf: P.L.2009, c.36, s.14.)

44
45 ²[62.] 61.² Section 96 of P.L.1977, c.110 (C.5:12-96) is amended to
46 read ¹as follows¹:

1 96. Operation Certificate. a. Notwithstanding the issuance of a license
2 therefor, no casino or simulcasting facility may be opened or remain open
3 to the public, and no gaming or simulcast wagering activity, except for test
4 purposes, may be conducted therein, unless and until a valid operation
5 certificate has been issued to the casino licensee by the **[commission]**
6 division. Such certificate shall be issued by the **[commission]** director
7 upon a **[finding]** determination that a casino and, if applicable, a
8 simulcasting facility each complies in all respects with the requirements of
9 this act and regulations promulgated hereunder, **[that the casino licensee**
10 **has implemented necessary management controls and security precautions**
11 **for the efficient operation of the casino and, if applicable, the simulcasting**
12 **facility, that casino and simulcasting facility personnel are licensed for the**
13 **performance of their respective responsibilities,]** and that the casino and
14 any applicable simulcasting facility are prepared in all respects to receive
15 and entertain the public **['. The director shall consult with the commission**
16 **as to form and content before the director makes a determination]'**.

17 b. **[The operation certificate shall include an itemized list by category**
18 **and number of the authorized games permitted in the particular casino**
19 **establishment and any applicable simulcasting facility.] (Deleted by**
20 **amendment, P.L. , c.)(pending before the Legislature as this bill)**

21 c. **[A casino licensee shall, in accordance with regulations**
22 **promulgated by the commission, file any changes in the number of**
23 **authorized games to be played in its casino or simulcasting facility, and any**
24 **changes in the configuration of the casino or simulcasting facility, with the**
25 **commission and the division, which shall review the changes for**
26 **compliance with the "Casino Control Act," P.L.1977, c.110 (C.5:12-1 et**
27 **seq.) or regulations promulgated thereunder.] (Deleted by amendment,**
28 **P.L. , c.)(pending before the Legislature as this bill)**

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]** division in
32 accordance with this act.

33 e. It shall be an express condition of continued operation under this act
34 that a casino licensee shall maintain either electronically or in hard copy at
35 the discretion of the casino licensee, copies of all books, records, and
36 documents pertaining to the licensee's operations, including casino
37 simulcasting, and approved hotel in a manner and location [within this
38 State] approved by the [commission] division, provided, however, that the
39 originals of such books, records and documents, whether in electronic or
40 hard copy form, may be maintained at the offices or electronic system of an
41 affiliate of the casino licensee, at the discretion of the casino licensee. All
42 such books, records and documents shall be immediately available for
43 inspection during all hours of operation in accordance with the rules of the
44 **[commission]** division and shall be maintained for such period of time as
45 the **[commission]** division shall require.

46 (cf: P.L.1995, c.18, s.34)

1 ²[63.] 62.² Section 97 of P.L.1977, c.110 (C.5:12-97) is amended to
2 read as follows:

3 97. Hours of Operation. a. Each casino licensed pursuant to this act
4 shall be permitted to operate 24 hours a day unless otherwise directed by
5 the **[commission]** division in accordance with its authority under P.L.1977,
6 c.110 (C.5:12-1 et seq.).

7 b. A casino licensee shall file with the **[commission]** division a
8 schedule of hours prior to the issuance of an initial operation certificate. If
9 the casino licensee proposes any change in scheduled hours, such change
10 may not be effected until such licensee files a notice of the new schedule of
11 hours with the **[commission]** division. Such filing must be made 30 days
12 prior to the effective date of the proposed change in hours.

13 c. Nothing herein shall be construed to limit a casino licensee in
14 opening its casino later than, or closing its casino earlier than, the times
15 stated in its schedule of operating hours; provided, however, that any such
16 alterations in its hours shall comply with the provisions of subsection a. of
17 this section and with regulations of the **[commission]** division pertaining to
18 such alterations.

19 ¹[d. For purposes of this section, the division shall consult with the
20 commission.]¹

21 (cf: P.L.2002, c.65, s.20)

22

23 ²[64.] 63.² Section 98 of P.L.1977, c.110 (C.5:12-98) is amended to
24 read as follows.

25 98. a. Each casino licensee shall arrange the facilities of its casino and,
26 if appropriate, its simulcasting facility in such a manner as to promote
27 optimum security for the casino and simulcasting facility operations, and
28 shall comply in all respects with regulations of the **[commission]** division
29 pertaining thereto.

30 b. Each casino hotel shall include:

31 (1) A closed circuit television system according to specifications
32 approved by the **[commission]** division, with access on the licensed
33 premises to the system or its signal provided to the **[commission or]** the
34 division, in accordance with regulations pertaining thereto;

35 (2) One or more rooms or locations approved by the **[commission]**
36 division as casino space; and

37 (3) Design specifications that insure that visibility in a casino or in the
38 simulcasting facility is not obstructed in any way that might interfere with
39 the ability of the **[commission or]** the division to supervise casino or
40 simulcasting facility operations.

41 (cf: P.L.1996, c.84, s.5)

42

43 ²[65.] 64.² Section 99 of P.L.1977, c.110 (C.5:12-99) is amended to
44 read as follows:

45 99. Internal Controls. a Each applicant for a casino license shall
46 **[submit to the commission]** create, maintain, and file with the division a

1 description of its **[initial system of]** internal procedures and administrative
2 and accounting controls for gaming and simulcast wagering operations
3 **[accompanied by a certification by its Chief Legal Officer or equivalent**
4 **that the submitted procedures]** that conform to the requirements of
5 P.L.1977, c.110 (C.5:12-1 et seq.), and the regulations promulgated
6 thereunder, and **[a certification by its Chief Financial Officer or equivalent**
7 **that the submitted procedures]** provide adequate and effective controls,
8 establish a consistent overall system of internal procedures and
9 administrative and accounting controls and conform to generally accepted
10 accounting principles, **[except an additional standard may be required by**
11 **the commission for gross revenue tax purposes. Each applicant shall make**
12 **its initial submission at least 30 business days before such operations are to**
13 **commence unless otherwise directed by the commission. Except as**
14 **otherwise provided in subsection b. of this section, a casino licensee, upon**
15 **submission to the commission of a narrative description of a change in its**
16 **system of internal procedures and controls and the two certifications**
17 **described above, may, following the 15th business day after submission,**
18 **implement the change]** and ensure that casino procedures are carried out
19 and supervised by personnel who do not have incompatible functions.
20 **[Each initial internal control submission]** A casino licensee's internal
21 controls shall contain a narrative description of the internal control system
22 to be utilized by the casino, including, but not limited to:

23 (1) Accounting controls, including the standardization of forms and
24 definition of terms to be utilized in the gaming and simulcast wagering
25 operations;

26 (2) Procedures, forms, and, where appropriate, formulas covering the
27 calculation of hold percentages; revenue drop; expense and overhead
28 schedules; complimentary services, except as provided in paragraph (3) of
29 subsection m. of section 102 of P.L.1977, c.110 (C.5:12-102); junkets; and
30 cash equivalent transactions;

31 (3) **[Job descriptions and the system of personnel and chain-of-**
32 **command, establishing a diversity of responsibility among employees**
33 **engaged in casino or simulcasting facility operations and identifying**
34 **primary and secondary supervisory positions for areas of responsibility,**
35 **which areas shall not be so extensive as to be impractical for an individual**
36 **to monitor; salary structure; and personnel practices;]** (Deleted by
37 amendment, P.L. , c.) (pending before the Legislature as this bill)

38 (4) Procedures within the cashier's cage and simulcast facility for the
39 receipt, storage and disbursal of chips, cash, and other cash equivalents
40 used in gaming and simulcast wagering; the cashing of checks; the
41 redemption of chips and other cash equivalents used in gaming and
42 simulcast wagering; the pay-off of jackpots and simulcast wagers; and the
43 recording of transactions pertaining to gaming and simulcast wagering
44 operations;

45 (5) Procedures for the collection and security of moneys at the gaming
46 tables and in the simulcasting facility;

- 1 (6) Procedures for the transfer and recordation of chips between the
2 gaming tables and the cashier's cage and the transfer and recordation of
3 moneys within the simulcasting facility;
- 4 (7) Procedures for the transfer of moneys from the gaming tables to the
5 counting process and the transfer of moneys within the simulcasting facility
6 for the counting process;
- 7 (8) Procedures and security for the counting and recordation of revenue;
- 8 (9) Procedures for the security, storage and recordation of cash, chips
9 and other cash equivalents utilized in the gaming and simulcast wagering
10 operations;
- 11 (10) Procedures for the transfer of moneys or chips from and to the slot
12 machines;
- 13 (11) Procedures and standards for the opening and security of slot
14 machines;
- 15 (12) Procedures for the payment and recordation of slot machine
16 jackpots;
- 17 (13) Procedures for the cashing and recordation of checks exchanged by
18 casino and simulcasting facility patrons;
- 19 (14) Procedures governing the utilization of the private security force
20 within the casino and simulcasting facility;
- 21 (15) Procedures and security standards for the handling and storage of
22 gaming apparatus including cards, dice, machines, wheels and all other
23 gaming equipment;
- 24 (16) Procedures and rules governing the conduct of particular games and
25 simulcast wagering and the responsibility of casino personnel in respect
26 thereto;
- 27 (17) Procedures for separately recording all transactions pursuant to
28 section 101 of this act involving the Governor, any State officer or
29 employee, or any special State officer or employee, any member of the
30 Judiciary, any member of the Legislature, any officer of a municipality or
31 county in which casino gaming is authorized, or any gaming related casino
32 employee, and for the quarterly filing with the Attorney General of a list
33 reporting all such transactions; and
- 34 (18) Procedures for the orderly shutdown of casino operations in the
35 event that a state of emergency **【that】** is declared **【due to the failure to**
36 **enact a general appropriation law by the deadline prescribed by Article**
37 **VIII, Section II, paragraph 2 of the New Jersey Constitution extends for**
38 **more than seven days, as provided in section 4 of P.L.2008, c.23 (C.5:12-**
39 **211), or the casino licensee is not eligible to】** and the casino licensee is
40 unable or ineligible to continue to conduct casino operations during such a
41 state of emergency in accordance with section 5 of P.L.2008, c.23 (C.5:12-
42 212), which procedures shall include, without limitation, the securing of all
43 keys and gaming assets.
- 44 b. **【**The commission shall review a submission made pursuant to
45 subsection a. to determine whether it conforms to the requirements of this
46 act and to the regulations promulgated thereunder and provides adequate
47 and effective controls for the operations of the particular casino hotel
48 submitting it. If during its review, the commission preliminarily

1 determines that a procedure in the submission contains a substantial and
2 material insufficiency likely to have a direct and materially adverse impact
3 on the integrity of gaming or simulcast wagering operations or the control
4 of gross revenue, the chairman, by written notice to the casino licensee,
5 shall: (1) specify the precise nature of the insufficiency and, when possible,
6 an acceptable alternative procedure, (2) schedule a hearing before the full
7 commission no later than 15 business days after the date of such written
8 notice to plenary and finally determine whether the procedure in question
9 contains the described insufficiency, and (3) direct that the internal controls
10 in issue not yet implemented not be implemented until approved by the
11 commission. Upon receipt of the notice, the casino licensee shall proceed
12 to the scheduled hearing before the full commission and may submit a
13 revised procedure addressing the concerns specified in the notice. **](Deleted**
14 **by amendment, P.L. , c.)(pending before the Legislature as this bill)**

15 c. **](Notwithstanding the provisions of subsections a. and b. hereof, the**
16 **commission shall, by regulation, permit changes to those internal controls**
17 **required by subsection a. hereof that cannot have a material impact upon**
18 **the integrity of gaming or simulcast wagering operations or the control and**
19 **reporting of gross revenue, including those internal controls described in**
20 **paragraph (3) of subsection a. hereof, to be implemented by a casino**
21 **licensee immediately upon the preparation and internal filing of such**
22 **internal controls.] No minimum staffing requirements shall be included in**
23 **the internal controls created in accordance with subsection a. of this**
24 **section.**

25 d. **](Each casino licensee and applicant shall submit a narrative**
26 **description of its system of internal procedures and administrative and**
27 **accounting controls for the recording and reporting of all business**
28 **transactions and agreements governed by sections 92 and 104 of P.L.1977,**
29 **c.110 (C.5:12-92 and 5:12-104, as amended) no later than five business**
30 **days after those operations commence or after any change in those**
31 **procedures or controls takes effect.] (Deleted by amendment, P.L. , c.)**
32 **(pending before the Legislature as this bill)**

33 (cf: P.L.2009, c.36, s.15)

34

35 ²**][66.] 65.² Section 100 of P.L.1977, c.110 (C.5:12-100) is amended to**
36 **read as follows:**

37 100. a. This act shall not be construed to permit any gaming except the
38 conduct of authorized games in a casino room in accordance with this act
39 and the regulations promulgated hereunder and in a simulcasting facility to
40 the extent provided by the "Casino Simulcasting Act," P.L.1992, c.19
41 (C.5:12-191 et al.). Notwithstanding the foregoing, if the **][commission]**
42 **division** approves the game of keno as an authorized game pursuant to
43 section 5 of P.L.1977, c.110 (C.5:12-5), as amended, keno tickets may be
44 sold or redeemed in accordance with **][commission]** **division** regulations
45 **][at any location in a casino hotel approved by the commission for such**
46 **activity].**

1 b. Gaming equipment shall not be possessed, maintained or exhibited
2 by any person on the premises of a casino hotel except in a casino room, in
3 the simulcasting facility, or in restricted casino areas used for the
4 inspection, repair or storage of such equipment and specifically designated
5 for that purpose by the casino licensee with the approval of the
6 **[commission] division**. Gaming equipment which supports the conduct of
7 gaming in a casino or simulcasting facility but does not permit or require
8 patron access, such as computers, may be possessed and maintained by a
9 casino licensee or a qualified holding or intermediary company of a casino
10 licensee in restricted **[casino]** areas specifically **[designated for that**
11 **purpose by the casino licensee with the approval of]** approved by the
12 **[commission] division**. No gaming equipment shall be possessed,
13 maintained, exhibited, brought into or removed from a casino room or
14 simulcasting facility by any person unless such equipment is necessary to
15 the conduct of an authorized game, has permanently affixed, imprinted,
16 impressed or engraved thereon an identification number or symbol
17 authorized by the **[commission] division**, is under the exclusive control of
18 a casino licensee or **[his] casino licensee's** employees, or of any
19 individually qualified employee of a holding company or casino licensee
20 and is brought into or removed from the casino room or simulcasting
21 facility following 24-hour prior notice given to an authorized agent of the
22 **[commission] division**.

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

36 Notwithstanding the foregoing, a person may, with the prior approval of
37 the **[commission] division** and under such terms and conditions as may be
38 required by the **[commission] division**, possess, maintain or exhibit
39 gaming equipment in any other area of the casino hotel, provided that such
40 equipment is used for nongaming purposes.

41 c. Each casino hotel shall contain a count room and such other secure
42 facilities as may be required by the **[commission] division** for the counting
43 and storage of cash, coins, tokens, checks, plaques, gaming vouchers,
44 coupons, and other devices or items of value used in wagering and
45 approved by the **[commission] division** that are received in the conduct of
46 gaming and for the inspection, counting and storage of dice, cards, chips
47 and other representatives of value. ²**[All] The division shall promulgate**

1 regulations for the security of² drop boxes and other devices in which the
2 foregoing items are deposited at the gaming tables or in slot machines, and
3 all areas wherein such boxes and devices are kept while in use, ²[shall be
4 equipped with two] which regulations may include certain² locking devices
5 ²[, one key to which shall be under the exclusive control of the]²
6 [commission] ²[division and the other under the exclusive control of the
7 casino licensee, and said] . Said² drop boxes and other devices shall not be
8 brought into or removed from a casino room or simulcasting facility, or
9 locked or unlocked, except at such times, in such places, and according to
10 such procedures as the [commission] division may require. ²[In the event
11 that a state of emergency is declared due to the failure to enact a general
12 appropriation law by the deadline prescribed by Article VIII, Section II,
13 paragraph 2 of the New Jersey Constitution, the]² [commission]
14 ²[division, in accordance with section 4 of P.L.2008, c.23 (C.5:12-211),
15 may, at its discretion, and as may be necessary to ensure the continuity of
16 casino operations and the collection and counting of gross revenue, give
17 temporary custody of its key to a certified public accountant approved by
18 the]² [commission] ²[division, who shall act in the capacity of the]²
19 [commission] ²[division with respect to the use, control and security of
20 the key in accordance with the licensee's internal controls]² [approved by
21 the commission] ²[in accordance with section 5 of P.L.2008, c.23 (C.5:12-
22 212).]²

23 d. All chips used in gaming shall be of such size and uniform color by
24 denomination as the [commission] division shall require by regulation.

25 e. All gaming shall be conducted according to rules promulgated by
26 the [commission] division. All wagers and pay-offs of winning wagers
27 shall be made according to rules promulgated by the [commission]
28 division, which shall establish such limitations as may be necessary to
29 assure the vitality of casino operations and fair odds to patrons. Each slot
30 machine shall have a minimum payout of 83%.

31 f. Each casino licensee shall make available in printed form to any
32 patron upon request the complete text of the rules of the [commission]
33 division regarding games and the conduct of gaming, pay-offs of winning
34 wagers, an approximation of the odds of winning for each wager, and such
35 other advice to the player as the ²[commission] division² shall require.
36 Each casino licensee shall prominently post within a casino room and
37 simulcasting facility, as appropriate, according to regulations of the
38 [commission] division such information about gaming rules, pay-offs of
39 winning wagers, the odds of winning for each wager, and such other advice
40 to the player as the [commission] division shall require.

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

1 h. (1) Except as herein provided, no slot machine shall be used to
2 conduct gaming unless it is identical in all electrical, mechanical and other
3 aspects to a model thereof which has been specifically tested and licensed
4 for use by the division ~~[and licensed for use by the commission. At the~~
5 ~~request of the commission, the]~~. The division shall also test any other
6 gaming device, gaming equipment, gaming-related device or gross-revenue
7 related device, such as a slot management system, electronic transfer credit
8 system or gaming voucher system as it deems appropriate. In its discretion
9 and for the purpose of expediting the approval process, the division may
10 utilize the services of a private testing laboratory that has obtained a
11 plenary license as a casino service industry enterprise pursuant to
12 subsection a. of section 92 of P.L.1977, c.110 (C.5:12-92) to perform the
13 testing, and may also utilize applicable data from any such private testing
14 laboratory or from a governmental agency of a state other than New Jersey
15 authorized to regulate slot machines and other gaming devices, gaming
16 equipment, gaming-related devices and gross-revenue related devices used
17 in casino gaming, if the private testing laboratory or governmental agency
18 uses a testing methodology substantially similar to the methodology
19 utilized by the division. ~~[Notwithstanding the provisions of this paragraph,~~
20 ~~the]~~ The division ~~[shall in all instances use]~~, in its discretion, may rely
21 upon the data provided by the private testing laboratory or governmental
22 agency ~~[to conduct its own independent evaluation, and shall form its own~~
23 ~~independent conclusions]~~ and adopt the conclusions of such private testing
24 laboratory or governmental agency regarding any submitted device.

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

44 (3) The ~~[commission]~~ division shall, by regulation, establish such
45 technical standards for licensure of slot machines, including mechanical
46 and electrical reliability, security against tampering, the comprehensibility
47 of wagering, and noise and light levels, as it may deem necessary to protect

1 the player from fraud or deception and to insure the integrity of gaming.
2 The denominations of such machines shall be set by the licensee; the
3 licensee shall simultaneously notify the **【commission】** division of the
4 settings.

5 (4) The **【commission】** division shall, by regulation, determine the
6 permissible number and density of slot machines in a licensed casino so as
7 to:

- 8 (a) promote optimum security for casino operations;
- 9 (b) avoid deception or frequent distraction to players at gaming tables;
- 10 (c) promote the comfort of patrons;
- 11 (d) create and maintain a gracious playing environment in the casino;
- 12 and
- 13 (e) encourage and preserve competition in casino operations by assuring
14 that a variety of gaming opportunities is offered to the public.

15 Any such regulation promulgated by the **【commission】** division which
16 determines the permissible number and density of slot machines in a
17 licensed casino shall provide that all casino floor space and all space within
18 a casino licensee's casino simulcasting facility shall be included in any
19 calculation of the permissible number and density of slot machines in a
20 licensed casino.

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

33 i. (Deleted by amendment, P.L.1991, c.182).
34 j. (Deleted by amendment, P.L.1991, c.182).
35 k. It shall be unlawful for any person to exchange or redeem chips for
36 anything whatsoever, except for currency, negotiable personal checks,
37 negotiable counter checks, other chips, coupons, slot vouchers or
38 complimentary vouchers distributed by the casino licensee, or, if authorized
39 by regulation of the **【commission】** division, a valid charge to a credit or
40 debit card account. A casino licensee shall, upon the request of any person,
41 redeem that licensee's gaming chips surrendered by that person in any
42 amount over \$100 with a check drawn upon the licensee's account at any
43 banking institution in this State and made payable to that person.

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

1 m. It shall be unlawful for a dealer in any authorized game in which
2 cards are dealt to deal cards by hand or other than from a device
3 specifically designed for that purpose, unless otherwise permitted by the
4 rules of the **[commission]** division.

5 n. (1) It shall be unlawful for any casino key employee, licensee or any
6 person who is required to hold a casino key employee license as a condition
7 of employment or qualification to wager in any casino or simulcasting
8 facility in this State, or any casino.

9 (2) It shall be unlawful for any other employee, other than a junket
10 representative, bartender, waiter, waitress, or other casino employee **]** of a
11 casino licensee who, in the judgment of the **[commission]** division, is
12 **[not]** directly involved with the conduct of gaming operations, including
13 but not limited to dealers, floor persons, box persons, security and
14 surveillance employees, to wager in **[a]** any casino or simulcasting facility
15 in the casino hotel in which the employee is employed or in any other
16 casino or simulcasting facility in this State which is owned or operated by
17 the **[same casino]** an affiliated licensee. **[Any casino employee, other than**
18 **a junket representative, bartender, waiter, waitress, or other casino**
19 **employee who, in the judgment of the commission, is not directly involved**
20 **with the conduct of gaming operations, must wait at least 30 days**
21 **following]**

22 (3) The prohibition against wagering set forth in paragraphs (1) and (2)
23 of this subsection shall continue for a period of 30 days commencing upon
24 the date that the employee either leaves employment with a casino licensee
25 or is terminated from employment with a casino licensee **[before the**
26 **employee may gamble in a casino or simulcasting facility in the casino**
27 **hotel in which the employee was formerly employed or in any other casino**
28 **or simulcasting facility in this State which is owned or operated by the**
29 **same casino licensee]**.

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

35 (2) A dealer may accept tips or gratuities from a patron at the table at
36 which such dealer is conducting play, subject to the provisions of this
37 subsection. All such tips or gratuities shall be immediately deposited in a
38 lockbox reserved for that purpose, unless the tip or gratuity is authorized by
39 a patron utilizing an automated wagering system approved by the
40 **[commission]** division. All tips or gratuities shall be accounted for, and
41 placed in a pool for distribution pro rata among the dealers, with the
42 distribution based upon the number of hours each dealer has worked, except
43 that the **[commission]** division may, by regulation, permit a separate pool
44 to be established for dealers in the game of poker, or may permit tips or
45 gratuities to be retained by individual dealers in the game of poker.

46 (3) Notwithstanding the provisions of paragraph (1) of this subsection, a
47 casino licensee may require that a percentage of the prize pool offered to

1 participants pursuant to an authorized poker tournament be withheld for
2 distribution to the tournament dealers as tips or gratuities [in accordance
3 with procedures approved by] as the [commission] division by regulation
4 may approve.

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

9 (cf: P.L.2009, c.36, s.16)

10

11 ²[67.] 66.² Section 4 of P.L.2005, c.46 (C.5:12-100.1) is amended to
12 read as follows:

13 4. a. The right of any annuity jackpot winner to receive annuity
14 jackpot payments from a slot system operator shall not be assignable,
15 except as permitted by this section. The provisions of this section shall
16 prevail over the provisions of the "Uniform Commercial Code Secured
17 Transactions," N.J.S.12A:9-101 et seq., including N.J.S.12A:9-406, or any
18 other law to the contrary.

19 b. Notwithstanding any other provision of this section, annuity jackpot
20 payments may be paid to the estate of a deceased jackpot winner, in the
21 same manner as they were paid to the winner, upon receipt by the slot
22 system operator of a certified copy of an order appointing an executor or an
23 administrator.

24 c. A person may be assigned and paid the annuity jackpot payments to
25 which an annuity jackpot winner is entitled pursuant to a judicial order of
26 the New Jersey Superior Court or any other court having jurisdiction over
27 property located in this State provided that the order pertains to claims of
28 ownership in the annuity jackpot payments, division of marital property in
29 divorce actions, bankruptcy, child support, appointment of a guardian or
30 conservator, or distribution of an estate.

31 d. A person may be assigned and paid the annuity jackpot payments to
32 which an annuity jackpot winner is entitled pursuant to a judicial order of
33 the New Jersey Superior Court or any other court having jurisdiction over
34 property located in this State. The annuity jackpot winner and the proposed
35 assignee shall prepare a proposed form of order and submit such proposed
36 order to the court for its consideration. The proposed form of order shall
37 contain the following information:

38 (1) the full legal name, address, social security number or taxpayer
39 identification number and, if applicable, resident alien number of the
40 winner;

41 (2) the full legal name, address, social security number or taxpayer
42 identification number and, if applicable, resident alien number of the
43 assignee;

44 (3) the date on which and the casino where the annuity jackpot was
45 won;

46 (4) the slot machine game on which the annuity jackpot was won;

47 (5) the slot system operator primarily responsible for making the
48 annuity jackpot payments;

- 1 (6) the gross amount of the annuity jackpot won before application of
2 withholding taxes;
- 3 (7) the gross amount of each payment to be made to the winner by the
4 slot system operator before application of withholding taxes;
- 5 (8) the dates of the payments to be assigned and the amount of the
6 specific payments to be assigned on each date;
- 7 (9) the identity of the winner's spouse, domestic partner or partner in a
8 civil union, if any, and the interest of **【the spouse】** that person, if any, in
9 the annuity jackpot payments;
- 10 (10) the identity of any other co-owner, claimant or lienholder and the
11 amount of the interests, liens, security interests, prior assignments or offsets
12 asserted by each such party;
- 13 (11) that the interest rate or discount rate, as applicable, and all fees and
14 costs and other material terms relating to the assignment are expressly and
15 clearly included in all material documents and in all documents that include
16 any obligations of the annuity jackpot winner;
- 17 (12) that the interest rate or discount rate, as applicable, and any other
18 fees or charges associated with the assignment do not indicate overreaching
19 or exploitation, do not exceed current usury rates, and does not violate any
20 laws of usury of this State;
- 21 (13) that the winner has reviewed and understands the terms of the
22 assignment;
- 23 (14) that the winner understands that the winner will not receive the
24 annuity jackpot payments, or portions thereof, for the years assigned;
- 25 (15) that the winner has agreed to the assignment of the winner's own
26 free will without undue influence or duress;
- 27 (16) that the winner has retained and consulted with independent legal
28 counsel who has advised the winner of the winner's legal rights and
29 obligations;
- 30 (17) that the winner has retained and consulted with an independent tax
31 advisor concerning the tax consequences of the assignment;
- 32 (18) that the winner has disclosed all existing debts, liens and child
33 support obligations and does not seek assignment for purposes of evading
34 creditors, judgments or obligations for child support; and
- 35 (19) that the winner has certified that: the winner is not obligated to
36 repay any public assistance benefits; and the winner does not have a child
37 support obligation, or if the winner does have a child support obligation,
38 that no arrearage is due.
- 39 The annuity jackpot winner and the proposed assignee shall provide a
40 copy of the proposed form of order to the slot system operator at least 10
41 days before the court is scheduled to act on the proposed order to allow the
42 slot system operator the opportunity to ensure that the proposed order is
43 complete and correct in all respects prior to the court's approval.
- 44 e. Before a winner is legally bound, by agreement, contract or
45 otherwise, and prior to the issuance of an order pursuant to subsection d. of
46 this section, the assignee shall provide the winner with all material
47 documents which shall be binding on the assignor, including documents
48 evidencing obligations of the winner, and a written notice recommending

1 that the winner obtain independent counsel before signing any document
2 which shall be binding on the assignor. All documents shall include a
3 notice of the assignor's right to cancel the agreement which shall be located
4 in immediate proximity to all spaces reserved for the signature of the
5 winner in bold-faced type of at least 10 points and which shall provide as
6 follows:

7 "You have the right to cancel this assignment without any cost to you
8 until midnight three business days after the day on which you have signed
9 an agreement to assign all or a portion of your annuity jackpot.

10 Cancellation occurs when you give notice by regular first class mail,
11 postage prepaid, to the assignee at the address listed at the top of the first
12 page of this document that you wish to cancel the assignment. Notice is
13 deemed given when deposited in a mailbox."

14 f. The slot system operator shall, not later than 10 days after receiving
15 a true and correct copy of the filed judicial order, send the winner and the
16 assignee written confirmation of receipt of the court-ordered assignment
17 and of the slot system operator's intent to rely thereon in making future
18 payments to the assignee named in the order. The slot system operator
19 shall, thereafter, make all payments in accordance with the judicial order.
20 No change in the terms of any assignment shall be effective unless made
21 pursuant to a subsequent judicial order pursuant to this section.

22 g. The slot system operator may impose a reasonable fee on an
23 assignor to defray any direct or indirect administrative expenses associated
24 with an assignment.

25 h. The division, the commission and the State are not parties to
26 assignment proceedings, except that the State may intervene as necessary to
27 protect the State's interest in monies owed to the State.

28 i. The slot system operator and the State shall comply with, and rely
29 upon, a judicial order in distributing payments subject to that order.

30 j. A winner may pledge or grant a security interest in all or part of an
31 annuity jackpot as collateral for repayment of a loan pursuant to a judicial
32 order containing the information required by subsection d. of this section
33 which the court deems relevant to the pledge or grant.

34 k. Except where inconsistent with the provisions of this section, the
35 New Jersey consumer fraud act, P.L.1960, c.39 (C.56:8-1 et seq.), shall
36 apply to all transactions under this section.

37 l. The provisions of subsections d., e. and j. of this section shall be
38 invalid if:

39 (1) the United States Internal Revenue Service issues a technical rule
40 letter, revenue ruling, or other public ruling in which it is determined that
41 because of the right of assignment provided by subsection d. of this section,
42 annuity jackpot winners who do not exercise the right to assign annuity
43 jackpot payments would be subject to an immediate income tax liability for
44 the value of the entire annuity jackpot rather than annual income tax
45 liability for each installment when received; or

46 (2) a court of competent jurisdiction issues a published decision holding
47 that because of the right of assignment provided by subsection d. of this
48 section, annuity jackpot winners who do not exercise the right to assign

1 annuity jackpot payments would be subject to an immediate income tax
2 liability for the value of the entire annuity jackpot rather than annual
3 income tax liability for each installment when received.

4 m. Upon receipt, the **[commission]** division shall immediately file a
5 copy of a letter or ruling of the United States Internal Revenue Service or a
6 published decision of a court of competent jurisdiction, described in
7 subsection l. of this section, with the Secretary of State. No assignment
8 shall be approved pursuant to subsection d. of this section after the date of
9 such filing.

10 n. A voluntary assignment shall not include or cover payments, or
11 portions of payments, that are subject to the offset pursuant to section 5 of
12 this amendatory and supplementary act, P.L.2005, c.46 (C.5:12-100.2), or
13 any other law, unless appropriate provisions are made to satisfy the
14 obligations giving rise to the offset.

15 o. No assignee shall directly or indirectly recommend or facilitate the
16 hiring of any lawyer or accountant to assist the assignor in determining the
17 appropriateness of the proposed assignment. Further, the assignee shall not
18 offer, prior to the closing, tax or investment advice.

19 (cf: P.L.2005, c.46, s.4)

20

21 ²[68.] 67.² Section 5 of P.L.2005, c.46 (C.5:12-100.2) is amended to
22 read as follows:

23 5. a. Each slot system operator that awards an annuity jackpot shall
24 provide prompt notice to the **[commission]** division of the name, address
25 and social security number of each annuity jackpot winner and the amount
26 of the pending payments. The **[commission]** division shall forward such
27 information to the Office of Information Technology in but not of the
28 Department of the Treasury.

29 b. The Office of Information Technology shall cross check the annuity
30 jackpot winner list with the data supplied by the Commissioner of Human
31 Services pursuant to section 2 of P.L.1991, c.384 (C.5:9-13.2) for a social
32 security number match. If a match is made, the Office of Information
33 Technology shall notify the Commissioner of Human Services.

34 c. If an annuity jackpot winner is in arrears of a child support order, or
35 is a former recipient of Aid to Families with Dependent Children or Work
36 First New Jersey, food stamp benefits or low-income home energy
37 assistance benefits who has incurred an overpayment which has not been
38 repaid, the Probation Division of the Superior Court or the Department of
39 Human Services, as appropriate, shall promptly notify the slot system
40 operator of the name, address, social security number and amount due on an
41 arrears child support order or the amount due on an overpayment. The slot
42 system operator shall withhold this amount from the pending annuity
43 jackpot payment and transmit same to the Probation Division of the
44 Superior Court or the Department of Human Services, as appropriate, in
45 accordance with regulations promulgated by the State Treasurer.

46 d. The Probation Division of the Superior Court, acting as agent for the
47 child support payee or the county welfare agency that provided the public
48 assistance benefits, as appropriate, shall have a lien on the proceeds of the

1 annuity jackpot payment in an amount equal to the amount of child support
2 arrearage or the amount of overpayment incurred, as appropriate. The lien
3 imposed by this section shall be enforceable in the Superior Court. Any of
4 the annuity jackpot winner's funds remaining after withholding pursuant to
5 the lien established pursuant to this section shall be paid to the winner in
6 accordance with the rules of the **[commission]** division.

7 e. The Commissioner of Human Services shall promulgate such
8 regulations as may be necessary to effectuate the purposes of this section
9 including, but not limited to, regulations providing for prompt notice to any
10 annuity jackpot winner, from whose payments the Probation Division of the
11 Superior Court or the Department of Human Services seeks to withhold
12 funds, of the amount to be withheld and the reason therefor and providing
13 the annuity jackpot winner with the opportunity for a hearing upon request
14 prior to the disposition of any funds.

15 f. The State Treasurer shall also provide, by regulation, safeguards
16 against the disclosure or inappropriate use of any personally identifiable
17 information regarding any person obtained pursuant to this section.

18 g. For the purposes of this section, "prompt notice" shall mean notice
19 within 14 days or less.

20 (cf: P.L.2007, c.56, s.17)

21
22 ²**[69.]** 68.² Section 101 of P.L.1977, c.110 (C.5:12-101) is amended as
23 follows:

24 101. a. Except as otherwise provided in this section, no casino licensee
25 or any person licensed under this act, and no person acting on behalf of or
26 under any arrangement with a casino licensee or other person licensed
27 under this act, shall:

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

32 (2) Release or discharge any debt, either in whole or in part, or make
33 any loan which represents any losses incurred by any player in gaming or
34 simulcast wagering activity, without maintaining a written record thereof in
35 accordance with the rules of the **[commission]** division.

36 b. No casino licensee or any person licensed under this act, and no
37 person acting on behalf of or under any arrangement with a casino licensee
38 or other person licensed under this act, may accept a check, other than a
39 recognized traveler's check or other cash equivalent from any person to
40 enable such person to take part in gaming or simulcast wagering activity as
41 a player, or may give cash or cash equivalents in exchange for such check
42 unless:

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

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

45 (3) The check is presented to the cashier or the cashier's representative
46 at a location in the casino approved by the **[commission]** division and is
47 exchanged for cash or slot tokens which total an amount equal to the
48 amount for which the check is drawn, or the check is presented to the

1 cashier's representative at a gaming table in exchange for chips which total
2 an amount equal to the amount for which the check is drawn; and

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

5 Nothing in this subsection shall be deemed to preclude the establishment
6 of an account by any person with a casino licensee by a deposit of cash,
7 recognized traveler's check or other cash equivalent, or a check which
8 meets the requirements of subsection g. of this section, or to preclude the
9 withdrawal, either in whole or in part, of any amount contained in such
10 account.

11 c. When a casino licensee or other person licensed under this act, or
12 any person acting on behalf of or under any arrangement with a casino
13 licensee or other person licensed under this act, cashes a check in
14 conformity with the requirements of subsection b. of this section, the casino
15 licensee shall cause the deposit of such check in a bank for collection or
16 payment, or shall require an attorney or casino key employee with no
17 incompatible functions to present such check to the drawer's bank for
18 payment, within (1) seven calendar days of the date of the transaction for a
19 check in an amount of \$1,000.00 or less; (2) 14 calendar days of the date of
20 the transaction for a check in an amount greater than \$1,000.00 but less
21 than or equal to \$5,000.00; or (3) 45 calendar days of the date of the
22 transaction for a check in an amount greater than \$5,000.00.
23 Notwithstanding the foregoing, the drawer of the check may redeem the
24 check by exchanging cash, cash equivalents, chips, or a check which meets
25 the requirements of subsection g. of this section in an amount equal to the
26 amount for which the check is drawn; or he may redeem the check in part
27 by exchanging cash, cash equivalents, chips, or a check which meets the
28 requirements of subsection g. of this section and another check which meets
29 the requirements of subsection b. of this section for the difference between
30 the original check and the cash, cash equivalents, chips, or check tendered;
31 or he may issue one check which meets the requirements of subsection b. of
32 this section in an amount sufficient to redeem two or more checks drawn to
33 the order of the casino licensee. If there has been a partial redemption or a
34 consolidation in conformity with the provisions of this subsection, the
35 newly issued check shall be delivered to a bank for collection or payment
36 or presented to the drawer's bank for payment by an attorney or casino key
37 employee with no incompatible functions within the period herein
38 specified. No casino licensee or any person licensed or registered under this
39 act, and no person acting on behalf of or under any arrangement with a
40 casino licensee or other person licensed under this act, shall accept any
41 check or series of checks in redemption or consolidation of another check
42 or checks in accordance with this subsection for the purpose of avoiding or
43 delaying the deposit of a check in a bank for collection or payment or the
44 presentment of the check to the drawer's bank within the time period
45 prescribed by this subsection.

46 In computing a time period prescribed by this subsection, the last day of
47 the period shall be included unless it is a Saturday, Sunday, or a State or

1 federal holiday, in which event the time period shall run until the next
2 business day.

3 d. No casino licensee or any other person licensed or registered under
4 this act, or any other person acting on behalf of or under any arrangement
5 with a casino licensee or other person licensed or registered under this act,
6 shall transfer, convey, or give, with or without consideration, a check
7 cashed in conformity with the requirements of this section to any person
8 other than:

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

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

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

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

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

18 e. No person other than **[one]** a casino key employee licensed **[as a**
19 **casino key employee or as a casino employee]** under this act or a casino
20 employee registered under this act may engage in efforts to collect upon
21 checks that have been returned by banks without full and final payment,
22 except that an attorney-at-law representing a casino licensee may bring
23 action for such collection.

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

31 g. Notwithstanding the provisions of subsection b. of this section to the
32 contrary, a casino licensee may accept a check from a person to enable the
33 person to take part in gaming or simulcast wagering activity as a player,
34 may give cash or cash equivalents in exchange for such a check, or may
35 accept a check in redemption or partial redemption of a check issued in
36 accordance with subsection b., provided that:

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

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

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

- 1 (d) The check is issued by a slot system operator or pursuant to an
2 annuity jackpot guarantee as payment for winnings from a multi-casino
3 progressive slot machine system jackpot; or
- 4 (e) The check is issued by an affiliate of a casino licensee that holds a
5 gaming license in any jurisdiction, is made payable to the person presenting
6 the check, and is issued for a purpose other than employment compensation
7 or as payment for goods or services rendered;
- 8 (2) The check is identifiable in a manner approved by the **[commission]**
9 division as a check authorized for acceptance pursuant to paragraph (1) of
10 this subsection;
- 11 (3) The check is dated, but not postdated;
- 12 (4) The check is presented to the cashier or the cashier's representative
13 by the original payee and its validity is verified by the drawer in the case of
14 a check drawn pursuant to subparagraph (a) of paragraph (1) of this
15 subsection, or the check is verified in accordance with regulations
16 promulgated **[by the commission]** under this act in the case of a check
17 issued pursuant to subparagraph (b), (c), (d) or (e) of paragraph (1) of this
18 subsection; and
- 19 (5) The regulations concerning check cashing procedures are observed
20 by the casino licensee and its employees and agents.
- 21 No casino licensee shall issue a check for the purpose of making a loan
22 or otherwise providing or allowing any advance or credit to a person to
23 enable the person to take part in gaming or simulcast wagering activity as a
24 player.
- 25 h. Notwithstanding the provisions of subsection b. and subsection c. of
26 this section to the contrary, a casino licensee may, at a location outside the
27 casino, accept a personal check or checks from a person for up to \$5,000 in
28 exchange for cash or cash equivalents, and may, at such locations within
29 the casino or casino simulcasting facility as may be permitted by the
30 **[commission]** division, accept a personal check or checks for up to \$5,000
31 in exchange for cash, cash equivalents, tokens, chips, or plaques to enable
32 the person to take part in gaming or simulcast wagering activity as a player,
33 provided that:
- 34 (a) The check is drawn on the patron's bank or brokerage cash
35 management account;
- 36 (b) The check is for a specific amount;
- 37 (c) The check is made payable to the casino licensee;
- 38 (d) The check is dated but not post-dated;
- 39 (e) The patron's identity is established by examination of one of the
40 following: valid credit card, driver's license, passport, or other form of
41 identification credential which contains, at a minimum, the patron's
42 signature;
- 43 (f) The check is restrictively endorsed "For Deposit Only" to the casino
44 licensee's bank account and deposited on the next banking day following
45 the date of the transaction;
- 46 (g) The total amount of personal checks accepted by any one licensee
47 pursuant to this subsection that are outstanding at any time, including the
48 current check being submitted, does not exceed \$5,000;

1 (h) The casino licensee has **[an approved]** a system of internal controls
2 in place that will enable it to determine the amount of outstanding personal
3 checks received from any patron pursuant to this subsection at any given
4 point in time; and

5 (i) The casino licensee maintains a record of each such transaction in
6 accordance with regulations established by the **[commission]** division.

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

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

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

22 (cf: P.L.2009, c.36, s.17)

23
24 ²**[70.]** 69.² Section 2 of P.L.1987, c.419 (C.5:12-101.2) is amended to
25 read as follows:

26 2. No casino licensee or any person licensed or registered under
27 P.L.1977, c.110 (C.5:12-1 et seq.), and no person acting on behalf of or
28 under any arrangement with a casino licensee or other person licensed or
29 registered under P.L.1977, c.110, shall, in a single transaction during a
30 gaming day, redeem for cash or credit any chips or markers in an amount of
31 \$10,000.00 or more or exchange chips for cash in an amount of \$10,000.00
32 or more, from any one person, unless the person seeking to redeem the
33 chips or markers presents proof of his identity and passport identification
34 number if he is not a United States citizen.

35 Multiple currency transactions shall be treated as a single transaction if
36 the casino licensee, person licensed or registered under P.L.1977, c.110 or
37 person acting on behalf of or under any arrangement with a casino licensee
38 or other person licensed or registered under P.L.1977, c.110 has knowledge
39 that the transactions are by or on behalf of one person and result in either
40 cash in or cash out **[totalling]** totaling more than \$10,000.00 during a
41 gaming day.

42 (cf: P.L.1987, c.419, s.2)

43
44 ²**[71.]** 70.² Section 3 of P.L.1987, c.419 (C.5:12-101.3) is amended to
45 read as follows:

46 3. Casino licensees, persons licensed or registered under P.L.1977,
47 c.110 (C.5:12-1 et seq.) and persons acting on behalf of or under any

1 arrangement with casino licensees or other persons licensed or registered
2 under P.L.1977, c.110, who accept cash or redeem chips or markers
3 **【totalling】 totaling** \$10,000.00 or more in a gaming day for which
4 identification is required pursuant to sections 1 and 2 of this 1987
5 supplementary act, shall at least once every 30 days report the identities and
6 passport numbers of the persons offering the cash, chips or markers, to the
7 Division of Gaming Enforcement.

8 (cf: P.L.1987, c.419, s.3)

9
10 ²**【72.】 71.**² Section 102 of P.L.1977, c.110 (C.5:12-102) is amended to
11 read as follows:

12 102. Junkets and Complimentary Services.

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

16 b. A junket enterprise or a junket representative employed by a casino
17 licensee, an applicant for a casino license or an affiliate of a casino licensee
18 shall be licensed as a casino key employee in accordance with the
19 provisions of P.L.1977, c.110 (C.5:12-1 et seq.); provided, however, that
20 said licensee need not be a resident of this State. **【Any person who holds a**
21 **current and valid casino employee license may act as a junket**
22 **representative while employed by a casino licensee or an affiliate.】** No
23 casino licensee or applicant for a casino license may employ or otherwise
24 engage a junket representative who is not so licensed.

25 c. Junket enterprises **【which】 that**, and junket representatives not
26 employed by a casino licensee or an applicant for a casino license or by a
27 junket enterprise who, **【are engaged】 engage** in activities governed by this
28 section shall be **【subject to the provisions of subsection c. of section 92 and**
29 **subsection b. of section 104 of P.L.1977, c.110 (C.5:12-92 and 5:12-104)**
30 **with regard to those activities, unless otherwise directed by the commission**
31 **pursuant to subsection k. of this section. Such of the owners, management**
32 **and supervisory personnel, and other principal employees of a junket**
33 **enterprise as the commission may consider appropriate for qualification**
34 **shall qualify under the standards, except for residency, established for**
35 **qualification of a casino key employee under P.L.1977, c.110 (C.5:12-1 et**
36 **seq.)】 licensed as a casino service industry enterprise in accordance with**
37 **subsection a. of section 92 of P.L.1977, c.110 (C.5:12-92), unless otherwise**
38 **directed by the division. Any non-supervisory employee of a junket**
39 **enterprise or junket representative licensed under this subsection shall be**
40 **registered in accordance with subsection c. of section 92 of P.L.1977, c.110**
41 **(C.5:12-92).**

42 d. Prior to the issuance of any license required by this section, an
43 applicant for licensure shall submit to the jurisdiction of the State of New
44 Jersey and shall demonstrate **【to the satisfaction of the commission】** that he
45 is amenable to service of process within this State. Failure to establish or
46 maintain compliance with the requirements of this subsection shall

1 constitute sufficient cause for the denial, suspension or revocation of any
2 license issued pursuant to this section.

3 e. Upon petition by the holder of a casino license, an applicant for
4 junket representative or junket enterprise applying for licensure may be
5 issued a temporary license by the **【commission】** division in accordance
6 with regulations promulgated by the division, provided that:

7 (1) the applicant for licensure is employed by a casino licensee;

8 (2) the applicant for licensure has filed a completed application as
9 required by the commission;

10 (3) the division either certifies to the commission that the completed
11 application for licensure as specified in paragraph (2) of this subsection has
12 been in the possession of the division for at least 60 days or agrees to allow
13 the commission to consider the application in some lesser time; and

14 (4) the division does not object to the temporary licensure of the
15 applicant; provided, however, that failure of the division to object prior to
16 the temporary licensure of the applicant shall not be construed to reflect in
17 any manner upon the qualifications of the applicant for licensure.

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

26 Unless otherwise terminated pursuant to P.L.1977, c.110 (C.5:12-1 et
27 seq.), any temporary license issued pursuant to this subsection shall expire
28 12 months from the date of its issuance, and shall be renewable by the
29 commission, in the absence of an objection by the division, as specified in
30 paragraph (4) of this subsection, for one additional six-month period.

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

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

45 h. A casino licensee shall be responsible for any violation or deviation
46 from the terms of a junket. Notwithstanding any other provisions of this
47 act, the **【commission】** division may[, after hearings in accordance with this
48 act,] order restitution to junket participants, assess penalties for such

- 1 violations or deviations, prohibit future junkets by the casino licensee,
2 junket enterprise or junket representative, and order such further relief as it
3 deems appropriate.
- 4 i. The **【commission】** division shall, by regulation, prescribe methods,
5 procedures and forms for the delivery and retention of information
6 concerning the conduct of junkets by casino licensees. Without limitation
7 of the foregoing, each casino licensee, in accordance with the rules of the
8 **【commission】** division, shall:
- 9 (1) Maintain on file a report describing the operation of any junket
10 engaged in on its premises;
- 11 (2) (Deleted by amendment, P.L.1995, c.18.).
- 12 (3) Submit to the **【commission and】** division a list of all its employees
13 who are acting as junket representatives.
- 14 j. Each casino licensee, junket representative or junket enterprise
15 shall, in accordance with the rules of the **【commission】** division, file a
16 report with the division with respect to each list of junket patrons or
17 potential junket patrons purchased directly or indirectly by the casino
18 licensee, junket representative or enterprise.
- 19 k. The **【commission】** division shall have the authority to determine,
20 either by regulation, or upon petition by the holder of a casino license, that
21 a type of arrangement otherwise included within the definition of "junket"
22 established by section 29 of P.L.1977, c.110 (C.5:12-29) shall not require
23 compliance with any or all of the requirements of this section. **【The**
24 **commission shall seek the opinion of the division prior to granting any**
25 **exemption.】** In granting exemptions, the **【commission】** division shall
26 consider such factors as the nature, volume and significance of the
27 particular type of arrangement, and whether the exemption would be
28 consistent with the public policies established by this act. In applying the
29 provisions of this subsection, the **【commission】** division may condition,
30 limit, or restrict any exemption as the commission may deem appropriate.
- 31 l. No junket enterprise or junket representative or person acting as a
32 junket representative may:
- 33 (1) Engage in efforts to collect upon checks that have been returned by
34 banks without full and final payment;
- 35 (2) Exercise approval authority with regard to the authorization or
36 issuance of credit pursuant to section 101 of P.L.1977, c.110 (C.5:12-101);
- 37 (3) Act on behalf of or under any arrangement with a casino licensee or
38 a gaming patron with regard to the redemption, consolidation, or
39 substitution of the gaming patron's checks awaiting deposit pursuant to
40 subsection c. of section 101 of P.L.1977, c.110 (C.5:12-101);
- 41 (4) Individually receive or retain any fee from a patron for the privilege
42 of participating in a junket;
- 43 (5) Pay for any services, including transportation, or other items of
44 value provided to, or for the benefit of, any patron participating in a junket.
- 45 m. No casino licensee shall offer or provide any complimentary
46 services, gifts, cash or other items of value to any person unless:

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

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

6 (3) The complimentary consists of coins, tokens, cash or other
7 complimentary items or services provided through a bus coupon or other
8 complimentary distribution program which, notwithstanding the
9 requirements of section 99 of P.L.1977, c.110 (C.5:12-99), shall be **[**filed
10 with the commission upon the implementation of the program or
11 maintained pursuant to commission regulation**]** maintained pursuant to
12 regulation and made available for inspection by the division.

13 Notwithstanding the foregoing, a casino licensee may offer and provide
14 complimentary cash or noncash gifts which are not otherwise included in
15 paragraphs (1) and (3) of this subsection to any person, provided that any
16 such gifts in excess of \$2,000.00, or such greater amount as the
17 **[**commission**]** division may establish by regulation, are supported by
18 documentation regarding the reason the gift was provided to the patron and
19 his guests, including where applicable, a patron's player rating, which
20 documentation shall be maintained by the casino licensee.

21 Each casino licensee shall maintain a regulated complimentary service
22 account, for those complimentaries which are permitted pursuant to this
23 section, and shall submit a quarterly report to the **[**commission**]** division
24 based upon such account and covering all complimentary services offered
25 or engaged in by the licensee during the immediately preceding quarter.
26 Such reports shall include identification of the regulated complimentary
27 services and their respective costs, the number of persons by category of
28 service who received the same, and such other information as the
29 **[**commission**]** division may require.

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

46 No casino applicant or licensee shall provide directly or indirectly to any
47 person any complimentary service or discount which is other than such

1 service or discount that is offered to members of the general public in like
2 circumstance.

3 o. [Any person who, on the effective date of this 1992 amendatory act,
4 P.L.1992, c.9, holds a current and valid plenary junket representative
5 license, a junket representative license with a sole owner-operator
6 endorsement, or a junket enterprise license authorizing the conduct of
7 junket activities, shall be considered licensed in accordance with the
8 provisions of this section and subsection c. of section 92 of P.L.1977, c.110
9 (C.5:12-92) for the remaining term of his current license.] (Deleted by
10 amendment, P.L. , c.) (pending before the Legislature as this bill)
11 (cf: PL.2009, c.36, s.18)

12

13 ²[73.] 72.² Section 103 of P.L.1977, c.110 (C.5:12-103) is amended as
14 follows:

15 103. Alcoholic Beverages in Casino Hotel Facilities. a.

16 Notwithstanding any law to the contrary, the authority to grant any
17 license for, or to permit or prohibit the presence of, alcoholic beverages in,
18 on, or about any premises licensed as part of a casino hotel shall
19 exclusively be vested in the [commission] division.

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

25 c. Notwithstanding any provision of Title 33 of the Revised Statutes,
26 the rules, regulations and bulletins promulgated by the director of the
27 Division of Alcoholic Beverage Control, or any provision promulgated by
28 any local authority, the authority to issue, renew, transfer, revoke or
29 suspend a Casino Hotel Alcoholic Beverage License or any portion,
30 location, privilege or condition thereof; to fine or penalize a Casino Hotel
31 Alcoholic Beverage Licensee; to enforce all statutes, laws, rulings, or
32 regulations relating to such license; and to collect license fees and establish
33 application standards therefor, shall be, consistent with this act, exclusively
34 vested in the [commission or the] division.

35 d. Except as otherwise provided in this section, the provisions of Title
36 33 of the Revised Statutes and the rules, regulations and bulletins
37 promulgated by the Director of the Division of Alcoholic Beverage Control
38 shall apply to a Casino Hotel and Casino Hotel Alcoholic Beverage
39 Licensee licensed under this act.

40 e. Notwithstanding any provision to the contrary, the [commission]
41 division may promulgate any regulations and special rulings and findings as
42 may be necessary for the proper enforcement, regulation, and control of
43 alcoholic beverages in casino hotels when the [commission] division finds
44 that the uniqueness of casino operations and the public interest require that
45 such regulations, rulings, and findings are appropriate. Regulations of the
46 [commission] division may include but are not limited to: designation and
47 duties of enforcement personnel; all forms necessary or convenient in the

1 administration of this section; inspections, investigations, searches,
2 seizures; licensing and disciplinary standards; requirements and standards
3 for any hearings or disciplinary or other proceedings that may be required
4 from time to time; the assessment of fines or penalties for violations; hours
5 of sale; sales in original containers; sales on credit; out-of-door sales;
6 limitations on sales; gifts and promotional materials; locations or places for
7 sale; control of signs and other displays; identification of licensees and
8 their employees; employment of aliens and minors; storage, transportation
9 and sanitary requirements; records to be kept by the Casino Hotel Alcoholic
10 Beverage Licensees and availability thereof; practices unduly designed to
11 increase consumption of alcoholic beverages; and such other matters
12 whatsoever as are or may become necessary and consistent with the
13 administration of this act.

14 f. (1) It shall be unlawful for any person, including any casino licensee
15 or any of its lessees, agents or employees, to expose for sale, solicit or
16 promote the sale of, possess with intent to sell, sell, give, dispense, or
17 otherwise transfer or dispose of alcoholic beverages in, on or about any
18 portion of the premises of a casino hotel, unless said person possesses a
19 Casino Hotel Alcoholic Beverage License. Nothing herein or in any other
20 law to the contrary, however, shall prohibit a casino beverage server in the
21 course of his or her employment from inquiring of a casino patron whether
22 such patron desires a beverage, whether or not such inquiry is phrased in
23 terms of any word which may connote that the beverage is an alcoholic
24 beverage.

25 (2) It shall be unlawful for any person issued a Casino Hotel Alcoholic
26 Beverage License to expose, possess, sell, give, dispense, transfer, or
27 otherwise dispose of alcoholic beverages, other than within the terms and
28 conditions of the Casino Hotel Alcoholic Beverage License issued, the
29 provisions of Title 33 of the Revised Statutes, the rules and regulations
30 promulgated by the Director of the Division of Alcoholic Beverage Control,
31 and, when applicable, the regulations promulgated pursuant to this act.

32 (3) Notwithstanding any other law to the contrary, a manufacturer,
33 wholesaler, or other person licensed to sell alcoholic beverages to retailers,
34 or third parties at their discretion, may, in addition to the activities
35 permitted by section 10 of P.L.2005, c.243 (C.33:1-43.2), jointly sponsor
36 with the Casino Hotel Alcoholic Beverage Licensee musical or theatrical
37 performances or concerts, sporting events and such similar events and
38 festivals, with an anticipated overall audience attendance of at least one
39 thousand patrons, as may be approved by the division.

40 g. In issuing a Casino Hotel Alcoholic Beverage License the
41 **[commission]** division shall describe the scope of the particular license and
42 the restrictions and limitations thereon as it deems necessary and
43 reasonable. The**[commission]** division may, in a single Casino Hotel
44 Alcoholic Beverage License, permit the holder of such a license to perform
45 any or all of the following activities, subject to applicable laws, rules and
46 regulations:

47 (1) To sell any alcoholic beverage by the glass or other open receptacle
48 including, but not limited to, an original container, for on-premise

1 consumption within a casino or simulcasting facility; provided, however,
2 that no alcoholic beverage shall be sold or given for consumption; delivered
3 or otherwise brought to a patron; or consumed at a gaming table unless so
4 requested by the patron.

5 (2) To sell any alcoholic beverage by the glass or other open receptacle
6 for on-premise consumption within a casino hotel, but not in a casino or
7 simulcasting facility, or from a fixed location outside a building or structure
8 containing a casino but on a casino hotel premises.

9 (3) To sell any alcoholic beverage in original containers for
10 consumption outside the licensed area from an enclosed package room not
11 in a casino or simulcasting facility.

12 (4) To sell any alcoholic beverage by the glass or other open receptacle
13 or in original containers from a room service location within an enclosed
14 room not in a casino or simulcasting facility; provided, however, that any
15 sale of alcoholic beverages is delivered only to a guest room or to any other
16 room in the casino hotel authorized by the **[commission] division**, other
17 than any room authorized by the **[commission] division** pursuant to
18 paragraph (1), (3), or (5) of this subsection.

19 (5) To possess or to store alcoholic beverages in original containers
20 intended but not actually exposed for sale at a fixed location on a casino
21 hotel premises, not in a casino or simulcasting facility; and to transfer or
22 deliver such alcoholic beverages only to a location approved pursuant to
23 this section; provided, however, that no access to or from a storage location
24 shall be permitted except during the normal course of business by
25 employees or agents of the licensee, or by licensed employees or agents of
26 wholesalers or distributors licensed pursuant to Title 33 of the Revised
27 Statutes and any applicable rules and regulations; and provided further,
28 however, that no provision of this section shall be construed to prohibit a
29 Casino Hotel Alcoholic Beverage Licensee from obtaining an off-site
30 storage license from the Division of Alcoholic Beverage Control.

31 h. **[(1) No Casino Hotel Alcoholic Beverage License which authorizes**
32 **the sale of alcoholic beverages within a casino pursuant to subsection g.(1)**
33 **of this section shall issue to any applicant who does not hold a casino**
34 **license issued pursuant to this act.**

35 (2) No Casino Hotel Alcoholic Beverage License which authorizes the
36 possession, sale or storage of alcoholic beverages pursuant to subsection
37 g.(2), (3), (4), or (5) of this section shall issue to any applicant who would
38 not qualify under the standards for licensure of a casino service industry
39 enterprise pursuant to subsection c. of section 92 of P.L.1977, c.110
40 (C.5:12-92).

41 (3) No Casino Hotel Alcoholic Beverage License which authorizes the
42 possession or storage of alcoholic beverages pursuant to subsection g. of
43 this section shall issue to any applicant who does not hold a Casino Hotel
44 Alcoholic Beverage License, permitting any activity pursuant to subsection
45 g.(1), (2), (3), or (4) of this section.] Deleted by amendment, P.L. _____,
46 c. (pending before the Legislature as this bill)

1 i. The **【commission】** division may revoke, suspend, refuse to renew or
2 refuse to transfer any Casino Hotel Alcoholic Beverage License, or fine or
3 penalize any Casino Hotel Alcoholic Beverage Licensee for violations of
4 any provision of Title 33 of the Revised Statutes, the rules and regulations
5 promulgated by the Director of the Division of Alcoholic Beverage Control,
6 and the regulations promulgated by the **【commission】** division.

7 j. Jurisdiction over all alcoholic beverage licenses previously issued
8 with respect to the casino hotel facility is hereby vested in the
9 **【commission】** division, which in its discretion may by regulation provide
10 for the conversion thereof into a Casino Hotel Alcoholic Beverage License
11 as provided in this section.

12 (cf: P.L.2009, c.36, s.19)

13
14 ²~~【74.】~~ 73.² Section 104 of P.L.1977, c.110 (C.5:12-104) is amended to
15 read as follows:

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

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

32 **【(2) Agreements between a casino licensee and a junket enterprise or**
33 **junket representative licensed, qualified or registered in accordance with**
34 **the provisions of P.L.1977, c.110 (C.5:12-1 et seq.) and the regulations of**
35 **the commission which provide for the compensation of the junket**
36 **enterprise or junket representative by the casino licensee based upon the**
37 **actual casino gaming or simulcast wagering activities of a patron procured**
38 **or referred by the junket enterprise or junket representative shall be lawful**
39 **if filed with the division prior to the conduct of any junket that is governed**
40 **by the agreement.】** ~~(Deleted by amendment, P.L. , c.) (pending before~~
41 ~~the Legislature as this bill)~~

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

- 1 (4) Agreements to lease an approved casino hotel or the land thereunder
2 and agreements for the complete management of all casino gaming
3 operations in a casino hotel shall not be subject to the provisions of this
4 subsection but shall rather be subject to the provisions of subsections b. and
5 c. of section 82 of this act.
- 6 (5) Agreements which provide for percentage charges between the
7 casino licensee and a holding company or intermediary company of the
8 casino licensee shall be in writing and filed with the **【commission】** division
9 but shall not be subject to the provisions of this subsection.
- 10 (6) Agreements relating to simulcast racing and wagering between a
11 casino licensee and an in-State or out-of-State sending track licensed or
12 exempt from licensure in accordance with **【subsection c. of】** section 92 of
13 P.L.1977, c.110 (C.5:12-92) shall be in writing, be filed with the
14 **【commission】** division, and be lawful and effective only if expressly
15 approved as to their terms by the **【commission】** division and the New
16 Jersey Racing Commission, except that any such agreements which provide
17 for a percentage of the parimutuel pool wagered at a simulcasting facility to
18 be paid to the sending track shall not be subject to the provisions of this
19 subsection.
- 20 (7) Agreements relating to simulcast racing and wagering between a
21 casino licensee and a casino service industry enterprise licensed pursuant to
22 the provisions of subsection a. of section 92 of P.L.1977, c.110 (C.5:12-92)
23 as a hub facility, as defined in joint regulations of the **【Casino Control**
24 **Commission】** Division of Gaming Enforcement and the New Jersey Racing
25 Commission, shall be in writing, be filed with the commission, and be
26 lawful and effective only if expressly approved as to their terms by the
27 commission and the New Jersey Racing Commission, except that any such
28 agreements which provide for a percentage of the casino licensee's share of
29 the parimutuel pool wagered at a simulcasting facility to be paid to the hub
30 facility shall not be subject to the provisions of this subsection.
- 31 (8) Agreements relating to simulcast racing and wagering between a
32 casino licensee and a casino service industry enterprise licensed pursuant to
33 the provisions of subsection a. of section 92 of P.L.1977, c.110 (C.5:12-92)
34 to conduct casino simulcasting in a simulcasting facility shall be in writing,
35 be filed with the commission, and be lawful and effective only if expressly
36 approved as to their terms by the commission, except that any such
37 agreements which provide for a percentage of the casino licensee's share of
38 the parimutuel pool wagered at a simulcasting facility to be paid to the
39 casino service industry enterprise shall not be subject to the provisions of
40 this subsection.
- 41 (9) Written agreements relating to the operation of multi-casino
42 progressive slot machine systems between one or more casino licensees and
43 a casino service industry enterprise licensed pursuant to the provisions of
44 subsection a. of section 92 of P.L.1977, c.110 (C.5:12-92), or an eligible
45 applicant for such license, which provide for an interest, percentage or
46 share of the casino licensee's revenues, profits or earnings from the
47 operation of such multi-casino progressive slot machines to be paid to the

1 casino service industry enterprise licensee or applicant shall not be subject
2 to the provisions of this subsection if the agreements are filed with and
3 approved by the **[commission]** division.

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

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

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

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

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

12 c. Nothing in this act shall be deemed to permit the transfer of any
13 license, or any interest in any license, or any certificate of compliance or
14 any commitment or reservation.

15 (cf: P.L.2009, c.36, s.20)

16
17 ²**[75.] 74.**² Section 105 of P.L.1977, c.110 (C.5:12-105) is amended as
18 follows:

19 105. Disposition of Securities by Corporate Licensee. a. The sale,
20 assignment, transfer, pledge or other disposition of any security issued by a
21 corporation which holds a casino license **[is conditional and shall be**
22 **ineffective if disapproved by the commission]** shall be effective five
23 business days after the commission receives notice from the licensee of
24 such sale, assignment, transfer, pledge or other disposition, in the form
25 required by regulation, unless within the five business day period, the
26 commission disapprove of such sale, assignment, transfer, pledge or other
27 disposition.

28 b. Every security issued by a corporation which holds a casino license
29 shall bear, on both sides of the certificate evidencing such security, a
30 statement of the restrictions imposed by this section, except that in the case
31 of a publicly traded corporation incorporated prior to the effective date of
32 this act, a statement of restriction shall be necessary only insofar as
33 certificates are issued by such corporation after the effective date of this
34 act.

35 c. The Secretary of State shall not accept for filing any articles of
36 incorporation of any corporation which includes as a stated purpose the
37 conduct of casino gaming, or any amendment which adds such purpose to
38 articles of incorporation already filed, unless such articles or amendments
39 have been approved by the commission and a copy of such approval is
40 annexed thereto upon presentation for filing with the Secretary of State.

41 d. If at any time the division reports to the commission **[finds]** that an
42 individual owner or holder of any security of a corporate licensee or of a
43 holding or intermediary company with respect thereto is not qualified under
44 this act, and if as a result the corporate licensee is no longer qualified to
45 continue as a casino licensee in this State, the commission shall, pursuant to
46 the provisions of this act, and upon the report and input of the division, take
47 any necessary action to protect the public interest, including the suspension

1 or revocation of the casino license of the corporation; provided, however,
2 that if the holding or intermediary company is a publicly traded corporation
3 and the commission finds disqualified any holder of any security thereof
4 who is required to be qualified under section 85d. of this act, and the
5 commission also finds that: (1) the holding or intermediary company has
6 complied with the provisions of section 82d.(7) of this act; (2) the holding
7 or intermediary company has made a good faith effort, including the
8 prosecution of all legal remedies, to comply with any order of the
9 commission or the division requiring the divestiture of the security interest
10 held by the disqualified holder; and (3) such disqualified holder does not
11 have the ability to control the corporate licensee or any holding or
12 intermediary company with respect thereto, or to elect one or more
13 members of the board of directors of such corporation or company, the
14 commission shall not take action against the casino licensee or the holding
15 or intermediary company with respect to the continued ownership of the
16 security interest by the disqualified holder. For purposes of this act, a
17 security holder shall be presumed to have the ability to control a publicly
18 traded corporation, or to elect one or more members of its board of
19 directors, if such holder owns or beneficially holds 5% or more of the
20 equity securities of such corporation, unless such presumption of control or
21 ability to elect is rebutted by clear and convincing evidence.

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

- 25 (1) To receive any dividends or interest upon any such securities;
26 (2) To exercise, directly or through any trustee or nominee, any right
27 conferred by such securities; or
28 (3) To receive any remuneration in any form from the corporate licensee
29 for services rendered or otherwise.

30 f. After a nonpublicly traded corporation has been issued a casino
31 license pursuant to the provisions of this act, but prior to the issuance or
32 transfer of any security to any person required to be but not yet qualified in
33 accordance with the provisions of this act, such corporation shall file a
34 report of its proposed action with the commission and the division, and
35 shall request the approval of the commission for the transaction. If the
36 commission shall deny the request, the corporation shall not issue or
37 transfer such security. After a publicly traded corporation has been issued a
38 casino license, such corporation shall file a report quarterly with the
39 commission and the division, which report shall list all owners and holders
40 of any security issued by such corporate casino licensee.

41 g. Each corporation which has been issued a casino license pursuant to
42 the provisions of this act shall file a report of any change of its corporate
43 officers or members of its board of directors with the commission and the
44 division. No officer or director shall be entitled to exercise any powers of
45 the office to which he was so elected or appointed until qualified by the
46 commission in accordance with the provisions of this act.

47 (cf: P.L.1991, c.182, s.42)

1 ²[76.] 75.² Section 106 of P.L.1977, c.110 (C.5:12-106) is amended to
2 read as follows:

3 106. Casino Employment. a. A casino licensee shall not appoint or
4 employ in a position requiring a casino key employee license[,] or a casino
5 employee [license, or a casino service employee] registration any person
6 not possessing a current and valid license or registration permitting such
7 appointment or employment.

8 b. A casino licensee shall, within 24 hours of receipt of written or
9 electronically transferred notice thereof, terminate the appointment or
10 employment of any person whose license or registration has been revoked
11 or has expired. A casino licensee may, in its discretion, suspend rather than
12 terminate the appointment or employment of any person whose license or
13 registration has expired until such time as the person is again licensed or
14 registered. A casino licensee shall comply in all respects with any order of
15 the [commission] division imposing limitations or restrictions upon the
16 terms of employment or appointment in the course of any investigation or
17 hearing.

18 c. An applicant for or a holder of a casino key employee license or a
19 holder of a casino employee [license] registration whose application is
20 denied or whose licensure or registration is revoked, as the case may be,
21 shall not, in addition to any restrictions imposed by the regulations of the
22 commission or division, as applicable, on a reapplication for licensure, be
23 employed by a casino licensee in a position that does not require a license
24 or registration until five years have elapsed from the date of the denial or
25 revocation, except that the commission or division may permit such
26 employment upon good cause shown.

27 d. [A holder of a casino service employee registration whose
28 registration is revoked, in addition to any restrictions imposed by the
29 regulations of the commission on a reapplication for licensure or
30 registration, shall not be employed by a casino licensee in a position that
31 does not require a license or registration until five years have elapsed from
32 the date of revocation, except that the commission may permit such
33 employment upon good cause shown.] (Deleted by amendment, P.L. _____,
34 c.) (pending before the Legislature as this bill)
35 (cf: P.L.2009, c.36, s.21)

36
37 ²[77.] 76.² Section 107 of P.L.1977, c.110 (C.5:12-107) is amended as
38 follows:

39 107. Conduct of Hearings; Rules of Evidence; Punishment of Contempts
40 [; Rehearing]. a. [At all hearings of the commission in contested cases, as
41 defined in section 2 of P.L.1968, c.410 (C.52:14B-2):] The commission
42 shall promulgate regulations for the conduct of hearings it is authorized to
43 conduct under subsection a. of section 63 of P.L.1977, c.110 (C.5:12-63),
44 which regulations shall include the following:

45 (1) Unless the commission hears the matter directly, the chairman shall
46 refer the matter to the Office of Administrative Law in accordance with
47 P.L.1978, c.67 (C.52:14F-1 et al.); provided, however, that the chairman

- 1 may, in his discretion, designate a member of the commission, or other
2 qualified person other than an employee of the commission, to serve as
3 hearing examiner in a particular matter;
- 4 (2) The proceedings at the hearing shall be recorded or transcribed;
- 5 (3) Oral evidence shall be taken only upon oath or affirmation;
- 6 (4) Each party to a hearing shall have the right to call and examine
7 witnesses; to introduce exhibits relevant to the issues of the case, including
8 the transcript of testimony at any investigative hearing conducted by or on
9 behalf of the commission; to cross-examine opposing witnesses in any
10 matters relevant to the issue of the case; to impeach any witness, regardless
11 of which party called him to testify; and to offer rebuttal evidence;
- 12 (5) If an applicant, licensee, registrant or person who shall be qualified
13 pursuant to this act is a party and if such party shall not testify in his own
14 behalf, he may be called and examined as if under cross-examination;
- 15 (6) The hearing shall not be conducted according to rules relating to the
16 admissibility of evidence in courts of law. Any relevant evidence may be
17 admitted and shall be sufficient in itself to support a finding if it is the sort
18 of evidence upon which responsible persons are accustomed to rely in the
19 conduct of serious affairs, regardless of the existence of any common law
20 or statutory rule which might make improper the admission of such
21 evidence over objection in a civil action; and
- 22 (7) The parties or their counsel may, by written stipulation, agree that
23 certain specified evidence may be admitted, although such evidence may be
24 otherwise subject to objection.
- 25 b. The commission may take official notice of any generally accepted
26 information or technical or scientific matter in the field of gaming and of
27 any other fact which may be judicially noticed by the courts of this State.
28 The parties shall be informed of any information, matters or facts so
29 noticed and shall be given a reasonable opportunity, on request, to refute
30 such information, matters or facts by evidence or by written or oral
31 presentation of authorities, the manner of such refutation to be determined
32 by the commission. The commission may, in its discretion, before
33 rendering its decision, permit the filing of amended or supplemental
34 pleadings and shall notify all parties thereof and provide a reasonable
35 opportunity for objections thereto.
- 36 c. If any person in proceedings before the commission or the division
37 disobeys or resists any lawful order, refuses to respond to a subpoena,
38 refuses to take the oath or affirmation as a witness or thereafter refuses to
39 be examined, or is guilty of misconduct at the hearing or so near the place
40 thereof as to obstruct the proceeding, the person may be punished for
41 contempt in accordance with the Rules of Court if the commission or
42 division certifies the facts underlying the contumacious behavior to the
43 Superior Court. Thereafter, the courts shall have jurisdiction in the matter,
44 and the same proceeding shall be had, the same penalties may be imposed,
45 and the person charged may purge himself of the contempt in the same way
46 as in the case of a person who has committed contempt in the trial of a civil
47 action before the Superior Court.

1 d. [(1) The commission may, upon motion therefor made within 10
2 days after the service of the decision and order, order a rehearing before the
3 commission upon such terms and conditions as it may deem just and proper
4 when the commission finds cause to believe that the decision and order
5 should be reconsidered in view of the legal, policy or factual matters
6 advanced by the moving party or raised by the commission on its own
7 motion.

8 (2) Upon motion made within a reasonable time, but in no event later
9 than one year from the service of the decision and order, the commission
10 may relieve a party from the decision and order upon a showing that there
11 is additional evidence which is material and necessary and which would be
12 reasonably likely to change the decision of the commission, and that
13 sufficient reason existed for failure to present such evidence at the hearing
14 of the commission or on a motion under paragraph (1) of this subsection.
15 The motion shall be supported by an affidavit of the moving party or his
16 counsel showing with particularity the materiality and necessity of the
17 additional evidence and the reason why it was not presented at the hearing
18 or on a motion under paragraph (1) of this subsection. Upon rehearing,
19 rebuttal evidence to the additional evidence shall be admitted. After
20 rehearing, the commission may modify its decision and order as the
21 additional evidence may warrant.

22 (3) A motion for relief from a decision and order which is based on any
23 ground other than the presentation of newly discovered evidence shall be
24 governed as to both timeliness and sufficiency by the regulations of the
25 commission which shall be modeled, to the extent practical, upon the rules
26 then governing similar motions before the courts of this State.] (Deleted by
27 amendment, P.L. , c.) (pending before the Legislature as this bill)

28 e. The division shall promulgate rules governing the conduct of
29 hearings and other procedures as are necessary for it to fulfill its duties and
30 exercise its powers consistent with section 76 of P.L.1977, c.110 (C.5:12-
31 76).

32 f. The commission and division shall have the power and authority to
33 issue subpoenas and to compel the attendance of witnesses at any place
34 within this State, to administer oaths and to require testimony under oath
35 before the commission or division in the course of any investigation or
36 hearing conducted under this act. The commission and division may
37 appoint hearing examiners, to whom may be delegated the power and
38 authority to administer oaths, issue subpoenas, and require testimony under
39 oath.

40 g. The commission and division shall have the authority to order any
41 person to answer a question or questions or produce evidence of any kind
42 and confer immunity as provided in this section. If, in the course of any
43 investigation or hearing conducted under this act, a person refuses to
44 answer a question or produce evidence on the ground that he will be
45 exposed to criminal prosecution thereby, then in addition to any other
46 remedies or sanctions provided for by this act, the division or the
47 commission with the written approval of the Attorney General, may issue
48 an order to answer or to produce evidence with immunity.

1 If, upon issuance of such an order, the person complies therewith, he
2 shall be immune from having such responsive answer given by him or such
3 responsive evidence produced by him, or evidence derived therefrom, used
4 to expose him to criminal prosecution, except that such person may
5 nevertheless be prosecuted for any perjury committed in such answer or in
6 producing such evidence, or for contempt for failing to give an answer or
7 produce evidence in accordance with the order of the commission or the
8 division; provided, however, that no period of incarceration for contempt
9 shall exceed 18 months in duration pursuant to this section. Any such
10 answer given or evidence produced shall be admissible against him upon
11 any criminal investigation, proceeding or trial against him for such perjury;
12 upon any investigation, proceeding or trial against him for such contempt;
13 or in any manner consonant with State and constitutional provisions.

14 h. Any licensee, applicant for a license or a registrant who is aggrieved
15 by a final decision by the division shall have the right of appeal to the
16 commission. Notwithstanding the foregoing, no decision by the division
17 shall constitute a final agency action for purposes of establishing
18 jurisdiction on appeal in the New Jersey Superior Court.

19 i. All appeals from final decisions of the division shall be heard by the
20 commission in accordance with subsection b. of section 63 of P.L.1977,
21 c.110 (C.5:12-63), which procedure may include the opportunity for the
22 matter to be heard as a contested case in accordance with the
23 “Administrative Procedure Act,” P.L.1968, c.410 (C.5:14B-1 et. seq.).
24 Final orders of the commission shall constitute final agency action for
25 purposes of establishing jurisdiction on appeal in the New Jersey Superior
26 Court.

27 (cf: P.L.1993, c.292, s.25)

28

29 ²**[78.] 77.**² Section 109 of P.L.1977, c.110 (C.5:12-109) is amended to
30 read as follows:

31 109. Notwithstanding any provisions of this article, the **[commission]**
32 **director** may issue an emergency order for the suspension, limitation or
33 conditioning of any operation certificate or any license, other than a casino
34 license, or any registration, or may issue an emergency order requiring the
35 licensed casino to keep an individual from the premises of such licensed
36 casino or not to pay such individual any remuneration for services or any
37 profits, income or accruals on his investment in such casino, in the
38 following manner:

39 a. An emergency order shall be issued only when the **[commission]**
40 **director** finds that:

41 (1) There has been charged a violation of any of the criminal laws of
42 this State by a licensee or registrant, or

43 (2) Such action is necessary to prevent a violation of any such
44 provision, or

45 (3) Such action is necessary immediately for the preservation of the
46 public peace, health, safety, morals, good order and general welfare or to
47 preserve the public policies declared by this act.

1 b. An emergency order shall set forth the grounds upon which it is
2 issued, including the statement of facts constituting the alleged emergency
3 necessitating such action.

4 c. The emergency order shall be effective immediately upon issuance
5 and service upon the licensee, registrant, or resident agent of the licensee.
6 The emergency order may suspend, limit, condition or take other action in
7 relation to the approval of one or more individuals who were required to be
8 approved in any operation, without necessarily affecting any other
9 individuals or the licensed casino establishment. The emergency order
10 shall remain effective until further order of the [commission or final
11 disposition of the case] director.

12 d. Within 5 days after issuance of an emergency order, the
13 [commission] division shall cause a complaint to be filed and served upon
14 the person or entity involved in accordance with the provisions of this act.

15 e. Thereafter, the person or entity against whom the emergency order
16 has been issued and served shall [be entitled to a hearing before the
17 commission in accordance with the provisions of this act] show cause
18 before the director why the emergency order should not remain in effect in
19 accordance with the provisions of this act and the regulations promulgated
20 hereunder.

21 (cf: P.L.1981, c.503, s.18)

22

23 ²[79.] 78.² Section 110 of P.L.1977, c.110 (C.5:12-110) is amended to
24 read as follows:

25 110. a. The division or any person aggrieved by a final decision or
26 order of the commission made after hearing or rehearing by the
27 commission, whether or not a petition for hearing was filed, may obtain
28 judicial review thereof by appeal to the Superior Court in accordance with
29 the Rules of Court.

30 b. Filing of an appeal shall not stay enforcement of the decision or
31 order of the commission unless the stay is obtained from the court upon
32 application in accordance with the Rules of Court or from the commission
33 upon such terms and conditions as it deems proper.

34 c. The reviewing court may affirm the decision and order of the
35 commission, may remand the case for further proceedings, or may reverse
36 the decision if the substantive rights of the petitioner have been prejudiced
37 because the decision is:

38 (1) In violation of constitutional provisions;

39 (2) In excess of the statutory authority and jurisdiction of the
40 commission; or

41 (3) Arbitrary or capricious or otherwise not in accordance with law.

42 d. In order to protect the public interest and the regulatory authority of
43 the commission, any action by the commission taken pursuant to the
44 provisions of sections 64, 69 d. or 71 of this act shall not be subject to the
45 injunctive authority of the Superior Court prior to the exhaustion of the
46 administrative procedures herein specified, unless it shall appear evident to
47 the court, by clear and convincing evidence, that a manifest denial of

1 justice would be effectuated by the refusal to enjoin the contemplated
2 action **[of the commission]**.

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

4

5 ²**[80.] 79.**² Section 111 of P.L.1977, c.110 (C.5:12-111) is amended to
6 read as follows:

7 111. Penalties for Willful Evasion of Payment of License Fees, Other
8 Acts and Omissions. Any person who willfully fails to report, pay or
9 truthfully account for and pay over any license fee or tax imposed by the
10 provisions of this act, or willfully attempts in any manner to evade or defeat
11 any such license fee, tax, or payment thereof is guilty of a crime of the
12 fourth degree and subject to the penalties therefor, except that the amount
13 of a fine may be up to **[\$25,000.00] \$50,000**, and in the case of a person
14 other than a natural person, the amount of a fine may be up to
15 **[\$100,000.00] \$200,000**, and shall in addition be liable for a penalty of
16 three times the amount of the license fee evaded and not paid, collected or
17 paid over, which penalty shall be assessed by the **[commission] division**
18 and collected in accordance with the provisions of this act.

19 (cf: P.L.1991, c.182, s.44)

20

21 ²**[81.] 80.**² Section 112 of P.L.1977, c.110 (C.5:12-112) is amended to
22 read as follows:

23 112. Unlicensed Casino Gambling Games Unlawful; Penalties.

24 a. Any person who violates the provisions of sections 80 or 82 or of
25 Article 7 of this act, or permits any gambling game, slot machine or device
26 to be conducted, operated, dealt or carried on in any casino or simulcasting
27 facility by a person other than a person licensed for such purposes pursuant
28 to this act is guilty of a crime of the fourth degree and subject to the
29 penalties therefor, except that the amount of a fine may be up to
30 **[\$25,000.00] \$50,000**, and in the case of a person other than a natural
31 person, the amount of a fine may be up to **[\$100,000.00] \$200,000**.

32 b. Any licensee who places games or slot machines into play or
33 displays such games or slot machines in a casino or simulcasting facility
34 without authority of the **[commission] division** to do so is guilty of a crime
35 of the fourth degree and subject to the penalties therefor, except that the
36 amount of a fine may be up to **[\$25,000.00] \$50,000**, and in the case of a
37 person other than a natural person, the amount of a fine may be up to
38 **[\$100,000.00] \$200,000**.

39 c. Any person who operates, carries on or exposes for play any
40 gambling game, gaming device or slot machine after his license has expired
41 and prior to the actual renewal thereof is guilty of a crime of the fourth
42 degree and subject to the penalties therefor, except that the amount of a fine
43 may be up to **[\$25,000.00] \$50,000**, and in the case of a person other than
44 a natural person, the amount of a fine may be up to **[\$100,000.00]**
45 **\$200,000**.

46 (cf: P.L.1993, c.292, s.26)

1 ²[82.] 81.² Section 46 of P.L.1991, c.182 (C5:12-113.1) is amended to
2 read as follows:

3 46. a. A person commits a third degree offense if, in playing a game in a
4 licensed casino or simulcasting facility, the person uses, or assists another
5 in the use of, a computerized, electronic, electrical or mechanical device
6 which is designed, constructed, or programmed specifically for use in
7 obtaining an advantage at playing any game in a licensed casino or
8 simulcasting facility, unless the advantage obtained can be assessed a
9 monetary value or loss of \$75,000 or greater in which case the offense is a
10 crime of the second degree.

11 b. Any computerized, electronic, electrical or mechanical device used
12 in violation of subsection a. of this section shall be considered prima facie
13 contraband and shall be subject to the provisions of N.J.S. 2C:64-2. A
14 device used by any person in violation of this section shall be subject to
15 forfeiture pursuant to the provisions of N.J.S.2C:64-1 et seq.

16 c. Each casino licensee shall post notice of this prohibition and the
17 penalties of this section in a manner determined by the **[commission]**
18 division.

19 (cf: P.L.2002, c.65, s.28)
20

21 ²[83.] 82.² Section 114 of P.L.1977, c.110 (C.5:12-114) is amended to
22 read as follows:

23 114. Unlawful Use of Bogus Chips or Gaming Billets, Marked Cards,
24 Dice, Cheating Devices, Unlawful Coins; Penalty. a. It shall be unlawful
25 for any person playing any licensed gambling game:

26 (1) Knowingly to use bogus or counterfeit chips or gaming billets, or
27 knowingly to substitute and use in any such game cards or dice that have
28 been marked, loaded or tampered with; or

29 (2) Knowingly to use or possess any cheating device with intent to cheat
30 or defraud.

31 b. It shall be unlawful for any person, playing or using any slot
32 machine in a licensed casino:

33 (1) Knowingly to use other than a lawful coin or legal tender of the
34 United States of America, or to use coin not of the same denomination as
35 the coin intended to be used in such slot machine, except that in the playing
36 of any slot machine or similar gaming device, it shall be lawful for any
37 person to use gaming billets, tokens or similar objects therein which are
38 approved by the **[commission]** division; or

39 (2) To use any cheating or thieving device, including but not limited to
40 tools, drills, wires, coins or tokens attached to strings or wires, or electronic
41 or magnetic devices, to facilitate the alignment of any winning combination
42 or removing from any slot machine any money or other contents thereof.

43 c. It shall be unlawful for any person knowingly to possess or use
44 while on the premises of a licensed casino, any cheating or thieving device,
45 including but not limited to tools, wires, drills, coins attached to strings or
46 wires or electronic or magnetic devices to facilitate removing from any slot
47 machine any money or contents thereof, except that a duly authorized

1 employee of a licensed casino may possess and use any of the foregoing
2 only in furtherance of his employment in the casino.

3 d. It shall be unlawful for any person knowingly to possess or use
4 while on the premises of any licensed casino or simulcasting facility any
5 key or device designed for the purpose of or suitable for opening or
6 entering any slot machine or similar gaming device or drop box, except that
7 a duly authorized employee of a licensed casino, of a company authorized
8 to conduct casino simulcasting, or of the **[commission]** division may
9 possess and use any of the foregoing only in furtherance of his
10 employment.

11 e. Any person who violates this section is guilty of a crime of the
12 fourth degree and notwithstanding the provisions of N.J.S.2C:43-3 shall be
13 subject to a fine of not more than **[\$25,000.00]** \$50,000, and in the case of
14 a person other than a natural person, to a fine of not more than
15 **[\$100,000.00]** \$200,000 and any other appropriate disposition authorized
16 by subsection b. of N.J.S.2C:43-2.

17 (cf: P.L.1993, c.292, s.29)

18

19 ²**[84.]** 83.² Section 5 of P.L.1980, c.69 (C.5:12-117.1) is amended to
20 read as follows:

21 5. a. No applicant or person or organization licensed by or registered
22 with the commission or division shall employ or offer to employ any person
23 who is prohibited from accepting employment from a licensee or applicant
24 or any holding or intermediary company under section 4 of P.L. 1981, c.
25 142 (C. 52:13D-17.2).

26 b. An applicant or person or organization who violates the provisions
27 of this section is guilty of a crime of the fourth degree.

28 (cf: P.L.1987,c.410, s.11)

29

30 ²**[85.]** 84.² Section 118 of P.L.1977, c.110 (C.5:12-118) is amended to
31 read as follows:

32 118. Regulations Requiring Exclusion or Rejection of Certain Persons
33 from Licensed Casinos; Unlawful Entry by Person Whose Name Has Been
34 Placed on List; Penalty. Any person whose name is on the list of persons
35 promulgated by the **[commission]** division pursuant to the provisions of
36 section 71 of this act, P.L.1977, c.110 (C.5:12-71), who knowingly enters
37 the premises of a licensed casino is guilty of a crime of the fourth degree.

38 (cf: P.L.2002, c.65, s.29)

39

40 ²**[86.]** 85.² Section 121 of P.L.1977, c.110 (C.5:12-121) is amended to
41 read as follows:

42 121. Authority of Gaming Licensee and Agents to Detain or Question
43 Persons; Immunity from Liability; Posted Notice Required.

44 a. Any licensee or its officers, employees or agents may question any
45 individual in the casino or simulcasting facility or elsewhere in the
46 establishment who is reasonably suspected of violating any of the
47 provisions of sections 113 through 116 of P.L.1977, c.110 (C.5:12-113

1 through 116), section 46 of P.L.1991, c.182 (C.5:12-113.1), section 118 of
2 P.L.1977, c.110 (C.5:12-118), section 119 of P.L.1977, c.110 (C.5:12-119)
3 or R.S.33:1-81 pursuant to subsection d. of section 103 of P.L.1977, c.110
4 (C.5:12-103). No licensee or its officers, employees or agents shall be
5 criminally or civilly liable by reason of any such questioning.

6 b. Any licensee or its officers, employees or agents who shall have
7 probable cause for believing there has been a violation of sections 113
8 through 116 of P.L.1977, c.110 (C.5:12-113 through 116), section 46 of
9 P.L.1991, c.182 (C.5:12-113.1), section 118 of P.L.1977, c.110 (C.5:12-
10 118), section 119 of P.L.1977, c.110 (C.5:12-119) or R.S.33:1-81 pursuant
11 to subsection d. of section 103 of P.L.1977, c.110 (C.5:12-103) in the
12 casino or simulcasting facility by any person may refuse to permit such
13 person to continue gaming or wagering or may take such person into
14 custody and detain him in the establishment in a reasonable manner for a
15 reasonable length of time, for the purpose of notifying law enforcement [or
16 commission] authorities. Such refusal or taking into custody and detention
17 shall not render such licensee or its officers, employees or agents criminally
18 or civilly liable for false arrest, false imprisonment, slander or unlawful
19 detention, unless such refusal or such taking into custody or detention is
20 unreasonable under all of the circumstances.

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

26 "Any gaming licensee or officer, employee or agent thereof who has
27 probable cause for believing that any person is violating any of the
28 provisions of the Casino Control Act prohibiting cheating or swindling in
29 gaming or simulcast wagering, underage gambling, underage drinking, the
30 unauthorized presence on the casino floor or simulcasting facility by an
31 underage person, or the presence in the casino establishment of a person
32 excluded pursuant to the provisions of section 71 of P.L.1977, c.110
33 (C.5:12-71), may detain such person in the establishment for the purpose of
34 notifying law enforcement [or Casino Control Commission] authorities."
35 (cf: P.L.2009, c.36, s.22)

36
37 ²[87.] 86.² Section 129 of P.L.1977, c.110 (C.5:12-129) is amended to
38 read as follows:

39 129. Supplemental Sanctions.

40 a. In addition to any penalty, fine or term of imprisonment authorized
41 by law, the [commission] division shall, after appropriate hearings and
42 factual determinations, have the authority to impose the following sanctions
43 upon any person licensed or registered pursuant to this act:

44 (1) Revoke the license or registration of any person for the conviction
45 of any criminal offense under this act or for the commission of any other
46 offense or violation of this act which would disqualify such person from
47 holding his license or registration;

- 1 (2) Revoke the license or registration of any person for willfully and
2 knowingly violating an order of the **[commission]** division directed to such
3 person;
- 4 (3) Suspend the license or registration of any person pending hearing
5 and determination, in any case in which license or registration revocation
6 could result;
- 7 (4) Suspend the operation certificate of any casino licensee for violation
8 of any provisions of this act or regulations promulgated hereunder relating
9 to the operation of its casino or, if applicable, its simulcasting facility, or
10 both, including games, internal and accountancy controls and security;
- 11 (5) Assess such civil penalties as may be necessary to punish
12 misconduct and to deter future violations, which penalties may not exceed
13 **[\$10,000.00]** \$20,000 in the case of any individual licensee or registrant,
14 except that in the case of a casino licensee the penalty may not exceed
15 **[\$50,000.00]** \$100,000;
- 16 (6) Order restitution of any moneys or property unlawfully obtained or
17 retained by a licensee or registrant;
- 18 (7) Enter a cease and desist order which specifies the conduct which is
19 to be discontinued, altered or implemented by the licensee or registrant;
- 20 (8) Issue letters of reprimand or censure, which letters shall be made a
21 permanent part of the file of each licensee or registrant so sanctioned; or
- 22 (9) Impose any or all of the foregoing sanctions in combination with
23 each other.
- 24 b. The division's imposition of any fine, penalty, or sanction pursuant
25 to this section shall be appealable to the commission, except that in no case
26 shall the division's decision to enter into a settlement agreement which
27 results in the imposition of a fine, penalty, sanction or any combination
28 thereof be subject to review by the commission.
29 (cf: P.L.1993, c.292, s.32)
- 30
- 31 ²**[88.]** §7.² Section 130 of P.L.1977, c.110 (C.5:12-130) is amended to
32 read as follows:
- 33 130. In considering appropriate sanctions in a particular case, the
34 **[commission]** division shall consider:
- 35 a. The risk to the public and to the integrity of gaming operations
36 created by the conduct of the licensee or registrant;
- 37 b. The seriousness of the conduct of the licensee or registrant, and
38 whether the conduct was purposeful and with knowledge that it was in
39 contravention of the provisions of this act or regulations promulgated
40 hereunder;
- 41 c. Any justification or excuse for such conduct by the licensee or
42 registrant;
- 43 d. The prior history of the particular license or registrant involved with
44 respect to gaming activity;
- 45 e. The corrective action taken by the licensee or registrant to prevent
46 future misconduct of a like nature from occurring; and

1 f. In the case of a monetary penalty, the amount of the penalty in
2 relation to the severity of the misconduct and the financial means of the
3 licensee or registrant. The **commission** division may impose any
4 schedule or terms of payment of such penalty as it may deem appropriate.

5 g. It shall be no defense to disciplinary action before the **commission**
6 division that an applicant, licensee, registrant, intermediary company, or
7 holding company inadvertently, unintentionally, or unknowingly violated a
8 provision of this act. Such factors shall only go to the degree of the penalty
9 to be imposed by the **commission** division, and not to a finding of a
10 violation itself.

11 (cf: P.L.1981, c.503, s.21)

12
13 ²[89.] 88.² Section 31 of P.L.1978, c.7 (C.5:12-130.1) is amended to
14 read as follows:

15 31. Institution of Conservatorship and Appointment of Conservators.

16 a. Notwithstanding any other provision of the Casino Control Act, (1)
17 upon the revocation or denial of a casino license, or (2) upon, in the
18 discretion of the commission, the suspension of a casino license or the
19 suspension of an operation certificate for a period of in excess of 120 days,
20 **[or (3) upon the failure or refusal to renew a casino license,]** and
21 notwithstanding the pendency of any appeal therefrom, the commission
22 may appoint and constitute a conservator to, among other things, take over
23 and into his possession and control all the property and business of the
24 licensee relating to the casino and the approved hotel; provided, however,
25 that this subsection shall not apply in any instance in which the casino in
26 the casino hotel facility for which the casino license had been issued has
27 not been, in fact, in operation and open to the public, and provided further
28 that no person shall be appointed as conservator unless the commission is
29 satisfied that he is individually qualified according to the standard
30 applicable to casino key employees, except that casino experience shall not
31 be necessary for qualification.

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

33 c. The commission may proceed in a conservatorship action in a
34 summary manner or otherwise and shall have the power to appoint and
35 remove one or more conservators and to enjoin the former or suspended
36 licensee from exercising any of its privileges and franchises, from
37 collecting or receiving any debts and from paying out, selling, assigning or
38 transferring any of its property to other than a conservator, except as the
39 commission may otherwise order. The commission shall have such further
40 powers as shall be appropriate for the fulfillment of the purposes of this act.

41 d. Every conservator shall, before assuming his duties, execute and file
42 a bond for the faithful performance of his duties payable to the commission
43 in the office of the commission with such surety or sureties and in such
44 form as the commission shall approve and in such amount as the
45 commission shall prescribe.

46 e. When more than one conservator is appointed pursuant to this
47 section, the provisions of this article applicable to one conservator shall be

1 applicable to all; the debts and property of the former or suspended licensee
2 may be collected and received by any of them; and the powers and rights
3 conferred upon them shall be exercised by a majority of them.

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

9 (cf: P.L.1991, c.182, s.54)

10

11 ²[90.] 89.² Section 133 of P.L.1977, c.110 (C.5:12-133) is amended to
12 read as follows:

13 133. a. If any clause, sentence, subparagraph, paragraph, subsection,
14 section, article or other portion of this act or the application thereof to any
15 person or circumstances shall be held to be invalid, such holding shall not
16 affect, impair or invalidate the remainder of this act or the application of
17 such portion held invalid to any other person or circumstances, but shall be
18 confined in its operation to the clause, sentence, paragraph, subparagraph,
19 subsection, section, article or other portion thereof directly involved in such
20 holding or to the person or circumstance therein involved.

21 b. If any provision of this act is inconsistent with, in conflict with, or
22 contrary to any other provision of law, such provision of this act shall
23 prevail over such other provision and such other provision shall be deemed
24 to be amended, superseded or repealed to the extent of such inconsistency
25 or conflict. Notwithstanding the provisions of any other law to the
26 contrary, no local government unit of this State may enact or enforce any
27 ordinance or resolution conflicting with any provision of this act or with
28 any policy of this State expressed or implied herein, whether by exclusion
29 or inclusion. The commission shall have exclusive jurisdiction over all
30 matters delegated to it or within the scope of its powers under the
31 provisions of this act, and the division shall have exclusive jurisdiction over
32 all matters delegated to it or within the scope of its powers under the
33 provisions of this act.

34 (cf: P.L.1977, c.110, s.133)

35

36 ²[91.] 90.² Section 134 of P.L.1977, c.110 (C.5:12-134) is amended to
37 read as follows:

38 134. a. Each applicant at the time of submitting architectural plans or
39 site plans to the **[commission]** division for approval of proposed
40 construction, renovation or reconstruction of any structure or facility to be
41 used as an approved hotel or casino shall accompany same with a written
42 guaranty that all contracts and subcontracts to be awarded in connection
43 therewith shall contain appropriate provisions by which contractors and
44 subcontractors or their assignees agree to afford an equal employment
45 opportunity to all prospective employees and to all actual employees to be
46 employed by the contractor or subcontractor in accordance with an
47 affirmative action program approved by the **[commission]** division and
48 consonant with the provisions of the "Law Against Discrimination,"

1 P.L.1945, c.169 (C.10:5-1 et seq.). On and after the effective date of this
2 amendatory act an applicant shall also be required to demonstrate that equal
3 employment opportunities in accordance with the aforesaid affirmative-
4 action program in compliance with P.L.1945, c.169 have been afforded to
5 all prospective employees and to all actual employees employed by a
6 contractor or subcontractor in connection with the actual construction,
7 renovation or reconstruction of any structure or facility to be used as an
8 approved hotel or casino prior to submission of architectural plans or site
9 plans to the commission.

10 b. No license shall be issued by the commission to any applicant,
11 including a casino service industry enterprise as defined in section 12 of
12 this act, who has not agreed to afford an equal employment opportunity to
13 all prospective employees in accordance with an affirmative-action
14 program approved by the commission and consonant with the provisions of
15 the "Law Against Discrimination," P.L.1945, c.169 (C.10:5-1 et seq.).

16 c. Each applicant shall formulate for **[commission]** division approval
17 and abide by an affirmative-action program of equal opportunity whereby
18 the applicant guarantees to provide equal employment opportunity to
19 rehabilitated offenders eligible under sections 90 and 91 of this act and
20 members of minority groups qualified for licensure in all employment
21 categories, including a person with a disability, in accordance with the
22 provisions of the "Law Against Discrimination," P.L.1945, c.169 (C.10:5-1
23 et seq.), except in the case of the mentally handicapped, if it can be clearly
24 shown that such disability would prevent such person from performing a
25 particular job.

26 d. Any license issued by the commission in violation of this section
27 shall be null and void.

28 (cf: P.L.2009, c.36, s.23)

29

30 ²[92.] 91.² Section 135 of P.L.1977, c.110 (C.5:12-135) is amended to
31 read as follows:

32 135. The **[commission]** division, in addition to and without limitation
33 of other powers which it may have by law, shall have the following powers:

34 a. To investigate and determine the percentage of population of
35 minority groups in the State or in areas thereof from which the work force
36 for the licensee is or may be drawn;

37 b. To establish and promulgate such percentages as guidelines in
38 determining the adequacy of affirmative-action programs submitted for
39 approval pursuant to the provisions of section 134 of this act;

40 c. To impose such sanctions as may be necessary to accomplish the
41 objectives of section 134;

42 d. To refer to the Attorney General or his designee circumstances
43 which may constitute violation of the "Law Against Discrimination,"
44 P.L.1945, c.169 (C.10:5-1 et seq.);

45 e. To enforce in a court of law the provisions of section 134 or to join
46 in or assist any enforcement proceeding initiated by any aggrieved person;
47 and

1 f. To require the designation by a licensee of an equal employment
2 officer to enforce the provisions of section 134 and this section and the
3 regulations promulgated hereunder.

4 (cf: P.L.1977, c.110, s.135)

5

6 ²[93.] 92.² Section 136 of P.L.1977, c.110 (C.5:12-136) is amended to
7 read as follows:

8 136. All hotels and other facilities of a casino licensee, which are public
9 accommodations and are subject to the regulatory powers of the
10 **[commission]** division under this act, shall be constructed or renovated to
11 conform with the provisions of P.L.1971, c.269, as amended and
12 supplemented (C.52:32-4 et seq.) relating to barrier-free design for
13 providing facilities for the physically handicapped in public buildings, and
14 the rules, regulations and codes thereunder promulgated.

15 (cf: P.L.1977, c.110, s.136)

16

17 ²[94.] 93.² Section 139 of P.L.1977, c.110 (C.5:12-139) is amended to
18 read as follows:

19 139. Casino License Fees.

20 a. The **[commission]** division shall, by regulation, establish **[annual]**
21 fees for the issuance **[or renewal]** of casino licenses. The issuance fee shall
22 be based upon the cost of investigation and consideration of the license
23 application and shall be not less than \$200,000.00. **[The renewal fee shall**
24 **be based upon the cost of maintaining control and regulatory activities**
25 **contemplated by this act and shall be not less than \$100,000.00 for a one-**
26 **year casino license and \$200,000.00 for a four-year casino license.]**

27 b. The Attorney General shall certify **[to the commission]** actual and
28 prospective costs of the investigative and enforcement functions of the
29 division, which costs shall be the basis, together with the operating
30 expenses of the commission, for the establishment of annual license
31 issuance and renewal fees.

32 c. A nonrefundable deposit of at least \$100,000.00 shall be required to
33 be posted with each application for a casino license and shall be applied to
34 the initial license fee if the application is approved.

35 (cf: P.L.1995, c.18, s.41)

36

37 ²[95.] 94.² Section 141 of P.L.1977, c.110 (C.5:12-141) is amended to
38 read as follows:

39 141. Fees for Other Than Casino Licenses. The **[commission]** division
40 shall, by regulation, establish fees for the investigation and consideration of
41 applications for the issuance and renewal of registrations and licenses other
42 than casino licenses, which fees shall be payable by the applicant, licensee
43 or registrant.

44 (cf: P.L.1987, c.354, s.20)

45

46 ²[96.] 95.² Section 31 of P.L.2002, c.65 (C.5:12-141.1) is amended to
47 read as follows:

1 31. Fees to Recoup Costs of the Division or Commission. The
2 **[commission]** division may, by regulation, establish fees to recoup the
3 costs of services, equipment or other expenses that are rendered, utilized or
4 incurred by the division or commission, including any unusual or out of
5 pocket expenses directly related thereto, in response to requests arising
6 under P.L.1977, c.110 (C.5:12-1 et seq.) that are unrelated to the
7 investigation or consideration of the issuance or renewal of a registration or
8 license.

9 (cf: P.L.2002, c.65, s.31)

10
11 ²[97.] 96.² Section 24 of P.L.2009, c.36 (C.5:12-141.2) is amended as
12 follows:

13 24. Expiration of gaming-related obligations owed to patrons; date of
14 expiration; payment to Casino Revenue Fund.

15 a. Whenever a casino licensee owes a patron a specific amount of
16 money as the result of a gaming transaction which remains unpaid due to
17 the failure of the patron to claim the money or redeem a representation of
18 the debt issued in a form approved by the commission, regardless of
19 whether the identity of the patron is known, the casino licensee shall
20 maintain a record of the obligation in accordance with the rules of the
21 **[commission]** division.

22 b. If the patron does not claim the money or redeem the representation
23 of debt within one year of the date of the transaction, which date shall be
24 established in accordance with the rules of the **[commission]** division, the
25 obligation of the casino licensee to pay the patron shall expire, and 25% of
26 the money or the value of the debt shall be paid to the Casino Revenue
27 Fund by the casino licensee, and the remaining 75% shall be retained by the
28 casino licensee, provided the licensee uses the full amount for marketing
29 purposes. Notwithstanding the foregoing, if the obligation was incurred or
30 the representation of debt was issued prior to the effective date of this act,
31 P.L.2009, c.36, the obligation of the casino licensee to pay the patron shall
32 expire one year after such effective date, at which time 50% of the money
33 or the value of the debt shall be paid to the Casino Revenue Fund, subject
34 to a credit for the payment required to be made to that fund on or before
35 June 30, 2009 by the casino licensee pursuant to subsection c. of this
36 section, and 50% shall be retained by the casino licensee.

37 c. Each casino licensee shall, on or before June 30, 2009, make a
38 payment to the Casino Revenue Fund in an amount equal to 25% of the
39 value of the money or debt owed to its patrons as a result of gaming
40 transactions that occurred more than one year prior to the effective date of
41 this act, P.L.2009, c.36. This payment shall be credited towards the total
42 obligation of the casino licensee to make payments to the Casino Revenue
43 Fund in an amount equal to 50% of the value of expired gaming related
44 obligations pursuant to subsection b. of this section.

45 (cf: P.L.2009, c.36, s.24)

1 ²[98.] 97.² Section 143 of P.L.1977, c.110 (C.5:12-143) is amended to
2 read as follows:

3 143. a. There is hereby created and established in the Department of the
4 Treasury a separate special account to be known as the "Casino Control
5 Fund," into which shall be deposited all license fee revenues imposed by
6 sections 94, 139, 140, 141, and 142 of this act.

7 b. Moneys in the Casino Control Fund shall be appropriated,
8 notwithstanding the provisions of P.L.1976, c.67 (C.52:9H-5 et seq.),
9 exclusively for the operating expenses of the commission and the division.
10 (cf: P.L.1977, c.110, s.143)

11

12 ²[99.] 98.² Section 144 of P.L.1977, c.110 (C.5:12-144) is amended to
13 read as follows:

14 144. a. There is hereby imposed an annual tax on gross revenues as
15 defined in section 24 of this act in the amount of 8% of such gross
16 revenues.

17 b. Commencing with the first annual tax return of a licensee for any
18 calendar year beginning after December 31, 1978, and ending before
19 January 1, 1984 and based upon a determination that in said return or any
20 annual return for a calendar year during that period the gross revenue of a
21 licensee in the calendar year upon which the tax is based exceeds the
22 cumulative investments in this State of said licensee as of that year, such
23 licensee shall make investments in an amount not less than 2% of the gross
24 revenue for said calendar year within a period of five years from the end of
25 said calendar year. Fifty percent of the investments required by this
26 subsection as a result of any of the three annual tax returns commencing
27 with the first annual tax return for any calendar year beginning after
28 December 31, 1978 shall be made in the municipality in which the licensed
29 premises are located, and 50% of such investments shall be made in any
30 other municipality of this State. Twenty-five percent of the investments
31 required by this subsection as a result of any annual tax return subsequent
32 to the third such return in a series of returns the first of which is for a
33 calendar year beginning after December 31, 1978 shall be made in the
34 municipality in which the licensed premises are located, and 75% shall be
35 made in any other municipality of this State.

36 All investments and cumulative investments made pursuant to this
37 subsection shall be subject to a determination by the **[commission]** division
38 as to the eligibility of such investments. In determining eligibility, the
39 **[commission]** division shall consider the public interest, including the
40 social and economic benefits to be derived from such investments for the
41 people of this State.

42 c. For the purposes of this section, "investments" means equity
43 investments in land and real property on which improvements are made and
44 in real property improvements. For the purposes of this section,
45 "cumulative investments" means investments in and debt financing of the
46 licensed premises, plus other investments in and debt financing of land and
47 real property on which improvements are made and real property
48 improvements; provided, however, that the investments and debt financing

1 not associated with the licensed premises have been subsequent to July 6,
2 1976. Real property and real property improvements sold or otherwise
3 disposed of by the licensee shall not be included for the purposes of
4 determining cumulative investments.

5 d. For the purposes of satisfying the amount of investments in any
6 given year and of determining cumulative investments as of any given year,
7 pursuant to subsection b., contributions of money or realty shall be included
8 if the **【commission】** division determines that such contributions best serve
9 the public interest and either (1) directly relate to the improvement,
10 furtherance, and promotion of the tourist industry in this State through the
11 planning, acquisition, construction, improvement, maintenance and
12 operation of recreational, entertainment, and other facilities for the public,
13 including, without limitation, a performing arts center, the beaches and
14 shorefront of this State, and transportation facilities providing or enhancing
15 service in resort areas of this State, or (2) directly relate to the
16 improvement, furtherance, and promotion of the health and wellbeing of the
17 people of this State through the planning, acquisition, construction,
18 improvement, maintenance, and operation of a facility, project or program
19 approved by the **【commission】** division.

20 e. In the event that the investments required in subsection b. of this
21 section are not made within the time set forth herein, there shall be imposed
22 an investment alternative tax in an amount equivalent to 2% of gross
23 revenue, which tax shall be added to the tax determined under subsection a.
24 of this section and shall be due and payable in accordance with section 148
25 of P.L.1977, c.110 (C.5:12-148). For the purposes of determining whether
26 the investment alternative tax shall be paid, the State Treasurer shall
27 certify, under such rules and regulations as he shall promulgate consistent
28 with the provisions of this article, the amount of cumulative investments
29 made by each licensee. In the event of the sale or other disposition of the
30 licensed premises, any investment obligation imposed by subsection b.
31 which is not satisfied shall be immediately deemed due and payable as
32 investment alternative tax, and said amount shall constitute a lien upon the
33 licensed premises until paid, together with interest at the rate specified in
34 the "State Tax Uniform Procedure Law," Subtitle 9 of Title 54 of the
35 Revised Statutes; provided, however, that the appointment of a conservator
36 under section 31 of P.L.1978, c.7, shall not constitute a sale or other
37 disposition of the licensed premises within the meaning of this subsection,
38 and provided further, that if, in the judgment of the **【commission】** division,
39 a sale or other disposition does not significantly affect the operations of a
40 casino licensee with respect to such premises, the **【commission】** division
41 may permit the investment obligation imposed on such licensee to continue
42 under such conditions as the **【commission】** division may deem appropriate.

43 f. The **【commission】** division shall promulgate rules and regulations
44 consistent with the provisions of this article as to the eligibility of the
45 investments and cumulative investments required by this section.

46 g. The Casino Reinvestment Development Authority shall,
47 simultaneous with the initial exercise of its general powers and

1 responsibilities pursuant to section 39 of P.L.1984, c.218, assume and
2 exercise all powers and responsibilities and make all determinations
3 necessary to the administration of subsections b. through f. of section 144
4 of P.L.1977, c.110 (C.5:12-144) theretofore exercised or made by the
5 **[commission]** division, including the resolution of all matters then pending
6 before the **[commission]** division. Subsequent to the initial exercise of its
7 general powers and responsibilities by the Casino Reinvestment
8 Development Authority, the **[commission]** division shall make no further
9 determinations of eligibility under this section except as may be necessary
10 to enable a licensee to satisfy an investment obligation which is due in
11 calendar year 1984, and shall have no further responsibility for planning or
12 redevelopment activity with regard to the use of reinvestment funds
13 generated by either subsections b. through f. of section 144 of P.L.1977,
14 c.110 (C.5:12-144) or subsection b. of section 3 of P.L.1984, c.218 (C.5:12-
15 144.1). All determinations **[of the commission]** made in accordance with
16 this section shall be final and subject only to alteration by a decision of a
17 court.

18 h. Notwithstanding any other provision of this section to the contrary,
19 any investment required by this section which has not been commenced by
20 a licensee as of the effective date of this 1984 amendatory and
21 supplementary act, other than an investment which is necessary to enable a
22 licensee to satisfy an investment obligation which is due in calendar year
23 1984, may only be satisfied through the purchase of bonds of the Casino
24 Reinvestment Development Authority issued pursuant to sections 14 and 15
25 of P.L.1984, c.218 (C.5:12-162, 5:12-163), except that the date by which
26 the investment shall be made, and the amount of the investment or
27 investment alternative tax obligation, shall be that set forth in subsections
28 b. and e. of this section.

29 Notwithstanding the provisions of subsections b. and c. of this section,
30 any investment obligation which is due in calendar year 1984 which has not
31 been commenced or satisfied by December 31, 1984 may, at the option of
32 the licensee and with the approval of the **[Casino Control Commission]**
33 division, and in lieu of or in addition to making any other investment or
34 contribution authorized by this section, be satisfied subsequent thereto by
35 the purchase, or the agreement to make a purchase, of bonds of the Casino
36 Reinvestment Development Authority. Any licensee desiring to exercise
37 this option, with the approval of the **[Casino Control Commission]**
38 division, shall transfer and entrust the necessary amount to the State
39 Treasurer, who shall maintain the funds until the initial exercise by the
40 Casino Reinvestment Development Authority of its general powers and
41 responsibilities pursuant to section 39 of P.L.1984, c.218. Immediately
42 subsequent to the initial exercise of its general powers and responsibilities
43 by the Casino Reinvestment Development Authority, the State Treasurer
44 shall transfer any such entrusted funds to the Casino Reinvestment
45 Development Authority for the purchase of bonds by the licensee in
46 amounts equivalent to the amount of the funds deposited by the licensee
47 with the State Treasurer. Until he transfers the funds to the Casino

1 Reinvestment Development Authority, the State Treasurer shall be
2 authorized to invest and reinvest such funds through the Director of the
3 Division of Investment, who shall make such investments in accordance
4 with written directions of the State Treasurer, without regard to any other
5 law relating to investments by the Director of the Division of Investment.
6 Any interest earned on the funds while they are entrusted to the State
7 Treasurer shall accrue to the licensee and the Casino Reinvestment
8 Development Authority in the same proportion as if the funds were held
9 and invested by the Casino Reinvestment Development Authority pursuant
10 to subsection m. of section 13 of P.L.1984, c.218 (C.5:12-161).

11 The proceeds of all bond purchases made pursuant to this subsection
12 shall be used exclusively to finance the rehabilitation, development, or
13 construction of housing facilities in the city of Atlantic City for persons or
14 families of low through middle income in accordance with the provisions of
15 subsection f. of section 3 of P.L.1984, c.218 (C.5:12-144.1).

16 i. If a licensee has incurred an investment obligation which requires
17 bonds to be purchased pursuant to the provisions of subsection h. of this
18 section and the licensee purchases bonds of the Casino Reinvestment
19 Development Authority issued pursuant to sections 14 and 15 of P.L.1984,
20 c.218 (C.5:12-162, 5:12-163) in satisfaction of that obligation no later than
21 six months after the adoption by the Casino Reinvestment Development
22 Authority of rules and regulations pursuant to subsection j. of section 3 of
23 P.L.1984, c.218 (C.5:12-144.1), the licensee shall be entitled to a reduction
24 of its investment obligation in an amount determined by the Casino
25 Reinvestment Development Authority, taking into account a current market
26 discount rate from the date of the purchase to the date the purchase would
27 have been required to be made. Any purchase of bonds made pursuant to
28 this subsection shall first be used to satisfy the licensee's most recently
29 incurred investment obligation. That purchase of bonds shall not constitute
30 a credit against the tax provided for in subsection a. of section 3 of this
31 1984 amendatory and supplementary act.

32 (cf: P.L.1984, c.218, s.2)

33

34 ²[100.] 99.² Section 3 of P.L.1984, c.218 (C.5:12-144.1) is amended to
35 read as follows:

36 3. a. (1) Commencing with the first annual tax return of a licensee for
37 any calendar year beginning after December 31, 1983, there is imposed an
38 investment alternative tax on the gross revenues as defined in section 24 of
39 P.L.1977, c.110 (C.5:12-24) of the licensee in the amount of 2.5% of those
40 gross revenues. The tax imposed with respect to each calendar year shall
41 be due and payable on the last day of April next following the end of the
42 calendar year. The State Treasurer shall have a lien against the property
43 constituting the casino of a licensee for the amount of any tax not paid
44 when due. No tax shall be imposed, however, on the gross revenues
45 received by a licensee during the first 12 months of the operation of any
46 casino that commences operation after January 1, 1984, but prior to the
47 effective date of this act, P.L.1996, c.118 (C.5:12-173.3a et al.).

1 (2) A licensee shall pay to the State Treasurer on or before the 15th day
2 of the first, fourth, seventh, and 10th months of each year as partial
3 payment of the investment alternative tax imposed pursuant to paragraph
4 (1) of this subsection an amount equal to 1.25% of the estimated gross
5 revenues for the three-month period immediately preceding the first day of
6 those months. The moneys received shall be placed in an escrow account
7 and shall be held until the licensee directs that the moneys be transferred to
8 the Casino Reinvestment Development Authority for the purchase of bonds
9 issued by or offered through the Casino Reinvestment Development
10 Authority or pursuant to a contract for such a purchase, be made available
11 to the licensee for a direct investment approved by the authority, or be
12 transferred to the Casino Revenue Fund as partial payment of the
13 investment alternative tax imposed pursuant to paragraph (1) of this
14 subsection. Any interest derived from the moneys in the escrow account
15 shall be paid or made available to the Casino Revenue Fund. If a licensee
16 fails to pay the amount due or underpays by an unjustifiable amount, the
17 **【Casino Control Commission】** division shall impose a fine of 5% of the
18 amount due or of the underpayment, as the case may be, for each month or
19 portion thereof the licensee is in default of payment, up to 25% of the
20 amount in default. Any fine imposed shall be paid to the Casino
21 Reinvestment Development Authority and shall be used for the purposes of
22 this 1984 amendatory and supplementary act.

23 b. Each licensee shall be entitled to an investment tax credit against the
24 tax imposed by subsection a. of this section, provided the licensee shall pay
25 over the moneys required pursuant to section 5 of P.L.1993, c.159 (C.5:12-
26 173.5): (1) for the first 10 years of a licensee's tax obligation, in an amount
27 equal to twice the purchase price of bonds issued by the Casino
28 Reinvestment Development Authority pursuant to sections 14 and 15 of this
29 1984 amendatory and supplementary act, purchased by the licensee, or
30 twice the amount of the investments authorized in lieu thereof, and (2) for
31 the remainder of a licensee's tax obligation, in an amount equal to twice the
32 purchase price of bonds issued by the Casino Reinvestment Development
33 Authority pursuant to sections 14 and 15 of this 1984 amendatory and
34 supplementary act, purchased by the licensee, or twice the amount of the
35 investments authorized in lieu thereof, and twice the amount of investments
36 made by a licensee in other approved eligible investments made pursuant to
37 section 25 of this act. The Casino Reinvestment Development Authority
38 shall have the power to enter into a contract or contracts with a licensee
39 pursuant to which the Casino Reinvestment Development Authority agrees
40 to issue and sell bonds to the licensee, and the licensee agrees to purchase
41 the bonds issued by or offered through the Casino Reinvestment
42 Development Authority, in annual purchase price amounts as will constitute
43 a credit against at least 50% of the tax to become due in any future year or
44 years. The contract may contain those terms and conditions relating to the
45 terms of the bonds and to the issuance and sale of the bonds to the licensee
46 as the Casino Reinvestment Development Authority shall deem necessary
47 or desirable. The contract shall not be deemed to be in violation of section
48 104 of P.L.1977, c.110 (C.5:12-104). After the first 10 years of a licensee's

1 investment alternative tax obligation, a licensee will have the option of
2 entering into a contract with the Casino Reinvestment Development
3 Authority to have its tax credit comprised of direct investments in approved
4 eligible projects. These direct investments shall not comprise more than
5 50% of a licensee's eligible tax credit in any one year.

6 The entering of a contract pursuant to this section shall be sufficient to
7 entitle a licensee to an investment tax credit for the appropriate tax year.

8 c. A contract entered into between a licensee and the Casino
9 Reinvestment Development Authority may provide for a deferral of
10 payment for and delivery of bonds required to be purchased and for a
11 deferral from making approved eligible investments in any year, but no
12 deferral shall occur more than two years consecutively. A deferral of
13 payment for any bonds required to be purchased by a licensee and a deferral
14 from making approved eligible investments may be granted by the Casino
15 Reinvestment Development Authority only upon a determination by the
16 **【Casino Control Commission】** Division of Gaming Enforcement that
17 purchase of these bonds or making approved eligible investments would
18 cause extreme financial hardship to the licensee and a determination by the
19 Casino Reinvestment Development Authority that the deferral of the
20 payment would not violate any covenant or agreement or impair any
21 financial obligation of the Casino Reinvestment Development Authority.
22 The contract may establish a late payment charge to be paid in the event of
23 deferral or other late payment at a rate as shall be agreed to by the Casino
24 Reinvestment Development Authority. If a deferral of purchase or
25 investment is granted, the licensee shall be deemed to have made the
26 purchase or investment at the time required by the contract, except that if
27 the purchase is not made at the time to which the purchase or investment
28 was deferred, then the licensee shall be deemed not to have made the
29 purchase or investment. The **【Casino Control Commission】** Division of
30 Gaming Enforcement shall adopt regulations establishing a uniform
31 definition of extreme financial hardship applicable to all these contracts. If
32 a licensee petitions the Casino Reinvestment Development Authority for a
33 deferral, the Casino Reinvestment Development Authority shall give notice
34 of that petition to the **【Casino Control Commission and to the】** Division of
35 Gaming Enforcement within three days of the filing of the petition. The
36 **【Casino Control Commission】** Division of Gaming Enforcement shall
37 render a decision within 60 days of notice as to whether the licensee has
38 established extreme financial hardship[【], after consultation with the
39 Division of Gaming Enforcement[】]. The Casino Reinvestment Development
40 Authority shall render a decision as to the availability of the deferral within
41 10 days of the receipt by it of the decision of the **【Casino Control**
42 **Commission】** Division of Gaming Enforcement and shall notify the
43 Division of Gaming Enforcement **【and the Casino Control Commission】** of
44 that decision. If a deferral is granted, the Casino Reinvestment
45 Development Authority may determine whether the purchases or
46 investments shall be made in a lump sum, made over a period of years, or

1 whether the period of obligation shall be extended an additional period of
2 time equivalent to the period of time deferred.

3 d. The license of any licensee which has defaulted in its obligation to
4 make any purchase of bonds or investment in any approved eligible project
5 under a contract entered into pursuant to subsection b. of this section for a
6 period of 90 days may be suspended by the Casino Control Commission
7 upon report and recommendation of the division until that purchase is made
8 or deferred in accordance with subsection b. of this section, or a fine or
9 other penalty may be imposed upon the licensee by the commission. If the
10 Casino Control Commission elects not to suspend the license of a licensee
11 after the licensee has first defaulted in its obligation **[but]** the division may
12 **[imposes]** impose some lesser penalty **[and]**. In such event, if the
13 licensee continues to be in default of its obligation after a period of 30
14 additional days and after any additional 30-day period, the **[commission]**
15 division may impose another fine or penalty upon the licensee, **[which]**
16 and may [include suspension of] again recommend that the commission
17 suspend that licensee's license. The fine shall be 5% of the amount of the
18 obligation owed for each month or portion thereof a licensee is in default,
19 up to 25% of that obligation; shall be paid to the Casino Reinvestment
20 Development Authority; and shall be used for the purposes of this 1984
21 amendatory and supplementary act.

22 e. A contract entered into by a licensee and the Casino Reinvestment
23 Development Authority pursuant to subsection b. of this section may
24 provide that after the first 10 years of a licensee's investment alternative tax
25 obligation imposed by subsection a. of this section, the Casino
26 Reinvestment Development Authority may repurchase bonds previously
27 sold to the licensee, which were issued after the 10th year of a licensee's
28 investment alternative tax obligation, by the Casino Reinvestment
29 Development Authority, if the Casino Reinvestment Development
30 Authority determines that the repurchase will not violate any agreement or
31 covenant or impair any financial obligation of the Casino Reinvestment
32 Development Authority and that the licensee will reinvest the proceeds of
33 the resale in an eligible project approved by the Casino Reinvestment
34 Development Authority.

35 f. (1) During the 50 years a licensee is obligated to pay an investment
36 alternative tax pursuant to subsection k. of this section, the total of (a) the
37 proceeds of all bonds purchased by a licensee from or through the Casino
38 Reinvestment Development Authority and (b) all approved investments in
39 eligible projects by a licensee shall be devoted to the financing of projects
40 in the following areas and amounts:

| 41 Areas | Yrs. | Yrs. | Yrs. | Yrs. | Yrs. | Yrs. | Yrs. | Yrs. | Yrs. |
|-------------------------|------|------|------|-------|-------|-------|-------|-------|-------|
| | 1-3 | 4-5 | 6-10 | 11-15 | 16-20 | 21-25 | 26-30 | 31-35 | 36-50 |
| 43 a) Atlantic City | 100% | 90% | 80% | 50% | 30% | 20% | | | |
| 44 b) South Jersey | | 8% | 12% | 28% | 43% | 45% | | 25% | 50% |
| 45 c) North Jersey | | 2% | 8% | 22% | 27% | 35% | 35% | 50% | 50% |
| 46 d) Atlantic City | | | | | | | | | |
| 47 through the Atlantic | | | | | | | | | |
| 48 City Fund | | | | | | | 65% | 25% | |

1 except that, with respect to the obligations for calendar years 1994 through
2 1998, the amount allocated for the financing of projects in North Jersey
3 from each casino licensee's obligation shall be the amount allocated for
4 calendar year 1993, and the difference between that amount and the amount
5 to be allocated to North Jersey, on the basis of the above schedule, from
6 each casino licensee's obligations for calendar years 1994 through 1998
7 shall be paid into or credited to the Atlantic City Fund established by
8 section 44 of P.L.1995, c.18 (C.5:12-161.1) and be devoted to the financing
9 of projects in Atlantic City through that fund. For the purposes of this
10 paragraph, "South Jersey" means the counties of Atlantic, Burlington,
11 Camden, Cape May, Cumberland, Gloucester, Mercer, Ocean, and Salem,
12 except that "South Jersey" shall not include the City of Atlantic City; and
13 "North Jersey" means the remaining 12 counties of the State. For the
14 purposes of this 1984 amendatory and supplementary act, bond "proceeds"
15 means all funds received from the sale of bonds and any funds generated or
16 derived therefrom.

17 In the financing of projects outside Atlantic City, the Casino
18 Reinvestment Development Authority shall give priority to the
19 revitalization of the urban areas of this State in the ways specified in
20 section 12 of this 1984 amendatory and supplementary act. Those areas
21 shall include, but not be limited to, all municipalities qualifying for aid
22 pursuant to P.L.1978, c.14 (C.52:27D-178 et seq.).

23 Within nine months from the effective date of this 1984 amendatory and
24 supplementary act, the Casino Reinvestment Development Authority shall
25 determine the allocation of projected available moneys to municipalities in
26 South Jersey for the first seven years of their receipt of funds, giving
27 priority to the revitalization of the urban areas of the region. Municipalities
28 receiving such an allocation shall present to the Casino Reinvestment
29 Development Authority for its approval comprehensive plans or projects for
30 which the allocations shall be used. Any such comprehensive plan or
31 project may be submitted to the Casino Reinvestment Development
32 Authority for a determination of eligibility at any time prior to the year for
33 which the funds are allocated, and the Casino Reinvestment Development
34 Authority shall make a determination of eligibility of the plan or project
35 within a reasonable amount of time. If the Casino Reinvestment
36 Development Authority makes a positive determination of eligibility for
37 any comprehensive plan or project, or combination of comprehensive plans
38 or projects, for any municipality whose total cost exceeds the amount
39 allocated to that municipality for the first seven years of the receipt of
40 funds by South Jersey municipalities, the Casino Reinvestment
41 Development Authority shall make available sufficient funds in subsequent
42 years necessary to complete those plans or projects, or to complete that
43 portion of the plan or project originally agreed to be funded through the
44 Casino Reinvestment Development Authority, from funds received by the
45 Casino Reinvestment Development Authority in the years following the
46 seventh year of the receipt of funds by South Jersey municipalities. If the
47 comprehensive plan or project is determined by the Casino Reinvestment
48 Development Authority not to be an eligible plan or project, the

1 municipality may submit any other comprehensive plan or project for a
2 determination of eligibility. If, however, the municipality fails to receive a
3 positive determination of eligibility for any comprehensive plan or project,
4 or combination of comprehensive plans or projects, sufficient to exhaust the
5 total allocation to that municipality for any year prior to April 30 of the
6 following year for which the allocation was made, the allocation to that
7 municipality for that year shall cease, and the Casino Reinvestment
8 Development Authority may apply those excess funds to any other
9 comprehensive plan or project in any other municipality in the region
10 whose comprehensive plan or project has received a positive determination
11 of eligibility by the Casino Reinvestment Development Authority.

12 Within 36 months from the effective date of this 1984 amendatory and
13 supplementary act, the Casino Reinvestment Development Authority shall
14 determine the allocation of projected available moneys to municipalities in
15 North Jersey for the first five years of their receipt of funds, giving priority
16 to the revitalization of the urban areas of the region. Municipalities
17 receiving such an allocation shall present to the Casino Reinvestment
18 Development Authority for its approval comprehensive plans or projects for
19 which the allocations shall be used. Any such comprehensive plan or
20 project may be submitted to the Casino Reinvestment Development
21 Authority for a determination of eligibility at any time prior to the year for
22 which the funds are allocated, and the Casino Reinvestment Development
23 Authority shall make a determination of eligibility of the plan or project
24 within a reasonable amount of time. If the Casino Reinvestment
25 Development Authority makes a positive determination of eligibility for
26 any comprehensive plan or project, or combination of comprehensive plans
27 or projects, for any municipality whose total cost exceeds the amount
28 allocated to that municipality for the first five years of the receipt of funds
29 by North Jersey municipalities, the Casino Reinvestment Development
30 Authority shall make available sufficient funds in subsequent years
31 necessary to complete those plans or projects, or to complete that portion of
32 the plan or project originally agreed to be funded through the Casino
33 Reinvestment Development Authority, from funds received by the Casino
34 Reinvestment Development Authority in the years following the fifth year
35 of the receipt of funds by North Jersey municipalities. If the
36 comprehensive plan or project is determined by the Casino Reinvestment
37 Development Authority not to be an eligible plan or project, the
38 municipality may submit any other comprehensive plan or project for a
39 determination of eligibility. If, however, the municipality fails to receive a
40 positive determination of eligibility for any comprehensive plan or project,
41 or combination of comprehensive plans or projects, sufficient to exhaust the
42 total allocation to that municipality for any year prior to April 30 of the
43 following year for which the allocation was made, the allocation to that
44 municipality for that year shall cease, and the Casino Reinvestment
45 Development Authority may apply those excess funds to any other
46 comprehensive plan or project in any other municipality in the region
47 whose comprehensive plan or project has received a positive determination
48 of eligibility by the Casino Reinvestment Development Authority.

1 (2) Commencing with the first year in which a licensee incurs a tax
2 obligation pursuant to this section, and for the period of two years
3 thereafter, 100% of the proceeds of all bonds purchased by a licensee from
4 the Casino Reinvestment Development Authority which are devoted to the
5 financing of projects in the city of Atlantic City pursuant to paragraph (1)
6 of this subsection shall be used exclusively to finance the rehabilitation,
7 development, or construction of, or to provide mortgage financing of,
8 housing facilities in the city of Atlantic City for persons or families of low
9 through middle income, as defined in this subsection. For the purposes of
10 this subsection, the "rehabilitation, development, or construction of housing
11 facilities" shall include expenses attributable to site preparation,
12 infrastructure needs and housing-related community facilities and services,
13 including supporting commercial development. Commencing with the
14 fourth year in which a licensee incurs a tax obligation pursuant to this
15 subsection, 50% of the proceeds of all bonds purchased by a licensee from
16 the Casino Reinvestment Development Authority which are devoted to the
17 financing of projects in the city of Atlantic City shall be used exclusively to
18 finance the rehabilitation, development, or construction of housing facilities
19 in the city of Atlantic City for persons or families of low through middle
20 income. Commencing with the 11th year in which a licensee incurs a tax
21 obligation pursuant to this section, 50% of the annual aggregate of the
22 proceeds of bonds purchased by a licensee from the Casino Reinvestment
23 Development Authority which are devoted to the financing of projects in
24 the city of Atlantic City and investments in approved eligible projects
25 commenced by a licensee in the city of Atlantic City shall be used
26 exclusively to finance the rehabilitation, development, or construction of,
27 or to provide mortgage financing of, housing facilities in the city of
28 Atlantic City for persons or families of low through middle income.

29 (3) The Legislature finds that it is necessary to provide for a balanced
30 community and develop a comprehensive housing program. The Casino
31 Reinvestment Development Authority shall determine the need for housing
32 in the city of Atlantic City, in consultation with the city of Atlantic City
33 and specifically its zoning and planning boards. This shall include
34 determining the types and classes of housing to be constructed and the
35 number of units of each type and class of housing to be built. The Casino
36 Reinvestment Development Authority shall give priority to the housing
37 needs of the persons and their families residing in the city of Atlantic City
38 in 1983 and continuing such residency through the effective date of this
39 1984 amendatory and supplementary act. The actual percentage of the
40 proceeds of bonds and investments in approved eligible projects
41 commenced by a licensee in the city of Atlantic City, which shall be used
42 exclusively to finance the rehabilitation, development, or construction of,
43 or to provide mortgage financing of, housing facilities in the city of
44 Atlantic City for persons or families of low through middle income, shall
45 be based upon the authority's determination of the need for housing in the
46 city of Atlantic City conducted pursuant to this subsection. Once the
47 housing needs of the persons residing in the city of Atlantic City in 1983
48 and continuing such residency through the effective date of this 1984

1 amendatory and supplementary act have been met, as determined by the
2 Casino Reinvestment Development Authority pursuant to this subsection,
3 any required percentages for such housing in the city of Atlantic City may,
4 in its sole discretion, be waived by the Casino Reinvestment Development
5 Authority. To aid the Casino Reinvestment Development Authority in
6 making these determinations, the Casino Reinvestment Development
7 Authority shall review the proposal for a housing redevelopment program
8 and strategy for the city of Atlantic City approved and adopted by the
9 Casino Control Commission and shall give priority to same and any other
10 plan or project which is consistent with the standards of this subsection and
11 is acceptable to the Casino Reinvestment Development Authority, pursuant
12 to section 25 of this 1984 amendatory and supplementary act. The Casino
13 Reinvestment Development Authority may determine whether the funds
14 used to finance housing facilities in the city of Atlantic City for persons or
15 families of low, moderate, median range, and middle income are derived
16 from the proceeds of bonds purchased by a licensee from the Casino
17 Reinvestment Development Authority to be devoted to the financing of
18 projects in the city of Atlantic City, investments in approved eligible
19 projects commenced by a licensee in the city of Atlantic City, or a
20 combination of both. Any investment made by a licensee in excess of
21 100% of its eligible investment tax credit during the first three years and in
22 excess of 50% thereafter in either the purchase of bonds or direct
23 investments in approved eligible projects for low, moderate, median range,
24 and middle income family housing facilities in the city of Atlantic City may
25 be carried forward and credited against the licensee's obligation to make a
26 100% investment during the first three years and 50% thereafter in low,
27 moderate, median range, and middle income family housing in any future
28 year, with the approval of the Casino Reinvestment Development
29 Authority. For the purposes of this act, "low income families" means
30 families whose income does not exceed 50% of the median income of the
31 area, with adjustments for smaller and larger families. "Moderate income
32 families" means families whose income does not exceed 80% and is not
33 less than 50% of the median income for the area, with adjustments for
34 smaller and larger families. "Median range income families" means
35 families whose income does not exceed 120% and is not less than 80% of
36 the median income for the area, with adjustments for smaller and larger
37 families. "Middle income families" means families whose income does not
38 exceed 150% and not less than 120% of the median income for the area,
39 with adjustments for smaller and larger families. "Median income" means
40 an income defined as median within the Standard Metropolitan Statistical
41 Area for Atlantic City by the United States Department of Housing and
42 Urban Development.

43 In order to achieve a balanced community, the authority shall ensure that
44 the development of housing for families of low and moderate income shall
45 proceed at the same time as housing for families of median range and
46 middle income, until such time as there is no longer a need for such
47 facilities in the city of Atlantic City, as determined by the Casino
48 Reinvestment Development Authority.

1 (4) Notwithstanding any other law or section to the contrary,
2 particularly this subsection regarding the waiver of the required percentages
3 for housing in the city of Atlantic City, subsection I. of section 14, and
4 sections 26, 27, 28, 29, and 31 of this 1984 amendatory and supplementary
5 act, nothing shall be implemented or waived by the Casino Reinvestment
6 Development Authority which would reduce, impair, or prevent the
7 fulfillment of the priorities established and contained in this subsection of
8 this 1984 amendatory and supplementary act.

9 g. If a person is a licensee with regard to more than one approved hotel
10 pursuant to section 82 of P.L.1977, c.110 (C.5:12-82), the person shall
11 separately account for the gross revenues, the investment alternative tax
12 obligations, and the investments for a tax credit against the investment
13 alternative tax for each approved hotel, and the tax obligations of the
14 licensee under this section shall be determined separately for each approved
15 hotel. The licensee may apportion investments between its approved
16 hotels; provided that no amount of investment shall be credited more than
17 once. If a licensee receives the prior approval of the Casino Reinvestment
18 Development Authority, the licensee may make eligible investments in
19 excess of the investments necessary to receive a tax credit against the
20 investment alternative tax for a given calendar year, and the licensee may
21 carry forward this excess investment and have it credited to its next
22 investment alternative tax obligation. If the Casino Reinvestment
23 Development Authority approves of such excess investment and approves
24 the carry forward of this excess investment, and a licensee elects to
25 purchase bonds of the Casino Reinvestment Development Authority or
26 makes direct investments in approved eligible projects in excess of the
27 investments necessary to receive a tax credit against the investment
28 alternative tax for its current obligation, the licensee shall be entitled to a
29 reduction of the amount of investments necessary in future years, which
30 amount shall be determined annually by the Casino Reinvestment
31 Development Authority, taking into account a current market discount rate
32 from the date of the purchase or investment to the date the purchase or
33 investment would have been required to be made.

34 h. Each casino licensee shall prepare and file, in a form prescribed by
35 the Casino Reinvestment Development Authority, an annual return
36 reporting that financial information as shall be deemed necessary by the
37 Casino Reinvestment Development Authority to carry out the provisions of
38 this act. This return shall be filed with the Casino Reinvestment
39 Development Authority and the **[Casino Control Commission]** Division of
40 Gaming Enforcement on or before April 30 following the calendar year on
41 which the return is based. The **[Casino Control Commission]** Division of
42 Gaming Enforcement shall verify to the Casino Reinvestment Development
43 Authority the information contained in the report, to the fullest extent
44 possible. Nothing in this subsection shall be deemed to affect the due dates
45 for making any investment or paying any tax under this section.

46 i. Any purchase by a licensee of bonds issued by or offered through
47 the Casino Reinvestment Development Authority pursuant to sections 14
48 and 15 of this act and subsection b. of this section and all approved eligible

1 investments made by a licensee pursuant to section 25 of this act and
2 subsection b. of this section are to be considered investments and not taxes
3 owed or grants to the State or any political subdivision thereof. As such, a
4 licensee shall have the possibility of the return of principal and a return on
5 the capital invested as with other investments. Investors in the bonds
6 issued by or offered through the Casino Reinvestment Development
7 Authority shall be provided with an opinion from a recognized financial
8 rating agency or a financial advisory firm with national standing that each
9 loan of bond proceeds by the Casino Reinvestment Development Authority
10 has the minimum characteristics of an investment, in that a degree of
11 assurance exists that interest and principal payments can be made and other
12 terms of the proposed investment be maintained over the period of the
13 investment, and that the loan of the bond proceeds would qualify for a bond
14 rating of "C" or better. If an opinion cannot be obtained from a recognized
15 financial rating agency or a financial advisory firm with national standing,
16 an opinion shall be obtained from an expert financial analyst with national
17 standing, selected and hired by the Casino Reinvestment Development
18 Authority. In order to achieve a balanced portfolio, assure the viability of
19 the authority and the projects, facilities and programs undertaken pursuant
20 to this 1984 amendatory and supplementary act, no more than 25% of the
21 total investments made by or through the Casino Reinvestment
22 Development Authority with the proceeds of bonds generated in each year
23 shall be investments which would qualify for a bond rating of "C," unless
24 all holders of obligations in each year agree to waive the 25% limit for
25 that year. Nothing herein shall be interpreted as limiting the Casino
26 Reinvestment Development Authority from taking any steps it deems
27 appropriate to protect the characteristics of its investment in projects or any
28 other investments from not being real investments with a prospect for the
29 return of principal and a return on the capital invested. Anything contained
30 in this section shall not be considered a guarantee by the State or any
31 political subdivision thereof of any return of principal or interest, but any
32 purchase by a licensee of bonds or approved eligible investments made by a
33 licensee pursuant to this act shall be at the risk of the licensee. A licensee
34 or the licensees purchasing an issue of bonds issued by the Casino
35 Reinvestment Development Authority in any given year may arrange, at
36 their option, for those bonds or the investments, made by or through the
37 Casino Reinvestment Development Authority with the proceeds of those
38 bonds, to be insured. The cost of any such insurance purchased by a
39 licensee or licensees shall be paid by the licensee or licensees desiring such
40 insurance.

41 j. The Casino Reinvestment Development Authority shall promulgate
42 rules and regulations deemed necessary to carry out the purposes of this
43 section.

44 k. The obligation of a licensee to pay an investment alternative tax
45 pursuant to subsection a. of this section, including a casino licensee subject
46 to the provisions of section 13 of P.L.2001, c.221 (C.5:12-173.21), shall
47 end for each licensed facility operated by the licensee 50 years after any
48 investment alternative tax obligation is first incurred in connection with

1 each licensed facility operated by the licensee, unless extended in
2 connection with a deferral granted by the Casino Reinvestment
3 Development Authority pursuant to subsection c. of this section.

4 l. Within 90 days of the effective date of this act, P.L.2004, c.129, the
5 State Treasurer shall certify the amounts that were invested pursuant to this
6 section in South Jersey, as defined in subsection f. of this section, for
7 projects located in the City of Atlantic City. Notwithstanding subsection f.
8 of this section, beginning in State fiscal year 2005, the amount of (a)
9 proceeds of all bonds purchased by a licensee from or through the Casino
10 Reinvestment Development Authority and (b) all approved investments in
11 eligible projects by a licensee devoted pursuant to subsection f., shall not
12 exceed the amount devoted for those purposes in State fiscal year 2004.
13 Any amounts in excess of the amounts devoted in State fiscal year 2004,
14 after fulfilling all fund reservations, bonding and contractual obligations,
15 shall be devoted to the financing of projects in South Jersey. For the
16 purpose of this section, "South Jersey" means the counties of Atlantic,
17 Burlington, Camden, Cape May, Cumberland, Gloucester, Mercer, Ocean,
18 and Salem, except that the term shall not include the City of Atlantic City.
19 The provisions of this subsection shall terminate when excess amounts
20 devoted to the financing of projects in South Jersey equal the amount
21 certified by the State Treasurer.

22 (cf: P.L.2004, c.129, s.1)

23

24 ²[101.] 100.² Section 2 of P.L.2008, c.12 (C.5:12-144.2) is amended to
25 read as follows:

26 2. a. A casino licensee shall receive an annual deduction from the
27 gross revenue taxed pursuant to subsection a. of section 144 of P.L.1977,
28 c.110 (C.5:12-144) in an amount equal to either (1) the promotional gaming
29 credits reported by that licensee in its annual tax return or (2) such other
30 portion of the promotional gaming credits reported by all casino licensees
31 as the **[commission]** division may allocate to a particular licensee to reflect
32 that licensee's pro rata share of the costs of the 2008 agreement executed
33 between the New Jersey Sports and Exposition Authority and the Casino
34 Association of New Jersey for the benefit of the horse racing industry.

35 b. Casino licensees shall be allowed a deduction from gross revenues
36 for a tax year pursuant to subsection a. of this section for the total value of
37 promotional gaming credits redeemed by patrons at all licensed casinos for
38 that tax year in excess of \$90,000,000. For the first tax year in which this
39 act becomes operative pursuant to section 3 of this act, P.L.2008, c.12, the
40 commission shall reduce the \$90,000,000 deduction threshold for that tax
41 year in proportion to the part of the tax year that has elapsed prior to that
42 operative date.

43 c. The **[commission]** division shall establish, by regulation,
44 procedures and standards for allocating the deduction established pursuant
45 to this section to reflect each licensee's pro rata share of the costs of the
46 2008 agreement executed between the New Jersey Sports and Exposition
47 Authority and the Casino Association of New Jersey for the benefit of the
48 horse racing industry and procedures and standards for each licensee to take

1 the deduction established pursuant to this section to reflect those deductions
2 that exceed the costs of the 2008 agreement. Such regulations shall include
3 standards for the allocation of the \$90,000,000 deduction threshold
4 established in subsection b. of this section, the timing of the application of
5 deductions, and all other matters related to the provisions of this section.

6 d. (1) The **【commission】** division shall establish, by regulation,
7 procedures to ensure that the promotional gaming credit deduction
8 established pursuant to this section does not result in a negative fiscal
9 impact to the Casino Revenue Fund. If necessary, the **【commission】**
10 division may reduce the value of the available deduction to eliminate any
11 negative fiscal impact to the Casino Revenue Fund attributable solely to the
12 deduction and not to other economic or other factors that cause a negative
13 fiscal impact to the Casino Revenue Fund.

14 (2) For the purposes of this subsection, "negative fiscal impact to the
15 Casino Revenue Fund" shall mean that the amount generated from taxation
16 of promotional gaming credits falls below the level generated in calendar
17 year 2007.

18 (cf: P.L.2008, c.12, s.2)

19
20 ²**【102.】** 101.² Section 145 of P.L.1977, c.110 (C.5:12-145) is amended
21 as follows:

22 145. a. There is hereby created and established in the Department of the
23 Treasury a separate special account to be known as the "Casino Revenue
24 Fund," into which shall be deposited all revenues from the tax imposed by
25 section 144 of this act; the investment alternative tax imposed by section 3
26 of P.L.1984, c.218 (C.5:12-144.1); the taxes and fees imposed by sections
27 3, 4 and 6 of P.L.2003, c.116 (C.5:12-148.1, C.5:12-148.2 and C.5:12-
28 145.8) and any interest and penalties imposed by the **【commission】**
29 division relating to those taxes; the percentage of the value of expired
30 gaming related obligations pursuant to section 24 of P.L.2009, c.36
31 (C.5:12-141.2); and all penalties levied and collected by the **【commission】**
32 division pursuant to P.L.1977, c.110 (C.5:12-1 et seq.) and the regulations
33 promulgated thereunder, except that the first \$600,000 in penalties
34 collected each fiscal year shall be paid into the General Fund for
35 appropriation by the Legislature to the Department of Health and Senior
36 Services, \$500,000 of which is to provide funds to the Council on
37 Compulsive Gambling of New Jersey and \$100,000 of which is to provide
38 funds for compulsive gambling treatment programs in the State. In the
39 event that less than \$600,000 in penalties are collected, the Department of
40 Health and Senior Services shall determine the allocation of funds between
41 the Council and the treatment programs eligible under the criteria
42 developed pursuant to section 2 of P.L.1993, c.229 (C.26:2-169).

43 b. The **【commission】** division shall require at least monthly deposits
44 by the licensee of the tax established pursuant to subsection a. of section
45 144 of P.L.1977, c.110 (C.5:12-144), at such times, under such conditions,
46 and in such depositories as shall be prescribed by the State Treasurer. The
47 deposits shall be deposited to the credit of the Casino Revenue Fund. The

1 **[commission]** division may require a monthly report and reconciliation
2 statement to be filed with it on or before the 10th day of each month, with
3 respect to gross revenues and deposits received and made, respectively,
4 during the preceding month.

5 c. Moneys in the Casino Revenue Fund shall be appropriated
6 exclusively for reductions in property taxes, rentals, telephone, gas,
7 electric, and municipal utilities charges of eligible senior citizens and
8 disabled residents of the State, and for additional or expanded health
9 services or benefits or transportation services or benefits to eligible senior
10 citizens and disabled residents, as shall be provided by law. On or about
11 March 15 and September 15 of each year, the State Treasurer shall publish
12 in at least 10 newspapers circulating generally in the State a report
13 accounting for the total revenues received in the Casino Revenue Fund and
14 the specific amounts of money appropriated therefrom for specific
15 expenditures during the preceding six months ending December 31 and
16 June 30.

17 (cf: P.L.2009, c.36, s.25)

18

19 ²**[103.]** 102.² Section 6 of P.L.2003, c.116 (C.5:12-145.8) is amended
20 to read as follows:

21 6. Notwithstanding the provisions of any other law to the contrary and
22 in addition to any other tax or fee imposed by law, there is imposed a fee of
23 \$3.00 per day on each hotel room in a casino hotel facility that is occupied
24 by a guest, for consideration or as a complimentary item. This section shall
25 be administered by the **[commission]** ²**[Casino Revenue Fund Advisory**
26 **Commission]** Department of the Treasury² and the amounts generated by
27 this section shall be paid to the State Treasurer for deposit in the Casino
28 Revenue Fund established pursuant to section 145 of P.L.1977, c.110
29 (C.5:12-145) in State fiscal years 2004 through 2006. Beginning in State
30 fiscal year 2007 and thereafter, \$1.00 of the fee shall be deposited by the
31 State Treasurer into a special fund established and held by the State
32 Treasurer and made available for the exclusive use of the Casino
33 Reinvestment Development Authority established pursuant to section 5 of
34 P.L.1984, c.218 (C.5:12-153) for its purposes pursuant to law, as approved
35 by the membership of the authority, subject to the provisions of subsection
36 e. of section 5 of P.L.2004, c.129 (C.5:12-173.22a). Beginning in State
37 fiscal year 2007 and thereafter, the portion of the proceeds of \$2.00 of the
38 fee necessary to carry out the purpose of subsections a. through c. of
39 section 5 of P.L.2004, c.129 (C.5:12-173.22a) shall be deposited by the
40 State Treasurer into a special fund established and held by the State
41 Treasurer and made available for the exclusive use of the authority to carry
42 out that purpose, and the remaining proceeds of the \$2.00 fee shall be
43 deposited by the State Treasurer into the Casino Revenue Fund.

44 (cf: P.L.2004, c.129, s.2)

45

46 ²**[104.]** 103.² Section 146 of P.L.1977, c.110 (C.5:12-146) is amended
47 to read as follows:

1 146. a. Any casino licensee whose licensed premises are located in an
2 area which has been declared, by the Department of Community Affairs
3 and the [commission] division, to be a blighted area, or an area endangered
4 by blight, may, for a period of not more than 25 years, enter into a written
5 agreement with the Department of the Treasury, which agreement shall,
6 with respect to real property held for use as a licensed casino hotel,
7 provide for the payment of taxes to the tax collector of the municipality, in
8 lieu of full local real property tax payments, in an amount to be computed
9 by the sum of the following amounts, payable at the time specified by law
10 for the payment of local property taxes;

11 (1) An annual amount equal to 2% of the cost of the real property
12 investment. For the purposes of this section, "cost of the real property
13 investment" means only the actual cost or fair market value of direct labor
14 and all materials used in the construction, expansion, or rehabilitation of all
15 buildings, structures, and facilities at the project site, including the costs, if
16 any, of land acquisition and land preparation, provision of access roads,
17 utilities, drainage facilities, and parking facilities, together with
18 architectural, engineering, legal, surveying, testing, and contractors' fees
19 associated with the project; provided, however, that the applicant shall
20 cause such costs to be certified and verified to the Department of the
21 Treasury by an independent certified public accountant, following the
22 completion of the investment in the project; and provided further, however,
23 that upon execution of an agreement pursuant to this section, only real
24 property improvements made after July 6, 1976 shall be subject to the
25 provisions herein; plus

26 (2) An amount equivalent to the difference between an amount that
27 would have been payable as property taxes under the full local property tax
28 rate and the amount calculated pursuant to subsection a.(1) of this section,
29 which shall be payable from such profits, if any, as hereinafter defined in
30 section 147, as shall remain after deducting therefrom interest and principal
31 paid on mortgage loans applicable to the real property held for use as a
32 licensed casino hotel. The total payments provided by this section shall not
33 exceed the full local property taxes normally payable for the year.

34 b. At the time an applicant applies for a license under this act, he shall
35 determine whether to exercise the option to pay in lieu taxes under this
36 section or whether the property of the applicant shall be subject to the
37 normal real property taxes of the municipality. This determination having
38 been made and approved, the method selected may not be changed or
39 altered during the term of the agreement.

40 c. Upon the filing of a certification by the State Treasurer in any year
41 that an agreement has been entered into pursuant to this section, the in lieu
42 tax provisions of this section shall be applicable with respect to the ensuing
43 tax years.

44 (cf: P.L.1977, c.110, s.146)

45

46 ²[105.] 104.² Section 147 of P.L.1977, c.110 (C.5:12-147) is amended
47 to read as follows:

1 147. a. For the purposes of the application of the provisions of section
2 146 of this act, "profits" referred to in section 146 a.(2) for any year means
3 total profits from cumulative investments in Atlantic City. In computing
4 profits under this section, a licensee shall deduct from the gross income of
5 cumulative investments in Atlantic City all operating expenses in
6 accordance with generally accepted accounting principles. There shall be
7 included in said operating expenses (1) all annual payments pursuant to
8 section 146 a.(1) of this act; (2) property taxes in said municipality not
9 subject to section 146; and (3) an annual amount sufficient to amortize in
10 equal annual installments the total cost of the investment over the life of the
11 improvements, which in no case shall be less than 25 years in the case of
12 real property. There shall not be included in said operating expenses or in
13 any other account (1) depreciation or obsolescence; (2) interest on debt; (3)
14 taxes on income; (4) losses on bad debt instruments from gaming
15 operations in excess of the lesser of such instruments actually uncollected
16 or 4% of gross revenues; or (5) salaries, bonuses and other compensation
17 paid, directly or indirectly, to directors, partners, officers, stockholders or
18 other persons having any proprietary or ownership interest in the licensee.

19 b. In any year during which gross income exceeds cumulative
20 investments as defined in section 144 d. hereof, 50% of the profits, as
21 herein defined, which exceed the amount equivalent to 20% of the
22 cumulative investments in the municipality of a licensee who shall have
23 entered into an agreement pursuant to the provisions of section 146 hereof
24 for such year shall be retained in a separate interest-bearing account
25 maintained by the Treasurer, which account shall be designated "Special
26 Casino Retention Account." All amounts retained in such account with
27 respect to a licensee for any year may be recaptured by the licensee,
28 provided that (1) the average annual gross income for the tax year and the
29 two immediately preceding years is less than the cumulative investments of
30 the licensee in casino, hotel, or other facilities in the municipality or State;
31 or (2) the licensee, within 5 years of the date its annual tax return under this
32 act is due, shall make cumulative investments in such municipality which
33 shall cause the total of such investments to exceed the average annual gross
34 income for the tax year and the 2 immediately preceding years, and which
35 are equal to or greater than the amount of profits, as herein defined,
36 retained in such account for the tax year.

37 c. In the event such licensee fails to make cumulative investments
38 within the time specified as required for recapture of profits under this
39 section, the profits retained in the Special Casino Retention Account shall
40 be remitted to the Treasurer for deposit to the credit of the Casino Revenue
41 Fund.

42 d. For the purposes of this section, each annual return of such licensee
43 shall reflect the profits, if appropriate, determined on the basis of the
44 immediately preceding calendar year. The **[commission]** division shall
45 make rules and regulations for the determination of profits under the
46 provisions of this section.

47 (cf: P.L.1977, c.110, s.147)

1 ²[106.] 105.² Section 148 of P.L.1977, c.110 (C.5:12-148) is amended
2 to read as follows:

3 148. a. The tax imposed under section 144 hereof shall be due and
4 payable annually on or before the 15th day of March and shall be based
5 upon gross revenues derived during the previous calendar year. A licensee
6 shall file its first return and shall report gross revenues from the time it
7 commenced operations and ending on the last day of said calendar year.
8 Such report shall be filed with the **[commission]** Director of the Division
9 of Taxation in the Department of the Treasury on or before the following
10 March 15.

11 b. Any other law to the contrary notwithstanding, any business
12 conducted by an individual, partnership, or corporation or any other entity,
13 or any combination thereof, holding a license pursuant to this act shall, in
14 addition to all other taxes imposed by this act, file a consolidated
15 corporation business tax return pursuant to P.L.1945, c.162 (C.54:10A-1 et
16 seq.) and pay the taxes indicated thereon. The director of the Division of
17 Taxation shall issue such rules and regulations and design such tax forms as
18 shall be necessary to carry into effect the provisions of this act.
19 (cf: P.L.1977, c.110, s.148)

20

21 ²[107.] 106.² Section 4 of P.L.2003, c.116 (C.5:12-148.2) is amended
22 to read as follows:

23 4. a. A tax at the rate of 8% is imposed on casino service industry
24 multi-casino progressive slot machine revenue. The tax shall not be
25 considered a tax collectable under the "Sales and Use Tax Act," P.L.1966,
26 c.30 (C.54:32B-1 et seq.).

27 b. As used in this section, "casino service industry multi-casino
28 progressive slot machine revenue" means sums received by a casino service
29 industry enterprise, licensed pursuant to the provisions of subsection a. of
30 section 92 of P.L.1977, c.110 (C.5:12-92), or an eligible applicant for such
31 license, net of any money accrued for return to patrons in the form of
32 jackpots, that are directly or indirectly related to: (1) the conduct of multi-
33 casino progressive slot machine system operations in a casino; or (2) the
34 sale, lease, servicing or management of a multi-casino progressive slot
35 machine system. Notwithstanding the foregoing, "casino service industry
36 multi-casino progressive slot machine revenue" shall not be construed to
37 apply to revenue derived from transactions between a casino licensee and
38 its holding company or intermediary companies or their affiliates.

39 c. The **[commission]** Director of the Division of Taxation in the
40 Department of the Treasury, in consultation with the Division of Gaming
41 Enforcement, shall administer the tax imposed pursuant to this section. The
42 tax imposed by this section, and any interest or penalties imposed by the
43 **[commission]** Director of the Division of Taxation relating to that tax,
44 shall be deposited by the State Treasurer into the Casino Revenue Fund
45 established pursuant to section 145 of P.L.1977, c.110 (C.5:12-145).

46 d. A casino service industry enterprise licensee or applicant required to
47 pay the tax imposed pursuant to this section shall, on or before the 28th day

1 of the month, forward to the State Treasurer the tax owed on casino service
2 industry multi-casino progressive slot machine revenue received by the
3 casino service industry enterprise licensee or applicant in the preceding
4 month and make and file a return for the preceding month with the
5 commission on any form and containing any information as the commission
6 shall prescribe by rule or regulation as necessary to determine liability for
7 the tax in the preceding month during which the person was required to pay
8 the tax.

9 e. The **[commission]** Director of the Division of Taxation may permit
10 or require returns to be made covering other periods and upon any dates as
11 the **[commission]** Director of the Division of Taxation may specify. In
12 addition, the **[commission]** Director of the Division of Taxation may
13 require payments of tax liability to the State Treasurer at any intervals and
14 based upon any classifications as the **[commission]** Director of the
15 Division of Taxation may designate. In prescribing any other periods to be
16 covered by the return or intervals or classifications for payment of tax
17 liability, the **[commission]** Director of the Division of Taxation may take
18 into account the dollar volume of tax involved as well as the need for
19 ensuring the prompt and orderly collection of the tax imposed.

20 f. The **[commission]** Director of the Division of Taxation may require
21 amended returns to be filed within 20 days after notice and to contain the
22 information specified in the notice.

23 g. (Deleted by amendment, P.L.2004, c.128).
24 (cf: P.L.2009, c.36, s.26)

25
26 ²**[108.] 107.**² Section 5 of P.L.2003, c.116 (C.5:12-148.3) is amended
27 to read as follows:

28 5. a. In State fiscal years 2004 through 2006, a tax at the rate of 7.5%
29 is imposed on the adjusted net income of a casino licensee in calendar year
30 2002, determined pursuant to information provided by casino licensees to
31 the commission pursuant to regulations promulgated in accordance with
32 subsection n. of section 70 of P.L.1977, c.110 (C.5:12-70) and published on
33 April 2, 2003 in the commission's statement of casino licensee income for
34 the twelve-month period ending on December 31, 2002, without regard to
35 subsequent adjustment to such filing. For a casino licensee that was not in
36 operation in calendar year 2002, the amount of the tax shall be 7.5% of its
37 adjusted net income in State fiscal year 2004, as filed by the licensee with
38 the commission pursuant to regulations promulgated in accordance with
39 subsection n. of section 70 of P.L.1977, c.110 (C.5:12-70). As used in this
40 section, "adjusted net income" means annual net income plus management
41 fees.

42 The aggregate amount of tax imposed by this section shall not exceed
43 \$10 million annually for a holder of more than one casino license, and for
44 each casino licensee the tax imposed by this section shall not be less than
45 \$350,000 annually.

46 b. The **[commission]** Director of the Division of Taxation in the
47 Department of the Treasury shall collect and administer the tax imposed

1 pursuant to this section. In carrying out the provisions of this section, the
2 Director of the Division of Taxation shall have all of the powers granted in
3 P.L.1945, c.162 (C.54:10A-1 et seq.). For a casino licensee that was in
4 operation in calendar year 2002, the tax shall be due and payable to the
5 State Treasurer in four equal payments on September 15, December 15,
6 March 15, and June 15 of each State fiscal year. For a casino licensee that
7 was not in operation in calendar year 2002, the tax in State fiscal year 2004
8 shall be due and payable to the State Treasurer in four quarterly estimated
9 payments on the basis of adjusted net income in the current quarter, and the
10 licensee shall file an annual return for State fiscal year 2004 no later than
11 October 15, 2004. In State fiscal years 2005 and 2006 for such casino
12 licensee, the tax shall be due and payable to the State Treasurer in four
13 equal payments on September 15, December 15, March 15 and June 15.

14 c. The tax imposed by this section, and any interest or penalties
15 **[imposed by the commission]** collected by the Director of the Division of
16 Taxation in the Department of Treasury relating to that tax, shall be
17 deposited by the State Treasurer into the Casino Revenue Fund established
18 pursuant to section 145 of P.L.1977, c.110 (C.5:12-145).

19 d. The **[commission]** Director of the Division of Taxation in the
20 Department of Treasury shall certify annually on September 30**[, 2003 and**
21 **annually thereafter]** of each year the amount of tax required to be paid
22 pursuant to this section. The **[commission]** Director of the Division of
23 Taxation may promulgate such rules and regulations as the **[commission]**
24 Director of the Division of Taxation determines are necessary to effectuate
25 the provisions of this section.

26 e. (Deleted by amendment, P.L.2004, c.128).

27 f. The tax imposed under this section shall be governed by the
28 provisions of the "State Uniform Tax Procedure Law," R.S.54:48-1 et seq.
29 (cf: P.L.2004, c.128, s.6)

30
31 ²**[109.] 108.**² Section 149 of P.L.1977, c.110 (C.5:12-149) is amended
32 to read as follows:

33 149. Determination of Tax Liability. The **[commission]** Division of
34 Taxation may perform audits of the books and records of a casino licensee,
35 at such times and intervals as it deems appropriate, for the purpose of
36 determining the sufficiency of tax payments. If a return or deposit required
37 by section 145 with regard to obligations imposed by subsection a. of
38 section 144 of P.L.1977, c.110 (C.5:12-144) is not filed or paid, or if a
39 return or deposit when filed or paid is determined by the **[commission]**
40 Division of Taxation to be incorrect or insufficient with or without an audit,
41 the amount of tax or deposit due shall be determined by the **[commission]**
42 Division of Taxation. Notice of such determination shall be given to the
43 licensee liable for the payment of the tax or deposit. Such determination
44 shall finally and irrevocably fix the tax unless the person against whom it is
45 assessed, within 30 days after receiving notice of such determination, shall
46 apply to the **[commission]** Division of Taxation for a hearing**[, or unless**
47 the commission on its own motion shall redetermine the same. After such

1 hearing the commission shall give notice of its determination to the person
2 against whom the tax is assessed] in accordance with the regulations of the
3 Division of Taxation.
4 (cf: P.L.1993, c.292, s.34)
5

6 ²[110.] 109.² Section 150 of P.L.1977, c.110 (C.5:12-150) is amended
7 to read as follows:

8 150. Penalties. a. Any licensee who shall fail to file his return when
9 due or to pay any tax or deposit when the same becomes due, as herein
10 provided, shall be subject to such penalties and interest as provided in the
11 "State Tax Uniform Procedure Law," Subtitle 9 of Title 54 of the Revised
12 Statutes. If the [commission] Division of Taxation determines that the
13 failure to comply with any provision of this Article was excusable under the
14 circumstances, the [commission] Division of Taxation may remit such part
15 or all of the penalty as shall be appropriate under such circumstances.

16 b. Any person failing to file a return, failing to pay the tax or deposit,
17 or filing or causing to be filed, or making or causing to be made, or giving
18 or causing to be given any return, certificate, affidavit, representation,
19 information, testimony or statement required or authorized by this act, or
20 rules or regulations adopted hereunder which is willfully false, or failing to
21 keep any records required by this act or rules and regulations adopted
22 hereunder, shall, in addition to any other penalties herein or elsewhere
23 prescribed, be guilty of a crime of the fourth degree and subject to the
24 penalties therefor, except that the amount of a fine may be up to
25 \$100,000.00.

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

33 d. If any part of any underpayment of tax required to be shown on a
34 return is due to fraud, there shall be added to the tax an amount equal to
35 50% of the underpayment.
36 (cf: P.L.1993, c.292, s.35)
37

38 ²[111.] 110.² Section 151 of P.L.1977, c.110 (C.5:12-151) is amended
39 as follows:

40 151. In addition to the other powers granted by this act, the
41 [commission] Division of Taxation is hereby authorized and empowered to
42 promulgate and distribute all forms and returns necessary to the
43 implementation of this act.
44 (cf: P.L.1977, c.110, s.151)
45

46 ²[112.] 111.² Section 4 of P.L.1985, c.539 (C.5:12-186) is amended to
47 read as follows:

1 4. a. Notwithstanding the provisions of any law, rule or regulation to
2 the contrary, every casino licensee shall establish goals of expending at
3 least 5% of the dollar value of its contracts for goods and services with
4 minority and women's business enterprises **[by the end of the third year**
5 **following the operative date of this 1985 amendatory and supplementary**
6 **act or]** by the end of third year following the receipt of a casino license,
7 **[whichever is later]** and 10% of the dollar value of its contracts for goods
8 and services with minority and women's business enterprises **[by the end of**
9 **the sixth year following the operative date of this 1985 amendatory and**
10 **supplementary act or]** by the end of the sixth year following the receipt of a
11 casino license**[, whichever is later]**; and each such licensee shall have a
12 goal of expending 15% of the dollar value of its contracts for goods and
13 services with minority and women's business enterprises **[by the end of the**
14 **10th year following that operative date or]** by the end of the 10th year
15 following the receipt of a casino license**[, whichever is later]**. Each casino
16 licensee shall be required to demonstrate annually **[to the commission]** that
17 the requirements of this act have been met by submitting a report which
18 shall include the total dollar value of contracts awarded for goods or
19 services and the percentage thereof awarded to minority and women's
20 business enterprises.

21 As used in this section, "goods and services" shall not include (1)
22 utilities and taxes; (2) financing costs, such as mortgages, loans or any
23 other type of debt; (3) medical insurance; (4) dues and fees to the Atlantic
24 City Casino Association; (5) fees and payments to a parent or affiliated
25 company of the casino licensee other than those that represent fees and
26 payments for goods and services supplied by non-affiliated persons through
27 an affiliated company for the use or benefit of the casino licensee; and (6)
28 rents paid for real property and any payments constituting the price of an
29 interest in real property as a result of a real estate transaction.

30 b. A casino licensee shall make a good faith effort to meet the
31 requirements of this section and shall annually demonstrate to the
32 **[commission]** division that such an effort was made.

33 c. A casino licensee may fulfill no more than 70% of its obligation or
34 part of it under this act by requiring a vendor to set aside a portion of his
35 contract for minority or women's business enterprises. Upon request, the
36 licensee shall provide the **[commission]** division with proof of the amount
37 of the set-aside.

38 (cf: P.L.1987, c.137, s.3)

39

40 ²**[113.] 112.**² Section 5 of P.L.1985, c.539 (C.5:12-187) is amended to
41 read as follows:

42 5. a. Every casino licensee shall establish goals of expending at least
43 5% of the dollar value of its bus business with minority and women's
44 business enterprises **[by the end of the third year following the operative**
45 **date of this 1985 amendatory and supplementary act or]** by the end of the
46 third year following the receipt of a casino license, **[whichever is later]** and

1 10% of the dollar value of its bus business with minority and women's
2 business enterprises [by the end of the sixth year following the operative
3 date of this 1985 amendatory and supplementary act or] by the end of the
4 sixth year following the receipt of a casino license[, whichever is later];
5 and each such licensee shall have a goal of expending 15% of the dollar
6 value of its bus business with minority and women's business enterprises by
7 the end of the 10th year following [that operative date or] by the end of the
8 10th year following the receipt of a casino license[, whichever is later].
9 Each casino licensee shall be required to demonstrate annually [to the
10 commission] that the requirements of this act have been met by submitting
11 a report which shall include the total bus business expended and the
12 percentage thereof awarded to minority and women's business enterprises.

13 b. A casino licensee shall make a good faith effort to meet the
14 requirements of this section [and shall annually demonstrate to the
15 commission that such an effort was made].

16 (cf: P.L.1987, c.137, s.4)

17

18 ²[114.] 113.² Section 7 of P.L.1987, c.137 (C.5:12-187.1) is amended
19 to read as follows:

20 7. If the [commission] division determines that the provisions of
21 sections 4 and 5 of P.L.1985, c.539 (C.5:12-186 and C.5:12-187) relating to
22 expenditures and assignments to minority and women's business enterprises
23 have not been met by a licensee, the [commission] division may [suspend
24 or revoke] recommend to the commission the suspension or revocation of
25 the casino license, and the commission may, in its discretion, revoke or
26 suspend the license, or the division may fine or impose appropriate
27 conditions on the licensee, to ensure that the goals for expenditures and
28 assignments to minority and women's business enterprises are met; except
29 that if a determination is made that a casino licensee has failed to
30 demonstrate compliance with the provisions of sections 4 and 5 of
31 P.L.1985, c.539 (C.5:12-186 and C.5:12-187), a casino licensee will have
32 90 days from the date of the determination of noncompliance within which
33 to comply with the provisions of those sections.

34 (cf: P.L.1987, c.137, s.7)

35

36 ²[115.] 114.² Section 8 of P.L.1985, c.539 (C.5:12-190) is amended to
37 read as follows:

38 8. The Division of Development for Small Businesses and Women's
39 and Minority Businesses and the [Casino Control Commission] Division of
40 Gaming Enforcement shall develop such other regulations as may be
41 necessary to interpret and implement the provisions of this act.

42 (cf: P.L.1985, c.539, s.8)

43

44 ²[116.] 115.² Section 193 of P.L.1992, c.19 (C.5:12-193) is amended to
45 read as follows:

1 193. It shall be lawful for a casino to conduct casino simulcasting with
2 any in-State sending track and with any out-of-State sending track in
3 accordance with the provisions of this act, the applicable regulations of the
4 New Jersey Racing Commission and the **【New Jersey Casino Control**
5 **Commission】** Division of Gaming Enforcement and any joint regulations of
6 these commissions promulgated pursuant to this act.

7 (cf: P.L.1992, c.19, s.3)

8
9 ²**【117.】** 116.² Section 194 of P.L.1992, c.19 (C.5:12-194) is amended to
10 read as follows:

11 194. a. (1) A casino licensee which wishes to conduct casino
12 simulcasting shall establish a simulcasting facility as part of the casino
13 hotel. The simulcasting facility may be adjacent to, but shall not be part of,
14 any room or location in which casino gaming is conducted pursuant to the
15 provisions of P.L.1977, c.110 (C.5:12-1 et seq.). The simulcasting facility
16 shall conform to all requirements concerning square footage, equipment,
17 security measures and related matters which the **【Casino Control**
18 **Commission】** Division of Gaming Enforcement shall by regulation
19 prescribe. The space required for the establishment of a simulcasting
20 facility shall not reduce the space authorized for casino gaming activities as
21 specified in section 83 of P.L.1977, c.110 (C.5:12-83). The cost of
22 establishing, maintaining and operating a simulcasting facility shall be the
23 sole responsibility of the casino licensee.

24 (2) Wagering on simulcast horse races shall be conducted only in the
25 simulcasting facility, which shall be open and operated whenever simulcast
26 horse races are being transmitted to the casino hotel during permitted hours
27 of casino operation.

28 (3) Any authorized game, as defined in section 5 of P.L.1977, c.110
29 (C.5:12-5), other than slot machines may be conducted in a simulcasting
30 facility subject to the rules and regulations of the **【Casino Control**
31 **Commission】** Division of Gaming Enforcement.

32 (4) The security measures for a simulcasting facility shall include the
33 installation by the casino licensee of a closed circuit television system
34 according to specifications approved by the **【Casino Control Commission】**
35 Division of Gaming Enforcement. The Casino Control Commission and the
36 Division of Gaming Enforcement shall have access to the system or its
37 signal in accordance with regulations of the commission.

38 b. All persons engaged directly in wagering-related activities
39 conducted by a casino licensee in a simulcasting facility, whether employed
40 by the casino licensee or by a person or entity conducting casino
41 simulcasting in the simulcasting facility pursuant to an agreement with the
42 casino licensee[【], shall be licensed as casino employees or casino key
43 employees, as appropriate. All[】] and all other employees of the casino
44 licensee or of the person or entity conducting casino simulcasting who are
45 working in the simulcasting facility, shall be licensed or registered in
46 accordance with regulations of the Casino Control Commission or the
47 Division of Gaming Enforcement.

1 Any employee at the Atlantic City Race Course or Garden State Park on
2 or after June 12, 1992, who loses employment with that racetrack as a
3 direct result of the implementation of casino simulcasting and who has been
4 licensed by the New Jersey Racing Commission for five consecutive years
5 immediately preceding the loss of employment shall be given first
6 preference for employment whenever any comparable position becomes
7 available in any casino simulcasting facility, provided the person is
8 qualified pursuant to this subsection. If a casino licensee enters into an
9 agreement with a person or entity for the conduct of casino simulcasting in
10 its simulcasting facility, the agreement shall include the requirement that
11 such first preference in employment shall be given by the person or entity
12 with respect to employment in the simulcasting facility.

13 c. A casino licensee which establishes a simulcasting facility and
14 conducts casino simulcasting shall, as a condition of continued operation of
15 casino simulcasting, receive all live races which are transmitted by in-State
16 sending tracks.

17 d. Agreements between a casino licensee and an in-State or out-of-
18 State sending track for casino simulcasting shall be in writing and shall be
19 filed with the New Jersey Racing Commission and with the **【Casino**
20 **Control Commission】** Division of Gaming Enforcement in accordance with
21 section 104 of P.L.1977, c.110 (C.5:12-104).

22 e. If wagering at casinos on sports events is authorized by the voters of
23 this State and by enabling legislation enacted by the Legislature, and if a
24 casino licensee conducts such wagering and casino simulcasting, the two
25 activities shall be conducted in the same area, in accordance with such
26 regulations as the **【Casino Control Commission】** Division of Gaming
27 Enforcement shall prescribe with respect to wagering on sports events and
28 in accordance with this act and such regulations as may be adopted
29 pursuant to section 3 of this act with respect to casino simulcasting.

30 (cf: P.L.1996, c.84, s.8)

31

32 ²**【118.】** 117.² Section 199 of P.L.1992, c.19 (C.5:12-199) is amended to
33 read as follows:

34 199. A casino which chooses to conduct casino simulcasting and which
35 operates a simulcasting facility may, with the approval of both the New
36 Jersey Racing Commission and the New Jersey **【Casino Control**
37 **Commission】** Division of Gaming Enforcement, also receive simulcast
38 horse races conducted at out-of-State sending tracks in accordance with the
39 provisions of this act and any applicable regulations of these commissions
40 and joint regulations of these commissions promulgated pursuant to this
41 act.

42 In order to be eligible to participate in casino simulcasting, an out-of-
43 State sending track shall be approved by the New Jersey Racing
44 Commission and be subject to licensure by the **【Casino Control**
45 **Commission】** Division of Gaming Enforcement as a casino service industry
46 enterprise pursuant to subsection c. of section 92 of P.L.1977, c.110
47 (C.5:12-92). The approval of the New Jersey Racing Commission shall

1 only be granted when that commission, in its discretion and after
2 consideration of the interests of the casino making application, determines
3 that approval is in the best interest of the public and the racing industry in
4 New Jersey.

5 (cf: P.L.2009, c.36, s.27)

6

7 ²[119.] 118.² Section 20 of P.L.1992, c.19 (C.5:12-210) is amended to
8 read as follows:

9 20. The **【Casino Control Commission】** Division of Gaming
10 Enforcement and the New Jersey Racing Commission shall individually and
11 jointly promulgate and adopt any rules and regulations, pursuant to the
12 "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.),
13 which are necessary to effectuate the purposes of **【this act】** P.L.1992, c.19
14 (C.5:12-191 et seq.).

15 (cf: P.L.1992, c.19, s.20)

16

17 ²[120.] 119.² Section 4 of P.L.2008, c.23 (C.5:12-211) is amended to
18 read as follows:

19 4. In the event **【that】** of a state of emergency **【is declared due to the**
20 **failure to enact a general appropriation law by the deadline prescribed by**
21 **Article VIII, Section II, paragraph 2 of the New Jersey Constitution, that**
22 **prevents inspectors, agents, or other employees of the commission and the**
23 **division from performing their normal duties】**, a casino licensee may
24 continue to conduct casino and simulcast operations for a period not to
25 exceed seven calendar days, notwithstanding that **【the inspectors, agents or**
26 **other】** employees of the commission and the division are unable to perform
27 their functions, provided that the casino licensee has complied with section
28 5 of P.L.2008, c.23 (C.5:12-212), and that the casino licensee and its
29 employees shall continue to comply with all relevant provisions of the New
30 Jersey Constitution and all relevant State statutes and regulations and shall
31 maintain detailed records of that compliance.

32 If, during any period of time that casino and simulcasting facilities
33 remain open pursuant to the provisions of this section, the Governor
34 determines that the holder of a casino license, or any licensed employee
35 thereof, may be engaged in what the Governor believes to be a violation of
36 any State statute or regulation governing the operation of those facilities
37 that would ordinarily subject a licensee to a possible suspension or
38 revocation of its license, the Governor shall have the authority to
39 summarily suspend the license of that casino or employee until such time as
40 it is rescinded by the Governor, or the state of emergency ceases and the
41 commission or the division, as appropriate, is able to address the matter.

42 Any violation of a statute or regulation that would ordinarily subject a
43 licensee to a fine, but which occurs while a facility remains open during a
44 state of emergency pursuant to this section, which is not reported by the
45 casino licensee in accordance with **【its approved internal control**
46 **procedures】** this act, shall be punishable by a fine of no less than five times
47 and up to ten times the amount of the usual fine, depending on the nature

1 and seriousness of the violation. When the state of emergency ceases,
2 casino licensees shall be responsible for any costs associated with re-
3 implementing onsite State inspections.

4 (cf: P.L.2008, c.23, s.4)

5
6 ²[121.] 120.² Section 5 of P.L.2008, c.23 (C.5:12-212) is amended to
7 read as follows:

8 5. In order for a casino licensee to conduct casino and simulcast
9 operations during a state of emergency as authorized in section 4 of
10 P.L.2008, c.23 (C.5:12-211), it shall **[obtain commission approval]** create,
11 maintain, and file with the division of internal controls prior to the state of
12 emergency, which shall become effective only during the state of
13 emergency, that contain, without limitation:

14 a. Procedures for the casino licensee and its employees to report any
15 violation of a statute or regulation to the casino licensee's chief legal officer
16 and audit committee executive, who shall report any such violations to the
17 Governor immediately and to the commission and division when the state
18 of emergency ceases.

19 b. Procedures for the casino licensee to engage a certified public
20 accountant **[approved by the commission, which procedures shall provide**
21 **sufficient safeguards to ensure that the public's interest in the integrity of**
22 **casino operations is served, and shall include but not be limited to a**
23 **criminal history record background check to be conducted in accordance**
24 **with the authority provided under paragraph (5) of subsection b. of section**
25 **89 of P.L.1977, c.110 (C.5:12-89),]** to perform the following functions
26 during the state of emergency:

27 (1) Act in the capacity of the **[commission]** division whenever the
28 presence of an **[inspector, agent or]** employee of the **[commission]**
29 division is normally required to perform an activity **[including, without**
30 **limitation, the collection and counting of gross revenue];**

31 (2) Perform any other functions in accordance with instructions issued
32 by the **[commission]** division prior to the state of emergency; and

33 (3) Maintain a written record of all activity performed.

34 c. Procedures for the surveillance department of the casino licensee to
35 record any activity that involves the participation of the certified public
36 accountant and to provide the recordings to the **[commission]** division
37 when the state of emergency ceases.

38 d. Procedures for providing any evidence of tampering or cheating that
39 occurs during the state of emergency to the certified public accountant, who
40 shall preserve such evidence for the **[commission and]** division.

41 e. Procedures to ensure that a designee of the casino licensee's chief
42 legal officer is available at all times to receive any complaint from the
43 public relating to the conduct of casino operations. Any such patron
44 complaint shall be forwarded to the chief legal officer, who shall promptly
45 file it with the **[commission]** division when the state of emergency ceases.

46 f. Procedures for withholding the payment of slot machine jackpots
47 greater than \$75,000 during the state of emergency, which shall be posted

1 in the casino advising patrons of the temporary jackpot payout procedures.
2 Such procedures shall include, without limitation, issuance of a written
3 receipt to the winning patron and withholding payment of the jackpot until
4 the state of emergency ceases and the division has had the opportunity to
5 inspect the slot machine on which the jackpot was won.

6 g. Procedures for staffing both the surveillance and casino security
7 departments with at least one additional officer at all times during the state
8 of emergency.

9 (cf: P.L.2008, c.23, s.5)

10
11 ²[122.] 121.² Section 6 of P.L.2008, c.23 (C.5:12-213) is amended to
12 read as follows:

13 6. During any **[**period of operations authorized by section 4 of
14 P.L.2008, c.23 (C.5:12-211)**]** state of emergency, as defined in section
15 ²[24] 23² of P.L. c. (C.) (pending before the Legislature as this bill),
16 a casino licensee shall not:

17 a. Amend or seek permission to amend: (1) any submission required by
18 section 99 of P.L.1977, c.110 (C.5:12-99); or (2) its operation certificate.

19 b. **[**Modify the configuration of its gaming floor or the gaming assets
20 located thereon in any manner whatsoever.**]** (Deleted by amendment,
21 P.L. , c.) (pending before the Legislature as this bill)

22 c. **[**Perform any activity that requires a pre-inspection by the
23 commission to ensure that surveillance camera coverage is adequate.**]**
24 (Deleted by amendment, P.L. , c.) (pending before the Legislature as
25 this bill)

26 d. Perform any modification to any casino computer system or multi-
27 casino progressive slot system, except in the event of an emergency that, in
28 the opinion of its chief gaming executive and the director of its
29 Management Information Systems department, could affect the integrity of
30 casino or simulcasting operations or the collection and certification of gross
31 revenue.

32 e. Perform an adjustment to the amount on the progressive meter of
33 any slot machine; provided, however, notwithstanding any **[**commission**]**
34 division regulation to the contrary, if a casino licensee reasonably believes
35 a progressive meter is displaying an incorrect amount, it may take the
36 progressive slot machine out of service until the state of emergency ceases.

37 f. Conduct any gaming tournament or other activity that requires
38 **[**commission**]** division approval, unless the tournament or activity has been
39 approved by the **[**commission**]** division prior to the commencement of the
40 state of emergency.

41 (cf: P.L.2008, c.23, s.6)

42
43 ²[123.] 122.² Section 7 of P.L.2008, c.23 (C.5:12-214) is amended to
44 read as follows:

45 7. During any **[**period of operations authorized by section 4 of
46 P.L.2008, c.23 (C.5:12-211)**]** state of emergency, no transfer of property
47 shall occur that would otherwise require the issuance of interim casino

1 authorization pursuant to section 3 of P.L.1987, c.409 (C.5:12-95.12) prior
2 to such transfer.

3 (cf: P.L.2008, c.23, s.7)

4

5 ²[124.] 123.² Section 8 of P.L.2008, c.23 (C.5:12-215) is amended to
6 read as follows:

7 8. In the event a state of emergency is declared [due to the failure to
8 enact a general appropriation law by the deadline prescribed by Article
9 VIII, Section II, paragraph 2 of the New Jersey Constitution] that prevents
10 employees of the commission and the division from performing their
11 normal duties, the duration of the state of emergency shall not be included
12 in the calculation of the time period required by any law, rule or regulation
13 for:

14 a. Action by the Casino Control Commission or the Division of
15 Gaming Enforcement on any pending application [or submission]; and

16 b. The filing of any application or other required submission with the
17 Casino Control Commission or the Division of Gaming Enforcement by
18 any person.

19 (cf: P.L.2008, c.23, s.8)

20

21 ²[125.] 124.² Section 55 of P.L.1977, c.110 (C.5:12-55) is amended to
22 read as follows:

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

33 The director and any employee or agent of the division shall be subject
34 to the duty to appear and testify and to removal from his office, position or
35 employment in accordance with the provisions of P.L.1970, c.72 (C.2A:81-
36 17.2a et seq.). The Attorney General shall be responsible for the exercise
37 of the duties and powers assigned to the division.

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

42 If, as a result of the transfer of duties and responsibilities from the
43 Casino Control Commission to the division in accordance with P.L. ,
44 c. (C.) (pending before the Legislature as this bill), the division needs
45 to employ an individual to fill a position, former employees of the
46 commission who performed the duties of the position to be filled shall
47 be given a one-time right of first refusal offer of employment with the

1 division ⁴, and such employees may be removed by the division for cause
2 or if deemed unqualified to hold the position⁴, notwithstanding any other
3 provision of law to the contrary.

4 (cf: P.L.1995, c.18, s.11)

5
6 ²~~[126.]~~ 125.² (New section) A member of the Casino Control
7 Commission and any employee of the commission holding a supervisory or
8 policy-making management position, and the Director of the Division of
9 Gaming Enforcement and any employee of the division holding a
10 supervisory or policy-making management position, shall not make any
11 contribution as that term is defined in the "The New Jersey Campaign
12 Contributions and Expenditures Reporting Act," P.L.1973, c.83 (C.19:44A-
13 1 et seq.).

14
15 ²~~[127.]~~ 126.² Section 115 of P.L.1977, c.110 (C.5:12-115) is amended
16 to read as follows:

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

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

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

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

31 c. Any person who violates this section is guilty of a crime of the
32 fourth degree and subject to the penalties therefor, except that the amount
33 of a fine may be up to ~~[\$25,000.00]~~ \$50,000, and in the case of a person
34 other than a natural person, the amount of a fine may be up to
35 ~~[\$100,000.00]~~ \$200,000.

36 (cf: P.L.1991, c.182, s.47)

37
38 ²~~[128.]~~ 127.² Section 116 of P.L.1977, c.110 (C.5:12-116) is amended
39 to read as follows:

40 116. Unlawful possession of device, equipment or other material
41 illegally manufactured, distributed, sold or serviced. Any person who
42 possesses any device, equipment or material which he knows has been
43 manufactured, distributed, sold, tampered with or serviced in violation of
44 the provisions of this act is guilty of a crime of the fourth degree and
45 subject to the penalties therefor, except that the amount of a fine may be up
46 to ~~[\$25,000.00]~~ \$50,000, and in the case of a person other than a natural

1 person, the amount of a fine may be up to **[\$100,000.00]** \$200,000.
2 (cf: P.L.1991, c.182, s.48)

3
4 ²**[129.]** 128.² Section 117 of P.L.1977, c.110 (C.5:12-117) is amended
5 to read as follows:

6 117. Employment Without License or Registration; Penalty. a. Any
7 person who, without obtaining the requisite license or registration as
8 provided in this act, works or is employed in a position whose duties would
9 require licensing or registration under the provisions of this act is guilty of
10 a crime of the fourth degree and subject to the penalties therefor, except
11 that the amount of a fine may be up to **[\$10,000.00]** \$20,000, and in the
12 case of a person other than a natural person, the amount of a fine may be up
13 to **[\$50,000.00]** \$100,000.

14 b. Any person who employs or continues to employ an individual not
15 duly licensed or registered under the provisions of this act in a position
16 whose duties require a license or registration under the provisions of this
17 act is guilty of a crime of the fourth degree and subject to the penalties
18 therefor, except that the amount of a fine may be up to **[\$10,000.00]**
19 \$20,000, and in the case of a person other than a natural person, the amount
20 of a fine may be up to **[\$50,000.00]** \$100,000.

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

22 d. Any person violating the provisions of subsection 101e. of this act
23 shall be guilty of a crime of the third degree, and shall be subject to the
24 penalties therefor, except that the amount of a fine may be up to
25 **[\$25,000.00]** \$50,000. Any licensee permitting or allowing such a
26 violation shall also be punishable under this subsection, in addition to any
27 other sanctions the commission may impose.
28 (cf: P.L.1991, c.182, s.49)

29

30 ²**[130.]** 129.² Section 120 of P.L.1977, c.110 (C.5:12-120) is amended
31 to read as follows:

32 120. Prohibited Political Contributions; Penalty. Any person who
33 makes or causes to be made a political contribution prohibited by the
34 provisions of this act is guilty of a crime of the fourth degree and subject to
35 the penalties therefor, except that the amount of a fine may be up to
36 **[\$100,000.00]** \$200,000, and in the case of a person other than a natural
37 person, the amount of a fine may be up to **[\$250,000.00]** \$500,000.
38 (cf: P.L.1991, c.182, s.52)

39

40 ²**[131.]** 130.² Section 126 of P.L.1977, c.110 (C.5:12-126) is amended
41 to read as follows:

42 126. a. It shall be unlawful for any person who has received any income
43 derived, directly or indirectly, from pattern of racketeering activity or
44 through collection of an unlawful debt in which such person has
45 participated as a principal within the meaning of N.J.S.2A:85-14 to use or
46 invest, directly or indirectly, any part of such income, or the proceeds of
47 such income, in acquisition of any interest in, or the establishment or

1 operation of, any enterprise which is engaged in or the activities of which
2 affect casino gaming operations or ancillary industries which do business
3 with any casino licensee. A purchase of securities on the open market for
4 purposes of investment, and without the intention of controlling or
5 participating in the control of the issuer or of assisting another to do so,
6 shall not be unlawful under this subsection, provided that the sum total of
7 the securities of the issuer held by the purchaser, the members of his
8 family, and his or their accomplices in any pattern of racketeering activity
9 or in the collection of an unlawful debt does not amount in the aggregate to
10 one percent of the outstanding securities of any one class, or does not,
11 either in law or in fact, empower the holders thereof to elect one or more
12 directors of the issuer.

13 b. It shall be unlawful for any person through a pattern of racketeering
14 activity or through collection of an unlawful debt to acquire or maintain,
15 directly or indirectly, any interest in or control of any enterprise which is
16 engaged in, or the activities of which affect, casino gaming operations or
17 ancillary industries which do business with any casino licensee.

18 c. It shall be unlawful for any person employed by or associated with
19 any enterprise engaged in, or the activities of which affect, casino gaming
20 operations or ancillary industries which do business with any casino
21 licensee, to conduct or participate, directly or indirectly, in the conduct of
22 such enterprise's affairs through a pattern of racketeering activity or
23 collection of unlawful debt.

24 d. It shall be unlawful for any person to conspire to violate any of the
25 provisions of subsections a., b., or c. of this section.

26 e. Any person who violates any provision of this section shall be fined
27 not more than ~~[\$50,000.00]~~ \$100,000 or imprisoned not more than twenty
28 years or both and shall forfeit to the State (1) any interest he has acquired
29 or maintained in violation of this section and (2) any interest in, security of,
30 claim against, or property or contractual right of any kind affording a
31 source of influence over any enterprise which he has established, operated,
32 controlled, conducted, or participated in the conduct of, in violation of this
33 section.

34 f. In any action brought by the Attorney General under this section, the
35 Superior Court shall have jurisdiction to enter such restraining orders or
36 prohibitions, or to take such other actions, including, but not limited to, the
37 acceptance of satisfactory performance bonds, in connection with any
38 property or other interest subject to forfeiture under this section, as it shall
39 deem proper.

40 g. Upon conviction of a person under this section, the court shall
41 authorize the Attorney General to seize all property or other interest
42 declared forfeited under this section upon such terms and conditions as the
43 court shall deem proper. If a property right or other interest is not
44 exercisable or transferable for value by the State, it shall expire and shall
45 not revert to the convicted person.

46 (cf: P.L.1977, c.110, s.126)

1 ¹ ~~132.~~ ² 131.² Section 4 of P.L.1978, c.7 (C.5:12-14.4) is amended to
2 read as follows:

3 4. "Debt" -- Any legal liability, whether matured or unmatured,
4 liquidated or unliquidated, absolute, fixed or contingent, including ² ~~[(1)~~
5 convertible]² debt ² [that has not yet been converted to any] convertible
6 into an² equity security ² which has not yet been so converted,² and ² ~~[(2)]~~²
7 any other debt ² [instrument]² carrying any warrant or right to subscribe to
8 or purchase ² [such]² an equity security ² [but]² which warrant or right has
9 not ² yet² been exercised.¹

10 (cf: P.L.1978, c.7, s.4)

11

12 ¹ ~~133.~~ ² 132.² Section 18 of P.L.1977, c.110 (C.5:12-18) is amended
13 to read as follows:

14 18. "Equity security" -- (a) Any voting stock of a corporation, or similar
15 security; (b) any security [convertible] ² which has been² converted, with
16 or without consideration, into such a security, or [carrying] ² [that carried]
17 carrying² any warrant or right to subscribe to or purchase such a security
18 which ² [was] warrant or right has been² exercised; ² ~~[(c) any such warrant~~
19 or right;]² or ² ~~[(d)]~~ ² (c)² any security having a direct or indirect
20 participation in the profits of the issuer ² [, except that as to paragraph (b)
21 hereunder the]. The² holder ² [thereof] of a security described in
22 subsection (b) of this section² shall ² not² be required to qualify as a holder
23 of ² an² equity security prior to any ² such² conversion or exercise of ² any
24 such warrant or² rights.¹

25 (cf: P.L.1977, c.110, s.18)

26

27 ¹ ~~132.~~ ² ~~134.~~ ¹ ~~133.~~ ² The following sections are repealed:

28 Section 6 of P.L.1995, c.18 (C.5:12-11.1);
29 Section 38 of P.L.1977, c.110 (C.5:12-38);
30 Section 64 of P.L.1977, c.110 (C.5:12-64);
31 Section 65 of P.L.1977, c.110 (C.5:12-65);
32 Section 67 of P.L.1977, c.110 (C.5:12-67);
33 Section 88 of P.L.1977, c.110 (C.5:12-88);
34 Section 90 of P.L.1977, c.110 (C.5:12-90); and
35 Section 3 of P.L.2003, c.116 (C.5:12-148.1).

36

37 ¹ ~~133.~~ ² ~~135.~~ ¹ ~~134.~~ ² This act shall take effect immediately ¹ and the
38 orderly transition of responsibilities and functions from the Casino Control
39 Commission to the Division of Gaming Enforcement shall take place for 90
40 days following the effective date¹, provided, however, that the division and
41 commission may take such anticipatory action as is necessary to effectuate
42 the provisions of this act. Any completed applications properly filed with
43 or submitted to the commission which are pending on the effective date of
44 this act over which the division is accorded authority pursuant to the
45 provisions of this act shall be deemed to have been properly filed with or

S12 [4R]

149

1 submitted to the division, provided that any application for a license, which
2 license by effect of this act is no longer required, shall be treated as a
3 registration.

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8

Revises various aspects of casino industry regulation.

SENATE, No. 12

STATE OF NEW JERSEY 214th LEGISLATURE

INTRODUCED NOVEMBER 15, 2010

Sponsored by:

Senator JIM WHELAN

District 2 (Atlantic)

Senator RAYMOND J. LESNIAK

District 20 (Union)

SYNOPSIS

Revises various aspects of casino industry regulation.

CURRENT VERSION OF TEXT

As introduced.



1 AN ACT concerning the licensing and regulation of casinos, and amending
2 various parts of the statutory law, supplementing P.L.1977, c.110
3 (C.5:12-1 et seq.), and repealing various parts of the statutory law.

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

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

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

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

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

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

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

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

35 (4) Legalized casino gaming has been approved by the citizens of New
36 Jersey as a unique tool of urban redevelopment for Atlantic City. In this
37 regard, the introduction of a limited number of casino rooms in major hotel
38 convention complexes, permitted as an additional element in the hospitality
39 industry of Atlantic City, will facilitate the redevelopment of existing
40 blighted areas and the refurbishing and expansion of existing hotel,
41 convention, tourist, and entertainment facilities; encourage the replacement
42 of lost hospitality-oriented facilities; provide for judicious use of open
43 space for leisure time and recreational activities; and attract new investment
44 capital to New Jersey in general and to Atlantic City in particular.

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

Matter underlined thus is new matter.

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

8 (6) An integral and essential element of the regulation and control of
9 such casino facilities by the State rests in the public confidence and trust in
10 the credibility and integrity of the regulatory process and of casino
11 operations. To further such public confidence and trust, the regulatory
12 provisions of this act are designed to extend strict State regulation to all
13 persons, locations, practices and associations related to the operation of
14 licensed casino enterprises and all related service industries as herein
15 provided. In addition, licensure of a limited number of casino
16 establishments, with the comprehensive law enforcement supervision
17 attendant thereto, is further designed to contribute to the public confidence
18 and trust in the efficacy and integrity of the regulatory process.

19 (7) Legalized casino gaming in New Jersey can attain, maintain and
20 retain integrity, public confidence and trust, and remain compatible with
21 the general public interest only under such a system of control and
22 regulation as insures, so far as practicable, the exclusion from participation
23 therein of persons with known criminal records, habits or associations, and
24 the exclusion or removal from any positions of authority or responsibility
25 within casino gaming operations and establishments of any persons known
26 to be so deficient in business probity, either generally or with specific
27 reference to gaming, as to create or enhance the dangers of unsound, unfair
28 or illegal practices, methods and activities in the conduct of gaming or the
29 carrying on of the business and financial arrangements incident thereto.

30 (8) Since the public has a vital interest in casino operations in Atlantic
31 City and has established an exception to the general policy of the State
32 concerning gaming for private gain, participation in casino operations as a
33 licensee or registrant under this act shall be deemed a revocable privilege
34 conditioned upon the proper and continued qualification of the individual
35 licensee or registrant and upon the discharge of the affirmative
36 responsibility of each such licensee or registrant to provide to the
37 regulatory and investigatory authorities established by this act any
38 assistance and information necessary to assure that the policies declared by
39 this act are achieved. Consistent with this policy, it is the intent of this act
40 to preclude the creation of any property right in any license, registration,
41 certificate or reservation permitted by this act, the accrual of any value to
42 the privilege of participation in gaming operations, or the transfer of any
43 license, registration, certificate, or reservation, and to require that
44 participation in gaming be solely conditioned upon the individual
45 qualifications of the person seeking such privilege.

46 (9) Since casino operations are especially sensitive and in need of public
47 control and supervision, and since it is vital to the interests of the State to
48 prevent entry, directly or indirectly, into such operations or the ancillary

1 industries regulated by this act of persons who have pursued economic
2 gains in an occupational manner or context which are in violation of the
3 criminal or civil public policies of this State, the regulatory and
4 investigatory powers and duties shall be exercised to the fullest extent
5 consistent with law to avoid entry of such persons into the casino
6 operations or the ancillary industries regulated by this act.

7 (10) (Deleted by amendment, P.L.1995, c.18.)

8 (11) The facilities in which licensed casinos are to be located are of
9 vital law enforcement interest to the State, and it is in the public interest
10 that the regulatory and investigatory powers and duties conferred by this act
11 include the power and duty to review architectural and site plans to assure
12 that the proposal is suitable by law enforcement standards.

13 (12) Since the economic stability of casino operations is in the public
14 interest and competition in the casino operations in Atlantic City is
15 desirable and necessary to assure the residents of Atlantic City and of this
16 State and other visitors to Atlantic City varied attractions and exceptional
17 facilities, the regulatory and investigatory powers and duties conferred by
18 this act shall include the power and duty to regulate, control and prevent
19 economic concentration in the casino operations and the ancillary industries
20 regulated by this act, and to encourage and preserve competition.

21 (13) It is in the public interest that the institution of licensed casino
22 establishments in New Jersey be strictly regulated and controlled pursuant
23 to the above findings and pursuant to the provisions of this act, which
24 provisions are designed to engender and maintain public confidence and
25 trust in the regulation of the licensed enterprises, to provide an effective
26 method of rebuilding and redeveloping existing facilities and of
27 encouraging new capital investment in Atlantic City, and to provide a
28 meaningful and permanent contribution to the economic viability of the
29 resort, convention, and tourist industry of New Jersey.

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

34 (15) Continuity and stability in casino gaming operations cannot be
35 achieved at the risk of permitting persons with unacceptable backgrounds
36 and records of behavior to control casino gaming operations contrary to the
37 vital law enforcement interest of the State.

38 (16) The aims of continuity and stability and of law enforcement will
39 best be served by a system in which continuous casino operation can be
40 assured under certain circumstances wherein there has been a transfer of
41 property or another interest relating to an operating casino and the
42 transferee has not been fully licensed or qualified, as long as control of the
43 operation under such circumstances may be placed in the possession of a
44 person or persons in whom the public may feel a confidence and a trust.

45 (17) A system whereby the suspension or revocation of casino
46 operations under certain appropriate circumstances causes the imposition of
47 a conservatorship upon the suspended or revoked casino operation serves

1 both the economic and law enforcement interests involved in casino gaming
2 operations.

3 (18) As recognized in the July 2010 Report of the Governor's Advisory
4 Commission on New Jersey Gaming, Sports, and Entertainment, and as
5 confirmed in subsequent legislative hearings held throughout the State,
6 legalized casino gaming in New Jersey presently stands at a crossroads,
7 facing critical challenges that jeopardize its important role in the State
8 economy, and it is in the public interest to modernize and streamline the
9 current outdated casino regulatory structure in order to achieve efficiencies
10 and cost savings that are more appropriately directed to marketing and
11 infrastructure improvement efforts while, at the same time, maintaining
12 strict integrity in the regulation of casino operations.

13 (19) The ability of the legalized casino gaming industry in New Jersey
14 to compete in an ever-expanding national gaming market requires a
15 regulatory system that is sufficiently flexible to encourage persons and
16 entities holding casino gaming licenses outside of New Jersey to participate
17 in casino gaming in Atlantic City, to allow licensees to take full and timely
18 advantage of advancements in technology, particularly in information
19 technology, and business management, and to encourage the efficient
20 utilization of resources between and among affiliated New Jersey licensees
21 operating casinos located in Atlantic City and between and among a New
22 Jersey affiliate and its licensed affiliates in other jurisdictions.

23 (cf: P.L.1995, c.18, s.1)

24

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

27 2. As used in this act, the words and terms have the meanings ascribed
28 to them in **[sections 3 through 48 of this act]** P.L.1977, c.110 (C.5:12-1 et
29 seq.), unless a different meaning clearly appears in the context.

30 (cf: P.L.1977, c.110, s.2)

31

32 3. Section 3 of P.L.1995, c.18 (C.5:12-2.2) is amended to read as
33 follows:

34 3. "Annuity jackpot guarantee" -- A financial arrangement established
35 in accordance with the rules of the **[commission]** division to assure that all
36 payments that are due to the winner of an annuity jackpot are actually paid
37 when due regardless of the future financial stability of the slot system
38 operator that is responsible for making such payments.

39 (cf: P.L.2005, c.46, s.2)

40

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

43 5. "Authorized Game" or "Authorized Gambling Game"-- Roulette,
44 baccarat, blackjack, craps, big six wheel, slot machines, minibaccarat, red
45 dog, pai gow, and sic bo; any variations or composites of such games,
46 provided that such variations or composites are found by the **[commission]**
47 division suitable for use after an appropriate test or experimental period
48 under such terms and conditions as the **[commission]** division may deem

1 appropriate; and any other game which is determined by the **[commission]**
2 division to be compatible with the public interest and to be suitable for
3 casino use after such appropriate test or experimental period as the
4 **[commission]** division may deem appropriate. "Authorized game" or
5 "authorized gambling game" includes gaming tournaments in which players
6 compete against one another in one or more of the games authorized herein
7 or by the **[commission]** division or in approved variations or composites
8 thereof if the tournaments are authorized by the **[commission]** division.
9 (cf: P.L.1993, c.292, s.1)

10

11 5. Section 2 of P.L.2002, c.65 (C.5:12-5.2) is amended to read as
12 follows:

13 2. "Cash equivalent value" The monetary value that a casino licensee
14 shall assign to a jackpot or payout that consists of merchandise or any thing
15 of value other than cash, tokens, chips or plaques. The **[commission]**
16 division shall promulgate rules defining "cash equivalent value" in order to
17 assure fairness, uniformity and comparability of valuation of jackpots and
18 payoffs that include merchandise or any thing of value.
19 (cf: P.L.2002, c.65, s.2)

20

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

23 6. "Casino" or "casino room" or "licensed casino" -- One or more
24 locations or rooms in a casino hotel facility that have been approved by the
25 **[commission]** division for the conduct of casino gaming in accordance
26 with the provisions of this act. "Casino " or "casino room" or "licensed
27 casino" shall not include any casino simulcasting facility authorized
28 pursuant to the "Casino Simulcasting Act," P.L.1992, c.19 (C.5:12-191 et
29 seq.).
30 (cf: P.L.1996, c.84, s.1)

31

32 7. (New section) "Casino bankroll" – Cash maintained in the casino,
33 excluding any funds necessary for the normal operation of the casino, such
34 as change banks, slot hopper fills, slot booths, cashier imprest funds and
35 redemption area funds.

36

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

39 7. "Casino Employee"--Any natural person, not otherwise included in
40 the definition of casino key employee, who is employed by a casino
41 licensee, or a holding or intermediary company of a casino licensee, and is
42 involved in the operation of a licensed casino or a simulcasting facility or
43 performs services or duties in a casino, simulcasting facility or a restricted
44 casino area, including, without limitation, boxmen; dealers or croupiers;
45 floormen; machine mechanics; casino security employees; count room
46 personnel; cage personnel; slot machine and slot booth personnel;
47 collection personnel; casino surveillance personnel; simulcasting facility

1 personnel involved in wagering-related activities in a simulcasting facility;
2 **[and]** data processing personnel; and information technology employees;
3 or any other natural person whose employment duties predominantly
4 involve the maintenance or operation of gaming activity or equipment and
5 assets associated therewith or who, in the judgment of the commission, is
6 so regularly required to work in a restricted casino area that **[licensure]**
7 registration as a casino employee is appropriate.

8 (cf: P.L.1992, c.19, s.23)

9

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

12 9. "Casino Key Employee"--Any natural person employed **[in the**
13 **operation of]** by a casino licensee or holding or intermediary company of a
14 casino licensee, and involved in the operation of a licensed casino or a
15 simulcasting facility in a supervisory capacity or empowered to make
16 discretionary decisions which regulate casino or simulcasting facility
17 operations, including, without limitation, pit bosses; shift bosses; credit
18 executives; casino cashier supervisors; casino or simulcasting facility
19 managers and **[assistant managers]** managers and supervisors of
20 information technology employees; junket supervisors; marketing directors;
21 and managers or supervisors of casino security employees; or any other
22 natural person empowered to make discretionary decisions which regulate
23 the management of an approved hotel, including, without limitation, hotel
24 managers; entertainment directors; and food and beverage directors; or any
25 other employee so designated by the Casino Control Commission for
26 reasons consistent with the policies of this act.

27 (cf: P.L.1992, c.19, s.24)

28

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

31 12. "Casino Service Industry Enterprise" -- Any vendor **[which]**
32 offering goods or services which directly relate to casino or gaming
33 activity, including gaming equipment and simulcast wagering equipment
34 manufacturers, suppliers, repairers and independent testing laboratories,
35 junket enterprises and junket representatives, that provides casino
36 applicants or licensees with goods or services **[regarding the realty,**
37 construction, maintenance, or business of a proposed or existing casino
38 hotel or related facility or which purchases goods or services from, or
39 which does any other business with, casino applicants or licensees on a
40 regular or continuing basis, including, without limitation, junket
41 enterprises, security businesses, gaming schools, manufacturers,
42 distributors and servicers of gaming and casino simulcasting devices or
43 equipment, in-State and out-of-State sending tracks as defined in section 2
44 of the "Casino Simulcasting Act," P.L.1992, c.19 (C.5:12-192), garbage
45 haulers, maintenance companies, food purveyors, and construction
46 companies**]**. Notwithstanding the foregoing, any form of enterprise
47 engaged in the manufacture, sale, distribution, testing or repair of slot

1 machines within New Jersey, other than antique slot machines as defined in
2 N.J.S.2C:37-7, shall be considered a casino service industry enterprise for
3 the purposes of this act regardless of the nature of its business relationship,
4 if any, with casino applicants and licensees in this State.

5 For the purposes of this section, "casino applicant" includes any person
6 required to hold a casino license pursuant to section 82 of P.L.1977, c.110
7 (C.5:12-82) who has applied to the **[commission]** division for a casino
8 license or any approval required under P.L.1977, c.110 (C.5:12-1 et seq.).
9 (cf: P.L.2009, c.36, s.1)

10

11 11. (New section) "Corporate Officer" – The chief executive officer,
12 chief financial officer, chief operating officer, chief information officer and
13 chief legal officer of a corporation, or their equivalents in any
14 unincorporated entity.

15

16 12. Section 2 of P.L.1983, c.41 (C.5:12-14a) is amended to read as
17 follows:

18 2. "Complimentary service or item" - A service or item provided at no
19 cost or at a reduced price. The furnishing of a complimentary service or
20 item by a casino licensee shall be deemed to constitute the indirect
21 payment for the service or item by the casino licensee, and shall be valued
22 in an amount based upon the retail price normally charged by the casino
23 licensee for the service or item. The value of a complimentary service or
24 item not normally offered for sale by a casino licensee or provided by a
25 third party on behalf of a casino licensee shall be the cost to the casino
26 licensee of providing the service or item, as determined in accordance with
27 the rules of the **[commission]** division.

28 (cf: P.L.1983, c.41, s.2)

29

30 13. Section 20 of P.L.1977, c.110 (C.5:12-20) is amended to read as
31 follows:

32 20. "Family" - Spouse, domestic partner, partner in a civil union,
33 parents, grandparents, children, grandchildren, siblings, uncles, aunts,
34 nephews, nieces, fathers-in-law, mothers-in-law, daughters-in-law, sons-in-
35 law, brothers-in-law and sisters-in-law, whether by the whole or half blood,
36 by marriage, adoption or natural relationship.

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

38

39 14. Section 24 of P.L.1977, c.110 (C.5:12-24) is amended to read as
40 follows:

41 24. "Gross Revenue" - The total of all sums actually received by a
42 casino licensee from gaming operations, less only the total of all sums
43 actually paid out as winnings to patrons; provided, however, that the cash
44 equivalent value of any merchandise or thing of value included in a jackpot
45 or payout shall not be included in the total of all sums paid out as winnings
46 to patrons for purposes of determining gross revenue. Non-cashable credits
47 in any form, including coupons, electronic credits and vouchers, shall not
48 be considered sums actually received by a casino licensee from gaming

1 operations for purposes of determining gross revenue. "Gross Revenue"
2 shall not include any amount received by a casino from casino simulcasting
3 pursuant to the "Casino Simulcasting Act," P.L.1992, c.19 (C.5:12-191 et
4 al.).

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

6
7 15. Section 25 of P.L.1977, c.110 (C.5:12-25) is amended to read as
8 follows:

9 25. "Hearing examiner" - **[A]** The director, a commissioner or other
10 person authorized by the director or the commission to conduct hearings.

11 (cf: P.L.1977, c.110, s.25)

12

13 16. Section 11 of P.L.1991, c.182 (C.5:12-27.1) is amended to read as
14 follows:

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

27 (cf: P.L.1991, c.182, s.11)

28

29 17. (New section) "Multi-casino employee" – Any registered casino
30 employee or licensed casino key employee who, upon the petition of two or
31 more affiliated casino licensees, is endorsed by the commission or division,
32 as applicable, to perform any compatible functions for any of the
33 petitioning casino licensees.

34

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

37 35. "Operation certificate" - A certificate issued by the **[commission]**
38 division which certifies that operation of a casino and, if applicable, a
39 simulcasting facility conforms to the requirements of this act and applicable
40 regulations and that its personnel and procedures are efficient and prepared
41 to entertain the public.

42 (cf: P.L.1993, c.292, s.4)

43

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

46 36. "Party" --The **[commission, the]** division, or any licensee,
47 registrant, or applicant, or any person appearing of record for any licensee,
48 registrant, or applicant in any proceeding before the division or the

1 commission or in any proceeding for judicial review of any action, decision
2 or order of the division or commission.

3 (cf: P.L.2002, c.65, s.7)

4

5 20. Section 1 of P.L.2008, c.12 (C.5:12-38a) is amended to read as
6 follows:

7 1. "Promotional gaming credit" - A slot machine credit or other item
8 approved by the **【commission】** division that is issued by a licensee to a
9 patron for the purpose of enabling the placement of a wager at a slot
10 machine in the licensee's casino. No such credit shall be reported as a
11 promotional gaming credit unless the casino licensee can establish that the
12 credit was issued by the casino licensee and received from a patron as a
13 wager at a slot machine in the licensee's casino.

14 (cf: P.L.2008, c.12, s.1)

15

16 21. Section 39 of P.L.1977, c.110 (C.5:12-39) is amended to read as
17 follows:

18 39. "Publicly traded corporation" --Any corporation or other legal
19 entity, except a natural person, which:

20 a. Has one or more classes of security registered pursuant to section 12
21 of the Securities Exchange Act of 1934, as amended (15 U.S.C. s. 78l.), or

22 b. Is an issuer subject to section 15(d) of the Securities Exchange Act of
23 1934, as amended (15 U.S.C. s. 78o.), or

24 c. Has one or more classes of securities traded in any open market in
25 any foreign jurisdiction or regulated pursuant to a statute of any foreign
26 jurisdiction which the **【commission】** division determines to be substantially
27 similar to either or both of the aforementioned statutes.

28 (cf: P.L.1992, c.9, s.7)

29

30 22. Section 3 of P.L.1987, c.353 (C.5:12-43.1) is amended to read as
31 follows:

32 3. "Restricted Casino Areas"--The cashier's cage, the soft count room,
33 the hard count room, the slot cage booths and runway areas, the interior of
34 table game pits, the surveillance room and catwalk areas, the slot machine
35 repair room and any other area specifically designated by the
36 **【commission】** division as restricted in a licensee's operation certificate.

37 (cf: P.L.1987, c.353, s.3)

38

39 23. Section 4 of P.L.2004, c.184 (C.5:12-45.1) is amended to read as
40 follows:

41 4. "Slot system agreement" - A written agreement governing the
42 operation and administration of a multi-casino progressive slot machine
43 system that is approved by the **【commission】** division and executed by the
44 participating casino licensees and any slot system operator.

45 (cf: P.L.2004, c.184, s.4)

1 24. (New section) "State of emergency" – Any emergency situation,
2 including the failure to enact a general appropriation law by the deadline
3 prescribed by Article VIII, Section II, paragraph 2 of the New Jersey
4 Constitution, a state of emergency declared by the President of the United
5 States or the Governor of the State of New Jersey and a State ordered State
6 employee furlough, during which division and commission employees are
7 unable to perform the duties and responsibilities required of them under this
8 act.

9
10 25. Section 46 of P.L.1977, c.110 (C.5:12-46) is amended to read as
11 follows:

12 46. "Statement of compliance" --A statement by the commission, upon
13 the input of the division, which may be issued to an applicant for a casino
14 license or any person who must be qualified pursuant to this act in order to
15 hold the securities of a casino licensee or any holding or intermediary
16 company of a casino licensee, indicating satisfactory completion of a
17 particular stage or stages of the license consideration process, and which
18 states that unless there is a change of any material circumstance pertaining
19 to such particular stage or stages of license consideration involved in the
20 statement, such applicant has complied with requirements mandated by this
21 act **[and by the commission]** and is therefore approved for license
22 qualification to the stage or stages for which the statement has been issued.
23 (cf: P.L.1977, c.110, s.46)

24
25 26. Section 69 of P.L.1977, c.110 (C.5:12-69) is amended to read as
26 follows:

27 69. Regulations. a. The **[commission]** division shall be authorized to
28 adopt, amend, or repeal such regulations, consistent with the policy and
29 objectives of this act, as amended and supplemented, as it may deem
30 necessary to protect the public interest in carrying out the provisions of this
31 act. The commission shall be authorized to adopt, amend or repeal such
32 regulations as may be necessary for the conduct of hearings before the
33 commission under subsections a. and b. of section 63 of P.L.1977, c.110
34 (C.5:12-63) and for the matters within all other responsibilities and duties
35 of the commission imposed by P.L.1977, c.110 (C.5:12-1 et seq.).

36 b. Such regulations of the division and the commission authorized by
37 this section shall be adopted, amended, and repealed in accordance with the
38 provisions of the "Administrative Procedure Act," P.L.1968, c.410
39 (C.52:14B-1 et seq.), unless otherwise specified by this act.

40 c. Any interested person may, in accordance with the provisions of the
41 "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.), file
42 a petition with the division or commission, as appropriate, requesting the
43 adoption, amendment or repeal of a regulation.

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

47 e. Notwithstanding any other provision of this act or the
48 "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.) to

1 the contrary, the **[commission]** division may, after notice provided in
2 accordance with this subsection, authorize the temporary adoption,
3 amendment or repeal of any rule concerning the conduct of gaming or
4 simulcast wagering, or the use or design of gaming or simulcast wagering
5 equipment, or the internal procedures and administrative and accounting
6 controls required by section 99 of P.L.1977, c.110 (C.5:12-99) for a period
7 not to exceed 270 days for the purpose of determining whether such rules
8 should be adopted on a permanent basis in accordance with the
9 requirements of this section. Any temporary rulemaking authorized by this
10 subsection shall be subject to such terms and conditions as the
11 **[commission]** division may deem appropriate. Notice of any temporary
12 rulemaking action taken by the **[commission]** division pursuant to this
13 subsection shall be published in the New Jersey Register, and provided to
14 the newspapers designated by the **[commission]** division pursuant to
15 subsection d. of section 3 of P.L.1975, c.231 (C.10:4-8), at least seven days
16 prior to the implementation of the temporary rules. Nothing herein shall be
17 deemed to require the publication of the text of any temporary rule adopted
18 by the **[commission]** division or notice of any modification of any
19 temporary rulemaking initiated in accordance with this subsection. The text
20 of any temporary rule adopted by the **[commission]** division shall be
21 available in each casino or simulcasting facility participating in the
22 temporary rulemaking and shall be available upon request from the
23 **[commission]** division.

24 f. Orders, rules and regulations concerning implementation of
25 P.L.1977, c.110 (C.5:12-1 et seq.) issued or promulgated by the
26 commission prior to the effective date of P.L. , c. (C.)(pending before
27 the Legislature as this bill), shall continue with full force and effect until
28 amended or repealed by the division or commission pursuant to law;
29 provided, however, that any references to the commission in such orders,
30 rules and regulations shall be deemed to refer to the division unless the
31 context indicates otherwise.

32 g. Notwithstanding any other provision of this act or the
33 “Administrative Procedure Act,” P.L.1968, c.410 (C.52:14B-1 et seq.) to
34 the contrary, during the 90-day period following the effective date of
35 P.L. , c. (C.)(pending before the Legislature as this bill) the division
36 may, after notice provided in accordance with this subsection, summarily
37 adopt, amend or repeal any order, rule or regulation issued or promulgated
38 by the commission prior to the effective date of P.L. , c. (C.)(pending
39 before the Legislature as this bill), for a period not to exceed 270 days for
40 the purpose of determining whether such rules should be adopted on a
41 permanent basis in accordance with the requirements of this section. Any
42 summary rulemaking authorized by this subsection shall be subject to such
43 terms and conditions as the division may deem appropriate. Notice of any
44 temporary rulemaking action taken by the division pursuant to this
45 subsection shall be published in the New Jersey Register, and provided to
46 the newspapers designated by the division pursuant to subsection d. of
47 section 3 of P.L.1975, c.231 (C.10:4-8), at least seven days prior to the

1 implementation of the temporary rules. Nothing herein shall be deemed to
2 require the publication of the text of any temporary rule adopted by the
3 division or notice of any modification of any temporary rulemaking
4 initiated in accordance with this subsection. The text of any temporary rule
5 adopted by the division shall be available in each casino or simulcasting
6 facility participating in the temporary rulemaking and shall be available
7 upon request from the division.

8 (cf: P.L.2002, c.65, s.10)

9

10 27. Section 70 of P.L.1977, c.110 (C.5:12-70) is amended to read as
11 follows:

12 70. Required Regulations. a. The **[commission]** division shall, without
13 limitation **[on the powers conferred in the preceding section,]** include
14 **[within its regulations]** the following specific provisions in its regulations
15 in accordance with the provisions of this act:

16 **[a.]** (1) Prescribing the methods and forms of application and
17 registration which any applicant or registrant shall follow and complete
18 **[prior to consideration of his application by the commission];**

19 **[b.]** (2) Prescribing the methods, procedures and form for delivery of
20 information concerning any person's family, habits, character, associates,
21 criminal record, business activities and financial affairs;

22 **[c.]** (3) Prescribing such procedures for the fingerprinting of an
23 applicant, employee of a licensee, or registrant, **[or other]** and methods of
24 identification which may be necessary **[in the judgment of the commission]**
25 to accomplish effective enforcement of restrictions on access to the casino
26 floor, the simulcasting facility, and other restricted areas of the casino hotel
27 complex;

28 (4) Prescribing the method of notice to an applicant, registrant or
29 licensee concerning the release of any information or data provided to the
30 commission or division by such applicant, registrant or licensee;

31 **[d.]** (5) Prescribing the manner and procedure of all hearings conducted
32 by the **[commission]** division or any hearing examiner, including special
33 rules of evidence applicable thereto and notices thereof;

34 **[e.]** (6) Prescribing the manner and method of collection of payments of
35 taxes, fees, and penalties;

36 **[f.]** (7) Defining and limiting the areas of operation, the rules of
37 authorized games, odds, and devices permitted, and the method of operation
38 of such games and devices;

39 **[g.]** (8) Regulating the practice and procedures for negotiable
40 transactions involving patrons, including limitations on the circumstances
41 and amounts of such transactions, and the establishment of forms and
42 procedures for negotiable instrument transactions, redemptions, and
43 consolidations;

44 **[h.]** (9) Prescribing grounds and procedures for the revocation or
45 suspension of operating certificates, **[and]** licenses and registrations;

- 1 **[i.] (10)** Governing the manufacture, distribution, sale, deployment, and
2 servicing of gaming devices and equipment;
- 3 **[j.] (11)** Prescribing for gaming operations the procedures, forms and
4 methods of management controls, including employee and supervisory
5 tables of organization and responsibility, and minimum security and
6 surveillance standards, including security personnel structure, alarm and
7 other electrical or visual security measures; provided, however, that the
8 **[commission] division** shall grant an applicant for a casino license or a
9 casino licensee broad discretion concerning the organization and
10 responsibilities of management personnel who are not directly involved in
11 the supervision of gaming or simulcast wagering operations;
- 12 **[k.] (12)** Prescribing the qualifications of, and the conditions pursuant
13 to which, engineers, accountants, and others shall be permitted to practice
14 before the **[commission] division** or to submit materials on behalf of any
15 applicant or licensee; provided, however, that no member of the
16 Legislature, nor any firm with which said member is associated, shall be
17 permitted to appear or practice or act in any capacity whatsoever before the
18 commission or division regarding any matter whatsoever, nor shall any
19 member of the family of the Governor or of a member of the Legislature be
20 permitted to so practice or appear in any capacity whatsoever before the
21 commission or division regarding any matter whatsoever;
- 22 **[l.] (13)** Prescribing minimum procedures for the exercise of effective
23 control over the internal fiscal affairs of a licensee, including provisions for
24 the safeguarding of assets and revenues, the recording of cash and evidence
25 of indebtedness, and the maintenance of reliable records, accounts, and
26 reports of transactions, operations and events, including reports to the
27 **[commission] division**;
- 28 **[m.] (14)** Providing for a minimum uniform standard of accountancy
29 methods, procedures and forms; a uniform code of accounts and accounting
30 classifications; and such other standard operating procedures, including
31 those controls listed in **[section 99a. hereof] subsection a. of section 99 of**
32 **P.L.1977, c.110 (C.5:12-99)**, as may be necessary to assure consistency,
33 comparability, and effective disclosure of all financial information,
34 including calculations of percentages of profit by games, tables, gaming
35 devices and slot machines;
- 36 **[n.] (15)** Requiring quarterly financial reports and the form thereof,
37 and an annual audit prepared by a certified public accountant licensed to do
38 business in this State, attesting to the financial condition of a licensee and
39 disclosing whether the accounts, records and control procedures examined
40 are maintained by the licensee as required by this act and the regulations
41 promulgated hereunder;
- 42 **[o.] (16)** Governing the gaming-related advertising of casino
43 licensees, their employees and agents, with the view toward assuring that
44 such advertisements are in no way deceptive; provided, however, that such
45 regulations shall require the words "Bet with your head, not over it," or
46 some comparable language approved by the **[commission] division**, to
47 appear on all billboards, signs, and other on-site advertising of a casino

1 operation and shall require the words "If you or someone you know has a
2 gambling problem and wants help, call 1-800 GAMBLER," or some
3 comparable language approved by the **[commission]** division, which
4 language shall include the words "gambling problem" and "call 1-800
5 GAMBLER," to appear legibly on all print, billboard, and sign advertising
6 of a casino operation; and

7 **[p.] (17)** (Deleted by amendment, P.L.1991, c.182).

8 **[q.] (18)** Concerning the distribution and consumption of alcoholic
9 beverages on the premises of the licensee, which regulations shall be
10 insofar as possible consistent with Title 33 of the Revised Statutes, and
11 shall deviate only insofar as necessary because of the unique character of
12 the hotel casino premises and operations;

13 **[r.] (19)** (Deleted by amendment, P.L.1991, c.182).

14 **b.** The commission shall, in its regulations, prescribe the manner and
15 procedure of all hearings conducted by the commission, including special
16 rules of evidence applicable thereto and notices thereof.

17 (cf: P.L.2002, c.65, s.11)

18

19 28. Section 52 of P.L.1977, c.110 (C.5:12-52) is amended to read as
20 follows:

21 52. a. **[Initial appointments to the commission made pursuant to this**
22 **amendatory and supplementary act shall be for terms as follows:**

23 (1) One member for 2 years;

24 (2) One member for 3 years;

25 (3) One member for 4 years; and

26 (4) One member for 5 years.] (Deleted by amendment, P.L. , c.)

27 (pending before the Legislature as this bill)

28 **b.** **[The term of each of the members first appointed pursuant to this**
29 **amendatory and supplementary act shall be designated by the Governor.]**
30 (Deleted by amendment, P.L. , c.)(pending before the Legislature as this
31 bill)

32 **c.** **[After the initial appointments, all]** The commission shall consist of
33 five members who shall be appointed for terms of 5 years; provided,
34 however, that no member shall serve more than two terms of 5 years each.

35 **d.** Appointments to the commission **[and designation of the chairman]**
36 shall be made by the Governor with the advice and consent of the Senate.
37 Prior to nomination, the Governor shall cause an inquiry to be conducted by
38 the Attorney General into the nominee's background, with particular regard
39 to the nominee's financial stability, integrity, and responsibility and his
40 reputation for good character, honesty, and integrity.

41 **e.** Appointments to fill vacancies on the commission shall be for the
42 unexpired term of the member to be replaced.

43 **f.** **[The member designated by the Governor to serve as chairman]**
44 Commencing after the expiration of the term of the chair who is serving on
45 the effective date of P.L. , c. (pending before the Legislature as this bill),
46 the members of the commission shall elect a chairman from among the
47 members, who shall serve in such capacity throughout such member's entire

1 term and until his successor shall have been duly **[appointed]** elected and
2 qualified. The member who is serving as the chair of the commission on
3 the effective date of P.L. , c. (pending before the Legislature as this bill)
4 shall continue to serve in such capacity throughout such member's entire
5 term and until the successor is duly elected and qualified. No such
6 member, however, shall serve in such capacity for more than 10 years. The
7 chairman shall be the chief executive officer of the commission. All
8 members shall devote full time to their duties of office and shall not pursue
9 or engage in any other business, occupation or other gainful employment.

10 g. A commissioner may be removed from office for misconduct in
11 office, willful neglect of duty, or other conduct evidencing unfitness for his
12 office, or for incompetence. A proceeding for removal may be instituted by
13 the Attorney General in the Superior Court. Notwithstanding any provision
14 of this or any other act, any commissioner or employee of the commission
15 shall automatically forfeit his office or position upon conviction of any
16 crime. Any commissioner or employee of the commission shall be subject
17 to the duty to appear and testify and to removal from his office, position or
18 employment in accordance with the provisions of P.L.1970, c.72 (C.2A:81-
19 17.2a et seq.).

20 h. Each member of the commission shall serve for the duration of his
21 term and until his successor shall be duly appointed and qualified, **[subject**
22 **to]** notwithstanding the limitations in subsections c. and f. of this section**;**
23 provided, however, that in the event that a successor is not duly appointed
24 and qualified within 120 days after the expiration of the member's term, a
25 vacancy shall be deemed to exist**].**

26 (cf: P.L.1980, c.138, s.1)

27

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

30 54. Organization and Employees. a. The commission may establish, and
31 from time to time alter, such plan of organization as it may deem expedient,
32 and may incur expenses within the limits of funds available to it.

33 b. The commission shall elect annually by a majority of the full
34 commission one of its members, other than the chairman, to serve as vice-
35 chairman for the ensuing year. The vice-chairman shall be empowered to
36 carry out all of the responsibilities of the chairman as prescribed in this act
37 during his absence, disqualification, or inability to serve.

38 c. The commission shall appoint an executive secretary who shall
39 serve at its pleasure and shall be responsible for the conduct of its
40 administrative affairs. No person shall be eligible for such appointment
41 unless he shall have at least 5 years of responsible experience in public or
42 business administration or possesses broad management skills. The
43 position of executive secretary shall be in the unclassified service of the
44 civil service.

45 d. The commission may employ such other personnel as it deems
46 necessary. All employees of the commission, except for secretarial and
47 clerical personnel, shall be in the unclassified service of the Civil Service.
48 All employees of the commission shall be deemed confidential employees

1 for the purposes of the "New Jersey Employer-Employee Relations Act"
2 (P.L.1941, c.100; C.34:13A-1 et seq.), as amended. [Notwithstanding the
3 provisions of any other law to the contrary, the commission may employ
4 legal counsel who shall represent the commission in any proceeding to
5 which it is a party, and who shall render legal advice to the commission
6 upon its request.] The commission may contract for the services of [other]
7 professional, technical and operational personnel and consultants, and of
8 legal counsel, as may be necessary to the performance of its responsibilities
9 under this act.

10 e. Members and employees of the commission shall be enrolled in the
11 Public Employees' Retirement System of New Jersey (P.L.1954, c.84;
12 C.43:15A-1 et seq.).
13 (cf: P.L.1987, c.354, s.1)

14

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

17 58. Restrictions on Pre-Employment by Commissioners, Commission
18 Employees and Division Employees and Agents.

19 a. Deleted by amendment.

20 b. No person shall be appointed to or employed by the commission or
21 division if, during the period commencing three years prior to appointment
22 or employment, said person held any direct or indirect interest in, or any
23 employment by, any person which is licensed as a casino licensee pursuant
24 to section 87 of P.L.1977, c.110 (C.5:12-87) or as a casino service industry
25 enterprise pursuant to subsection a. of section 92 of P.L.1977, c.110
26 (C.5:12-92) or has an application [for such a license] pending [before the
27 commission]; provided, however, that notwithstanding any other provision
28 of this act to the contrary, any such person may be appointed to or
29 employed by the commission or division if his interest in any such casino
30 licensee or casino service industry enterprise which is publicly traded
31 would not, in the opinion of the employing agency, interfere with the
32 objective discharge of such person's employment obligations, but in no
33 instance shall any person be appointed to or employed by the commission
34 or division if his interest in such a casino licensee or casino service industry
35 enterprise which is publicly traded constituted a controlling interest in that
36 casino licensee or casino service industry enterprise; and provided further,
37 however, that notwithstanding any other provision of this act to the
38 contrary, any such person may be employed by the commission or division
39 in a secretarial or clerical position if, in the opinion of the employing
40 agency, his previous employment by, or interest in, any such casino
41 licensee or casino service industry enterprise would not interfere with the
42 objective discharge of such person's employment obligations.

43 c. Prior to appointment or employment, each member of the
44 commission, each employee of the commission, the director of the Division
45 of Gaming Enforcement and each employee and agent of the division shall
46 swear or affirm that he possesses no interest in any business or organization
47 licensed by or registered with the commission.

1 d. Each member of the commission and the director of the division
2 shall file with the State Ethics Commission a financial disclosure statement
3 listing all assets and liabilities, property and business interests, and sources
4 of income of said member or director and said member's or director's
5 spouse, domestic partner or partner in a civil union, as the case may be, and
6 shall provide to the State Ethics Commission a financial disclosure
7 statement listing all assets and liabilities, property and business interests,
8 and sources of income of the parents, brothers, sisters, and children of said
9 member or director. Such statement shall be under oath and shall be filed
10 at the time of appointment and annually thereafter.

11 e. Each employee of the commission, except for secretarial and clerical
12 personnel, and each employee and agent of the division, except for
13 secretarial and clerical personnel, shall file with the State Ethics
14 Commission a financial disclosure statement listing all assets and liabilities,
15 property and business interests, and sources of income of said employee or
16 agent and said employee's or agent's spouse, domestic partner or partner in
17 a civil union, as the case may be. Such statement shall be under oath and
18 shall be filed at the time of employment and annually thereafter.
19 Notwithstanding the provisions of subsection (n) of section 10 of P.L.1971,
20 c.182 (C.52:13D-21), only financial disclosure statements filed by a
21 commission or division employee or agent who is in a policy-making
22 management position shall be posted on the Internet site of the State Ethics
23 Commission.

24 (cf: P.L.2009, c.36, s.4)

25

26 31. Section 59 of P.L.1977, c.110 (C.5:12-59) is amended to read as
27 follows:

28 59. Employment Restrictions on Commissioners, Commission
29 Employees and Division Employees.

30 a. The "New Jersey Conflicts of Interest Law," P.L.1971, c.182
31 (C.52:13D-12 et seq.) shall apply to members of the commission, **[and]** to
32 all employees of the commission, to the director and to all employees of the
33 division, except as herein specifically provided.

34 b. The commission shall **[, no later than January 1, 1981,]** promulgate
35 and maintain a Code of Ethics that is modeled upon the Code of Judicial
36 Conduct of the American Bar Association, as amended and adopted by the
37 Supreme Court of New Jersey. **[This Code of Ethics shall include, but not**
38 **be limited to, provisions that address the propriety of relationships and**
39 **dealings between the commission and its staff, and licensees and applicants**
40 **for licensure under this act.]**

41 c. The division shall promulgate and maintain a Code of Ethics
42 governing its specific needs.

43 d. The Codes of Ethics promulgated and maintained by the commission
44 and the division shall not be in conflict with the laws of this State, except,
45 however, that said Codes of Ethics may be more restrictive than any law of
46 this State.

47 e. The Codes of Ethics promulgated and maintained by the commission
48 and the division, and any amendments or restatements thereof, shall be

1 submitted to the State Ethics Commission for approval. The Codes of
2 Ethics shall include, but not be limited to provisions that:

3 (1) No commission member or employee or division director, employee
4 or agent shall be permitted to gamble in any establishment licensed by the
5 commission except in the course of his duties.

6 (2) No commission member or employee or division director, employee
7 or agent shall solicit or accept employment from any person licensed by or
8 registered with the commission or from any applicant for a period of four
9 years after termination of service with the commission or division, except
10 as otherwise provided in section 60 of this act.

11 (3) No commission member or employee or **[any]** division director,
12 employee or agent shall act in his official capacity in any matter wherein he
13 or his spouse, domestic partner or partner in a civil union, child, parent or
14 sibling has a direct or indirect personal financial interest that might
15 reasonably be expected to impair his objectivity or independence of
16 judgment.

17 (4) No commission member or employee or **[any]** division director,
18 employee or agent shall act in his official capacity in a matter concerning
19 an applicant for licensure or a licensee who is the employer of a spouse,
20 domestic partner or partner in a civil union, child, parent or sibling of said
21 commission or division employee or agent when the fact of the employment
22 of such spouse, domestic partner or partner in a civil union, child, parent or
23 sibling might reasonably be expected to impair the objectivity and
24 independence of judgment of said commission employee or division
25 employee or agent.

26 (5) No spouse, domestic partner or partner in a civil union, child, parent
27 or sibling of a commission member or the division director shall be
28 employed in any capacity by an applicant for a casino license or a casino
29 licensee nor by any holding, intermediary or subsidiary company thereof.

30 (6) No commission member shall meet with any person, except for any
31 other member of the commission or employee of the commission, or
32 discuss any issues involving any pending or proposed application or any
33 matter whatsoever which may reasonably be expected to come before the
34 commission, or any member thereof, for determination unless the meeting
35 or discussion takes place on the business premises of the commission,
36 provided, however, that commission members may meet to consider matters
37 requiring the physical inspection of equipment or premises at the location
38 of the equipment or premises. All meetings or discussions subject to this
39 paragraph shall be noted in a log maintained for this purpose and available
40 for inspection pursuant to the provisions of P.L.1963, c.73 (C.47:1A-1 et
41 seq.).

42 f. No commission member or employee or division director, employee
43 or agent shall have any interest, direct or indirect, in any applicant or in any
44 person licensed by or registered with the commission during his term of
45 office or employment.

46 g. Each commission member and employee of the commission,
47 **[including legal counsel,]** the division director and each employee and
48 agent of the division shall devote his entire time and attention to his duties

1 and shall not pursue any other business or occupation or other gainful
2 employment; provided, however, that secretarial and clerical personnel may
3 engage in such other gainful employment as shall not interfere with their
4 duties to the commission or division, unless otherwise directed; and
5 provided further, however, that other employees of the commission and
6 division and agents of the division may engage in such other gainful
7 employment as shall not interfere or be in conflict with their duties to the
8 commission or division, upon approval by the commission or the director of
9 the division, as the case may be.

10 h. No member of the commission, employee of the commission, or
11 director, employee or agent of the division shall:

12 (1) Use his official authority or influence for the purpose of interfering
13 with or affecting the result of an election or a nomination for office;

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

17 (3) Take any active part in political campaigns or the management
18 thereof; provided, however, that nothing herein shall prohibit a person from
19 voting as he chooses or from expressing his personal opinions on political
20 subjects and candidates.

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

29 (cf: P.L.2005, c.382, s.6)

30

31 32. Section 60 of P.L.1977, c.110 (C.5:12-60) is amended to read as
32 follows:

33 60. Post-employment restrictions.

34 a. No member of the commission nor the division director shall hold
35 any direct or indirect interest in, or be employed by, any applicant or by
36 any person licensed by or registered **[with the commission]** under this act
37 for a period of 4 years commencing on the date his membership on the
38 commission or directorship, as the case may be, terminates.

39 b. (1) No employee of the commission or employee or agent of the
40 division may acquire any direct or indirect interest in, or accept
41 employment with, any applicant or any person licensed by or registered
42 with the commission, for a period of two years commencing at the
43 termination of employment with the commission or division, except that a
44 secretarial or clerical employee of the commission or the division may
45 accept such employment at any time after the termination of employment
46 with the commission or division. At the end of two years and for a period
47 of two years thereafter, a former employee or agent who held a policy-
48 making management position at any time during the five years prior to

1 termination of employment may acquire an interest in, or accept
2 employment with, any applicant or person licensed by or registered with the
3 commission or division upon application to and the approval of the
4 commission or the director, as the case may be, upon a finding that the
5 interest to be acquired or the employment will not create the appearance of
6 a conflict of interest and does not evidence a conflict of interest in fact.

7 (2) Notwithstanding the provisions of this subsection, if the
8 employment of a commission employee or a division employee or agent,
9 other than an employee or agent who held a policy-making management
10 position at any time during the five years prior to termination of
11 employment, is terminated as a result of a reduction in the workforce at the
12 commission or division, the employee or agent may, at any time prior to the
13 end of the two-year period, accept employment with any applicant or
14 person licensed by or registered **[with the commission]** under this act upon
15 **[application to and the approval of]** notification to the division or the
16 commission [upon], as the case may be, unless there is a finding that the
17 employment will **[not]** create the appearance of a conflict of interest and
18 does **[not]** evidence a conflict of interest in fact. **[The decision of the**
19 **commission shall be final, and the employee or agent shall not be subject to**
20 **a determination by the State Ethics Commission under section 4 of**
21 **P.L.1981, c.142 (C.52:13D-17.2).]**

22 c. No commission member, division director, or person employed by
23 the commission or division shall represent any person or party other than
24 the State before or against the commission or division for a period of two
25 years from the termination of his office or employment with the
26 commission or division.

27 d. No partnership, firm or corporation in which a former commission
28 member or employee or former division director, employee or agent has an
29 interest, nor any partner, officer or employee of any such partnership, firm
30 or corporation shall make any appearance or representation which is
31 prohibited to said former member, employee, or agent; provided, however,
32 that nothing herein shall prohibit such partnership, firm or corporation from
33 making such appearance or representation on behalf of a casino service
34 industry enterprise licensed under subsection c. of section 92 of P.L.1977,
35 c.110 (C.5:12-92).

36 e. Notwithstanding any post-employment restriction imposed by this
37 section, nothing herein shall prohibit a former commission member or
38 employee or former division director, employee or agent, at any time after
39 termination of such membership or employment, from acquiring an interest
40 in, or soliciting or obtaining employment with, any person **[licensed]**
41 registered as a casino service industry enterprise under subsection c. of
42 section 92 of **[this act or any applicant for such licensure]** P.L.1977, c.110
43 (C.5:12-92).

44 (cf: P.L.2009, c.36, s.5)

45
46 33. Section 61 of P.L.1977, c.110 (C.5:12-61) is amended to read as
47 follows:

1 61. a. No applicant or person or organization licensed by or registered
2 ~~【with the commission】~~ under this act shall employ or offer to employ, or
3 provide, transfer or sell, or offer to provide, transfer or sell any interest,
4 direct or indirect, in any person licensed by or registered ~~【with the~~
5 ~~commission】~~ under this act to any person restricted from such transactions
6 by the provisions of sections 58, 59, and 60 of ~~【this act】~~ P.L.1977, c.110
7 (C.5:12-58, 5:12-59 and 5:12-60).

8 b. The ~~【commission】~~ division shall impose such sanctions upon an
9 applicant or a licensed or registered person for violations of this section as
10 authorized by Article 9 of this act.

11 (cf: P.L.1977, c.110, s.61)

12

13 34. Section 63 of P.L.1977, c.110 (C.5:12-63) is amended to read as
14 follows:

15 63. Duties of the Commission. (1) The Casino Control Commission
16 shall have ~~【general responsibility for the implementation of this act, as~~
17 ~~hereinafter provided, including, without limitation, the responsibility】~~ the
18 following responsibilities under this act:

19 a. To hear and decide promptly and in reasonable order (1) all
20 applications for a casino license, 【registration, certificate, and permit
21 applications and causes affecting the granting, suspension, revocation, or
22 renewal thereof】 including applications filed by all persons required
23 individually to qualify in connection therewith; (2) all applications for
24 interim casino authorization, including but not limited to applications filed
25 by persons required individually to qualify in connection therewith; (3)
26 statements of compliance issued pursuant to section 81 of P.L.1977, c.110
27 (C.5:12-81); and (4) all applications for a casino key employee license;

28 b. To ~~【conduct all hearings pertaining to civil violations of this act or~~
29 ~~regulations promulgated hereunder】~~ review and decide any appeal from: (1)
30 a notice of violation and penalty assessment issued by the director upon any
31 applicant, qualifier, licensee or registrant under this act; (2) any
32 determination made by the director regarding: (i) any ruling on an
33 application for a casino service industry enterprise license; (ii) any ruling
34 on an application for any other license or qualification under this act; (iii) a
35 revocation of a license or registration; (iv) any ruling on a request for
36 statement of compliance; or (v) placement on an exclusion list;

37 c. To promulgate such regulations as ~~【in its judgment】~~ may be
38 necessary to ~~【fulfill the policies of this act】~~ conduct hearings under
39 subsections a. and b. of this section;

40 d. ~~【To collect all license and registration fees and taxes imposed by~~
41 ~~this act and the regulations issued pursuant hereto;】~~ (Deleted by
42 amendment, P.L. , c.)(pending before the Legislature as this bill)

43 e. ~~【To levy and collect penalties for the violation of provisions of this~~
44 ~~act and the regulations promulgated hereunder;】~~ (Deleted by amendment,
45 P.L. , c.)(pending before the Legislature as this bill)

1 f. **【To be present through its inspectors and agents at all times, except**
2 **as provided by section 4 of P.L.2008, c.23 (C.5:12-211), during the**
3 **operation of any casino or simulcasting facility for the purpose of certifying**
4 **the revenue thereof, receiving complaints from the public relating to the**
5 **conduct of gaming and simulcast wagering operations, examining records**
6 **of revenues and procedures, and conducting periodic reviews of operations**
7 **and facilities for the purpose of evaluating current or suggested provisions**
8 **of P.L.1977, c.110 (C.5:12-1 et seq.) and the regulations promulgated**
9 **thereunder;】** (Deleted by amendment, P.L. , c.) (pending before the
10 Legislature as this bill)

11 g. To refer to the division for investigation and prosecution any
12 evidence of a violation of P.L.1977, c.110 (C.5:12-1 et seq.) or the
13 regulations promulgated thereunder;

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

23 i. **【To ensure that there is no duplication of duties and responsibilities**
24 **between it and the division】** (Deleted by amendment, P.L. , c.)(pending
25 before the Legislature as this bill)

26 j. To refer to the division for investigative hearing matters concerning
27 the conduct of gaming and gaming operations as well as the enforcement of
28 the provisions of P.L.1977, c.110 (C.5:12-1 et seq.).

29 (2) The Casino Control Commission shall proceed promptly, along with
30 the division, to take all actions as may be deemed necessary and
31 appropriate, including the promulgation of regulations, for the expeditious
32 implementation of Internet wagering when such wagering is permitted by
33 State and federal law.

34 (cf: P.L.2008, c.23, s.1)

35

36 35. Section 66 of P.L.1977, c.110 (C.5:12-66) is amended to read as
37 follows:

38 66. Investigative hearings. The **【commission】** division shall have the
39 authority to conduct investigative hearings concerning the conduct of
40 gaming and gaming operations as well as the enforcement of the provisions
41 of P.L.1977, c.110 (C.5:12-1 et seq.), as amended and supplemented, in
42 accordance with the procedures set forth in the act and any applicable
43 implementing regulations.

44 (cf: P.L.1995, c.18, s.15)

45

46 36. Section 68 of P.L.1977, c.110 (C.5:12-68) is amended to read as
47 follows:

1 68. Collection of Fees, Penalties or Tax. At any time within five years
2 after any amount of fees, interest, penalties or tax required to be collected
3 pursuant to the provisions of this act shall become due and payable, the
4 **【commission】** division may bring a civil action in the courts of this State or
5 any other state or of the United States, in the name of the State of New
6 Jersey, to collect the amount delinquent, together with penalties and
7 interest. An action may be brought whether or not the person owing the
8 amount is at such time an applicant, licensee or registrant pursuant to the
9 provisions of this act. If such action is brought in this State, a writ of
10 attachment may be issued and no bond or affidavit prior to the issuance
11 thereof shall be required. In all actions in this State, the records of the
12 commission and the division shall be prima facie evidence of the
13 determination of the fee or tax or the amount of the delinquency.

14 Each debt that is due and payable as a result of fees, interest, penalties,
15 or taxes required to be collected pursuant to the provisions of P.L.1977,
16 c.110 (C.5:12-1 et seq.) or the regulations promulgated thereunder,
17 including any compensation authorized pursuant to section 33 of P.L.1978,
18 c.7 (C.5:12-130.3), and each regulatory obligation imposed as a condition
19 upon the issuance or renewal of a casino license which requires the licensee
20 to maintain, as a fiduciary, a fund for a specific regulatory purpose, shall
21 constitute a lien on the real property in this State owned or hereafter
22 acquired by the applicant, licensee, or registrant owing such a debt or on
23 whom such an obligation has been imposed. Except as otherwise provided
24 in R.S.54:5-9, such a lien shall be a first lien paramount to all prior or
25 subsequent liens, claims, or encumbrances on that property.
26 (cf: P.L.1991, c.182, s.14)

27

28 37. Section 71 of P.L.1977, c.110 (C.5:12-71) is amended to read as
29 follows:

30 71. Regulation Requiring Exclusion of Certain Persons. a. The
31 **【commission】** division shall, by regulation, provide for the establishment
32 of a list of persons who are to be excluded or ejected from any licensed
33 casino establishment. Such provisions shall define the standards for
34 exclusion, and shall include standards relating to persons:

35 (1) Who are career or professional offenders as defined by regulations
36 **【of the commission】** promulgated hereunder;

37 (2) Who have been convicted of a criminal offense under the laws of
38 any state or of the United States, which is punishable by more than six
39 months in prison, or any crime or offense involving moral turpitude; or

40 (3) Whose presence in a licensed casino hotel would, in the opinion of
41 the **【commission】** director, be inimical to the interest of the State of New
42 Jersey or of licensed gaming therein, or both.

43 The **【commission】** division shall promulgate definitions establishing
44 those categories of persons who shall be excluded pursuant to this section,
45 including cheats and persons whose privileges for licensure or registration
46 have been revoked.

- 1 b. Race, color, creed, national origin or ancestry, or sex shall not be a
2 reason for placing the name of any person upon such list.
- 3 c. The **【commission】** division may impose sanctions upon a licensed
4 casino or individual licensee or registrant in accordance with the provisions
5 of this act if such casino or individual licensee or registrant knowingly fails
6 to exclude or eject from the premises of any licensed casino any person
7 placed by the **【commission】** division on the list of persons to be excluded
8 or ejected.
- 9 d. Any list compiled by the **【commission】** division of persons to be
10 excluded or ejected shall not be deemed an all-inclusive list, and licensed
11 casino establishments shall have a duty to keep from their premises persons
12 known to them to be within the classifications declared in paragraphs (1)
13 and (2) of subsection a. of this section and the regulations promulgated
14 thereunder, or known to them to be persons whose presence in a licensed
15 casino hotel would be inimical to the interest of the State of New Jersey or
16 of licensed gaming therein, or both, as defined in standards established by
17 the **【commission】** division.
- 18 e. **【Whenever the division petitions the commission to place】** Prior to
19 placing the name of any person on a list pursuant to this section, the
20 **【commission】** division shall serve notice of such fact to such person by
21 personal service, by certified mail at the last known address of such person,
22 or by publication daily for one week in a newspaper of general circulation
23 in Atlantic City.
- 24 f. Within 30 days after service of the petition in accordance with
25 subsection e. of this section, the person named for exclusion or ejection
26 may demand a hearing before the **【commission】** director or the director's
27 designee, at which hearing the **【division】** director or the director's designee
28 shall have the affirmative obligation to demonstrate by a preponderance of
29 the evidence that the person named for exclusion or ejection satisfies the
30 criteria for exclusion established by this section and the **【commission's】**
31 applicable regulations. Failure to demand such a hearing within 30 days
32 after service shall be deemed an admission of all matters and facts alleged
33 in the **【division's】** director's petition and shall preclude a person from
34 having an administrative hearing, but shall in no way affect his or her right
35 to judicial review as provided herein.
- 36 g. The division may **【file an application with the commission**
37 **requesting】** make a preliminary placement on the list of a person named in
38 a petition for exclusion or ejection pending completion of a hearing on the
39 petition. The hearing on the application for preliminary placement shall be
40 a limited proceeding at which the division shall have the affirmative
41 obligation to demonstrate that there is a reasonable possibility that the
42 person satisfies the criteria for exclusion established by this section and the
43 **【commission's】** applicable regulations. If a person has been placed on the
44 list as a result of an application for preliminary placement, unless otherwise
45 agreed by the **【commission】** director and the named person, a hearing on
46 the petition for exclusion or ejection shall be initiated within 30 days after

1 the receipt of a demand for such hearing or the date of preliminary
2 placement on the list, whichever is later.

3 h. If, upon completion of the hearing on the petition for exclusion or
4 ejection, the **【commission】** director determines that the person named
5 therein does not satisfy the criteria for exclusion established by this section
6 and the **【commission's】** applicable regulations, the **【commission】** director
7 shall issue an order denying the petition. If the person named in the
8 petition for exclusion or ejection had been placed on the list as a result of
9 an application for preliminary placement, the **【commission】** director shall
10 notify all casino licensees of **【his or her】** the person's removal from the
11 list.

12 i. If, upon completion of a hearing on the petition for exclusion or
13 ejection, the **【commission】** director determines that placement of the name
14 of the person on the exclusion list is appropriate, the **【commission】** director
15 shall make and enter an order to that effect, which order shall be served on
16 all casino licensees. Such order shall be subject to review by the
17 commission in accordance with regulations promulgated thereunder, which
18 final decision shall be subject to review by the Superior Court in
19 accordance with the rules of court.

20 (cf: P.L.1993, c.292, s.9)

21

22 38. Section 1 of P.L.2001, c.39 (C.5:12-71.2) is amended to read as
23 follows:

24 1. a. The **【commission】** division shall provide by regulation for the
25 establishment of a list of persons self-excluded from gaming activities at all
26 licensed casinos and simulcasting facilities. Any person may request
27 placement on the list of self-excluded persons by acknowledging in a
28 manner to be established by the **【commission】** division that the person is a
29 problem gambler and by agreeing that, during any period of voluntary
30 exclusion, the person may not collect any winnings or recover any losses
31 resulting from any gaming activity at such casinos and facilities.

32 b. The regulations of the **【commission】** division shall establish
33 procedures for placements on, and removals from, the list of self-excluded
34 persons. Such regulations shall establish procedures for the transmittal to
35 licensed casinos and simulcasting facilities of identifying information
36 concerning self-excluded persons, and shall require licensed casinos and
37 simulcasting facilities to establish procedures designed, at a minimum, to
38 remove self-excluded persons from targeted mailings or other forms of
39 advertising or promotions and deny self-excluded persons access to credit,
40 **【complementaries】** complimentaries, check cashing privileges club
41 programs, and other similar benefits.

42 c. A licensed casino or simulcasting facility or employee thereof shall
43 not be liable to any self-excluded person or to any other party in any
44 judicial proceeding for any harm, monetary or otherwise, which may arise
45 as a result of:

1 (1) the failure of a licensed casino or simulcasting facility to withhold
2 gaming privileges from, or restore gaming privileges to, a self-excluded
3 person; or

4 (2) otherwise permitting a self-excluded person to engage in gaming
5 activity in such licensed casino or simulcasting facility while on the list of
6 self-excluded persons.

7 d. Notwithstanding the provisions of P.L.1977, c.110 (C.5:12-1 et seq.)
8 or any other law to the contrary, the **commission's** division's list of self-
9 excluded persons shall not be open to public inspection. Nothing herein,
10 however, shall be construed to prohibit a casino licensee from disclosing
11 the identity of persons self-excluded pursuant to this section to affiliated
12 gaming entities in this State or other jurisdictions for the limited purpose of
13 assisting in the proper administration of responsible gaming programs
14 operated by such gaming affiliated entities.

15 e. A licensed casino or simulcasting facility or employee thereof shall
16 not be liable to any self-excluded person or to any other party in any
17 judicial proceeding for any harm, monetary or otherwise, which may arise
18 as a result of disclosure or publication in any manner, other than a willfully
19 unlawful disclosure or publication, of the identity of any self-excluded
20 person.

21 (cf: P.L.2002, c.65, s.12)

22

23 39. Section 2 of P.L.2001, c.39 (C.5:12-71.3) is amended to read as
24 follows:

25 2. a. A person who is prohibited from gaming in a licensed casino or
26 simulcasting facility by any provision of P.L.1977, c.110 (C.5:12-1 et seq.)
27 or any order of the director, commission, or court of competent jurisdiction,
28 including any person on the self-exclusion list pursuant to section 1 of
29 P.L.2001, c.39 (C.5:12-71.2), shall not collect, in any manner or
30 proceeding, any winnings or recover any losses arising as a result of any
31 prohibited gaming activity.

32 b. For the purposes of P.L.1977, c.110 (C.5:12-1 et seq.), any gaming
33 activity in a licensed casino or simulcasting facility which results in a
34 prohibited person obtaining any money or thing of value from, or being
35 owed any money or thing of value by, the casino or simulcasting facility
36 shall be considered, solely for purposes of this section, to be a fully
37 executed gambling transaction.

38 c. In addition to any other penalty provided by law, any money or
39 thing or value which has been obtained by, or is owed to, any prohibited
40 person by a licensed casino or simulcasting facility as a result of wagers
41 made by a prohibited person shall be subject to forfeiture **by order of the**
42 **commission, on complaint of the division,** following notice to the
43 prohibited person and opportunity to be heard. A licensed casino or
44 simulcasting facility shall inform a prohibited person of the availability of
45 such notice on the division's Internet website when ejecting the prohibited
46 person and seizing any chips, vouchers or other representative of money
47 owed by a casino to the prohibited person as authorized by this subsection.

1 Of any forfeited amount under \$100,000, one-half shall be deposited into
2 the State General Fund for appropriation by the Legislature to the
3 Department of Health and Senior Services to provide funds for compulsive
4 gambling treatment and prevention programs in the State and the remaining
5 one-half shall be deposited into the Casino Revenue Fund. Of any forfeited
6 amount of \$100,000 or more, \$50,000 shall be deposited into the State
7 General Fund for appropriation by the Legislature to the Department of
8 Health and Senior Services to provide funds for compulsive gambling
9 treatment and prevention programs and the remainder shall be deposited
10 into the Casino Revenue Fund.

11 d. In any proceeding brought by the division against a licensee or
12 registrant pursuant to section 108 of P.L.1977, c.110 (C.5:12-108) for a
13 willful violation of the commission's self-exclusion regulations, the
14 **[commission]** division may order, in addition to any other sanction
15 authorized by section 129 of P.L.1977, c.110 (C.5:12-129), the forfeiture of
16 any money or thing of value obtained by the licensee or registrant from any
17 self-excluded person. Any money or thing of value so forfeited shall be
18 disposed of in the same manner as any money or thing of value forfeited
19 pursuant to subsection c. of this section.

20 (cf: P.L.2001, c.39, s.2)

21

22 40. Section 72 of P.L.1977, c.110 (C.5:12-72) is amended to read as
23 follows:

24 72. Commission reports and recommendations. The commission, in
25 consultation with the division, shall carry on a continuous study of the
26 operation and administration of casino control laws which may be in effect
27 in other jurisdictions, literature on this subject which may from time to time
28 become available, federal laws which may affect the operation of casino
29 gaming in this State, and the reaction of New Jersey citizens to existing and
30 potential features of casino gaming under this act. It shall be responsible for
31 ascertaining any defects in this act or in the rules and regulations issued
32 thereunder, formulating recommendations for changes in this act to prevent
33 abuses thereof, guarding against the use of this act as a cloak for the
34 carrying on of illegal gambling or other criminal activities, and insuring
35 that this act and the rules and regulations shall be in such form and be so
36 administered as to serve the true purposes of this act. The commission, after
37 consultation with the division, shall make to the Governor and the
38 Legislature an annual report of all revenues, expenses and disbursements,
39 and shall include therein such recommendations for changes in this act as
40 the commission or division deems necessary or desirable. The commission,
41 after consultation with the division, shall also report recommendations that
42 promote more efficient operations of the division and the commission. The
43 commission, after consultation with the division, shall report immediately
44 to the Governor and the Legislature any matters which in its judgment
45 require immediate changes in the laws of this State in order to prevent
46 abuses and evasions of this act or of rules and regulations promulgated
47 hereunder, or to rectify undesirable conditions in connection with the

1 operation and regulation of casino gaming.
2 (cf: P.L.1995, c.18, s.19)

3

4 41. Section 74 of P.L.1977, c.110 (C.5:12-74) is amended to read as
5 follows:

6 74. Minutes and Records. a. The Executive Secretary of the commission
7 shall cause to be made and kept a record and verbatim transcripts of all
8 proceedings held at public meetings of the commission. [A verbatim
9 transcript of those proceedings shall be prepared by the commission upon
10 the request of any commissioner or upon the request of any other person
11 and the payment by that person of the costs of preparation.] A copy of [a]
12 any such verbatim transcript shall be made available to any person upon
13 request and payment of the costs of preparing the copy.

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

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

27 c. The Executive Secretary of the commission shall maintain such
28 other files and records as may be deemed desirable.

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

39 e. [All information and data pertaining to an applicant's criminal record,
40 family, and background furnished to or obtained by the commission from
41 any source shall be considered confidential and shall be withheld in whole
42 or in part, except that any information shall be released upon the lawful
43 order of a court of competent jurisdiction or, with the approval of the
44 Attorney General, to a duly authorized law enforcement agency.] (Deleted
45 by amendment, P.L. , c.)(pending before the Legislature as this bill)

46 f. [Notice of the contents of any information or data released, except
47 to a duly authorized law enforcement agency pursuant to subsection d. or e.

1 of this section, shall be given to any applicant, registrant, or licensee in a
2 manner prescribed by the rules and regulations adopted by the
3 commission.】 (Deleted by amendment, P.L. , c.)(pending before the
4 Legislature as this bill)

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

9 h. 【The following information to be reported periodically to the
10 commission by a casino licensee shall not be considered confidential and
11 shall be made available for public inspection:

12 (1) A licensee's gross revenue from all authorized games as herein
13 defined, and its gross revenue from simulcast wagering;

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

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

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

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

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

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

37 Nothing in this subsection shall be construed to limit access by the
38 public to those forms and documents required to be filed pursuant to Article
39 11 of this act.】 (Deleted by amendment, P.L. , c.)(pending before the
40 Legislature as this bill)

41 i. The division shall keep and maintain records in accordance with the
42 division's regulations promulgated hereunder.

43 (cf: P.L.1993, c.292, s.10)

44

45 42. Section 75 of P.L.1977, c.110 (C.5:12-75) is amended to read as
46 follows:

47 75. The commission and the division may exercise any proper power or
48 authority necessary to perform the duties assigned to **【it】** each entity by

1 law, and no specific enumeration of powers in this act shall be read to limit
2 the authority of the **commission** division to administer this act.

3 (cf: P.L.1977, c.110, s.75)

4

5 43. Section 76 of P.L.1977, c.110 (C.5:12-76) is amended to read as
6 follows:

7 76. General Duties and Powers.

8 **[a.]** The Division of Gaming Enforcement shall have the general
9 responsibility for the implementation of P.L.1977, c.110, (C.5:12-1 et seq.),
10 and to issue any approvals necessary as hereinafter provided, including
11 without limitation, the responsibility to:

12 a. Enforce the provisions of this act and any regulations promulgated
13 hereunder;

14 b. **[(1) promptly]** Promptly and in reasonable order investigate all
15 applications **[, enforce the provisions of this act and any regulations**
16 promulgated hereunder, and prosecute before the commission all
17 proceedings for violations of this act or any regulations promulgated
18 hereunder] for licensure and all registrations under this act;

19 c. Issue reports and recommendations to the commission with respect to
20 all entities and natural persons required to qualify for a casino license, an
21 application for interim casino authorization or a petition for a statement of
22 compliance;

23 d. Promptly and in reasonable order review and approve or deny all
24 casino service industry enterprise license applications;

25 e. Accept and maintain registrations for all casino employee and vendor
26 registrants;

27 f. Revoke any registration or casino service industry enterprise license
28 upon findings pursuant to the disqualification criteria in section 86 of
29 P.L.1977, c.110 (C.5:12-86);

30 g. Promulgate such regulations as may be necessary to fulfill the policies
31 of this act;

32 h. Initiate and decide any actions against licensees or registrants for
33 violation of this act or regulations promulgated hereunder, and impose
34 sanctions and levy and collect penalties upon finding violations;

35 **[(2) provide]** i. Provide the commission with all information that the
36 director deems necessary for **[all] any action to be taken by the**
37 commission under Article 6 of **[this act]** P.L.1977, c.110 (C.5:12-80
38 through 95); **[and for all proceedings involving enforcement of the**
39 provisions of this act or any regulations promulgated hereunder; and

40 (3) ensure that there is no duplication of duties and responsibilities
41 between it and the commission.

42 b. The division shall:

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

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

- 1 (3) Investigate violations of this act and regulations promulgated
2 hereunder;
- 3 (4) j. Initiate, prosecute and defend [such proceedings before the
4 commission, or] appeals [therefrom], as the [division] director may deem
5 appropriate;
- 6 [(5) Provide assistance upon request by the commission in the
7 consideration and promulgation of rules and regulations;
- 8 (6) k. Conduct continuing reviews of casino operations through on-site
9 observation and other reasonable means to assure compliance with this act
10 and regulations promulgated hereunder, subject to subsection h. of section
11 63 of [this act] P.L.1977, c.110 (C.5:12-63);
- 12 [(7) l. Receive and take appropriate action on any referral from the
13 commission relating to any evidence of a violation of P.L.1977, c.110
14 (C.5:12-1 et seq.) or the regulations promulgated thereunder;
- 15 [(8) m. Exchange fingerprint data with, and receive criminal history
16 record information from, the Federal Bureau of Investigation for use in
17 considering applicants for any license or registration issued pursuant to the
18 provisions of P.L.1977, c.110 (C.5:12-1 et seq.);
- 19 [(9) n. Conduct audits of casino operations at such times, under such
20 circumstances, and to such extent as the director shall determine, including
21 reviews of accounting, administrative and financial records, and
22 management control systems, procedures and records utilized by a casino
23 licensee;
- 24 [(10) Be entitled to request] o. Request and receive information,
25 materials and any other data from any licensee or registrant, or applicant for
26 a license or registration under this act; and
- 27 [(11) p. Report to the Attorney General recommendations that promote
28 more efficient operations of the division.
- 29 q. Receive complaints from the public relating to the conduct of gaming
30 and simulcasting operations, examine records and procedures, and conduct
31 periodic reviews of operations and facilities for the purpose of evaluating
32 current or suggested provisions of P.L.1977, c.110 (C.5:12-1 et. seq.) and
33 the regulations promulgated thereunder, as the director deems appropriate;
- 34 r. Certify the revenue of any casino or simulcasting facility in such
35 manner as the director deems appropriate;
- 36 s. Create and maintain a list of all excluded patrons;
- 37 t. Initiate and decide all actions for involuntary exclusion of patrons
38 pursuant to section 71 of P.L.1977, c.110 (C.5:12-71);
- 39 u. Issue an operation certificate upon the commission's grant of an
40 application for a casino license;
- 41 v. Recommend that the commission issue or revoke statements of
42 compliance pursuant to section 81 of P.L.1977, c.110 (C.5:12-81) and the
43 regulations promulgated thereunder;
- 44 w. Accept impact statements submitted by an applicant for a casino
45 license pursuant to section 84 of P.L.1977, c.110 (C.5:12-84); and
- 46 x. Utilize, in its discretion, the services of a private entity for the
47 purpose of expediting criminal history record background checks required

1 to be performed by the division pursuant to the provisions of P.L.1977,
2 c.110 (C.5:12-1 et seq.), provided that the private entity has been awarded a
3 contract in accordance with the public contracting laws of this State.
4 (cf: P.L.1995, c.18, s.20)

5
6 44. (New section) a. Except as otherwise provided in this act, all
7 information and data required by the division or commission to be
8 furnished pursuant to the act or the regulations promulgated hereunder, or
9 which may otherwise be obtained, relative to the internal controls specified
10 in subsection a. of section 99 of P.L.1977, c.110 (C.5:12-99) or to the
11 earnings or revenue of any applicant, registrant, or licensee shall be
12 considered to be confidential and shall not be revealed in whole or in part
13 except in the course of the necessary administration of this act, or upon the
14 lawful order of a court of competent jurisdiction, or, with the approval of
15 the Attorney General, to a duly authorized law enforcement agency.

16 b. All information and data pertaining to an applicant's criminal record,
17 family, and background furnished to or obtained by the division or the
18 commission from any source shall be considered confidential and shall be
19 withheld in whole or in part, except that any information shall be released
20 upon the lawful order of a court of competent jurisdiction or, with the
21 approval of the Attorney General, to a duly authorized law enforcement
22 agency.

23 c. Notice of the contents of any information or data released, except to a
24 duly authorized law enforcement agency pursuant to subsection a. or b. of
25 this section, shall be given to any applicant, registrant, or licensee in a
26 manner prescribed by the rules and regulations adopted by the division.

27 d. The following information to be reported periodically to the division
28 by a casino licensee shall not be considered confidential and shall be made
29 available for public inspection:

30 (1) A licensee's gross revenue from all authorized games as defined
31 herein, and the licensee's gross revenue from simulcast wagering;

32 (2) (i) The dollar amount of patron checks initially accepted by a
33 licensee, (ii) the dollar amount of patron checks deposited to the licensee's
34 bank account, (iii) the dollar amount of such checks initially dishonored by
35 the bank and returned to the licensee as uncollected, and (iv) the dollar
36 amount ultimately uncollected after all reasonable efforts;

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

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

45 (5) The amount, if any, of tax in lieu of full local real property tax paid
46 pursuant to section 146 of P.L.1977, c.110 (C.5:12-146), and the amount of
47 profits, if any, recaptured pursuant to section 147 of P.L.1977, c.110
48 (C.5:12-147);

1 (6) A list of the premises, nature of improvements and costs thereof
2 which constitute the cumulative investments by which a licensee has
3 recaptured profits pursuant to section 147 of P.L.1977, c.110 (C.5:12-147);
4 and

5 (7) All quarterly and annual financial statements presenting historical
6 data which are submitted to the division, including all annual financial
7 statements which have been audited by an independent certified public
8 accountant licensed to practice in the State of New Jersey.

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

12
13 45. Section 80 of P.L.1977, c.110 (C.5:12-80) is amended to read as
14 follows:

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

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

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

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

43 e. No applicant or licensee shall give or provide, offer to give or
44 provide, directly or indirectly, any compensation or reward or any
45 percentage or share of the money or property played or received through
46 gaming or simulcast wagering activities, except as authorized by this act, in
47 consideration for obtaining any license, authorization, permission or

1 privilege to participate in any way in gaming or simulcast wagering
2 operations.

3 f. Each applicant or person who must be qualified under this act shall
4 be photographed and fingerprinted for identification and investigation
5 purposes in accordance with procedures **[established by the commission]**
6 set forth by regulation.

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

15 h. (Deleted by amendment, P.L.1995, c.18.)
16 (cf: P.L.2009, c.36, s.6)

17

18 46. Section 81 to P.L.1977, c.110 (C.5:12-81) is amended to read as
19 follows:

20 81. Statement of compliance.

21 a. (1) **[The]** Upon consideration of a report and recommendation of the
22 division, the commission may, in its discretion, issue a statement of
23 compliance to an applicant for **[any]** a casino license or **[for qualification**
24 **status under this act at any time the commission is satisfied that]** to any
25 person required to qualify in conjunction with a casino license or casino
26 license applicant if the applicant or person, as the case may be, has
27 established by clear and convincing evidence that one or more particular
28 eligibility criteria have been satisfied [by an applicant]. A request for the
29 issuance of a statement of compliance pursuant to this paragraph shall be
30 initiated by the applicant filing a petition with the **[commission]** division.
31 Before the **[commission refers any such petition to the]** division **[for]**
32 initiates any investigation on such a petition, the **[commission]** director
33 may require the applicant to establish to the satisfaction of the
34 **[commission]** director that the applicant actually intends, if found
35 qualified, to engage in the business or activity that would require the
36 issuance of the license or the determination of qualification status.

37 (2) Any person who must be qualified pursuant to the "Casino Control
38 Act," P.L.1977, c.110 (C.5:12-1 et seq.) in order to hold the securities of a
39 casino licensee or any holding or intermediary company of a casino
40 licensee may, prior to the acquisition of any such securities, request the
41 issuance of a statement of compliance by the commission that the person is
42 qualified to hold such securities. Any request for the issuance of a
43 statement of compliance pursuant to this paragraph shall be initiated by the
44 person filing a petition with the **[commission]** division in which the person
45 shall be required to establish that there is a reasonable likelihood that, if
46 qualified, the person will obtain and hold the securities of a casino licensee
47 or any holding or intermediary company thereof to such extent as to require

1 the qualification of the person. If [the commission finds that this
2 reasonable likelihood exists, and if the commission is satisfied], after an
3 investigation by the division, the director finds that this reasonable
4 likelihood exists and that the qualifications of the person have been
5 established by clear and convincing evidence, the [commission] director
6 may, in [its] the director's discretion, recommend to the commission that it
7 issue a statement of compliance that the person is qualified to hold such
8 securities. Any person who requests a statement of compliance pursuant to
9 this paragraph shall be subject to the provisions of section 80 of P.L.1977,
10 c.110 (C.5:12-80) and shall pay for the costs of all investigations and
11 proceedings in relation to the request unless the person provides [to the
12 commission] an agreement with one or more casino licensees which states
13 that the licensee or licensees will pay those costs.

14 (3) A statement of compliance shall not be issued indicating that an
15 applicant or any other person required to qualify in conjunction with a
16 casino license or casino license applicant that is a corporation or other form
17 of business organization has established by clear and convincing evidence
18 its good character, honesty and integrity unless the [Chief Executive
19 Officer, Chief Operating Officer and Chief Financial Officer, or the
20 functional equivalent thereof] corporate officers; each director; each person
21 who directly or indirectly holds any beneficial [interest] or ownership
22 interest in the applicant of 5% or greater, to the extent such person would
23 be required to qualify under section 85 of P.L.1977, c.110 (C.5:12-85) [if
24 the applicant were a holding company or intermediary company of a casino
25 licensee]; and any other person whom the commission may consider
26 appropriate for approval or qualification, would, but for residence,
27 individually be qualified for approval as a casino key employee pursuant to
28 the provisions of section 89 of P.L.1977, c.110 (C.5:12-89).

29 b. Any statement of compliance issued under P.L.1977, c.110 (C.5:12-
30 1 et seq.) shall specify:

31 (1) the particular eligibility criterion satisfied by the applicant or
32 person;

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

35 (3) the continuing obligation of the applicant or person to file any
36 information required by the [commission or] division as part of any
37 application for a license or qualification status, including information
38 related to the eligibility criterion for which the statement of compliance was
39 issued; and

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

44 c. [A statement of compliance certifying satisfaction of all of the
45 requirements of subsection e. of section 84 of this act with respect to a
46 specific casino hotel proposal submitted by an eligible applicant may be
47 accompanied by a written commitment from the commission that a casino

1 license shall be reserved for a period not to exceed 30 months or within
2 such additional time period as the commission may, upon a showing of
3 good cause therefor, establish and shall be issued to such eligible applicant
4 with respect to such proposal provided that such applicant (1) complies in
5 all respects with the provisions of this act, (2) qualifies for a casino license
6 within a period not to exceed 30 months of the date of such commitment or
7 within such additional time period as the commission may, upon a showing
8 of good cause therefor, establish, and (3) complies with such other
9 conditions as the commission shall impose. The commission may revoke
10 such reservation at any time it finds that the applicant is disqualified from
11 receiving or holding a casino license or has failed to comply with any
12 conditions imposed by the commission. Such reservation shall be
13 automatically revoked if the applicant does not qualify for a casino license
14 within the period of such commitment. No license other than a casino
15 license shall be reserved by the commission.】 (Deleted by amendment,
16 P.L. , c.)(pending before the Legislature as this bill)

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

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

21 (2) the applicant or person fails to comply with any condition imposed
22 **【by the commission】**; or

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

25 e. Notwithstanding any other provision of this section, unless
26 otherwise extended by the commission upon application by the recipient
27 and for good cause shown, any statement of compliance issued by the
28 commission pursuant to this section shall expire 48 months after its date of
29 issuance**【, unless the recipient also has received a commitment for the**
30 **reservation of a casino license, in which case the statement of compliance**
31 **shall expire on the same date as the commitment】.**

32 f. **【Any statement of compliance issued by the commission prior to the**
33 **effective date of this amendatory and supplementary act, P.L.2002, c.65,**
34 **shall expire in accordance with the provisions of subsection e. of this**
35 **section as if the statement had been issued on such effective date, unless the**
36 **statement is otherwise extended, withdrawn or revoked prior to such date in**
37 **accordance with the provisions of this section.】** (Deleted by amendment,
38 P.L. , c.)(pending before the Legislature as this bill)
39 (cf: P.L.2002, c.65, s.13)

40

41 47. Section 82 of P.L.1977, c.110 (C.5:12-82) is amended to read as
42 follows:

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

45 b. Only the following persons shall be eligible to hold a casino license;
46 and, unless otherwise determined by the commission with the concurrence
47 of the Attorney General which may not be unreasonably withheld in

1 accordance with subsection c. of this section, each of the following persons
2 shall be required to hold a casino license prior to the operation of a casino
3 in the casino hotel with respect to which the casino license has been applied
4 for:

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

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

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

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

21 c. Prior to the operation of a casino and, if applicable, a casino
22 simulcasting facility, every agreement to lease an approved casino hotel or
23 the land thereunder and every agreement for the management of the casino
24 and, if applicable, any authorized games in a casino simulcasting facility,
25 shall be in writing and filed with the commission and the division. No such
26 agreement shall be effective unless expressly approved by the commission.
27 The commission may require that any such agreement include within its
28 terms any provision reasonably necessary to best accomplish the policies of
29 this act. Consistent with the policies of this act:

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

35 (2) The commission, with the concurrence of the Attorney General
36 which may not be unreasonably withheld, may determine that any owner,
37 lessor or lessee of an approved casino hotel or the land thereunder who
38 does not own or lease **【the entire】** a significant portion of an approved
39 casino hotel shall not be eligible to hold or required to hold a casino
40 license;

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

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

47 (5) As to agreements to lease an approved casino hotel or the land
48 thereunder, unless it expressly and by formal vote for good cause

1 determines otherwise, the commission shall require that each party thereto
2 hold either a casino license or casino service industry enterprise license and
3 that such an agreement ~~be for a durational term exceeding 30 years,~~
4 concern 100% of the entire approved casino hotel or of the land upon which
5 same is located, and] shall include within its terms a buy-out provision
6 conferring upon the casino licensee-lessee who controls the operation of the
7 approved casino hotel the absolute right to purchase for an expressly set
8 forth fixed sum the entire interest of the lessor or any person associated
9 with the lessor in the approved casino hotel or the land thereunder in the
10 event that said lessor or said person associated with the lessor is found by
11 the commission or director, as the case may be, to be unsuitable to be
12 associated with a casino enterprise;

13 (6) The commission shall not permit an agreement for the leasing of an
14 approved casino hotel or the land thereunder to provide for the payment of
15 an interest, percentage or share of money gambled at the casino or derived
16 from casino gaming activity or of revenues or profits of the casino unless
17 the party receiving payment of such interest, percentage or share is a party
18 to the approved lease agreement; unless each party to the lease agreement
19 holds either a casino license or casino service industry enterprise license
20 ~~and unless the agreement is for a durational term exceeding 30 years,~~
21 concerns a significant portion of the entire approved casino hotel or of the
22 land upon which same is located], and includes within its terms a buy-out
23 provision conforming to that described in paragraph (5) above;

24 (7) As to agreements for the management of a casino and, if applicable,
25 the authorized games in a casino simulcasting facility, the commission shall
26 require that each party thereto hold a casino license or a casino service
27 industry enterprise license pursuant to subsection a. of section 92 of
28 P.L.1977, c.110 (C.5:12-92), that the party thereto who is to manage the
29 casino gaming operations own at least 10% of all outstanding equity
30 securities of any casino licensee or of any eligible applicant for a casino
31 license if the said licensee or applicant is a corporation and the ownership
32 of an equivalent interest in any casino licensee or in any eligible applicant
33 for a casino license if same is not a corporation, and that such an agreement
34 be for the complete management of all casino space in the casino hotel and,
35 if applicable, all authorized games in a casino simulcasting facility, provide
36 for the sole and unrestricted power to direct the casino gaming operations
37 of the casino hotel which is the subject of the agreement, and be for such a
38 durational term as to assure reasonable continuity, stability and
39 independence in the management of the casino gaming operations, provided
40 that the provisions of this paragraph shall not apply to a slot system
41 agreement between a group of casino licensees and a casino service
42 industry enterprise licensed pursuant to subsection a. of section 92 of
43 P.L.1977, c.110 (C.5:12-92), or an eligible applicant for such license, and
44 that, with regard to such agreements, the casino service industry enterprise
45 licensee or applicant may operate and administer the multi-casino
46 progressive slot machine system, including, but not limited to, the operation
47 of a monitor room or the payment of progressive ~~jackpots~~, including

1 annuity jackpots, or both, and further provided that the obligation to pay a
2 progressive jackpot or establish an annuity jackpot guarantee shall be the
3 sole responsibility of the casino licensee or casino service industry
4 enterprise licensee or applicant designated in the slot system agreement and
5 that no other party shall be jointly or severally liable for the payment or
6 funding of such jackpots or guarantees unless such liability is specifically
7 established in the slot system agreement;

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

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

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

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

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

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

- 1 (3) The corporation shall comply with all the requirements of the laws
2 of the State of New Jersey pertaining to corporations;
- 3 (4) The corporation shall maintain a ledger in the principal office of the
4 corporation in New Jersey which shall at all times reflect the current
5 ownership of every class of security issued by the corporation and shall be
6 available for inspection by the commission or the division and authorized
7 agents of the commission and the division at all reasonable times without
8 notice;
- 9 (5) The corporation shall maintain all operating accounts required by
10 the commission in a bank in New Jersey, except that a casino licensee may
11 establish deposit-only accounts in any jurisdiction in order to obtain
12 payment of any check described in section 101 of P.L.1977, c.110 (C.5:12-
13 101);
- 14 (6) The corporation shall include among the purposes stated in its
15 certificate of incorporation the conduct of casino gaming and provide that
16 the certificate of incorporation includes all provisions required by this act;
- 17 (7) The corporation, if it is not a publicly traded corporation, shall file
18 with the **【commission】** division such adopted corporate charter provisions
19 as may be necessary to establish the right of prior approval by the
20 commission with regard to transfers of securities, shares, and other interests
21 in the applicant corporation; and, if it is a publicly traded corporation,
22 provide in its corporate charter that any securities of such corporation are
23 held subject to the condition that if a holder thereof is found to be
24 disqualified **【by the commission】** pursuant to the provisions of this act,
25 such holder shall dispose of his interest in the corporation; provided,
26 however, that, notwithstanding the provisions of N.J.S.14A:7-12 and
27 N.J.S.12A:8-101 et seq., nothing herein shall be deemed to require that any
28 security of such corporation bear any legend to this effect;
- 29 (8) The corporation, if it is not a publicly traded corporation, shall
30 establish to the satisfaction of the **【commission】** division that appropriate
31 charter provisions create the absolute right of such non-publicly traded
32 corporations and companies to repurchase at the market price or the
33 purchase price, whichever is the lesser, any security, share or other interest
34 in the corporation in the event that the commission disapproves a transfer in
35 accordance with the provisions of this act;
- 36 (9) Any publicly traded holding, intermediary, or subsidiary company
37 of the corporation, whether the corporation is publicly traded or not, shall
38 contain in its corporate charter the same provisions required under
39 paragraph (7) for a publicly traded corporation to be eligible to apply for a
40 casino license; and
- 41 (10) Any non-publicly traded holding, intermediary or subsidiary
42 company of the corporation, whether the corporation is publicly traded or
43 not, shall establish to the satisfaction of the commission that its charter
44 provisions are the same as those required under paragraphs (7) and (8) for a
45 non-publicly traded corporation to be eligible to apply for a casino license.
- 46 **【Notwithstanding the foregoing, any corporation or company which had**
47 **bylaw provisions approved by the commission prior to the effective date of**
48 **this 1987 amendatory act shall have one year from the effective date of this**

1 1987 amendatory act to adopt appropriate charter provisions in accordance
2 with the requirements of this subsection.]

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

7 e. No person shall be issued or be the holder of a casino license if the
8 issuance or the holding results in undue economic concentration in Atlantic
9 City casino operations by that person. The commission shall, after
10 conducting public hearings thereon, promulgate rules and regulations in
11 accordance with the "Administrative Procedure Act," P.L.1968, c.410
12 (C.52:14B-1 et seq.) defining the criteria the commission will use in
13 determining what constitutes undue economic concentration.

14 For the purpose of this subsection a person shall be considered the
15 holder of a casino license if such license is issued to such person or if such
16 license is held by any holding, intermediary or subsidiary company thereof,
17 or by any [officer, director, casino key employee or principal employee of
18 such person, or of any holding, intermediary or subsidiary company
19 thereof] person required to be qualified in conjunction with such casino
20 license.

21 (cf: P.L.2009, c.36, s.7)

22

23 48. Section 83 of P.L.1977, c.110 (C.5:12-83) is amended to read as
24 follows:

25 83. a. An approved hotel for purposes of this act shall be a hotel
26 providing facilities in accordance with this section. Nothing in this section
27 shall be construed to limit the authority of the commission to determine the
28 suitability of facilities as provided in this act, and nothing in this section
29 shall be construed to require a casino to be smaller than the maximum size
30 herein provided.

31 Nothing in this section shall be construed as authorizing the commission,
32 based on the provisions of this section, to determine the suitability of
33 facilities, or to deny a license, for a small-scale casino facility or a staged
34 casino facility that is permitted by law supplementing P.L.1977, c.110
35 (C.5:12-1 et seq.).

36 b. (Deleted by amendment, P.L.2002, c.65).

37 c. A casino hotel shall include an approved hotel containing at least
38 500 qualifying sleeping units, as defined in section 27 of the "Casino
39 Control Act," P.L.1977, c.110 (C.5:12-27), and a casino, the total square
40 footage of which shall not exceed 60,000 square feet, except that for each
41 additional 100 qualifying sleeping units above 500, the maximum amount
42 of the casino space may be increased by 10,000 square feet, up to a
43 maximum of 200,000 square feet of casino space. For the purpose of
44 increasing casino space, an agreement approved by the commission for the
45 addition of qualifying sleeping units within two years after the
46 commencement of gaming operations in the additional casino space shall be
47 deemed an addition of those sleeping units, but if the agreement is not
48 fulfilled due to conditions within the control of the casino licensee, the

1 casino licensee shall close the additional casino space or any portion
2 thereof as directed by the commission.

3 d. Once a hotel is initially approved, the commission and the division
4 shall thereafter rely on the certification of the casino licensee with regard to
5 the number of qualifying sleeping units and shall permit replacement,
6 rehabilitation, renovation and alteration of any part of the approved hotel
7 even if the replacement, rehabilitation, renovation, or alteration will mean
8 that the casino licensee does not temporarily meet the requirements of
9 subsection c. so long as the licensee certifies that the replacement,
10 rehabilitation, renovation, or alteration shall be completed within one year
11 or such other reasonable period of time as the commission may approve.

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

13 f. (Deleted by amendment, P.L.1991, c.182).

14 g. (Deleted by amendment, P.L.1991, c.182).

15 h. (Deleted by amendment, P.L.1991, c.182).

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

25 (cf: P.L.2002, c.65, s.14)

26

27 49. Section 84 of P.L.1977, c.110 (C.5:12-84) is amended to read as
28 follows:

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

32 a. Each applicant shall produce such information, documentation and
33 assurances concerning financial background and resources as may be
34 required to establish by clear and convincing evidence the financial
35 stability, integrity and responsibility of the applicant, including but not
36 limited to bank references, business and personal income and disbursement
37 schedules, tax returns and other reports filed with governmental agencies,
38 and business and personal accounting and check records and ledgers. In
39 addition, each applicant shall, in writing, authorize the examination of all
40 bank accounts and records as may be deemed necessary by the commission
41 or the division. The commission or the division may consider any relevant
42 evidence of financial stability; provided, however, it is presumed that a
43 casino licensee or applicant is financially stable if it establishes by clear
44 and convincing evidence that it meets each of the following standards:

45 (1) The ability to assure the financial integrity of casino operations by
46 the maintenance of a casino bankroll or equivalent provisions adequate to
47 pay winning wagers to casino patrons when due. A casino licensee or
48 applicant shall be presumed to have met this standard if it maintains, on a

1 daily basis, a casino bankroll, or a casino bankroll and equivalent
2 provisions, in an amount which is at least equal to the average daily
3 minimum casino bankroll or equivalent provisions, calculated on a monthly
4 basis, for the corresponding month in the previous year. For any casino
5 licensee or applicant which has been in operation for less than a year, such
6 amount shall be determined by the division based upon levels maintained
7 by a comparable casino licensee;

8 (2) The ability to meet ongoing operating expenses which are essential to
9 the maintenance of continuous and stable casino operations. A casino
10 licensee or applicant shall be presumed to have met this standard if it
11 demonstrates the ability to achieve positive gross operating profit,
12 measured on an annual basis;

13 (3) The ability to pay, as and when due, all local, state and federal taxes,
14 including the tax on gross revenues imposed by subsection a. of section 144
15 of P.L.1977, c.110 (C.5:12-144), the investment alternative tax obligations
16 imposed by subsection b. of section 144 of P.L.1977, c.110 (C.5:12-144)
17 and section 3 of P.L.1984, c.218 (C.5:12-144.1), and any fees imposed by
18 the act or the regulations promulgated pursuant thereto;

19 (4) The ability to make necessary capital and maintenance expenditures
20 in a timely manner which are adequate to ensure maintenance of a superior,
21 first-class facility of exceptional quality pursuant to subsection i. of section
22 83 of P.L.1977, c.110 (C.5:12-83). A casino licensee or applicant shall be
23 presumed to have met this standard if it demonstrates that its capital and
24 maintenance expenditures, over the five-year period which includes the
25 three most recent calendar years and the upcoming two calendar years,
26 average at least five percent of net revenue per annum, except that any
27 casino licensee or applicant which has been in operation for less than three
28 years shall be required to otherwise establish compliance with this
29 standard; and

30 (5) The ability to pay, exchange, refinance or extend debts, including
31 long-term and short-term principal and interest and capital lease
32 obligations, which will mature or otherwise come due and payable during
33 the license term, or to otherwise manage such debts and any default with
34 respect to such debts. The division also may require that a casino licensee
35 or applicant advise as to its plans to meet this standard with respect to any
36 material debts coming due and payable within 12 months after the end of
37 the license term.

38 b. **【**Each applicant shall produce such information, documentation and
39 assurances as may be necessary to establish by clear and convincing
40 evidence the integrity of all financial backers, investors, mortgagees,
41 bondholders, and holders of indentures, notes or other evidences of
42 indebtedness, either in effect or proposed, which bears any relation to the
43 casino proposal submitted by the applicant or applicants; provided,
44 however, that this section shall not apply to banking or other licensed
45 lending institutions exempted from the qualification requirements of
46 subsections c. and d. of section 85 of P.L.1977, c.110 (C.5:12-85) and
47 institutional investors waived from the qualification requirements of those
48 subsections pursuant to the provisions of subsection f. of section 85 of

1 P.L.1977, c.110 (C.5:12-85). Any such banking or licensed lending
2 institution or institutional investor shall, however, produce for the
3 commission or the division upon request any document or information
4 which bears any relation to the casino proposal submitted by the applicant
5 or applicants. The integrity of financial sources shall be judged upon the
6 same standards as the applicant. In addition, the applicant shall produce
7 whatever information, documentation or assurances as may be required to
8 establish by clear and convincing evidence the adequacy of financial
9 resources both as to the completion of the casino proposal and the operation
10 of the casino.] (Deleted by amendment, P.L. , c.)(pending before the
11 Legislature as this bill)

12 c. Each applicant shall produce such information, documentation and
13 assurances as may be required to establish by clear and convincing
14 evidence the applicant's good character, honesty and integrity. Such
15 information shall include, without limitation, information pertaining to
16 family, habits, character, reputation, criminal and arrest record, business
17 activities, financial affairs, and business, professional and personal
18 associates, covering at least the 10-year period immediately preceding the
19 filing of the application. Each applicant shall notify the commission and
20 division of any civil judgments obtained against any such applicant
21 pertaining to antitrust or security regulation laws of the federal government,
22 of this State or of any other state, jurisdiction, province or country. In
23 addition, each applicant shall produce letters of reference from law
24 enforcement agencies having jurisdiction in the applicant's place of
25 residence and principal place of business, which letters of reference shall
26 indicate that such law enforcement agencies do not have any pertinent
27 information concerning the applicant, or if such law enforcement agency
28 does have information pertaining to the applicant, shall specify what the
29 information is. If the applicant has conducted gaming operations in a
30 jurisdiction which permits such activity, the applicant shall produce letters
31 of reference from the gaming or casino enforcement or control agency
32 which shall specify the experiences of such agency with the applicant, his
33 associates, and his gaming operation; provided, however, that if no such
34 letters are received within 60 days of request therefor, the applicant may
35 submit a statement under oath that he is or was during the period such
36 activities were conducted in good standing with such gaming or casino
37 enforcement or control agency.

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

47 e. Each applicant shall produce such information, documentation and
48 assurances to establish [to the satisfaction of the commission] the

1 suitability of the casino and related facilities subject to subsection i. of
2 section 83 of P.L.1977, c.110 (C.5:12-83) and that its proposed location
3 will not adversely affect casino operations. Each applicant shall submit to
4 the division an impact statement which shall include, without limitation,
5 architectural and site plans which establish that the proposed facilities
6 comply in all respects with the requirements of this act and the
7 requirements of the master plan and zoning and planning ordinances of
8 Atlantic City, without any use variance from the provisions thereof; a
9 market impact study which analyzes the adequacy of the patron market and
10 the effect of the proposal on such market and on the existing casino
11 facilities licensed under this act; and an analysis of the effect of the
12 proposal on the overall economic and competitive conditions of Atlantic
13 City and the State of New Jersey.

14 f. For the purposes of this section, each applicant shall **[submit]** be
15 responsible for the submission to the division of the **[applicant's]** name,
16 address, fingerprints and written consent for a criminal history record
17 background check to be performed for each person who must individually
18 qualify in conjunction with the casino license application. The division is
19 hereby authorized to exchange fingerprint data with and receive criminal
20 history record information from the State Bureau of Identification in the
21 Division of State Police and the Federal Bureau of Investigation consistent
22 with applicable State and federal laws, rules and regulations. The applicant
23 shall bear the cost for the criminal history record background check,
24 including all costs of administering and processing the check. The Division
25 of State Police shall promptly notify the division in the event a current or
26 prospective licensee, who was the subject of a criminal history record
27 background check pursuant to this section, is arrested for a crime or offense
28 in this State after the date the background check was performed.

29 (cf: P.L.2009, c.36, s.8)

30

31 50. Section 85 of P.L.1997, c.110 (C.5:12-85) is amended to read as
32 follows:

33 85. Additional Requirements.

34 a. In addition to other information required by this act, a corporation or
35 other form of business organization applying for a casino license shall
36 provide the following information, in such form as may be established by
37 regulation:

38 (1) The organization, financial structure and nature of all businesses
39 operated by the **[corporation]** applicant; the names and personal
40 employment and criminal histories of all officers, directors and **[principal]**
41 such other employees of the **[corporation]** applicant as the division may
42 require; the names of all holding, intermediary and subsidiary companies of
43 the **[corporation]** applicant; and the organization, financial structure and
44 nature of all businesses operated by such of its holding, intermediary and
45 subsidiary companies as the **[commission]** division may require, including
46 the names and personal employment and criminal histories of such
47 corporate officers, directors and **[principal]** other employees of such

- 1 holding, intermediary and subsidiary **【corporations and】** companies as the
2 **【commission】** division may require;
- 3 (2) The rights and privileges acquired by the holders of different classes
4 of authorized securities of **【such corporations】** the applicant and such
5 companies as the **【commission】** division may require, including the names,
6 addresses and amounts held by all holders of such securities;
- 7 (3) The terms upon which securities have been or are to be offered;
- 8 (4) The terms and conditions of all outstanding loans, mortgages, trust
9 deeds, pledges or any other indebtedness or security devices utilized by the
10 **【corporation】** applicant;
- 11 (5) The extent of the equity security holding in the **【corporation】**
12 applicant of all officers, directors and underwriters, and their remuneration
13 in the form of salary, wages, fees or otherwise;
- 14 (6) Names of persons other than directors and officers who occupy
15 positions specified by the **【commission】** division or whose compensation
16 exceeds an amount determined by the **【commission】** division, and the
17 amount of their compensation;
- 18 (7) A description of all bonus and profit-sharing arrangements;
- 19 (8) Copies of all management and service contracts; **【and】**
- 20 (9) A listing of stock options existing or to be created; and
- 21 (10) Documentation establishing that it is qualified to do business in the
22 State of New Jersey.
- 23 b. **【If a corporation or other form of business organization applying for**
24 **a casino license is, or if a corporation or other form of business**
25 **organization holding a casino license is to become, a subsidiary, each**
26 **holding company, intermediary company, and other entity required to be**
27 **qualified with respect thereto must, as a condition of the said subsidiary**
28 **acquiring or retaining such license, as the case may be:**
- 29 (1) Establish by clear and convincing evidence that it meets the
30 standards set forth in subsections a., c., and d. of section 84 of P.L.1977,
31 c.110 (C.5:12-84) as if it were itself applying for a casino license, and the
32 standards, but for residence, required for approval as a casino key employee
33 pursuant to the provisions of this act in accordance with subsections c., d.
34 and e. of this section, as applicable; and
- 35 (2) **Qualify】** Each holding, intermediary and subsidiary company of an
36 applicant for or holder of a casino license shall be required to qualify to do
37 business in the State of New Jersey; and
- 38 **【(3)】** (1) If it is a corporation, register with the **【commission】** division
39 and furnish the **【commission】** division with all the information required of
40 a corporate licensee as specified in subsection a. (1), (2) and (3) of this
41 section and such other information as the **【commission】** division may
42 require; or
- 43 **【(4)】** (2) If it is not a corporation, register with the **【commission】**
44 division and furnish the **【commission】** division with such information as
45 the **【commission】** division may prescribe.

1 c. [No corporation shall be eligible to hold a casino license unless
2 each officer; each director; each person who directly or indirectly holds any
3 beneficial interest or ownership of the securities issued by the corporation;
4 any person who in the opinion of the commission has the ability to control
5 the corporation or elect a majority of the board of directors of that
6 corporation, other than a banking or other licensed lending institution
7 which makes a loan or holds a mortgage or other lien acquired in the
8 ordinary course of business; each principal employee; and any lender,
9 underwriter, agent, employee of the corporation, or other person whom the
10 commission may consider appropriate for approval or qualification would,
11 but for residence, individually be qualified for approval as a casino key
12 employee pursuant to the provisions of this act.] (Deleted by amendment,
13 P.L. , c.)(pending before the Legislature as this bill)

14 d. [No corporation or other form of business organization which is a
15 subsidiary shall be eligible to receive or hold a casino license unless each
16 holding and intermediary company with respect thereto:

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

29 (2) If it is not a corporation, shall comply with the provisions of
30 subsection e. of this section as if said company were itself applying for a
31 casino license; provided, however, that the commission with the
32 concurrence of the director may waive compliance with the provisions of
33 subsection e. of this section on the part of a noncorporate business
34 organization which is a holding company as to any person who directly or
35 indirectly holds any beneficial interest or ownership in such company,
36 when the commission and the director are satisfied that such person does
37 not have the ability to control the company.] (Deleted by amendment,
38 P.L. , c.)(pending before the Legislature as this bill)

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

1 employee pursuant to the provisions of this act.】 (Deleted by amendment,
2 P.L. , c.) (pending before the Legislature as this bill)

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

42 g. 【If at any time the commission finds that an institutional investor
43 holding any security of a holding or intermediary company of a casino
44 licensee, or, where relevant, of another subsidiary company of a holding or
45 intermediary company of a casino licensee which is related in any way to
46 the financing of the casino licensee, fails to comply with the terms of
47 subsection f. of this section, or if at any time the commission finds that, by
48 reason of the extent or nature of its holdings, an institutional investor is in a

1 position to exercise such a substantial impact upon the controlling interests
2 of a licensee that qualification of the institutional investor is necessary to
3 protect the public interest, the commission may, in accordance with the
4 provisions of subsections a. through e. of this section or subsections d. and
5 e. of section 105 of P.L.1977, c.110 (C.5:12-105), take any necessary action
6 to protect the public interest, including requiring such an institutional
7 investor to be qualified pursuant to the provisions of the "Casino Control
8 Act," P.L.1977, c.110 (C.5:12-1 et seq.). 】 (Deleted by amendment, P.L. ,
9 c.) (pending before the Legislature as this bill)
10 (cf: P.L.2009, c.36, s.9)
11

12 51. (New section) a. No casino license shall be issued to any applicant or
13 retained by any holder unless the commission determines that all persons
14 designated by the division as persons who must qualify in conjunction with
15 such license meet all applicable qualification criteria and are not
16 unqualified by reason of any disqualification criteria set forth in section 86
17 of P.L.1977, c.110 (C.5:12-86).

18 b. Corporate applicants for and holders of casino licenses shall be
19 required to establish and maintain the qualifications of the following: (1)
20 each officer of the corporation; (2) each director of the corporation; (3)
21 each person who directly or indirectly holds any beneficial interest or
22 ownership of the securities issued by such applicant or holder; (4) any
23 holder who in the opinion of the director has the ability to control the
24 applicant for or holder of a casino license or to elect a majority of the board
25 of directors of such applicant or holder; and (5) each holding, intermediary
26 or subsidiary company of an applicant for or holder of a casino license.

27 c. As to each holding, intermediary and subsidiary company of an
28 applicant for or holder of a casino license, such applicants and holders shall
29 be required to establish and maintain the qualifications of the following:
30 (1) each Corporate Officer; (2) each director of the corporation; (3) each
31 person who directly or indirectly holds a beneficial interest or ownership
32 interest of 5% or more in such holding, intermediary or subsidiary
33 company; (4) any person who in the opinion of the director has the ability
34 to control or elect a majority of the board of directors of such holding,
35 intermediary or subsidiary company; and (5) any other person who the
36 director may consider appropriate for qualification.

37 d. The director shall have the authority to waive any or all of the
38 qualification requirements for any person listed in paragraph (1), (2) or (3)
39 of subsection c. of this section.

40 e. Applicants for and holders of casino licenses shall be required to
41 establish and maintain the qualifications of any financial backer, investor,
42 mortgagee, bondholder, or holders of indentures, notes or other evidences
43 of indebtedness, either in effect or proposed which bears relation to the
44 casino operation or casino hotel premises who holds 25% or more of such
45 financial instruments or evidences of indebtedness; provided however in
46 circumstances of default, any person holding 10% of such financial
47 instruments or evidences of indebtedness shall be required to establish and
48 maintain his qualifications as required pursuant to subsection c. of this

1 section. The director may, in his discretion, require that any other financial
2 backer, investor, mortgagee, bondholder, or holder of indentures, notes or
3 other evidences of indebtedness who does not meet the threshold set forth
4 herein to establish and maintain his qualifications as required pursuant to
5 subsection c. of this section.

6 f. Banks and licensed lending institutions shall be exempt from any
7 qualification requirements under this act if such bank or licensed lending
8 institution is acting in the ordinary course of business.

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

43 h. If at any time the director finds that an institutional investor holding
44 any security of a holding or intermediary company of a casino licensee, or,
45 where relevant, of another subsidiary company of a holding or intermediary
46 company of a casino licensee which is related in any way to the financing
47 of the casino licensee, fails to comply with the terms of subsection f. of this
48 section, or if at any time the director finds that, by reason of the extent or

1 nature of its holdings, an institutional investor is in a position to exercise
2 such a substantial impact upon the controlling interests of a licensee that
3 qualification of the institutional investor is necessary to protect the public
4 interest, the director may, in accordance with the provisions of subsections
5 a. through e. of this section or subsections d. and e. of section 105 of
6 P.L.1977, c.110 (C.5:12-105), take any necessary action to protect the
7 public interest, including requiring such an institutional investor to be
8 qualified pursuant to the provisions of the "Casino Control Act," P.L.1977,
9 c.110 (C.5:12-1 et seq.).

10 i. Any company required to qualify pursuant to subsection b. of this
11 section shall establish by clear and convincing evidence that it meets that
12 standards set forth in section 84 of P.L.1977, c.110 (C.5:12-84).

13 j. As to each company required to qualify pursuant to subsection c. of
14 this section, the applicant for or holder of the casino license shall establish
15 by clear and convincing evidence that each such company meets the
16 standards set forth in subsections a., c., and d. of section 84 of P.L.1977,
17 c.110 (C.5:12-84).

18 k. Any natural person required to qualify pursuant to subsections b. and
19 c. of this section shall be required to establish his qualifications in
20 accordance with the standards applicable to casino key employees in
21 section 89 of this act; provided, however that persons required to qualify
22 pursuant to subsection c. of this section shall not be required to establish
23 residency.

24
25 52. (New section) The provisions of this act shall apply to the extent
26 appropriate with the same force and effect with regard to casino license
27 applicants and casino licensees that have a legal existence that is other than
28 corporate.

29
30 53. Section 86 of P.L.1977, c.110 (C.5:12-86) is amended to read as
31 follows:

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

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

37 b. Failure of the applicant to provide information, documentation and
38 assurances required by the act or requested by the commission or the
39 division, or failure of the applicant to reveal any fact material to
40 qualification, or the supplying of information which is untrue or misleading
41 as to a material fact pertaining to the qualification criteria;

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

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

48 all crimes of the first degree;

1 N.J.S.2C:5-1 (attempt to commit an offense which is listed in this
2 subsection);
3 N.J.S.2C:5-2 (conspiracy to commit an offense which is listed in this
4 subsection);
5 Subsection b. of N.J.S.2C:11-4 (manslaughter);
6 N.J.S.2C:11-5 (vehicular homicide which constitutes a crime of the
7 second degree);
8 Subsection b. of N.J.S.2C:12-1 (aggravated assault which constitutes a
9 crime of the second or third degree);
10 N.J.S.2C:13-1 (kidnapping);
11 N.J.S.2C:14-1 et seq. (sexual offenses which constitute crimes of the
12 second or third degree);
13 N.J.S.2C:15-1 (robberies);
14 Subsections a. and b. of N.J.S.2C:17-1 (crimes involving arson and
15 related offenses);
16 Subsections a. and b. of N.J.S.2C:17-2 (causing or risking widespread
17 injury or damage);
18 N.J.S.2C:18-2 (burglary which constitutes a crime of the second or third
19 degree);
20 N.J.S.2C:20-1 et seq. (theft and related offenses which constitute crimes
21 of the second or third degree);
22 N.J.S.2C:21-1 et seq. (forgery and fraudulent practices which constitute
23 crimes of the second or third degree);
24 N.J.S. 2C:24-4 (endangering the welfare of a child);
25 N.J.S.2C:27-1 et seq. (bribery and corrupt influence);
26 N.J.S.2C:28-1 et seq. (perjury and other falsification in official matters
27 which constitute crimes of the second, third or fourth degree);
28 N.J.S.2C:30-2 and N.J.S.2C:30-3 (misconduct in office and abuse in
29 office which constitutes a crime of the second degree);
30 N.J.S.2C:35-5 (manufacturing, distributing or dispensing a controlled
31 dangerous substance or a controlled dangerous substance analog which
32 constitutes a crime of the second or third degree);
33 N.J.S.2C:35-6 (employing a juvenile in a drug distribution scheme);
34 N.J.S.2C:35-7 (distributing, dispensing or possessing a controlled
35 dangerous substance or a controlled substance analog on or within 1,000
36 feet of school property or bus);
37 N.J.S.2C:35-7.1 (distributing, dispensing or possessing a controlled
38 dangerous substance or a controlled substance analog in proximity to public
39 housing facilities, parks or buildings);
40 N.J.S.2C:35-11 (distribution, possession or manufacture of imitation
41 controlled dangerous substances);
42 N.J.S.2C:35-13 (acquisition of controlled dangerous substances by
43 fraud);
44 N.J.S.2C:37-1 et seq. (gambling offenses which constitute crimes of the
45 third or fourth degree);
46 N.J.S.2C:37-7 (possession of a gambling device);
47 Any second degree racketeering crime under Chapter 41 of Title 2C of
48 the New Jersey Statutes; or

1 (2) Any of the following offenses under the “Casino Control Act,”
2 P.L.1977, c.110 (C.5:12-1 et seq.):
3 P.L.1977, c.110, s.113 (C.5:12-113) (swindling and cheating);
4 P.L.1991, c.182, s.46 (C.5:12-113.1) (use of device to gain advantage at
5 casino game);
6 P.L.1977, c.110, s.114 (C.5:12-114) (unlawful use of bogus chips or
7 gaming billets, marked cards, dice, cheating devices, unlawful coins);
8 P.L.1977, c.110, s.115 (C.5:12-115) (cheating games and devices in a
9 licensed casino); or
10 P.L.1977, c.110, s.116 (C.5:12-116) (unlawful possession of device,
11 equipment or other material illegally manufactured, distributed, sold or
12 delivered; or

13 **[(2)] (3)** Any other offense under present New Jersey or federal law
14 which indicates that licensure of the applicant would be inimical to the
15 policy of this act and to casino operations; provided, however, that the
16 automatic disqualification provisions of this subsection shall not apply with
17 regard to any conviction which did not occur within the 10-year period
18 immediately preceding application for licensure and which the applicant
19 demonstrates by clear and convincing evidence does not justify automatic
20 disqualification pursuant to this subsection and any conviction which has
21 been the subject of a judicial order of expungement or sealing;

22 d. Current prosecution or pending charges in any jurisdiction of the
23 applicant or of any person who is required to be qualified under this act as a
24 condition of a casino license, for any of the offenses enumerated in
25 subsection c. of this section; provided, however, that at the request of the
26 applicant or the person charged, the commission shall defer decision upon
27 such application during the pendency of such charge;

28 e. The pursuit by the applicant or any person who is required to be
29 qualified under this act as a condition of a casino license of economic gain
30 in an occupational manner or context which is in violation of the criminal
31 or civil public policies of this State, if such pursuit creates a reasonable
32 belief that the participation of such person in casino operations would be
33 inimical to the policies of this act or to legalized gaming in this State. For
34 purposes of this section, occupational manner or context shall be defined as
35 the systematic planning, administration, management, or execution of an
36 activity for financial gain;

37 f. The identification of the applicant or any person who is required to
38 be qualified under this act as a condition of a casino license as a career
39 offender or a member of a career offender cartel or an associate of a career
40 offender or career offender cartel in such a manner which creates a
41 reasonable belief that the association is of such a nature as to be inimical to
42 the policy of this act and to gaming operations. For purposes of this
43 section, career offender shall be defined as any person whose behavior is
44 pursued in an occupational manner or context for the purpose of economic
45 gain, utilizing such methods as are deemed criminal violations of the public
46 policy of this State. A career offender cartel shall be defined as any group
47 of persons who operate together as career offenders;

1 g. The commission by the applicant or any person who is required to
2 be qualified under this act as a condition of a casino license of any act or
3 acts which would constitute any offense under subsection c. of this section,
4 even if such conduct has not been or may not be prosecuted under the
5 criminal laws of this State or any other jurisdiction or has been prosecuted
6 under the criminal laws of this State or any other jurisdiction and such
7 prosecution has been terminated in a manner other than with a conviction;
8 **[and]**

9 h. Contumacious defiance by the applicant or any person who is
10 required to be qualified under this act of any legislative investigatory body
11 or other official investigatory body of any state or of the United States
12 when such body is engaged in the investigation of crimes relating to
13 gaming, official corruption, or organized crime activity; and

14 i. Failure by the applicant or any person required to be qualified under
15 this act as a condition of a casino license to (i) make required payments in
16 accordance with a child support order; (ii) repay an overpayment for food
17 stamp benefits or low income home energy assistance benefits incurred as a
18 former recipient of Capital Aid to Families with Dependent Children or
19 Work First New Jersey; or (iii) repay any other debt owed to the State;
20 unless such applicant provides proof to the director's satisfaction of
21 payment of or arrangement to pay any such debts prior to licensure.

22 (cf: P.L.1991, c.182, s.27)

23
24 54. Section 87 of P.L.1977, c.110 (C.5:12-87) is amended to read as
25 follows:

26 87. a. Upon the filing of an application for a casino license and such
27 supplemental information as the commission or division may require, **[the**
28 **commission shall request]** and upon the filing of such information as may
29 be required by section 88 of P.L.1977, c.110 (C.5:12-88), the division [to]
30 shall conduct [such] an investigation into the qualification of the applicant,
31 and [the commission shall conduct a hearing thereon concerning the
32 qualification of the applicant in accordance with its regulations] submit a
33 report and recommendation to the commission.

34 b. Upon the submission of a report and recommendation by the
35 division, the commission shall conduct a hearing thereon concerning the
36 qualification of the applicant. After such **[investigation and]** hearing, the
37 commission may either deny the application or grant a casino license to an
38 applicant whom it determines to be qualified to hold such license, which
39 final action shall be taken within 90 days after completion of the hearing.

40 c. The commission shall have the authority to deny any application
41 pursuant to the provisions of this act. When an application is denied, the
42 commission shall prepare and file an order **[denying such application with]**
43 stating the general reasons therefor, and if requested by the applicant, shall
44 further prepare and file a statement of the reasons for the denial, including
45 the specific findings of facts.

46 d. **[After an application is submitted to the commission, final action of**
47 **the commission shall be taken within 90 days after completion of all**

1 hearings and investigations and the receipt of all information required by
2 the commission.】 (Deleted by amendment, P.L. , c.)(pending before
3 the Legislature as this bill)

4 e. 【If satisfied that an applicant is qualified to receive a casino
5 license】 When an application is granted, and upon tender of all required
6 license fees and taxes 【as required by law and regulations of the
7 commission】, and such bonds as the commission may require for the
8 faithful performance of all requirements imposed by law or regulations, the
9 commission shall issue a casino license 【for the term of 1 year】.

10 f. The commission shall fix the amount of the bond or bonds to be
11 required under this section in such amounts as it may deem appropriate, by
12 rules of uniform application. The bonds so furnished may be applied by
13 the commission to the payment of any unpaid liability of the licensee under
14 this act. The bond shall be furnished in cash or negotiable securities, by a
15 surety bond guaranteed by a satisfactory guarantor, or by an irrevocable
16 letter of credit issued by a banking institution of this State acceptable to
17 the commission. If furnished in cash or negotiable securities, the principal
18 shall be placed without restriction at the disposal of the commission, but
19 any income shall inure to the benefit of the licensee.

20 (cf: P.L.1979, c.282, s.23)

21

22 55. (New section) No later than five years after the date of the issuance
23 of a license pursuant to section 87 of P.L.1977, c.110 (C.5:12-87) and every
24 five years thereafter or within such lesser periods as the division may
25 direct, a casino licensee and the qualifying entities and individuals thereof
26 shall submit to the division such documentation or information as the
27 division may by regulation require, to demonstrate to the satisfaction of the
28 director that they continue to meet the requirements of sections 84 and 85
29 of P.L.1977, c.110 (C.5:12-84 and C.5:12-85), and section 51 of P.L. , c.
30 (C.)(pending before the Legislature as this bill). If, upon review, the
31 director determines that no information sufficient to warrant revocation,
32 suspension, limitation, or conditioning of such license exists, the director
33 shall issue a summary report so advising the commission, and the license
34 shall remain in full force and effect. If the director determines that a
35 hearing on any issue is required, the division shall issue a report and
36 recommendation to the commission in accordance with section 87 of
37 P.L.1977, c.110 (C.5:12-87), which shall initiate a hearing pursuant to
38 subsection b. of that section. In addition, the director may reopen licensing
39 hearings at any time.

40

41 56. Section 89 of P.L.1977, c.110 (C.5:12-89) is amended to read as
42 follows:

43 89. Licensing of Casino Key Employees. a. No casino licensee or a
44 holding or intermediary company of a casino licensee may employ any
45 person 【may be employed】 as a casino key employee unless 【he】 the
46 person is the holder of a valid casino key employee license issued by the
47 commission.

1 b. Each applicant for a casino key employee license must, prior to the
2 issuance of any casino key employee license, produce information,
3 documentation and assurances concerning the following qualification
4 criteria:

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

14 (2) Each applicant for a casino key employee license shall produce such
15 information, documentation and assurances as may be required to establish
16 by clear and convincing evidence the applicant's good character, honesty
17 and integrity. Such information shall include, without limitation, data
18 pertaining to family, habits, character, reputation, criminal and arrest
19 record, business activities, financial affairs, and business, professional and
20 personal associates, covering at least the 10-year period immediately
21 preceding the filing of the application. Each applicant shall notify the
22 commission and the division of any civil judgments obtained against such
23 applicant pertaining to antitrust or security regulation laws of the federal
24 government, of this State or of any other state, jurisdiction, province or
25 country. In addition, each applicant shall, upon request of the commission
26 or the division, produce letters of reference from law enforcement agencies
27 having jurisdiction in the applicant's place of residence and principal place
28 of business, which letters of reference shall indicate that such law
29 enforcement agencies do not have any pertinent information concerning the
30 applicant, or if such law enforcement agency does have information
31 pertaining to the applicant, shall specify what that information is. If the
32 applicant has been associated with gaming or casino operations in any
33 capacity, position or employment in a jurisdiction which permits such
34 activity, the applicant shall, upon request of the commission or division,
35 produce letters of reference from the gaming or casino enforcement or
36 control agency, which shall specify the experience of such agency with the
37 applicant, his associates and his participation in the gaming operations of
38 that jurisdiction; provided, however, that if no such letters are received
39 from the appropriate law enforcement agencies within 60 days of the
40 applicant's request therefor, the applicant may submit a statement under
41 oath that he is or was during the period such activities were conducted in
42 good standing with such gaming or casino enforcement or control agency.

43 (3) (Deleted by amendment, P.L.1995, c.18.)

44 (4) Each applicant employed by a casino licensee shall be a resident of
45 the State of New Jersey prior to the issuance of a casino key employee
46 license; provided, however, that upon petition by the holder of a casino
47 license, the commission may waive this residency requirement for any
48 applicant whose particular position will require him to be employed outside

1 the State; and provided further that no applicant employed by a holding or
2 intermediary company of a casino licensee shall be required to establish
3 residency in this State.

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

12 (5) For the purposes of this section, each applicant shall submit to the
13 division the applicant's name, address, fingerprints and written consent for
14 a criminal history record background check to be performed. The division
15 is hereby authorized to exchange fingerprint data with and receive criminal
16 history record information from the State Bureau of Identification in the
17 Division of State Police and the Federal Bureau of Investigation consistent
18 with applicable State and federal laws, rules and regulations. The applicant
19 shall bear the cost for the criminal history record background check,
20 including all costs of administering and processing the check. The Division
21 of State Police shall promptly notify the division in the event a current or
22 prospective licensee, who was the subject of a criminal history record
23 background check pursuant to this section, is arrested for a crime or offense
24 in this State after the date the background check was performed.

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

26 d. The commission shall deny a casino key employee license to any
27 applicant who is disqualified on the basis of the criteria contained in section
28 86 of this act.

29 e. Upon petition by the holder of a casino license, the commission may
30 issue a temporary license to an applicant for a casino key employee license,
31 provided that:

32 (1) The applicant for the casino key employee license has filed a
33 **【complete】** completed application as required by the commission;

34 (2) The division either certifies to the commission that the completed
35 casino key employee license application as specified in paragraph (1) of
36 this subsection has been in the possession of the division for at least 15
37 days or agrees to allow the commission to consider the application in some
38 lesser time;

39 (3) (Deleted by amendment, P.L.1995, c.18.)

40 (4) The petition for a temporary casino key employee license certifies,
41 and the commission finds, that an existing casino key employee position of
42 the petitioner is vacant or will become vacant within 60 days of the date of
43 the petition and that the issuance of a temporary key employee license is
44 necessary to fill the said vacancy on an emergency basis to continue the
45 efficient operation of the casino, and that such circumstances are
46 extraordinary and not designed to circumvent the normal licensing
47 procedures of this act;

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

3 **【In the event that an applicant for a casino key employee license is the**
4 **holder of a valid casino employee license issued pursuant to section 90 of**
5 **this act, and if the provisions of paragraphs (1), (2), and (5) of this**
6 **subsection are satisfied, the commission may issue a temporary casino key**
7 **employee license upon petition by the holder of a casino license, if the**
8 **commission finds the issuance of a casino key employee license will be**
9 **delayed by necessary investigations and the said temporary casino key**
10 **employee license is necessary for the operation of the casino】.**

11 Unless otherwise terminated pursuant to this act, any temporary casino
12 key employee license issued pursuant to this subsection shall expire nine
13 months from the date of its issuance.

14 (cf: P.L.2009, c.36, s.10)

15

16 57. Section 91 of P.L.1977, c.110 (C.5:12-91) is amended to read as
17 follows:

18 91. Registration of Casino **【Service】** Employees. a. No person may
19 commence employment as a casino **【service】** employee unless **【the person**
20 **has been registered with the commission, which registration shall be in**
21 **accordance with subsection f. of this section】** such person has a valid
22 registration on file with the division, which registration shall be prepared
23 and filed in accordance with the regulations promulgated hereunder.

24 b. **【Any applicant for casino service】** A casino employee
25 **【registration】** registrant shall produce such information as the
26 **【commission】** division by regulation may require. Subsequent to the
27 registration of a casino **【service】** employee, the **【commission】** director
28 may revoke, suspend, limit, or otherwise restrict the registration upon a
29 finding that the registrant is disqualified on the basis of the criteria
30 contained in section 86 of P.L.1977, c.110 (C.5:12-86). If a casino
31 **【service】** employee registrant has not been employed in any position within
32 a casino hotel facility for a period of three years, the registration of that
33 casino **【service】** employee shall lapse.

34 c. **【The commission may, by regulation, require that all applicants for**
35 **casino service employee registration be residents of this State for a period**
36 **not to exceed three months immediately prior to such registration, but**
37 **application may be made prior to the expiration of the required period of**
38 **residency. The commission shall waive the required residency period for**
39 **an applicant upon a showing that the residency period would cause undue**
40 **hardship upon the casino licensee which intends to employ said applicant,**
41 **or upon a showing of other good cause.】** (Deleted by amendment, P.L. __,
42 c.)(pending before the Legislature as this bill)

43 d. Notwithstanding the provisions of subsection b. of this section, no
44 casino **【service】** employee registration shall be revoked on the basis of a
45 conviction of any of the offenses enumerated in this act as disqualification
46 criteria or the commission of any act or acts which would constitute any
47 offense under subsection c. of section 86 of P.L.1977, c.110 (C.5:12-86), as

1 specified in subsection g. of that section, provided that the registrant has
2 affirmatively demonstrated the registrant's rehabilitation. In determining
3 whether the registrant has affirmatively demonstrated the registrant's
4 rehabilitation the **commission** director shall consider the following
5 factors:

- 6 (1) The nature and duties of the registrant's position;
- 7 (2) The nature and seriousness of the offense or conduct;
- 8 (3) The circumstances under which the offense or conduct occurred;
- 9 (4) The date of the offense or conduct;
- 10 (5) The age of the registrant when the offense or conduct was
11 committed;
- 12 (6) Whether the offense or conduct was an isolated or repeated incident;
- 13 (7) Any social conditions which may have contributed to the offense or
14 conduct;
- 15 (8) Any evidence of rehabilitation, including good conduct in prison or
16 in the community, counseling or psychiatric treatment received, acquisition
17 of additional academic or vocational schooling, successful participation in
18 correctional work-release programs, or the recommendation of persons who
19 have or have had the registrant under their supervision.

20 e. **【The commission may waive any disqualification criterion for a**
21 **casino service employee consistent with the public policy of this act and**
22 **upon a finding that the interests of justice so require.】** (Deleted by
23 amendment, P.L. , c.) (pending before the Legislature as this bill)

24 f. **【Upon petition by the holder of a casino license, casino service**
25 **employee registration shall be granted to each applicant for such**
26 **registration named therein, provided that the petition certifies that each**
27 **such applicant has filed a completed application for casino service**
28 **employee registration as required by the commission.**

29 All casino hotel employee registrations shall expire 120 days after the
30 effective date of this amendatory and supplementary act, P.L.2002, c.65.
31 Any holder of a casino hotel employee registration may until that date
32 convert that registration to a casino service employee registration without
33 fee.】 (Deleted by amendment, P.L. , c.)(pending before the Legislature
34 as this bill)

35 g. For the purposes of this section, each **applicant** registrant shall
36 submit to the division the **applicant's** registrant's name, address,
37 fingerprints and written consent for a criminal history record background
38 check to be performed. The division is hereby authorized to exchange
39 fingerprint data with and receive criminal history record information from
40 the State Bureau of Identification in the Division of State Police and the
41 Federal Bureau of Investigation consistent with applicable State and federal
42 laws, rules and regulations. The **applicant** registrant shall bear the cost
43 for the criminal history record background check, including all costs of
44 administering and processing the check. The Division of State Police shall
45 promptly notify the division in the event a current or prospective licensee,
46 who was the subject of a criminal history record background check

1 pursuant to this section, is arrested for a crime or offense in this State after
2 the date the background check was performed.

3 (cf: P.L.2009, c.36, s.12)

4

5 58. (New section) Upon the joint petition of two or more affiliated
6 casino licensees, a registered casino employee or licensed casino key
7 employee who is employed by any affiliated casino licensee may be
8 endorsed by the commission or division, as applicable, as a multi-casino
9 employee of each of the petitioners; provided, however, that no such multi-
10 casino employee shall be permitted to engage in any incompatible
11 functions, as determined by the division.

12

13 59. Section 92 of P.L.1977, c.110 (C.5:12-92) is amended to read as
14 follows:

15 92. Licensing of casino service industry enterprises. a. (1) Any business
16 to be conducted with a casino applicant or licensee by a vendor offering
17 goods or services which directly relate to casino or gaming activity,
18 including gaming equipment and simulcast wagering equipment
19 manufacturers, suppliers, repairers **[and]** independent testing laboratories,
20 **[shall be considered regular or continuing and] junket enterprises and**
21 **junket representatives, and any person employed by a junket enterprise or**
22 **junket representative in a managerial or supervisory position,** shall require
23 **[that the vendor be licensed] licensure** as a casino service industry
24 enterprise in accordance with the provisions of this act prior to conducting
25 any business whatsoever with a casino applicant or licensee, its employees
26 or agents; provided, however, that upon a showing of good cause by a
27 casino applicant or licensee for each business transaction, the
28 **[commission] director** may permit an applicant for a casino service
29 industry enterprise license to conduct business transactions with such
30 casino applicant or licensee prior to the licensure of that casino service
31 industry enterprise applicant under this subsection.

32 (2) In addition to the requirements of paragraph (1) of this subsection,
33 any casino service industry enterprise intending to manufacture, sell,
34 distribute, test or repair slot machines within New Jersey, other than
35 antique slot machines as defined in N.J.S.2C:37-7, shall be licensed in
36 accordance with the provisions of this act prior to engaging in any such
37 activities; provided, however, that upon a showing of good cause by a
38 casino applicant or licensee for each business transaction, the
39 **[commission] director** may permit an applicant for a casino service
40 industry enterprise license to conduct business transactions with the casino
41 applicant or licensee prior to the licensure of that casino service industry
42 enterprise applicant under this subsection; and provided further, however,
43 that upon a showing of good cause by an applicant required to be licensed
44 as a casino service industry enterprise pursuant to this paragraph, the
45 **[commission] director** may permit the casino service industry enterprise
46 applicant to initiate the manufacture of slot machines or engage in the sale,
47 distribution, testing or repair of slot machines with any person other than a

1 casino applicant or licensee, its employees or agents, prior to the licensure
2 of that casino service industry enterprise applicant under this subsection.

3 b. Each casino service industry enterprise **[included in subsection a. of**
4 **this section]**, as well as its owners; management and supervisory personnel;
5 and **[principal]** employees if such **[principal]** employees have
6 responsibility for services to a casino applicant or licensee, must qualify
7 under the standards, except residency, established for qualification of a
8 casino key employee under this act.

9 c. (1) Any vendor that offers goods or services to a casino applicant or
10 licensee that **[are]** is not included in subsection a. of this section including,
11 **[without limitation, construction companies, vending machine providers,**
12 **linen suppliers, junket enterprises, garbage handlers, maintenance**
13 **companies, limousine services, food purveyors and suppliers of alcoholic**
14 **beverages]** but not limited to casino site contractors and subcontractors,
15 shopkeepers located within the approved hotels, and gaming schools that
16 possess slot machines for the purpose of instruction, and any non-
17 supervisory employee of a junket enterprise licensed under subsection a. of
18 this section, shall be required to **[apply for a casino service industry**
19 **enterprise license when, based upon the dollar amount of business being**
20 **conducted with casino applicants or licensees or other factors established**
21 **by the rules of the commission, licensure is deemed necessary to protect the**
22 **public interest and the policies of]** register with the division in accordance
23 with the regulations promulgated under this act, P.L.1977, c.110 (C.5:12-1
24 et seq.).

25 **[The rules of the commission shall require that each casino service**
26 **industry enterprise required to be licensed pursuant to this subsection, as**
27 **well as such of its owners, management, supervisory personnel, and**
28 **principal employees with responsibility for services to a casino applicant or**
29 **licensee as the commission may direct, shall establish by clear and**
30 **convincing evidence their good character, honesty and integrity.]**

31 (2) Notwithstanding the provisions of paragraph (1) of this subsection,
32 the **[commission]** director may, consistent with the public interest and the
33 policies of this act, direct **[by regulation]** that vendors engaging in certain
34 types of business with a casino applicant or licensee not included in
35 subsection a. of this section be required to apply for a casino service
36 industry enterprise license pursuant to this subsection **[regardless of the**
37 **dollar amount of that business]**, including, without limitation, non-casino
38 applicants or licensees required to hold a Casino Hotel Alcoholic Beverage
39 license pursuant to section 103 of P.L.1977, c.110 (C.5:12-103); in-State
40 and out-of-State sending tracks as defined in section 2 of the "Casino
41 Simulcasting Act," P.L.1992, c.19 (C.5:12-192); shopkeepers located
42 within the approved hotels; and gaming schools that possess slot machines
43 for the purpose of instruction.

44 (3) **[The commission may exempt any person or field of commerce**
45 **from the licensing requirements of this subsection if the person or field of**
46 **commerce demonstrates (i) that it is regulated by a public agency that**

1 determines whether a person subject to its jurisdiction possesses good
2 character, honesty and integrity; or (ii) that it is a publicly traded
3 corporation or a wholly owned subsidiary, either directly or indirectly, of a
4 publicly traded corporation, and that the amount of revenue received by the
5 person from all casino applicants and licensees within the 12-month period
6 in which the greatest amount of casino business was conducted by the
7 person seeking exemption is less than one-tenth of one percent of all
8 revenues received by the person and its holding and intermediary
9 companies during the same 12-month period, and that licensing is not
10 deemed necessary in order to protect the public interest or to accomplish
11 the policies established by this act. The commission shall periodically
12 review this threshold to determine whether it should be adjusted for
13 inflation or any other relevant factor consistent with the policies of
14 P.L.1977, c.110 (C.5:12-1 et seq.).

15 Upon granting an exemption or at any time thereafter, the commission
16 may limit or place such restrictions thereupon as it may deem necessary in
17 the public interest, and shall require the exempted person to cooperate with
18 the commission and the division and, upon request, to provide information
19 in the same manner as required of a casino service industry enterprise
20 licensed pursuant to this subsection; provided, however, that no exemption
21 be granted unless the casino service industry enterprise complies with the
22 requirements of sections 134 and 135 of this act.](Deleted by amendment,
23 P.L. , c.)(pending before the Legislature as this bill)

24 d.](Licensure pursuant to subsection c. of this section of any casino
25 service industry enterprise may be denied to any applicant or qualifier
26 thereof] Any applicant, licensee or qualifier of a casino service industry
27 enterprise license under subsection a. or b. of this section, and any vendor
28 registrant under subsection c. of this section shall be disqualified in
29 accordance with the criteria contained in section 86 of this act, except that
30](licensure or qualification shall not be denied if such disqualified applicant
31 or qualifier] no such vendor registration under subsection c. of this section
32 shall be denied or revoked if such vendor registrant can affirmatively
33 demonstrate rehabilitation as provided in subsection [h] d. of section [90]
34 91 of P.L.1977, c.110 [(C.5:12-90)] (C.5:12-91).

35 e. No casino service industry enterprise license shall be issued
36 pursuant to subsection a.](or subsection c.) of this section to any person
37 unless that person shall provide proof of valid business registration with the
38 Division of Revenue in the Department of the Treasury.

39 f.](A casino service industry enterprise licensed pursuant to subsection
40 a. or subsection c. of this section shall require proof, from a subcontractor
41 to a casino service industry enterprise contract with a casino applicant or
42 casino licensee, of valid business registration with the Division of Revenue;
43 verification information shall be forwarded by the casino service industry
44 enterprise to the Division of Taxation in the Department of the Treasury.
45 No subcontract to a casino service industry enterprise contract with a casino
46 applicant or casino licensee shall be entered into by any casino service
47 industry enterprise contractor unless the subcontractor first provides proof

1 of valid business registration.】 (Deleted by amendment, P.L. _____, c. _____)
2 (pending before the Legislature as this bill)

3 g. For the purposes of this section, each applicant shall submit to the
4 division the name, address, fingerprints and a written consent for a criminal
5 history record background check to be performed, for each person required
6 to qualify as part of the application. The division is hereby authorized to
7 exchange fingerprint data with and receive criminal history record
8 information from the State Bureau of Identification in the Division of State
9 Police and the Federal Bureau of Investigation consistent with applicable
10 State and federal laws, rules and regulations. The applicant shall bear the
11 cost for the criminal history record background check, including all costs of
12 administering and processing the check. The Division of State Police shall
13 promptly notify the division in the event a current or prospective qualifier,
14 who was the subject of a criminal history record background check
15 pursuant to this section, is arrested for a crime or offense in this State after
16 the date the background check was performed.
17 (cf: P.L.2009, c.36, s.13)

18

19 60. Section 93 of P.L.1977, c.110 (C.5:12-93) is amended to read as
20 follows:

21 93. Registration of Labor Organizations. a. Each labor organization,
22 union or affiliate seeking to represent employees who are employed in a
23 casino hotel, casino or casino simulcasting facility by a casino licensee
24 shall register with the **【commission】** division biennially, and shall disclose
25 such information to the **【commission】** division as the **【commission】**
26 division may require, including the names of all affiliated organizations,
27 pension and welfare systems and all officers and agents of such
28 organizations and systems; provided, however, that no labor organization,
29 union, or affiliate shall be required to furnish such information to the extent
30 such information is included in a report filed by any labor organization,
31 union, or affiliate with the Secretary of Labor pursuant to 29 U.S.C.s.431 et
32 seq. or s. 1001 et seq. if a copy of such report, or of the portion thereof
33 containing such information, is furnished to the **【commission】** division
34 pursuant to the aforesaid federal provisions. The **【commission】** division
35 may in its discretion exempt any labor organization, union, or affiliate from
36 the registration requirements of this subsection where the **【commission】**
37 division finds that such organization, union or affiliate is not the certified
38 bargaining representative of any employee who is employed in a casino
39 hotel, casino or casino simulcasting facility by a casino licensee, is not
40 involved actively, directly or substantially in the control or direction of the
41 representation of any such employee, and is not seeking to do so.

42 b. No person may act as an officer, agent or principal employee of a
43 labor organization, union or affiliate registered or required to be registered
44 pursuant to this section if the person has been found disqualified by the
45 **【commission】** division in accordance with the criteria contained in section
46 86 of that act. The **【commission】** division may, for purposes of this

1 subsection, waive any disqualification criterion consistent with the public
2 policy of this act and upon a finding that the interests of justice so require.

3 c. Neither a labor organization, union or affiliate nor its officers and
4 agents not otherwise individually licensed or registered under this act and
5 employed by a casino licensee may hold any financial interest whatsoever
6 in the casino hotel, casino, casino simulcasting facility or casino licensee
7 whose employees they represent.

8 d. Any person, including any labor organization, union or affiliate,
9 who shall violate, aid and abet the violation, or conspire or attempt to
10 violate this section is guilty of a crime of the fourth degree.

11 e. The [commission or the] division may maintain a civil action and
12 proceed in a summary manner, without posting bond, against any person,
13 including any labor organization, union or affiliate, to compel compliance
14 with this section, or to prevent any violations, the aiding and abetting
15 thereof, or any attempt or conspiracy to violate this section.

16 f. In addition to any other remedies provided in this section, a labor
17 organization, union or affiliate registered or required to be registered
18 pursuant to this section may be prohibited by the [commission] division
19 from receiving any dues from any employee licensed or registered under
20 that act and employed by a casino licensee or its agent, if any officer, agent
21 or principal employee of the labor organization, union or affiliate has been
22 found disqualified and if such disqualification has not been waived by the
23 [commission] division in accordance with subsection b. of this section.
24 The [commission or the] division may proceed in the manner provided by
25 subsection e. of this section to enforce an order of the [commission]
26 director prohibiting the receipt of dues.

27 g. Nothing contained in this section shall limit the power of the
28 [commission] division to proceed in accordance with subsection c. of
29 section 107 of P.L.1977, c.110 (C.5:12-107).

30 (cf: P.L.2002, c.65, s.18)

31

32 61. Section 94 of P.L.1977, c.110 (C.5:12-94) is amended to read as
33 follows:

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

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

45 c. The commission shall have the authority to deny any application
46 pursuant to the provisions of this act. When an application for a casino key
47 employee license is denied, the commission shall prepare and file its order

1 denying such application with the general reasons therefor, and if requested
2 by the applicant, shall further prepare and file a statement of the reasons for
3 the denial, including the specific findings of fact.

4 d. When the commission grants an application, the commission may
5 limit or place such restrictions thereupon as it may deem necessary in the
6 public interest.

7 e. Casino **[service]** employee registration and vendor registration shall
8 **[,]** be effective upon issuance, and shall remain in effect unless revoked,
9 suspended, limited, or otherwise restricted by the **[commission]** division.
10 Notwithstanding the foregoing, if a casino **[service]** employee registrant
11 has not been employed in any position within a casino hotel facility or a
12 vendor registrant has not conducted business with a casino hotel facility for
13 a period of three years, the registration of that casino **[service]** employee
14 or vendor registrant shall lapse. **[Licenses may be granted and renewed as**
15 **follows:**

16 (1) All casino employee licenses, casino service industry enterprise
17 licenses issued pursuant to subsection c. of section 92 of P.L.1977, c.110
18 (C.5:12-92), and junket representative and junket enterprise licenses issued
19 pursuant to section 102 of P.L.1977, c.110 (C.5:12-102) shall be issued for
20 an initial term of four years, and may be renewed for subsequent terms of
21 five years each; and

22 (2) All casino key employee licenses and casino service industry
23 enterprise licenses required pursuant to subsection a. of section 92 of
24 P.L.1977, c.110 (C.5:12-92) shall be issued for an initial term of three
25 years, and may be renewed for subsequent terms of five years each. **]**

26 f. Notwithstanding the foregoing, the commission shall reconsider the
27 granting of any casino key employee license **[or the approval of any**
28 **registration]** at any time at the request of the division. Notwithstanding the
29 foregoing, the division may reconsider the granting of any license or may
30 revoke any registration at any time.

31 **[e.]** g. After an application for a casino key employee license is
32 submitted to the commission, final action of the commission shall be taken
33 within 90 days after completion of all hearings and investigations and the
34 receipt of all information required by the commission.

35 **[f.** A complete application for the renewal of a casino employee or
36 casino key employee license shall be filed with the commission no later
37 than the last day of the fifth month prior to the month in which the current
38 license term expires. **]**

39 h. (1) Not later than five years after obtaining a casino key employee
40 license pursuant to section 89 of P.L.1977, c.110 (C.5:12-89) or a casino
41 service industry enterprise license issued pursuant to subsection a. of
42 section 92 of P.L.1977, c.110 (C.5:12-92), and every five years thereafter,
43 the licensee shall submit such information and documentation as the
44 commission or division, as applicable, may by regulation require, to
45 demonstrate to the satisfaction of the commission or director, as applicable,
46 that it continues to meet the requirements, respectively, of section 89 or
47 subsection a. of section 92 of P.L.1977, c.110 (C.5:12-89 and C.5:12-92).

1 Upon receipt of such information, the commission or division, as
2 applicable, may take such action on the license, including suspension or
3 revocation, as it deems appropriate.

4 (2) Registrations for casino employees issued pursuant to section 91 of
5 P.L.1977, c.110 (C.5:12-91), and vendor registration issued pursuant to
6 subsection c. of section 92 of P.L.1977, c.110 (C.5:12-92), shall remain
7 valid unless suspended or revoked or unless such registration expires or is
8 voided pursuant to law.

9 i. (1) The division shall establish by regulation appropriate fees to be
10 paid upon the filing of the informational filings required by paragraph (1)
11 of subsection h. of this section. Such fees shall be deposited into the
12 Casino Control Fund established by section 143 of P.L.1977, c.110 (C.5:12-
13 143).

14 (2) The division shall establish by regulation appropriate fees to be
15 imposed on each casino licensee and the method for the collection of such
16 fees for each casino registrant employed by an operating casino and for
17 each vendor registrant which provides goods or services to a casino,
18 regardless of the nature of any contractual relationship between the vendor
19 registrant and casino, if any. Such fees shall be deposited into the Casino
20 Control Fund established by section 143 of P.L.1977, c.110 (C.5:12-143).
21 (cf: P.L.2009, c.36, s.14.)

22
23 62. Section 96 of P.L.1977,c.110 (C.5:12-96) is amended to read:

24 96. Operation Certificate. a. Notwithstanding the issuance of a license
25 therefor, no casino or simulcasting facility may be opened or remain open
26 to the public, and no gaming or simulcast wagering activity, except for test
27 purposes, may be conducted therein, unless and until a valid operation
28 certificate has been issued to the casino licensee by the **[commission]**
29 division. Such certificate shall be issued by the **[commission]** director
30 upon a **[finding]** determination that a casino and, if applicable, a
31 simulcasting facility each complies in all respects with the requirements of
32 this act and regulations promulgated hereunder, **[that the casino licensee**
33 **has implemented necessary management controls and security precautions**
34 **for the efficient operation of the casino and, if applicable, the simulcasting**
35 **facility, that casino and simulcasting facility personnel are licensed for the**
36 **performance of their respective responsibilities,]** and that the casino and
37 any applicable simulcasting facility are prepared in all respects to receive
38 and entertain the public. The director shall consult with the commission as
39 to form and content before the director makes a determination.

40 b. **[The operation certificate shall include an itemized list by category**
41 **and number of the authorized games permitted in the particular casino**
42 **establishment and any applicable simulcasting facility.]** (Deleted by
43 amendment, P.L. , c.)(pending before the Legislature as this bill)

44 c. **[A casino licensee shall, in accordance with regulations**
45 **promulgated by the commission, file any changes in the number of**
46 **authorized games to be played in its casino or simulcasting facility, and any**
47 **changes in the configuration of the casino or simulcasting facility, with the**

1 commission and the division, which shall review the changes for
2 compliance with the "Casino Control Act," P.L.1977, c.110 (C.5:12-1 et
3 seq.) or regulations promulgated thereunder.] (Deleted by amendment,
4 P.L. , c.)(pending before the Legislature as this bill)

5 d. An operation certificate shall remain in force and effect unless
6 **[altered in accordance with subsection c. of this section, or]** revoked,
7 suspended, limited, or otherwise altered by the **[commission]** division in
8 accordance with this act.

9 e. It shall be an express condition of continued operation under this act
10 that a casino licensee shall maintain either electronically or in hard copy at
11 the discretion of the casino licensee, copies of all books, records, and
12 documents pertaining to the licensee's operations, including casino
13 simulcasting, and approved hotel in a manner and location [within this
14 State] approved by the [commission] division, provided, however, that the
15 originals of such books, records and documents, whether in electronic or
16 hard copy form, may be maintained at the offices or electronic system of an
17 affiliate of the casino licensee, at the discretion of the casino licensee. All
18 such books, records and documents shall be immediately available for
19 inspection during all hours of operation in accordance with the rules of the
20 **[commission]** division and shall be maintained for such period of time as
21 the **[commission]** division shall require.

22 (cf: P.L.1995, c.18, s.34)

23

24 63. Section 97 of P.L.1977, c.110 (C.5:12-97) is amended to read as
25 follows:

26 97. Hours of Operation. a. Each casino licensed pursuant to this act
27 shall be permitted to operate 24 hours a day unless otherwise directed by
28 the **[commission]** division in accordance with its authority under P.L.1977,
29 c.110 (C.5:12-1 et seq.).

30 b. A casino licensee shall file with the **[commission]** division a
31 schedule of hours prior to the issuance of an initial operation certificate. If
32 the casino licensee proposes any change in scheduled hours, such change
33 may not be effected until such licensee files a notice of the new schedule of
34 hours with the **[commission]** division. Such filing must be made 30 days
35 prior to the effective date of the proposed change in hours.

36 c. Nothing herein shall be construed to limit a casino licensee in
37 opening its casino later than, or closing its casino earlier than, the times
38 stated in its schedule of operating hours; provided, however, that any such
39 alterations in its hours shall comply with the provisions of subsection a. of
40 this section and with regulations of the **[commission]** division pertaining to
41 such alterations.

42 d. For purposes of this section, the division shall consult with the
43 commission.

44 (cf: P.L.2002, c.65, s.20)

45

46 64. Section 98 of P.L.1977, c.110 (C.5:12-98) is amended to read as
47 follows.

1 98. a. Each casino licensee shall arrange the facilities of its casino and, if
2 appropriate, its simulcasting facility in such a manner as to promote
3 optimum security for the casino and simulcasting facility operations, and
4 shall comply in all respects with regulations of the **[commission]** division
5 pertaining thereto.

6 b. Each casino hotel shall include:

7 (1) A closed circuit television system according to specifications
8 approved by the **[commission]** division, with access on the licensed
9 premises to the system or its signal provided to the **[commission or]** the
10 division, in accordance with regulations pertaining thereto;

11 (2) One or more rooms or locations approved by the **[commission]**
12 division as casino space; and

13 (3) Design specifications that insure that visibility in a casino or in the
14 simulcasting facility is not obstructed in any way that might interfere with
15 the ability of the **[commission or]** the division to supervise casino or
16 simulcasting facility operations.

17 (cf: P.L.1996, c.84, s.5)

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

21 99. Internal Controls. a Each applicant for a casino license shall
22 **[submit to the commission]** create, maintain, and file with the division a
23 description of its **[initial system of]** internal procedures and administrative
24 and accounting controls for gaming and simulcast wagering operations
25 **[accompanied by a certification by its Chief Legal Officer or equivalent**
26 **that the submitted procedures]** that conform to the requirements of
27 P.L.1977, c.110 (C.5:12-1 et seq.), and the regulations promulgated
28 thereunder, and **[a certification by its Chief Financial Officer or equivalent**
29 **that the submitted procedures]** provide adequate and effective controls,
30 establish a consistent overall system of internal procedures and
31 administrative and accounting controls and conform to generally accepted
32 accounting principles, **[except an additional standard may be required by**
33 **the commission for gross revenue tax purposes.** Each applicant shall make
34 its initial submission at least 30 business days before such operations are to
35 commence unless otherwise directed by the commission. Except as
36 otherwise provided in subsection b. of this section, a casino licensee, upon
37 submission to the commission of a narrative description of a change in its
38 system of internal procedures and controls and the two certifications
39 described above, may, following the 15th business day after submission,
40 **implement the change]** and ensure that casino procedures are carried out
41 and supervised by personnel who do not have incompatible functions.
42 **[Each initial internal control submission]** A casino licensee's internal
43 controls shall contain a narrative description of the internal control system
44 to be utilized by the casino, including, but not limited to:

45 (1) Accounting controls, including the standardization of forms and
46 definition of terms to be utilized in the gaming and simulcast wagering
47 operations;

- 1 (2) Procedures, forms, and, where appropriate, formulas covering the
2 calculation of hold percentages; revenue drop; expense and overhead
3 schedules; complimentary services, except as provided in paragraph (3) of
4 subsection m. of section 102 of P.L.1977, c.110 (C.5:12-102); junkets; and
5 cash equivalent transactions;
- 6 (3) **【**Job descriptions and the system of personnel and chain-of-
7 command, establishing a diversity of responsibility among employees
8 engaged in casino or simulcasting facility operations and identifying
9 primary and secondary supervisory positions for areas of responsibility,
10 which areas shall not be so extensive as to be impractical for an individual
11 to monitor; salary structure; and personnel practices;**】** (Deleted by
12 amendment, P.L. , c.) (pending before the Legislature as this bill)
- 13 (4) Procedures within the cashier's cage and simulcast facility for the
14 receipt, storage and disbursal of chips, cash, and other cash equivalents
15 used in gaming and simulcast wagering; the cashing of checks; the
16 redemption of chips and other cash equivalents used in gaming and
17 simulcast wagering; the pay-off of jackpots and simulcast wagers; and the
18 recording of transactions pertaining to gaming and simulcast wagering
19 operations;
- 20 (5) Procedures for the collection and security of moneys at the gaming
21 tables and in the simulcasting facility;
- 22 (6) Procedures for the transfer and recordation of chips between the
23 gaming tables and the cashier's cage and the transfer and recordation of
24 moneys within the simulcasting facility;
- 25 (7) Procedures for the transfer of moneys from the gaming tables to the
26 counting process and the transfer of moneys within the simulcasting facility
27 for the counting process;
- 28 (8) Procedures and security for the counting and recordation of revenue;
- 29 (9) Procedures for the security, storage and recordation of cash, chips
30 and other cash equivalents utilized in the gaming and simulcast wagering
31 operations;
- 32 (10) Procedures for the transfer of moneys or chips from and to the slot
33 machines;
- 34 (11) Procedures and standards for the opening and security of slot
35 machines;
- 36 (12) Procedures for the payment and recordation of slot machine
37 jackpots;
- 38 (13) Procedures for the cashing and recordation of checks exchanged by
39 casino and simulcasting facility patrons;
- 40 (14) Procedures governing the utilization of the private security force
41 within the casino and simulcasting facility;
- 42 (15) Procedures and security standards for the handling and storage of
43 gaming apparatus including cards, dice, machines, wheels and all other
44 gaming equipment;
- 45 (16) Procedures and rules governing the conduct of particular games and
46 simulcast wagering and the responsibility of casino personnel in respect
47 thereto;

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

8 (18) Procedures for the orderly shutdown of casino operations in the
9 event that a state of emergency **【that】** is declared **【due to the failure to**
10 **enact a general appropriation law by the deadline prescribed by Article**
11 **VIII, Section II, paragraph 2 of the New Jersey Constitution extends for**
12 **more than seven days, as provided in section 4 of P.L.2008, c.23 (C.5:12-**
13 **211), or the casino licensee is not eligible to】** and the casino licensee is
14 unable or ineligible to continue to conduct casino operations during such a
15 state of emergency in accordance with section 5 of P.L.2008, c.23 (C.5:12-
16 212), which procedures shall include, without limitation, the securing of all
17 keys and gaming assets.

18 b. **【The commission shall review a submission made pursuant to**
19 **subsection a. to determine whether it conforms to the requirements of this**
20 **act and to the regulations promulgated thereunder and provides adequate**
21 **and effective controls for the operations of the particular casino hotel**
22 **submitting it. If during its review, the commission preliminarily**
23 **determines that a procedure in the submission contains a substantial and**
24 **material insufficiency likely to have a direct and materially adverse impact**
25 **on the integrity of gaming or simulcast wagering operations or the control**
26 **of gross revenue, the chairman, by written notice to the casino licensee,**
27 **shall: (1) specify the precise nature of the insufficiency and, when**
28 **possible, an acceptable alternative procedure, (2) schedule a hearing before**
29 **the full commission no later than 15 business days after the date of such**
30 **written notice to plenary and finally determine whether the procedure in**
31 **question contains the described insufficiency, and (3) direct that the**
32 **internal controls in issue not yet implemented not be implemented until**
33 **approved by the commission. Upon receipt of the notice, the casino**
34 **licensee shall proceed to the scheduled hearing before the full commission**
35 **and may submit a revised procedure addressing the concerns specified in**
36 **the notice.】** (Deleted by amendment, P.L. , c.)(pending before the
37 Legislature as this bill)

38 c. **【Notwithstanding the provisions of subsections a. and b. hereof, the**
39 **commission shall, by regulation, permit changes to those internal controls**
40 **required by subsection a. hereof that cannot have a material impact upon**
41 **the integrity of gaming or simulcast wagering operations or the control and**
42 **reporting of gross revenue, including those internal controls described in**
43 **paragraph (3) of subsection a. hereof, to be implemented by a casino**
44 **licensee immediately upon the preparation and internal filing of such**
45 **internal controls.】** No minimum staffing requirements shall be included in
46 the internal controls created in accordance with subsection a. of this
47 section.

1 d. [Each casino licensee and applicant shall submit a narrative
2 description of its system of internal procedures and administrative and
3 accounting controls for the recording and reporting of all business
4 transactions and agreements governed by sections 92 and 104 of P.L.1977,
5 c.110 (C.5:12-92 and 5:12-104, as amended) no later than five business
6 days after those operations commence or after any change in those
7 procedures or controls takes effect.] (Deleted by amendment, P.L. , c.)
8 (pending before the Legislature as this bill)
9 (cf: P.L.2009, c.36, s.15)

10
11 66. Section 100 of P.L.1977, c.110 (C.5:12-100) is amended to read as
12 follows:

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

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

45 Notwithstanding any other provision of this section, computer equipment
46 used by the slot system operator of a multi-casino progressive slot system
47 to link and communicate with the slot machines of two or more casino

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

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

16 c. Each casino hotel shall contain a count room and such other secure
17 facilities as may be required by the [commission] division for the counting
18 and storage of cash, coins, tokens, checks, plaques, gaming vouchers,
19 coupons, and other devices or items of value used in wagering and
20 approved by the [commission] division that are received in the conduct of
21 gaming and for the inspection, counting and storage of dice, cards, chips
22 and other representatives of value. All drop boxes and other devices in
23 which the foregoing items are deposited at the gaming tables or in slot
24 machines, and all areas wherein such boxes and devices are kept while in
25 use, shall be equipped with two locking devices, one key to which shall be
26 under the exclusive control of the [commission] division and the other
27 under the exclusive control of the casino licensee, and said drop boxes and
28 other devices shall not be brought into or removed from a casino room or
29 simulcasting facility, or locked or unlocked, except at such times, in such
30 places, and according to such procedures as the [commission] division
31 may require. In the event that a state of emergency is declared due to the
32 failure to enact a general appropriation law by the deadline prescribed by
33 Article VIII, Section II, paragraph 2 of the New Jersey Constitution, the
34 [commission] division, in accordance with section 4 of P.L.2008, c.23
35 (C.5:12-211), may, at its discretion, and as may be necessary to ensure the
36 continuity of casino operations and the collection and counting of gross
37 revenue, give temporary custody of its key to a certified public accountant
38 approved by the [commission] division, who shall act in the capacity of
39 the [commission] division with respect to the use, control and security of
40 the key in accordance with the licensee's internal controls [approved by the
41 commission] in accordance with section 5 of P.L.2008, c.23 (C.5:12-212).

42 d. All chips used in gaming shall be of such size and uniform color by
43 denomination as the [commission] division shall require by regulation.

44 e. All gaming shall be conducted according to rules promulgated by
45 the [commission] division. All wagers and pay-offs of winning wagers
46 shall be made according to rules promulgated by the [commission]

1 division, which shall establish such limitations as may be necessary to
2 assure the vitality of casino operations and fair odds to patrons. Each slot
3 machine shall have a minimum payout of 83%.

4 f. Each casino licensee shall make available in printed form to any
5 patron upon request the complete text of the rules of the **[commission]**
6 division regarding games and the conduct of gaming, pay-offs of winning
7 wagers, an approximation of the odds of winning for each wager, and such
8 other advice to the player as the commission shall require. Each casino
9 licensee shall prominently post within a casino room and simulcasting
10 facility, as appropriate, according to regulations of the **[commission]**
11 division such information about gaming rules, pay-offs of winning wagers,
12 the odds of winning for each wager, and such other advice to the player as
13 the **[commission]** division shall require.

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

20 h. (1) Except as herein provided, no slot machine shall be used to
21 conduct gaming unless it is identical in all electrical, mechanical and other
22 aspects to a model thereof which has been specifically tested and licensed
23 for use by the division **[and licensed for use by the commission. At the**
24 **request of the commission, the]**. The division shall also test any other
25 gaming device, gaming equipment, gaming-related device or gross-revenue
26 related device, such as a slot management system, electronic transfer credit
27 system or gaming voucher system as it deems appropriate. In its discretion
28 and for the purpose of expediting the approval process, the division may
29 utilize the services of a private testing laboratory that has obtained a
30 plenary license as a casino service industry enterprise pursuant to
31 subsection a. of section 92 of P.L.1977, c.110 (C.5:12-92) to perform the
32 testing, and may also utilize applicable data from any such private testing
33 laboratory or from a governmental agency of a state other than New Jersey
34 authorized to regulate slot machines and other gaming devices, gaming
35 equipment, gaming-related devices and gross-revenue related devices used
36 in casino gaming, if the private testing laboratory or governmental agency
37 uses a testing methodology substantially similar to the methodology
38 utilized by the division. **[Notwithstanding the provisions of this paragraph,**
39 **the]** The division **[shall in all instances use]**, in its discretion, may rely
40 upon the data provided by the private testing laboratory or governmental
41 agency **[to conduct its own independent evaluation, and shall form its own**
42 **independent conclusions]** and adopt the conclusions of such private testing
43 laboratory or governmental agency regarding any submitted device.

44 (2) **[The]** Except as otherwise provided in paragraph (5) of subsection
45 h. of this section, the division shall, within 60 days of its receipt of a
46 complete application for the testing of a slot machine or other gaming
47 equipment model, **[recommend the approval]** approve or **[rejection of]**

1 reject the slot machine or other gaming equipment model [to the
2 commission]. In [its report to the commission regarding its
3 recommendation] so doing, the division shall specify whether and to what
4 extent any data from a private testing laboratory or governmental agency of
5 a state other than New Jersey was used in reaching its conclusions and
6 recommendation. If the division is unable to complete the testing of a slot
7 machine or other gaming equipment model within this 60-day period, the
8 division may [recommend that the commission] conditionally approve the
9 slot machine or other gaming equipment model for test use by a casino
10 licensee provided that the division represents that the use of the slot
11 machine or other gaming equipment model will not have a direct and
12 materially adverse impact on the integrity of gaming or the control of gross
13 revenue. The division shall give priority to the testing of slot machines or
14 other gaming equipment which a casino licensee has certified it will use in
15 its casino in this State.

16 (3) The [commission] division shall, by regulation, establish such
17 technical standards for licensure of slot machines, including mechanical
18 and electrical reliability, security against tampering, the comprehensibility
19 of wagering, and noise and light levels, as it may deem necessary to protect
20 the player from fraud or deception and to insure the integrity of gaming.
21 The denominations of such machines shall be set by the licensee; the
22 licensee shall simultaneously notify the [commission] division of the
23 settings.

24 (4) The [commission] division shall, by regulation, determine the
25 permissible number and density of slot machines in a licensed casino so as
26 to:

- 27 (a) promote optimum security for casino operations;
28 (b) avoid deception or frequent distraction to players at gaming tables;
29 (c) promote the comfort of patrons;
30 (d) create and maintain a gracious playing environment in the casino;
31 and
32 (e) encourage and preserve competition in casino operations by assuring
33 that a variety of gaming opportunities is offered to the public.

34 Any such regulation promulgated by the [commission] division which
35 determines the permissible number and density of slot machines in a
36 licensed casino shall provide that all casino floor space and all space within
37 a casino licensee's casino simulcasting facility shall be included in any
38 calculation of the permissible number and density of slot machines in a
39 licensed casino.

40 (5) Any new gaming equipment or simulcast wagering equipment that is
41 submitted for testing to the division or to an independent testing laboratory
42 licensed pursuant to subsection a. of section 92 of P.L.1977, c.110 (C.5:12-
43 92) prior to or simultaneously with submission of such new equipment for
44 testing in a jurisdiction other than New Jersey, may, consistent with
45 regulations promulgated by the division, be deployed by a casino licensee
46 on the casino floor 14 days after submission of such equipment for testing.
47 If the casino or casino service industry enterprise licensee has not received

1 approval for the equipment 14 days after submission for testing, any
2 interested casino licensee may, consistent with division regulations, deploy
3 the equipment on a field test basis, unless otherwise directed by the
4 director.

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

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

7 k. It shall be unlawful for any person to exchange or redeem chips for
8 anything whatsoever, except for currency, negotiable personal checks,
9 negotiable counter checks, other chips, coupons, slot vouchers or
10 complimentary vouchers distributed by the casino licensee, or, if authorized
11 by regulation of the **[commission]** division, a valid charge to a credit or
12 debit card account. A casino licensee shall, upon the request of any person,
13 redeem that licensee's gaming chips surrendered by that person in any
14 amount over \$100 with a check drawn upon the licensee's account at any
15 banking institution in this State and made payable to that person.

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

20 m. It shall be unlawful for a dealer in any authorized game in which
21 cards are dealt to deal cards by hand or other than from a device
22 specifically designed for that purpose, unless otherwise permitted by the
23 rules of the **[commission]** division.

24 n. (1) It shall be unlawful for any casino key employee, licensee or any
25 person who is required to hold a casino key employee license as a condition
26 of employment or qualification to wager in any casino or simulcasting
27 facility in this State, or any casino.

28 (2) It shall be unlawful for any other employee**[**, other than a junket
29 representative, bartender, waiter, waitress, or other casino employee**]** of a
30 casino licensee who, in the judgment of the **[commission]** division, is
31 **[not]** directly involved with the conduct of gaming operations, including
32 but not limited to dealers, floor persons, box persons, security and
33 surveillance employees, to wager in **[a]** any casino or simulcasting facility
34 in the casino hotel in which the employee is employed or in any other
35 casino or simulcasting facility in this State which is owned or operated by
36 the **[same casino]** an affiliated licensee. **[Any casino employee, other than**
37 **a junket representative, bartender, waiter, waitress, or other casino**
38 **employee who, in the judgment of the commission, is not directly involved**
39 **with the conduct of gaming operations, must wait at least 30 days**
40 **following]**

41 (3) The prohibition against wagering set forth in paragraphs (1) and (2)
42 of this subsection shall continue for a period of 30 days commencing upon
43 the date that the employee either leaves employment with a casino licensee
44 or is terminated from employment with a casino licensee **[before the**
45 **employee may gamble in a casino or simulcasting facility in the casino**
46 **hotel in which the employee was formerly employed or in any other casino**

1 or simulcasting facility in this State which is owned or operated by the
2 same casino licensee].

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

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

19 (3) Notwithstanding the provisions of paragraph (1) of this subsection, a
20 casino licensee may require that a percentage of the prize pool offered to
21 participants pursuant to an authorized poker tournament be withheld for
22 distribution to the tournament dealers as tips or gratuities [in accordance
23 with procedures approved by] as the [commission] division by regulation
24 may approve.

25 p. Any slot system operator that offers an annuity jackpot shall secure
26 the payment of such jackpot by establishing an annuity jackpot guarantee in
27 accordance with the requirements of P.L.1977, c.110 (C.5:12-1 et seq.), and
28 the rules of the [commission] division.

29 (cf: P.L.2009, c.36, s.16)

30

31 67. Section 4 of P.L.2005, c.46 (C.5:12-100.1) is amended to read as
32 follows:

33 4. a. The right of any annuity jackpot winner to receive annuity jackpot
34 payments from a slot system operator shall not be assignable, except as
35 permitted by this section. The provisions of this section shall prevail over
36 the provisions of the "Uniform Commercial Code Secured Transactions,"
37 N.J.S.12A:9-101 et seq., including N.J.S.12A:9-406, or any other law to the
38 contrary.

39 b. Notwithstanding any other provision of this section, annuity jackpot
40 payments may be paid to the estate of a deceased jackpot winner, in the
41 same manner as they were paid to the winner, upon receipt by the slot
42 system operator of a certified copy of an order appointing an executor or an
43 administrator.

44 c. A person may be assigned and paid the annuity jackpot payments to
45 which an annuity jackpot winner is entitled pursuant to a judicial order of
46 the New Jersey Superior Court or any other court having jurisdiction over
47 property located in this State provided that the order pertains to claims of

- 1 ownership in the annuity jackpot payments, division of marital property in
2 divorce actions, bankruptcy, child support, appointment of a guardian or
3 conservator, or distribution of an estate.
- 4 d. A person may be assigned and paid the annuity jackpot payments to
5 which an annuity jackpot winner is entitled pursuant to a judicial order of
6 the New Jersey Superior Court or any other court having jurisdiction over
7 property located in this State. The annuity jackpot winner and the proposed
8 assignee shall prepare a proposed form of order and submit such proposed
9 order to the court for its consideration. The proposed form of order shall
10 contain the following information:
- 11 (1) the full legal name, address, social security number or taxpayer
12 identification number and, if applicable, resident alien number of the
13 winner;
- 14 (2) the full legal name, address, social security number or taxpayer
15 identification number and, if applicable, resident alien number of the
16 assignee;
- 17 (3) the date on which and the casino where the annuity jackpot was
18 won;
- 19 (4) the slot machine game on which the annuity jackpot was won;
- 20 (5) the slot system operator primarily responsible for making the
21 annuity jackpot payments;
- 22 (6) the gross amount of the annuity jackpot won before application of
23 withholding taxes;
- 24 (7) the gross amount of each payment to be made to the winner by the
25 slot system operator before application of withholding taxes;
- 26 (8) the dates of the payments to be assigned and the amount of the
27 specific payments to be assigned on each date;
- 28 (9) the identity of the winner's spouse, domestic partner or partner in a
29 civil union, if any, and the interest of **【the spouse】** that person, if any, in
30 the annuity jackpot payments;
- 31 (10) the identity of any other co-owner, claimant or lienholder and the
32 amount of the interests, liens, security interests, prior assignments or offsets
33 asserted by each such party;
- 34 (11) that the interest rate or discount rate, as applicable, and all fees and
35 costs and other material terms relating to the assignment are expressly and
36 clearly included in all material documents and in all documents that include
37 any obligations of the annuity jackpot winner;
- 38 (12) that the interest rate or discount rate, as applicable, and any other
39 fees or charges associated with the assignment do not indicate overreaching
40 or exploitation, do not exceed current usury rates, and does not violate any
41 laws of usury of this State;
- 42 (13) that the winner has reviewed and understands the terms of the
43 assignment;
- 44 (14) that the winner understands that the winner will not receive the
45 annuity jackpot payments, or portions thereof, for the years assigned;
- 46 (15) that the winner has agreed to the assignment of the winner's own
47 free will without undue influence or duress;

1 (16) that the winner has retained and consulted with independent legal
2 counsel who has advised the winner of the winner's legal rights and
3 obligations;

4 (17) that the winner has retained and consulted with an independent tax
5 advisor concerning the tax consequences of the assignment;

6 (18) that the winner has disclosed all existing debts, liens and child
7 support obligations and does not seek assignment for purposes of evading
8 creditors, judgments or obligations for child support; and

9 (19) that the winner has certified that: the winner is not obligated to
10 repay any public assistance benefits; and the winner does not have a child
11 support obligation, or if the winner does have a child support obligation,
12 that no arrearage is due.

13 The annuity jackpot winner and the proposed assignee shall provide a
14 copy of the proposed form of order to the slot system operator at least 10
15 days before the court is scheduled to act on the proposed order to allow the
16 slot system operator the opportunity to ensure that the proposed order is
17 complete and correct in all respects prior to the court's approval.

18 e. Before a winner is legally bound, by agreement, contract or
19 otherwise, and prior to the issuance of an order pursuant to subsection d. of
20 this section, the assignee shall provide the winner with all material
21 documents which shall be binding on the assignor, including documents
22 evidencing obligations of the winner, and a written notice recommending
23 that the winner obtain independent counsel before signing any document
24 which shall be binding on the assignor. All documents shall include a
25 notice of the assignor's right to cancel the agreement which shall be located
26 in immediate proximity to all spaces reserved for the signature of the
27 winner in bold-faced type of at least 10 points and which shall provide as
28 follows:

29 "You have the right to cancel this assignment without any cost to you
30 until midnight three business days after the day on which you have signed
31 an agreement to assign all or a portion of your annuity jackpot.

32 Cancellation occurs when you give notice by regular first class mail,
33 postage prepaid, to the assignee at the address listed at the top of the first
34 page of this document that you wish to cancel the assignment. Notice is
35 deemed given when deposited in a mailbox."

36 f. The slot system operator shall, not later than 10 days after receiving
37 a true and correct copy of the filed judicial order, send the winner and the
38 assignee written confirmation of receipt of the court-ordered assignment
39 and of the slot system operator's intent to rely thereon in making future
40 payments to the assignee named in the order. The slot system operator
41 shall, thereafter, make all payments in accordance with the judicial order.
42 No change in the terms of any assignment shall be effective unless made
43 pursuant to a subsequent judicial order pursuant to this section.

44 g. The slot system operator may impose a reasonable fee on an
45 assignor to defray any direct or indirect administrative expenses associated
46 with an assignment.

- 1 h. The division, the commission and the State are not parties to
2 assignment proceedings, except that the State may intervene as necessary to
3 protect the State's interest in monies owed to the State.
- 4 i. The slot system operator and the State shall comply with, and rely
5 upon, a judicial order in distributing payments subject to that order.
- 6 j. A winner may pledge or grant a security interest in all or part of an
7 annuity jackpot as collateral for repayment of a loan pursuant to a judicial
8 order containing the information required by subsection d. of this section
9 which the court deems relevant to the pledge or grant.
- 10 k. Except where inconsistent with the provisions of this section, the
11 New Jersey consumer fraud act, P.L.1960, c.39 (C.56:8-1 et seq.), shall
12 apply to all transactions under this section.
- 13 l. The provisions of subsections d., e. and j. of this section shall be
14 invalid if:
- 15 (1) the United States Internal Revenue Service issues a technical rule
16 letter, revenue ruling, or other public ruling in which it is determined that
17 because of the right of assignment provided by subsection d. of this section,
18 annuity jackpot winners who do not exercise the right to assign annuity
19 jackpot payments would be subject to an immediate income tax liability for
20 the value of the entire annuity jackpot rather than annual income tax
21 liability for each installment when received; or
- 22 (2) a court of competent jurisdiction issues a published decision holding
23 that because of the right of assignment provided by subsection d. of this
24 section, annuity jackpot winners who do not exercise the right to assign
25 annuity jackpot payments would be subject to an immediate income tax
26 liability for the value of the entire annuity jackpot rather than annual
27 income tax liability for each installment when received.
- 28 m. Upon receipt, the **[commission]** division shall immediately file a
29 copy of a letter or ruling of the United States Internal Revenue Service or a
30 published decision of a court of competent jurisdiction, described in
31 subsection l. of this section, with the Secretary of State. No assignment
32 shall be approved pursuant to subsection d. of this section after the date of
33 such filing.
- 34 n. A voluntary assignment shall not include or cover payments, or
35 portions of payments, that are subject to the offset pursuant to section 5 of
36 this amendatory and supplementary act, P.L.2005, c.46 (C.5:12-100.2), or
37 any other law, unless appropriate provisions are made to satisfy the
38 obligations giving rise to the offset.
- 39 o. No assignee shall directly or indirectly recommend or facilitate the
40 hiring of any lawyer or accountant to assist the assignor in determining the
41 appropriateness of the proposed assignment. Further, the assignee shall not
42 offer, prior to the closing, tax or investment advice.
- 43 (cf: P.L.2005, c.46, s.4)
- 44
- 45 68. Section 5 of P.L.2005, c.46 (C.5:12-100.2) is amended to read as
46 follows:
- 47 5. a. Each slot system operator that awards an annuity jackpot shall
48 provide prompt notice to the **[commission]** division of the name, address

1 and social security number of each annuity jackpot winner and the amount
2 of the pending payments. The **[commission]** division shall forward such
3 information to the Office of Information Technology in but not of the
4 Department of the Treasury.

5 b. The Office of Information Technology shall cross check the annuity
6 jackpot winner list with the data supplied by the Commissioner of Human
7 Services pursuant to section 2 of P.L.1991, c.384 (C.5:9-13.2) for a social
8 security number match. If a match is made, the Office of Information
9 Technology shall notify the Commissioner of Human Services.

10 c. If an annuity jackpot winner is in arrears of a child support order, or
11 is a former recipient of Aid to Families with Dependent Children or Work
12 First New Jersey, food stamp benefits or low-income home energy
13 assistance benefits who has incurred an overpayment which has not been
14 repaid, the Probation Division of the Superior Court or the Department of
15 Human Services, as appropriate, shall promptly notify the slot system
16 operator of the name, address, social security number and amount due on an
17 arrears child support order or the amount due on an overpayment. The slot
18 system operator shall withhold this amount from the pending annuity
19 jackpot payment and transmit same to the Probation Division of the
20 Superior Court or the Department of Human Services, as appropriate, in
21 accordance with regulations promulgated by the State Treasurer.

22 d. The Probation Division of the Superior Court, acting as agent for the
23 child support payee or the county welfare agency that provided the public
24 assistance benefits, as appropriate, shall have a lien on the proceeds of the
25 annuity jackpot payment in an amount equal to the amount of child support
26 arrearage or the amount of overpayment incurred, as appropriate. The lien
27 imposed by this section shall be enforceable in the Superior Court. Any of
28 the annuity jackpot winner's funds remaining after withholding pursuant to
29 the lien established pursuant to this section shall be paid to the winner in
30 accordance with the rules of the **[commission]** division.

31 e. The Commissioner of Human Services shall promulgate such
32 regulations as may be necessary to effectuate the purposes of this section
33 including, but not limited to, regulations providing for prompt notice to any
34 annuity jackpot winner, from whose payments the Probation Division of the
35 Superior Court or the Department of Human Services seeks to withhold
36 funds, of the amount to be withheld and the reason therefor and providing
37 the annuity jackpot winner with the opportunity for a hearing upon request
38 prior to the disposition of any funds.

39 f. The State Treasurer shall also provide, by regulation, safeguards
40 against the disclosure or inappropriate use of any personally identifiable
41 information regarding any person obtained pursuant to this section.

42 g. For the purposes of this section, "prompt notice" shall mean notice
43 within 14 days or less.

44 (cf: P.L.2007, c.56, s.17)

45
46 69. Section 101 of P.L.1977, c.110 (C.5:12-101) is amended as follows:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

46 f. Notwithstanding the provisions of any law to the contrary, checks
47 cashed in conformity with the requirements of this act shall be valid
48 instruments, enforceable at law in the courts of this State. Any check

1 cashed, transferred, conveyed or given in violation of this act shall be
2 invalid and unenforceable for the purposes of collection but shall be
3 included in the calculation of gross revenue pursuant to section 24 of
4 P.L.1977, c.110 (C.5:12-24).

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

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

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

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

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

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

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

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

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

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

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

46 h. Notwithstanding the provisions of subsection b. and subsection c. of
47 this section to the contrary, a casino licensee may, at a location outside the
48 casino, accept a personal check or checks from a person for up to \$5,000 in

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

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

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

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

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

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

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

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

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

26 (i) The casino licensee maintains a record of each such transaction in
27 accordance with regulations established by the **[commission]** division.

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

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

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

43 (cf: P.L.2009, c.36, s.17)

44

45 70. Section 2 of P.L.1987, c.419 (C.5:12-101.2) is amended to read as
46 follows:

1 2. No casino licensee or any person licensed or registered under
2 P.L.1977, c.110 (C.5:12-1 et seq.), and no person acting on behalf of or
3 under any arrangement with a casino licensee or other person licensed or
4 registered under P.L.1977, c.110, shall, in a single transaction during a
5 gaming day, redeem for cash or credit any chips or markers in an amount of
6 \$10,000.00 or more or exchange chips for cash in an amount of \$10,000.00
7 or more, from any one person, unless the person seeking to redeem the
8 chips or markers presents proof of his identity and passport identification
9 number if he is not a United States citizen.

10 Multiple currency transactions shall be treated as a single transaction if
11 the casino licensee, person licensed or registered under P.L.1977, c.110 or
12 person acting on behalf of or under any arrangement with a casino licensee
13 or other person licensed or registered under P.L.1977, c.110 has knowledge
14 that the transactions are by or on behalf of one person and result in either
15 cash in or cash out **【totalling】** totaling more than \$10,000.00 during a
16 gaming day.

17 (cf: P.L.1987, c.419, s.2)

18

19 71. Section 3 of P.L.1987, c.419 (C.5:12-101.3) is amended to read as
20 follows:

21 3. Casino licensees, persons licensed or registered under P.L.1977,
22 c.110 (C.5:12-1 et seq.) and persons acting on behalf of or under any
23 arrangement with casino licensees or other persons licensed or registered
24 under P.L.1977, c.110, who accept cash or redeem chips or markers
25 **【totalling】** totaling \$10,000.00 or more in a gaming day for which
26 identification is required pursuant to sections 1 and 2 of this 1987
27 supplementary act, shall at least once every 30 days report the identities and
28 passport numbers of the persons offering the cash, chips or markers, to the
29 Division of Gaming Enforcement.

30 (cf: P.L.1987, c.419, s.3)

31

32 72. Section 102 of P.L.1977, c.110 (C.5:12-102) is amended to read as
33 follows:

34 102. Junkets and Complimentary Services.

35 a. No junkets may be organized or permitted except in accordance with
36 the provisions of this act. No person may act as a junket representative or
37 junket enterprise except in accordance with this section.

38 b. A junket enterprise or a junket representative employed by a casino
39 licensee, an applicant for a casino license or an affiliate of a casino licensee
40 shall be licensed as a casino key employee in accordance with the
41 provisions of P.L.1977, c.110 (C.5:12-1 et seq.); provided, however, that
42 said licensee need not be a resident of this State. **【Any person who holds a**
43 **current and valid casino employee license may act as a junket**
44 **representative while employed by a casino licensee or an affiliate.】** No
45 casino licensee or applicant for a casino license may employ or otherwise
46 engage a junket representative who is not so licensed.

1 c. Junket enterprises **【which】** that, and junket representatives not
2 employed by a casino licensee or an applicant for a casino license or by a
3 junket enterprise who, **【are engaged】** engage in activities governed by this
4 section shall be **【subject to the provisions of subsection c. of section 92 and**
5 **subsection b. of section 104 of P.L.1977, c.110 (C.5:12-92 and 5:12-104)**
6 **with regard to those activities, unless otherwise directed by the commission**
7 **pursuant to subsection k. of this section. Such of the owners, management**
8 **and supervisory personnel, and other principal employees of a junket**
9 **enterprise as the commission may consider appropriate for qualification**
10 **shall qualify under the standards, except for residency, established for**
11 **qualification of a casino key employee under P.L.1977, c.110 (C.5:12-1 et**
12 **seq.)】** licensed as a casino service industry enterprise in accordance with
13 subsection a. of section 92 of P.L.1977, c.110 (C.5:12-92), unless otherwise
14 directed by the division. Any non-supervisory employee of a junket
15 enterprise or junket representative licensed under this subsection shall be
16 registered in accordance with subsection c. of section 92 of P.L.1977, c.110
17 (C.5:12-92).

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

25 e. Upon petition by the holder of a casino license, an applicant for
26 junket representative or junket enterprise applying for licensure may be
27 issued a temporary license by the **【commission】** division in accordance
28 with regulations promulgated by the division, provided that:

- 29 (1) the applicant for licensure is employed by a casino licensee;
- 30 (2) the applicant for licensure has filed a completed application as
31 required by the commission;
- 32 (3) the division either certifies to the commission that the completed
33 application for licensure as specified in paragraph (2) of this subsection has
34 been in the possession of the division for at least 60 days or agrees to allow
35 the commission to consider the application in some lesser time; and
- 36 (4) the division does not object to the temporary licensure of the
37 applicant; provided, however, that failure of the division to object prior to
38 the temporary licensure of the applicant shall not be construed to reflect in
39 any manner upon the qualifications of the applicant for licensure.

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

1 Unless otherwise terminated pursuant to P.L.1977, c.110 (C.5:12-1 et
2 seq.), any temporary license issued pursuant to this subsection shall expire
3 12 months from the date of its issuance, and shall be renewable by the
4 commission, in the absence of an objection by the division, as specified in
5 paragraph (4) of this subsection, for one additional six-month period.

6 f. Every agreement concerning junkets entered into by a casino
7 licensee and a junket representative or junket enterprise shall be deemed to
8 include a provision for its termination without liability on the part of the
9 casino licensee, if the **【commission】** division orders the termination upon
10 the suspension, limitation, conditioning, denial or revocation of the
11 licensure of the junket representative or junket enterprise, in accordance
12 with the provisions of P.L.1977, c.110 (C.5:12-1 et seq.). Failure to
13 expressly include such a condition in the agreement shall not constitute a
14 defense in any action brought to terminate the agreement.

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

20 h. A casino licensee shall be responsible for any violation or deviation
21 from the terms of a junket. Notwithstanding any other provisions of this
22 act, the **【commission】** division may**【**, after hearings in accordance with this
23 act,**】** order restitution to junket participants, assess penalties for such
24 violations or deviations, prohibit future junkets by the casino licensee,
25 junket enterprise or junket representative, and order such further relief as it
26 deems appropriate.

27 i. The **【commission】** division shall, by regulation, prescribe methods,
28 procedures and forms for the delivery and retention of information
29 concerning the conduct of junkets by casino licensees. Without limitation
30 of the foregoing, each casino licensee, in accordance with the rules of the
31 **【commission】** division, shall:

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

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

35 (3) Submit to the **【commission and】** division a list of all its employees
36 who are acting as junket representatives.

37 j. Each casino licensee, junket representative or junket enterprise
38 shall, in accordance with the rules of the **【commission】** division, file a
39 report with the division with respect to each list of junket patrons or
40 potential junket patrons purchased directly or indirectly by the casino
41 licensee, junket representative or enterprise.

42 k. The **【commission】** division shall have the authority to determine,
43 either by regulation, or upon petition by the holder of a casino license, that
44 a type of arrangement otherwise included within the definition of "junket"
45 established by section 29 of P.L.1977, c.110 (C.5:12-29) shall not require
46 compliance with any or all of the requirements of this section. **【The**
47 commission shall seek the opinion of the division prior to granting any

1 exemption.] In granting exemptions, the [commission] division shall
2 consider such factors as the nature, volume and significance of the
3 particular type of arrangement, and whether the exemption would be
4 consistent with the public policies established by this act. In applying the
5 provisions of this subsection, the [commission] division may condition,
6 limit, or restrict any exemption as the commission may deem appropriate.

7 l. No junket enterprise or junket representative or person acting as a
8 junket representative may:

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

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

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

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

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

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

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

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

28 (3) The complimentary consists of coins, tokens, cash or other
29 complimentary items or services provided through a bus coupon or other
30 complimentary distribution program which, notwithstanding the
31 requirements of section 99 of P.L.1977, c.110 (C.5:12-99), shall be [filed
32 with the commission upon the implementation of the program or
33 maintained pursuant to commission regulation] maintained pursuant to
34 regulation and made available for inspection by the division.

35 Notwithstanding the foregoing, a casino licensee may offer and provide
36 complimentary cash or noncash gifts which are not otherwise included in
37 paragraphs (1) and (3) of this subsection to any person, provided that any
38 such gifts in excess of \$2,000.00, or such greater amount as the
39 [commission] division may establish by regulation, are supported by
40 documentation regarding the reason the gift was provided to the patron and
41 his guests, including where applicable, a patron's player rating, which
42 documentation shall be maintained by the casino licensee.

43 Each casino licensee shall maintain a regulated complimentary service
44 account, for those complimentaries which are permitted pursuant to this
45 section, and shall submit a quarterly report to the [commission] division
46 based upon such account and covering all complimentary services offered
47 or engaged in by the licensee during the immediately preceding quarter.

1 Such reports shall include identification of the regulated complimentary
2 services and their respective costs, the number of persons by category of
3 service who received the same, and such other information as the
4 **【commission】** division may require.

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

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

25 o. **【Any person who, on the effective date of this 1992 amendatory act,**
26 **P.L.1992, c.9, holds a current and valid plenary junket representative**
27 **license, a junket representative license with a sole owner-operator**
28 **endorsement, or a junket enterprise license authorizing the conduct of**
29 **junket activities, shall be considered licensed in accordance with the**
30 **provisions of this section and subsection c. of section 92 of P.L.1977, c.110**
31 **(C.5:12-92) for the remaining term of his current license.】** (Deleted by
32 amendment, P.L. , c.) (pending before the Legislature as this bill)
33 (cf: PL.2009, c.36, s.18)
34

35 73. Section 103 of P.L.1977, c.110 (C.5:12-103) is amended as follows:

36 103. Alcoholic Beverages in Casino Hotel Facilities. a.

37 Notwithstanding any law to the contrary, the authority to grant any
38 license for, or to permit or prohibit the presence of, alcoholic beverages in,
39 on, or about any premises licensed as part of a casino hotel shall
40 exclusively be vested in the **【commission】** division.

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

46 c. Notwithstanding any provision of Title 33 of the Revised Statutes,
47 the rules, regulations and bulletins promulgated by the director of the
48 Division of Alcoholic Beverage Control, or any provision promulgated by

1 any local authority, the authority to issue, renew, transfer, revoke or
2 suspend a Casino Hotel Alcoholic Beverage License or any portion,
3 location, privilege or condition thereof; to fine or penalize a Casino Hotel
4 Alcoholic Beverage Licensee; to enforce all statutes, laws, rulings, or
5 regulations relating to such license; and to collect license fees and establish
6 application standards therefor, shall be, consistent with this act, exclusively
7 vested in the [commission or the] division.

8 d. Except as otherwise provided in this section, the provisions of Title
9 33 of the Revised Statutes and the rules, regulations and bulletins
10 promulgated by the Director of the Division of Alcoholic Beverage Control
11 shall apply to a Casino Hotel and Casino Hotel Alcoholic Beverage
12 Licensee licensed under this act.

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

34 f. (1) It shall be unlawful for any person, including any casino licensee
35 or any of its lessees, agents or employees, to expose for sale, solicit or
36 promote the sale of, possess with intent to sell, sell, give, dispense, or
37 otherwise transfer or dispose of alcoholic beverages in, on or about any
38 portion of the premises of a casino hotel, unless said person possesses a
39 Casino Hotel Alcoholic Beverage License. Nothing herein or in any other
40 law to the contrary, however, shall prohibit a casino beverage server in the
41 course of his or her employment from inquiring of a casino patron whether
42 such patron desires a beverage, whether or not such inquiry is phrased in
43 terms of any word which may connote that the beverage is an alcoholic
44 beverage.

45 (2) It shall be unlawful for any person issued a Casino Hotel Alcoholic
46 Beverage License to expose, possess, sell, give, dispense, transfer, or
47 otherwise dispose of alcoholic beverages, other than within the terms and
48 conditions of the Casino Hotel Alcoholic Beverage License issued, the

1 provisions of Title 33 of the Revised Statutes, the rules and regulations
2 promulgated by the Director of the Division of Alcoholic Beverage Control,
3 and, when applicable, the regulations promulgated pursuant to this act.

4 (3) Notwithstanding any other law to the contrary, a manufacturer,
5 wholesaler, or other person licensed to sell alcoholic beverages to retailers,
6 or third parties at their discretion, may, in addition to the activities
7 permitted by section 10 of P.L.2005, c.243 (C.33:1-43.2), jointly sponsor
8 with the Casino Hotel Alcoholic Beverage Licensee musical or theatrical
9 performances or concerts, sporting events and such similar events and
10 festivals, with an anticipated overall audience attendance of at least one
11 thousand patrons, as may be approved by the division.

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

19 (1) To sell any alcoholic beverage by the glass or other open receptacle
20 including, but not limited to, an original container, for on-premise
21 consumption within a casino or simulcasting facility; provided, however,
22 that no alcoholic beverage shall be sold or given for consumption; delivered
23 or otherwise brought to a patron; or consumed at a gaming table unless so
24 requested by the patron.

25 (2) To sell any alcoholic beverage by the glass or other open receptacle
26 for on-premise consumption within a casino hotel, but not in a casino or
27 simulcasting facility, or from a fixed location outside a building or structure
28 containing a casino but on a casino hotel premises.

29 (3) To sell any alcoholic beverage in original containers for
30 consumption outside the licensed area from an enclosed package room not
31 in a casino or simulcasting facility.

32 (4) To sell any alcoholic beverage by the glass or other open receptacle
33 or in original containers from a room service location within an enclosed
34 room not in a casino or simulcasting facility; provided, however, that any
35 sale of alcoholic beverages is delivered only to a guest room or to any other
36 room in the casino hotel authorized by the **[commission]** division, other
37 than any room authorized by the **[commission]** division pursuant to
38 paragraph (1), (3), or (5) of this subsection.

39 (5) To possess or to store alcoholic beverages in original containers
40 intended but not actually exposed for sale at a fixed location on a casino
41 hotel premises, not in a casino or simulcasting facility; and to transfer or
42 deliver such alcoholic beverages only to a location approved pursuant to
43 this section; provided, however, that no access to or from a storage location
44 shall be permitted except during the normal course of business by
45 employees or agents of the licensee, or by licensed employees or agents of
46 wholesalers or distributors licensed pursuant to Title 33 of the Revised
47 Statutes and any applicable rules and regulations; and provided further,
48 however, that no provision of this section shall be construed to prohibit a

1 Casino Hotel Alcoholic Beverage Licensee from obtaining an off-site
2 storage license from the Division of Alcoholic Beverage Control.

3 h. [(1) No Casino Hotel Alcoholic Beverage License which authorizes
4 the sale of alcoholic beverages within a casino pursuant to subsection g.(1)
5 of this section shall issue to any applicant who does not hold a casino
6 license issued pursuant to this act.

7 (2) No Casino Hotel Alcoholic Beverage License which authorizes the
8 possession, sale or storage of alcoholic beverages pursuant to subsection
9 g.(2), (3), (4), or (5) of this section shall issue to any applicant who would
10 not qualify under the standards for licensure of a casino service industry
11 enterprise pursuant to subsection c. of section 92 of P.L.1977, c.110
12 (C.5:12-92).

13 (3) No Casino Hotel Alcoholic Beverage License which authorizes the
14 possession or storage of alcoholic beverages pursuant to subsection g. of
15 this section shall issue to any applicant who does not hold a Casino Hotel
16 Alcoholic Beverage License, permitting any activity pursuant to subsection
17 g.(1), (2), (3), or (4) of this section.] Deleted by amendment, P.L. , c.
18 (pending before the Legislature as this bill)

19 i. The [commission] division may revoke, suspend, refuse to renew or
20 refuse to transfer any Casino Hotel Alcoholic Beverage License, or fine or
21 penalize any Casino Hotel Alcoholic Beverage Licensee for violations of
22 any provision of Title 33 of the Revised Statutes, the rules and regulations
23 promulgated by the Director of the Division of Alcoholic Beverage Control,
24 and the regulations promulgated by the [commission] division.

25 j. Jurisdiction over all alcoholic beverage licenses previously issued
26 with respect to the casino hotel facility is hereby vested in the
27 [commission] division, which in its discretion may by regulation provide
28 for the conversion thereof into a Casino Hotel Alcoholic Beverage License
29 as provided in this section.

30 (cf: P.L.2009, c.36, s.19)

31

32 74. Section 104 of P.L.1977, c.110 (C.5:12-104) is amended to read as
33 follows:

34 104. a. Unless otherwise provided in this subsection, no agreement shall
35 be lawful which provides for the payment, however defined, of any direct
36 or indirect interest, percentage or share of: any money or property gambled
37 at a casino or simulcasting facility; any money or property derived from
38 casino gaming activity or wagering at a simulcasting facility; or any
39 revenues, profits or earnings of a casino or simulcasting facility.
40 Notwithstanding the foregoing:

41 (1) Agreements which provide only for the payment of a fixed sum
42 which is in no way affected by the amount of any such money, property,
43 revenues, profits or earnings shall not be subject to the provisions of this
44 subsection; and receipts, rentals or charges for real property, personal
45 property or services shall not lose their character as payments of a fixed
46 sum because of contract, lease, or license provisions for adjustments in
47 charges, rentals or fees on account of changes in taxes or assessments, cost-

1 of-living index escalations, expansion or improvement of facilities, or
2 changes in services supplied.

3 **[(2) Agreements between a casino licensee and a junket enterprise or**
4 **junket representative licensed, qualified or registered in accordance with**
5 **the provisions of P.L.1977, c.110 (C.5:12-1 et seq.) and the regulations of**
6 **the commission which provide for the compensation of the junket**
7 **enterprise or junket representative by the casino licensee based upon the**
8 **actual casino gaming or simulcast wagering activities of a patron procured**
9 **or referred by the junket enterprise or junket representative shall be lawful**
10 **if filed with the division prior to the conduct of any junket that is governed**
11 **by the agreement.] (Deleted by amendment, P.L. , c.) (pending before**
12 **the Legislature as this bill)**

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

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

24 (5) Agreements which provide for percentage charges between the
25 casino licensee and a holding company or intermediary company of the
26 casino licensee shall be in writing and filed with the **[commission]** division
27 but shall not be subject to the provisions of this subsection.

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

38 (7) Agreements relating to simulcast racing and wagering between a
39 casino licensee and a casino service industry enterprise licensed pursuant to
40 the provisions of subsection a. of section 92 of P.L.1977, c.110 (C.5:12-92)
41 as a hub facility, as defined in joint regulations of the **[Casino Control**
42 **Commission]** Division of Gaming Enforcement and the New Jersey Racing
43 Commission, shall be in writing, be filed with the commission, and be
44 lawful and effective only if expressly approved as to their terms by the
45 commission and the New Jersey Racing Commission, except that any such
46 agreements which provide for a percentage of the casino licensee's share of

1 the parimutuel pool wagered at a simulcasting facility to be paid to the hub
2 facility shall not be subject to the provisions of this subsection.

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

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

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

46 b. Each casino applicant or licensee shall maintain, in accordance with
47 the rules of the **【commission】** division, a record of each written or

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

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

26 For the purposes of this subsection, "casino applicant" includes any
27 person required to hold a casino license pursuant to section 82 of P.L.1977,
28 c.110 (C.5:12-82) who has applied to the [commission] division for a
29 casino license or any approval required under P.L.1977, c.110 (C.5:12-1 et
30 seq.).

31 c. Nothing in this act shall be deemed to permit the transfer of any
32 license, or any interest in any license, or any certificate of compliance or
33 any commitment or reservation.

34 (cf: P.L.2009, c.36, s.20)

35

36 75. Section 105 of P.L.1977, c.110 (C.5:12-105) is amended as follows:

37 105. Disposition of Securities by Corporate Licensee. a. The sale,
38 assignment, transfer, pledge or other disposition of any security issued by a
39 corporation which holds a casino license [is conditional and shall be
40 ineffective if disapproved by the commission] shall be effective five
41 business days after the commission receives notice from the licensee of
42 such sale, assignment, transfer, pledge or other disposition, in the form
43 required by regulation, unless within the five business day period, the
44 commission disapprove of such sale, assignment, transfer, pledge or other
45 disposition.

46 b. Every security issued by a corporation which holds a casino license
47 shall bear, on both sides of the certificate evidencing such security, a

1 statement of the restrictions imposed by this section, except that in the case
2 of a publicly traded corporation incorporated prior to the effective date of
3 this act, a statement of restriction shall be necessary only insofar as
4 certificates are issued by such corporation after the effective date of this
5 act.

6 c. The Secretary of State shall not accept for filing any articles of
7 incorporation of any corporation which includes as a stated purpose the
8 conduct of casino gaming, or any amendment which adds such purpose to
9 articles of incorporation already filed, unless such articles or amendments
10 have been approved by the commission and a copy of such approval is
11 annexed thereto upon presentation for filing with the Secretary of State.

12 d. If at any time the division reports to the commission **[finds]** that an
13 individual owner or holder of any security of a corporate licensee or of a
14 holding or intermediary company with respect thereto is not qualified under
15 this act, and if as a result the corporate licensee is no longer qualified to
16 continue as a casino licensee in this State, the commission shall, pursuant to
17 the provisions of this act, and upon the report and input of the division, take
18 any necessary action to protect the public interest, including the suspension
19 or revocation of the casino license of the corporation; provided, however,
20 that if the holding or intermediary company is a publicly traded corporation
21 and the commission finds disqualified any holder of any security thereof
22 who is required to be qualified under section 85d. of this act, and the
23 commission also finds that: (1) the holding or intermediary company has
24 complied with the provisions of section 82d.(7) of this act; (2) the holding
25 or intermediary company has made a good faith effort, including the
26 prosecution of all legal remedies, to comply with any order of the
27 commission or the division requiring the divestiture of the security interest
28 held by the disqualified holder; and (3) such disqualified holder does not
29 have the ability to control the corporate licensee or any holding or
30 intermediary company with respect thereto, or to elect one or more
31 members of the board of directors of such corporation or company, the
32 commission shall not take action against the casino licensee or the holding
33 or intermediary company with respect to the continued ownership of the
34 security interest by the disqualified holder. For purposes of this act, a
35 security holder shall be presumed to have the ability to control a publicly
36 traded corporation, or to elect one or more members of its board of
37 directors, if such holder owns or beneficially holds 5% or more of the
38 equity securities of such corporation, unless such presumption of control or
39 ability to elect is rebutted by clear and convincing evidence.

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

- 43 (1) To receive any dividends or interest upon any such securities;
- 44 (2) To exercise, directly or through any trustee or nominee, any right
45 conferred by such securities; or
- 46 (3) To receive any remuneration in any form from the corporate licensee
47 for services rendered or otherwise.

1 f. After a nonpublicly traded corporation has been issued a casino
2 license pursuant to the provisions of this act, but prior to the issuance or
3 transfer of any security to any person required to be but not yet qualified in
4 accordance with the provisions of this act, such corporation shall file a
5 report of its proposed action with the commission and the division, and
6 shall request the approval of the commission for the transaction. If the
7 commission shall deny the request, the corporation shall not issue or
8 transfer such security. After a publicly traded corporation has been issued a
9 casino license, such corporation shall file a report quarterly with the
10 commission and the division, which report shall list all owners and holders
11 of any security issued by such corporate casino licensee.

12 g. Each corporation which has been issued a casino license pursuant to
13 the provisions of this act shall file a report of any change of its corporate
14 officers or members of its board of directors with the commission and the
15 division. No officer or director shall be entitled to exercise any powers of
16 the office to which he was so elected or appointed until qualified by the
17 commission in accordance with the provisions of this act.

18 (cf: P.L.1991, c.182, s.42)

19

20 76. Section 106 of P.L.1977, c.110 (C.5:12-106) is amended to read as
21 follows:

22 106. Casino Employment. a. A casino licensee shall not appoint or
23 employ in a position requiring a casino key employee license[,] or a casino
24 employee [license, or a casino service employee] registration any person
25 not possessing a current and valid license or registration permitting such
26 appointment or employment.

27 b. A casino licensee shall, within 24 hours of receipt of written or
28 electronically transferred notice thereof, terminate the appointment or
29 employment of any person whose license or registration has been revoked
30 or has expired. A casino licensee may, in its discretion, suspend rather than
31 terminate the appointment or employment of any person whose license or
32 registration has expired until such time as the person is again licensed or
33 registered. A casino licensee shall comply in all respects with any order of
34 the [commission] division imposing limitations or restrictions upon the
35 terms of employment or appointment in the course of any investigation or
36 hearing.

37 c. An applicant for or a holder of a casino key employee license or a
38 holder of a casino employee [license] registration whose application is
39 denied or whose licensure or registration is revoked, as the case may be,
40 shall not, in addition to any restrictions imposed by the regulations of the
41 commission or division, as applicable, on a reapplication for licensure, be
42 employed by a casino licensee in a position that does not require a license
43 or registration until five years have elapsed from the date of the denial or
44 revocation, except that the commission or division may permit such
45 employment upon good cause shown.

46 d. [A holder of a casino service employee registration whose
47 registration is revoked, in addition to any restrictions imposed by the

1 regulations of the commission on a reapplication for licensure or
2 registration, shall not be employed by a casino licensee in a position that
3 does not require a license or registration until five years have elapsed from
4 the date of revocation, except that the commission may permit such
5 employment upon good cause shown.] (Deleted by amendment, P.L. , c.)
6 (pending before the Legislature as this bill)
7 (cf: P.L.2009, c.36, s.21)
8

9 77. Section 107 of P.L.1977, c.110 (C.5:12-107) is amended as follows:

10 107. Conduct of Hearings; Rules of Evidence; Punishment of Contempts
11 **]; Rehearing].** a. **[At all hearings of the commission in contested cases, as**
12 **defined in section 2 of P.L.1968, c.410 (C.52:14B-2):]** The commission
13 shall promulgate regulations for the conduct of hearings it is authorized to
14 conduct under subsection a. of section 63 of P.L.1977, c.110 (C.5:12-63),
15 which regulations shall include the following:

16 (1) Unless the commission hears the matter directly, the chairman shall
17 refer the matter to the Office of Administrative Law in accordance with
18 P.L.1978, c.67 (C.52:14F-1 et al.); provided, however, that the chairman
19 may, in his discretion, designate a member of the commission, or other
20 qualified person other than an employee of the commission, to serve as
21 hearing examiner in a particular matter;

22 (2) The proceedings at the hearing shall be recorded or transcribed;

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

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

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

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

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

43 b. The commission may take official notice of any generally accepted
44 information or technical or scientific matter in the field of gaming and of
45 any other fact which may be judicially noticed by the courts of this State.
46 The parties shall be informed of any information, matters or facts so
47 noticed and shall be given a reasonable opportunity, on request, to refute
48 such information, matters or facts by evidence or by written or oral

1 presentation of authorities, the manner of such refutation to be determined
2 by the commission. The commission may, in its discretion, before
3 rendering its decision, permit the filing of amended or supplemental
4 pleadings and shall notify all parties thereof and provide a reasonable
5 opportunity for objections thereto.

6 c. If any person in proceedings before the commission or the division
7 disobeys or resists any lawful order, refuses to respond to a subpoena,
8 refuses to take the oath or affirmation as a witness or thereafter refuses to
9 be examined, or is guilty of misconduct at the hearing or so near the place
10 thereof as to obstruct the proceeding, the person may be punished for
11 contempt in accordance with the Rules of Court if the commission or
12 division certifies the facts underlying the contumacious behavior to the
13 Superior Court. Thereafter, the courts shall have jurisdiction in the matter,
14 and the same proceeding shall be had, the same penalties may be imposed,
15 and the person charged may purge himself of the contempt in the same way
16 as in the case of a person who has committed contempt in the trial of a civil
17 action before the Superior Court.

18 d. [(1) The commission may, upon motion therefor made within 10
19 days after the service of the decision and order, order a rehearing before the
20 commission upon such terms and conditions as it may deem just and proper
21 when the commission finds cause to believe that the decision and order
22 should be reconsidered in view of the legal, policy or factual matters
23 advanced by the moving party or raised by the commission on its own
24 motion.

25 (2) Upon motion made within a reasonable time, but in no event later
26 than one year from the service of the decision and order, the commission
27 may relieve a party from the decision and order upon a showing that there
28 is additional evidence which is material and necessary and which would be
29 reasonably likely to change the decision of the commission, and that
30 sufficient reason existed for failure to present such evidence at the hearing
31 of the commission or on a motion under paragraph (1) of this subsection.
32 The motion shall be supported by an affidavit of the moving party or his
33 counsel showing with particularity the materiality and necessity of the
34 additional evidence and the reason why it was not presented at the hearing
35 or on a motion under paragraph (1) of this subsection. Upon rehearing,
36 rebuttal evidence to the additional evidence shall be admitted. After
37 rehearing, the commission may modify its decision and order as the
38 additional evidence may warrant.

39 (3) A motion for relief from a decision and order which is based on any
40 ground other than the presentation of newly discovered evidence shall be
41 governed as to both timeliness and sufficiency by the regulations of the
42 commission which shall be modeled, to the extent practical, upon the rules
43 then governing similar motions before the courts of this State.] (Deleted by
44 amendment, P.L. , c.) (pending before the Legislature as this bill)

45 e. The division shall promulgate rules governing the conduct of
46 hearings and other procedures as are necessary for it to fulfill its duties and
47 exercise its powers consistent with section 76 of P.L.1977, c.110 (C.5:12-
48 76).

1 f. The commission and division shall have the power and authority to
2 issue subpoenas and to compel the attendance of witnesses at any place
3 within this State, to administer oaths and to require testimony under oath
4 before the commission or division in the course of any investigation or
5 hearing conducted under this act. The commission and division may
6 appoint hearing examiners, to whom may be delegated the power and
7 authority to administer oaths, issue subpoenas, and require testimony under
8 oath.

9 g. The commission and division shall have the authority to order any
10 person to answer a question or questions or produce evidence of any kind
11 and confer immunity as provided in this section. If, in the course of any
12 investigation or hearing conducted under this act, a person refuses to
13 answer a question or produce evidence on the ground that he will be
14 exposed to criminal prosecution thereby, then in addition to any other
15 remedies or sanctions provided for by this act, the division or the
16 commission with the written approval of the Attorney General, may issue
17 an order to answer or to produce evidence with immunity.

18 If, upon issuance of such an order, the person complies therewith, he
19 shall be immune from having such responsive answer given by him or such
20 responsive evidence produced by him, or evidence derived therefrom, used
21 to expose him to criminal prosecution, except that such person may
22 nevertheless be prosecuted for any perjury committed in such answer or in
23 producing such evidence, or for contempt for failing to give an answer or
24 produce evidence in accordance with the order of the commission or the
25 division; provided, however, that no period of incarceration for contempt
26 shall exceed 18 months in duration pursuant to this section. Any such
27 answer given or evidence produced shall be admissible against him upon
28 any criminal investigation, proceeding or trial against him for such perjury;
29 upon any investigation, proceeding or trial against him for such contempt;
30 or in any manner consonant with State and constitutional provisions.

31 h. Any licensee, applicant for a license or a registrant who is aggrieved
32 by a final decision by the division shall have the right of appeal to the
33 commission. Notwithstanding the foregoing, no decision by the division
34 shall constitute a final agency action for purposes of establishing
35 jurisdiction on appeal in the New Jersey Superior Court.

36 i. All appeals from final decisions of the division shall be heard by the
37 commission in accordance with subsection b. of section 63 of P.L.1977,
38 c.110 (C.5:12-63), which procedure may include the opportunity for the
39 matter to be heard as a contested case in accordance with the
40 “Administrative Procedure Act,” P.L.1968, c.410 (C.5:14B-1 et. seq.).
41 Final orders of the commission shall constitute final agency action for
42 purposes of establishing jurisdiction on appeal in the New Jersey Superior
43 Court.

44 (cf: P.L.1993, c.292, s.25)

45
46 78. Section 109 of P.L.1977, c.110 (C.5:12-109) is amended to read as
47 follows:

1 109. Notwithstanding any provisions of this article, the [commission]
2 director may issue an emergency order for the suspension, limitation or
3 conditioning of any operation certificate or any license, other than a casino
4 license, or any registration, or may issue an emergency order requiring the
5 licensed casino to keep an individual from the premises of such licensed
6 casino or not to pay such individual any remuneration for services or any
7 profits, income or accruals on his investment in such casino, in the
8 following manner:

9 a. An emergency order shall be issued only when the [commission]
10 director finds that:

11 (1) There has been charged a violation of any of the criminal laws of this
12 State by a licensee or registrant, or

13 (2) Such action is necessary to prevent a violation of any such provision,
14 or

15 (3) Such action is necessary immediately for the preservation of the
16 public peace, health, safety, morals, good order and general welfare or to
17 preserve the public policies declared by this act.

18 b. An emergency order shall set forth the grounds upon which it is
19 issued, including the statement of facts constituting the alleged emergency
20 necessitating such action.

21 c. The emergency order shall be effective immediately upon issuance
22 and service upon the licensee, registrant, or resident agent of the licensee.
23 The emergency order may suspend, limit, condition or take other action in
24 relation to the approval of one or more individuals who were required to be
25 approved in any operation, without necessarily affecting any other
26 individuals or the licensed casino establishment. The emergency order
27 shall remain effective until further order of the [commission or final
28 disposition of the case] director.

29 d. Within 5 days after issuance of an emergency order, the
30 [commission] division shall cause a complaint to be filed and served upon
31 the person or entity involved in accordance with the provisions of this act.

32 e. Thereafter, the person or entity against whom the emergency order
33 has been issued and served shall [be entitled to a hearing before the
34 commission in accordance with the provisions of this act] show cause
35 before the director why the emergency order should not remain in effect in
36 accordance with the provisions of this act and the regulations promulgated
37 hereunder.

38 (cf: P.L.1981, c.503, s.18)

39
40 79. Section 110 of P.L.1977, c.110 (C.5:12-110) is amended to read as
41 follows:

42 110. a. The division or any person aggrieved by a final decision or
43 order of the commission made after hearing or rehearing by the
44 commission, whether or not a petition for hearing was filed, may obtain
45 judicial review thereof by appeal to the Superior Court in accordance with
46 the Rules of Court.

1 b. Filing of an appeal shall not stay enforcement of the decision or
2 order of the commission unless the stay is obtained from the court upon
3 application in accordance with the Rules of Court or from the commission
4 upon such terms and conditions as it deems proper.

5 c. The reviewing court may affirm the decision and order of the
6 commission, may remand the case for further proceedings, or may reverse
7 the decision if the substantive rights of the petitioner have been prejudiced
8 because the decision is:

9 (1) In violation of constitutional provisions;

10 (2) In excess of the statutory authority and jurisdiction of the
11 commission; or

12 (3) Arbitrary or capricious or otherwise not in accordance with law.

13 d. In order to protect the public interest and the regulatory authority of
14 the commission, any action by the commission taken pursuant to the
15 provisions of sections 64, 69 d. or 71 of this act shall not be subject to the
16 injunctive authority of the Superior Court prior to the exhaustion of the
17 administrative procedures herein specified, unless it shall appear evident to
18 the court, by clear and convincing evidence, that a manifest denial of
19 justice would be effectuated by the refusal to enjoin the contemplated
20 action [of the commission].

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

22

23 80. Section 111 of P.L.1977, c.110 (C.5:12-111) is amended to read as
24 follows:

25 111. Penalties for Willful Evasion of Payment of License Fees, Other
26 Acts and Omissions. Any person who willfully fails to report, pay or
27 truthfully account for and pay over any license fee or tax imposed by the
28 provisions of this act, or willfully attempts in any manner to evade or defeat
29 any such license fee, tax, or payment thereof is guilty of a crime of the
30 fourth degree and subject to the penalties therefor, except that the amount
31 of a fine may be up to ~~[\$25,000.00]~~ \$50,000, and in the case of a person
32 other than a natural person, the amount of a fine may be up to
33 ~~[\$100,000.00]~~ \$200,000, and shall in addition be liable for a penalty of
34 three times the amount of the license fee evaded and not paid, collected or
35 paid over, which penalty shall be assessed by the ~~[commission]~~ division
36 and collected in accordance with the provisions of this act.

37 (cf: P.L.1991, c.182, s.44)

38

39 81. Section 112 of P.L.1977, c.110 (C.5:12-112) is amended to read as
40 follows:

41 112. Unlicensed Casino Gambling Games Unlawful; Penalties.

42 a. Any person who violates the provisions of sections 80 or 82 or of
43 Article 7 of this act, or permits any gambling game, slot machine or device
44 to be conducted, operated, dealt or carried on in any casino or simulcasting
45 facility by a person other than a person licensed for such purposes pursuant
46 to this act is guilty of a crime of the fourth degree and subject to the
47 penalties therefor, except that the amount of a fine may be up to

1 ~~【\$25,000.00】~~ \$50,000, and in the case of a person other than a natural
2 person, the amount of a fine may be up to ~~【\$100,000.00】~~ \$200,000.

3 b. Any licensee who places games or slot machines into play or
4 displays such games or slot machines in a casino or simulcasting facility
5 without authority of the ~~【commission】~~ division to do so is guilty of a crime
6 of the fourth degree and subject to the penalties therefor, except that the
7 amount of a fine may be up to ~~【\$25,000.00】~~ \$50,000, and in the case of a
8 person other than a natural person, the amount of a fine may be up to
9 ~~【\$100,000.00】~~ \$200,000.

10 c. Any person who operates, carries on or exposes for play any
11 gambling game, gaming device or slot machine after his license has expired
12 and prior to the actual renewal thereof is guilty of a crime of the fourth
13 degree and subject to the penalties therefor, except that the amount of a fine
14 may be up to ~~【\$25,000.00】~~ \$50,000, and in the case of a person other than
15 a natural person, the amount of a fine may be up to ~~【\$100,000.00】~~
16 \$200,000.

17 (cf: P.L.1993, c.292, s.26)

18

19 82. Section 46 of P.L.1991, c.182 (C5:12-113.1) is amended to read as
20 follows:

21 46. a. A person commits a third degree offense if, in playing a game in a
22 licensed casino or simulcasting facility, the person uses, or assists another
23 in the use of, a computerized, electronic, electrical or mechanical device
24 which is designed, constructed, or programmed specifically for use in
25 obtaining an advantage at playing any game in a licensed casino or
26 simulcasting facility, unless the advantage obtained can be assessed a
27 monetary value or loss of \$75,000 or greater in which case the offense is a
28 crime of the second degree.

29 b. Any computerized, electronic, electrical or mechanical device used
30 in violation of subsection a. of this section shall be considered prima facie
31 contraband and shall be subject to the provisions of N.J.S. 2C:64-2. A
32 device used by any person in violation of this section shall be subject to
33 forfeiture pursuant to the provisions of N.J.S.2C:64-1 et seq.

34 c. Each casino licensee shall post notice of this prohibition and the
35 penalties of this section in a manner determined by the ~~【commission】~~
36 division.

37 (cf: P.L.2002, c.65, s.28)

38

39 83. Section 114 of P.L.1977, c.110 (C.5:12-114) is amended to read as
40 follows:

41 114. Unlawful Use of Bogus Chips or Gaming Billets, Marked Cards,
42 Dice, Cheating Devices, Unlawful Coins; Penalty. a. It shall be unlawful
43 for any person playing any licensed gambling game:

44 (1) Knowingly to use bogus or counterfeit chips or gaming billets, or
45 knowingly to substitute and use in any such game cards or dice that have
46 been marked, loaded or tampered with; or

1 (2) Knowingly to use or possess any cheating device with intent to cheat
2 or defraud.

3 b. It shall be unlawful for any person, playing or using any slot machine
4 in a licensed casino:

5 (1) Knowingly to use other than a lawful coin or legal tender of the
6 United States of America, or to use coin not of the same denomination as
7 the coin intended to be used in such slot machine, except that in the playing
8 of any slot machine or similar gaming device, it shall be lawful for any
9 person to use gaming billets, tokens or similar objects therein which are
10 approved by the **[commission]** division; or

11 (2) To use any cheating or thieving device, including but not limited to
12 tools, drills, wires, coins or tokens attached to strings or wires, or electronic
13 or magnetic devices, to facilitate the alignment of any winning combination
14 or removing from any slot machine any money or other contents thereof.

15 c. It shall be unlawful for any person knowingly to possess or use
16 while on the premises of a licensed casino, any cheating or thieving device,
17 including but not limited to tools, wires, drills, coins attached to strings or
18 wires or electronic or magnetic devices to facilitate removing from any slot
19 machine any money or contents thereof, except that a duly authorized
20 employee of a licensed casino may possess and use any of the foregoing
21 only in furtherance of his employment in the casino.

22 d. It shall be unlawful for any person knowingly to possess or use while
23 on the premises of any licensed casino or simulcasting facility any key or
24 device designed for the purpose of or suitable for opening or entering any
25 slot machine or similar gaming device or drop box, except that a duly
26 authorized employee of a licensed casino, of a company authorized to
27 conduct casino simulcasting, or of the **[commission]** division may possess
28 and use any of the foregoing only in furtherance of his employment.

29 e. Any person who violates this section is guilty of a crime of the fourth
30 degree and notwithstanding the provisions of N.J.S.2C:43-3 shall be subject
31 to a fine of not more than **[\$25,000.00]** \$50,000, and in the case of a
32 person other than a natural person, to a fine of not more than
33 **[\$100,000.00]** \$200,000 and any other appropriate disposition authorized
34 by subsection b. of N.J.S.2C:43-2.

35 (cf: P.L.1993, c.292, s.29)

36

37 84. Section 5 of P.L.1980, c.69 (C.5:12-117.1) is amended to read as
38 follows:

39 5. a. No applicant or person or organization licensed by or registered
40 with the commission or division shall employ or offer to employ any person
41 who is prohibited from accepting employment from a licensee or applicant
42 or any holding or intermediary company under section 4 of P.L. 1981, c.
43 142 (C. 52:13D-17.2).

44 b. An applicant or person or organization who violates the provisions of
45 this section is guilty of a crime of the fourth degree.

46 (cf: P.L.1987,c.410, s.11)

1 85. Section 118 of P.L.1977, c.110 (C.5:12-118) is amended to read as
2 follows:

3 118. Regulations Requiring Exclusion or Rejection of Certain Persons
4 from Licensed Casinos; Unlawful Entry by Person Whose Name Has Been
5 Placed on List; Penalty. Any person whose name is on the list of persons
6 promulgated by the **[commission]** division pursuant to the provisions of
7 section 71 of this act, P.L.1977, c.110 (C.5:12-71), who knowingly enters
8 the premises of a licensed casino is guilty of a crime of the fourth degree.
9 (cf: P.L.2002, c.65, s.29)

10

11 86. Section 121 of P.L.1977, c.110 (C.5:12-121) is amended to read as
12 follows:

13 121. Authority of Gaming Licensee and Agents to Detain or Question
14 Persons; Immunity from Liability; Posted Notice Required.

15 a. Any licensee or its officers, employees or agents may question any
16 individual in the casino or simulcasting facility or elsewhere in the
17 establishment who is reasonably suspected of violating any of the
18 provisions of sections 113 through 116 of P.L.1977, c.110 (C.5:12-113
19 through 116), section 46 of P.L.1991, c.182 (C.5:12-113.1), section 118 of
20 P.L.1977, c.110 (C.5:12-118), section 119 of P.L.1977, c.110 (C.5:12-119)
21 or R.S.33:1-81 pursuant to subsection d. of section 103 of P.L.1977, c.110
22 (C.5:12-103). No licensee or its officers, employees or agents shall be
23 criminally or civilly liable by reason of any such questioning.

24 b. Any licensee or its officers, employees or agents who shall have
25 probable cause for believing there has been a violation of sections 113
26 through 116 of P.L.1977, c.110 (C.5:12-113 through 116), section 46 of
27 P.L.1991, c.182 (C.5:12-113.1), section 118 of P.L.1977, c.110 (C.5:12-
28 118), section 119 of P.L.1977, c.110 (C.5:12-119) or R.S.33:1-81 pursuant
29 to subsection d. of section 103 of P.L.1977, c.110 (C.5:12-103) in the
30 casino or simulcasting facility by any person may refuse to permit such
31 person to continue gaming or wagering or may take such person into
32 custody and detain him in the establishment in a reasonable manner for a
33 reasonable length of time, for the purpose of notifying law enforcement **[or**
34 **commission]** authorities. Such refusal or taking into custody and detention
35 shall not render such licensee or its officers, employees or agents criminally
36 or civilly liable for false arrest, false imprisonment, slander or unlawful
37 detention, unless such refusal or such taking into custody or detention is
38 unreasonable under all of the circumstances.

39 c. No licensee or its officers, employees or agents shall be entitled to
40 any immunity from civil or criminal liability provided in this section unless
41 there is displayed in a conspicuous manner in the casino and, if applicable,
42 the simulcasting facility a notice in bold face type clearly legible and in
43 substantially this form:

44 "Any gaming licensee or officer, employee or agent thereof who has
45 probable cause for believing that any person is violating any of the
46 provisions of the Casino Control Act prohibiting cheating or swindling in
47 gaming or simulcast wagering, underage gambling, underage drinking, the
48 unauthorized presence on the casino floor or simulcasting facility by an

1 underage person, or the presence in the casino establishment of a person
2 excluded pursuant to the provisions of section 71 of P.L.1977, c.110
3 (C.5:12-71), may detain such person in the establishment for the purpose of
4 notifying law enforcement **【or Casino Control Commission】** authorities."
5 (cf: P.L.2009, c.36, s.22)

6
7 87. Section129 of P.L.1977, c.110 (C.5:12-129) is amended to read as
8 follows:

9 129. Supplemental Sanctions.

10 a. In addition to any penalty, fine or term of imprisonment authorized
11 by law, the **【commission】** division shall, after appropriate hearings and
12 factual determinations, have the authority to impose the following sanctions
13 upon any person licensed or registered pursuant to this act:

14 (1) Revoke the license or registration of any person for the conviction of
15 any criminal offense under this act or for the commission of any other
16 offense or violation of this act which would disqualify such person from
17 holding his license or registration;

18 (2) Revoke the license or registration of any person for willfully and
19 knowingly violating an order of the **【commission】** division directed to such
20 person;

21 (3) Suspend the license or registration of any person pending hearing
22 and determination, in any case in which license or registration revocation
23 could result;

24 (4) Suspend the operation certificate of any casino licensee for violation
25 of any provisions of this act or regulations promulgated hereunder relating
26 to the operation of its casino or, if applicable, its simulcasting facility, or
27 both, including games, internal and accountancy controls and security;

28 (5) Assess such civil penalties as may be necessary to punish
29 misconduct and to deter future violations, which penalties may not exceed
30 **【\$10,000.00】** \$20,000 in the case of any individual licensee or registrant,
31 except that in the case of a casino licensee the penalty may not exceed
32 **【\$50,000.00】** \$100,000;

33 (6) Order restitution of any moneys or property unlawfully obtained or
34 retained by a licensee or registrant;

35 (7) Enter a cease and desist order which specifies the conduct which is
36 to be discontinued, altered or implemented by the licensee or registrant;

37 (8) Issue letters of reprimand or censure, which letters shall be made a
38 permanent part of the file of each licensee or registrant so sanctioned; or

39 (9) Impose any or all of the foregoing sanctions in combination with
40 each other.

41 b. The division's imposition of any fine, penalty, or sanction pursuant to
42 this section shall be appealable to the commission, except that in no case
43 shall the division's decision to enter into a settlement agreement which
44 results in the imposition of a fine, penalty, sanction or any combination
45 thereof be subject to review by the commission.

46 (cf: P.L.1993, c.292, s.32)

1 88. Section 130 of P.L.1977, c.110 (C.5:12-130) is amended to read as
2 follows:

3 130. In considering appropriate sanctions in a particular case, the
4 **【commission】** division shall consider:

5 a. The risk to the public and to the integrity of gaming operations
6 created by the conduct of the licensee or registrant;

7 b. The seriousness of the conduct of the licensee or registrant, and
8 whether the conduct was purposeful and with knowledge that it was in
9 contravention of the provisions of this act or regulations promulgated
10 hereunder;

11 c. Any justification or excuse for such conduct by the licensee or
12 registrant;

13 d. The prior history of the particular license or registrant involved with
14 respect to gaming activity;

15 e. The corrective action taken by the licensee or registrant to prevent
16 future misconduct of a like nature from occurring; and

17 f. In the case of a monetary penalty, the amount of the penalty in
18 relation to the severity of the misconduct and the financial means of the
19 licensee or registrant. The **【commission】** division may impose any
20 schedule or terms of payment of such penalty as it may deem appropriate.

21 g. It shall be no defense to disciplinary action before the **【commission】**
22 division that an applicant, licensee, registrant, intermediary company, or
23 holding company inadvertently, unintentionally, or unknowingly violated a
24 provision of this act. Such factors shall only go to the degree of the penalty
25 to be imposed by the **【commission】** division, and not to a finding of a
26 violation itself.

27 (cf: P.L.1981, c.503, s.21)

28

29 89. Section 31 of P.L.1978, c.7 (C.5:12-130.1) is amended to read as
30 follows:

31 31. Institution of Conservatorship and Appointment of Conservators.

32 a. Notwithstanding any other provision of the Casino Control Act, (1)
33 upon the revocation or denial of a casino license, or (2) upon, in the
34 discretion of the commission, the suspension of a casino license or the
35 suspension of an operation certificate for a period of in excess of 120 days,
36 **【or (3) upon the failure or refusal to renew a casino license,】** and
37 notwithstanding the pendency of any appeal therefrom, the commission
38 may appoint and constitute a conservator to, among other things, take over
39 and into his possession and control all the property and business of the
40 licensee relating to the casino and the approved hotel; provided, however,
41 that this subsection shall not apply in any instance in which the casino in
42 the casino hotel facility for which the casino license had been issued has
43 not been, in fact, in operation and open to the public, and provided further
44 that no person shall be appointed as conservator unless the commission is
45 satisfied that he is individually qualified according to the standard
46 applicable to casino key employees, except that casino experience shall not
47 be necessary for qualification.

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

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

10 d. Every conservator shall, before assuming his duties, execute and file
11 a bond for the faithful performance of his duties payable to the commission
12 in the office of the commission with such surety or sureties and in such
13 form as the commission shall approve and in such amount as the
14 commission shall prescribe.

15 e. When more than one conservator is appointed pursuant to this
16 section, the provisions of this article applicable to one conservator shall be
17 applicable to all; the debts and property of the former or suspended licensee
18 may be collected and received by any of them; and the powers and rights
19 conferred upon them shall be exercised by a majority of them.

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

25 (cf: P.L.1991, c.182, s.54)

26

27 90. Section 133 of P.L.1977, c.110 (C.5:12-133) is amended to read as
28 follows:

29 133. a. If any clause, sentence, subparagraph, paragraph, subsection,
30 section, article or other portion of this act or the application thereof to any
31 person or circumstances shall be held to be invalid, such holding shall not
32 affect, impair or invalidate the remainder of this act or the application of
33 such portion held invalid to any other person or circumstances, but shall be
34 confined in its operation to the clause, sentence, paragraph, subparagraph,
35 subsection, section, article or other portion thereof directly involved in such
36 holding or to the person or circumstance therein involved.

37 b. If any provision of this act is inconsistent with, in conflict with, or
38 contrary to any other provision of law, such provision of this act shall
39 prevail over such other provision and such other provision shall be deemed
40 to be amended, superseded or repealed to the extent of such inconsistency
41 or conflict. Notwithstanding the provisions of any other law to the
42 contrary, no local government unit of this State may enact or enforce any
43 ordinance or resolution conflicting with any provision of this act or with
44 any policy of this State expressed or implied herein, whether by exclusion
45 or inclusion. The commission shall have exclusive jurisdiction over all
46 matters delegated to it or within the scope of its powers under the
47 provisions of this act, and the division shall have exclusive jurisdiction over

1 all matters delegated to it or within the scope of its powers under the
2 provisions of this act.

3 (cf: P.L.1977, c.110, s.133)

4

5 91. Section 134 of P.L.1977, c.110 (C.5:12-134) is amended to read as
6 follows:

7 134. a. Each applicant at the time of submitting architectural plans or
8 site plans to the **【commission】** division for approval of proposed
9 construction, renovation or reconstruction of any structure or facility to be
10 used as an approved hotel or casino shall accompany same with a written
11 guaranty that all contracts and subcontracts to be awarded in connection
12 therewith shall contain appropriate provisions by which contractors and
13 subcontractors or their assignees agree to afford an equal employment
14 opportunity to all prospective employees and to all actual employees to be
15 employed by the contractor or subcontractor in accordance with an
16 affirmative action program approved by the **【commission】** division and
17 consonant with the provisions of the "Law Against Discrimination,"
18 P.L.1945, c.169 (C.10:5-1 et seq.). On and after the effective date of this
19 amendatory act an applicant shall also be required to demonstrate that equal
20 employment opportunities in accordance with the aforesaid affirmative-
21 action program in compliance with P.L.1945, c.169 have been afforded to
22 all prospective employees and to all actual employees employed by a
23 contractor or subcontractor in connection with the actual construction,
24 renovation or reconstruction of any structure or facility to be used as an
25 approved hotel or casino prior to submission of architectural plans or site
26 plans to the commission.

27 b. No license shall be issued by the commission to any applicant,
28 including a casino service industry enterprise as defined in section 12 of
29 this act, who has not agreed to afford an equal employment opportunity to
30 all prospective employees in accordance with an affirmative-action
31 program approved by the commission and consonant with the provisions of
32 the "Law Against Discrimination," P.L.1945, c.169 (C.10:5-1 et seq.).

33 c. Each applicant shall formulate for **【commission】** division approval
34 and abide by an affirmative-action program of equal opportunity whereby
35 the applicant guarantees to provide equal employment opportunity to
36 rehabilitated offenders eligible under sections 90 and 91 of this act and
37 members of minority groups qualified for licensure in all employment
38 categories, including a person with a disability, in accordance with the
39 provisions of the "Law Against Discrimination," P.L.1945, c.169 (C.10:5-1
40 et seq.), except in the case of the mentally handicapped, if it can be clearly
41 shown that such disability would prevent such person from performing a
42 particular job.

43 d. Any license issued by the commission in violation of this section
44 shall be null and void.

45 (cf: P.L.2009, c.36, s.23)

46

47 92. Section 135 of P.L.1977, c.110 (C.5:12-135) is amended to read as
48 follows:

1 135. The **【commission】** division, in addition to and without limitation
2 of other powers which it may have by law, shall have the following
3 powers:

4 a. To investigate and determine the percentage of population of
5 minority groups in the State or in areas thereof from which the work force
6 for the licensee is or may be drawn;

7 b. To establish and promulgate such percentages as guidelines in
8 determining the adequacy of affirmative-action programs submitted for
9 approval pursuant to the provisions of section 134 of this act;

10 c. To impose such sanctions as may be necessary to accomplish the
11 objectives of section 134;

12 d. To refer to the Attorney General or his designee circumstances
13 which may constitute violation of the "Law Against Discrimination,"
14 P.L.1945, c.169 (C.10:5-1 et seq.);

15 e. To enforce in a court of law the provisions of section 134 or to join
16 in or assist any enforcement proceeding initiated by any aggrieved person;
17 and

18 f. To require the designation by a licensee of an equal employment
19 officer to enforce the provisions of section 134 and this section and the
20 regulations promulgated hereunder.

21 (cf: P.L.1977, c.110, s.135)

22

23 93. Section 136 of P.L.1977, c.110 (C.5:12-136) is amended to read as
24 follows:

25 136. All hotels and other facilities of a casino licensee, which are public
26 accommodations and are subject to the regulatory powers of the
27 **【commission】** division under this act, shall be constructed or renovated to
28 conform with the provisions of P.L.1971, c.269, as amended and
29 supplemented (C.52:32-4 et seq.) relating to barrier-free design for
30 providing facilities for the physically handicapped in public buildings, and
31 the rules, regulations and codes thereunder promulgated.

32 (cf: P.L.1977, c.110, s.136)

33

34 94. Section 139 of P.L.1977, c.110 (C.5:12-139) is amended to read as
35 follows:

36 139. Casino License Fees.

37 a. The **【commission】** division shall, by regulation, establish **【annual】**
38 fees for the issuance **【or renewal】** of casino licenses. The issuance fee shall
39 be based upon the cost of investigation and consideration of the license
40 application and shall be not less than \$200,000.00. **【The renewal fee shall**
41 **be based upon the cost of maintaining control and regulatory activities**
42 **contemplated by this act and shall be not less than \$100,000.00 for a one-**
43 **year casino license and \$200,000.00 for a four-year casino license.】**

44 b. The Attorney General shall certify **【to the commission】** actual and
45 prospective costs of the investigative and enforcement functions of the
46 division, which costs shall be the basis, together with the operating

1 expenses of the commission, for the establishment of annual license
2 issuance and renewal fees.

3 c. A nonrefundable deposit of at least \$100,000.00 shall be required to
4 be posted with each application for a casino license and shall be applied to
5 the initial license fee if the application is approved.

6 (cf: P.L.1995, c.18, s.41)

7

8 95. Section 141 of P.L.1977, c.110 (C.5:12-141) is amended to read as
9 follows:

10 141. Fees for Other Than Casino Licenses. The **[commission]** division
11 shall, by regulation, establish fees for the investigation and consideration of
12 applications for the issuance and renewal of registrations and licenses other
13 than casino licenses, which fees shall be payable by the applicant, licensee
14 or registrant.

15 (cf: P.L.1987, c.354, s.20)

16

17 96. Section 31 of P.L.2002, c.65 (C.5:12-141.1) is amended to read as
18 follows:

19 31. Fees to Recoup Costs of the Division or Commission. The
20 **[commission]** division may, by regulation, establish fees to recoup the
21 costs of services, equipment or other expenses that are rendered, utilized or
22 incurred by the division or commission, including any unusual or out of
23 pocket expenses directly related thereto, in response to requests arising
24 under P.L.1977, c.110 (C.5:12-1 et seq.) that are unrelated to the
25 investigation or consideration of the issuance or renewal of a registration or
26 license.

27 (cf: P.L.2002, c.65, s.31)

28

29 97. Section 24 of P.L.2009, c.36 (C.5:12-141.2) is amended as follows:

30 24. Expiration of gaming-related obligations owed to patrons; date of
31 expiration; payment to Casino Revenue Fund.

32 a. Whenever a casino licensee owes a patron a specific amount of
33 money as the result of a gaming transaction which remains unpaid due to
34 the failure of the patron to claim the money or redeem a representation of
35 the debt issued in a form approved by the commission, regardless of
36 whether the identity of the patron is known, the casino licensee shall
37 maintain a record of the obligation in accordance with the rules of the
38 **[commission]** division.

39 b. If the patron does not claim the money or redeem the representation
40 of debt within one year of the date of the transaction, which date shall be
41 established in accordance with the rules of the **[commission]** division, the
42 obligation of the casino licensee to pay the patron shall expire, and 25% of
43 the money or the value of the debt shall be paid to the Casino Revenue
44 Fund by the casino licensee, and the remaining 75% shall be retained by the
45 casino licensee, provided the licensee uses the full amount for marketing
46 purposes. Notwithstanding the foregoing, if the obligation was incurred or
47 the representation of debt was issued prior to the effective date of this act,
48 P.L.2009, c.36, the obligation of the casino licensee to pay the patron shall

1 expire one year after such effective date, at which time 50% of the money
2 or the value of the debt shall be paid to the Casino Revenue Fund, subject
3 to a credit for the payment required to be made to that fund on or before
4 June 30, 2009 by the casino licensee pursuant to subsection c. of this
5 section, and 50% shall be retained by the casino licensee.

6 c. Each casino licensee shall, on or before June 30, 2009, make a
7 payment to the Casino Revenue Fund in an amount equal to 25% of the
8 value of the money or debt owed to its patrons as a result of gaming
9 transactions that occurred more than one year prior to the effective date of
10 this act, P.L.2009, c.36. This payment shall be credited towards the total
11 obligation of the casino licensee to make payments to the Casino Revenue
12 Fund in an amount equal to 50% of the value of expired gaming related
13 obligations pursuant to subsection b. of this section.

14 (cf: P.L.2009, c.36, s.24)

15
16 98. Section 143 of P.L.1977, c.110 (C.5:12-143) is amended to read as
17 follows:

18 143. a. There is hereby created and established in the Department of the
19 Treasury a separate special account to be known as the "Casino Control
20 Fund," into which shall be deposited all license fee revenues imposed by
21 sections 94, 139, 140, 141, and 142 of this act.

22 b. Moneys in the Casino Control Fund shall be appropriated,
23 notwithstanding the provisions of P.L.1976, c.67 (C.52:9H-5 et seq.),
24 exclusively for the operating expenses of the commission and the division.

25 (cf: P.L.1977, c.110, s.143)

26
27 99. Section 144 of P.L.1977, c.110 (C.5:12-144) is amended to read as
28 follows:

29 144. a. There is hereby imposed an annual tax on gross revenues as
30 defined in section 24 of this act in the amount of 8% of such gross
31 revenues.

32 b. Commencing with the first annual tax return of a licensee for any
33 calendar year beginning after December 31, 1978, and ending before
34 January 1, 1984 and based upon a determination that in said return or any
35 annual return for a calendar year during that period the gross revenue of a
36 licensee in the calendar year upon which the tax is based exceeds the
37 cumulative investments in this State of said licensee as of that year, such
38 licensee shall make investments in an amount not less than 2% of the gross
39 revenue for said calendar year within a period of five years from the end of
40 said calendar year. Fifty percent of the investments required by this
41 subsection as a result of any of the three annual tax returns commencing
42 with the first annual tax return for any calendar year beginning after
43 December 31, 1978 shall be made in the municipality in which the licensed
44 premises are located, and 50% of such investments shall be made in any
45 other municipality of this State. Twenty-five percent of the investments
46 required by this subsection as a result of any annual tax return subsequent
47 to the third such return in a series of returns the first of which is for a
48 calendar year beginning after December 31, 1978 shall be made in the

1 municipality in which the licensed premises are located, and 75% shall be
2 made in any other municipality of this State.

3 All investments and cumulative investments made pursuant to this
4 subsection shall be subject to a determination by the **【commission】** division
5 as to the eligibility of such investments. In determining eligibility, the
6 **【commission】** division shall consider the public interest, including the
7 social and economic benefits to be derived from such investments for the
8 people of this State.

9 c. For the purposes of this section, "investments" means equity
10 investments in land and real property on which improvements are made and
11 in real property improvements. For the purposes of this section,
12 "cumulative investments" means investments in and debt financing of the
13 licensed premises, plus other investments in and debt financing of land and
14 real property on which improvements are made and real property
15 improvements; provided, however, that the investments and debt financing
16 not associated with the licensed premises have been subsequent to July 6,
17 1976. Real property and real property improvements sold or otherwise
18 disposed of by the licensee shall not be included for the purposes of
19 determining cumulative investments.

20 d. For the purposes of satisfying the amount of investments in any given
21 year and of determining cumulative investments as of any given year,
22 pursuant to subsection b., contributions of money or realty shall be included
23 if the **【commission】** division determines that such contributions best serve
24 the public interest and either (1) directly relate to the improvement,
25 furtherance, and promotion of the tourist industry in this State through the
26 planning, acquisition, construction, improvement, maintenance and
27 operation of recreational, entertainment, and other facilities for the public,
28 including, without limitation, a performing arts center, the beaches and
29 shorefront of this State, and transportation facilities providing or
30 enhancing service in resort areas of this State, or (2) directly relate to the
31 improvement, furtherance, and promotion of the health and wellbeing of
32 the people of this State through the planning, acquisition, construction,
33 improvement, maintenance, and operation of a facility, project or program
34 approved by the **【commission】** division.

35 e. In the event that the investments required in subsection b. of this
36 section are not made within the time set forth herein, there shall be imposed
37 an investment alternative tax in an amount equivalent to 2% of gross
38 revenue, which tax shall be added to the tax determined under subsection a.
39 of this section and shall be due and payable in accordance with section 148
40 of P.L.1977, c.110 (C.5:12-148). For the purposes of determining whether
41 the investment alternative tax shall be paid, the State Treasurer shall
42 certify, under such rules and regulations as he shall promulgate consistent
43 with the provisions of this article, the amount of cumulative investments
44 made by each licensee. In the event of the sale or other disposition of the
45 licensed premises, any investment obligation imposed by subsection b.
46 which is not satisfied shall be immediately deemed due and payable as
47 investment alternative tax, and said amount shall constitute a lien upon the
48 licensed premises until paid, together with interest at the rate specified in

1 the "State Tax Uniform Procedure Law," Subtitle 9 of Title 54 of the
2 Revised Statutes; provided, however, that the appointment of a conservator
3 under section 31 of P.L.1978, c.7, shall not constitute a sale or other
4 disposition of the licensed premises within the meaning of this subsection,
5 and provided further, that if, in the judgment of the **[commission]** division,
6 a sale or other disposition does not significantly affect the operations of a
7 casino licensee with respect to such premises, the **[commission]** division
8 may permit the investment obligation imposed on such licensee to continue
9 under such conditions as the **[commission]** division may deem appropriate.

10 f. The **[commission]** division shall promulgate rules and regulations
11 consistent with the provisions of this article as to the eligibility of the
12 investments and cumulative investments required by this section.

13 g. The Casino Reinvestment Development Authority shall,
14 simultaneous with the initial exercise of its general powers and
15 responsibilities pursuant to section 39 of P.L.1984, c.218, assume and
16 exercise all powers and responsibilities and make all determinations
17 necessary to the administration of subsections b. through f. of section 144
18 of P.L.1977, c.110 (C.5:12-144) theretofore exercised or made by the
19 **[commission]** division, including the resolution of all matters then pending
20 before the **[commission]** division. Subsequent to the initial exercise of its
21 general powers and responsibilities by the Casino Reinvestment
22 Development Authority, the **[commission]** division shall make no further
23 determinations of eligibility under this section except as may be necessary
24 to enable a licensee to satisfy an investment obligation which is due in
25 calendar year 1984, and shall have no further responsibility for planning or
26 redevelopment activity with regard to the use of reinvestment funds
27 generated by either subsections b. through f. of section 144 of P.L.1977,
28 c.110 (C.5:12-144) or subsection b. of section 3 of P.L.1984, c.218 (C.5:12-
29 144.1). All determinations **[of the commission]** made in accordance with
30 this section shall be final and subject only to alteration by a decision of a
31 court.

32 h. Notwithstanding any other provision of this section to the contrary,
33 any investment required by this section which has not been commenced by
34 a licensee as of the effective date of this 1984 amendatory and
35 supplementary act, other than an investment which is necessary to enable a
36 licensee to satisfy an investment obligation which is due in calendar year
37 1984, may only be satisfied through the purchase of bonds of the Casino
38 Reinvestment Development Authority issued pursuant to sections 14 and
39 15 of P.L.1984, c.218 (C.5:12-162, 5:12-163), except that the date by which
40 the investment shall be made, and the amount of the investment or
41 investment alternative tax obligation, shall be that set forth in subsections
42 b. and e. of this section.

43 Notwithstanding the provisions of subsections b. and c. of this section,
44 any investment obligation which is due in calendar year 1984 which has
45 not been commenced or satisfied by December 31, 1984 may, at the option
46 of the licensee and with the approval of the **[Casino Control Commission]**
47 division, and in lieu of or in addition to making any other investment or

1 contribution authorized by this section, be satisfied subsequent thereto by
2 the purchase, or the agreement to make a purchase, of bonds of the Casino
3 Reinvestment Development Authority. Any licensee desiring to exercise
4 this option, with the approval of the **【Casino Control Commission】**
5 division, shall transfer and entrust the necessary amount to the State
6 Treasurer, who shall maintain the funds until the initial exercise by the
7 Casino Reinvestment Development Authority of its general powers and
8 responsibilities pursuant to section 39 of P.L.1984, c.218. Immediately
9 subsequent to the initial exercise of its general powers and responsibilities
10 by the Casino Reinvestment Development Authority, the State Treasurer
11 shall transfer any such entrusted funds to the Casino Reinvestment
12 Development Authority for the purchase of bonds by the licensee in
13 amounts equivalent to the amount of the funds deposited by the licensee
14 with the State Treasurer. Until he transfers the funds to the Casino
15 Reinvestment Development Authority, the State Treasurer shall be
16 authorized to invest and reinvest such funds through the Director of the
17 Division of Investment, who shall make such investments in accordance
18 with written directions of the State Treasurer, without regard to any other
19 law relating to investments by the Director of the Division of Investment.
20 Any interest earned on the funds while they are entrusted to the State
21 Treasurer shall accrue to the licensee and the Casino Reinvestment
22 Development Authority in the same proportion as if the funds were held
23 and invested by the Casino Reinvestment Development Authority pursuant
24 to subsection m. of section 13 of P.L.1984, c.218 (C.5:12-161).

25 The proceeds of all bond purchases made pursuant to this subsection
26 shall be used exclusively to finance the rehabilitation, development, or
27 construction of housing facilities in the city of Atlantic City for persons or
28 families of low through middle income in accordance with the provisions
29 of subsection f. of section 3 of P.L.1984, c.218 (C.5:12-144.1).

30 i. If a licensee has incurred an investment obligation which requires
31 bonds to be purchased pursuant to the provisions of subsection h. of this
32 section and the licensee purchases bonds of the Casino Reinvestment
33 Development Authority issued pursuant to sections 14 and 15 of P.L.1984,
34 c.218 (C.5:12-162, 5:12-163) in satisfaction of that obligation no later than
35 six months after the adoption by the Casino Reinvestment Development
36 Authority of rules and regulations pursuant to subsection j. of section 3 of
37 P.L.1984, c.218 (C.5:12-144.1), the licensee shall be entitled to a reduction
38 of its investment obligation in an amount determined by the Casino
39 Reinvestment Development Authority, taking into account a current market
40 discount rate from the date of the purchase to the date the purchase would
41 have been required to be made. Any purchase of bonds made pursuant to
42 this subsection shall first be used to satisfy the licensee's most recently
43 incurred investment obligation. That purchase of bonds shall not constitute
44 a credit against the tax provided for in subsection a. of section 3 of this
45 1984 amendatory and supplementary act.

46 (cf: P.L.1984, c.218, s.2)

1 100. Section 3 of P.L.1984, c.218 (C.5:12-144.1) is amended to read as
2 follows:

3 3. a. (1) Commencing with the first annual tax return of a licensee for
4 any calendar year beginning after December 31, 1983, there is imposed an
5 investment alternative tax on the gross revenues as defined in section 24 of
6 P.L.1977, c.110 (C.5:12-24) of the licensee in the amount of 2.5% of those
7 gross revenues. The tax imposed with respect to each calendar year shall
8 be due and payable on the last day of April next following the end of the
9 calendar year. The State Treasurer shall have a lien against the property
10 constituting the casino of a licensee for the amount of any tax not paid
11 when due. No tax shall be imposed, however, on the gross revenues
12 received by a licensee during the first 12 months of the operation of any
13 casino that commences operation after January 1, 1984, but prior to the
14 effective date of this act, P.L.1996, c.118 (C.5:12-173.3a et al.).

15 (2) A licensee shall pay to the State Treasurer on or before the 15th day
16 of the first, fourth, seventh, and 10th months of each year as partial
17 payment of the investment alternative tax imposed pursuant to paragraph
18 (1) of this subsection an amount equal to 1.25% of the estimated gross
19 revenues for the three-month period immediately preceding the first day of
20 those months. The moneys received shall be placed in an escrow account
21 and shall be held until the licensee directs that the moneys be transferred to
22 the Casino Reinvestment Development Authority for the purchase of bonds
23 issued by or offered through the Casino Reinvestment Development
24 Authority or pursuant to a contract for such a purchase, be made available
25 to the licensee for a direct investment approved by the authority, or be
26 transferred to the Casino Revenue Fund as partial payment of the
27 investment alternative tax imposed pursuant to paragraph (1) of this
28 subsection. Any interest derived from the moneys in the escrow account
29 shall be paid or made available to the Casino Revenue Fund. If a licensee
30 fails to pay the amount due or underpays by an unjustifiable amount, the
31 **【Casino Control Commission】** division shall impose a fine of 5% of the
32 amount due or of the underpayment, as the case may be, for each month or
33 portion thereof the licensee is in default of payment, up to 25% of the
34 amount in default. Any fine imposed shall be paid to the Casino
35 Reinvestment Development Authority and shall be used for the purposes of
36 this 1984 amendatory and supplementary act.

37 b. Each licensee shall be entitled to an investment tax credit against the
38 tax imposed by subsection a. of this section, provided the licensee shall pay
39 over the moneys required pursuant to section 5 of P.L.1993, c.159 (C.5:12-
40 173.5): (1) for the first 10 years of a licensee's tax obligation, in an amount
41 equal to twice the purchase price of bonds issued by the Casino
42 Reinvestment Development Authority pursuant to sections 14 and 15 of this
43 1984 amendatory and supplementary act, purchased by the licensee, or
44 twice the amount of the investments authorized in lieu thereof, and (2) for
45 the remainder of a licensee's tax obligation, in an amount equal to twice the
46 purchase price of bonds issued by the Casino Reinvestment Development
47 Authority pursuant to sections 14 and 15 of this 1984 amendatory and
48 supplementary act, purchased by the licensee, or twice the amount of the

1 investments authorized in lieu thereof, and twice the amount of investments
2 made by a licensee in other approved eligible investments made pursuant to
3 section 25 of this act. The Casino Reinvestment Development Authority
4 shall have the power to enter into a contract or contracts with a licensee
5 pursuant to which the Casino Reinvestment Development Authority agrees
6 to issue and sell bonds to the licensee, and the licensee agrees to purchase
7 the bonds issued by or offered through the Casino Reinvestment
8 Development Authority, in annual purchase price amounts as will constitute
9 a credit against at least 50% of the tax to become due in any future year or
10 years. The contract may contain those terms and conditions relating to the
11 terms of the bonds and to the issuance and sale of the bonds to the licensee
12 as the Casino Reinvestment Development Authority shall deem necessary
13 or desirable. The contract shall not be deemed to be in violation of section
14 104 of P.L.1977, c.110 (C.5:12-104). After the first 10 years of a licensee's
15 investment alternative tax obligation, a licensee will have the option of
16 entering into a contract with the Casino Reinvestment Development
17 Authority to have its tax credit comprised of direct investments in approved
18 eligible projects. These direct investments shall not comprise more than
19 50% of a licensee's eligible tax credit in any one year.

20 The entering of a contract pursuant to this section shall be sufficient to
21 entitle a licensee to an investment tax credit for the appropriate tax year.

22 c. A contract entered into between a licensee and the Casino
23 Reinvestment Development Authority may provide for a deferral of
24 payment for and delivery of bonds required to be purchased and for a
25 deferral from making approved eligible investments in any year, but no
26 deferral shall occur more than two years consecutively. A deferral of
27 payment for any bonds required to be purchased by a licensee and a deferral
28 from making approved eligible investments may be granted by the Casino
29 Reinvestment Development Authority only upon a determination by the
30 **【Casino Control Commission】** Division of Gaming Enforcement that
31 purchase of these bonds or making approved eligible investments would
32 cause extreme financial hardship to the licensee and a determination by the
33 Casino Reinvestment Development Authority that the deferral of the
34 payment would not violate any covenant or agreement or impair any
35 financial obligation of the Casino Reinvestment Development Authority.
36 The contract may establish a late payment charge to be paid in the event of
37 deferral or other late payment at a rate as shall be agreed to by the Casino
38 Reinvestment Development Authority. If a deferral of purchase or
39 investment is granted, the licensee shall be deemed to have made the
40 purchase or investment at the time required by the contract, except that if
41 the purchase is not made at the time to which the purchase or investment
42 was deferred, then the licensee shall be deemed not to have made the
43 purchase or investment. The **【Casino Control Commission】** Division of
44 Gaming Enforcement shall adopt regulations establishing a uniform
45 definition of extreme financial hardship applicable to all these contracts. If
46 a licensee petitions the Casino Reinvestment Development Authority for a
47 deferral, the Casino Reinvestment Development Authority shall give notice
48 of that petition to the **【Casino Control Commission and to the】** Division of

1 Gaming Enforcement within three days of the filing of the petition. The
2 **【Casino Control Commission】** Division of Gaming Enforcement shall
3 render a decision within 60 days of notice as to whether the licensee has
4 established extreme financial hardship**【**, after consultation with the
5 Division of Gaming Enforcement**】**. The Casino Reinvestment Development
6 Authority shall render a decision as to the availability of the deferral within
7 10 days of the receipt by it of the decision of the **【Casino Control**
8 **Commission】** Division of Gaming Enforcement and shall notify the
9 Division of Gaming Enforcement **【and the Casino Control Commission】** of
10 that decision. If a deferral is granted, the Casino Reinvestment
11 Development Authority may determine whether the purchases or
12 investments shall be made in a lump sum, made over a period of years, or
13 whether the period of obligation shall be extended an additional period of
14 time equivalent to the period of time deferred.

15 d. The license of any licensee which has defaulted in its obligation to
16 make any purchase of bonds or investment in any approved eligible project
17 under a contract entered into pursuant to subsection b. of this section for a
18 period of 90 days may be suspended by the Casino Control Commission
19 upon report and recommendation of the division until that purchase is made
20 or deferred in accordance with subsection b. of this section, or a fine or
21 other penalty may be imposed upon the licensee by the commission. If the
22 Casino Control Commission elects not to suspend the license of a licensee
23 after the licensee has first defaulted in its obligation **【but】** the division may
24 instead 【imposes】 impose some lesser penalty 【and】. In such event, if the
25 licensee continues to be in default of its obligation after a period of 30
26 additional days and after any additional 30-day period, the 【commission】
27 division may impose another fine or penalty upon the licensee, 【which】
28 and may 【include suspension of】 again recommend that the commission
29 suspend that licensee's license. The fine shall be 5% of the amount of the
30 obligation owed for each month or portion thereof a licensee is in default,
31 up to 25% of that obligation; shall be paid to the Casino Reinvestment
32 Development Authority; and shall be used for the purposes of this 1984
33 amendatory and supplementary act.

34 e. A contract entered into by a licensee and the Casino Reinvestment
35 Development Authority pursuant to subsection b. of this section may
36 provide that after the first 10 years of a licensee's investment alternative tax
37 obligation imposed by subsection a. of this section, the Casino
38 Reinvestment Development Authority may repurchase bonds previously
39 sold to the licensee, which were issued after the 10th year of a licensee's
40 investment alternative tax obligation, by the Casino Reinvestment
41 Development Authority, if the Casino Reinvestment Development
42 Authority determines that the repurchase will not violate any agreement or
43 covenant or impair any financial obligation of the Casino Reinvestment
44 Development Authority and that the licensee will reinvest the proceeds of
45 the resale in an eligible project approved by the Casino Reinvestment
46 Development Authority.

1 f. (1) During the 50 years a licensee is obligated to pay an investment
 2 alternative tax pursuant to subsection k. of this section, the total of (a) the
 3 proceeds of all bonds purchased by a licensee from or through the Casino
 4 Reinvestment Development Authority and (b) all approved investments in
 5 eligible projects by a licensee shall be devoted to the financing of projects
 6 in the following areas and amounts:

| 7 Areas | Yrs. | Yrs. | Yrs. | Yrs. | Yrs. | Yrs. | Yrs. | Yrs. | Yrs. |
|--|------|------|------|-------|-------|-------|-------|-------|-------|
| | 1-3 | 4-5 | 6-10 | 11-15 | 16-20 | 21-25 | 26-30 | 31-35 | 36-50 |
| 9 a) Atlantic City | 100% | 90% | 80% | 50% | 30% | 20% | | | |
| 10 b) South Jersey | | 8% | 12% | 28% | 43% | 45% | | 25% | 50% |
| 11 c) North Jersey | | 2% | 8% | 22% | 27% | 35% | 35% | 50% | 50% |
| 12 d) Atlantic City 13 through the Atlantic 14 City Fund | | | | | | | 65% | 25% | |

15 except that, with respect to the obligations for calendar years 1994 through
 16 1998, the amount allocated for the financing of projects in North Jersey
 17 from each casino licensee's obligation shall be the amount allocated for
 18 calendar year 1993, and the difference between that amount and the amount
 19 to be allocated to North Jersey, on the basis of the above schedule, from
 20 each casino licensee's obligations for calendar years 1994 through 1998
 21 shall be paid into or credited to the Atlantic City Fund established by
 22 section 44 of P.L.1995, c.18 (C.5:12-161.1) and be devoted to the financing
 23 of projects in Atlantic City through that fund. For the purposes of this
 24 paragraph, "South Jersey" means the counties of Atlantic, Burlington,
 25 Camden, Cape May, Cumberland, Gloucester, Mercer, Ocean, and Salem,
 26 except that "South Jersey" shall not include the City of Atlantic City; and
 27 "North Jersey" means the remaining 12 counties of the State. For the
 28 purposes of this 1984 amendatory and supplementary act, bond "proceeds"
 29 means all funds received from the sale of bonds and any funds generated or
 30 derived therefrom.

31 In the financing of projects outside Atlantic City, the Casino
 32 Reinvestment Development Authority shall give priority to the
 33 revitalization of the urban areas of this State in the ways specified in
 34 section 12 of this 1984 amendatory and supplementary act. Those areas
 35 shall include, but not be limited to, all municipalities qualifying for aid
 36 pursuant to P.L.1978, c.14 (C.52:27D-178 et seq.).

37 Within nine months from the effective date of this 1984 amendatory and
 38 supplementary act, the Casino Reinvestment Development Authority shall
 39 determine the allocation of projected available moneys to municipalities in
 40 South Jersey for the first seven years of their receipt of funds, giving
 41 priority to the revitalization of the urban areas of the region. Municipalities
 42 receiving such an allocation shall present to the Casino Reinvestment
 43 Development Authority for its approval comprehensive plans or projects for
 44 which the allocations shall be used. Any such comprehensive plan or
 45 project may be submitted to the Casino Reinvestment Development
 46 Authority for a determination of eligibility at any time prior to the year for
 47 which the funds are allocated, and the Casino Reinvestment Development
 48 Authority shall make a determination of eligibility of the plan or project
 49 within a reasonable amount of time. If the Casino Reinvestment

1 Development Authority makes a positive determination of eligibility for
2 any comprehensive plan or project, or combination of comprehensive plans
3 or projects, for any municipality whose total cost exceeds the amount
4 allocated to that municipality for the first seven years of the receipt of
5 funds by South Jersey municipalities, the Casino Reinvestment
6 Development Authority shall make available sufficient funds in subsequent
7 years necessary to complete those plans or projects, or to complete that
8 portion of the plan or project originally agreed to be funded through the
9 Casino Reinvestment Development Authority, from funds received by the
10 Casino Reinvestment Development Authority in the years following the
11 seventh year of the receipt of funds by South Jersey municipalities. If the
12 comprehensive plan or project is determined by the Casino Reinvestment
13 Development Authority not to be an eligible plan or project, the
14 municipality may submit any other comprehensive plan or project for a
15 determination of eligibility. If, however, the municipality fails to receive a
16 positive determination of eligibility for any comprehensive plan or project,
17 or combination of comprehensive plans or projects, sufficient to exhaust the
18 total allocation to that municipality for any year prior to April 30 of the
19 following year for which the allocation was made, the allocation to that
20 municipality for that year shall cease, and the Casino Reinvestment
21 Development Authority may apply those excess funds to any other
22 comprehensive plan or project in any other municipality in the region
23 whose comprehensive plan or project has received a positive determination
24 of eligibility by the Casino Reinvestment Development Authority.

25 Within 36 months from the effective date of this 1984 amendatory and
26 supplementary act, the Casino Reinvestment Development Authority shall
27 determine the allocation of projected available moneys to municipalities in
28 North Jersey for the first five years of their receipt of funds, giving priority
29 to the revitalization of the urban areas of the region. Municipalities
30 receiving such an allocation shall present to the Casino Reinvestment
31 Development Authority for its approval comprehensive plans or projects for
32 which the allocations shall be used. Any such comprehensive plan or
33 project may be submitted to the Casino Reinvestment Development
34 Authority for a determination of eligibility at any time prior to the year for
35 which the funds are allocated, and the Casino Reinvestment Development
36 Authority shall make a determination of eligibility of the plan or project
37 within a reasonable amount of time. If the Casino Reinvestment
38 Development Authority makes a positive determination of eligibility for
39 any comprehensive plan or project, or combination of comprehensive plans
40 or projects, for any municipality whose total cost exceeds the amount
41 allocated to that municipality for the first five years of the receipt of funds
42 by North Jersey municipalities, the Casino Reinvestment Development
43 Authority shall make available sufficient funds in subsequent years
44 necessary to complete those plans or projects, or to complete that portion of
45 the plan or project originally agreed to be funded through the Casino
46 Reinvestment Development Authority, from funds received by the Casino
47 Reinvestment Development Authority in the years following the fifth year
48 of the receipt of funds by North Jersey municipalities. If the

1 comprehensive plan or project is determined by the Casino Reinvestment
2 Development Authority not to be an eligible plan or project, the
3 municipality may submit any other comprehensive plan or project for a
4 determination of eligibility. If, however, the municipality fails to receive a
5 positive determination of eligibility for any comprehensive plan or project,
6 or combination of comprehensive plans or projects, sufficient to exhaust the
7 total allocation to that municipality for any year prior to April 30 of the
8 following year for which the allocation was made, the allocation to that
9 municipality for that year shall cease, and the Casino Reinvestment
10 Development Authority may apply those excess funds to any other
11 comprehensive plan or project in any other municipality in the region
12 whose comprehensive plan or project has received a positive determination
13 of eligibility by the Casino Reinvestment Development Authority.

14 (2) Commencing with the first year in which a licensee incurs a tax
15 obligation pursuant to this section, and for the period of two years
16 thereafter, 100% of the proceeds of all bonds purchased by a licensee from
17 the Casino Reinvestment Development Authority which are devoted to the
18 financing of projects in the city of Atlantic City pursuant to paragraph (1)
19 of this subsection shall be used exclusively to finance the rehabilitation,
20 development, or construction of, or to provide mortgage financing of,
21 housing facilities in the city of Atlantic City for persons or families of low
22 through middle income, as defined in this subsection. For the purposes of
23 this subsection, the "rehabilitation, development, or construction of housing
24 facilities" shall include expenses attributable to site preparation,
25 infrastructure needs and housing-related community facilities and services,
26 including supporting commercial development. Commencing with the
27 fourth year in which a licensee incurs a tax obligation pursuant to this
28 subsection, 50% of the proceeds of all bonds purchased by a licensee from
29 the Casino Reinvestment Development Authority which are devoted to the
30 financing of projects in the city of Atlantic City shall be used exclusively to
31 finance the rehabilitation, development, or construction of housing facilities
32 in the city of Atlantic City for persons or families of low through middle
33 income. Commencing with the 11th year in which a licensee incurs a tax
34 obligation pursuant to this section, 50% of the annual aggregate of the
35 proceeds of bonds purchased by a licensee from the Casino Reinvestment
36 Development Authority which are devoted to the financing of projects in
37 the city of Atlantic City and investments in approved eligible projects
38 commenced by a licensee in the city of Atlantic City shall be used
39 exclusively to finance the rehabilitation, development, or construction of,
40 or to provide mortgage financing of, housing facilities in the city of
41 Atlantic City for persons or families of low through middle income.

42 (3) The Legislature finds that it is necessary to provide for a balanced
43 community and develop a comprehensive housing program. The Casino
44 Reinvestment Development Authority shall determine the need for housing
45 in the city of Atlantic City, in consultation with the city of Atlantic City
46 and specifically its zoning and planning boards. This shall include
47 determining the types and classes of housing to be constructed and the
48 number of units of each type and class of housing to be built. The Casino

1 Reinvestment Development Authority shall give priority to the housing
2 needs of the persons and their families residing in the city of Atlantic City
3 in 1983 and continuing such residency through the effective date of this
4 1984 amendatory and supplementary act. The actual percentage of the
5 proceeds of bonds and investments in approved eligible projects
6 commenced by a licensee in the city of Atlantic City, which shall be used
7 exclusively to finance the rehabilitation, development, or construction of,
8 or to provide mortgage financing of, housing facilities in the city of
9 Atlantic City for persons or families of low through middle income, shall
10 be based upon the authority's determination of the need for housing in the
11 city of Atlantic City conducted pursuant to this subsection. Once the
12 housing needs of the persons residing in the city of Atlantic City in 1983
13 and continuing such residency through the effective date of this 1984
14 amendatory and supplementary act have been met, as determined by the
15 Casino Reinvestment Development Authority pursuant to this subsection,
16 any required percentages for such housing in the city of Atlantic City may,
17 in its sole discretion, be waived by the Casino Reinvestment Development
18 Authority. To aid the Casino Reinvestment Development Authority in
19 making these determinations, the Casino Reinvestment Development
20 Authority shall review the proposal for a housing redevelopment program
21 and strategy for the city of Atlantic City approved and adopted by the
22 Casino Control Commission and shall give priority to same and any other
23 plan or project which is consistent with the standards of this subsection and
24 is acceptable to the Casino Reinvestment Development Authority, pursuant
25 to section 25 of this 1984 amendatory and supplementary act. The Casino
26 Reinvestment Development Authority may determine whether the funds
27 used to finance housing facilities in the city of Atlantic City for persons or
28 families of low, moderate, median range, and middle income are derived
29 from the proceeds of bonds purchased by a licensee from the Casino
30 Reinvestment Development Authority to be devoted to the financing of
31 projects in the city of Atlantic City, investments in approved eligible
32 projects commenced by a licensee in the city of Atlantic City, or a
33 combination of both. Any investment made by a licensee in excess of
34 100% of its eligible investment tax credit during the first three years and in
35 excess of 50% thereafter in either the purchase of bonds or direct
36 investments in approved eligible projects for low, moderate, median range,
37 and middle income family housing facilities in the city of Atlantic City may
38 be carried forward and credited against the licensee's obligation to make a
39 100% investment during the first three years and 50% thereafter in low,
40 moderate, median range, and middle income family housing in any future
41 year, with the approval of the Casino Reinvestment Development
42 Authority. For the purposes of this act, "low income families" means
43 families whose income does not exceed 50% of the median income of the
44 area, with adjustments for smaller and larger families. "Moderate income
45 families" means families whose income does not exceed 80% and is not
46 less than 50% of the median income for the area, with adjustments for
47 smaller and larger families. "Median range income families" means
48 families whose income does not exceed 120% and is not less than 80% of

1 the median income for the area, with adjustments for smaller and larger
2 families. "Middle income families" means families whose income does not
3 exceed 150% and not less than 120% of the median income for the area,
4 with adjustments for smaller and larger families. "Median income" means
5 an income defined as median within the Standard Metropolitan Statistical
6 Area for Atlantic City by the United States Department of Housing and
7 Urban Development.

8 In order to achieve a balanced community, the authority shall ensure that
9 the development of housing for families of low and moderate income shall
10 proceed at the same time as housing for families of median range and
11 middle income, until such time as there is no longer a need for such
12 facilities in the city of Atlantic City, as determined by the Casino
13 Reinvestment Development Authority.

14 (4) Notwithstanding any other law or section to the contrary,
15 particularly this subsection regarding the waiver of the required percentages
16 for housing in the city of Atlantic City, subsection I. of section 14, and
17 sections 26, 27, 28, 29, and 31 of this 1984 amendatory and supplementary
18 act, nothing shall be implemented or waived by the Casino Reinvestment
19 Development Authority which would reduce, impair, or prevent the
20 fulfillment of the priorities established and contained in this subsection of
21 this 1984 amendatory and supplementary act.

22 g. If a person is a licensee with regard to more than one approved hotel
23 pursuant to section 82 of P.L.1977, c.110 (C.5:12-82), the person shall
24 separately account for the gross revenues, the investment alternative tax
25 obligations, and the investments for a tax credit against the investment
26 alternative tax for each approved hotel, and the tax obligations of the
27 licensee under this section shall be determined separately for each approved
28 hotel. The licensee may apportion investments between its approved
29 hotels; provided that no amount of investment shall be credited more than
30 once. If a licensee receives the prior approval of the Casino Reinvestment
31 Development Authority, the licensee may make eligible investments in
32 excess of the investments necessary to receive a tax credit against the
33 investment alternative tax for a given calendar year, and the licensee may
34 carry forward this excess investment and have it credited to its next
35 investment alternative tax obligation. If the Casino Reinvestment
36 Development Authority approves of such excess investment and approves
37 the carry forward of this excess investment, and a licensee elects to
38 purchase bonds of the Casino Reinvestment Development Authority or
39 makes direct investments in approved eligible projects in excess of the
40 investments necessary to receive a tax credit against the investment
41 alternative tax for its current obligation, the licensee shall be entitled to a
42 reduction of the amount of investments necessary in future years, which
43 amount shall be determined annually by the Casino Reinvestment
44 Development Authority, taking into account a current market discount rate
45 from the date of the purchase or investment to the date the purchase or
46 investment would have been required to be made.

47 h. Each casino licensee shall prepare and file, in a form prescribed by
48 the Casino Reinvestment Development Authority, an annual return

1 reporting that financial information as shall be deemed necessary by the
2 Casino Reinvestment Development Authority to carry out the provisions of
3 this act. This return shall be filed with the Casino Reinvestment
4 Development Authority and the **【Casino Control Commission】** Division of
5 Gaming Enforcement on or before April 30 following the calendar year on
6 which the return is based. The **【Casino Control Commission】** Division of
7 Gaming Enforcement shall verify to the Casino Reinvestment Development
8 Authority the information contained in the report, to the fullest extent
9 possible. Nothing in this subsection shall be deemed to affect the due dates
10 for making any investment or paying any tax under this section.

11 i. Any purchase by a licensee of bonds issued by or offered through
12 the Casino Reinvestment Development Authority pursuant to sections 14
13 and 15 of this act and subsection b. of this section and all approved eligible
14 investments made by a licensee pursuant to section 25 of this act and
15 subsection b. of this section are to be considered investments and not taxes
16 owed or grants to the State or any political subdivision thereof. As such, a
17 licensee shall have the possibility of the return of principal and a return on
18 the capital invested as with other investments. Investors in the bonds
19 issued by or offered through the Casino Reinvestment Development
20 Authority shall be provided with an opinion from a recognized financial
21 rating agency or a financial advisory firm with national standing that each
22 loan of bond proceeds by the Casino Reinvestment Development Authority
23 has the minimum characteristics of an investment, in that a degree of
24 assurance exists that interest and principal payments can be made and other
25 terms of the proposed investment be maintained over the period of the
26 investment, and that the loan of the bond proceeds would qualify for a bond
27 rating of "C" or better. If an opinion cannot be obtained from a recognized
28 financial rating agency or a financial advisory firm with national standing,
29 an opinion shall be obtained from an expert financial analyst with national
30 standing, selected and hired by the Casino Reinvestment Development
31 Authority. In order to achieve a balanced portfolio, assure the viability of
32 the authority and the projects, facilities and programs undertaken pursuant
33 to this 1984 amendatory and supplementary act, no more than 25% of the
34 total investments made by or through the Casino Reinvestment
35 Development Authority with the proceeds of bonds generated in each year
36 shall be investments which would qualify for a bond rating of "C," unless
37 all holders of obligations in each year agree to waive the 25% limit for that
38 year. Nothing herein shall be interpreted as limiting the Casino
39 Reinvestment Development Authority from taking any steps it deems
40 appropriate to protect the characteristics of its investment in projects or any
41 other investments from not being real investments with a prospect for the
42 return of principal and a return on the capital invested. Anything contained
43 in this section shall not be considered a guarantee by the State or any
44 political subdivision thereof of any return of principal or interest, but any
45 purchase by a licensee of bonds or approved eligible investments made by a
46 licensee pursuant to this act shall be at the risk of the licensee. A licensee
47 or the licensees purchasing an issue of bonds issued by the Casino
48 Reinvestment Development Authority in any given year may arrange, at

1 their option, for those bonds or the investments, made by or through the
2 Casino Reinvestment Development Authority with the proceeds of those
3 bonds, to be insured. The cost of any such insurance purchased by a
4 licensee or licensees shall be paid by the licensee or licensees desiring such
5 insurance.

6 j. The Casino Reinvestment Development Authority shall promulgate
7 rules and regulations deemed necessary to carry out the purposes of this
8 section.

9 k. The obligation of a licensee to pay an investment alternative tax
10 pursuant to subsection a. of this section, including a casino licensee subject
11 to the provisions of section 13 of P.L.2001, c.221 (C.5:12-173.21), shall
12 end for each licensed facility operated by the licensee 50 years after any
13 investment alternative tax obligation is first incurred in connection with
14 each licensed facility operated by the licensee, unless extended in
15 connection with a deferral granted by the Casino Reinvestment
16 Development Authority pursuant to subsection c. of this section.

17 l. Within 90 days of the effective date of this act, P.L.2004, c.129, the
18 State Treasurer shall certify the amounts that were invested pursuant to this
19 section in South Jersey, as defined in subsection f. of this section, for
20 projects located in the City of Atlantic City. Notwithstanding subsection f.
21 of this section, beginning in State fiscal year 2005, the amount of (a)
22 proceeds of all bonds purchased by a licensee from or through the Casino
23 Reinvestment Development Authority and (b) all approved investments in
24 eligible projects by a licensee devoted pursuant to subsection f., shall not
25 exceed the amount devoted for those purposes in State fiscal year 2004.
26 Any amounts in excess of the amounts devoted in State fiscal year 2004,
27 after fulfilling all fund reservations, bonding and contractual obligations,
28 shall be devoted to the financing of projects in South Jersey. For the
29 purpose of this section, "South Jersey" means the counties of Atlantic,
30 Burlington, Camden, Cape May, Cumberland, Gloucester, Mercer, Ocean,
31 and Salem, except that the term shall not include the City of Atlantic City.
32 The provisions of this subsection shall terminate when excess amounts
33 devoted to the financing of projects in South Jersey equal the amount
34 certified by the State Treasurer.

35 (cf: P.L.2004, c.129, s.1)

36

37 101. Section 2 of P.L.2008, c.12 (C.5:12-144.2) is amended to read as
38 follows:

39 2. a. A casino licensee shall receive an annual deduction from the gross
40 revenue taxed pursuant to subsection a. of section 144 of P.L.1977, c.110
41 (C.5:12-144) in an amount equal to either (1) the promotional gaming
42 credits reported by that licensee in its annual tax return or (2) such other
43 portion of the promotional gaming credits reported by all casino licensees
44 as the **[commission]** division may allocate to a particular licensee to reflect
45 that licensee's pro rata share of the costs of the 2008 agreement executed
46 between the New Jersey Sports and Exposition Authority and the Casino
47 Association of New Jersey for the benefit of the horse racing industry.

1 b. Casino licensees shall be allowed a deduction from gross revenues
2 for a tax year pursuant to subsection a. of this section for the total value of
3 promotional gaming credits redeemed by patrons at all licensed casinos for
4 that tax year in excess of \$90,000,000. For the first tax year in which this
5 act becomes operative pursuant to section 3 of this act, P.L.2008, c.12, the
6 commission shall reduce the \$90,000,000 deduction threshold for that tax
7 year in proportion to the part of the tax year that has elapsed prior to that
8 operative date.

9 c. The **commission** division shall establish, by regulation,
10 procedures and standards for allocating the deduction established pursuant
11 to this section to reflect each licensee's pro rata share of the costs of the
12 2008 agreement executed between the New Jersey Sports and Exposition
13 Authority and the Casino Association of New Jersey for the benefit of the
14 horse racing industry and procedures and standards for each licensee to take
15 the deduction established pursuant to this section to reflect those deductions
16 that exceed the costs of the 2008 agreement. Such regulations shall include
17 standards for the allocation of the \$90,000,000 deduction threshold
18 established in subsection b. of this section, the timing of the application of
19 deductions, and all other matters related to the provisions of this section.

20 d. (1) The **commission** division shall establish, by regulation,
21 procedures to ensure that the promotional gaming credit deduction
22 established pursuant to this section does not result in a negative fiscal
23 impact to the Casino Revenue Fund. If necessary, the **commission**
24 division may reduce the value of the available deduction to eliminate any
25 negative fiscal impact to the Casino Revenue Fund attributable solely to the
26 deduction and not to other economic or other factors that cause a negative
27 fiscal impact to the Casino Revenue Fund.

28 (2) For the purposes of this subsection, "negative fiscal impact to the
29 Casino Revenue Fund" shall mean that the amount generated from taxation
30 of promotional gaming credits falls below the level generated in calendar
31 year 2007.

32 (cf: P.L.2008, c.12, s.2)

33
34 102. Section 145 of P.L.1977, c.110 (C.5:12-145) is amended as
35 follows:

36 145. a. There is hereby created and established in the Department of the
37 Treasury a separate special account to be known as the "Casino Revenue
38 Fund," into which shall be deposited all revenues from the tax imposed by
39 section 144 of this act; the investment alternative tax imposed by section 3
40 of P.L.1984, c.218 (C.5:12-144.1); the taxes and fees imposed by sections
41 3, 4 and 6 of P.L.2003, c.116 (C.5:12-148.1, C.5:12-148.2 and C.5:12-
42 145.8) and any interest and penalties imposed by the **commission**
43 division relating to those taxes; the percentage of the value of expired
44 gaming related obligations pursuant to section 24 of P.L.2009, c.36
45 (C.5:12-141.2); and all penalties levied and collected by the **commission**
46 division pursuant to P.L.1977, c.110 (C.5:12-1 et seq.) and the regulations
47 promulgated thereunder, except that the first \$600,000 in penalties

1 collected each fiscal year shall be paid into the General Fund for
2 appropriation by the Legislature to the Department of Health and Senior
3 Services, \$500,000 of which is to provide funds to the Council on
4 Compulsive Gambling of New Jersey and \$100,000 of which is to provide
5 funds for compulsive gambling treatment programs in the State. In the
6 event that less than \$600,000 in penalties are collected, the Department of
7 Health and Senior Services shall determine the allocation of funds between
8 the Council and the treatment programs eligible under the criteria
9 developed pursuant to section 2 of P.L.1993, c.229 (C.26:2-169).

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

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

31 (cf: P.L.2009, c.36, s.25)

32

33 103. Section 6 of P.L.2003, c.116 (C.5:12-145.8) is amended to read as
34 follows:

35 6. Notwithstanding the provisions of any other law to the contrary and
36 in addition to any other tax or fee imposed by law, there is imposed a fee of
37 \$3.00 per day on each hotel room in a casino hotel facility that is occupied
38 by a guest, for consideration or as a complimentary item. This section shall
39 be administered by the **commission** Casino Revenue Fund Advisory
40 Commission and the amounts generated by this section shall be paid to the
41 State Treasurer for deposit in the Casino Revenue Fund established
42 pursuant to section 145 of P.L.1977, c.110 (C.5:12-145) in State fiscal
43 years 2004 through 2006. Beginning in State fiscal year 2007 and
44 thereafter, \$1.00 of the fee shall be deposited by the State Treasurer into a
45 special fund established and held by the State Treasurer and made available
46 for the exclusive use of the Casino Reinvestment Development Authority
47 established pursuant to section 5 of P.L.1984, c.218 (C.5:12-153) for its
48 purposes pursuant to law, as approved by the membership of the authority,

1 subject to the provisions of subsection e. of section 5 of P.L.2004, c.129
2 (C.5:12-173.22a). Beginning in State fiscal year 2007 and thereafter, the
3 portion of the proceeds of \$2.00 of the fee necessary to carry out the
4 purpose of subsections a. through c. of section 5 of P.L.2004, c.129
5 (C.5:12-173.22a) shall be deposited by the State Treasurer into a special
6 fund established and held by the State Treasurer and made available for the
7 exclusive use of the authority to carry out that purpose, and the remaining
8 proceeds of the \$2.00 fee shall be deposited by the State Treasurer into the
9 Casino Revenue Fund.
10 (cf: P.L.2004, c.129, s.2)

11

12 104. Section 146 of P.L.1977, c.110 (C.5:12-146) is amended to read as
13 follows:

14 146. a. Any casino licensee whose licensed premises are located in an
15 area which has been declared, by the Department of Community Affairs
16 and the [commission] division, to be a blighted area, or an area
17 endangered by blight, may, for a period of not more than 25 years, enter
18 into a written agreement with the Department of the Treasury, which
19 agreement shall, with respect to real property held for use as a licensed
20 casino hotel, provide for the payment of taxes to the tax collector of the
21 municipality, in lieu of full local real property tax payments, in an amount
22 to be computed by the sum of the following amounts, payable at the time
23 specified by law for the payment of local property taxes;

24 (1) An annual amount equal to 2% of the cost of the real property
25 investment. For the purposes of this section, "cost of the real property
26 investment" means only the actual cost or fair market value of direct labor
27 and all materials used in the construction, expansion, or rehabilitation of all
28 buildings, structures, and facilities at the project site, including the costs, if
29 any, of land acquisition and land preparation, provision of access roads,
30 utilities, drainage facilities, and parking facilities, together with
31 architectural, engineering, legal, surveying, testing, and contractors' fees
32 associated with the project; provided, however, that the applicant shall
33 cause such costs to be certified and verified to the Department of the
34 Treasury by an independent certified public accountant, following the
35 completion of the investment in the project; and provided further,
36 however, that upon execution of an agreement pursuant to this section,
37 only real property improvements made after July 6, 1976 shall be subject
38 to the provisions herein; plus

39 (2) An amount equivalent to the difference between an amount that
40 would have been payable as property taxes under the full local property tax
41 rate and the amount calculated pursuant to subsection a.(1) of this section,
42 which shall be payable from such profits, if any, as hereinafter defined in
43 section 147, as shall remain after deducting therefrom interest and
44 principal paid on mortgage loans applicable to the real property held for
45 use as a licensed casino hotel. The total payments provided by this section
46 shall not exceed the full local property taxes normally payable for the year.

47 b. At the time an applicant applies for a license under this act, he shall
48 determine whether to exercise the option to pay in lieu taxes under this

1 section or whether the property of the applicant shall be subject to the
2 normal real property taxes of the municipality. This determination having
3 been made and approved, the method selected may not be changed or
4 altered during the term of the agreement.

5 c. Upon the filing of a certification by the State Treasurer in any year
6 that an agreement has been entered into pursuant to this section, the in lieu
7 tax provisions of this section shall be applicable with respect to the ensuing
8 tax years.

9 (cf: P.L.1977, c.110, s.146)

10

11 105. Section 147 of P.L.1977, c.110 (C.5:12-147) is amended to read as
12 follows:

13 147. a. For the purposes of the application of the provisions of section
14 146 of this act, "profits" referred to in section 146 a.(2) for any year
15 means total profits from cumulative investments in Atlantic City. In
16 computing profits under this section, a licensee shall deduct from the gross
17 income of cumulative investments in Atlantic City all operating expenses in
18 accordance with generally accepted accounting principles. There shall be
19 included in said operating expenses (1) all annual payments pursuant to
20 section 146 a.(1) of this act; (2) property taxes in said municipality not
21 subject to section 146; and (3) an annual amount sufficient to amortize in
22 equal annual installments the total cost of the investment over the life of
23 the improvements, which in no case shall be less than 25 years in the case
24 of real property. There shall not be included in said operating expenses or
25 in any other account (1) depreciation or obsolescence; (2) interest on debt;
26 (3) taxes on income; (4) losses on bad debt instruments from gaming
27 operations in excess of the lesser of such instruments actually uncollected
28 or 4% of gross revenues; or (5) salaries, bonuses and other compensation
29 paid, directly or indirectly, to directors, partners, officers, stockholders or
30 other persons having any proprietary or ownership interest in the licensee.

31 b. In any year during which gross income exceeds cumulative
32 investments as defined in section 144 d. hereof, 50% of the profits, as
33 herein defined, which exceed the amount equivalent to 20% of the
34 cumulative investments in the municipality of a licensee who shall have
35 entered into an agreement pursuant to the provisions of section 146 hereof
36 for such year shall be retained in a separate interest-bearing account
37 maintained by the Treasurer, which account shall be designated "Special
38 Casino Retention Account." All amounts retained in such account with
39 respect to a licensee for any year may be recaptured by the licensee,
40 provided that (1) the average annual gross income for the tax year and the
41 two immediately preceding years is less than the cumulative investments of
42 the licensee in casino, hotel, or other facilities in the municipality or State;
43 or (2) the licensee, within 5 years of the date its annual tax return under
44 this act is due, shall make cumulative investments in such municipality
45 which shall cause the total of such investments to exceed the average
46 annual gross income for the tax year and the 2 immediately preceding
47 years, and which are equal to or greater than the amount of profits, as
48 herein defined, retained in such account for the tax year.

1 c. In the event such licensee fails to make cumulative investments
2 within the time specified as required for recapture of profits under this
3 section, the profits retained in the Special Casino Retention Account shall
4 be remitted to the Treasurer for deposit to the credit of the Casino Revenue
5 Fund.

6 d. For the purposes of this section, each annual return of such licensee
7 shall reflect the profits, if appropriate, determined on the basis of the
8 immediately preceding calendar year. The **[commission]** division shall
9 make rules and regulations for the determination of profits under the
10 provisions of this section.

11 (cf: P.L.1977, c.110, s.147)

12
13 106. Section 148 of P.L.1977, c.110 (C.5:12-148) is amended to read as
14 follows:

15 148. a. The tax imposed under section 144 hereof shall be due and
16 payable annually on or before the 15th day of March and shall be based
17 upon gross revenues derived during the previous calendar year. A licensee
18 shall file its first return and shall report gross revenues from the time it
19 commenced operations and ending on the last day of said calendar year.
20 Such report shall be filed with the **[commission]** Director of the Division
21 of Taxation in the Department of the Treasury on or before the following
22 March 15.

23 b. Any other law to the contrary notwithstanding, any business
24 conducted by an individual, partnership, or corporation or any other entity,
25 or any combination thereof, holding a license pursuant to this act shall, in
26 addition to all other taxes imposed by this act, file a consolidated
27 corporation business tax return pursuant to P.L.1945, c.162 (C.54:10A-1 et
28 seq.) and pay the taxes indicated thereon. The director of the Division of
29 Taxation shall issue such rules and regulations and design such tax forms as
30 shall be necessary to carry into effect the provisions of this act.

31 (cf: P.L.1977, c.110, s.148)

32
33 107. Section 4 of P.L.2003, c.116 (C.5:12-148.2) is amended to read as
34 follows:

35 4. a. A tax at the rate of 8% is imposed on casino service industry
36 multi-casino progressive slot machine revenue. The tax shall not be
37 considered a tax collectable under the "Sales and Use Tax Act," P.L.1966,
38 c.30 (C.54:32B-1 et seq.).

39 b. As used in this section, "casino service industry multi-casino
40 progressive slot machine revenue" means sums received by a casino service
41 industry enterprise, licensed pursuant to the provisions of subsection a. of
42 section 92 of P.L.1977, c.110 (C.5:12-92), or an eligible applicant for such
43 license, net of any money accrued for return to patrons in the form of
44 jackpots, that are directly or indirectly related to: (1) the conduct of multi-
45 casino progressive slot machine system operations in a casino; or (2) the
46 sale, lease, servicing or management of a multi-casino progressive slot
47 machine system. Notwithstanding the foregoing, "casino service industry
48 multi-casino progressive slot machine revenue" shall not be construed to

1 apply to revenue derived from transactions between a casino licensee and
2 its holding company or intermediary companies or their affiliates.

3 c. The **【commission】** Director of the Division of Taxation in the
4 Department of the Treasury, in consultation with the Division of Gaming
5 Enforcement, shall administer the tax imposed pursuant to this section. The
6 tax imposed by this section, and any interest or penalties imposed by the
7 **【commission】** Director of the Division of Taxation relating to that tax,
8 shall be deposited by the State Treasurer into the Casino Revenue Fund
9 established pursuant to section 145 of P.L.1977, c.110 (C.5:12-145).

10 d. A casino service industry enterprise licensee or applicant required to
11 pay the tax imposed pursuant to this section shall, on or before the 28th day
12 of the month, forward to the State Treasurer the tax owed on casino service
13 industry multi-casino progressive slot machine revenue received by the
14 casino service industry enterprise licensee or applicant in the preceding
15 month and make and file a return for the preceding month with the
16 commission on any form and containing any information as the commission
17 shall prescribe by rule or regulation as necessary to determine liability for
18 the tax in the preceding month during which the person was required to pay
19 the tax.

20 e. The **【commission】** Director of the Division of Taxation may permit
21 or require returns to be made covering other periods and upon any dates as
22 the **【commission】** Director of the Division of Taxation may specify. In
23 addition, the **【commission】** Director of the Division of Taxation may
24 require payments of tax liability to the State Treasurer at any intervals and
25 based upon any classifications as the **【commission】** Director of the
26 Division of Taxation may designate. In prescribing any other periods to be
27 covered by the return or intervals or classifications for payment of tax
28 liability, the **【commission】** Director of the Division of Taxation may take
29 into account the dollar volume of tax involved as well as the need for
30 ensuring the prompt and orderly collection of the tax imposed.

31 f. The **【commission】** Director of the Division of Taxation may require
32 amended returns to be filed within 20 days after notice and to contain the
33 information specified in the notice.

34 g. (Deleted by amendment, P.L.2004, c.128).

35 (cf: P.L.2009, c.36, s.26)

36

37 108. Section 5 of P.L.2003, c.116 (C.5:12-148.3) is amended to read as
38 follows:

39 5. a. In State fiscal years 2004 through 2006, a tax at the rate of 7.5% is
40 imposed on the adjusted net income of a casino licensee in calendar year
41 2002, determined pursuant to information provided by casino licensees to
42 the commission pursuant to regulations promulgated in accordance with
43 subsection n. of section 70 of P.L.1977, c.110 (C.5:12-70) and published on
44 April 2, 2003 in the commission's statement of casino licensee income for
45 the twelve-month period ending on December 31, 2002, without regard to
46 subsequent adjustment to such filing. For a casino licensee that was not in
47 operation in calendar year 2002, the amount of the tax shall be 7.5% of its

1 adjusted net income in State fiscal year 2004, as filed by the licensee with
2 the commission pursuant to regulations promulgated in accordance with
3 subsection n. of section 70 of P.L.1977, c.110 (C.5:12-70). As used in this
4 section, "adjusted net income" means annual net income plus management
5 fees.

6 The aggregate amount of tax imposed by this section shall not exceed
7 \$10 million annually for a holder of more than one casino license, and for
8 each casino licensee the tax imposed by this section shall not be less than
9 \$350,000 annually.

10 b. The **[commission]** Director of the Division of Taxation in the
11 Department of the Treasury shall collect and administer the tax imposed
12 pursuant to this section. In carrying out the provisions of this section, the
13 Director of the Division of Taxation shall have all of the powers granted in
14 P.L.1945, c.162 (C.54:10A-1 et seq.). For a casino licensee that was in
15 operation in calendar year 2002, the tax shall be due and payable to the
16 State Treasurer in four equal payments on September 15, December 15,
17 March 15, and June 15 of each State fiscal year. For a casino licensee that
18 was not in operation in calendar year 2002, the tax in State fiscal year 2004
19 shall be due and payable to the State Treasurer in four quarterly estimated
20 payments on the basis of adjusted net income in the current quarter, and the
21 licensee shall file an annual return for State fiscal year 2004 no later than
22 October 15, 2004. In State fiscal years 2005 and 2006 for such casino
23 licensee, the tax shall be due and payable to the State Treasurer in four
24 equal payments on September 15, December 15, March 15 and June 15.

25 c. The tax imposed by this section, and any interest or penalties
26 **[imposed by the commission]** collected by the Director of the Division of
27 Taxation in the Department of Treasury relating to that tax, shall be
28 deposited by the State Treasurer into the Casino Revenue Fund established
29 pursuant to section 145 of P.L.1977, c.110 (C.5:12-145).

30 d. The **[commission]** Director of the Division of Taxation in the
31 Department of Treasury shall certify annually on September 30**[, 2003 and**
32 **annually thereafter]** of each year the amount of tax required to be paid
33 pursuant to this section. The **[commission]** Director of the Division of
34 Taxation may promulgate such rules and regulations as the **[commission]**
35 Director of the Division of Taxation determines are necessary to effectuate
36 the provisions of this section.

37 e. (Deleted by amendment, P.L.2004, c.128).

38 f. The tax imposed under this section shall be governed by the
39 provisions of the "State Uniform Tax Procedure Law," R.S.54:48-1 et seq.
40 (cf: P.L.2004, c.128, s.6)

41
42 109. Section 149 of P.L.1977, c.110 (C.5:12-149) is amended to read as
43 follows:

44 149. Determination of Tax Liability. The **[commission]** Division of
45 Taxation may perform audits of the books and records of a casino licensee,
46 at such times and intervals as it deems appropriate, for the purpose of
47 determining the sufficiency of tax payments. If a return or deposit required

1 by section 145 with regard to obligations imposed by subsection a. of
2 section 144 of P.L.1977, c.110 (C.5:12-144) is not filed or paid, or if a
3 return or deposit when filed or paid is determined by the [commission]
4 Division of Taxation to be incorrect or insufficient with or without an audit,
5 the amount of tax or deposit due shall be determined by the [commission]
6 Division of Taxation. Notice of such determination shall be given to the
7 licensee liable for the payment of the tax or deposit. Such determination
8 shall finally and irrevocably fix the tax unless the person against whom it is
9 assessed, within 30 days after receiving notice of such determination, shall
10 apply to the [commission] Division of Taxation for a hearing[, or unless
11 the commission on its own motion shall redetermine the same. After such
12 hearing the commission shall give notice of its determination to the person
13 against whom the tax is assessed] in accordance with the regulations of the
14 Division of Taxation.

15 (cf: P.L.1993, c.292, s.34)

16

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

19 150. Penalties. a. Any licensee who shall fail to file his return when
20 due or to pay any tax or deposit when the same becomes due, as herein
21 provided, shall be subject to such penalties and interest as provided in the
22 "State Tax Uniform Procedure Law," Subtitle 9 of Title 54 of the Revised
23 Statutes. If the [commission] Division of Taxation determines that the
24 failure to comply with any provision of this Article was excusable under the
25 circumstances, the [commission] Division of Taxation may remit such part
26 or all of the penalty as shall be appropriate under such circumstances.

27 b. Any person failing to file a return, failing to pay the tax or deposit, or
28 filing or causing to be filed, or making or causing to be made, or giving or
29 causing to be given any return, certificate, affidavit, representation,
30 information, testimony or statement required or authorized by this act, or
31 rules or regulations adopted hereunder which is willfully false, or failing to
32 keep any records required by this act or rules and regulations adopted
33 hereunder, shall, in addition to any other penalties herein or elsewhere
34 prescribed, be guilty of a crime of the fourth degree and subject to the
35 penalties therefor, except that the amount of a fine may be up to
36 \$100,000.00.

37 c. Except as to those determinations required to be made by the
38 [commission] Division of Taxation pursuant to section 149 of P.L.1977,
39 c.110 (C.5:12-149), the certificate of the State Treasurer to the effect that a
40 tax or deposit has not been paid, that a return has not been filed, that
41 information has not been supplied, or that inaccurate information has been
42 supplied pursuant to the provisions of this act or rules or regulations
43 adopted hereunder, shall be presumptive evidence thereof.

44 d. If any part of any underpayment of tax required to be shown on a
45 return is due to fraud, there shall be added to the tax an amount equal to
46 50% of the underpayment.

47 (cf: P.L.1993, c.292, s.35)

1 111. Section 151 of P.L.1977, c.110 (C.5:12-151) is amended as
2 follows:

3 151. In addition to the other powers granted by this act, the
4 **【commission】** Division of Taxation is hereby authorized and empowered to
5 promulgate and distribute all forms and returns necessary to the
6 implementation of this act.
7 (cf: P.L.1977, c.110, s.151)
8

9 112. Section 4 of P.L.1985, c.539 (C.5:12-186) is amended to read as
10 follows:

11 4. a. Notwithstanding the provisions of any law, rule or regulation to
12 the contrary, every casino licensee shall establish goals of expending at
13 least 5% of the dollar value of its contracts for goods and services with
14 minority and women's business enterprises **【by the end of the third year
15 following the operative date of this 1985 amendatory and supplementary
16 act or】** by the end of third year following the receipt of a casino license,
17 **【whichever is later】** and 10% of the dollar value of its contracts for goods
18 and services with minority and women's business enterprises **【by the end of
19 the sixth year following the operative date of this 1985 amendatory and
20 supplementary act or】** by the end of the sixth year following the receipt of a
21 casino license**【, whichever is later】**; and each such licensee shall have a
22 goal of expending 15% of the dollar value of its contracts for goods and
23 services with minority and women's business enterprises **【by the end of the
24 10th year following that operative date or】** by the end of the 10th year
25 following the receipt of a casino license**【, whichever is later】**. Each casino
26 licensee shall be required to demonstrate annually **【to the commission】** that
27 the requirements of this act have been met by submitting a report which
28 shall include the total dollar value of contracts awarded for goods or
29 services and the percentage thereof awarded to minority and women's
30 business enterprises.

31 As used in this section, "goods and services" shall not include (1)
32 utilities and taxes; (2) financing costs, such as mortgages, loans or any
33 other type of debt; (3) medical insurance; (4) dues and fees to the Atlantic
34 City Casino Association; (5) fees and payments to a parent or affiliated
35 company of the casino licensee other than those that represent fees and
36 payments for goods and services supplied by non-affiliated persons through
37 an affiliated company for the use or benefit of the casino licensee; and (6)
38 rents paid for real property and any payments constituting the price of an
39 interest in real property as a result of a real estate transaction.

40 b. A casino licensee shall make a good faith effort to meet the
41 requirements of this section and shall annually demonstrate to the
42 **【commission】** division that such an effort was made.

43 c. A casino licensee may fulfill no more than 70% of its obligation or
44 part of it under this act by requiring a vendor to set aside a portion of his
45 contract for minority or women's business enterprises. Upon request, the
46 licensee shall provide the **【commission】** division with proof of the amount

1 of the set-aside.
2 (cf: P.L.1987, c.137, s.3)

3
4 113. Section 5 of P.L.1985, c.539 (C.5:12-187) is amended to read as
5 follows:

6 5. a. Every casino licensee shall establish goals of expending at least
7 5% of the dollar value of its bus business with minority and women's
8 business enterprises **【by the end of the third year following the operative**
9 **date of this 1985 amendatory and supplementary act or】** by the end of the
10 third year following the receipt of a casino license, **【whichever is later】** and
11 10% of the dollar value of its bus business with minority and women's
12 business enterprises **【by the end of the sixth year following the operative**
13 **date of this 1985 amendatory and supplementary act or】** by the end of the
14 sixth year following the receipt of a casino license**【, whichever is later】**;
15 and each such licensee shall have a goal of expending 15% of the dollar
16 value of its bus business with minority and women's business enterprises by
17 the end of the 10th year following **【that operative date or】** by the end of the
18 10th year following the receipt of a casino license**【, whichever is later】**.
19 Each casino licensee shall be required to demonstrate annually **【to the**
20 **commission】** that the requirements of this act have been met by submitting
21 a report which shall include the total bus business expended and the
22 percentage thereof awarded to minority and women's business enterprises.

23 b. A casino licensee shall make a good faith effort to meet the
24 requirements of this section **【and shall annually demonstrate to the**
25 **commission that such an effort was made】**.

26 (cf: P.L.1987, c.137, s.4)

27

28 114. Section 7 of P.L.1987, c.137 (C.5:12-187.1) is amended to read as
29 follows:

30 7. If the **【commission】** division determines that the provisions of
31 sections 4 and 5 of P.L.1985, c.539 (C.5:12-186 and C.5:12-187) relating to
32 expenditures and assignments to minority and women's business enterprises
33 have not been met by a licensee, the **【commission】** division may **【suspend**
34 **or revoke】** recommend to the commission the suspension or revocation of
35 the casino license, and the commission may, in its discretion, revoke or
36 suspend the license, or the division may fine or impose appropriate
37 conditions on the licensee, to ensure that the goals for expenditures and
38 assignments to minority and women's business enterprises are met; except
39 that if a determination is made that a casino licensee has failed to
40 demonstrate compliance with the provisions of sections 4 and 5 of
41 P.L.1985, c.539 (C.5:12-186 and C.5:12-187), a casino licensee will have
42 90 days from the date of the determination of noncompliance within which
43 to comply with the provisions of those sections.

44 (cf: P.L.1987, c.137, s.7)

1 115. Section 8 of P.L.1985, c.539 (C.5:12-190) is amended to read as
2 follows:

3 8. The Division of Development for Small Businesses and Women's and
4 Minority Businesses and the **【Casino Control Commission】** Division of
5 Gaming Enforcement shall develop such other regulations as may be
6 necessary to interpret and implement the provisions of this act.
7 (cf: P.L.1985, c.539, s.8)

8
9 116. Section 193 of P.L.1992, c.19 (C.5:12-193) is amended to read as
10 follows:

11 193. It shall be lawful for a casino to conduct casino simulcasting with
12 any in-State sending track and with any out-of-State sending track in
13 accordance with the provisions of this act, the applicable regulations of the
14 New Jersey Racing Commission and the **【New Jersey Casino Control**
15 **Commission】** Division of Gaming Enforcement and any joint regulations of
16 these commissions promulgated pursuant to this act.
17 (cf: P.L.1992, c.19, s.3)

18
19 117. Section 194 of P.L.1992, c.19 (C.5:12-194) is amended to read as
20 follows:

21 194. a. (1) A casino licensee which wishes to conduct casino
22 simulcasting shall establish a simulcasting facility as part of the casino
23 hotel. The simulcasting facility may be adjacent to, but shall not be part of,
24 any room or location in which casino gaming is conducted pursuant to the
25 provisions of P.L.1977, c.110 (C.5:12-1 et seq.). The simulcasting facility
26 shall conform to all requirements concerning square footage, equipment,
27 security measures and related matters which the **【Casino Control**
28 **Commission】** Division of Gaming Enforcement shall by regulation
29 prescribe. The space required for the establishment of a simulcasting
30 facility shall not reduce the space authorized for casino gaming activities as
31 specified in section 83 of P.L.1977, c.110 (C.5:12-83). The cost of
32 establishing, maintaining and operating a simulcasting facility shall be the
33 sole responsibility of the casino licensee.

34 (2) Wagering on simulcast horse races shall be conducted only in the
35 simulcasting facility, which shall be open and operated whenever simulcast
36 horse races are being transmitted to the casino hotel during permitted hours
37 of casino operation.

38 (3) Any authorized game, as defined in section 5 of P.L.1977, c.110
39 (C.5:12-5), other than slot machines may be conducted in a simulcasting
40 facility subject to the rules and regulations of the **【Casino Control**
41 **Commission】** Division of Gaming Enforcement.

42 (4) The security measures for a simulcasting facility shall include the
43 installation by the casino licensee of a closed circuit television system
44 according to specifications approved by the **【Casino Control Commission】**
45 Division of Gaming Enforcement. The Casino Control Commission and the
46 Division of Gaming Enforcement shall have access to the system or its
47 signal in accordance with regulations of the commission.

1 b. All persons engaged directly in wagering-related activities
2 conducted by a casino licensee in a simulcasting facility, whether employed
3 by the casino licensee or by a person or entity conducting casino
4 simulcasting in the simulcasting facility pursuant to an agreement with the
5 casino licensee[, shall be licensed as casino employees or casino key
6 employees, as appropriate. All] and all other employees of the casino
7 licensee or of the person or entity conducting casino simulcasting who are
8 working in the simulcasting facility, shall be licensed or registered in
9 accordance with regulations of the Casino Control Commission or the
10 Division of Gaming Enforcement.

11 Any employee at the Atlantic City Race Course or Garden State Park on
12 or after June 12, 1992, who loses employment with that racetrack as a
13 direct result of the implementation of casino simulcasting and who has been
14 licensed by the New Jersey Racing Commission for five consecutive years
15 immediately preceding the loss of employment shall be given first
16 preference for employment whenever any comparable position becomes
17 available in any casino simulcasting facility, provided the person is
18 qualified pursuant to this subsection. If a casino licensee enters into an
19 agreement with a person or entity for the conduct of casino simulcasting in
20 its simulcasting facility, the agreement shall include the requirement that
21 such first preference in employment shall be given by the person or entity
22 with respect to employment in the simulcasting facility.

23 c. A casino licensee which establishes a simulcasting facility and
24 conducts casino simulcasting shall, as a condition of continued operation of
25 casino simulcasting, receive all live races which are transmitted by in-State
26 sending tracks.

27 d. Agreements between a casino licensee and an in-State or out-of-
28 State sending track for casino simulcasting shall be in writing and shall be
29 filed with the New Jersey Racing Commission and with the [Casino
30 Control Commission] Division of Gaming Enforcement in accordance with
31 section 104 of P.L.1977, c.110 (C.5:12-104).

32 e. If wagering at casinos on sports events is authorized by the voters of
33 this State and by enabling legislation enacted by the Legislature, and if a
34 casino licensee conducts such wagering and casino simulcasting, the two
35 activities shall be conducted in the same area, in accordance with such
36 regulations as the [Casino Control Commission] Division of Gaming
37 Enforcement shall prescribe with respect to wagering on sports events and
38 in accordance with this act and such regulations as may be adopted
39 pursuant to section 3 of this act with respect to casino simulcasting.
40 (cf: P.L.1996, c.84, s.8)

41

42 118. Section 199 of P.L.1992, c.19 (C.5:12-199) is amended to read as
43 follows:

44 199. A casino which chooses to conduct casino simulcasting and which
45 operates a simulcasting facility may, with the approval of both the New
46 Jersey Racing Commission and the New Jersey [Casino Control
47 Commission] Division of Gaming Enforcement, also receive simulcast

1 horse races conducted at out-of-State sending tracks in accordance with the
2 provisions of this act and any applicable regulations of these commissions
3 and joint regulations of these commissions promulgated pursuant to this
4 act.

5 In order to be eligible to participate in casino simulcasting, an out-of-
6 State sending track shall be approved by the New Jersey Racing
7 Commission and be subject to licensure by the **【Casino Control**
8 **Commission】** Division of Gaming Enforcement as a casino service industry
9 enterprise pursuant to subsection c. of section 92 of P.L.1977, c.110
10 (C.5:12-92). The approval of the New Jersey Racing Commission shall
11 only be granted when that commission, in its discretion and after
12 consideration of the interests of the casino making application, determines
13 that approval is in the best interest of the public and the racing industry in
14 New Jersey.

15 (cf: P.L.2009, c.36, s.27)

16

17 119. Section 20 of P.L.1992, c.19 (C.5:12-210) is amended to read as
18 follows:

19 20. The **【Casino Control Commission】** Division of Gaming
20 Enforcement and the New Jersey Racing Commission shall individually and
21 jointly promulgate and adopt any rules and regulations, pursuant to the
22 "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.),
23 which are necessary to effectuate the purposes of **【this act】** P.L.1992, c.19
24 (C.5:12-191 et seq.).

25 (cf: P.L.1992, c.19, s.20)

26

27 120. Section 4 of P.L.2008, c.23 (C.5:12-211) is amended to read as
28 follows:

29 4. In the event **【that】** of a state of emergency **【is declared due to the**
30 **failure to enact a general appropriation law by the deadline prescribed by**
31 **Article VIII, Section II, paragraph 2 of the New Jersey Constitution, that**
32 **prevents inspectors, agents, or other employees of the commission and the**
33 **division from performing their normal duties】**, a casino licensee may
34 continue to conduct casino and simulcast operations for a period not to
35 exceed seven calendar days, notwithstanding that **【the inspectors, agents or**
36 **other】** employees of the commission and the division are unable to perform
37 their functions, provided that the casino licensee has complied with section
38 5 of P.L.2008, c.23 (C.5:12-212), and that the casino licensee and its
39 employees shall continue to comply with all relevant provisions of the New
40 Jersey Constitution and all relevant State statutes and regulations and shall
41 maintain detailed records of that compliance.

42 If, during any period of time that casino and simulcasting facilities
43 remain open pursuant to the provisions of this section, the Governor
44 determines that the holder of a casino license, or any licensed employee
45 thereof, may be engaged in what the Governor believes to be a violation of
46 any State statute or regulation governing the operation of those facilities
47 that would ordinarily subject a licensee to a possible suspension or

1 revocation of its license, the Governor shall have the authority to
2 summarily suspend the license of that casino or employee until such time as
3 it is rescinded by the Governor, or the state of emergency ceases and the
4 commission or the division, as appropriate, is able to address the matter.

5 Any violation of a statute or regulation that would ordinarily subject a
6 licensee to a fine, but which occurs while a facility remains open during a
7 state of emergency pursuant to this section, which is not reported by the
8 casino licensee in accordance with **[its approved internal control**
9 **procedures]** this act, shall be punishable by a fine of no less than five times
10 and up to ten times the amount of the usual fine, depending on the nature
11 and seriousness of the violation. When the state of emergency ceases,
12 casino licensees shall be responsible for any costs associated with re-
13 implementing onsite State inspections.

14 (cf: P.L.2008, c.23, s.4)

15

16 121. Section 5 of P.L.2008, c.23 (C.5:12-212) is amended to read as
17 follows:

18 5. In order for a casino licensee to conduct casino and simulcast
19 operations during a state of emergency as authorized in section 4 of
20 P.L.2008, c.23 (C.5:12-211), it shall **[obtain commission approval]** create,
21 maintain, and file with the division of internal controls prior to the state of
22 emergency, which shall become effective only during the state of
23 emergency, that contain, without limitation:

24 a. Procedures for the casino licensee and its employees to report any
25 violation of a statute or regulation to the casino licensee's chief legal officer
26 and audit committee executive, who shall report any such violations to the
27 Governor immediately and to the commission and division when the state
28 of emergency ceases.

29 b. Procedures for the casino licensee to engage a certified public
30 accountant **[approved by the commission, which procedures shall provide**
31 **sufficient safeguards to ensure that the public's interest in the integrity of**
32 **casino operations is served, and shall include but not be limited to a**
33 **criminal history record background check to be conducted in accordance**
34 **with the authority provided under paragraph (5) of subsection b. of section**
35 **89 of P.L.1977, c.110 (C.5:12-89),]** to perform the following functions
36 during the state of emergency:

37 (1) Act in the capacity of the **[commission]** division whenever the
38 presence of an **[inspector, agent or]** employee of the **[commission]**
39 division is normally required to perform an activity **[including, without**
40 **limitation, the collection and counting of gross revenue];**

41 (2) Perform any other functions in accordance with instructions issued
42 by the **[commission]** division prior to the state of emergency; and

43 (3) Maintain a written record of all activity performed.

44 c. Procedures for the surveillance department of the casino licensee to
45 record any activity that involves the participation of the certified public
46 accountant and to provide the recordings to the **[commission]** division
47 when the state of emergency ceases.

1 d. Procedures for providing any evidence of tampering or cheating that
2 occurs during the state of emergency to the certified public accountant, who
3 shall preserve such evidence for the **[commission and] division**.

4 e. Procedures to ensure that a designee of the casino licensee's chief
5 legal officer is available at all times to receive any complaint from the
6 public relating to the conduct of casino operations. Any such patron
7 complaint shall be forwarded to the chief legal officer, who shall promptly
8 file it with the **[commission] division** when the state of emergency ceases.

9 f. Procedures for withholding the payment of slot machine jackpots
10 greater than \$75,000 during the state of emergency, which shall be posted
11 in the casino advising patrons of the temporary jackpot payout procedures.
12 Such procedures shall include, without limitation, issuance of a written
13 receipt to the winning patron and withholding payment of the jackpot until
14 the state of emergency ceases and the division has had the opportunity to
15 inspect the slot machine on which the jackpot was won.

16 g. Procedures for staffing both the surveillance and casino security
17 departments with at least one additional officer at all times during the state
18 of emergency.

19 (cf: P.L.2008, c.23, s.5)

20
21 122. Section 6 of P.L.2008, c.23 (C.5:12-213) is amended to read as
22 follows:

23 6. During any **[period of operations authorized by section 4 of**
24 **P.L.2008, c.23 (C.5:12-211)] state of emergency, as defined in section 24**
25 **of P.L. c. (C.) (pending before the Legislature as this bill)**, a casino
26 licensee shall not:

27 a. Amend or seek permission to amend: (1) any submission required by
28 section 99 of P.L.1977, c.110 (C.5:12-99); or (2) its operation certificate.

29 b. **[Modify the configuration of its gaming floor or the gaming assets**
30 **located thereon in any manner whatsoever.] (Deleted by amendment,**
31 **P.L. , c.) (pending before the Legislature as this bill)**

32 c. **[Perform any activity that requires a pre-inspection by the**
33 **commission to ensure that surveillance camera coverage is adequate.]**
34 **(Deleted by amendment, P.L. , c.) (pending before the Legislature as this**
35 **bill)**

36 d. Perform any modification to any casino computer system or multi-
37 casino progressive slot system, except in the event of an emergency that, in
38 the opinion of its chief gaming executive and the director of its
39 Management Information Systems department, could affect the integrity of
40 casino or simulcasting operations or the collection and certification of gross
41 revenue.

42 e. Perform an adjustment to the amount on the progressive meter of
43 any slot machine; provided, however, notwithstanding any **[commission]**
44 **division** regulation to the contrary, if a casino licensee reasonably believes
45 a progressive meter is displaying an incorrect amount, it may take the
46 progressive slot machine out of service until the state of emergency ceases.

1 f. Conduct any gaming tournament or other activity that requires
2 **[commission]** division approval, unless the tournament or activity has been
3 approved by the **[commission]** division prior to the commencement of the
4 state of emergency.

5 (cf: P.L.2008, c.23, s.6)

6
7 123. Section 7 of P.L.2008, c.23 (C.5:12-214) is amended to read as
8 follows:

9 7. During any **[period of operations authorized by section 4 of**
10 **P.L.2008, c.23 (C.5:12-211)]** state of emergency, no transfer of property
11 shall occur that would otherwise require the issuance of interim casino
12 authorization pursuant to section 3 of P.L.1987, c.409 (C.5:12-95.12) prior
13 to such transfer.

14 (cf: P.L.2008, c.23, s.7)

15
16 124. Section 8 of P.L.2008, c.23 (C.5:12-215) is amended to read as
17 follows:

18 8. In the event a state of emergency is declared **[due to the failure to**
19 **enact a general appropriation law by the deadline prescribed by Article**
20 **VIII, Section II, paragraph 2 of the New Jersey Constitution]** that prevents
21 employees of the commission and the division from performing their
22 normal duties, the duration of the state of emergency shall not be included
23 in the calculation of the time period required by any law, rule or regulation
24 for:

25 a. Action by the Casino Control Commission or the Division of
26 Gaming Enforcement on any pending application **[or submission]**; and

27 b. The filing of any application or other required submission with the
28 Casino Control Commission or the Division of Gaming Enforcement by
29 any person.

30 (cf: P.L.2008, c.23, s.8)

31
32 125. Section 55 of P.L.1977, c.110 (C.5:12-55) is amended to read as
33 follows:

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

44 The director and any employee or agent of the division shall be subject
45 to the duty to appear and testify and to removal from his office, position or
46 employment in accordance with the provisions of P.L.1970, c.72 (C.2A:81-

1 17.2a et seq.). The Attorney General shall be responsible for the exercise
2 of the duties and powers assigned to the division.

3 The division shall be **[principally]** located in Atlantic City, except that
4 the division may maintain a secondary satellite office in Trenton, which
5 shall not be the primary office, if deemed necessary for the effective
6 performance of its duties and responsibilities.

7 If, as a result of the transfer of duties and responsibilities from the
8 Casino Control Commission to the division in accordance with P.L. , c.
9 (C.) (pending before the Legislature as this bill), the division needs to
10 employ an individual to fill a position, former employees of the
11 commission who performed the duties of the position to be filled shall be
12 given a one-time right of first refusal offer of employment with the
13 division, notwithstanding any other provision of law to the contrary.
14 (cf: P.L.1995, c.18, s.11)

15
16 126. (New section) A member of the Casino Control Commission and
17 any employee of the commission holding a supervisory or policy-making
18 management position, and the Director of the Division of Gaming
19 Enforcement and any employee of the division holding a supervisory or
20 policy-making management position, shall not make any contribution as
21 that term is defined in the "The New Jersey Campaign Contributions and
22 Expenditures Reporting Act," P.L.1973, c.83 (C.19:44A-1 et seq.).

23
24 127. Section 115 of P.L.1977, c.110 (C.5:12-115) is amended to read as
25 follows:

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

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

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

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

40 c. Any person who violates this section is guilty of a crime of the fourth
41 degree and subject to the penalties therefor, except that the amount of a fine
42 may be up to **[\$25,000.00]** \$50,000, and in the case of a person other than
43 a natural person, the amount of a fine may be up to **[\$100,000.00]**
44 \$200,000.

45 (cf: P.L.1991, c.182, s.47)

46

47 128. Section 116 of P.L.1977, c.110 (C.5:12-116) is amended to read as
48 follows:

1 116. Unlawful possession of device, equipment or other material
2 illegally manufactured, distributed, sold or serviced. Any person who
3 possesses any device, equipment or material which he knows has been
4 manufactured, distributed, sold, tampered with or serviced in violation of
5 the provisions of this act is guilty of a crime of the fourth degree and
6 subject to the penalties therefor, except that the amount of a fine may be up
7 to **【\$25,000.00】** \$50,000, and in the case of a person other than a natural
8 person, the amount of a fine may be up to **【\$100,000.00】** \$200,000.
9 (cf: P.L.1991, c.182, s.48)

10
11 129. Section 117 of P.L.1977, c.110 (C.5:12-117) is amended to read as
12 follows:

13 117. Employment Without License or Registration; Penalty. a. Any
14 person who, without obtaining the requisite license or registration as
15 provided in this act, works or is employed in a position whose duties would
16 require licensing or registration under the provisions of this act is guilty of
17 a crime of the fourth degree and subject to the penalties therefor, except
18 that the amount of a fine may be up to **【\$10,000.00】** \$20,000, and in the
19 case of a person other than a natural person, the amount of a fine may be up
20 to **【\$50,000.00】** \$100,000.

21 b. Any person who employs or continues to employ an individual not
22 duly licensed or registered under the provisions of this act in a position
23 whose duties require a license or registration under the provisions of this
24 act is guilty of a crime of the fourth degree and subject to the penalties
25 therefor, except that the amount of a fine may be up to **【\$10,000.00】**
26 \$20,000, and in the case of a person other than a natural person, the amount
27 of a fine may be up to **【\$50,000.00】** \$100,000.

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

29 d. Any person violating the provisions of subsection 101e. of this act
30 shall be guilty of a crime of the third degree, and shall be subject to the
31 penalties therefor, except that the amount of a fine may be up to
32 **【\$25,000.00】** \$50,000. Any licensee permitting or allowing such a
33 violation shall also be punishable under this subsection, in addition to any
34 other sanctions the commission may impose.

35 (cf: P.L.1991, c.182, s.49)

36
37 130. Section 120 of P.L.1977, c.110 (C.5:12-120) is amended to read as
38 follows:

39 120. Prohibited Political Contributions; Penalty. Any person who
40 makes or causes to be made a political contribution prohibited by the
41 provisions of this act is guilty of a crime of the fourth degree and subject to
42 the penalties therefor, except that the amount of a fine may be up to
43 **【\$100,000.00】** \$200,000, and in the case of a person other than a natural
44 person, the amount of a fine may be up to **【\$250,000.00】** \$500,000.

45 (cf: P.L.1991, c.182, s.52)

1 131. Section 126 of P.L.1977, c.110 (C.5:12-126) is amended to read as
2 follows:

3 126. a. It shall be unlawful for any person who has received any income
4 derived, directly or indirectly, from pattern of racketeering activity or
5 through collection of an unlawful debt in which such person has
6 participated as a principal within the meaning of N.J.S.2A:85-14 to use or
7 invest, directly or indirectly, any part of such income, or the proceeds of
8 such income, in acquisition of any interest in, or the establishment or
9 operation of, any enterprise which is engaged in or the activities of which
10 affect casino gaming operations or ancillary industries which do business
11 with any casino licensee. A purchase of securities on the open market for
12 purposes of investment, and without the intention of controlling or
13 participating in the control of the issuer or of assisting another to do so,
14 shall not be unlawful under this subsection, provided that the sum total of
15 the securities of the issuer held by the purchaser, the members of his
16 family, and his or their accomplices in any pattern of racketeering activity
17 or in the collection of an unlawful debt does not amount in the aggregate to
18 one percent of the outstanding securities of any one class, or does not,
19 either in law or in fact, empower the holders thereof to elect one or more
20 directors of the issuer.

21 b. It shall be unlawful for any person through a pattern of racketeering
22 activity or through collection of an unlawful debt to acquire or maintain,
23 directly or indirectly, any interest in or control of any enterprise which is
24 engaged in, or the activities of which affect, casino gaming operations or
25 ancillary industries which do business with any casino licensee.

26 c. It shall be unlawful for any person employed by or associated with
27 any enterprise engaged in, or the activities of which affect, casino gaming
28 operations or ancillary industries which do business with any casino
29 licensee, to conduct or participate, directly or indirectly, in the conduct of
30 such enterprise's affairs through a pattern of racketeering activity or
31 collection of unlawful debt.

32 d. It shall be unlawful for any person to conspire to violate any of the
33 provisions of subsections a., b., or c. of this section.

34 e. Any person who violates any provision of this section shall be fined
35 not more than ~~[\$50,000.00]~~ \$100,000 or imprisoned not more than twenty
36 years or both and shall forfeit to the State (1) any interest he has acquired
37 or maintained in violation of this section and (2) any interest in, security of,
38 claim against, or property or contractual right of any kind affording a
39 source of influence over any enterprise which he has established, operated,
40 controlled, conducted, or participated in the conduct of, in violation of this
41 section.

42 f. In any action brought by the Attorney General under this section, the
43 Superior Court shall have jurisdiction to enter such restraining orders or
44 prohibitions, or to take such other actions, including, but not limited to, the
45 acceptance of satisfactory performance bonds, in connection with any
46 property or other interest subject to forfeiture under this section, as it shall
47 deem proper.

1 g. Upon conviction of a person under this section, the court shall
2 authorize the Attorney General to seize all property or other interest
3 declared forfeited under this section upon such terms and conditions as the
4 court shall deem proper. If a property right or other interest is not
5 exercisable or transferable for value by the State, it shall expire and shall
6 not revert to the convicted person.

7 (cf: P.L.1977, c.110, s.126)

8

9 132. The following sections are repealed:

10 Section 6 of P.L.1995, c.18 (C.5:12-11.1);

11 Section 38 of P.L.1977, c.110 (C.5:12-38);

12 Section 64 of P.L.1977, c.110 (C.5:12-64);

13 Section 65 of P.L.1977, c.110 (C.5:12-65);

14 Section 67 of P.L.1977, c.110 (C.5:12-67);

15 Section 88 of P.L.1977, c.110 (C.5:12-88);

16 Section 90 of P.L.1977, c.110 (C.5:12-90); and

17 Section 3 of P.L.2003, c.116 (C.5:12-148.1).

18

19 133. This act shall take effect immediately, provided, however, that the
20 division and commission may take such anticipatory action as is necessary
21 to effectuate the provisions of this act. Any completed applications
22 properly filed with or submitted to the commission which are pending on
23 the effective date of this act over which the division is accorded authority
24 pursuant to the provisions of this act shall be deemed to have been properly
25 filed with or submitted to the division, provided that any application for a
26 license, which license by effect of this act is no longer required, shall be
27 treated as a registration.

28

29

30 STATEMENT

31

32 This bill revises the Casino Control Act, P.L.1977, c.110 (C.5:12-1 et
33 seq.), the law that regulates the licensing of casinos and casino gaming in
34 this State.

35 Under the bill, various regulatory matters currently with the Casino
36 Control Commission would become the responsibility of the Division of
37 Gaming Enforcement in the Department of Law and Public Safety. The
38 division's responsibilities would include:

39 conducting investigative hearings on the conduct of gaming and gaming
40 operations and the enforcement of the casino control act;

41 issuing reports and recommendations to the commission on entities or
42 persons required to qualify for a casino license, on applications for interim
43 casino authorization, or on petitions for a statement of compliance;

44 examining records and procedures, and conducting periodic reviews of
45 operations and facilities, to evaluate provisions of law;

46 collecting certain fees and assessments;

47 issuing operation certificates to casino licensees;

48 accepting impact statements submitted by casino license applicants;

1 issuing emergency orders;
2 taking action against licensees or registrants for violations of the act;
3 imposing sanctions and collecting penalties;
4 accepting and maintaining registrations for casino employees and certain
5 vendors;
6 receiving complaints from the public;
7 certifying the revenue of a casino or simulcasting facility;
8 creating and maintaining the list of excluded patrons;
9 and
10 using private contractors to process criminal history record background
11 checks.

12 With regard to the Casino Control Commission, the responsibilities of
13 the commission would include the areas of casino licensing; licensing of
14 casino key employees; and hearing appeals on actions taken by the division.
15 The commission would retain responsibility over the institution of a
16 conservatorship and appointment of conservators, and over interim
17 authorizations. The bill removes the requirement that the commission be
18 present through inspectors and agents at all times during the operation of a
19 casino. The bill would also require the commission to expeditiously
20 implement Internet wagering when it is permitted under State and federal
21 law.

22 With regard to the membership of the commission, the bill would
23 remove the provision that prohibits members of the commission from
24 continuing in holdover status for more than 120 days after the expiration of
25 their term, so that the members may remain in holdover status until a
26 successor is appointed. Also, the bill would provide for the election of the
27 chairperson by the commission members; currently, the chairperson is
28 designated by the Governor. The election of the chairperson would
29 commence after the expiration of the term of the current chair.

30 The commission would no longer be authorized to employ legal counsel
31 but may award a contract for professional legal services.

32 Under the bill, the commission would continue to have responsibility for
33 issuing casino licenses and casino key employee licenses. The division
34 would have jurisdiction over the licensing of casino service industry
35 enterprises, and the registration of those vendors that are not within the
36 definition of such an enterprise. The division would also have jurisdiction
37 over the registration of casino employees.

38 The definition of casino service industry enterprise would be revised to
39 mean any vendor offering goods or services which directly relate to casino
40 or gaming activity, including gaming equipment and simulcast wagering
41 equipment manufacturers, suppliers, repairers and independent testing
42 laboratories, junket enterprises, and junket representatives. The definition
43 of casino employee would be revised to mean a person, who is not within
44 the definition of casino key employee, but who is employed by a casino
45 licensee, or a holding or intermediary company of a casino licensee, and is
46 involved in the operation of a licensed casino or a simulcasting facility, or
47 performs services or duties in a casino, simulcasting facility or a restricted
48 casino area.

1 The bill would remove license renewal requirements, but would add a
2 requirement for certain information to be provided to the commission and
3 division every five years by licensees in order to verify continued
4 compliance with the law.

5 The bill would remove certain restrictions concerning a Casino Hotel
6 Alcoholic Beverage License, and would permit a manufacturer, wholesaler,
7 or other person licensed to sell alcoholic beverages to retailers, or third
8 parties at their discretion, to jointly sponsor with the Casino Hotel
9 Alcoholic Beverage Licensee musical or theatrical performances or
10 concerts, sporting events and such similar events and festivals, with an
11 anticipated overall audience attendance of at least one thousand patrons, as
12 may be approved by the division.

13 The administration of the tax on casino service industry multi-casino
14 progressive slot machine revenue would be transferred to the Department of
15 the Treasury, and administration of the \$3.00 per day fee on each casino
16 hotel room occupied by a guest would be transferred to the Casino Revenue
17 Fund Advisory Commission. The definition of "gross revenue" would be
18 revised to exclude non-cashable credits in any form, including coupons,
19 electronic credits and vouchers.

20 Other provisions of the bill would:

21 add certain criminal violations to the current list that would disqualify an
22 applicant for a casino license;

23 revise various casino licensing requirements;

24 add a presumption that a casino licensee is financially stable under
25 described conditions;

26 revise procedures for the conduct of hearings by the commission and the
27 division;

28 permit the division to adopt the conclusions of a private testing
29 laboratory or governmental agency with regard to the testing of gaming
30 equipment;

31 permit the deployment, within 14 days after submission for testing, of
32 new gaming equipment or simulcast wagering equipment that is submitted
33 for testing to the division or to an independent testing laboratory;

34 require the division to give a one-time right of first refusal offer of
35 employment to certain former commission employees;

36 prohibit a member of the commission and any employee of the
37 commission holding a supervisory or policy-making management position,
38 and the director of the division and any employee of the division holding a
39 supervisory or policy-making management position, from making any
40 political contribution;

41 add the director of the division to the current four-year post-employment
42 restriction applicable to commission members;

43 require the division to be located in Atlantic City, except that the
44 division may maintain a secondary office in Trenton; and

45 double all monetary fines for violations of the casino control act.

46 The bill would repeal:

47 the definition of "casino service employee" and "principal employee;"

1 the provision authorizing the commission to exclude unqualified or
2 disqualified persons from licensing or casino operations;
3 the provision describing the powers and authority of the commission;
4 the provisions that permit the commission to issue subpoenas, administer
5 oaths, appoint hearing examiners, order persons to answer questions or
6 produce evidence, and confer immunity, which are being replaced by new
7 sections in the bill;
8 the provisions concerning the renewal of casino licenses, and the
9 licensing of casino employees; and
10 the provision that imposed a tax on casino complimentaries until June
11 30, 2009.

SENATE STATE GOVERNMENT, WAGERING, TOURISM &
HISTORIC PRESERVATION COMMITTEE

STATEMENT TO

SENATE, No. 12

STATE OF NEW JERSEY

DATED: NOVEMBER 15, 2010

The Senate State Government, Wagering, Tourism & Historic Preservation Committee reports favorably Senate, No. 12.

This bill revises the Casino Control Act, P.L.1977, c.110 (C.5:12-1 et seq.), the law that regulates the licensing of casinos and casino gaming in this State.

Under the bill, various regulatory matters currently with the Casino Control Commission would become the responsibility of the Division of Gaming Enforcement in the Department of Law and Public Safety. The division's responsibilities would include:

- conducting investigative hearings on the conduct of gaming and gaming operations and the enforcement of the casino control act;

- issuing reports and recommendations to the commission on entities or persons required to qualify for a casino license, on applications for interim casino authorization, or on petitions for a statement of compliance;

- examining records and procedures, and conducting periodic reviews of operations and facilities, to evaluate provisions of law;

- collecting certain fees and assessments;

- issuing operation certificates to casino licensees;

- accepting impact statements submitted by casino license applicants;

- issuing emergency orders;

- taking action against licensees or registrants for violations of the act;

- imposing sanctions and collecting penalties;

- accepting and maintaining registrations for casino employees and certain vendors;

- receiving complaints from the public;

- certifying the revenue of a casino or simulcasting facility;

- creating and maintaining the list of excluded patrons;

and

- using private contractors to process criminal history record background checks.

With regard to the Casino Control Commission, the responsibilities of the commission would include the areas of casino licensing;

licensing of casino key employees; and hearing appeals on actions taken by the division. The commission would retain responsibility over the institution of a conservatorship and appointment of conservators, and over interim authorizations. The bill removes the requirement that the commission be present through inspectors and agents at all times during the operation of a casino. The bill would also require the commission to expeditiously implement Internet wagering when it is permitted under State and federal law.

With regard to the membership of the commission, the bill would remove the provision that prohibits members of the commission from continuing in holdover status for more than 120 days after the expiration of their term, so that the members may remain in holdover status until a successor is appointed. Also, the bill would provide for the election of the chairperson by the commission members; currently, the chairperson is designated by the Governor. The election of the chairperson would commence after the expiration of the term of the current chair.

The commission would no longer be authorized to employ legal counsel but may award a contract for professional legal services.

Under the bill, the commission would continue to have responsibility for issuing casino licenses and casino key employee licenses. The division would have jurisdiction over the licensing of casino service industry enterprises, and the registration of those vendors that are not within the definition of such an enterprise. The division would also have jurisdiction over the registration of casino employees.

The definition of casino service industry enterprise would be revised to mean any vendor offering goods or services which directly relate to casino or gaming activity, including gaming equipment and simulcast wagering equipment manufacturers, suppliers, repairers and independent testing laboratories, junket enterprises, and junket representatives. The definition of casino employee would be revised to mean a person, who is not within the definition of casino key employee, but who is employed by a casino licensee, or a holding or intermediary company of a casino licensee, and is involved in the operation of a licensed casino or a simulcasting facility, or performs services or duties in a casino, simulcasting facility or a restricted casino area.

The bill would remove license renewal requirements, but would add a requirement for certain information to be provided to the commission and division every five years by licensees in order to verify continued compliance with the law.

The bill would remove certain restrictions concerning a Casino Hotel Alcoholic Beverage License, and would permit a manufacturer, wholesaler, or other person licensed to sell alcoholic beverages to retailers, or third parties at their discretion, to jointly sponsor with the Casino Hotel Alcoholic Beverage Licensee musical or theatrical

performances or concerts, sporting events and such similar events and festivals, with an anticipated overall audience attendance of at least one thousand patrons, as may be approved by the division.

The administration of the tax on casino service industry multi-casino progressive slot machine revenue would be transferred to the Department of the Treasury, and administration of the \$3.00 per day fee on each casino hotel room occupied by a guest would be transferred to the Casino Revenue Fund Advisory Commission. The definition of “gross revenue” would be revised to exclude non-cashable credits in any form, including coupons, electronic credits and vouchers.

Other provisions of the bill would:

add certain criminal violations to the current list that would disqualify an applicant for a casino license;

revise various casino licensing requirements;

add a presumption that a casino licensee is financially stable under described conditions;

revise procedures for the conduct of hearings by the commission and the division;

permit the division to adopt the conclusions of a private testing laboratory or governmental agency with regard to the testing of gaming equipment;

permit the deployment, within 14 days after submission for testing, of new gaming equipment or simulcast wagering equipment that is submitted for testing to the division or to an independent testing laboratory;

require the division to give a one-time right of first refusal offer of employment to certain former commission employees;

prohibit a member of the commission and any employee of the commission holding a supervisory or policy-making management position, and the director of the division and any employee of the division holding a supervisory or policy-making management position, from making any political contribution;

add the director of the division to the current four-year post-employment restriction applicable to commission members;

require the division to be located in Atlantic City, except that the division may maintain a secondary office in Trenton; and

double all monetary fines for violations of the casino control act.

The bill would repeal:

the definition of “casino service employee” and “principal employee;”

the provision authorizing the commission to exclude unqualified or disqualified persons from licensing or casino operations;

the provision describing the powers and authority of the commission;

the provisions that permit the commission to issue subpoenas, administer oaths, appoint hearing examiners, order persons to answer

questions or produce evidence, and confer immunity, which are being replaced by new sections in the bill;

the provisions concerning the renewal of casino licenses, and the licensing of casino employees; and

the provision that imposed a tax on casino complimentaries until June 30, 2009.

STATEMENT TO

SENATE, No. 12

with Senate Floor Amendments
(Proposed by Senator WHELAN)

ADOPTED: NOVEMBER 22, 2010

This bill, Senate, No. 12 of 2010, amends the definition of casino “gross revenue” in the casino control act to exclude from the amounts taxable by the State any form of non-cashable credits, such as coupons, electronic credits and vouchers used by patrons to place wagers. This amendment specifies that, in determining the gross revenue of a casino, “promotional gaming credits” are to be included as sums actually received by a casino licensee from gaming operations, and therefore subject to taxation, unless excluded pursuant to section 2 of P.L.2008, c.12 (C.5:12-144.2). Current law defines promotional gaming credit as a slot machine credit or other approved item that is issued by a casino licensee to a patron for the purpose of enabling the placement of a wager at a slot machine in the licensee's casino.

This amendment removes the requirement that the Division of Gaming Enforcement in the Department of Law and Public Safety consult with the Casino Control Commission on the form and content of the operation certificate to be issued by the division to a casino licensee and on matters concerning the hours of operation of a casino.

In addition, this amendment authorizes both the division and commission to summarily adopt, amend, or repeal any order, rule, or regulation issued or promulgated by the commission or division for a period not to exceed 270 days for the purpose of initiating the implementation of Internet wagering at casinos, when authorized. Any summary rulemaking would be subject to such terms and conditions as the commission or division may deem appropriate. Notice of any temporary rulemaking action taken by the commission or division would be published in the New Jersey Register, and provided to the newspapers designated by the commission or division, at least seven days prior to the implementation of the temporary rules. This provision would not be deemed to require the publication of the text of any temporary rule adopted by the commission or division or notice of any modification of any temporary rulemaking. The text of any temporary rule adopted by the commission or division would be available in each casino participating in the temporary rulemaking and available upon request from the commission or division.

Also, this amendment changes the definition of “debt” and “equity security” for the purposes of the casino control act to remove convertible debt from the definition of “equity security” and include it in the definition of “debt.” With the amendment, “debt” would include (1) convertible debt that has not yet been converted to any

equity security and (2) any other debt instrument carrying any warrant or right to subscribe to or purchase such an equity security but which warrant or right has not been exercised. The amendment also requires that the holder of certain convertible debt qualify as a holder of such equity security prior to any conversion or exercise of rights.

Finally, this amendment changes the bill's effective date to specify that an orderly transition of responsibilities and functions from the Casino Control Commission to the Division of Gaming Enforcement will take place for 90 days following the bill's immediate effective date.

STATEMENT TO

[First Reprint]

SENATE, No. 12

with Senate Floor Amendments
(Proposed by Senator WHELAN)

ADOPTED: DECEMBER 13, 2010

This Senate floor amendment modifies the wording of the changes made by the Senate floor amendment adopted November 22, 2010 to the definition of “debt” and “equity security” for the purposes of the “Casino Control Act,” P.L.1977, c.110 (C.5:12-1 et seq.). If this amendment is adopted, “debt” will be defined as any legal liability, whether matured or unmatured, liquidated or unliquidated, absolute, fixed or contingent, including debt convertible into an equity security which has not yet been so converted, and any other debt carrying any warrant or right to subscribe to or purchase an equity security which warrant or right has not yet been exercised. “Equity security” will be defined as (a) any voting stock of a corporation, or similar security; (b) any security which has been converted, with or without consideration, into such a security, or carrying any warrant or right to subscribe to or purchase such a security which warrant or right has been exercised; or (c) any security having a direct or indirect participation in the profits of the issuer. This amendment modifies the prior change to provide that the holder of a security described in subsection (b) above will not be required to qualify as a holder of an equity security prior to any such conversion or exercise of any such warrant or right.

The amendment includes privately held corporations in the provision that grants a waiver of qualification to institutional investors holding certain equity or debt securities if such securities are those of a corporation, whether publicly traded or privately held, and its holdings of such securities were purchased for investment purposes only and it files a certified statement to the effect that it has no intention of influencing or affecting the affairs of the issuer, the casino licensee, or its holding or intermediary companies.

The amendment modifies current law requiring that all drop boxes and other devices into which certain items are deposited at the gaming tables or in slot machines, and all areas wherein such boxes and devices are kept while in use, be equipped with two locking devices, with one key to be under the exclusive control of the Division of Gaming Enforcement and the other under the exclusive control of the casino licensee, so that the security of such drop boxes and devices and areas would be provided for by regulations of the division which the division must adopt.

The amendment omits from the bill the redefinition of gross revenue, and therefore provides that gross revenues will continue to be calculated in the same manner as under current law. This bill would

change the definition of casino “gross revenue” in the casino control act to exclude from the amounts taxable by the State any form of non-cashable credits, such as coupons, electronic credits and vouchers used by patrons to place wagers. This bill also provides that, in determining the gross revenue of a casino, “promotional gaming credits” are to be included as sums actually received by a casino licensee from gaming operations, and therefore subject to taxation, unless excluded pursuant to section 2 of P.L.2008, c.12 (C.5:12-144.2). Current law defines a promotional gaming credit as a slot machine credit or other approved item that is issued by a casino licensee to a patron for the purpose of enabling the placement of a wager at a slot machine in the licensee's casino.

Finally, the amendment provides that the Department of the Treasury will be responsible for administering and collecting on behalf of the State the \$3.00 per day fee imposed on occupied casino hotel rooms, and renumbers two cross references.

LEGISLATIVE FISCAL ESTIMATE

[Second Reprint]

SENATE, No. 12

STATE OF NEW JERSEY 214th LEGISLATURE

DATED: JANUARY 5, 2011

SUMMARY

- Synopsis:** Revises various aspects of casino industry regulation.
- Type of Impact:** Indeterminate Impact to the Casino Control Fund and Casino Revenue Fund.
- Agencies Affected:** Department of the Treasury, Department of Law and Public Safety - Division of Gaming and Enforcement, Casino Control Commission.

Executive Estimate

| Fiscal Impact | <u>FY 2011</u> | <u>FY 2012</u> | <u>FY 2013</u> |
|----------------------------|-----------------------|------------------------------------|-----------------------|
| Casino Control Fund | | Indeterminate – See comments below | |
| Casino Revenue Fund | | Indeterminate- See comments below | |

- This bill, among its various provisions, makes changes to the law that regulates the licensing of casinos and casino gaming in this State by reorganizing regulatory functions, permitting certain fee changes, and doubling monetary fines for violations of the law.
- The Office of Legislative Services (OLS) estimates that this bill will have certain fiscal impacts related to the transfer of regulatory functions from the Casino Control Commission (CCC) to the Division of Gaming Enforcement in the Department of Law and Public Safety (DGE) and the doubling of monetary fines for violations of the law. However, the fiscal impacts of these provisions are dependent upon prospective circumstances that render a fiscal estimate at this time, indeterminate.
- Under this bill, various regulatory matters currently under the direction and control of the CCC would become the responsibility of the DGE. Under current law, appropriations from the Casino Control Fund are made to fund the operations of the CCC and the DGE. The Casino Control Fund accounts for fees from the issuance and annual revenue of casino license, work permit fees, and other license fees.
- With regard to changes in certain fees, the OLS cannot estimate the change in revenues to the Casino Control Fund resulting from the provisions of the bill concerning fees that may be set

by the DGE because the determination of the fees are dependent upon the outcome of a reorganization of regulatory functions from the CCC to the DGE.

- With regard to the doubling of monetary fines for violation of the law, the DGE indicates that fines generally run in the range of \$600,000 per year. It should be noted that the increased maximum penalties set forth in this bill will have an indeterminate fiscal impact, but perhaps not a significant one. Such penalties are deposited into the Casino Revenue Fund

BILL DESCRIPTION

Senate Bill No. 12 (2R) of 2010 revises the Casino Control Act, P.L.1977, c.110 (C.5:12-1 et seq.), the law that regulates the licensing of casinos and casino gaming in this State. Under the bill, various regulatory matters currently with the Casino Control Commission would become the responsibility of the Division of Gaming Enforcement in the Department of Law and Public Safety. The division's responsibilities would include:

- conducting investigative hearings on the conduct of gaming and gaming operations and the enforcement of the casino control act;
- issuing reports and recommendations to the commission on entities or persons required to qualify for a casino license, on applications for interim casino authorization, or on petitions for a statement of compliance;
- examining records and procedures, and conducting periodic reviews of operations and facilities, to evaluate provisions of law;
- collecting certain fees and assessments;
- issuing operation certificates to casino licensees;
- accepting impact statements submitted by casino license applicants;
- issuing emergency orders;
- taking action against licensees or registrants for violations of the act;
- imposing sanctions and collecting penalties;
- accepting and maintaining registrations for casino employees and certain vendors;
- receiving complaints from the public;
- certifying the revenue of a casino or simulcasting facility;
- creating and maintaining the list of excluded patrons;
- and
- using private contractors to process criminal history record background checks.

With regard to the Casino Control Commission, the responsibilities of the commission would include the areas of casino licensing; licensing of casino key employees; and hearing appeals on actions taken by the division. The commission would retain responsibility over the institution of a conservatorship and appointment of conservators, and over interim authorizations. The bill removes the requirement that the commission be present through inspectors and agents at all times during the operation of a casino. The bill would also require the commission to expeditiously implement Internet wagering when it is permitted under State and federal law.

Under the bill, the commission would continue to have responsibility for issuing casino licenses and casino key employee licenses. The division would have jurisdiction over the licensing of casino service industry enterprises, and the registration of those vendors that are not within the definition of such an enterprise. The division would also have jurisdiction over the registration of casino employees.

The bill would remove license renewal requirements, but would add a requirement for certain information to be provided to the commission and division every five years by licensees in order to verify continued compliance with the law.

This bill also doubles the maximum amount of monetary fines that may be imposed for a violation of the law.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None Received.

OFFICE OF LEGISLATIVE SERVICES

The OLS estimates that this bill will have certain fiscal impacts related to the transfer of regulatory functions from the CCC to the DGE and the doubling of monetary fines for violations of the law. However, the fiscal impacts of these provisions are dependent upon prospective circumstances that render a fiscal estimate, at this time, indeterminate. It should be noted that estimating the cost or possible savings to the Casino Control Fund resulting from the transfer of various regulatory functions from the CCC to the DGE would require the Executive Branch to provide a strategic reorganization plan that details the functions and regulations being transferred and any changes in scope and importance of those functions and regulations. In addition, an estimate of the costs or savings would require the Executive Branch to provide a workload analysis describing how the functions that are transferred will be handled by the DGE in terms of staffing and position restructuring. For example, will the DGE hire new employees to perform the transferred functions, will the existing DGE staff absorb the new job duties by having their job duties expanded to include the new functions, or will some functions be eliminated entirely? Furthermore, because the bill changes the language in current law requiring the DGE to be principally located in Atlantic City, will the State incur new building or facility costs?

The bill requires the DGE to establish, by regulation, appropriate fees to be imposed for licensing, registrations, and other matters. The Casino Control Fund accounts for fees from the issuance and annual revenue of casino license, work permit fees, and other license fees. Under current law, appropriations from the Casino Control Fund are made to fund the operations of the CCC and the DGE. An estimate of the fiscal impact to the Casino Control Fund concerning the changes in fees that may be established by the DGE cannot be determined at this time, because the establishment of the fees are or may be dependent upon the costs associated with a reorganization of regulatory functions from the CCC to the DGE.

The bill also doubles the maximum amount of monetary fines that may be imposed for a violation of the law. Such penalties are deposited into the Casino Revenue Fund, with the first \$600,000 appropriated for compulsive gambling matters. Information gathered during informal discussions with representatives of the DGE indicates that fines generally run in the range of \$600,000 per year. For the last three complete calendar years, fines have been: 2007, \$1.2 million; 2008, \$710,000; 2009, \$534,000. For 2010 thus far, the amount has been \$567,000. The 2007 figure includes a record \$750,000 penalty imposed on the Tropicana. It should be noted that the increased maximum penalties set forth in this bill will have an indeterminate fiscal impact, but perhaps not a significant one. N.J.S.A. 5:12-123 provides that any violation is considered a separate violation each day it occurs and violations tend to be ongoing. However, the maximum tends not to dictate the actual amount of fines imposed for a violation because of

settlements with the violators. Accordingly, it would be incorrect to assume that doubling the statutory maximums would double the projected fine amounts the State would collect.

Section: State Government

*Analyst: Kimberly McCord Clemmensen
Senior Fiscal Analyst*

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

This legislative fiscal estimate has been produced by the Office of Legislative Services.

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

STATEMENT TO

[Second Reprint]

SENATE, No. 12

with Assembly Floor Amendments
(Proposed by Assemblyman BURZICHELLI)

ADOPTED: JANUARY 6, 2011

--- Current law permits the Casino Control Commission to employ legal counsel to represent the commission in any proceeding to which it is a party and to render legal advice to the commission upon its request. The bill removes this authority and, in its place, specifically permits the commission to contract for the services of legal counsel.

This Assembly amendment would restore the ability of the commission to employ legal counsel and would remove the specific authorization to contract for the services of legal counsel.

--- Current law provides that no person is to be issued or is to hold a casino license if the issuance or the holding results in undue economic concentration in Atlantic City casino operations by that person. The commission is required to promulgate rules and regulations to define the criteria the commission will use in determining what constitutes undue economic concentration.

This Assembly amendment incorporates into the statutes the wording of the current regulations of the commission regarding this issue. The amendments define "undue economic concentration" to mean that a person would have such actual or potential domination of the casino gaming market in Atlantic City as to substantially impede or suppress competition among casino licensees or adversely impact the economic stability of the casino industry in Atlantic City. In determining whether the issuance or holding of a casino license by a person will result in undue economic concentration, the commission must consider the following criteria:

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

- The total number of licensed casinos in this State;
- Total casino and casino simulcasting facility square footage;
- Number of guest rooms;
- Number of slot machines;
- Number of table games;
- Net revenue;
- Table game win;
- Slot machine win;
- Table game drop;
- Slot machine drop; and
- Number of persons employed by the casino hotel;

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

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

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

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

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

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

(8) The barriers to entry into the casino industry, including the licensure requirements of this act, and whether the issuance or holding of a casino license by the person will operate as a barrier to new companies and individuals desiring to enter the market;

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

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

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

--- This Assembly amendment also adds a comma in paragraph (7) of subsection c. of N.J.S.A.5:12-82 (section 46 of the bill) to clarify intent.

STATEMENT TO

[Third Reprint]

SENATE, No. 12

with Assembly Floor Amendments
(Proposed by Assemblyman BURZICHELLI)

ADOPTED: JANUARY 10, 2011

--- Current law requires the Governor to designate the chairman of the Casino Control Commission. The bill provides that the chairman is to be elected by the commission members, commencing after the expiration of the term of the current chairman.

This Assembly amendment would restore to the Governor the duty to designate the chairman.

--- This Assembly amendment also removes the provision in the bill that would permit a commission member to remain in holdover status after the expiration of the term of office until a successor is appointed.

--- Current law provides that if the employment of a commission employee or a division employee or agent, other than an employee or agent who held a policy-making management position at any time during the five years prior to termination of employment, is terminated as a result of a reduction in the workforce at the commission or division, the employee or agent may, at any time prior to the end of the two-year period, accept employment with any applicant or person licensed by or registered under the casino control act upon application to and the approval of commission upon a finding that the employment will not create the appearance of a conflict of interest and does not evidence a conflict of interest in fact. The bill changes this provision to provide that a former employee or agent may accept employment upon notification of the commission or division unless there is a finding that the employment will create the appearance of a conflict of interest and does evidence a conflict of interest in fact.

This Assembly amendment removes the changes made by the bill to retain most of the current wording of the law, but to provide that the division or the commission, as the case may be, must consider an application, to require the commission or the division to take action on an application within 30 days of receipt, and to permit the application to be submitted to the commission or division prior to or after the commencement of the new employment.

--- The bill provides that if, as a result of the transfer of duties and responsibilities from the Casino Control Commission to the Division of Gaming Enforcement, the division needs to employ an individual to fill a position, former employees of the commission who performed

the duties of the position to be filled will be given a one-time right of first refusal offer of employment with the division.

This Assembly amendment adds that such employees may be removed for cause by the division or if deemed unqualified to hold the position with the division.

--- A new section in the bill provides that an institutional investor holding either (1) under 25% of the equity securities of a casino licensee's holding or intermediary companies, or (2) debt securities of a casino licensee's holding or intermediary companies, or another subsidiary company of a casino licensee's holding or intermediary companies which is related in any way to the financing of the casino licensee, where the securities represent a percentage of the outstanding debt of the company not exceeding 25%, or a percentage of any issue of the outstanding debt of the company not exceeding 50%, shall be granted a waiver of qualification if such securities are those of a corporation and its holdings of such securities were purchased for investment purposes only and it files a certified statement to the effect that it has no intention of influencing or affecting the affairs of the issuer, the casino licensee or its holding or intermediary companies.

This Assembly amendment adds "unless the full issue is in the amount of \$150 million or less" after the phrase that states "a percentage of any issue of the outstanding debt of the company not exceeding 50%."

LEGISLATIVE FISCAL ESTIMATE

[Third Reprint]

SENATE, No. 12

STATE OF NEW JERSEY 214th LEGISLATURE

DATED: JANUARY 13, 2011

SUMMARY

- Synopsis:** Revises various aspects of casino industry regulation.
- Type of Impact:** Indeterminate Impact to the Casino Control Fund and Casino Revenue Fund.
- Agencies Affected:** Department of the Treasury, Department of Law and Public Safety - Division of Gaming and Enforcement, Casino Control Commission.

Executive Estimate

| Fiscal Impact | <u>FY 2011</u> | <u>FY 2012</u> | <u>FY 2013</u> |
|----------------------------|-----------------------|------------------------------------|-----------------------|
| Casino Control Fund | | Indeterminate – See comments below | |
| Casino Revenue Fund | | Indeterminate- See comments below | |

- This bill, among its various provisions, makes changes to the law that regulates the licensing of casinos and casino gaming in this State by reorganizing regulatory functions, permitting certain fee changes, and doubling monetary fines for violations of the law.
- The Office of Legislative Services (OLS) estimates that this bill will have certain fiscal impacts related to the transfer of regulatory functions from the Casino Control Commission (CCC) to the Division of Gaming Enforcement in the Department of Law and Public Safety (DGE) and the doubling of monetary fines for violations of the law. However, the fiscal impacts of these provisions are dependent upon prospective circumstances that render a fiscal estimate at this time, indeterminate.
- Under this bill, various regulatory matters currently under the direction and control of the CCC would become the responsibility of the DGE. Under current law, appropriations from the Casino Control Fund are made to fund the operations of the CCC and the DGE. The Casino Control Fund accounts for fees from the issuance and annual revenue of casino license, work permit fees, and other license fees.
- With regard to changes in certain fees, the OLS cannot estimate the change in revenues to the Casino Control Fund resulting from the provisions of the bill concerning fees that may be set

by the DGE because the determination of the fees are dependent upon the outcome of a reorganization of regulatory functions from the CCC to the DGE.

- With regard to the doubling of monetary fines for violation of the law, the DGE indicates that fines generally run in the range of \$600,000 per year. It should be noted that the increased maximum penalties set forth in this bill will have an indeterminate fiscal impact, but perhaps not a significant one. Such penalties are deposited into the Casino Revenue Fund

BILL DESCRIPTION

Senate Bill No. 12 (3R) of 2010 revises the Casino Control Act, P.L.1977, c.110 (C.5:12-1 et seq.), the law that regulates the licensing of casinos and casino gaming in this State. Under the bill, various regulatory matters currently with the CCC would become the responsibility of the DGE. The division's responsibilities would include:

- conducting investigative hearings on the conduct of gaming and gaming operations and the enforcement of the casino control act;
- issuing reports and recommendations to the commission on entities or persons required to qualify for a casino license, on applications for interim casino authorization, or on petitions for a statement of compliance;
- examining records and procedures, and conducting periodic reviews of operations and facilities, to evaluate provisions of law;
- collecting certain fees and assessments;
- issuing operation certificates to casino licensees;
- accepting impact statements submitted by casino license applicants;
- issuing emergency orders;
- taking action against licensees or registrants for violations of the act;
- imposing sanctions and collecting penalties;
- accepting and maintaining registrations for casino employees and certain vendors;
- receiving complaints from the public;
- certifying the revenue of a casino or simulcasting facility;
- creating and maintaining the list of excluded patrons; and
- using private contractors to process criminal history record background checks.

With regard to the CCC, the responsibilities of the commission would include the areas of casino licensing; licensing of casino key employees; and hearing appeals on actions taken by the division. The commission would retain responsibility over the institution of a conservatorship and appointment of conservators, and over interim authorizations. The bill removes the requirement that the commission be present through inspectors and agents at all times during the operation of a casino. The bill would also require the commission to expeditiously implement Internet wagering when it is permitted under State and federal law.

Under the bill, the commission would continue to have responsibility for issuing casino licenses and casino key employee licenses. The division would have jurisdiction over the licensing of casino service industry enterprises, and the registration of those vendors that are not within the definition of such an enterprise. The division would also have jurisdiction over the registration of casino employees.

The bill would remove license renewal requirements, but would add a requirement for certain information to be provided to the commission and division every five years by licensees in order to verify continued compliance with the law.

This bill also doubles the maximum amount of monetary fines that may be imposed for a violation of the law.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None Received.

OFFICE OF LEGISLATIVE SERVICES

The OLS estimates that this bill will have certain fiscal impacts related to the transfer of regulatory functions from the CCC to the DGE and the doubling of monetary fines for violations of the law. However, the fiscal impacts of these provisions are dependent upon prospective circumstances that render a fiscal estimate, at this time, indeterminate. It should be noted that estimating the cost or possible savings to the Casino Control Fund resulting from the transfer of various regulatory functions from the CCC to the DGE would require the Executive Branch to provide a strategic reorganization plan that details the functions and regulations being transferred and any changes in scope and importance of those functions and regulations. In addition, an estimate of the costs or savings would require the Executive Branch to provide a workload analysis describing how the functions that are transferred will be handled by the DGE in terms of staffing and position restructuring. For example, will the DGE hire new employees to perform the transferred functions, will the existing DGE staff absorb the new job duties by having their job duties expanded to include the new functions, or will some functions be eliminated entirely? Furthermore, because the bill changes the language in current law requiring the DGE to be principally located in Atlantic City, will the State incur new building or facility costs?

The bill requires the DGE to establish, by regulation, appropriate fees to be imposed for licensing, registrations, and other matters. The Casino Control Fund accounts for fees from the issuance and annual revenue of casino license, work permit fees, and other license fees. Under current law, appropriations from the Casino Control Fund are made to fund the operations of the CCC and the DGE. An estimate of the fiscal impact to the Casino Control Fund concerning the changes in fees that may be established by the DGE cannot be determined at this time, because the establishment of the fees are or may be dependent upon the costs associated with a reorganization of regulatory functions from the CCC to the DGE.

The bill also doubles the maximum amount of monetary fines that may be imposed for a violation of the law. Such penalties are deposited into the Casino Revenue Fund, with the first \$600,000 appropriated for compulsive gambling matters. Information gathered during informal discussions with representatives of the DGE indicates that fines generally run in the range of \$600,000 per year. For the last three complete calendar years, fines have been: 2007, \$1.2 million; 2008, \$710,000; 2009, \$534,000. For 2010 thus far, the amount has been \$567,000. The 2007 figure includes a record \$750,000 penalty imposed on the Tropicana. It should be noted that the increased maximum penalties set forth in this bill will have an indeterminate fiscal impact, but perhaps not a significant one. N.J.S.A. 5:12-123 provides that any violation is considered a separate violation each day it occurs and violations tend to be ongoing. However, the maximum tends not to dictate the actual amount of fines imposed for a violation because of settlements with the violators. Accordingly, it would be incorrect to assume that doubling the statutory maximums would double the projected fine amounts the State would collect.

Section: State Government

*Analyst: Kimberly McCord Clemmensen
Senior Fiscal Analyst*

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

This legislative fiscal estimate has been produced by the Office of Legislative Services.

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

ASSEMBLY, No. 3517

STATE OF NEW JERSEY 214th LEGISLATURE

INTRODUCED NOVEMBER 22, 2010

Sponsored by:

Assemblyman JOHN J. BURZICHELLI

District 3 (Salem, Cumberland and Gloucester)

Assemblyman RALPH R. CAPUTO

District 28 (Essex)

SYNOPSIS

Revises various aspects of casino industry regulation.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 12/10/2010)

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

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

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

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

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

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

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

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

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

36 (4) Legalized casino gaming has been approved by the citizens of New
37 Jersey as a unique tool of urban redevelopment for Atlantic City. In this
38 regard, the introduction of a limited number of casino rooms in major
39 hotel convention complexes, permitted as an additional element in the
40 hospitality industry of Atlantic City, will facilitate the redevelopment of
41 existing blighted areas and the refurbishing and expansion of existing
42 hotel, convention, tourist, and entertainment facilities; encourage the
43 replacement of lost hospitality-oriented facilities; provide for judicious
44 use of open space for leisure time and recreational activities; and attract

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

Matter underlined thus is new matter.

1 new investment capital to New Jersey in general and to Atlantic City in
2 particular.

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

10 (6) An integral and essential element of the regulation and control of
11 such casino facilities by the State rests in the public confidence and trust
12 in the credibility and integrity of the regulatory process and of casino
13 operations. To further such public confidence and trust, the regulatory
14 provisions of this act are designed to extend strict State regulation to all
15 persons, locations, practices and associations related to the operation of
16 licensed casino enterprises and all related service industries as herein
17 provided. In addition, licensure of a limited number of casino
18 establishments, with the comprehensive law enforcement supervision
19 attendant thereto, is further designed to contribute to the public confidence
20 and trust in the efficacy and integrity of the regulatory process.

21 (7) Legalized casino gaming in New Jersey can attain, maintain and
22 retain integrity, public confidence and trust, and remain compatible with
23 the general public interest only under such a system of control and
24 regulation as insures, so far as practicable, the exclusion from
25 participation therein of persons with known criminal records, habits or
26 associations, and the exclusion or removal from any positions of authority
27 or responsibility within casino gaming operations and establishments of
28 any persons known to be so deficient in business probity, either generally
29 or with specific reference to gaming, as to create or enhance the dangers
30 of unsound, unfair or illegal practices, methods and activities in the
31 conduct of gaming or the carrying on of the business and financial
32 arrangements incident thereto.

33 (8) Since the public has a vital interest in casino operations in Atlantic
34 City and has established an exception to the general policy of the State
35 concerning gaming for private gain, participation in casino operations as a
36 licensee or registrant under this act shall be deemed a revocable privilege
37 conditioned upon the proper and continued qualification of the individual
38 licensee or registrant and upon the discharge of the affirmative
39 responsibility of each such licensee or registrant to provide to the
40 regulatory and investigatory authorities established by this act any
41 assistance and information necessary to assure that the policies declared
42 by this act are achieved. Consistent with this policy, it is the intent of this
43 act to preclude the creation of any property right in any license,
44 registration, certificate or reservation permitted by this act, the accrual of
45 any value to the privilege of participation in gaming operations, or the
46 transfer of any license, registration, certificate, or reservation, and to
47 require that participation in gaming be solely conditioned upon the
48 individual qualifications of the person seeking such privilege.

1 (9) Since casino operations are especially sensitive and in need of
2 public control and supervision, and since it is vital to the interests of the
3 State to prevent entry, directly or indirectly, into such operations or the
4 ancillary industries regulated by this act of persons who have pursued
5 economic gains in an occupational manner or context which are in
6 violation of the criminal or civil public policies of this State, the
7 regulatory and investigatory powers and duties shall be exercised to the
8 fullest extent consistent with law to avoid entry of such persons into the
9 casino operations or the ancillary industries regulated by this act.

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

11 (11) The facilities in which licensed casinos are to be located are of
12 vital law enforcement interest to the State, and it is in the public interest
13 that the regulatory and investigatory powers and duties conferred by this
14 act include the power and duty to review architectural and site plans to
15 assure that the proposal is suitable by law enforcement standards.

16 (12) Since the economic stability of casino operations is in the public
17 interest and competition in the casino operations in Atlantic City is
18 desirable and necessary to assure the residents of Atlantic City and of this
19 State and other visitors to Atlantic City varied attractions and exceptional
20 facilities, the regulatory and investigatory powers and duties conferred by
21 this act shall include the power and duty to regulate, control and prevent
22 economic concentration in the casino operations and the ancillary
23 industries regulated by this act, and to encourage and preserve
24 competition.

25 (13) It is in the public interest that the institution of licensed casino
26 establishments in New Jersey be strictly regulated and controlled pursuant
27 to the above findings and pursuant to the provisions of this act, which
28 provisions are designed to engender and maintain public confidence and
29 trust in the regulation of the licensed enterprises, to provide an effective
30 method of rebuilding and redeveloping existing facilities and of
31 encouraging new capital investment in Atlantic City, and to provide a
32 meaningful and permanent contribution to the economic viability of the
33 resort, convention, and tourist industry of New Jersey.

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

38 (15) Continuity and stability in casino gaming operations cannot be
39 achieved at the risk of permitting persons with unacceptable backgrounds
40 and records of behavior to control casino gaming operations contrary to
41 the vital law enforcement interest of the State.

42 (16) The aims of continuity and stability and of law enforcement will
43 best be served by a system in which continuous casino operation can be
44 assured under certain circumstances wherein there has been a transfer of
45 property or another interest relating to an operating casino and the
46 transferee has not been fully licensed or qualified, as long as control of the
47 operation under such circumstances may be placed in the possession of a
48 person or persons in whom the public may feel a confidence and a trust.

49 (17) A system whereby the suspension or revocation of casino

1 operations under certain appropriate circumstances causes the imposition
2 of a conservatorship upon the suspended or revoked casino operation
3 serves both the economic and law enforcement interests involved in casino
4 gaming operations.

5 (18) As recognized in the July 2010 Report of the Governor's
6 Advisory Commission on New Jersey Gaming, Sports, and Entertainment,
7 and as confirmed in subsequent legislative hearings held throughout the
8 State, legalized casino gaming in New Jersey presently stands at a
9 crossroads, facing critical challenges that jeopardize its important role in
10 the State economy, and it is in the public interest to modernize and
11 streamline the current outdated casino regulatory structure in order to
12 achieve efficiencies and cost savings that are more appropriately directed
13 to marketing and infrastructure improvement efforts while, at the same
14 time, maintaining strict integrity in the regulation of casino operations.

15 (19) The ability of the legalized casino gaming industry in New Jersey
16 to compete in an ever-expanding national gaming market requires a
17 regulatory system that is sufficiently flexible to encourage persons and
18 entities holding casino gaming licenses outside of New Jersey to
19 participate in casino gaming in Atlantic City, to allow licensees to take
20 full and timely advantage of advancements in technology, particularly in
21 information technology, and business management, and to encourage the
22 efficient utilization of resources between and among affiliated New Jersey
23 licensees operating casinos located in Atlantic City and between and
24 among a New Jersey affiliate and its licensed affiliates in other
25 jurisdictions.

26 (cf: P.L.1995, c.18, s.1)

27

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

30 2. As used in this act, the words and terms have the meanings ascribed
31 to them in [sections 3 through 48 of this act] P.L.1977, c.110 (C.5:12-1 et
32 seq.), unless a different meaning clearly appears in the context.

33 (cf: P.L.1977, c.110, s.2)

34

35 3. Section 3 of P.L.1995, c.18 (C.5:12-2.2) is amended to read as
36 follows:

37 3. "Annuity jackpot guarantee" -- A financial arrangement established
38 in accordance with the rules of the [commission] division to assure that
39 all payments that are due to the winner of an annuity jackpot are actually
40 paid when due regardless of the future financial stability of the slot system
41 operator that is responsible for making such payments.

42 (cf: P.L.2005, c.46, s.2)

43

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

46 5. "Authorized Game" or "Authorized Gambling Game"-- Roulette,
47 baccarat, blackjack, craps, big six wheel, slot machines, minibaccarat, red
48 dog, pai gow, and sic bo; any variations or composites of such games,
49 provided that such variations or composites are found by the

1 **[commission]** division suitable for use after an appropriate test or
2 experimental period under such terms and conditions as the **[commission]**
3 division may deem appropriate; and any other game which is determined
4 by the **[commission]** division to be compatible with the public interest
5 and to be suitable for casino use after such appropriate test or
6 experimental period as the **[commission]** division may deem appropriate.
7 "Authorized game" or "authorized gambling game" includes gaming
8 tournaments in which players compete against one another in one or more
9 of the games authorized herein or by the **[commission]** division or in
10 approved variations or composites thereof if the tournaments are
11 authorized by the **[commission]** division.

12 (cf: P.L.1993, c.292, s.1)

13

14 5. Section 2 of P.L.2002, c.65 (C.5:12-5.2) is amended to read as
15 follows:

16 2. "Cash equivalent value" The monetary value that a casino
17 licensee shall assign to a jackpot or payout that consists of merchandise or
18 any thing of value other than cash, tokens, chips or plaques. The
19 **[commission]** division shall promulgate rules defining "cash equivalent
20 value" in order to assure fairness, uniformity and comparability of
21 valuation of jackpots and payoffs that include merchandise or any thing of
22 value.

23 (cf: P.L.2002, c.65, s.2)

24

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

27 6. "Casino" or "casino room" or "licensed casino" -- One or more
28 locations or rooms in a casino hotel facility that have been approved by
29 the **[commission]** division for the conduct of casino gaming in accordance
30 with the provisions of this act. "Casino " or "casino room" or "licensed
31 casino" shall not include any casino simulcasting facility authorized
32 pursuant to the "Casino Simulcasting Act," P.L.1992, c.19 (C.5:12-191 et
33 seq.).

34 (cf: P.L.1996, c.84, s.1)

35

36 7. (New section) "Casino bankroll" – Cash maintained in the casino,
37 excluding any funds necessary for the normal operation of the casino, such
38 as change banks, slot hopper fills, slot booths, cashier imprest funds and
39 redemption area funds.

40

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

43 7. "Casino Employee"--Any natural person, not otherwise included in
44 the definition of casino key employee, who is employed by a casino
45 licensee, or a holding or intermediary company of a casino licensee, and is
46 involved in the operation of a licensed casino or a simulcasting facility or
47 performs services or duties in a casino, simulcasting facility or a restricted
48 casino area, including, without limitation, boxmen; dealers or croupiers;

1 floormen; machine mechanics; casino security employees; count room
2 personnel; cage personnel; slot machine and slot booth personnel;
3 collection personnel; casino surveillance personnel; simulcasting facility
4 personnel involved in wagering-related activities in a simulcasting
5 facility; **[and]** data processing personnel; and information technology
6 employees; or any other natural person whose employment duties
7 predominantly involve the maintenance or operation of gaming activity or
8 equipment and assets associated therewith or who, in the judgment of the
9 commission, is so regularly required to work in a restricted casino area
10 that **[licensure]** registration as a casino employee is appropriate.

11 (cf: P.L.1992, c.19, s.23)

12

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

15 9. "Casino Key Employee"--Any natural person employed **[in the**
16 **operation of]** by a casino licensee or holding or intermediary company of
17 a casino licensee, and involved in the operation of a licensed casino or a
18 simulcasting facility in a supervisory capacity or empowered to make
19 discretionary decisions which regulate casino or simulcasting facility
20 operations, including, without limitation, pit bosses; shift bosses; credit
21 executives; casino cashier supervisors; casino or simulcasting facility
22 managers and **[assistant managers]** managers and supervisors of
23 information technology employees; junket supervisors; marketing
24 directors; and managers or supervisors of casino security employees; or
25 any other natural person empowered to make discretionary decisions
26 which regulate the management of an approved hotel, including, without
27 limitation, hotel managers; entertainment directors; and food and beverage
28 directors; or any other employee so designated by the Casino Control
29 Commission for reasons consistent with the policies of this act.

30 (cf: P.L.1992, c.19, s.24)

31

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

34 12. "Casino Service Industry Enterprise" -- Any vendor **[which]**
35 offering goods or services which directly relate to casino or gaming
36 activity, including gaming equipment and simulcast wagering equipment
37 manufacturers, suppliers, repairers and independent testing laboratories,
38 junket enterprises and junket representatives, that provides casino
39 applicants or licensees with goods or services **[regarding the realty,**
40 **construction, maintenance, or business of a proposed or existing casino**
41 **hotel or related facility or which purchases goods or services from, or**
42 **which does any other business with, casino applicants or licensees on a**
43 **regular or continuing basis, including, without limitation, junket**
44 **enterprises, security businesses, gaming schools, manufacturers,**
45 **distributors and servicers of gaming and casino simulcasting devices or**
46 **equipment, in-State and out-of-State sending tracks as defined in section 2**
47 **of the "Casino Simulcasting Act," P.L.1992, c.19 (C.5:12-192), garbage**
48 **haulers, maintenance companies, food purveyors, and construction**

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

7 For the purposes of this section, "casino applicant" includes any person
8 required to hold a casino license pursuant to section 82 of P.L.1977, c.110
9 (C.5:12-82) who has applied to the [commission] division for a casino
10 license or any approval required under P.L.1977, c.110 (C.5:12-1 et seq.).
11 (cf: P.L.2009, c.36, s.1)

12

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

17

18 12. Section 2 of P.L.1983, c.41 (C.5:12-14a) is amended to read as
19 follows:

20 2. "Complimentary service or item" - A service or item provided at no
21 cost or at a reduced price. The furnishing of a complimentary service or
22 item by a casino licensee shall be deemed to constitute the indirect
23 payment for the service or item by the casino licensee, and shall be valued
24 in an amount based upon the retail price normally charged by the casino
25 licensee for the service or item. The value of a complimentary service or
26 item not normally offered for sale by a casino licensee or provided by a
27 third party on behalf of a casino licensee shall be the cost to the casino
28 licensee of providing the service or item, as determined in accordance
29 with the rules of the [commission] division.

30 (cf: P.L.1983, c.41, s.2)

31

32 13. Section 20 of P.L.1977, c.110 (C.5:12-20) is amended to read as
33 follows:

34 20. "Family" - Spouse, domestic partner, partner in a civil union,
35 parents, grandparents, children, grandchildren, siblings, uncles, aunts,
36 nephews, nieces, fathers-in-law, mothers-in-law, daughters-in-law, sons-
37 in-law, brothers-in-law and sisters-in-law, whether by the whole or half
38 blood, by marriage, adoption or natural relationship.

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

40

41 14. Section 24 of P.L.1977, c.110 (C.5:12-24) is amended to read as
42 follows:

43 24. "Gross Revenue" - The total of all sums actually received by a
44 casino licensee from gaming operations, less only the total of all sums
45 actually paid out as winnings to patrons; provided, however, that the cash
46 equivalent value of any merchandise or thing of value included in a
47 jackpot or payout shall not be included in the total of all sums paid out as
48 winnings to patrons for purposes of determining gross revenue. Non-
49 cashable credits in any form, including coupons, electronic credits and

1 vouchers, shall not be considered sums actually received by a casino
2 licensee from gaming operations for purposes of determining gross
3 revenue. "Gross Revenue" shall not include any amount received by a
4 casino from casino simulcasting pursuant to the "Casino Simulcasting
5 Act," P.L.1992, c.19 (C.5:12-191 et al.).

6 (cf: P.L.2009, c.36, s.2)
7

8 15. Section 25 of P.L.1977, c.110 (C.5:12-25) is amended to read as
9 follows:

10 25. "Hearing examiner" - **[A]** The director, a commissioner or other
11 person authorized by the director or the commission to conduct hearings.

12 (cf: P.L.1977, c.110, s.25)
13

14 16. Section 11 of P.L.1991, c.182 (C.5:12-27.1) is amended to read as
15 follows:

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

28 (cf: P.L.1991, c.182, s.11)
29

30 17. (New section) "Multi-casino employee" – Any registered casino
31 employee or licensed casino key employee who, upon the petition of two
32 or more affiliated casino licensees, is endorsed by the commission or
33 division, as applicable, to perform any compatible functions for any of the
34 petitioning casino licensees.
35

36 18. Section 35 of P.L.1977, c.110 (C.5:12-35) is amended to read as
37 follows:

38 35. "Operation certificate" - A certificate issued by the **[commission]**
39 division which certifies that operation of a casino and, if applicable, a
40 simulcasting facility conforms to the requirements of this act and
41 applicable regulations and that its personnel and procedures are efficient
42 and prepared to entertain the public.

43 (cf: P.L.1993, c.292, s.4)
44

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

47 36. "Party" --The **[commission, the]** division, or any licensee,
48 registrant, or applicant, or any person appearing of record for any

1 licensee, registrant, or applicant in any proceeding before the division or
2 the commission or in any proceeding for judicial review of any action,
3 decision or order of the division or commission.

4 (cf: P.L.2002, c.65, s.7)

5

6 20. Section 1 of P.L.2008, c.12 (C.5:12-38a) is amended to read as
7 follows:

8 1. "Promotional gaming credit" - A slot machine credit or other item
9 approved by the **[commission]** division that is issued by a licensee to a
10 patron for the purpose of enabling the placement of a wager at a slot
11 machine in the licensee's casino. No such credit shall be reported as a
12 promotional gaming credit unless the casino licensee can establish that the
13 credit was issued by the casino licensee and received from a patron as a
14 wager at a slot machine in the licensee's casino.

15 (cf: P.L.2008, c.12, s.1)

16

17 21. Section 39 of P.L.1977, c.110 (C.5:12-39) is amended to read as
18 follows:

19 39. "Publicly traded corporation" --Any corporation or other legal
20 entity, except a natural person, which:

21 a. Has one or more classes of security registered pursuant to section 12
22 of the Securities Exchange Act of 1934, as amended (15 U.S.C. s. 78l), or

23 b. Is an issuer subject to section 15(d) of the Securities Exchange Act
24 of 1934, as amended (15 U.S.C. s. 78o.), or

25 c. Has one or more classes of securities traded in any open market in
26 any foreign jurisdiction or regulated pursuant to a statute of any foreign
27 jurisdiction which the **[commission]** division determines to be
28 substantially similar to either or both of the aforementioned statutes.

29 (cf: P.L.1992, c.9, s.7)

30

31 22. Section 3 of P.L.1987, c.353 (C.5:12-43.1) is amended to read as
32 follows:

33 3. "Restricted Casino Areas"--The cashier's cage, the soft count room,
34 the hard count room, the slot cage booths and runway areas, the interior of
35 table game pits, the surveillance room and catwalk areas, the slot machine
36 repair room and any other area specifically designated by the
37 **[commission]** division as restricted in a licensee's operation certificate.

38 (cf: P.L.1987, c.353, s.3)

39

40 23. Section 4 of P.L.2004, c.184 (C.5:12-45.1) is amended to read as
41 follows:

42 4. "Slot system agreement" - A written agreement governing the
43 operation and administration of a multi-casino progressive slot machine
44 system that is approved by the **[commission]** division and executed by the
45 participating casino licensees and any slot system operator.

46 (cf: P.L.2004, c.184, s.4)

1 24. (New section) "State of emergency" – Any emergency situation,
2 including the failure to enact a general appropriation law by the deadline
3 prescribed by Article VIII, Section II, paragraph 2 of the New Jersey
4 Constitution, a state of emergency declared by the President of the United
5 States or the Governor of the State of New Jersey and a State ordered
6 State employee furlough, during which division and commission
7 employees are unable to perform the duties and responsibilities required of
8 them under this act.

9
10 25. Section 46 of P.L.1977, c.110 (C.5:12-46) is amended to read as
11 follows:

12 46. "Statement of compliance" --A statement by the commission, upon
13 the input of the division, which may be issued to an applicant for a casino
14 license or any person who must be qualified pursuant to this act in order to
15 hold the securities of a casino licensee or any holding or intermediary
16 company of a casino licensee, indicating satisfactory completion of a
17 particular stage or stages of the license consideration process, and which
18 states that unless there is a change of any material circumstance pertaining
19 to such particular stage or stages of license consideration involved in the
20 statement, such applicant has complied with requirements mandated by
21 this act **[and by the commission]** and is therefore approved for license
22 qualification to the stage or stages for which the statement has been
23 issued.

24 (cf: P.L.1977, c.110, s.46)

25
26 26. Section 69 of P.L.1977, c.110 (C.5:12-69) is amended to read as
27 follows:

28 69. Regulations. a. The **[commission]** division shall be authorized to
29 adopt, amend, or repeal such regulations, consistent with the policy and
30 objectives of this act, as amended and supplemented, as it may deem
31 necessary to protect the public interest in carrying out the provisions of
32 this act. The commission shall be authorized to adopt, amend or repeal
33 such regulations as may be necessary for the conduct of hearings before
34 the commission under subsections a. and b. of section 63 of P.L.1977,
35 c.110 (C.5:12-63) and for the matters within all other responsibilities and
36 duties of the commission imposed by P.L.1977, c.110 (C.5:12-1 et seq.).

37 b. Such regulations of the division and the commission authorized by
38 this section shall be adopted, amended, and repealed in accordance with
39 the provisions of the "Administrative Procedure Act," P.L.1968, c.410
40 (C.52:14B-1 et seq.), unless otherwise specified by this act.

41 c. Any interested person may, in accordance with the provisions of the
42 "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.), file
43 a petition with the division or commission, as appropriate, requesting the
44 adoption, amendment or repeal of a regulation.

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

48 e. Notwithstanding any other provision of this act or the
49 "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.) to

1 the contrary, the **[commission]** division may, after notice provided in
2 accordance with this subsection, authorize the temporary adoption,
3 amendment or repeal of any rule concerning the conduct of gaming or
4 simulcast wagering, or the use or design of gaming or simulcast wagering
5 equipment, or the internal procedures and administrative and accounting
6 controls required by section 99 of P.L.1977, c.110 (C.5:12-99) for a period
7 not to exceed 270 days for the purpose of determining whether such rules
8 should be adopted on a permanent basis in accordance with the
9 requirements of this section. Any temporary rulemaking authorized by this
10 subsection shall be subject to such terms and conditions as the
11 **[commission]** division may deem appropriate. Notice of any temporary
12 rulemaking action taken by the **[commission]** division pursuant to this
13 subsection shall be published in the New Jersey Register, and provided to
14 the newspapers designated by the **[commission]** division pursuant to
15 subsection d. of section 3 of P.L.1975, c.231 (C.10:4-8), at least seven
16 days prior to the implementation of the temporary rules. Nothing herein
17 shall be deemed to require the publication of the text of any temporary
18 rule adopted by the **[commission]** division or notice of any modification
19 of any temporary rulemaking initiated in accordance with this subsection.
20 The text of any temporary rule adopted by the **[commission]** division
21 shall be available in each casino or simulcasting facility participating in
22 the temporary rulemaking and shall be available upon request from the
23 **[commission]** division.

24 f. Orders, rules and regulations concerning implementation of
25 P.L.1977, c.110 (C.5:12-1 et seq.) issued or promulgated by the
26 commission prior to the effective date of P.L. , c. (C.)(pending before
27 the Legislature as this bill), shall continue with full force and effect until
28 amended or repealed by the division or commission pursuant to law;
29 provided, however, that any references to the commission in such orders,
30 rules and regulations shall be deemed to refer to the division unless the
31 context indicates otherwise.

32 g. Notwithstanding any other provision of this act or the
33 “Administrative Procedure Act,” P.L.1968, c.410 (C.52:14B-1 et seq.) to
34 the contrary, during the 90-day period following the effective date of P.L.
35 , c. (C.)(pending before the Legislature as this bill) the division may,
36 after notice provided in accordance with this subsection, summarily adopt,
37 amend or repeal any order, rule or regulation issued or promulgated by the
38 commission prior to the effective date of P.L. , c. (C.)(pending before
39 the Legislature as this bill), for a period not to exceed 270 days for the
40 purpose of determining whether such rules should be adopted on a
41 permanent basis in accordance with the requirements of this section. Any
42 summary rulemaking authorized by this subsection shall be subject to such
43 terms and conditions as the division may deem appropriate. Notice of any
44 temporary rulemaking action taken by the division pursuant to this
45 subsection shall be published in the New Jersey Register, and provided to
46 the newspapers designated by the division pursuant to subsection d. of
47 section 3 of P.L.1975, c.231 (C.10:4-8), at least seven days prior to the
48 implementation of the temporary rules. Nothing herein shall be deemed to

1 require the publication of the text of any temporary rule adopted by the
2 division or notice of any modification of any temporary rulemaking
3 initiated in accordance with this subsection. The text of any temporary
4 rule adopted by the division shall be available in each casino or
5 simulcasting facility participating in the temporary rulemaking and shall
6 be available upon request from the division.

7 (cf: P.L.2002, c.65, s.10)

8

9 27. Section 70 of P.L.1977, c.110 (C.5:12-70) is amended to read as
10 follows:

11 70. Required Regulations. a. The **【commission】** division shall,
12 without limitation **【on the powers conferred in the preceding section,】**
13 include **【within its regulations】** the following specific provisions in its
14 regulations in accordance with the provisions of this act:

15 **【a.】** (1) Prescribing the methods and forms of application and
16 registration which any applicant or registrant shall follow and complete
17 **【prior to consideration of his application by the commission】**;

18 **【b.】** (2) Prescribing the methods, procedures and form for delivery of
19 information concerning any person's family, habits, character, associates,
20 criminal record, business activities and financial affairs;

21 **【c.】** (3) Prescribing such procedures for the fingerprinting of an
22 applicant, employee of a licensee, or registrant, **【or other 】** and methods
23 of identification which may be necessary **【in the judgment of the**
24 **commission】** to accomplish effective enforcement of restrictions on
25 access to the casino floor, the simulcasting facility, and other restricted
26 areas of the casino hotel complex;

27 (4) Prescribing the method of notice to an applicant, registrant or
28 licensee concerning the release of any information or data provided to the
29 commission or division by such applicant, registrant or licensee;

30 **【d.】** (5) Prescribing the manner and procedure of all hearings
31 conducted by the **【commission】** division or any hearing examiner,
32 including special rules of evidence applicable thereto and notices thereof;

33 **【e.】** (6) Prescribing the manner and method of collection of payments
34 of taxes, fees, and penalties;

35 **【f.】** (7) Defining and limiting the areas of operation, the rules of
36 authorized games, odds, and devices permitted, and the method of
37 operation of such games and devices;

38 **【g.】** (8) Regulating the practice and procedures for negotiable
39 transactions involving patrons, including limitations on the circumstances
40 and amounts of such transactions, and the establishment of forms and
41 procedures for negotiable instrument transactions, redemptions, and
42 consolidations;

43 **【h.】** (9) Prescribing grounds and procedures for the revocation or
44 suspension of operating certificates, **【and】** licenses and registrations;

45 **【i.】** (10) Governing the manufacture, distribution, sale, deployment,
46 and servicing of gaming devices and equipment;

1 **[j.] (11)** Prescribing for gaming operations the procedures, forms and
2 methods of management controls, including employee and supervisory
3 tables of organization and responsibility, and minimum security and
4 surveillance standards, including security personnel structure, alarm and
5 other electrical or visual security measures; provided, however, that the
6 **[commission] division** shall grant an applicant for a casino license or a
7 casino licensee broad discretion concerning the organization and
8 responsibilities of management personnel who are not directly involved in
9 the supervision of gaming or simulcast wagering operations;

10 **[k.] (12)** Prescribing the qualifications of, and the conditions pursuant
11 to which, engineers, accountants, and others shall be permitted to practice
12 before the **[commission] division** or to submit materials on behalf of any
13 applicant or licensee; provided, however, that no member of the
14 Legislature, nor any firm with which said member is associated, shall be
15 permitted to appear or practice or act in any capacity whatsoever before
16 the commission or division regarding any matter whatsoever, nor shall any
17 member of the family of the Governor or of a member of the Legislature
18 be permitted to so practice or appear in any capacity whatsoever before
19 the commission or division regarding any matter whatsoever;

20 **[l.] (13)** Prescribing minimum procedures for the exercise of effective
21 control over the internal fiscal affairs of a licensee, including provisions
22 for the safeguarding of assets and revenues, the recording of cash and
23 evidence of indebtedness, and the maintenance of reliable records,
24 accounts, and reports of transactions, operations and events, including
25 reports to the **[commission] division**;

26 **[m.] (14)** Providing for a minimum uniform standard of accountancy
27 methods, procedures and forms; a uniform code of accounts and
28 accounting classifications; and such other standard operating procedures,
29 including those controls listed in **[section 99a. hereof] subsection a. of**
30 **section 99 of P.L.1977, c.110 (C.5:12-99)**, as may be necessary to assure
31 consistency, comparability, and effective disclosure of all financial
32 information, including calculations of percentages of profit by games,
33 tables, gaming devices and slot machines;

34 **[n.] (15)** Requiring quarterly financial reports and the form thereof,
35 and an annual audit prepared by a certified public accountant licensed to
36 do business in this State, attesting to the financial condition of a licensee
37 and disclosing whether the accounts, records and control procedures
38 examined are maintained by the licensee as required by this act and the
39 regulations promulgated hereunder;

40 **[o.] (16)** Governing the gaming-related advertising of casino
41 licensees, their employees and agents, with the view toward assuring that
42 such advertisements are in no way deceptive; provided, however, that such
43 regulations shall require the words "Bet with your head, not over it," or
44 some comparable language approved by the **[commission] division**, to
45 appear on all billboards, signs, and other on-site advertising of a casino
46 operation and shall require the words "If you or someone you know has a
47 gambling problem and wants help, call 1-800 GAMBLER," or some
48 comparable language approved by the **[commission] division**, which

1 language shall include the words "gambling problem" and "call 1-800
2 GAMBLER," to appear legibly on all print, billboard, and sign advertising
3 of a casino operation; and

4 **[p.] (17)** (Deleted by amendment, P.L.1991, c.182).

5 **[q.] (18)** Concerning the distribution and consumption of alcoholic
6 beverages on the premises of the licensee, which regulations shall be
7 insofar as possible consistent with Title 33 of the Revised Statutes, and
8 shall deviate only insofar as necessary because of the unique character of
9 the hotel casino premises and operations;

10 **[r.] (19)** (Deleted by amendment, P.L.1991, c.182).

11 **b.** The commission shall, in its regulations, prescribe the manner and
12 procedure of all hearings conducted by the commission, including special
13 rules of evidence applicable thereto and notices thereof.

14 (cf: P.L.2002, c.65, s.11)

15

16 28. Section 52 of P.L.1977, c.110 (C.5:12-52) is amended to read as
17 follows:

18 52. a. **[Initial appointments to the commission made pursuant to this**
19 **amendatory and supplementary act shall be for terms as follows:**

20 (1) One member for 2 years;

21 (2) One member for 3 years;

22 (3) One member for 4 years; and

23 (4) **One member for 5 years.]** (Deleted by amendment, P.L. , c.)
24 (pending before the Legislature as this bill)

25 b. **[The term of each of the members first appointed pursuant to this**
26 **amendatory and supplementary act shall be designated by the Governor.]**
27 (Deleted by amendment, P.L. , c.)(pending before the Legislature as
28 this bill)

29 c. **[After the initial appointments, all]** The commission shall consist of
30 five members who shall be appointed for terms of 5 years; provided,
31 however, that no member shall serve more than two terms of 5 years each.

32 d. Appointments to the commission **[and designation of the chairman]**
33 shall be made by the Governor with the advice and consent of the Senate.
34 Prior to nomination, the Governor shall cause an inquiry to be conducted
35 by the Attorney General into the nominee's background, with particular
36 regard to the nominee's financial stability, integrity, and responsibility and
37 his reputation for good character, honesty, and integrity.

38 e. Appointments to fill vacancies on the commission shall be for the
39 unexpired term of the member to be replaced.

40 f. **[The member designated by the Governor to serve as chairman]**
41 Commencing after the expiration of the term of the chair who is serving
42 on the effective date of P.L. , c. (pending before the Legislature as this
43 bill), the members of the commission shall elect a chairman from among
44 the members, who shall serve in such capacity throughout such member's
45 entire term and until his successor shall have been duly [appointed]
46 elected and qualified. The member who is serving as the chair of the
47 commission on the effective date of P.L. , c. (pending before the
48 Legislature as this bill) shall continue to serve in such capacity throughout

1 such member's entire term and until the successor is duly elected and
2 qualified. No such member, however, shall serve in such capacity for
3 more than 10 years. The chairman shall be the chief executive officer of
4 the commission. All members shall devote full time to their duties of
5 office and shall not pursue or engage in any other business, occupation or
6 other gainful employment.

7 g. A commissioner may be removed from office for misconduct in
8 office, willful neglect of duty, or other conduct evidencing unfitness for
9 his office, or for incompetence. A proceeding for removal may be
10 instituted by the Attorney General in the Superior Court. Notwithstanding
11 any provision of this or any other act, any commissioner or employee of
12 the commission shall automatically forfeit his office or position upon
13 conviction of any crime. Any commissioner or employee of the
14 commission shall be subject to the duty to appear and testify and to
15 removal from his office, position or employment in accordance with the
16 provisions of P.L.1970, c.72 (C.2A:81-17.2a et seq.).

17 h. Each member of the commission shall serve for the duration of his
18 term and until his successor shall be duly appointed and qualified,
19 **【subject to】** notwithstanding the limitations in subsections c. and f. of this
20 section**【; provided, however, that in the event that a successor is not duly**
21 **appointed and qualified within 120 days after the expiration of the**
22 **member's term, a vacancy shall be deemed to exist】.**

23 (cf: P.L.1980, c.138, s.1)

24

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

27 54. Organization and Employees. a. The commission may establish,
28 and from time to time alter, such plan of organization as it may deem
29 expedient, and may incur expenses within the limits of funds available to
30 it.

31 b. The commission shall elect annually by a majority of the full
32 commission one of its members, other than the chairman, to serve as vice-
33 chairman for the ensuing year. The vice-chairman shall be empowered to
34 carry out all of the responsibilities of the chairman as prescribed in this act
35 during his absence, disqualification, or inability to serve.

36 c. The commission shall appoint an executive secretary who shall
37 serve at its pleasure and shall be responsible for the conduct of its
38 administrative affairs. No person shall be eligible for such appointment
39 unless he shall have at least 5 years of responsible experience in public or
40 business administration or possesses broad management skills. The
41 position of executive secretary shall be in the unclassified service of the
42 civil service.

43 d. The commission may employ such other personnel as it deems
44 necessary. All employees of the commission, except for secretarial and
45 clerical personnel, shall be in the unclassified service of the Civil Service.
46 All employees of the commission shall be deemed confidential employees
47 for the purposes of the "New Jersey Employer-Employee Relations Act"
48 (P.L.1941, c.100; C.34:13A-1 et seq.), as amended. **【Notwithstanding the**

1 provisions of any other law to the contrary, the commission may employ
2 legal counsel who shall represent the commission in any proceeding to
3 which it is a party, and who shall render legal advice to the commission
4 upon its request.】 The commission may contract for the services of
5 【other】 professional, technical and operational personnel and consultants,
6 and of legal counsel, as may be necessary to the performance of its
7 responsibilities under this act.

8 e. Members and employees of the commission shall be enrolled in the
9 Public Employees' Retirement System of New Jersey (P.L.1954, c.84;
10 C.43:15A-1 et seq.).
11 (cf: P.L.1987, c.354, s.1)

12

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

15 58. Restrictions on Pre-Employment by Commissioners, Commission
16 Employees and Division Employees and Agents.

17 a. Deleted by amendment.

18 b. No person shall be appointed to or employed by the commission or
19 division if, during the period commencing three years prior to appointment
20 or employment, said person held any direct or indirect interest in, or any
21 employment by, any person which is licensed as a casino licensee
22 pursuant to section 87 of P.L.1977, c.110 (C.5:12-87) or as a casino
23 service industry enterprise pursuant to subsection a. of section 92 of
24 P.L.1977, c.110 (C.5:12-92) or has an application 【for such a license】
25 pending 【before the commission】; provided, however, that
26 notwithstanding any other provision of this act to the contrary, any such
27 person may be appointed to or employed by the commission or division if
28 his interest in any such casino licensee or casino service industry
29 enterprise which is publicly traded would not, in the opinion of the
30 employing agency, interfere with the objective discharge of such person's
31 employment obligations, but in no instance shall any person be appointed
32 to or employed by the commission or division if his interest in such a
33 casino licensee or casino service industry enterprise which is publicly
34 traded constituted a controlling interest in that casino licensee or casino
35 service industry enterprise; and provided further, however, that
36 notwithstanding any other provision of this act to the contrary, any such
37 person may be employed by the commission or division in a secretarial or
38 clerical position if, in the opinion of the employing agency, his previous
39 employment by, or interest in, any such casino licensee or casino service
40 industry enterprise would not interfere with the objective discharge of
41 such person's employment obligations.

42 c. Prior to appointment or employment, each member of the
43 commission, each employee of the commission, the director of the
44 Division of Gaming Enforcement and each employee and agent of the
45 division shall swear or affirm that he possesses no interest in any business
46 or organization licensed by or registered with the commission.

47 d. Each member of the commission and the director of the division
48 shall file with the State Ethics Commission a financial disclosure

1 statement listing all assets and liabilities, property and business interests,
2 and sources of income of said member or director and said member's or
3 director's spouse, domestic partner or partner in a civil union, as the case
4 may be, and shall provide to the State Ethics Commission a financial
5 disclosure statement listing all assets and liabilities, property and business
6 interests, and sources of income of the parents, brothers, sisters, and
7 children of said member or director. Such statement shall be under oath
8 and shall be filed at the time of appointment and annually thereafter.

9 e. Each employee of the commission, except for secretarial and
10 clerical personnel, and each employee and agent of the division, except for
11 secretarial and clerical personnel, shall file with the State Ethics
12 Commission a financial disclosure statement listing all assets and
13 liabilities, property and business interests, and sources of income of said
14 employee or agent and said employee's or agent's spouse, domestic partner
15 or partner in a civil union, as the case may be. Such statement shall be
16 under oath and shall be filed at the time of employment and annually
17 thereafter. Notwithstanding the provisions of subsection (n) of section 10
18 of P.L.1971, c.182 (C.52:13D-21), only financial disclosure statements
19 filed by a commission or division employee or agent who is in a policy-
20 making management position shall be posted on the Internet site of the
21 State Ethics Commission.

22 (cf: P.L.2009, c.36, s.4)

23

24 31. Section 59 of P.L.1977, c.110 (C.5:12-59) is amended to read as
25 follows:

26 59. Employment Restrictions on Commissioners, Commission
27 Employees and Division Employees.

28 a. The "New Jersey Conflicts of Interest Law," P.L.1971, c.182
29 (C.52:13D-12 et seq.) shall apply to members of the commission, **[and]** to
30 all employees of the commission, to the director and to all employees of
31 the division, except as herein specifically provided.

32 b. The commission shall **[, no later than January 1, 1981,]** promulgate
33 and maintain a Code of Ethics that is modeled upon the Code of Judicial
34 Conduct of the American Bar Association, as amended and adopted by the
35 Supreme Court of New Jersey. **[This Code of Ethics shall include, but not**
36 **be limited to, provisions that address the propriety of relationships and**
37 **dealings between the commission and its staff, and licensees and**
38 **applicants for licensure under this act.]**

39 c. The division shall promulgate and maintain a Code of Ethics
40 governing its specific needs.

41 d. The Codes of Ethics promulgated and maintained by the
42 commission and the division shall not be in conflict with the laws of this
43 State, except, however, that said Codes of Ethics may be more restrictive
44 than any law of this State.

45 e. The Codes of Ethics promulgated and maintained by the
46 commission and the division, and any amendments or restatements
47 thereof, shall be submitted to the State Ethics Commission for approval.
48 The Codes of Ethics shall include, but not be limited to provisions that:

- 1 (1) No commission member or employee or division director,
2 employee or agent shall be permitted to gamble in any establishment
3 licensed by the commission except in the course of his duties.
- 4 (2) No commission member or employee or division director,
5 employee or agent shall solicit or accept employment from any person
6 licensed by or registered with the commission or from any applicant for a
7 period of four years after termination of service with the commission or
8 division, except as otherwise provided in section 60 of this act.
- 9 (3) No commission member or employee or **[any]** division director,
10 employee or agent shall act in his official capacity in any matter wherein
11 he or his spouse, domestic partner or partner in a civil union, child, parent
12 or sibling has a direct or indirect personal financial interest that might
13 reasonably be expected to impair his objectivity or independence of
14 judgment.
- 15 (4) No commission member or employee or **[any]** division director,
16 employee or agent shall act in his official capacity in a matter concerning
17 an applicant for licensure or a licensee who is the employer of a spouse,
18 domestic partner or partner in a civil union, child, parent or sibling of said
19 commission or division employee or agent when the fact of the
20 employment of such spouse, domestic partner or partner in a civil union,
21 child, parent or sibling might reasonably be expected to impair the
22 objectivity and independence of judgment of said commission employee
23 or division employee or agent.
- 24 (5) No spouse, domestic partner or partner in a civil union, child,
25 parent or sibling of a commission member or the division director shall be
26 employed in any capacity by an applicant for a casino license or a casino
27 licensee nor by any holding, intermediary or subsidiary company thereof.
- 28 (6) No commission member shall meet with any person, except for any
29 other member of the commission or employee of the commission, or
30 discuss any issues involving any pending or proposed application or any
31 matter whatsoever which may reasonably be expected to come before the
32 commission, or any member thereof, for determination unless the meeting
33 or discussion takes place on the business premises of the commission,
34 provided, however, that commission members may meet to consider
35 matters requiring the physical inspection of equipment or premises at the
36 location of the equipment or premises. All meetings or discussions subject
37 to this paragraph shall be noted in a log maintained for this purpose and
38 available for inspection pursuant to the provisions of P.L.1963, c.73
39 (C.47:1A-1 et seq.).
- 40 f. No commission member or employee or division director,
41 employee or agent shall have any interest, direct or indirect, in any
42 applicant or in any person licensed by or registered with the commission
43 during his term of office or employment.
- 44 g. Each commission member and employee of the commission,
45 **[including legal counsel,]** the division director and each employee and
46 agent of the division shall devote his entire time and attention to his duties
47 and shall not pursue any other business or occupation or other gainful
48 employment; provided, however, that secretarial and clerical personnel
49 may engage in such other gainful employment as shall not interfere with

1 their duties to the commission or division, unless otherwise directed; and
2 provided further, however, that other employees of the commission and
3 division and agents of the division may engage in such other gainful
4 employment as shall not interfere or be in conflict with their duties to the
5 commission or division, upon approval by the commission or the director
6 of the division, as the case may be.

7 h. No member of the commission, employee of the commission, or
8 director, employee or agent of the division shall:

9 (1) Use his official authority or influence for the purpose of interfering
10 with or affecting the result of an election or a nomination for office;

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

14 (3) Take any active part in political campaigns or the management
15 thereof; provided, however, that nothing herein shall prohibit a person
16 from voting as he chooses or from expressing his personal opinions on
17 political subjects and candidates.

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

26 (cf: P.L.2005, c.382, s.6)

27
28 32. Section 60 of P.L.1977, c.110 (C.5:12-60) is amended to read as
29 follows:

30 60. Post-employment restrictions.

31 a. No member of the commission nor the division director shall hold
32 any direct or indirect interest in, or be employed by, any applicant or by
33 any person licensed by or registered **【with the commission】** under this act
34 for a period of 4 years commencing on the date his membership on the
35 commission or directorship, as the case may be, terminates.

36 b. (1) No employee of the commission or employee or agent of the
37 division may acquire any direct or indirect interest in, or accept
38 employment with, any applicant or any person licensed by or registered
39 with the commission, for a period of two years commencing at the
40 termination of employment with the commission or division, except that a
41 secretarial or clerical employee of the commission or the division may
42 accept such employment at any time after the termination of employment
43 with the commission or division. At the end of two years and for a period
44 of two years thereafter, a former employee or agent who held a policy-
45 making management position at any time during the five years prior to
46 termination of employment may acquire an interest in, or accept
47 employment with, any applicant or person licensed by or registered with
48 the commission or division upon application to and the approval of the
49 commission or the director, as the case may be, upon a finding that the

1 interest to be acquired or the employment will not create the appearance of
2 a conflict of interest and does not evidence a conflict of interest in fact.

3 (2) Notwithstanding the provisions of this subsection, if the
4 employment of a commission employee or a division employee or agent,
5 other than an employee or agent who held a policy-making management
6 position at any time during the five years prior to termination of
7 employment, is terminated as a result of a reduction in the workforce at
8 the commission or division, the employee or agent may, at any time prior
9 to the end of the two-year period, accept employment with any applicant
10 or person licensed by or registered **[with the commission]** under this act
11 upon **[application to and the approval of]** notification to the division or
12 the commission [upon], as the case may be, unless there is a finding that
13 the employment will [not] create the appearance of a conflict of interest
14 and does [not] evidence a conflict of interest in fact. [The decision of the
15 commission shall be final, and the employee or agent shall not be subject
16 to a determination by the State Ethics Commission under section 4 of
17 P.L.1981, c.142 (C.52:13D-17.2).]

18 c. No commission member, division director, or person employed by
19 the commission or division shall represent any person or party other than
20 the State before or against the commission or division for a period of two
21 years from the termination of his office or employment with the
22 commission or division.

23 d. No partnership, firm or corporation in which a former commission
24 member or employee or former division director, employee or agent has
25 an interest, nor any partner, officer or employee of any such partnership,
26 firm or corporation shall make any appearance or representation which is
27 prohibited to said former member, employee, or agent; provided, however,
28 that nothing herein shall prohibit such partnership, firm or corporation
29 from making such appearance or representation on behalf of a casino
30 service industry enterprise licensed under subsection c. of section 92 of
31 P.L.1977, c.110 (C.5:12-92).

32 e. Notwithstanding any post-employment restriction imposed by this
33 section, nothing herein shall prohibit a former commission member or
34 employee or former division director, employee or agent, at any time after
35 termination of such membership or employment, from acquiring an
36 interest in, or soliciting or obtaining employment with, any person
37 **[licensed]** registered as a casino service industry enterprise under
38 subsection c. of section 92 of **[this act or any applicant for such licensure]**
39 P.L.1977, c.110 (C.5:12-92).

40 (cf: P.L.2009, c.36, s.5)

41

42 33. Section 61 of P.L.1977, c.110 (C.5:12-61) is amended to read as
43 follows:

44 61. a. No applicant or person or organization licensed by or registered
45 **[with the commission]** under this act shall employ or offer to employ, or
46 provide, transfer or sell, or offer to provide, transfer or sell any interest,
47 direct or indirect, in any person licensed by or registered **[with the**
48 **commission]** under this act to any person restricted from such transactions

1 by the provisions of sections 58, 59, and 60 of **[this act]** P.L.1977, c.110
2 (C.5:12-58, 5:12-59 and 5:12-60).

3 b. The **[commission]** division shall impose such sanctions upon an
4 applicant or a licensed or registered person for violations of this section as
5 authorized by Article 9 of this act.
6 (cf: P.L.1977, c.110, s.61)

7

8 34. Section 63 of P.L.1977, c.110 (C.5:12-63) is amended to read as
9 follows:

10 63. Duties of the Commission. (1) The Casino Control Commission
11 shall have [general responsibility for the implementation of this act, as
12 hereinafter provided, including, without limitation, the responsibility] the
13 following responsibilities under this act:

14 a. To hear and decide promptly and in reasonable order (1) all
15 applications for a casino license, [registration, certificate, and permit
16 applications and causes affecting the granting, suspension, revocation, or
17 renewal thereof] including applications filed by all persons required
18 individually to qualify in connection therewith; (2) all applications for
19 interim casino authorization, including but not limited to applications filed
20 by persons required individually to qualify in connection therewith; (3)
21 statements of compliance issued pursuant to section 81 of P.L.1977, c.110
22 (C.5:12-81); and (4) all applications for a casino key employee license;

23 b. To **[conduct all hearings pertaining to civil violations of this act or**
24 **regulations promulgated hereunder]** review and decide any appeal from:
25 (1) a notice of violation and penalty assessment issued by the director
26 upon any applicant, qualifier, licensee or registrant under this act; (2) any
27 determination made by the director regarding: (i) any ruling on an
28 application for a casino service industry enterprise license; (ii) any ruling
29 on an application for any other license or qualification under this act; (iii)
30 a revocation of a license or registration; (iv) any ruling on a request for
31 statement of compliance; or (v) placement on an exclusion list;

32 c. To promulgate such regulations as **[in its judgment]** may be
33 necessary to **[fulfill the policies of this act]** conduct hearings under
34 subsections a. and b. of this section;

35 d. **[To collect all license and registration fees and taxes imposed by**
36 **this act and the regulations issued pursuant hereto;]** (Deleted by
37 amendment, P.L. , c.)(pending before the Legislature as this bill)

38 e. **[To levy and collect penalties for the violation of provisions of this**
39 **act and the regulations promulgated hereunder;]** (Deleted by amendment,
40 P.L. , c.)(pending before the Legislature as this bill)

41 f. **[To be present through its inspectors and agents at all times, except**
42 **as provided by section 4 of P.L.2008, c.23 (C.5:12-211), during the**
43 **operation of any casino or simulcasting facility for the purpose of**
44 **certifying the revenue thereof, receiving complaints from the public**
45 **relating to the conduct of gaming and simulcast wagering operations,**
46 **examining records of revenues and procedures, and conducting periodic**
47 **reviews of operations and facilities for the purpose of evaluating current**

1 or suggested provisions of P.L.1977, c.110 (C.5:12-1 et seq.) and the
2 regulations promulgated thereunder;] (Deleted by amendment, P.L. , c.
3) (pending before the Legislature as this bill)

4 g. To refer to the division for investigation and prosecution any
5 evidence of a violation of P.L.1977, c.110 (C.5:12-1 et seq.) or the
6 regulations promulgated thereunder;

7 h. To review and rule upon any complaint by a casino licensee
8 regarding any investigative procedures of the division which are
9 unnecessarily disruptive of casino or simulcasting facility operations. The
10 need to inspect and investigate shall be presumed at all times. The
11 disruption of a licensee's operations shall be proved by clear and
12 convincing evidence, which evidence shall establish that: (1) the
13 procedures had no reasonable law enforcement purpose, and (2) the
14 procedures were so disruptive as to inhibit unreasonably casino or
15 simulcasting facility operations; and

16 i. **[To ensure that there is no duplication of duties and responsibilities**
17 **between it and the division]** (Deleted by amendment, P.L. , c.) (pending
18 before the Legislature as this bill)

19 j. To refer to the division for investigative hearing matters
20 concerning the conduct of gaming and gaming operations as well as the
21 enforcement of the provisions of P.L.1977, c.110 (C.5:12-1 et seq.).

22 (2) The Casino Control Commission shall proceed promptly, along
23 with the division, to take all actions as may be deemed necessary and
24 appropriate, including the promulgation of regulations, for the expeditious
25 implementation of Internet wagering when such wagering is permitted by
26 State and federal law.

27 (cf: P.L.2008, c.23, s.1)

28

29 35. Section 66 of P.L.1977, c.110 (C.5:12-66) is amended to read as
30 follows:

31 66. Investigative hearings. The **[commission]** division shall have the
32 authority to conduct investigative hearings concerning the conduct of
33 gaming and gaming operations as well as the enforcement of the
34 provisions of P.L.1977, c.110 (C.5:12-1 et seq.), as amended and
35 supplemented, in accordance with the procedures set forth in the act and
36 any applicable implementing regulations.

37 (cf: P.L.1995, c.18, s.15)

38

39 36. Section 68 of P.L.1977, c.110 (C.5:12-68) is amended to read as
40 follows:

41 68. Collection of Fees, Penalties or Tax. At any time within five years
42 after any amount of fees, interest, penalties or tax required to be collected
43 pursuant to the provisions of this act shall become due and payable, the
44 **[commission]** division may bring a civil action in the courts of this State
45 or any other state or of the United States, in the name of the State of New
46 Jersey, to collect the amount delinquent, together with penalties and
47 interest. An action may be brought whether or not the person owing the
48 amount is at such time an applicant, licensee or registrant pursuant to the

1 provisions of this act. If such action is brought in this State, a writ of
2 attachment may be issued and no bond or affidavit prior to the issuance
3 thereof shall be required. In all actions in this State, the records of the
4 commission and the division shall be prima facie evidence of the
5 determination of the fee or tax or the amount of the delinquency.

6 Each debt that is due and payable as a result of fees, interest, penalties,
7 or taxes required to be collected pursuant to the provisions of P.L.1977,
8 c.110 (C.5:12-1 et seq.) or the regulations promulgated thereunder,
9 including any compensation authorized pursuant to section 33 of
10 P.L.1978, c.7 (C.5:12-130.3), and each regulatory obligation imposed as a
11 condition upon the issuance or renewal of a casino license which requires
12 the licensee to maintain, as a fiduciary, a fund for a specific regulatory
13 purpose, shall constitute a lien on the real property in this State owned or
14 hereafter acquired by the applicant, licensee, or registrant owing such a
15 debt or on whom such an obligation has been imposed. Except as
16 otherwise provided in R.S.54:5-9, such a lien shall be a first lien
17 paramount to all prior or subsequent liens, claims, or encumbrances on
18 that property.

19 (cf: P.L.1991, c.182, s.14)

20

21 37. Section 71 of P.L.1977, c.110 (C.5:12-71) is amended to read as
22 follows:

23 71. Regulation Requiring Exclusion of Certain Persons. a. The
24 **【commission】** division shall, by regulation, provide for the establishment
25 of a list of persons who are to be excluded or ejected from any licensed
26 casino establishment. Such provisions shall define the standards for
27 exclusion, and shall include standards relating to persons:

28 (1) Who are career or professional offenders as defined by regulations
29 **【of the commission】** promulgated hereunder;

30 (2) Who have been convicted of a criminal offense under the laws of
31 any state or of the United States, which is punishable by more than six
32 months in prison, or any crime or offense involving moral turpitude; or

33 (3) Whose presence in a licensed casino hotel would, in the opinion of
34 the **【commission】** director, be inimical to the interest of the State of New
35 Jersey or of licensed gaming therein, or both.

36 The **【commission】** division shall promulgate definitions establishing
37 those categories of persons who shall be excluded pursuant to this section,
38 including cheats and persons whose privileges for licensure or registration
39 have been revoked.

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

42 c. The **【commission】** division may impose sanctions upon a licensed
43 casino or individual licensee or registrant in accordance with the
44 provisions of this act if such casino or individual licensee or registrant
45 knowingly fails to exclude or eject from the premises of any licensed
46 casino any person placed by the **【commission】** division on the list of
47 persons to be excluded or ejected.

- 1 d. Any list compiled by the **【commission】** division of persons to be
2 excluded or ejected shall not be deemed an all-inclusive list, and licensed
3 casino establishments shall have a duty to keep from their premises
4 persons known to them to be within the classifications declared in
5 paragraphs (1) and (2) of subsection a. of this section and the regulations
6 promulgated thereunder, or known to them to be persons whose presence
7 in a licensed casino hotel would be inimical to the interest of the State of
8 New Jersey or of licensed gaming therein, or both, as defined in standards
9 established by the **【commission】** division.
- 10 e. **【Whenever the division petitions the commission to place】** Prior to
11 placing the name of any person on a list pursuant to this section, the
12 **【commission】** division shall serve notice of such fact to such person by
13 personal service, by certified mail at the last known address of such
14 person, or by publication daily for one week in a newspaper of general
15 circulation in Atlantic City.
- 16 f. Within 30 days after service of the petition in accordance with
17 subsection e. of this section, the person named for exclusion or ejection
18 may demand a hearing before the **【commission】** director or the director's
19 designee, at which hearing the **【division】** director or the director's
20 designee shall have the affirmative obligation to demonstrate by a
21 preponderance of the evidence that the person named for exclusion or
22 ejection satisfies the criteria for exclusion established by this section and
23 the **【commission's】** applicable regulations. Failure to demand such a
24 hearing within 30 days after service shall be deemed an admission of all
25 matters and facts alleged in the **【division's】** director's petition and shall
26 preclude a person from having an administrative hearing, but shall in no
27 way affect his or her right to judicial review as provided herein.
- 28 g. The division may **【file an application with the commission**
29 **requesting】** make a preliminary placement on the list of a person named in
30 a petition for exclusion or ejection pending completion of a hearing on the
31 petition. The hearing on the application for preliminary placement shall
32 be a limited proceeding at which the division shall have the affirmative
33 obligation to demonstrate that there is a reasonable possibility that the
34 person satisfies the criteria for exclusion established by this section and
35 the **【commission's】** applicable regulations. If a person has been placed on
36 the list as a result of an application for preliminary placement, unless
37 otherwise agreed by the **【commission】** director and the named person, a
38 hearing on the petition for exclusion or ejection shall be initiated within
39 30 days after the receipt of a demand for such hearing or the date of
40 preliminary placement on the list, whichever is later.
- 41 h. If, upon completion of the hearing on the petition for exclusion or
42 ejection, the **【commission】** director determines that the person named
43 therein does not satisfy the criteria for exclusion established by this
44 section and the **【commission's】** applicable regulations, the **【commission】**
45 director shall issue an order denying the petition. If the person named in
46 the petition for exclusion or ejection had been placed on the list as a result
47 of an application for preliminary placement, the **【commission】** director

1 shall notify all casino licensees of **【his or her】** the person's removal from
2 the list.

3 i. If, upon completion of a hearing on the petition for exclusion or
4 ejection, the **【commission】** director determines that placement of the
5 name of the person on the exclusion list is appropriate, the **【commission】**
6 director shall make and enter an order to that effect, which order shall be
7 served on all casino licensees. Such order shall be subject to review by the
8 commission in accordance with regulations promulgated thereunder,
9 which final decision shall be subject to review by the Superior Court in
10 accordance with the rules of court.
11 (cf: P.L.1993, c.292, s.9)

12
13 38. Section 1 of P.L.2001, c.39 (C.5:12-71.2) is amended to read as
14 follows:

15 1. a. The **【commission】** division shall provide by regulation for the
16 establishment of a list of persons self-excluded from gaming activities at
17 all licensed casinos and simulcasting facilities. Any person may request
18 placement on the list of self-excluded persons by acknowledging in a
19 manner to be established by the **【commission】** division that the person is a
20 problem gambler and by agreeing that, during any period of voluntary
21 exclusion, the person may not collect any winnings or recover any losses
22 resulting from any gaming activity at such casinos and facilities.

23 b. The regulations of the **【commission】** division shall establish
24 procedures for placements on, and removals from, the list of self-excluded
25 persons. Such regulations shall establish procedures for the transmittal to
26 licensed casinos and simulcasting facilities of identifying information
27 concerning self-excluded persons, and shall require licensed casinos and
28 simulcasting facilities to establish procedures designed, at a minimum, to
29 remove self-excluded persons from targeted mailings or other forms of
30 advertising or promotions and deny self-excluded persons access to credit,
31 **【complimentaries】** complimentaries, check cashing privileges club
32 programs, and other similar benefits.

33 c. A licensed casino or simulcasting facility or employee thereof shall
34 not be liable to any self-excluded person or to any other party in any
35 judicial proceeding for any harm, monetary or otherwise, which may arise
36 as a result of:

37 (1) the failure of a licensed casino or simulcasting facility to withhold
38 gaming privileges from, or restore gaming privileges to, a self-excluded
39 person; or

40 (2) otherwise permitting a self-excluded person to engage in gaming
41 activity in such licensed casino or simulcasting facility while on the list of
42 self-excluded persons.

43 d. Notwithstanding the provisions of P.L.1977, c.110 (C.5:12-1 et
44 seq.) or any other law to the contrary, the **【commission's】** division's list of
45 self-excluded persons shall not be open to public inspection. Nothing
46 herein, however, shall be construed to prohibit a casino licensee from
47 disclosing the identity of persons self-excluded pursuant to this section to
48 affiliated gaming entities in this State or other jurisdictions for the limited

1 purpose of assisting in the proper administration of responsible gaming
2 programs operated by such gaming affiliated entities.

3 e. A licensed casino or simulcasting facility or employee thereof shall
4 not be liable to any self-excluded person or to any other party in any
5 judicial proceeding for any harm, monetary or otherwise, which may arise
6 as a result of disclosure or publication in any manner, other than a
7 willfully unlawful disclosure or publication, of the identity of any self-
8 excluded person.

9 (cf: P.L.2002, c.65, s.12)

10

11 39. Section 2 of P.L.2001, c.39 (C.5:12-71.3) is amended to read as
12 follows:

13 2. a. A person who is prohibited from gaming in a licensed casino or
14 simulcasting facility by any provision of P.L.1977, c.110 (C.5:12-1 et
15 seq.) or any order of the director, commission, or court of competent
16 jurisdiction, including any person on the self-exclusion list pursuant to
17 section 1 of P.L.2001, c.39 (C.5:12-71.2), shall not collect, in any manner
18 or proceeding, any winnings or recover any losses arising as a result of
19 any prohibited gaming activity.

20 b. For the purposes of P.L.1977, c.110 (C.5:12-1 et seq.), any gaming
21 activity in a licensed casino or simulcasting facility which results in a
22 prohibited person obtaining any money or thing of value from, or being
23 owed any money or thing of value by, the casino or simulcasting facility
24 shall be considered, solely for purposes of this section, to be a fully
25 executed gambling transaction.

26 c. In addition to any other penalty provided by law, any money or
27 thing or value which has been obtained by, or is owed to, any prohibited
28 person by a licensed casino or simulcasting facility as a result of wagers
29 made by a prohibited person shall be subject to forfeiture **[by order of the**
30 **commission, on complaint of the division,]** following notice to the
31 prohibited person and opportunity to be heard. A licensed casino or
32 simulcasting facility shall inform a prohibited person of the availability of
33 such notice on the division's Internet website when ejecting the prohibited
34 person and seizing any chips, vouchers or other representative of money
35 owed by a casino to the prohibited person as authorized by this subsection.

36 Of any forfeited amount under \$100,000, one-half shall be deposited
37 into the State General Fund for appropriation by the Legislature to the
38 Department of Health and Senior Services to provide funds for compulsive
39 gambling treatment and prevention programs in the State and the
40 remaining one-half shall be deposited into the Casino Revenue Fund. Of
41 any forfeited amount of \$100,000 or more, \$50,000 shall be deposited into
42 the State General Fund for appropriation by the Legislature to the
43 Department of Health and Senior Services to provide funds for compulsive
44 gambling treatment and prevention programs and the remainder shall be
45 deposited into the Casino Revenue Fund.

46 d. In any proceeding brought by the division against a licensee or
47 registrant pursuant to section 108 of P.L.1977, c.110 (C.5:12-108) for a
48 willful violation of the commission's self-exclusion regulations, the
49 **[commission]** division may order, in addition to any other sanction

1 authorized by section 129 of P.L.1977, c.110 (C.5:12-129), the forfeiture
2 of any money or thing of value obtained by the licensee or registrant from
3 any self-excluded person. Any money or thing of value so forfeited shall
4 be disposed of in the same manner as any money or thing of value
5 forfeited pursuant to subsection c. of this section.

6 (cf: P.L.2001, c.39, s.2)

7

8 40. Section 72 of P.L.1977, c.110 (C.5:12-72) is amended to read as
9 follows:

10 72. Commission reports and recommendations. The commission, in
11 consultation with the division, shall carry on a continuous study of the
12 operation and administration of casino control laws which may be in effect
13 in other jurisdictions, literature on this subject which may from time to
14 time become available, federal laws which may affect the operation of
15 casino gaming in this State, and the reaction of New Jersey citizens to
16 existing and potential features of casino gaming under this act. It shall be
17 responsible for ascertaining any defects in this act or in the rules and
18 regulations issued thereunder, formulating recommendations for changes
19 in this act to prevent abuses thereof, guarding against the use of this act as
20 a cloak for the carrying on of illegal gambling or other criminal activities,
21 and insuring that this act and the rules and regulations shall be in such
22 form and be so administered as to serve the true purposes of this act. The
23 commission, after consultation with the division, shall make to the
24 Governor and the Legislature an annual report of all revenues, expenses
25 and disbursements, and shall include therein such recommendations for
26 changes in this act as the commission or division deems necessary or
27 desirable. The commission, after consultation with the division, shall also
28 report recommendations that promote more efficient operations of the
29 division and the commission. The commission, after consultation with the
30 division, shall report immediately to the Governor and the Legislature any
31 matters which in its judgment require immediate changes in the laws of
32 this State in order to prevent abuses and evasions of this act or of rules
33 and regulations promulgated hereunder, or to rectify undesirable
34 conditions in connection with the operation and regulation of casino
35 gaming.

36 (cf: P.L.1995, c.18, s.19)

37

38 41. Section 74 of P.L.1977, c.110 (C.5:12-74) is amended to read as
39 follows:

40 74. Minutes and Records. a. The Executive Secretary of the
41 commission shall cause to be made and kept a record and verbatim
42 transcripts of all proceedings held at public meetings of the commission.
43 **[A verbatim transcript of those proceedings shall be prepared by the**
44 **commission upon the request of any commissioner or upon the request of**
45 **any other person and the payment by that person of the costs of**
46 **preparation.]** A copy of **[a]** any such verbatim transcript shall be made
47 available to any person upon request and payment of the costs of
48 preparing the copy.

1 A true copy of the minutes of every meeting of the commission and of
2 any regulations finally adopted by the commission shall be forthwith
3 delivered, by and under the certification of the executive secretary, to the
4 Governor, the Secretary of the Senate, and the Clerk of the General
5 Assembly.

6 b. The division or the commission, as appropriate, shall keep and
7 maintain a list of all applicants for licenses and registrations under this act
8 together with a record of all actions taken with respect to such applicants,
9 which file and record shall be open to public inspection; provided,
10 however, that the foregoing information regarding any applicant whose
11 license or registration has been denied[,] or revoked[, or not renewed]
12 shall be removed from such list after five years from the date of such
13 action.

14 c. The Executive Secretary of the commission shall maintain such
15 other files and records as may be deemed desirable.

16 d. [Except as provided in subsection h. of this section, all information
17 and data required by the commission to be furnished hereunder, or which
18 may otherwise be obtained, relative to the internal controls specified in
19 section 99a. of this act or to the earnings or revenue of any applicant,
20 registrant, or licensee shall be considered to be confidential and shall not
21 be revealed in whole or in part except in the course of the necessary
22 administration of this act, or upon the lawful order of a court of competent
23 jurisdiction, or, with the approval of the Attorney General, to a duly
24 authorized law enforcement agency.] (Deleted by amendment, P.L. , c.
25)(pending before the Legislature as this bill)

26 e. [All information and data pertaining to an applicant's criminal
27 record, family, and background furnished to or obtained by the
28 commission from any source shall be considered confidential and shall be
29 withheld in whole or in part, except that any information shall be released
30 upon the lawful order of a court of competent jurisdiction or, with the
31 approval of the Attorney General, to a duly authorized law enforcement
32 agency.] (Deleted by amendment, P.L. , c.)(pending before the
33 Legislature as this bill)

34 f. [Notice of the contents of any information or data released, except
35 to a duly authorized law enforcement agency pursuant to subsection d. or
36 e. of this section, shall be given to any applicant, registrant, or licensee in
37 a manner prescribed by the rules and regulations adopted by the
38 commission.] (Deleted by amendment, P.L. , c.)(pending before the
39 Legislature as this bill)

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

44 h. [The following information to be reported periodically to the
45 commission by a casino licensee shall not be considered confidential and
46 shall be made available for public inspection:

47 (1) A licensee's gross revenue from all authorized games as herein
48 defined, and its gross revenue from simulcast wagering;

1 (2) (a) The dollar amount of patron checks initially accepted by a
2 licensee, (b) the dollar amount of patron checks deposited to the licensee's
3 bank account, (c) the dollar amount of such checks initially dishonored by
4 the bank and returned to the licensee as "uncollected," and (d) the dollar
5 amount ultimately uncollected after all reasonable efforts;

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

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

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

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

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

24 Nothing in this subsection shall be construed to limit access by the
25 public to those forms and documents required to be filed pursuant to
26 Article 11 of this act.] (Deleted by amendment, P.L. , c.)(pending
27 before the Legislature as this bill)

28 i. The division shall keep and maintain records in accordance with the
29 division's regulations promulgated hereunder.

30 (cf: P.L.1993, c.292, s.10)

31

32 42. Section 75 of P.L.1977, c.110 (C.5:12-75) is amended to read as
33 follows:

34 75. The commission and the division may exercise any proper power
35 or authority necessary to perform the duties assigned to **[it]** each entity by
36 law, and no specific enumeration of powers in this act shall be read to
37 limit the authority of the **[commission]** division to administer this act.

38 (cf: P.L.1977, c.110, s.75)

39

40 43. Section 76 of P.L.1977, c.110 (C.5:12-76) is amended to read as
41 follows:

42 76. General Duties and Powers.

43 **[a.]** The Division of Gaming Enforcement shall have the general
44 responsibility for the implementation of P.L.1977, c.110, (C.5:12-1 et
45 seq.), and to issue any approvals necessary as hereinafter provided,
46 including without limitation, the responsibility to:

47 a. Enforce the provisions of this act and any regulations promulgated
48 hereunder;

- 1 **b.** **[(1) promptly]** Promptly and in reasonable order investigate all
2 applications[, enforce the provisions of this act and any regulations
3 promulgated hereunder, and prosecute before the commission all
4 proceedings for violations of this act or any regulations promulgated
5 hereunder] for licensure and all registrations under this act;
- 6 **c.** Issue reports and recommendations to the commission with respect
7 to all entities and natural persons required to qualify for a casino license,
8 an application for interim casino authorization or a petition for a statement
9 of compliance;
- 10 **d.** Promptly and in reasonable order review and approve or deny all
11 casino service industry enterprise license applications;
- 12 **e.** Accept and maintain registrations for all casino employee and
13 vendor registrants;
- 14 **f.** Revoke any registration or casino service industry enterprise license
15 upon findings pursuant to the disqualification criteria in section 86 of
16 P.L.1977, c.110 (C.5:12-86);
- 17 **g.** Promulgate such regulations as may be necessary to fulfill the
18 policies of this act;
- 19 **h.** Initiate and decide any actions against licensees or registrants for
20 violation of this act or regulations promulgated hereunder, and impose
21 sanctions and levy and collect penalties upon finding violations;
- 22 **[(2) provide]** **i.** Provide the commission with all information that the
23 director deems necessary for [all] any action to be taken by the
24 commission under Article 6 of [this act] P.L.1977, c.110 (C.5:12-80
25 through 95); [and for all proceedings involving enforcement of the
26 provisions of this act or any regulations promulgated hereunder; and
27 (3) ensure that there is no duplication of duties and responsibilities
28 between it and the commission.
- 29 **b.** The division shall:
- 30 (1) Investigate the qualifications of each applicant before any license,
31 certificate, or permit is issued pursuant to the provisions of this act;
- 32 (2) Investigate the circumstances surrounding any act or transaction for
33 which commission approval is required;
- 34 (3) Investigate violations of this act and regulations promulgated
35 hereunder;
- 36 **(4)]** **j.** Initiate, prosecute and defend [such proceedings before the
37 commission, or] appeals [therefrom], as the [division] director may
38 deem appropriate;
- 39 **[(5)** Provide assistance upon request by the commission in the
40 consideration and promulgation of rules and regulations;
- 41 **(6)]** **k.** Conduct continuing reviews of casino operations through on-
42 site observation and other reasonable means to assure compliance with
43 this act and regulations promulgated hereunder, subject to subsection h. of
44 section 63 of [this act] P.L.1977, c.110 (C.5:12-63);
- 45 **[(7)]** **l.** Receive and take appropriate action on any referral from the
46 commission relating to any evidence of a violation of P.L.1977, c.110
47 (C.5:12-1 et seq.) or the regulations promulgated thereunder;

1 **[(8)] m.** Exchange fingerprint data with, and receive criminal history
2 record information from, the Federal Bureau of Investigation for use in
3 considering applicants for any license or registration issued pursuant to
4 the provisions of P.L.1977, c.110 (C.5:12-1 et seq.);

5 **[(9)] n.** Conduct audits of casino operations at such times, under such
6 circumstances, and to such extent as the director shall determine,
7 including reviews of accounting, administrative and financial records, and
8 management control systems, procedures and records utilized by a casino
9 licensee;

10 **[(10)] o.** Request and receive information,
11 materials and any other data from any licensee or registrant, or applicant
12 for a license or registration under this act; and

13 **[(11)] p.** Report to the Attorney General recommendations that
14 promote more efficient operations of the division.

15 q. Receive complaints from the public relating to the conduct of
16 gaming and simulcasting operations, examine records and procedures, and
17 conduct periodic reviews of operations and facilities for the purpose of
18 evaluating current or suggested provisions of P.L.1977, c.110 (C.5:12-1
19 et. seq.) and the regulations promulgated thereunder, as the director deems
20 appropriate;

21 r. Certify the revenue of any casino or simulcasting facility in such
22 manner as the director deems appropriate;

23 s. Create and maintain a list of all excluded patrons;

24 t. Initiate and decide all actions for involuntary exclusion of patrons
25 pursuant to section 71 of P.L.1977, c.110 (C.5:12-71);

26 u. Issue an operation certificate upon the commission's grant of an
27 application for a casino license;

28 v. Recommend that the commission issue or revoke statements of
29 compliance pursuant to section 81 of P.L.1977, c.110 (C.5:12-81) and the
30 regulations promulgated thereunder;

31 w. Accept impact statements submitted by an applicant for a casino
32 license pursuant to section 84 of P.L.1977, c.110 (C.5:12-84); and

33 x. Utilize, in its discretion, the services of a private entity for the
34 purpose of expediting criminal history record background checks required
35 to be performed by the division pursuant to the provisions of P.L.1977,
36 c.110 (C.5:12-1 et seq.), provided that the private entity has been awarded
37 a contract in accordance with the public contracting laws of this State.

38 (cf: P.L.1995, c.18, s.20)

39
40 44. (New section) a. Except as otherwise provided in this act, all
41 information and data required by the division or commission to be
42 furnished pursuant to the act or the regulations promulgated hereunder, or
43 which may otherwise be obtained, relative to the internal controls
44 specified in subsection a. of section 99 of P.L.1977, c.110 (C.5:12-99) or
45 to the earnings or revenue of any applicant, registrant, or licensee shall be
46 considered to be confidential and shall not be revealed in whole or in part
47 except in the course of the necessary administration of this act, or upon
48 the lawful order of a court of competent jurisdiction, or, with the approval
49 of the Attorney General, to a duly authorized law enforcement agency.

- 1 b. All information and data pertaining to an applicant's criminal
2 record, family, and background furnished to or obtained by the division or
3 the commission from any source shall be considered confidential and shall
4 be withheld in whole or in part, except that any information shall be
5 released upon the lawful order of a court of competent jurisdiction or, with
6 the approval of the Attorney General, to a duly authorized law
7 enforcement agency.
- 8 c. Notice of the contents of any information or data released, except to
9 a duly authorized law enforcement agency pursuant to subsection a. or b.
10 of this section, shall be given to any applicant, registrant, or licensee in a
11 manner prescribed by the rules and regulations adopted by the division.
- 12 d. The following information to be reported periodically to the division
13 by a casino licensee shall not be considered confidential and shall be made
14 available for public inspection:
- 15 (1) A licensee's gross revenue from all authorized games as defined
16 herein, and the licensee's gross revenue from simulcast wagering;
- 17 (2) (i) The dollar amount of patron checks initially accepted by a
18 licensee, (ii) the dollar amount of patron checks deposited to the licensee's
19 bank account, (iii) the dollar amount of such checks initially dishonored
20 by the bank and returned to the licensee as uncollected, and (iv) the dollar
21 amount ultimately uncollected after all reasonable efforts;
- 22 (3) The amount of gross revenue tax or investment alternative tax
23 actually paid and the amount of investment, if any, required and allowed,
24 pursuant to section 144 of P.L.1977, c.110 (C.5:12-144) and section 3 of
25 P.L.1984, c.218 (C.5:12-144.1);
- 26 (4) A list of the premises and the nature of improvements, costs thereof
27 and the payees for all such improvements, which were the subject of an
28 investment required and allowed pursuant to section 144 of P.L.1977,
29 c.110 (C.5:12-144) and section 3 of P.L.1984, c.218 (C.5:12-144.1);
- 30 (5) The amount, if any, of tax in lieu of full local real property tax paid
31 pursuant to section 146 of P.L.1977, c.110 (C.5:12-146), and the amount
32 of profits, if any, recaptured pursuant to section 147 of P.L.1977, c.110
33 (C.5:12-147);
- 34 (6) A list of the premises, nature of improvements and costs thereof
35 which constitute the cumulative investments by which a licensee has
36 recaptured profits pursuant to section 147 of P.L.1977, c.110 (C.5:12-
37 147); and
- 38 (7) All quarterly and annual financial statements presenting historical
39 data which are submitted to the division, including all annual financial
40 statements which have been audited by an independent certified public
41 accountant licensed to practice in the State of New Jersey.
- 42 Nothing in this subsection shall be construed to limit access by the
43 public to those forms and documents required to be filed pursuant to
44 Article 11 of this act.
- 45
- 46 45. Section 80 of P.L.1977, c.110 (C.5:12-80) is amended to read as
47 follows:
- 48 80. General Provisions. a. It shall be the affirmative responsibility of
49 each applicant and licensee to establish by clear and convincing evidence

1 his individual qualifications, and for a casino license the qualifications of
2 each person who is required to be qualified under this act as well as the
3 qualifications of the facility in which the casino is to be located.

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

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

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

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

35 f. Each applicant or person who must be qualified under this act shall
36 be photographed and fingerprinted for identification and investigation
37 purposes in accordance with procedures **[established by the commission]**
38 set forth by regulation.

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

47 h. (Deleted by amendment, P.L.1995, c.18.)
48 (cf: P.L.2009, c.36, s.6)

1 46. Section 81 to P.L.1977, c.110 (C.5:12-81) is amended to read as
2 follows:

3 81. Statement of compliance.

4 a. (1) ~~【The】~~ Upon consideration of a report and recommendation of the
5 division, the commission may, in its discretion, issue a statement of
6 compliance to an applicant for ~~【any】~~ a casino license or ~~【for qualification~~
7 ~~status under this act at any time the commission is satisfied that】~~ to any
8 person required to qualify in conjunction with a casino license or casino
9 license applicant if the applicant or person, as the case may be, has
10 established by clear and convincing evidence that one or more particular
11 eligibility criteria have been satisfied ~~【by an applicant】~~. A request for the
12 issuance of a statement of compliance pursuant to this paragraph shall be
13 initiated by the applicant filing a petition with the ~~【commission】~~ division.
14 Before the ~~【commission refers any such petition to the】~~ division ~~【for】~~
15 initiates any investigation on such a petition, the ~~【commission】~~ director
16 may require the applicant to establish to the satisfaction of the
17 ~~【commission】~~ director that the applicant actually intends, if found
18 qualified, to engage in the business or activity that would require the
19 issuance of the license or the determination of qualification status.

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

44 (3) A statement of compliance shall not be issued indicating that an
45 applicant or any other person required to qualify in conjunction with a
46 casino license or casino license applicant that is a corporation or other
47 form of business organization has established by clear and convincing

1 evidence its good character, honesty and integrity unless the [Chief
2 Executive Officer, Chief Operating Officer and Chief Financial Officer, or
3 the functional equivalent thereof] corporate officers; each director; each
4 person who directly or indirectly holds any beneficial [interest] or
5 ownership interest in the applicant of 5% or greater, to the extent such
6 person would be required to qualify under section 85 of P.L.1977, c.110
7 (C.5:12-85) [if the applicant were a holding company or intermediary
8 company of a casino licensee]; and any other person whom the
9 commission may consider appropriate for approval or qualification,
10 would, but for residence, individually be qualified for approval as a casino
11 key employee pursuant to the provisions of section 89 of P.L.1977, c.110
12 (C.5:12-89).

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

15 (1) the particular eligibility criterion satisfied by the applicant or
16 person;

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

19 (3) the continuing obligation of the applicant or person to file any
20 information required by the [commission or] division as part of any
21 application for a license or qualification status, including information
22 related to the eligibility criterion for which the statement of compliance
23 was issued; and

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

28 c. [A statement of compliance certifying satisfaction of all of the
29 requirements of subsection e. of section 84 of this act with respect to a
30 specific casino hotel proposal submitted by an eligible applicant may be
31 accompanied by a written commitment from the commission that a casino
32 license shall be reserved for a period not to exceed 30 months or within
33 such additional time period as the commission may, upon a showing of
34 good cause therefor, establish and shall be issued to such eligible
35 applicant with respect to such proposal provided that such applicant (1)
36 complies in all respects with the provisions of this act, (2) qualifies for a
37 casino license within a period not to exceed 30 months of the date of such
38 commitment or within such additional time period as the commission may,
39 upon a showing of good cause therefor, establish, and (3) complies with
40 such other conditions as the commission shall impose. The commission
41 may revoke such reservation at any time it finds that the applicant is
42 disqualified from receiving or holding a casino license or has failed to
43 comply with any conditions imposed by the commission. Such
44 reservation shall be automatically revoked if the applicant does not qualify
45 for a casino license within the period of such commitment. No license
46 other than a casino license shall be reserved by the commission.] (Deleted
47 by amendment, P.L. , c.)(pending before the Legislature as this bill)

- 1 d. Any statement of compliance issued pursuant to this section shall
2 be withdrawn by the commission if:
- 3 (1) the applicant or person otherwise fails to satisfy the standards for
4 licensure or qualification;
- 5 (2) the applicant or person fails to comply with any condition imposed
6 **【by the commission】**; or
- 7 (3) the commission finds, on recommendation of the division, cause to
8 revoke the statement of compliance for any other reason.
- 9 e. Notwithstanding any other provision of this section, unless
10 otherwise extended by the commission upon application by the recipient
11 and for good cause shown, any statement of compliance issued by the
12 commission pursuant to this section shall expire 48 months after its date
13 of issuance**【**, unless the recipient also has received a commitment for the
14 reservation of a casino license, in which case the statement of compliance
15 shall expire on the same date as the commitment**】**.
- 16 f. **【**Any statement of compliance issued by the commission prior to
17 the effective date of this amendatory and supplementary act, P.L.2002,
18 c.65, shall expire in accordance with the provisions of subsection e. of this
19 section as if the statement had been issued on such effective date, unless
20 the statement is otherwise extended, withdrawn or revoked prior to such
21 date in accordance with the provisions of this section.**】** (Deleted by
22 amendment, P.L. , c.)(pending before the Legislature as this bill)
23 (cf: P.L.2002, c.65, s.13)
24
- 25 47. Section 82 of P.L.1977, c.110 (C.5:12-82) is amended to read as
26 follows:
- 27 82. a. No casino shall operate unless all necessary licenses and
28 approvals therefor have been obtained in accordance with law.
- 29 b. Only the following persons shall be eligible to hold a casino
30 license; and, unless otherwise determined by the commission with the
31 concurrence of the Attorney General which may not be unreasonably
32 withheld in accordance with subsection c. of this section, each of the
33 following persons shall be required to hold a casino license prior to the
34 operation of a casino in the casino hotel with respect to which the casino
35 license has been applied for:
- 36 (1) Any person who either owns an approved casino hotel or owns or
37 has a contract to purchase or construct a casino hotel which in the
38 judgment of the commission can become an approved casino hotel within
39 30 months or within such additional time period as the commission may,
40 upon a showing of good cause therefor, establish;
- 41 (2) Any person who, whether as lessor or lessee, either leases an
42 approved casino hotel or leases or has an agreement to lease a casino hotel
43 which in the judgment of the commission can become an approved casino
44 hotel within 30 months or within such additional time period as the
45 commission may, upon a showing of good cause therefor, establish;
- 46 (3) Any person who has a written agreement with a casino licensee or
47 with an eligible applicant for a casino license for the complete

1 management of a casino and, if applicable, any authorized games in a
2 casino simulcasting facility; and

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

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

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

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

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

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

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

45 (6) The commission shall not permit an agreement for the leasing of an
46 approved casino hotel or the land thereunder to provide for the payment of
47 an interest, percentage or share of money gambled at the casino or derived
48 from casino gaming activity or of revenues or profits of the casino unless
49 the party receiving payment of such interest, percentage or share is a party

1 to the approved lease agreement; unless each party to the lease agreement
2 holds either a casino license or casino service industry enterprise license
3 **[and unless the agreement is for a durational term exceeding 30 years,**
4 **concerns a significant portion of the entire approved casino hotel or of the**
5 **land upon which same is located]**, and includes within its terms a buy-out
6 provision conforming to that described in paragraph (5) above;

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

38 (8) The commission may permit an agreement for the management of a
39 casino and, if applicable, the authorized games in a casino simulcasting
40 facility to provide for the payment to the managing party of an interest,
41 percentage or share of money gambled at all authorized games or derived
42 from casino gaming activity or of revenues or profits of casino gaming
43 operations;

44 (9) Notwithstanding any other provision of P.L.1977, c.110 (C.5:12-1
45 et seq.) to the contrary, the commission may permit an agreement between
46 a casino licensee and a casino service industry enterprise licensed pursuant
47 to the provisions of subsection a. of section 92 of P.L.1977, c.110 (C.5:12-
48 92) for the conduct of casino simulcasting in a simulcasting facility or for
49 the operation of a multi-casino progressive slot machine system, to

1 provide for the payment to the casino service industry enterprise of an
2 interest, percentage or share of the money derived from the casino
3 licensee's share of proceeds from simulcast wagering activity or the
4 operation of a multi-casino progressive slot machine system; and

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

23 d. No corporation shall be eligible to apply for a casino license
24 unless:

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

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

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

33 (4) The corporation shall maintain a ledger in the principal office of
34 the corporation in New Jersey which shall at all times reflect the current
35 ownership of every class of security issued by the corporation and shall be
36 available for inspection by the commission or the division and authorized
37 agents of the commission and the division at all reasonable times without
38 notice;

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

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

47 (7) The corporation, if it is not a publicly traded corporation, shall file
48 with the **[commission]** division such adopted corporate charter provisions
49 as may be necessary to establish the right of prior approval by the

1 commission with regard to transfers of securities, shares, and other
2 interests in the applicant corporation; and, if it is a publicly traded
3 corporation, provide in its corporate charter that any securities of such
4 corporation are held subject to the condition that if a holder thereof is
5 found to be disqualified **【by the commission】** pursuant to the provisions
6 of this act, such holder shall dispose of his interest in the corporation;
7 provided, however, that, notwithstanding the provisions of N.J.S.14A:7-12
8 and N.J.S.12A:8-101 et seq., nothing herein shall be deemed to require
9 that any security of such corporation bear any legend to this effect;

10 (8) The corporation, if it is not a publicly traded corporation, shall
11 establish to the satisfaction of the **【commission】** division that appropriate
12 charter provisions create the absolute right of such non-publicly traded
13 corporations and companies to repurchase at the market price or the
14 purchase price, whichever is the lesser, any security, share or other
15 interest in the corporation in the event that the commission disapproves a
16 transfer in accordance with the provisions of this act;

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

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

28 **【Notwithstanding the foregoing, any corporation or company which**
29 **had bylaw provisions approved by the commission prior to the effective**
30 **date of this 1987 amendatory act shall have one year from the effective**
31 **date of this 1987 amendatory act to adopt appropriate charter provisions in**
32 **accordance with the requirements of this subsection.】**

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

37 e. No person shall be issued or be the holder of a casino license if the
38 issuance or the holding results in undue economic concentration in
39 Atlantic City casino operations by that person. The commission shall,
40 after conducting public hearings thereon, promulgate rules and regulations
41 in accordance with the "Administrative Procedure Act," P.L.1968, c.410
42 (C.52:14B-1 et seq.) defining the criteria the commission will use in
43 determining what constitutes undue economic concentration.

44 For the purpose of this subsection a person shall be considered the
45 holder of a casino license if such license is issued to such person or if such
46 license is held by any holding, intermediary or subsidiary company
47 thereof, or by any **【officer, director, casino key employee or principal**
48 **employee of such person, or of any holding, intermediary or subsidiary**

1 company thereof] person required to be qualified in conjunction with such
2 casino license.

3 (cf: P.L.2009, c.36, s.7)

4

5 48. Section 83 of P.L.1977, c.110 (C.5:12-83) is amended to read as
6 follows:

7 83. a. An approved hotel for purposes of this act shall be a hotel
8 providing facilities in accordance with this section. Nothing in this
9 section shall be construed to limit the authority of the commission to
10 determine the suitability of facilities as provided in this act, and nothing in
11 this section shall be construed to require a casino to be smaller than the
12 maximum size herein provided.

13 Nothing in this section shall be construed as authorizing the
14 commission, based on the provisions of this section, to determine the
15 suitability of facilities, or to deny a license, for a small-scale casino
16 facility or a staged casino facility that is permitted by law supplementing
17 P.L.1977, c.110 (C.5:12-1 et seq.).

18 b. (Deleted by amendment, P.L.2002, c.65).

19 c. A casino hotel shall include an approved hotel containing at least
20 500 qualifying sleeping units, as defined in section 27 of the "Casino
21 Control Act," P.L.1977, c.110 (C.5:12-27), and a casino, the total square
22 footage of which shall not exceed 60,000 square feet, except that for each
23 additional 100 qualifying sleeping units above 500, the maximum amount
24 of the casino space may be increased by 10,000 square feet, up to a
25 maximum of 200,000 square feet of casino space. For the purpose of
26 increasing casino space, an agreement approved by the commission for the
27 addition of qualifying sleeping units within two years after the
28 commencement of gaming operations in the additional casino space shall
29 be deemed an addition of those sleeping units, but if the agreement is not
30 fulfilled due to conditions within the control of the casino licensee, the
31 casino licensee shall close the additional casino space or any portion
32 thereof as directed by the commission.

33 d. Once a hotel is initially approved, the commission and the division
34 shall thereafter rely on the certification of the casino licensee with regard
35 to the number of qualifying sleeping units and shall permit replacement,
36 rehabilitation, renovation and alteration of any part of the approved hotel
37 even if the replacement, rehabilitation, renovation, or alteration will mean
38 that the casino licensee does not temporarily meet the requirements of
39 subsection c. so long as the licensee certifies that the replacement,
40 rehabilitation, renovation, or alteration shall be completed within one year
41 or such other reasonable period of time as the commission may approve.

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

43 f. (Deleted by amendment, P.L.1991, c.182).

44 g. (Deleted by amendment, P.L.1991, c.182).

45 h. (Deleted by amendment, P.L.1991, c.182).

46 I. The **[commission]** division shall not impose any criteria or
47 requirements regarding the contents of the approved hotel in addition to
48 the criteria and requirements expressly specified in the "Casino Control
49 Act," P.L.1977, c.110 (C.5:12-1 et seq.) and the regulations promulgated

1 thereunder; provided, however, that the commission division shall be
2 authorized to require each casino licensee to establish and maintain an
3 approved hotel which is in all respects a superior, first-class facility of
4 exceptional quality which will help restore Atlantic City as a resort, tourist
5 and convention destination.
6 (cf: P.L.2002, c.65, s.14)

7

8 49. Section 84 of P.L.1977, c.110 (C.5:12-84) is amended to read as
9 follows:

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

13 a. Each applicant shall produce such information, documentation and
14 assurances concerning financial background and resources as may be
15 required to establish by clear and convincing evidence the financial
16 stability, integrity and responsibility of the applicant, including but not
17 limited to bank references, business and personal income and
18 disbursement schedules, tax returns and other reports filed with
19 governmental agencies, and business and personal accounting and check
20 records and ledgers. In addition, each applicant shall, in writing,
21 authorize the examination of all bank accounts and records as may be
22 deemed necessary by the commission or the division. The commission or
23 the division may consider any relevant evidence of financial stability;
24 provided, however, it is presumed that a casino licensee or applicant is
25 financially stable if it establishes by clear and convincing evidence that it
26 meets each of the following standards:

27 (1) The ability to assure the financial integrity of casino operations by
28 the maintenance of a casino bankroll or equivalent provisions adequate to
29 pay winning wagers to casino patrons when due. A casino licensee or
30 applicant shall be presumed to have met this standard if it maintains, on a
31 daily basis, a casino bankroll, or a casino bankroll and equivalent
32 provisions, in an amount which is at least equal to the average daily
33 minimum casino bankroll or equivalent provisions, calculated on a
34 monthly basis, for the corresponding month in the previous year. For any
35 casino licensee or applicant which has been in operation for less than a
36 year, such amount shall be determined by the division based upon levels
37 maintained by a comparable casino licensee;

38 (2) The ability to meet ongoing operating expenses which are essential
39 to the maintenance of continuous and stable casino operations. A casino
40 licensee or applicant shall be presumed to have met this standard if it
41 demonstrates the ability to achieve positive gross operating profit,
42 measured on an annual basis;

43 (3) The ability to pay, as and when due, all local, state and federal
44 taxes, including the tax on gross revenues imposed by subsection a. of
45 section 144 of P.L.1977, c.110 (C.5:12-144), the investment alternative
46 tax obligations imposed by subsection b. of section 144 of P.L.1977, c.110
47 (C.5:12-144) and section 3 of P.L.1984, c.218 (C.5:12-144.1), and any
48 fees imposed by the act or the regulations promulgated pursuant thereto;

49 (4) The ability to make necessary capital and maintenance expenditures

1 in a timely manner which are adequate to ensure maintenance of a
2 superior, first-class facility of exceptional quality pursuant to subsection i.
3 of section 83 of P.L.1977, c.110 (C.5:12-83). A casino licensee or
4 applicant shall be presumed to have met this standard if it demonstrates
5 that its capital and maintenance expenditures, over the five-year period
6 which includes the three most recent calendar years and the upcoming two
7 calendar years, average at least five percent of net revenue per annum,
8 except that any casino licensee or applicant which has been in operation
9 for less than three years shall be required to otherwise establish
10 compliance with this standard; and

11 (5) The ability to pay, exchange, refinance or extend debts, including
12 long-term and short-term principal and interest and capital lease
13 obligations, which will mature or otherwise come due and payable during
14 the license term, or to otherwise manage such debts and any default with
15 respect to such debts. The division also may require that a casino licensee
16 or applicant advise as to its plans to meet this standard with respect to any
17 material debts coming due and payable within 12 months after the end of
18 the license term.

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

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

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

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

27 e. Each applicant shall produce such information, documentation and
28 assurances to establish [to the satisfaction of the commission] the
29 suitability of the casino and related facilities subject to subsection i. of
30 section 83 of P.L.1977, c.110 (C.5:12-83) and that its proposed location
31 will not adversely affect casino operations. Each applicant shall submit to
32 the division an impact statement which shall include, without limitation,
33 architectural and site plans which establish that the proposed facilities
34 comply in all respects with the requirements of this act and the
35 requirements of the master plan and zoning and planning ordinances of
36 Atlantic City, without any use variance from the provisions thereof; a
37 market impact study which analyzes the adequacy of the patron market
38 and the effect of the proposal on such market and on the existing casino
39 facilities licensed under this act; and an analysis of the effect of the
40 proposal on the overall economic and competitive conditions of Atlantic
41 City and the State of New Jersey.

42 f. For the purposes of this section, each applicant shall [submit] be
43 responsible for the submission to the division of the [applicant's] name,
44 address, fingerprints and written consent for a criminal history record
45 background check to be performed for each person who must individually
46 qualify in conjunction with the casino license application. The division is
47 hereby authorized to exchange fingerprint data with and receive criminal
48 history record information from the State Bureau of Identification in the

1 Division of State Police and the Federal Bureau of Investigation consistent
2 with applicable State and federal laws, rules and regulations. The
3 applicant shall bear the cost for the criminal history record background
4 check, including all costs of administering and processing the check. The
5 Division of State Police shall promptly notify the division in the event a
6 current or prospective licensee, who was the subject of a criminal history
7 record background check pursuant to this section, is arrested for a crime or
8 offense in this State after the date the background check was performed.

9 (cf: P.L.2009, c.36, s.8)

10

11 50. Section 85 of P.L.1997, c.110 (C.5:12-85) is amended to read as
12 follows:

13 85. Additional Requirements.

14 a. In addition to other information required by this act, a corporation
15 or other form of business organization applying for a casino license shall
16 provide the following information, in such form as may be established by
17 regulation:

18 (1) The organization, financial structure and nature of all businesses
19 operated by the **【corporation】 applicant**; the names and personal
20 employment and criminal histories of all officers, directors and
21 **【principal】 such other** employees of the **【corporation】 applicant as the**
22 **division may require**; the names of all holding, intermediary and
23 subsidiary companies of the **【corporation】 applicant**; and the organization,
24 financial structure and nature of all businesses operated by such of its
25 holding, intermediary and subsidiary companies as the **【commission】**
26 **division may require**, including the names and personal employment and
27 criminal histories of such corporate officers, directors and **【principal】**
28 **other** employees of such holding, intermediary and subsidiary
29 **【corporations and】 companies as the 【commission】 division may require**;

30 (2) The rights and privileges acquired by the holders of different
31 classes of authorized securities of **【such corporations】 the applicant** and
32 such companies as the **【commission】 division may require**, including the
33 names, addresses and amounts held by all holders of such securities;

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

35 (4) The terms and conditions of all outstanding loans, mortgages, trust
36 deeds, pledges or any other indebtedness or security devices utilized by
37 the **【corporation】 applicant**;

38 (5) The extent of the equity security holding in the **【corporation】**
39 **applicant** of all officers, directors and underwriters, and their remuneration
40 in the form of salary, wages, fees or otherwise;

41 (6) Names of persons other than directors and officers who occupy
42 positions specified by the **【commission】 division** or whose compensation
43 exceeds an amount determined by the **【commission】 division**, and the
44 amount of their compensation;

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

46 (8) Copies of all management and service contracts; **【and】**

47 (9) A listing of stock options existing or to be created; and

1 (10) Documentation establishing that it is qualified to do business in
2 the State of New Jersey.

3 b. **【If a corporation or other form of business organization applying**
4 **for a casino license is, or if a corporation or other form of business**
5 **organization holding a casino license is to become, a subsidiary, each**
6 **holding company, intermediary company, and other entity required to be**
7 **qualified with respect thereto must, as a condition of the said subsidiary**
8 **acquiring or retaining such license, as the case may be:**

9 (1) Establish by clear and convincing evidence that it meets the
10 standards set forth in subsections a., c., and d. of section 84 of P.L.1977,
11 c.110 (C.5:12-84) as if it were itself applying for a casino license, and the
12 standards, but for residence, required for approval as a casino key
13 employee pursuant to the provisions of this act in accordance with
14 subsections c., d. and e. of this section, as applicable; and

15 (2) **Qualify】** Each holding, intermediary and subsidiary company of an
16 applicant for or holder of a casino license shall be required to qualify to do
17 business in the State of New Jersey; and

18 **【(3)】** (1) If it is a corporation, register with the [commission]
19 division and furnish the [commission] division with all the information
20 required of a corporate licensee as specified in subsection a. (1), (2) and
21 (3) of this section and such other information as the [commission]
22 division may require; or

23 **【(4)】** (2) If it is not a corporation, register with the [commission]
24 division and furnish the [commission] division with such information as
25 the [commission] division may prescribe.

26 c. **【No corporation shall be eligible to hold a casino license unless**
27 **each officer; each director; each person who directly or indirectly holds**
28 **any beneficial interest or ownership of the securities issued by the**
29 **corporation; any person who in the opinion of the commission has the**
30 **ability to control the corporation or elect a majority of the board of**
31 **directors of that corporation, other than a banking or other licensed**
32 **lending institution which makes a loan or holds a mortgage or other lien**
33 **acquired in the ordinary course of business; each principal employee; and**
34 **any lender, underwriter, agent, employee of the corporation, or other**
35 **person whom the commission may consider appropriate for approval or**
36 **qualification would, but for residence, individually be qualified for**
37 **approval as a casino key employee pursuant to the provisions of this act.】**
38 (Deleted by amendment, P.L. , c.) (pending before the Legislature as
39 this bill)

40 d. **【No corporation or other form of business organization which is a**
41 **subsidiary shall be eligible to receive or hold a casino license unless each**
42 **holding and intermediary company with respect thereto:**

43 (1) If it is a corporation, shall comply with the provisions of subsection
44 c. of this section as if said holding or intermediary company were itself
45 applying for a casino license; provided, however, that the commission
46 with the concurrence of the director may waive compliance with the
47 provisions of subsection c. hereof on the part of a holding company as to
48 any officer, director, lender, underwriter, agent or employee thereof, or

1 person directly or indirectly holding a beneficial interest or ownership of
2 the securities of such corporation, where the commission and the director
3 are satisfied that such officer, director, lender, underwriter, agent or
4 employee is not significantly involved in the activities of the corporate
5 licensee, and in the case of security holders, does not have the ability to
6 control the holding company or elect one or more directors thereof; or

7 (2) If it is not a corporation, shall comply with the provisions of
8 subsection e. of this section as if said company were itself applying for a
9 casino license; provided, however, that the commission with the
10 concurrence of the director may waive compliance with the provisions of
11 subsection e. of this section on the part of a noncorporate business
12 organization which is a holding company as to any person who directly or
13 indirectly holds any beneficial interest or ownership in such company,
14 when the commission and the director are satisfied that such person does
15 not have the ability to control the company.】 (Deleted by amendment,
16 P.L. , c.) (pending before the Legislature as this bill)

17 e. 【Any noncorporate applicant for a casino license shall provide the
18 information required in subsection a. of this section in such form as may
19 be required by the commission. No such applicant shall be eligible to hold
20 a casino license unless each person who directly or indirectly holds any
21 beneficial interest or ownership in the applicant, or who in the opinion of
22 the commission has the ability to control the applicant, or whom the
23 commission may consider appropriate for approval or qualification,
24 would, but for residence, individually be qualified for approval as a casino
25 key employee pursuant to the provisions of this act.】 (Deleted by
26 amendment, P.L. , c.)(pending before the Legislature as this bill)

27 f. 【Notwithstanding the provisions of subsections c. and d. of this
28 section, and in the absence of a prima facie showing by the director that
29 there is any cause to believe that the institutional investor may be found
30 unqualified, an institutional investor holding either (1) under 10% of the
31 equity securities of a casino licensee's holding or intermediary companies,
32 or (2) debt securities of a casino licensee's holding or intermediary
33 companies, or another subsidiary company of a casino licensee's holding
34 or intermediary companies which is related in any way to the financing of
35 the casino licensee, where the securities represent a percentage of the
36 outstanding debt of the company not exceeding 20%, or a percentage of
37 any issue of the outstanding debt of the company not exceeding 50%, shall
38 be granted a waiver of qualification if such securities are those of a
39 publicly traded corporation and its holdings of such securities were
40 purchased for investment purposes only and upon request by the
41 commission it files with the commission a certified statement to the effect
42 that it has no intention of influencing or affecting the affairs of the issuer,
43 the casino licensee or its holding or intermediary companies; provided,
44 however, that it shall be permitted to vote on matters put to the vote of the
45 outstanding security holders. The commission may grant a waiver of
46 qualification to an institutional investor holding a higher percentage of
47 such securities upon a showing of good cause and if the conditions
48 specified above are met. Any institutional investor granted a waiver under

1 this subsection which subsequently determines to influence or affect the
2 affairs of the issuer shall provide not less than 30 days' notice of such
3 intent and shall file with the commission an application for qualification
4 before taking any action that may influence or affect the affairs of the
5 issuer; provided, however, that it shall be permitted to vote on matters put
6 to the vote of the outstanding security holders. If an institutional investor
7 changes its investment intent, or if the commission finds reasonable cause
8 to believe that the institutional investor may be found unqualified, no
9 action other than divestiture shall be taken by such investor with respect to
10 its security holdings until there has been compliance with the provisions
11 of P.L.1987, c.409 (C.5:12-95.12 et al.), including the execution of a trust
12 agreement. The casino licensee and its relevant holding, intermediary or
13 subsidiary company shall immediately notify the commission and the
14 division of any information about, or actions of, an institutional investor
15 holding its equity or debt securities where such information or action may
16 impact upon the eligibility of such institutional investor for a waiver
17 pursuant to this subsection.】 (Deleted by amendment, P.L. _____, c. _____)
18 (pending before the Legislature as this bill)

19 g. 【If at any time the commission finds that an institutional investor
20 holding any security of a holding or intermediary company of a casino
21 licensee, or, where relevant, of another subsidiary company of a holding
22 or intermediary company of a casino licensee which is related in any way
23 to the financing of the casino licensee, fails to comply with the terms of
24 subsection f. of this section, or if at any time the commission finds that, by
25 reason of the extent or nature of its holdings, an institutional investor is in
26 a position to exercise such a substantial impact upon the controlling
27 interests of a licensee that qualification of the institutional investor is
28 necessary to protect the public interest, the commission may, in
29 accordance with the provisions of subsections a. through e. of this section
30 or subsections d. and e. of section 105 of P.L.1977, c.110 (C.5:12-105),
31 take any necessary action to protect the public interest, including requiring
32 such an institutional investor to be qualified pursuant to the provisions of
33 the "Casino Control Act," P.L.1977, c.110 (C.5:12-1 et seq.).】 (Deleted by
34 amendment, P.L. _____, c. _____) (pending before the Legislature as this bill)
35 (cf: P.L.2009, c.36, s.9)

36
37 51. (New section) a. No casino license shall be issued to any applicant
38 or retained by any holder unless the commission determines that all
39 persons designated by the division as persons who must qualify in
40 conjunction with such license meet all applicable qualification criteria and
41 are not unqualified by reason of any disqualification criteria set forth in
42 section 86 of P.L.1977, c.110 (C.5:12-86).

43 b. Corporate applicants for and holders of casino licenses shall be
44 required to establish and maintain the qualifications of the following: (1)
45 each officer of the corporation; (2) each director of the corporation; (3)
46 each person who directly or indirectly holds any beneficial interest or
47 ownership of the securities issued by such applicant or holder; (4) any
48 holder who in the opinion of the director has the ability to control the
49 applicant for or holder of a casino license or to elect a majority of the

1 board of directors of such applicant or holder; and (5) each holding,
2 intermediary or subsidiary company of an applicant for or holder of a
3 casino license.

4 c. As to each holding, intermediary and subsidiary company of an
5 applicant for or holder of a casino license, such applicants and holders
6 shall be required to establish and maintain the qualifications of the
7 following: (1) each Corporate Officer; (2) each director of the
8 corporation; (3) each person who directly or indirectly holds a beneficial
9 interest or ownership interest of 5% or more in such holding, intermediary
10 or subsidiary company; (4) any person who in the opinion of the director
11 has the ability to control or elect a majority of the board of directors of
12 such holding, intermediary or subsidiary company; and (5) any other
13 person who the director may consider appropriate for qualification.

14 d. The director shall have the authority to waive any or all of the
15 qualification requirements for any person listed in paragraph (1), (2) or (3)
16 of subsection c. of this section.

17 e. Applicants for and holders of casino licenses shall be required to
18 establish and maintain the qualifications of any financial backer, investor,
19 mortgagee, bondholder, or holders of indentures, notes or other evidences
20 of indebtedness, either in effect or proposed which bears relation to the
21 casino operation or casino hotel premises who holds 25% or more of such
22 financial instruments or evidences of indebtedness; provided however in
23 circumstances of default, any person holding 10% of such financial
24 instruments or evidences of indebtedness shall be required to establish and
25 maintain his qualifications as required pursuant to subsection c. of this
26 section. The director may, in his discretion, require that any other
27 financial backer, investor, mortgagee, bondholder, or holder of indentures,
28 notes or other evidences of indebtedness who does not meet the threshold
29 set forth herein to establish and maintain his qualifications as required
30 pursuant to subsection c. of this section.

31 f. Banks and licensed lending institutions shall be exempt from any
32 qualification requirements under this act if such bank or licensed lending
33 institution is acting in the ordinary course of business.

34 g. An institutional investor holding either (1) under 25% of the equity
35 securities of a casino licensee's holding or intermediary companies, or (2)
36 debt securities of a casino licensee's holding or intermediary companies,
37 or another subsidiary company of a casino licensee's holding or
38 intermediary companies which is related in any way to the financing of the
39 casino licensee, where the securities represent a percentage of the
40 outstanding debt of the company not exceeding 25%, or a percentage of
41 any issue of the outstanding debt of the company not exceeding 50%, shall
42 be granted a waiver of qualification if such securities are those of a
43 publicly traded corporation and its holdings of such securities were
44 purchased for investment purposes only and it files a certified statement to
45 the effect that it has no intention of influencing or affecting the affairs of
46 the issuer, the casino licensee or its holding or intermediary companies;
47 provided, however, that it shall be permitted to vote on matters put to the
48 vote of the outstanding security holders. The director may grant a waiver
49 of qualification to an institutional investor holding a higher percentage of

1 such securities upon a showing of good cause and if the conditions
2 specified above are met. Any institutional investor granted a waiver under
3 this subsection which subsequently determines to influence or affect the
4 affairs of the issuer shall provide not less than 30 days' notice of such
5 intent and shall file with the division an application for qualification
6 before taking any action that may influence or affect the affairs of the
7 issuer; provided, however, that it shall be permitted to vote on matters put
8 to the vote of the outstanding security holders. If an institutional investor
9 changes its investment intent, or if the director finds reasonable cause to
10 believe that the institutional investor may be found unqualified, no action
11 other than divestiture shall be taken by such investor with respect to its
12 security holdings until there has been compliance with the provisions of
13 P.L.1987, c.409 (C.5:12-95.12 et seq.), including the execution of a trust
14 agreement. The casino licensee and its relevant holding, intermediary or
15 subsidiary company shall immediately notify the division of any
16 information about, or actions of, an institutional investor holding its equity
17 or debt securities where such information or action may impact upon the
18 eligibility of such institutional investor for a waiver pursuant to this
19 subsection.

20 h. If at any time the director finds that an institutional investor holding
21 any security of a holding or intermediary company of a casino licensee, or,
22 where relevant, of another subsidiary company of a holding or
23 intermediary company of a casino licensee which is related in any way to
24 the financing of the casino licensee, fails to comply with the terms of
25 subsection f. of this section, or if at any time the director finds that, by
26 reason of the extent or nature of its holdings, an institutional investor is in
27 a position to exercise such a substantial impact upon the controlling
28 interests of a licensee that qualification of the institutional investor is
29 necessary to protect the public interest, the director may, in accordance
30 with the provisions of subsections a. through e. of this section or
31 subsections d. and e. of section 105 of P.L.1977, c.110 (C.5:12-105), take
32 any necessary action to protect the public interest, including requiring
33 such an institutional investor to be qualified pursuant to the provisions of
34 the "Casino Control Act," P.L.1977, c.110 (C.5:12-1 et seq.).

35 i. Any company required to qualify pursuant to subsection b. of this
36 section shall establish by clear and convincing evidence that it meets that
37 standards set forth in section 84 of P.L.1977, c.110 (C.5:12-84).

38 j. As to each company required to qualify pursuant to subsection c. of
39 this section, the applicant for or holder of the casino license shall establish
40 by clear and convincing evidence that each such company meets the
41 standards set forth in subsections a., c., and d. of section 84 of P.L.1977,
42 c.110 (C.5:12-84).

43 k. Any natural person required to qualify pursuant to subsections b.
44 and c. of this section shall be required to establish his qualifications in
45 accordance with the standards applicable to casino key employees in
46 section 89 of this act; provided, however that persons required to qualify
47 pursuant to subsection c. of this section shall not be required to establish
48 residency.

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

5

6 53. Section 86 of P.L.1977, c.110 (C.5:12-86) is amended to read as
7 follows:

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

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

13 b. Failure of the applicant to provide information, documentation and
14 assurances required by the act or requested by the commission or the
15 division, or failure of the applicant to reveal any fact material to
16 qualification, or the supplying of information which is untrue or
17 misleading as to a material fact pertaining to the qualification criteria;

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

21 (1) 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 Statutes) as
23 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 this
26 subsection);

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

29 Subsection b. of N.J.S.2C:11-4 (manslaughter);

30 N.J.S.2C:11-5 (vehicular homicide which constitutes a crime of the
31 second degree);

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

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

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

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

38 Subsections a. and b. of N.J.S.2C:17-1 (crimes involving arson and
39 related offenses);

40 Subsections a. and b. of N.J.S.2C:17-2 (causing or risking widespread
41 injury or damage);

42 N.J.S.2C:18-2 (burglary which constitutes a crime of the second or
43 third degree);

44 N.J.S.2C:20-1 et seq. (theft and related offenses which constitute
45 crimes of the second or third degree);

46 N.J.S.2C:21-1 et seq. (forgery and fraudulent practices which constitute
47 crimes of the second or third degree);

48 N.J.S.2C:24-4 (endangering the welfare of a child);

49 N.J.S.2C:27-1 et seq. (bribery and corrupt influence);

1 N.J.S.2C:28-1 et seq. (perjury and other falsification in official matters
2 which constitute crimes of the second, third or fourth degree);
3 N.J.S.2C:30-2 and N.J.S.2C:30-3 (misconduct in office and abuse in
4 office which constitutes a crime of the second degree);
5 N.J.S.2C:35-5 (manufacturing, distributing or dispensing a controlled
6 dangerous substance or a controlled dangerous substance analog which
7 constitutes a crime of the second or third degree);
8 N.J.S.2C:35-6 (employing a juvenile in a drug distribution scheme);
9 N.J.S.2C:35-7 (distributing, dispensing or possessing a controlled
10 dangerous substance or a controlled substance analog on or within 1,000
11 feet of school property or bus);
12 N.J.S.2C:35-7.1 (distributing, dispensing or possessing a controlled
13 dangerous substance or a controlled substance analog in proximity to
14 public housing facilities, parks or buildings);
15 N.J.S.2C:35-11 (distribution, possession or manufacture of imitation
16 controlled dangerous substances);
17 N.J.S.2C:35-13 (acquisition of controlled dangerous substances by
18 fraud);
19 N.J.S.2C:37-1 et seq. (gambling offenses which constitute crimes of the
20 third or fourth degree);
21 N.J.S.2C:37-7 (possession of a gambling device);
22 Any second degree racketeering crime under Chapter 41 of Title 2C of
23 the New Jersey Statutes; or
24 (2) Any of the following offenses under the “Casino Control Act,”
25 P.L.1977, c.110 (C.5:12-1 et seq.):
26 P.L.1977, c.110, s.113 (C.5:12-113) (swindling and cheating);
27 P.L.1991, c.182, s.46 (C.5:12-113.1) (use of device to gain advantage
28 at casino game);
29 P.L.1977, c.110, s.114 (C.5:12-114) (unlawful use of bogus chips or
30 gaming billets, marked cards, dice, cheating devices, unlawful coins);
31 P.L.1977, c.110, s.115 (C.5:12-115) (cheating games and devices in a
32 licensed casino); or
33 P.L.1977, c.110, s.116 (C.5:12-116) (unlawful possession of device,
34 equipment or other material illegally manufactured, distributed, sold or
35 delivered; or
36 **[(2)] (3)** Any other offense under present New Jersey or federal law
37 which indicates that licensure of the applicant would be inimical to the
38 policy of this act and to casino operations; provided, however, that the
39 automatic disqualification provisions of this subsection shall not apply
40 with regard to any conviction which did not occur within the 10-year
41 period immediately preceding application for licensure and which the
42 applicant demonstrates by clear and convincing evidence does not justify
43 automatic disqualification pursuant to this subsection and any conviction
44 which has been the subject of a judicial order of expungement or sealing;
45 d. Current prosecution or pending charges in any jurisdiction of the
46 applicant or of any person who is required to be qualified under this act as
47 a condition of a casino license, for any of the offenses enumerated in
48 subsection c. of this section; provided, however, that at the request of the

1 applicant or the person charged, the commission shall defer decision upon
2 such application during the pendency of such charge;

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

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

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

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

36 i. Failure by the applicant or any person required to be qualified under
37 this act as a condition of a casino license to (i) make required payments in
38 accordance with a child support order; (ii) repay an overpayment for food
39 stamp benefits or low income home energy assistance benefits incurred as
40 a former recipient of Capital Aid to Families with Dependent Children or
41 Work First New Jersey; or (iii) repay any other debt owed to the State;
42 unless such applicant provides proof to the director's satisfaction of
43 payment of or arrangement to pay any such debts prior to licensure.

44 (cf: P.L.1991, c.182, s.27)

45

46 54. Section 87 of P.L.1977, c.110 (C.5:12-87) is amended to read as
47 follows:

48 87. a. Upon the filing of an application for a casino license and such
49 supplemental information as the commission or division may require, **[the**

1 commission shall request] and upon the filing of such information as may
2 be required by section 88 of P.L.1977, c.110 (C.5:12-88), the division
3 [to] shall conduct [such] an investigation into the qualification of the
4 applicant, and [the commission shall conduct a hearing thereon
5 concerning the qualification of the applicant in accordance with its
6 regulations] submit a report and recommendation to the commission.

7 b. Upon the submission of a report and recommendation by the
8 division, the commission shall conduct a hearing thereon concerning the
9 qualification of the applicant. After such [investigation and] hearing, the
10 commission may either deny the application or grant a casino license to
11 an applicant whom it determines to be qualified to hold such license,
12 which final action shall be taken within 90 days after completion of the
13 hearing.

14 c. The commission shall have the authority to deny any application
15 pursuant to the provisions of this act. When an application is denied, the
16 commission shall prepare and file an order [denying such application
17 with] stating the general reasons therefor, and if requested by the
18 applicant, shall further prepare and file a statement of the reasons for the
19 denial, including the specific findings of facts.

20 d. [After an application is submitted to the commission, final action of
21 the commission shall be taken within 90 days after completion of all
22 hearings and investigations and the receipt of all information required by
23 the commission.] (Deleted by amendment, P.L. , c.)(pending before
24 the Legislature as this bill)

25 e. [If satisfied that an applicant is qualified to receive a casino license]
26 When an application is granted, and upon tender of all required license
27 fees and taxes [as required by law and regulations of the commission],
28 and such bonds as the commission may require for the faithful
29 performance of all requirements imposed by law or regulations, the
30 commission shall issue a casino license [for the term of 1 year].

31 f. The commission shall fix the amount of the bond or bonds to be
32 required under this section in such amounts as it may deem appropriate,
33 by rules of uniform application. The bonds so furnished may be applied
34 by the commission to the payment of any unpaid liability of the licensee
35 under this act. The bond shall be furnished in cash or negotiable
36 securities, by a surety bond guaranteed by a satisfactory guarantor, or by
37 an irrevocable letter of credit issued by a banking institution of this State
38 acceptable to the commission. If furnished in cash or negotiable
39 securities, the principal shall be placed without restriction at the disposal
40 of the commission, but any income shall inure to the benefit of the
41 licensee.

42 (cf: P.L.1979, c.282, s.23)

43
44 55. (New section) No later than five years after the date of the
45 issuance of a license pursuant to section 87 of P.L.1977, c.110 (C.5:12-87)
46 and every five years thereafter or within such lesser periods as the division
47 may direct, a casino licensee and the qualifying entities and individuals
48 thereof shall submit to the division such documentation or information as

1 the division may by regulation require, to demonstrate to the satisfaction
2 of the director that they continue to meet the requirements of sections 84
3 and 85 of P.L.1977, c.110 (C.5:12-84 and C.5:12-85), and section 51 of
4 P.L. , c. (C.)(pending before the Legislature as this bill). If, upon
5 review, the director determines that no information sufficient to warrant
6 revocation, suspension, limitation, or conditioning of such license exists,
7 the director shall issue a summary report so advising the commission, and
8 the license shall remain in full force and effect. If the director determines
9 that a hearing on any issue is required, the division shall issue a report and
10 recommendation to the commission in accordance with section 87 of
11 P.L.1977, c.110 (C.5:12-87), which shall initiate a hearing pursuant to
12 subsection b. of that section. In addition, the director may reopen
13 licensing hearings at any time.

14

15 56. Section 89 of P.L.1977, c.110 (C.5:12-89) is amended to read as
16 follows:

17 89. Licensing of Casino Key Employees. a. No casino licensee or a
18 holding or intermediary company of a casino licensee may employ any
19 person [may be employed] as a casino key employee unless [he] the
20 person is the holder of a valid casino key employee license issued by the
21 commission.

22 b. Each applicant for a casino key employee license must, prior to the
23 issuance of any casino key employee license, produce information,
24 documentation and assurances concerning the following qualification
25 criteria:

26 (1) Each applicant for a casino key employee license shall produce
27 such information, documentation and assurances as may be required to
28 establish by clear and convincing evidence the financial stability, integrity
29 and responsibility of the applicant, including but not limited to bank
30 references, business and personal income and disbursements schedules,
31 tax returns and other reports filed with governmental agencies, and
32 business and personal accounting and check records and ledgers. In
33 addition, each applicant shall, in writing, authorize the examination of all
34 bank accounts and records as may be deemed necessary by the
35 commission or the division.

36 (2) Each applicant for a casino key employee license shall produce
37 such information, documentation and assurances as may be required to
38 establish by clear and convincing evidence the applicant's good character,
39 honesty and integrity. Such information shall include, without limitation,
40 data pertaining to family, habits, character, reputation, criminal and arrest
41 record, business activities, financial affairs, and business, professional and
42 personal associates, covering at least the 10-year period immediately
43 preceding the filing of the application. Each applicant shall notify the
44 commission and the division of any civil judgments obtained against such
45 applicant pertaining to antitrust or security regulation laws of the federal
46 government, of this State or of any other state, jurisdiction, province or
47 country. In addition, each applicant shall, upon request of the commission
48 or the division, produce letters of reference from law enforcement
49 agencies having jurisdiction in the applicant's place of residence and

1 principal place of business, which letters of reference shall indicate that
2 such law enforcement agencies do not have any pertinent information
3 concerning the applicant, or if such law enforcement agency does have
4 information pertaining to the applicant, shall specify what that information
5 is. If the applicant has been associated with gaming or casino operations
6 in any capacity, position or employment in a jurisdiction which permits
7 such activity, the applicant shall, upon request of the commission or
8 division, produce letters of reference from the gaming or casino
9 enforcement or control agency, which shall specify the experience of such
10 agency with the applicant, his associates and his participation in the
11 gaming operations of that jurisdiction; provided, however, that if no such
12 letters are received from the appropriate law enforcement agencies within
13 60 days of the applicant's request therefor, the applicant may submit a
14 statement under oath that he is or was during the period such activities
15 were conducted in good standing with such gaming or casino enforcement
16 or control agency.

17 (3) (Deleted by amendment, P.L.1995, c.18.)

18 (4) Each applicant employed by a casino licensee shall be a resident of
19 the State of New Jersey prior to the issuance of a casino key employee
20 license; provided, however, that upon petition by the holder of a casino
21 license, the commission may waive this residency requirement for any
22 applicant whose particular position will require him to be employed
23 outside the State; and provided further that no applicant employed by a
24 holding or intermediary company of a casino licensee shall be required to
25 establish residency in this State.

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

34 (5) For the purposes of this section, each applicant shall submit to the
35 division the applicant's name, address, fingerprints and written consent for
36 a criminal history record background check to be performed. The division
37 is hereby authorized to exchange fingerprint data with and receive
38 criminal history record information from the State Bureau of Identification
39 in the Division of State Police and the Federal Bureau of Investigation
40 consistent with applicable State and federal laws, rules and regulations.
41 The applicant shall bear the cost for the criminal history record
42 background check, including all costs of administering and processing the
43 check. The Division of State Police shall promptly notify the division in
44 the event a current or prospective licensee, who was the subject of a
45 criminal history record background check pursuant to this section, is
46 arrested for a crime or offense in this State after the date the background
47 check was performed.

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

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

4 e. Upon petition by the holder of a casino license, the commission may
5 issue a temporary license to an applicant for a casino key employee
6 license, provided that:

7 (1) The applicant for the casino key employee license has filed a
8 **【complete】** completed application as required by the commission;

9 (2) The division either certifies to the commission that the completed
10 casino key employee license application as specified in paragraph (1) of
11 this subsection has been in the possession of the division for at least 15
12 days or agrees to allow the commission to consider the application in
13 some lesser time;

14 (3) (Deleted by amendment, P.L.1995, c.18.)

15 (4) The petition for a temporary casino key employee license certifies,
16 and the commission finds, that an existing casino key employee position
17 of the petitioner is vacant or will become vacant within 60 days of the date
18 of the petition and that the issuance of a temporary key employee license
19 is necessary to fill the said vacancy on an emergency basis to continue the
20 efficient operation of the casino, and that such circumstances are
21 extraordinary and not designed to circumvent the normal licensing
22 procedures of this act;

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

25 **【In the event that an applicant for a casino key employee license is the**
26 **holder of a valid casino employee license issued pursuant to section 90 of**
27 **this act, and if the provisions of paragraphs (1), (2), and (5) of this**
28 **subsection are satisfied, the commission may issue a temporary casino key**
29 **employee license upon petition by the holder of a casino license, if the**
30 **commission finds the issuance of a casino key employee license will be**
31 **delayed by necessary investigations and the said temporary casino key**
32 **employee license is necessary for the operation of the casino】.**

33 Unless otherwise terminated pursuant to this act, any temporary casino
34 key employee license issued pursuant to this subsection shall expire nine
35 months from the date of its issuance.

36 (cf: P.L.2009, c.36, s.10)

37

38 57. Section 91 of P.L.1977, c.110 (C.5:12-91) is amended to read as
39 follows:

40 91. Registration of Casino **【Service】** Employees. a. No person may
41 commence employment as a casino **【service】** employee unless **【the person**
42 **has been registered with the commission, which registration shall be in**
43 **accordance with subsection f. of this section】** such person has a valid
44 registration on file with the division, which registration shall be prepared
45 and filed in accordance with the regulations promulgated hereunder.

46 b. **【Any applicant for casino service】** A casino employee 【registration】
47 registrant shall produce such information as the 【commission】 division by
48 regulation may require. Subsequent to the registration of a casino

1 【service】 employee, the 【commission】 director may revoke, suspend,
2 limit, or otherwise restrict the registration upon a finding that the
3 registrant is disqualified on the basis of the criteria contained in section 86
4 of P.L.1977, c.110 (C.5:12-86). If a casino 【service】 employee registrant
5 has not been employed in any position within a casino hotel facility for a
6 period of three years, the registration of that casino 【service】 employee
7 shall lapse.

8 c. 【The commission may, by regulation, require that all applicants for
9 casino service employee registration be residents of this State for a period
10 not to exceed three months immediately prior to such registration, but
11 application may be made prior to the expiration of the required period of
12 residency. The commission shall waive the required residency period for
13 an applicant upon a showing that the residency period would cause undue
14 hardship upon the casino licensee which intends to employ said applicant,
15 or upon a showing of other good cause.】 (Deleted by amendment, P.L. ____,
16 c.)(pending before the Legislature as this bill)

17 d. Notwithstanding the provisions of subsection b. of this section, no
18 casino 【service】 employee registration shall be revoked on the basis of a
19 conviction of any of the offenses enumerated in this act as disqualification
20 criteria or the commission of any act or acts which would constitute any
21 offense under subsection c. of section 86 of P.L.1977, c.110 (C.5:12-86),
22 as specified in subsection g. of that section, provided that the registrant
23 has affirmatively demonstrated the registrant's rehabilitation. In
24 determining whether the registrant has affirmatively demonstrated the
25 registrant's rehabilitation the 【commission】 director shall consider the
26 following factors:

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

43 e. 【The commission may waive any disqualification criterion for a
44 casino service employee consistent with the public policy of this act and
45 upon a finding that the interests of justice so require.】 (Deleted by
46 amendment, P.L. ____, c.)(pending before the Legislature as this bill)

47 f. 【Upon petition by the holder of a casino license, casino service
48 employee registration shall be granted to each applicant for such

1 registration named therein, provided that the petition certifies that each
2 such applicant has filed a completed application for casino service
3 employee registration as required by the commission.

4 All casino hotel employee registrations shall expire 120 days after the
5 effective date of this amendatory and supplementary act, P.L.2002, c.65.
6 Any holder of a casino hotel employee registration may until that date
7 convert that registration to a casino service employee registration without
8 fee.】 (Deleted by amendment, P.L. , c.)(pending before the
9 Legislature as this bill)

10 g. For the purposes of this section, each **【applicant】** registrant shall
11 submit to the division the **【applicant's】** registrant's name, address,
12 fingerprints and written consent for a criminal history record background
13 check to be performed. The division is hereby authorized to exchange
14 fingerprint data with and receive criminal history record information from
15 the State Bureau of Identification in the Division of State Police and the
16 Federal Bureau of Investigation consistent with applicable State and
17 federal laws, rules and regulations. The **【applicant】** registrant shall bear
18 the cost for the criminal history record background check, including all
19 costs of administering and processing the check. The Division of State
20 Police shall promptly notify the division in the event a current or
21 prospective licensee, who was the subject of a criminal history record
22 background check pursuant to this section, is arrested for a crime or
23 offense in this State after the date the background check was performed.
24 (cf: P.L.2009, c.36, s.12)

25
26 58. (New section) Upon the joint petition of two or more affiliated
27 casino licensees, a registered casino employee or licensed casino key
28 employee who is employed by any affiliated casino licensee may be
29 endorsed by the commission or division, as applicable, as a multi-casino
30 employee of each of the petitioners; provided, however, that no such
31 multi-casino employee shall be permitted to engage in any incompatible
32 functions, as determined by the division.

33
34 59. Section 92 of P.L.1977, c.110 (C.5:12-92) is amended to read as
35 follows:

36 92. Licensing of casino service industry enterprises. a. (1) Any
37 business to be conducted with a casino applicant or licensee by a vendor
38 offering goods or services which directly relate to casino or gaming
39 activity, including gaming equipment and simulcast wagering equipment
40 manufacturers, suppliers, repairers **【and】** independent testing laboratories,
41 **【shall be considered regular or continuing and】** junket enterprises and
42 junket representatives, and any person employed by a junket enterprise or
43 junket representative in a managerial or supervisory position, shall require
44 **【that the vendor be licensed】** licensure as a casino service industry
45 enterprise in accordance with the provisions of this act prior to conducting
46 any business whatsoever with a casino applicant or licensee, its employees
47 or agents; provided, however, that upon a showing of good cause by a
48 casino applicant or licensee for each business transaction, the

1 **【commission】** director may permit an applicant for a casino service
2 industry enterprise license to conduct business transactions with such
3 casino applicant or licensee prior to the licensure of that casino service
4 industry enterprise applicant under this subsection.

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

24 b. Each casino service industry enterprise **【included in subsection a. of**
25 **this section】**, as well as its owners; management and supervisory
26 personnel; and **【principal】** employees if such **【principal】** employees have
27 responsibility for services to a casino applicant or licensee, must qualify
28 under the standards, except residency, established for qualification of a
29 casino key employee under this act.

30 c. (1) Any vendor that offers goods or services to a casino applicant or
31 licensee that **【are】** is not included in subsection a. of this section
32 including, **【without limitation, construction companies, vending machine**
33 **providers, linen suppliers, junket enterprises, garbage handlers,**
34 **maintenance companies, limousine services, food purveyors and suppliers**
35 **of alcoholic beverages】** but not limited to casino site contractors and
36 subcontractors, shopkeepers located within the approved hotels, and
37 gaming schools that possess slot machines for the purpose of instruction,
38 and any non-supervisory employee of a junket enterprise licensed under
39 subsection a. of this section, shall be required to **【apply for a casino**
40 **service industry enterprise license when, based upon the dollar amount of**
41 **business being conducted with casino applicants or licensees or other**
42 **factors established by the rules of the commission, licensure is deemed**
43 **necessary to protect the public interest and the policies of】** register with
44 the division in accordance with the regulations promulgated under this act,
45 P.L.1977, c.110 (C.5:12-1 et seq.).

46 **【The rules of the commission shall require that each casino service**
47 **industry enterprise required to be licensed pursuant to this subsection, as**
48 **well as such of its owners, management, supervisory personnel, and**

1 principal employees with responsibility for services to a casino applicant
2 or licensee as the commission may direct, shall establish by clear and
3 convincing evidence their good character, honesty and integrity.】

4 (2) Notwithstanding the provisions of paragraph (1) of this subsection,
5 the 【commission】 director may, consistent with the public interest and the
6 policies of this act, direct 【by regulation】 that vendors engaging in certain
7 types of business with a casino applicant or licensee not included in
8 subsection a. of this section be required to apply for a casino service
9 industry enterprise license pursuant to this subsection 【regardless of the
10 dollar amount of that business】, including, without limitation, non-casino
11 applicants or licensees required to hold a Casino Hotel Alcoholic
12 Beverage license pursuant to section 103 of P.L.1977, c.110 (C.5:12-103);
13 in-State and out-of-State sending tracks as defined in section 2 of the
14 "Casino Simulcasting Act," P.L.1992, c.19 (C.5:12-192); shopkeepers
15 located within the approved hotels; and gaming schools that possess slot
16 machines for the purpose of instruction.

17 (3) 【The commission may exempt any person or field of commerce
18 from the licensing requirements of this subsection if the person or field of
19 commerce demonstrates (i) that it is regulated by a public agency that
20 determines whether a person subject to its jurisdiction possesses good
21 character, honesty and integrity; or (ii) that it is a publicly traded
22 corporation or a wholly owned subsidiary, either directly or indirectly, of
23 a publicly traded corporation, and that the amount of revenue received by
24 the person from all casino applicants and licensees within the 12-month
25 period in which the greatest amount of casino business was conducted by
26 the person seeking exemption is less than one-tenth of one percent of all
27 revenues received by the person and its holding and intermediary
28 companies during the same 12-month period, and that licensing is not
29 deemed necessary in order to protect the public interest or to accomplish
30 the policies established by this act. The commission shall periodically
31 review this threshold to determine whether it should be adjusted for
32 inflation or any other relevant factor consistent with the policies of
33 P.L.1977, c.110 (C.5:12-1 et seq.).

34 Upon granting an exemption or at any time thereafter, the commission
35 may limit or place such restrictions thereupon as it may deem necessary in
36 the public interest, and shall require the exempted person to cooperate
37 with the commission and the division and, upon request, to provide
38 information in the same manner as required of a casino service industry
39 enterprise licensed pursuant to this subsection; provided, however, that no
40 exemption be granted unless the casino service industry enterprise
41 complies with the requirements of sections 134 and 135 of this act.】
42 (Deleted by amendment, P.L. , c.)(pending before the Legislature as
43 this bill)

44 d. 【Licensure pursuant to subsection c. of this section of any casino
45 service industry enterprise may be denied to any applicant or qualifier
46 thereof】 Any applicant, licensee or qualifier of a casino service industry
47 enterprise license under subsection a. or b. of this section, and any vendor
48 registrant under subsection c. of this section shall be disqualified in

1 accordance with the criteria contained in section 86 of this act, except that
2 **【licensure or qualification shall not be denied if such disqualified**
3 **applicant or qualifier】** no such vendor registration under subsection c. of
4 this section shall be denied or revoked if such vendor registrant can
5 affirmatively demonstrate rehabilitation as provided in subsection **【h】** d.
6 of section **【90】** 91 of P.L.1977, c.110 **【(C.5:12-90)】** (C.5:12-91).

7 e. No casino service industry enterprise license shall be issued
8 pursuant to subsection a. **【or subsection c.】** of this section to any person
9 unless that person shall provide proof of valid business registration with
10 the Division of Revenue in the Department of the Treasury.

11 f. **【A casino service industry enterprise licensed pursuant to subsection**
12 **a. or subsection c. of this section shall require proof, from a subcontractor**
13 **to a casino service industry enterprise contract with a casino applicant or**
14 **casino licensee, of valid business registration with the Division of**
15 **Revenue; verification information shall be forwarded by the casino service**
16 **industry enterprise to the Division of Taxation in the Department of the**
17 **Treasury. No subcontract to a casino service industry enterprise contract**
18 **with a casino applicant or casino licensee shall be entered into by any**
19 **casino service industry enterprise contractor unless the subcontractor first**
20 **provides proof of valid business registration.】** (Deleted by amendment,
21 P.L. , c.) (pending before the Legislature as this bill)

22 g. For the purposes of this section, each applicant shall submit to the
23 division the name, address, fingerprints and a written consent for a
24 criminal history record background check to be performed, for each
25 person required to qualify as part of the application. The division is hereby
26 authorized to exchange fingerprint data with and receive criminal history
27 record information from the State Bureau of Identification in the Division
28 of State Police and the Federal Bureau of Investigation consistent with
29 applicable State and federal laws, rules and regulations. The applicant
30 shall bear the cost for the criminal history record background check,
31 including all costs of administering and processing the check. The
32 Division of State Police shall promptly notify the division in the event a
33 current or prospective qualifier, who was the subject of a criminal history
34 record background check pursuant to this section, is arrested for a crime or
35 offense in this State after the date the background check was performed.
36 (cf: P.L.2009, c.36, s.13)

37

38 60. Section 93 of P.L.1977, c.110 (C.5:12-93) is amended to read as
39 follows:

40 93. Registration of Labor Organizations. a. Each labor organization,
41 union or affiliate seeking to represent employees who are employed in a
42 casino hotel, casino or casino simulcasting facility by a casino licensee
43 shall register with the **【commission】** division biennially, and shall
44 disclose such information to the **【commission】** division as the
45 **【commission】** division may require, including the names of all affiliated
46 organizations, pension and welfare systems and all officers and agents of
47 such organizations and systems; provided, however, that no labor
48 organization, union, or affiliate shall be required to furnish such

1 information to the extent such information is included in a report filed by
2 any labor organization, union, or affiliate with the Secretary of Labor
3 pursuant to 29 U.S.C.s.431 et seq. or s. 1001 et seq. if a copy of such
4 report, or of the portion thereof containing such information, is furnished
5 to the **【commission】** division pursuant to the aforesaid federal provisions.
6 The **【commission】** division may in its discretion exempt any labor
7 organization, union, or affiliate from the registration requirements of this
8 subsection where the **【commission】** division finds that such organization,
9 union or affiliate is not the certified bargaining representative of any
10 employee who is employed in a casino hotel, casino or casino
11 simulcasting facility by a casino licensee, is not involved actively, directly
12 or substantially in the control or direction of the representation of any
13 such employee, and is not seeking to do so.

14 b. No person may act as an officer, agent or principal employee of a
15 labor organization, union or affiliate registered or required to be registered
16 pursuant to this section if the person has been found disqualified by the
17 **【commission】** division in accordance with the criteria contained in
18 section 86 of that act. The **【commission】** division may, for purposes of
19 this subsection, waive any disqualification criterion consistent with the
20 public policy of this act and upon a finding that the interests of justice so
21 require.

22 c. Neither a labor organization, union or affiliate nor its officers and
23 agents not otherwise individually licensed or registered under this act and
24 employed by a casino licensee may hold any financial interest whatsoever
25 in the casino hotel, casino, casino simulcasting facility or casino licensee
26 whose employees they represent.

27 d. Any person, including any labor organization, union or affiliate,
28 who shall violate, aid and abet the violation, or conspire or attempt to
29 violate this section is guilty of a crime of the fourth degree.

30 e. The **【commission or the】** division may maintain a civil action and
31 proceed in a summary manner, without posting bond, against any person,
32 including any labor organization, union or affiliate, to compel compliance
33 with this section, or to prevent any violations, the aiding and abetting
34 thereof, or any attempt or conspiracy to violate this section.

35 f. In addition to any other remedies provided in this section, a labor
36 organization, union or affiliate registered or required to be registered
37 pursuant to this section may be prohibited by the **【commission】** division
38 from receiving any dues from any employee licensed or registered under
39 that act and employed by a casino licensee or its agent, if any officer,
40 agent or principal employee of the labor organization, union or affiliate
41 has been found disqualified and if such disqualification has not been
42 waived by the **【commission】** division in accordance with subsection b. of
43 this section. The **【commission or the】** division may proceed in the
44 manner provided by subsection e. of this section to enforce an order of the
45 **【commission】** director prohibiting the receipt of dues.

46 g. Nothing contained in this section shall limit the power of the
47 **【commission】** division to proceed in accordance with subsection c. of

1 section 107 of P.L.1977, c.110 (C.5:12-107).

2 (cf: P.L.2002, c.65, s.18)

3

4 61. Section 94 of P.L.1977, c.110 (C.5:12-94) is amended to read as
5 follows:

6 94. a. Upon the filing of an application for **[any]** a casino key
7 employee license **[or registration]** required by this act, other than a casino
8 license, and after submission of such supplemental information as the
9 commission may require, the commission shall request the division to
10 conduct such investigation into the qualification of the applicant, and the
11 commission shall conduct such hearings concerning the qualification of
12 the applicant, in accordance with its regulations, as may be necessary to
13 determine qualification for such license**[or registration]**.

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

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

24 d. When the commission grants an application, the commission may
25 limit or place such restrictions thereupon as it may deem necessary in the
26 public interest.

27 e. Casino **[service]** employee registration and vendor registration shall
28 **[,]** be effective upon issuance, and shall remain in effect unless revoked,
29 suspended, limited, or otherwise restricted by the **[commission]** division.
30 Notwithstanding the foregoing, if a casino **[service]** employee registrant
31 has not been employed in any position within a casino hotel facility or a
32 vendor registrant has not conducted business with a casino hotel facility
33 for a period of three years, the registration of that casino **[service]**
34 employee or vendor registrant shall lapse. **[Licenses may be granted and**
35 **renewed as follows:**

36 (1) All casino employee licenses, casino service industry enterprise
37 licenses issued pursuant to subsection c. of section 92 of P.L.1977, c.110
38 (C.5:12-92), and junket representative and junket enterprise licenses
39 issued pursuant to section 102 of P.L.1977, c.110 (C.5:12-102) shall be
40 issued for an initial term of four years, and may be renewed for
41 subsequent terms of five years each; and

42 (2) All casino key employee licenses and casino service industry
43 enterprise licenses required pursuant to subsection a. of section 92 of
44 P.L.1977, c.110 (C.5:12-92) shall be issued for an initial term of three
45 years, and may be renewed for subsequent terms of five years each.]

46 f. Notwithstanding the foregoing, the commission shall reconsider the
47 granting of any casino key employee license **[or the approval of any**

1 registration] at any time at the request of the division. Notwithstanding
2 the foregoing, the division may reconsider the granting of any license or
3 may revoke any registration at any time.

4 [e.] g. After an application for a casino key employee license is
5 submitted to the commission, final action of the commission shall be taken
6 within 90 days after completion of all hearings and investigations and the
7 receipt of all information required by the commission.

8 [f. A complete application for the renewal of a casino employee or
9 casino key employee license shall be filed with the commission no later
10 than the last day of the fifth month prior to the month in which the current
11 license term expires.]

12 h. (1) Not later than five years after obtaining a casino key employee
13 license pursuant to section 89 of P.L.1977, c.110 (C.5:12-89) or a casino
14 service industry enterprise license issued pursuant to subsection a. of
15 section 92 of P.L.1977, c.110 (C.5:12-92), and every five years thereafter,
16 the licensee shall submit such information and documentation as the
17 commission or division, as applicable, may by regulation require, to
18 demonstrate to the satisfaction of the commission or director, as
19 applicable, that it continues to meet the requirements, respectively, of
20 section 89 or subsection a. of section 92 of P.L.1977, c.110 (C.5:12-89
21 and C.5:12-92). Upon receipt of such information, the commission or
22 division, as applicable, may take such action on the license, including
23 suspension or revocation, as it deems appropriate.

24 (2) Registrations for casino employees issued pursuant to section 91 of
25 P.L.1977, c.110 (C.5:12-91), and vendor registration issued pursuant to
26 subsection c. of section 92 of P.L.1977, c.110 (C.5:12-92), shall remain
27 valid unless suspended or revoked or unless such registration expires or is
28 voided pursuant to law.

29 i. (1) The division shall establish by regulation appropriate fees to be
30 paid upon the filing of the informational filings required by paragraph (1)
31 of subsection h. of this section. Such fees shall be deposited into the
32 Casino Control Fund established by section 143 of P.L.1977, c.110
33 (C.5:12-143).

34 (2) The division shall establish by regulation appropriate fees to be
35 imposed on each casino licensee and the method for the collection of such
36 fees for each casino registrant employed by an operating casino and for
37 each vendor registrant which provides goods or services to a casino,
38 regardless of the nature of any contractual relationship between the vendor
39 registrant and casino, if any. Such fees shall be deposited into the Casino
40 Control Fund established by section 143 of P.L.1977, c.110 (C.5:12-143).

41 (cf: P.L.2009, c.36, s.14.)

42

43 62. Section 96 of P.L.1977, c.110 (C.5:12-96) is amended to read:

44 96. Operation Certificate. a. Notwithstanding the issuance of a license
45 therefor, no casino or simulcasting facility may be opened or remain open
46 to the public, and no gaming or simulcast wagering activity, except for
47 test purposes, may be conducted therein, unless and until a valid operation
48 certificate has been issued to the casino licensee by the [commission]

1 division. Such certificate shall be issued by the **[commission]** director
2 upon a **[finding]** determination that a casino and, if applicable, a
3 simulcasting facility each complies in all respects with the requirements of
4 this act and regulations promulgated hereunder, **[that the casino licensee**
5 **has implemented necessary management controls and security precautions**
6 **for the efficient operation of the casino and, if applicable, the simulcasting**
7 **facility, that casino and simulcasting facility personnel are licensed for the**
8 **performance of their respective responsibilities,]** and that the casino and
9 any applicable simulcasting facility are prepared in all respects to receive
10 and entertain the public. The director shall consult with the commission
11 as to form and content before the director makes a determination.

12 b. **[The operation certificate shall include an itemized list by category**
13 **and number of the authorized games permitted in the particular casino**
14 **establishment and any applicable simulcasting facility.]** (Deleted by
15 amendment, P.L. , c.)(pending before the Legislature as this bill)

16 c. **[A casino licensee shall, in accordance with regulations**
17 **promulgated by the commission, file any changes in the number of**
18 **authorized games to be played in its casino or simulcasting facility, and**
19 **any changes in the configuration of the casino or simulcasting facility,**
20 **with the commission and the division, which shall review the changes for**
21 **compliance with the "Casino Control Act," P.L.1977, c.110 (C.5:12-1 et**
22 **seq.) or regulations promulgated thereunder.]** (Deleted by amendment,
23 P.L. , c.)(pending before the Legislature as this bill)

24 d. An operation certificate shall remain in force and effect unless
25 **[altered in accordance with subsection c. of this section, or]** revoked,
26 suspended, limited, or otherwise altered by the **[commission]** division in
27 accordance with this act.

28 e. It shall be an express condition of continued operation under this act
29 that a casino licensee shall maintain either electronically or in hard copy at
30 the discretion of the casino licensee, copies of all books, records, and
31 documents pertaining to the licensee's operations, including casino
32 simulcasting, and approved hotel in a manner and location **[within this**
33 **State]** approved by the **[commission]** division, provided, however, that
34 the originals of such books, records and documents, whether in electronic
35 or hard copy form, may be maintained at the offices or electronic system
36 of an affiliate of the casino licensee, at the discretion of the casino
37 licensee. All such books, records and documents shall be immediately
38 available for inspection during all hours of operation in accordance with
39 the rules of the [commission] division and shall be maintained for such
40 period of time as the [commission] division shall require.

41 (cf: P.L.1995, c.18, s.34)

42

43 63. Section 97 of P.L.1977, c.110 (C.5:12-97) is amended to read as
44 follows:

45 97. Hours of Operation. a. Each casino licensed pursuant to this act
46 shall be permitted to operate 24 hours a day unless otherwise directed by

1 the **【commission】** division in accordance with its authority under
2 P.L.1977, c.110 (C.5:12-1 et seq.).

3 b. A casino licensee shall file with the **【commission】** division a
4 schedule of hours prior to the issuance of an initial operation certificate. If
5 the casino licensee proposes any change in scheduled hours, such change
6 may not be effected until such licensee files a notice of the new schedule
7 of hours with the **【commission】** division. Such filing must be made 30
8 days prior to the effective date of the proposed change in hours.

9 c. Nothing herein shall be construed to limit a casino licensee in
10 opening its casino later than, or closing its casino earlier than, the times
11 stated in its schedule of operating hours; provided, however, that any such
12 alterations in its hours shall comply with the provisions of subsection a. of
13 this section and with regulations of the **【commission】** division pertaining
14 to such alterations.

15 d. For purposes of this section, the division shall consult with the
16 commission.

17 (cf: P.L.2002, c.65, s.20)

18

19 64. Section 98 of P.L.1977, c.110 (C.5:12-98) is amended to read as
20 follows.

21 98. a. Each casino licensee shall arrange the facilities of its casino
22 and, if appropriate, its simulcasting facility in such a manner as to
23 promote optimum security for the casino and simulcasting facility
24 operations, and shall comply in all respects with regulations of the
25 **【commission】** division pertaining thereto.

26 b. Each casino hotel shall include:

27 (1) A closed circuit television system according to specifications
28 approved by the **【commission】** division, with access on the licensed
29 premises to the system or its signal provided to the **【commission or 】** the
30 division, in accordance with regulations pertaining thereto;

31 (2) One or more rooms or locations approved by the **【commission】**
32 division as casino space; and

33 (3) Design specifications that insure that visibility in a casino or in the
34 simulcasting facility is not obstructed in any way that might interfere with
35 the ability of the **【commission or】** the division to supervise casino or
36 simulcasting facility operations.

37 (cf: P.L.1996, c.84, s.5)

38

39 65. Section 99 of P.L.1977, c.110 (C.5:12-99) is amended to read as
40 follows:

41 99. Internal Controls. a Each applicant for a casino license shall
42 **【submit to the commission】** create, maintain, and file with the division a
43 description of its **【initial system of】** internal procedures and
44 administrative and accounting controls for gaming and simulcast wagering
45 operations **【accompanied by a certification by its Chief Legal Officer or**
46 **equivalent that the submitted procedures】** that conform to the
47 requirements of P.L.1977, c.110 (C.5:12-1 et seq.), and the regulations

1 promulgated thereunder, and [a certification by its Chief Financial Officer
2 or equivalent that the submitted procedures] provide adequate and
3 effective controls, establish a consistent overall system of internal
4 procedures and administrative and accounting controls and conform to
5 generally accepted accounting principles, [except an additional standard
6 may be required by the commission for gross revenue tax purposes. Each
7 applicant shall make its initial submission at least 30 business days before
8 such operations are to commence unless otherwise directed by the
9 commission. Except as otherwise provided in subsection b. of this
10 section, a casino licensee, upon submission to the commission of a
11 narrative description of a change in its system of internal procedures and
12 controls and the two certifications described above, may, following the
13 15th business day after submission, implement the change] and ensure
14 that casino procedures are carried out and supervised by personnel who do
15 not have incompatible functions. [Each initial internal control
16 submission] A casino licensee's internal controls shall contain a narrative
17 description of the internal control system to be utilized by the casino,
18 including, but not limited to:

19 (1) Accounting controls, including the standardization of forms and
20 definition of terms to be utilized in the gaming and simulcast wagering
21 operations;

22 (2) Procedures, forms, and, where appropriate, formulas covering the
23 calculation of hold percentages; revenue drop; expense and overhead
24 schedules; complimentary services, except as provided in paragraph (3) of
25 subsection m. of section 102 of P.L.1977, c.110 (C.5:12-102); junkets; and
26 cash equivalent transactions;

27 (3) [Job descriptions and the system of personnel and chain-of-
28 command, establishing a diversity of responsibility among employees
29 engaged in casino or simulcasting facility operations and identifying
30 primary and secondary supervisory positions for areas of responsibility,
31 which areas shall not be so extensive as to be impractical for an individual
32 to monitor; salary structure; and personnel practices;] (Deleted by
33 amendment, P.L. , c.) (pending before the Legislature as this bill)

34 (4) Procedures within the cashier's cage and simulcast facility for the
35 receipt, storage and disbursement of chips, cash, and other cash equivalents
36 used in gaming and simulcast wagering; the cashing of checks; the
37 redemption of chips and other cash equivalents used in gaming and
38 simulcast wagering; the pay-off of jackpots and simulcast wagers; and the
39 recording of transactions pertaining to gaming and simulcast wagering
40 operations;

41 (5) Procedures for the collection and security of moneys at the gaming
42 tables and in the simulcasting facility;

43 (6) Procedures for the transfer and recordation of chips between the
44 gaming tables and the cashier's cage and the transfer and recordation of
45 moneys within the simulcasting facility;

46 (7) Procedures for the transfer of moneys from the gaming tables to the
47 counting process and the transfer of moneys within the simulcasting
48 facility for the counting process;

- 1 (8) Procedures and security for the counting and recordation of
2 revenue;
- 3 (9) Procedures for the security, storage and recordation of cash, chips
4 and other cash equivalents utilized in the gaming and simulcast wagering
5 operations;
- 6 (10) Procedures for the transfer of moneys or chips from and to the slot
7 machines;
- 8 (11) Procedures and standards for the opening and security of slot
9 machines;
- 10 (12) Procedures for the payment and recordation of slot machine
11 jackpots;
- 12 (13) Procedures for the cashing and recordation of checks exchanged
13 by casino and simulcasting facility patrons;
- 14 (14) Procedures governing the utilization of the private security force
15 within the casino and simulcasting facility;
- 16 (15) Procedures and security standards for the handling and storage of
17 gaming apparatus including cards, dice, machines, wheels and all other
18 gaming equipment;
- 19 (16) Procedures and rules governing the conduct of particular games
20 and simulcast wagering and the responsibility of casino personnel in
21 respect thereto;
- 22 (17) Procedures for separately recording all transactions pursuant to
23 section 101 of this act involving the Governor, any State officer or
24 employee, or any special State officer or employee, any member of the
25 Judiciary, any member of the Legislature, any officer of a municipality or
26 county in which casino gaming is authorized, or any gaming related casino
27 employee, and for the quarterly filing with the Attorney General of a list
28 reporting all such transactions; and
- 29 (18) Procedures for the orderly shutdown of casino operations in the
30 event that a state of emergency **[that]** is declared **[due to the failure to**
31 **enact a general appropriation law by the deadline prescribed by Article**
32 **VIII, Section II, paragraph 2 of the New Jersey Constitution extends for**
33 **more than seven days, as provided in section 4 of P.L.2008, c.23 (C.5:12-**
34 **211), or the casino licensee is not eligible to]** and the casino licensee is
35 unable or ineligible to continue to conduct casino operations during such a
36 state of emergency in accordance with section 5 of P.L.2008, c.23
37 (C.5:12-212), which procedures shall include, without limitation, the
38 securing of all keys and gaming assets.
- 39 b. **[**The commission shall review a submission made pursuant to
40 subsection a. to determine whether it conforms to the requirements of this
41 act and to the regulations promulgated thereunder and provides adequate
42 and effective controls for the operations of the particular casino hotel
43 submitting it. If during its review, the commission preliminarily
44 determines that a procedure in the submission contains a substantial and
45 material insufficiency likely to have a direct and materially adverse impact
46 on the integrity of gaming or simulcast wagering operations or the control
47 of gross revenue, the chairman, by written notice to the casino licensee,
48 shall: (1) specify the precise nature of the insufficiency and, when
49 possible, an acceptable alternative procedure, (2) schedule a hearing

1 before the full commission no later than 15 business days after the date of
2 such written notice to plenary and finally determine whether the
3 procedure in question contains the described insufficiency, and (3) direct
4 that the internal controls in issue not yet implemented not be implemented
5 until approved by the commission. Upon receipt of the notice, the casino
6 licensee shall proceed to the scheduled hearing before the full commission
7 and may submit a revised procedure addressing the concerns specified in
8 the notice.】 (Deleted by amendment, P.L. , c.)(pending before the
9 Legislature as this bill)

10 c. 【Notwithstanding the provisions of subsections a. and b. hereof, the
11 commission shall, by regulation, permit changes to those internal controls
12 required by subsection a. hereof that cannot have a material impact upon
13 the integrity of gaming or simulcast wagering operations or the control
14 and reporting of gross revenue, including those internal controls described
15 in paragraph (3) of subsection a. hereof, to be implemented by a casino
16 licensee immediately upon the preparation and internal filing of such
17 internal controls.】 No minimum staffing requirements shall be included in
18 the internal controls created in accordance with subsection a. of this
19 section.

20 d. 【Each casino licensee and applicant shall submit a narrative
21 description of its system of internal procedures and administrative and
22 accounting controls for the recording and reporting of all business
23 transactions and agreements governed by sections 92 and 104 of P.L.1977,
24 c.110 (C.5:12-92 and 5:12-104, as amended) no later than five business
25 days after those operations commence or after any change in those
26 procedures or controls takes effect.】 (Deleted by amendment, P.L. ,
27 c.)(pending before the Legislature as this bill)
28 (cf: P.L.2009, c.36, s.15)

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

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

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

1 require patron access, such as computers, may be possessed and
2 maintained by a casino licensee or a qualified holding or intermediary
3 company of a casino licensee in restricted **【casino】** areas specifically
4 **【designated for that purpose by the casino licensee with the approval of】**
5 approved by the 【commission】 division. No gaming equipment shall be
6 possessed, maintained, exhibited, brought into or removed from a casino
7 room or simulcasting facility by any person unless such equipment is
8 necessary to the conduct of an authorized game, has permanently affixed,
9 imprinted, impressed or engraved thereon an identification number or
10 symbol authorized by the **【commission】 division**, is under the exclusive
11 control of a casino licensee or **【his】 casino licensee’s employees, or of**
12 any individually qualified employee of a holding company or casino
13 licensee and is brought into or removed from the casino room or
14 simulcasting facility following 24-hour prior notice given to an authorized
15 agent of the **【commission】 division**.

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

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

34 c. Each casino hotel shall contain a count room and such other secure
35 facilities as may be required by the **【commission】 division** for the
36 counting and storage of cash, coins, tokens, checks, plaques, gaming
37 vouchers, coupons, and other devices or items of value used in wagering
38 and approved by the **【commission】 division** that are received in the
39 conduct of gaming and for the inspection, counting and storage of dice,
40 cards, chips and other representatives of value. All drop boxes and other
41 devices in which the foregoing items are deposited at the gaming tables or
42 in slot machines, and all areas wherein such boxes and devices are kept
43 while in use, shall be equipped with two locking devices, one key to which
44 shall be under the exclusive control of the **【commission】 division** and the
45 other under the exclusive control of the casino licensee, and said drop
46 boxes and other devices shall not be brought into or removed from a
47 casino room or simulcasting facility, or locked or unlocked, except at such
48 times, in such places, and according to such procedures as the

1 **【commission】** division may require. In the event that a state of emergency
2 is declared due to the failure to enact a general appropriation law by the
3 deadline prescribed by Article VIII, Section II, paragraph 2 of the New
4 Jersey Constitution, the **【commission】** division, in accordance with
5 section 4 of P.L.2008, c.23 (C.5:12-211), may, at its discretion, and as
6 may be necessary to ensure the continuity of casino operations and the
7 collection and counting of gross revenue, give temporary custody of its
8 key to a certified public accountant approved by the **【commission】**
9 division, who shall act in the capacity of the **【commission】** division with
10 respect to the use, control and security of the key in accordance with the
11 licensee's internal controls **【approved by the commission】** in accordance
12 with section 5 of P.L.2008, c.23 (C.5:12-212).

13 d. All chips used in gaming shall be of such size and uniform color by
14 denomination as the **【commission】** division shall require by regulation.

15 e. All gaming shall be conducted according to rules promulgated by
16 the **【commission】** division. All wagers and pay-offs of winning wagers
17 shall be made according to rules promulgated by the **【commission】**
18 division, which shall establish such limitations as may be necessary to
19 assure the vitality of casino operations and fair odds to patrons. Each slot
20 machine shall have a minimum payout of 83%.

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

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

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

1 the testing, and may also utilize applicable data from any such private
2 testing laboratory or from a governmental agency of a state other than
3 New Jersey authorized to regulate slot machines and other gaming
4 devices, gaming equipment, gaming-related devices and gross-revenue
5 related devices used in casino gaming, if the private testing laboratory or
6 governmental agency uses a testing methodology substantially similar to
7 the methodology utilized by the division. ~~Notwithstanding the provisions~~
8 ~~of this paragraph, the~~ The division ~~shall in all instances use~~, in its
9 discretion, may rely upon the data provided by the private testing
10 laboratory or governmental agency ~~to conduct its own independent~~
11 ~~evaluation, and shall form its own independent conclusions~~ and adopt the
12 conclusions of such private testing laboratory or governmental agency
13 regarding any submitted device.

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

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

41 (4) The ~~commission~~ division shall, by regulation, determine the
42 permissible number and density of slot machines in a licensed casino so as
43 to:

- 44 (a) promote optimum security for casino operations;
- 45 (b) avoid deception or frequent distraction to players at gaming tables;
- 46 (c) promote the comfort of patrons;
- 47 (d) create and maintain a gracious playing environment in the casino;
- 48 and

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

3 Any such regulation promulgated by the **[commission]** division which
4 determines the permissible number and density of slot machines in a
5 licensed casino shall provide that all casino floor space and all space
6 within a casino licensee's casino simulcasting facility shall be included in
7 any calculation of the permissible number and density of slot machines in
8 a licensed casino.

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

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

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

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

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

37 m. It shall be unlawful for a dealer in any authorized game in which
38 cards are dealt to deal cards by hand or other than from a device
39 specifically designed for that purpose, unless otherwise permitted by the
40 rules of the **[commission]** division.

41 n. (1) It shall be unlawful for any casino key employee, licensee or any
42 person who is required to hold a casino key employee license as a
43 condition of employment or qualification to wager in any casino or
44 simulcasting facility in this State, or any casino.

45 (2) It shall be unlawful for any other employee**[**, other than a junket
46 representative, bartender, waiter, waitress, or other casino employee**]** of a
47 casino licensee who, in the judgment of the **[commission]** division, is
48 **[not]** directly involved with the conduct of gaming operations, including

1 but not limited to dealers, floor persons, box persons, security and
2 surveillance employees, to wager in [a] any casino or simulcasting
3 facility in the casino hotel in which the employee is employed or in any
4 other casino or simulcasting facility in this State which is owned or
5 operated by the [same casino] an affiliated licensee. [Any casino
6 employee, other than a junket representative, bartender, waiter, waitress,
7 or other casino employee who, in the judgment of the commission, is not
8 directly involved with the conduct of gaming operations, must wait at least
9 30 days following]

10 (3) The prohibition against wagering set forth in paragraphs (1) and (2)
11 of this subsection shall continue for a period of 30 days commencing upon
12 the date that the employee either leaves employment with a casino
13 licensee or is terminated from employment with a casino licensee [before
14 the employee may gamble in a casino or simulcasting facility in the casino
15 hotel in which the employee was formerly employed or in any other casino
16 or simulcasting facility in this State which is owned or operated by the
17 same casino licensee].

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

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

35 (3) Notwithstanding the provisions of paragraph (1) of this subsection,
36 a casino licensee may require that a percentage of the prize pool offered to
37 participants pursuant to an authorized poker tournament be withheld for
38 distribution to the tournament dealers as tips or gratuities [in accordance
39 with procedures approved by] as the [commission] division by regulation
40 may approve.

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

45 (cf: P.L.2009, c.36, s.16)

46

47 67. Section 4 of P.L.2005, c.46 (C.5:12-100.1) is amended to read as
48 follows:

1 4. a. The right of any annuity jackpot winner to receive annuity jackpot
2 payments from a slot system operator shall not be assignable, except as
3 permitted by this section. The provisions of this section shall prevail over
4 the provisions of the "Uniform Commercial Code Secured Transactions,"
5 N.J.S.12A:9-101 et seq., including N.J.S.12A:9-406, or any other law to
6 the contrary.

7 b. Notwithstanding any other provision of this section, annuity jackpot
8 payments may be paid to the estate of a deceased jackpot winner, in the
9 same manner as they were paid to the winner, upon receipt by the slot
10 system operator of a certified copy of an order appointing an executor or
11 an administrator.

12 c. A person may be assigned and paid the annuity jackpot payments to
13 which an annuity jackpot winner is entitled pursuant to a judicial order of
14 the New Jersey Superior Court or any other court having jurisdiction over
15 property located in this State provided that the order pertains to claims of
16 ownership in the annuity jackpot payments, division of marital property in
17 divorce actions, bankruptcy, child support, appointment of a guardian or
18 conservator, or distribution of an estate.

19 d. A person may be assigned and paid the annuity jackpot payments to
20 which an annuity jackpot winner is entitled pursuant to a judicial order of
21 the New Jersey Superior Court or any other court having jurisdiction over
22 property located in this State. The annuity jackpot winner and the
23 proposed assignee shall prepare a proposed form of order and submit such
24 proposed order to the court for its consideration. The proposed form of
25 order shall contain the following information:

26 (1) the full legal name, address, social security number or taxpayer
27 identification number and, if applicable, resident alien number of the
28 winner;

29 (2) the full legal name, address, social security number or taxpayer
30 identification number and, if applicable, resident alien number of the
31 assignee;

32 (3) the date on which and the casino where the annuity jackpot was
33 won;

34 (4) the slot machine game on which the annuity jackpot was won;

35 (5) the slot system operator primarily responsible for making the
36 annuity jackpot payments;

37 (6) the gross amount of the annuity jackpot won before application of
38 withholding taxes;

39 (7) the gross amount of each payment to be made to the winner by the
40 slot system operator before application of withholding taxes;

41 (8) the dates of the payments to be assigned and the amount of the
42 specific payments to be assigned on each date;

43 (9) the identity of the winner's spouse, domestic partner or partner in a
44 civil union, if any, and the interest of **[the spouse]** that person, if any, in
45 the annuity jackpot payments;

46 (10) the identity of any other co-owner, claimant or lienholder and the
47 amount of the interests, liens, security interests, prior assignments or
48 offsets asserted by each such party;

1 (11) that the interest rate or discount rate, as applicable, and all fees
2 and costs and other material terms relating to the assignment are expressly
3 and clearly included in all material documents and in all documents that
4 include any obligations of the annuity jackpot winner;

5 (12) that the interest rate or discount rate, as applicable, and any other
6 fees or charges associated with the assignment do not indicate
7 overreaching or exploitation, do not exceed current usury rates, and does
8 not violate any laws of usury of this State;

9 (13) that the winner has reviewed and understands the terms of the
10 assignment;

11 (14) that the winner understands that the winner will not receive the
12 annuity jackpot payments, or portions thereof, for the years assigned;

13 (15) that the winner has agreed to the assignment of the winner's own
14 free will without undue influence or duress;

15 (16) that the winner has retained and consulted with independent legal
16 counsel who has advised the winner of the winner's legal rights and
17 obligations;

18 (17) that the winner has retained and consulted with an independent
19 tax advisor concerning the tax consequences of the assignment;

20 (18) that the winner has disclosed all existing debts, liens and child
21 support obligations and does not seek assignment for purposes of evading
22 creditors, judgments or obligations for child support; and

23 (19) that the winner has certified that: the winner is not obligated to
24 repay any public assistance benefits; and the winner does not have a child
25 support obligation, or if the winner does have a child support obligation,
26 that no arrearage is due.

27 The annuity jackpot winner and the proposed assignee shall provide a
28 copy of the proposed form of order to the slot system operator at least 10
29 days before the court is scheduled to act on the proposed order to allow
30 the slot system operator the opportunity to ensure that the proposed order
31 is complete and correct in all respects prior to the court's approval.

32 e. Before a winner is legally bound, by agreement, contract or
33 otherwise, and prior to the issuance of an order pursuant to subsection d.
34 of this section, the assignee shall provide the winner with all material
35 documents which shall be binding on the assignor, including documents
36 evidencing obligations of the winner, and a written notice recommending
37 that the winner obtain independent counsel before signing any document
38 which shall be binding on the assignor. All documents shall include a
39 notice of the assignor's right to cancel the agreement which shall be
40 located in immediate proximity to all spaces reserved for the signature of
41 the winner in bold-faced type of at least 10 points and which shall provide
42 as follows:

43 "You have the right to cancel this assignment without any cost to you
44 until midnight three business days after the day on which you have signed
45 an agreement to assign all or a portion of your annuity jackpot.

46 Cancellation occurs when you give notice by regular first class mail,
47 postage prepaid, to the assignee at the address listed at the top of the first
48 page of this document that you wish to cancel the assignment. Notice is
49 deemed given when deposited in a mailbox."

- 1 f. The slot system operator shall, not later than 10 days after receiving
2 a true and correct copy of the filed judicial order, send the winner and the
3 assignee written confirmation of receipt of the court-ordered assignment
4 and of the slot system operator's intent to rely thereon in making future
5 payments to the assignee named in the order. The slot system operator
6 shall, thereafter, make all payments in accordance with the judicial order.
7 No change in the terms of any assignment shall be effective unless made
8 pursuant to a subsequent judicial order pursuant to this section.
- 9 g. The slot system operator may impose a reasonable fee on an
10 assignor to defray any direct or indirect administrative expenses
11 associated with an assignment.
- 12 h. The division, the commission and the State are not parties to
13 assignment proceedings, except that the State may intervene as necessary
14 to protect the State's interest in monies owed to the State.
- 15 i. The slot system operator and the State shall comply with, and rely
16 upon, a judicial order in distributing payments subject to that order.
- 17 j. A winner may pledge or grant a security interest in all or part of an
18 annuity jackpot as collateral for repayment of a loan pursuant to a judicial
19 order containing the information required by subsection d. of this section
20 which the court deems relevant to the pledge or grant.
- 21 k. Except where inconsistent with the provisions of this section, the
22 New Jersey consumer fraud act, P.L.1960, c.39 (C.56:8-1 et seq.), shall
23 apply to all transactions under this section.
- 24 l. The provisions of subsections d., e. and j. of this section shall be
25 invalid if:
- 26 (1) the United States Internal Revenue Service issues a technical rule
27 letter, revenue ruling, or other public ruling in which it is determined that
28 because of the right of assignment provided by subsection d. of this
29 section, annuity jackpot winners who do not exercise the right to assign
30 annuity jackpot payments would be subject to an immediate income tax
31 liability for the value of the entire annuity jackpot rather than annual
32 income tax liability for each installment when received; or
- 33 (2) a court of competent jurisdiction issues a published decision
34 holding that because of the right of assignment provided by subsection d.
35 of this section, annuity jackpot winners who do not exercise the right to
36 assign annuity jackpot payments would be subject to an immediate income
37 tax liability for the value of the entire annuity jackpot rather than annual
38 income tax liability for each installment when received.
- 39 m. Upon receipt, the **[commission]** division shall immediately file a
40 copy of a letter or ruling of the United States Internal Revenue Service or
41 a published decision of a court of competent jurisdiction, described in
42 subsection l. of this section, with the Secretary of State. No assignment
43 shall be approved pursuant to subsection d. of this section after the date of
44 such filing.
- 45 n. A voluntary assignment shall not include or cover payments, or
46 portions of payments, that are subject to the offset pursuant to section 5 of
47 this amendatory and supplementary act, P.L.2005, c.46 (C.5:12-100.2), or
48 any other law, unless appropriate provisions are made to satisfy the
49 obligations giving rise to the offset.

1 o. No assignee shall directly or indirectly recommend or facilitate the
2 hiring of any lawyer or accountant to assist the assignor in determining the
3 appropriateness of the proposed assignment. Further, the assignee shall
4 not offer, prior to the closing, tax or investment advice.
5 (cf: P.L.2005, c.46, s.4)

6
7 68. Section 5 of P.L.2005, c.46 (C.5:12-100.2) is amended to read as
8 follows:

9 5. a. Each slot system operator that awards an annuity jackpot shall
10 provide prompt notice to the **【commission】** division of the name, address
11 and social security number of each annuity jackpot winner and the amount
12 of the pending payments. The **【commission】** division shall forward such
13 information to the Office of Information Technology in but not of the
14 Department of the Treasury.

15 b. The Office of Information Technology shall cross check the annuity
16 jackpot winner list with the data supplied by the Commissioner of Human
17 Services pursuant to section 2 of P.L.1991, c.384 (C.5:9-13.2) for a social
18 security number match. If a match is made, the Office of Information
19 Technology shall notify the Commissioner of Human Services.

20 c. If an annuity jackpot winner is in arrears of a child support order, or
21 is a former recipient of Aid to Families with Dependent Children or Work
22 First New Jersey, food stamp benefits or low-income home energy
23 assistance benefits who has incurred an overpayment which has not been
24 repaid, the Probation Division of the Superior Court or the Department of
25 Human Services, as appropriate, shall promptly notify the slot system
26 operator of the name, address, social security number and amount due on
27 an arrears child support order or the amount due on an overpayment. The
28 slot system operator shall withhold this amount from the pending annuity
29 jackpot payment and transmit same to the Probation Division of the
30 Superior Court or the Department of Human Services, as appropriate, in
31 accordance with regulations promulgated by the State Treasurer.

32 d. The Probation Division of the Superior Court, acting as agent for the
33 child support payee or the county welfare agency that provided the public
34 assistance benefits, as appropriate, shall have a lien on the proceeds of the
35 annuity jackpot payment in an amount equal to the amount of child
36 support arrearage or the amount of overpayment incurred, as appropriate.
37 The lien imposed by this section shall be enforceable in the Superior
38 Court. Any of the annuity jackpot winner's funds remaining after
39 withholding pursuant to the lien established pursuant to this section shall
40 be paid to the winner in accordance with the rules of the **【commission】**
41 division.

42 e. The Commissioner of Human Services shall promulgate such
43 regulations as may be necessary to effectuate the purposes of this section
44 including, but not limited to, regulations providing for prompt notice to
45 any annuity jackpot winner, from whose payments the Probation Division
46 of the Superior Court or the Department of Human Services seeks to
47 withhold funds, of the amount to be withheld and the reason therefor and
48 providing the annuity jackpot winner with the opportunity for a hearing
49 upon request prior to the disposition of any funds.

1 f. The State Treasurer shall also provide, by regulation, safeguards
2 against the disclosure or inappropriate use of any personally identifiable
3 information regarding any person obtained pursuant to this section.

4 g. For the purposes of this section, "prompt notice" shall mean notice
5 within 14 days or less.

6 (cf: P.L.2007, c.56, s.17)

7

8 69. Section 101 of P.L.1977, c.110 (C.5:12-101) is amended as
9 follows:

10 101. a. Except as otherwise provided in this section, no casino licensee
11 or any person licensed under this act, and no person acting on behalf of or
12 under any arrangement with a casino licensee or other person licensed
13 under this act, shall:

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

18 (2) Release or discharge any debt, either in whole or in part, or make
19 any loan which represents any losses incurred by any player in gaming or
20 simulcast wagering activity, without maintaining a written record thereof
21 in accordance with the rules of the **[commission]** division.

22 b. No casino licensee or any person licensed under this act, and no
23 person acting on behalf of or under any arrangement with a casino
24 licensee or other person licensed under this act, may accept a check, other
25 than a recognized traveler's check or other cash equivalent from any
26 person to enable such person to take part in gaming or simulcast wagering
27 activity as a player, or may give cash or cash equivalents in exchange for
28 such check unless:

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

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

31 (3) The check is presented to the cashier or the cashier's representative
32 at a location in the casino approved by the **[commission]** division and is
33 exchanged for cash or slot tokens which total an amount equal to the
34 amount for which the check is drawn, or the check is presented to the
35 cashier's representative at a gaming table in exchange for chips which total
36 an amount equal to the amount for which the check is drawn; and

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

39 Nothing in this subsection shall be deemed to preclude the
40 establishment of an account by any person with a casino licensee by a
41 deposit of cash, recognized traveler's check or other cash equivalent, or a
42 check which meets the requirements of subsection g. of this section, or to
43 preclude the withdrawal, either in whole or in part, of any amount
44 contained in such account.

45 c. When a casino licensee or other person licensed under this act, or
46 any person acting on behalf of or under any arrangement with a casino
47 licensee or other person licensed under this act, cashes a check in
48 conformity with the requirements of subsection b. of this section, the
49 casino licensee shall cause the deposit of such check in a bank for

1 collection or payment, or shall require an attorney or casino key employee
2 with no incompatible functions to present such check to the drawer's bank
3 for payment, within (1) seven calendar days of the date of the transaction
4 for a check in an amount of \$1,000.00 or less; (2) 14 calendar days of the
5 date of the transaction for a check in an amount greater than \$1,000.00 but
6 less than or equal to \$5,000.00; or (3) 45 calendar days of the date of the
7 transaction for a check in an amount greater than \$5,000.00.
8 Notwithstanding the foregoing, the drawer of the check may redeem the
9 check by exchanging cash, cash equivalents, chips, or a check which
10 meets the requirements of subsection g. of this section in an amount equal
11 to the amount for which the check is drawn; or he may redeem the check
12 in part by exchanging cash, cash equivalents, chips, or a check which
13 meets the requirements of subsection g. of this section and another check
14 which meets the requirements of subsection b. of this section for the
15 difference between the original check and the cash, cash equivalents,
16 chips, or check tendered; or he may issue one check which meets the
17 requirements of subsection b. of this section in an amount sufficient to
18 redeem two or more checks drawn to the order of the casino licensee. If
19 there has been a partial redemption or a consolidation in conformity with
20 the provisions of this subsection, the newly issued check shall be
21 delivered to a bank for collection or payment or presented to the drawer's
22 bank for payment by an attorney or casino key employee with no
23 incompatible functions within the period herein specified. No casino
24 licensee or any person licensed or registered under this act, and no person
25 acting on behalf of or under any arrangement with a casino licensee or
26 other person licensed under this act, shall accept any check or series of
27 checks in redemption or consolidation of another check or checks in
28 accordance with this subsection for the purpose of avoiding or delaying
29 the deposit of a check in a bank for collection or payment or the
30 presentment of the check to the drawer's bank within the time period
31 prescribed by this subsection.

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

36 d. No casino licensee or any other person licensed or registered under
37 this act, or any other person acting on behalf of or under any arrangement
38 with a casino licensee or other person licensed or registered under this act,
39 shall transfer, convey, or give, with or without consideration, a check
40 cashed in conformity with the requirements of this section to any person
41 other than:

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

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

45 (3) A purchaser of the casino license as approved by the commission;
46 or

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

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

4 e. No person other than **[one]** a casino key employee licensed **[as a**
5 **casino key employee or as a casino employee]** under this act or a casino
6 employee registered under this act may engage in efforts to collect upon
7 checks that have been returned by banks without full and final payment,
8 except that an attorney-at-law representing a casino licensee may bring
9 action for such collection.

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

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

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

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

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

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

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

41 (2) The check is identifiable in a manner approved by the
42 **[commission]** division as a check authorized for acceptance pursuant to
43 paragraph (1) of this subsection;

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

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

- 1 promulgated **【by the commission】** under this act in the case of a check
2 issued pursuant to subparagraph (b), (c), (d) or (e) of paragraph (1) of this
3 subsection; and
- 4 (5) The regulations concerning check cashing procedures are observed
5 by the casino licensee and its employees and agents.
- 6 No casino licensee shall issue a check for the purpose of making a loan
7 or otherwise providing or allowing any advance or credit to a person to
8 enable the person to take part in gaming or simulcast wagering activity as
9 a player.
- 10 h. Notwithstanding the provisions of subsection b. and subsection c. of
11 this section to the contrary, a casino licensee may, at a location outside the
12 casino, accept a personal check or checks from a person for up to \$5,000
13 in exchange for cash or cash equivalents, and may, at such locations
14 within the casino or casino simulcasting facility as may be permitted by
15 the **【commission】** division, accept a personal check or checks for up to
16 \$5,000 in exchange for cash, cash equivalents, tokens, chips, or plaques to
17 enable the person to take part in gaming or simulcast wagering activity as
18 a player, provided that:
- 19 (a) The check is drawn on the patron's bank or brokerage cash
20 management account;
- 21 (b) The check is for a specific amount;
- 22 (c) The check is made payable to the casino licensee;
- 23 (d) The check is dated but not post-dated;
- 24 (e) The patron's identity is established by examination of one of the
25 following: valid credit card, driver's license, passport, or other form of
26 identification credential which contains, at a minimum, the patron's
27 signature;
- 28 (f) The check is restrictively endorsed "For Deposit Only" to the
29 casino licensee's bank account and deposited on the next banking day
30 following the date of the transaction;
- 31 (g) The total amount of personal checks accepted by any one licensee
32 pursuant to this subsection that are outstanding at any time, including the
33 current check being submitted, does not exceed \$5,000;
- 34 (h) The casino licensee has **【an approved】** a system of internal
35 controls in place that will enable it to determine the amount of outstanding
36 personal checks received from any patron pursuant to this subsection at
37 any given point in time; and
- 38 (i) The casino licensee maintains a record of each such transaction in
39 accordance with regulations established by the **【commission】** division.
- 40 i. (Deleted by amendment, P.L.2004, c.128).
- 41 j. A person may request the **【commission】** division to put that
42 person's name on a list of persons to whom the extension of credit by a
43 casino as provided in this section would be prohibited by submitting to the
44 **【commission】** division the person's name, address, and date of birth. The
45 person does not need to provide a reason for this request. The
46 **【commission】** division shall provide this list to the credit department of
47 each casino; neither the **【commission】** division nor the credit department
48 of a casino shall divulge the names on this list to any person or entity

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

6 k. (Deleted by amendment, P.L.2004, c.128).
7 (cf: P.L.2009, c.36, s.17)

8

9 70. Section 2 of P.L.1987, c.419 (C.5:12-101.2) is amended to read as
10 follows:

11 2. No casino licensee or any person licensed or registered under
12 P.L.1977, c.110 (C.5:12-1 et seq.), and no person acting on behalf of or
13 under any arrangement with a casino licensee or other person licensed or
14 registered under P.L.1977, c.110, shall, in a single transaction during a
15 gaming day, redeem for cash or credit any chips or markers in an amount
16 of \$10,000.00 or more or exchange chips for cash in an amount of
17 \$10,000.00 or more, from any one person, unless the person seeking to
18 redeem the chips or markers presents proof of his identity and passport
19 identification number if he is not a United States citizen.

20 Multiple currency transactions shall be treated as a single transaction if
21 the casino licensee, person licensed or registered under P.L.1977, c.110 or
22 person acting on behalf of or under any arrangement with a casino
23 licensee or other person licensed or registered under P.L.1977, c.110 has
24 knowledge that the transactions are by or on behalf of one person and
25 result in either cash in or cash out **[totalling]** totaling more than
26 \$10,000.00 during a gaming day.

27 (cf: P.L.1987, c.419, s.2)

28

29 71. Section 3 of P.L.1987, c.419 (C.5:12-101.3) is amended to read as
30 follows:

31 3. Casino licensees, persons licensed or registered under P.L.1977,
32 c.110 (C.5:12-1 et seq.) and persons acting on behalf of or under any
33 arrangement with casino licensees or other persons licensed or registered
34 under P.L.1977, c.110, who accept cash or redeem chips or markers
35 **[totalling]** totaling \$10,000.00 or more in a gaming day for which
36 identification is required pursuant to sections 1 and 2 of this 1987
37 supplementary act, shall at least once every 30 days report the identities
38 and passport numbers of the persons offering the cash, chips or markers,
39 to the Division of Gaming Enforcement.

40 (cf: P.L.1987, c.419, s.3)

41

42 72. Section 102 of P.L.1977, c.110 (C.5:12-102) is amended to read as
43 follows:

44 102. Junkets and Complimentary Services.

45 a. No junkets may be organized or permitted except in accordance
46 with the provisions of this act. No person may act as a junket
47 representative or junket enterprise except in accordance with this section.

1 b. A junket enterprise or a junket representative employed by a casino
2 licensee, an applicant for a casino license or an affiliate of a casino
3 licensee shall be licensed as a casino key employee in accordance with the
4 provisions of P.L.1977, c.110 (C.5:12-1 et seq.); provided, however, that
5 said licensee need not be a resident of this State. **【Any person who holds a**
6 **current and valid casino employee license may act as a junket**
7 **representative while employed by a casino licensee or an affiliate.】** No
8 casino licensee or applicant for a casino license may employ or otherwise
9 engage a junket representative who is not so licensed.

10 c. Junket enterprises **【which】** that, and junket representatives not
11 employed by a casino licensee or an applicant for a casino license or by a
12 junket enterprise who, **【are engaged】** engage in activities governed by this
13 section shall be **【subject to the provisions of subsection c. of section 92**
14 **and subsection b. of section 104 of P.L.1977, c.110 (C.5:12-92 and 5:12-**
15 **104) with regard to those activities, unless otherwise directed by the**
16 **commission pursuant to subsection k. of this section. Such of the owners,**
17 **management and supervisory personnel, and other principal employees of**
18 **a junket enterprise as the commission may consider appropriate for**
19 **qualification shall qualify under the standards, except for residency,**
20 **established for qualification of a casino key employee under P.L.1977,**
21 **c.110 (C.5:12-1 et seq.)】** licensed as a casino service industry enterprise in
22 accordance with subsection a. of section 92 of P.L.1977, c.110 (C.5:12-
23 92), unless otherwise directed by the division. Any non-supervisory
24 employee of a junket enterprise or junket representative licensed under
25 this subsection shall be registered in accordance with subsection c. of
26 section 92 of P.L.1977, c.110 (C.5:12-92).

27 d. Prior to the issuance of any license required by this section, an
28 applicant for licensure shall submit to the jurisdiction of the State of New
29 Jersey and shall demonstrate **【to the satisfaction of the commission】** that
30 he is amenable to service of process within this State. Failure to establish
31 or maintain compliance with the requirements of this subsection shall
32 constitute sufficient cause for the denial, suspension or revocation of any
33 license issued pursuant to this section.

34 e. Upon petition by the holder of a casino license, an applicant for
35 junket representative or junket enterprise applying for licensure may be
36 issued a temporary license by the **【commission】** division in accordance
37 with regulations promulgated by the division, provided that:

- 38 (1) the applicant for licensure is employed by a casino licensee;
- 39 (2) the applicant for licensure has filed a completed application as
40 required by the commission;
- 41 (3) the division either certifies to the commission that the completed
42 application for licensure as specified in paragraph (2) of this subsection
43 has been in the possession of the division for at least 60 days or agrees to
44 allow the commission to consider the application in some lesser time; and
- 45 (4) the division does not object to the temporary licensure of the
46 applicant; provided, however, that failure of the division to object prior to
47 the temporary licensure of the applicant shall not be construed to reflect in
48 any manner upon the qualifications of the applicant for licensure.

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

9 Unless otherwise terminated pursuant to P.L.1977, c.110 (C.5:12-1 et
10 seq.), any temporary license issued pursuant to this subsection shall expire
11 12 months from the date of its issuance, and shall be renewable by the
12 commission, in the absence of an objection by the division, as specified in
13 paragraph (4) of this subsection, for one additional six-month period.

14 f. Every agreement concerning junkets entered into by a casino
15 licensee and a junket representative or junket enterprise shall be deemed
16 to include a provision for its termination without liability on the part of
17 the casino licensee, if the **commission** division orders the termination
18 upon the suspension, limitation, conditioning, denial or revocation of the
19 licensure of the junket representative or junket enterprise, in accordance
20 with the provisions of P.L.1977, c.110 (C.5:12-1 et seq.). Failure to
21 expressly include such a condition in the agreement shall not constitute a
22 defense in any action brought to terminate the agreement.

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

28 h. A casino licensee shall be responsible for any violation or
29 deviation from the terms of a junket. Notwithstanding any other
30 provisions of this act, the **commission** division may~~],~~ after hearings in
31 accordance with this act,~~]~~ order restitution to junket participants, assess
32 penalties for such violations or deviations, prohibit future junkets by the
33 casino licensee, junket enterprise or junket representative, and order such
34 further relief as it deems appropriate.

35 i. The **commission** division shall, by regulation, prescribe
36 methods, procedures and forms for the delivery and retention of
37 information concerning the conduct of junkets by casino licensees.
38 Without limitation of the foregoing, each casino licensee, in accordance
39 with the rules of the **commission** division, shall:

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

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

43 (3) Submit to the **commission and** division a list of all its employees
44 who are acting as junket representatives.

45 j. Each casino licensee, junket representative or junket enterprise
46 shall, in accordance with the rules of the **commission** division, file a
47 report with the division with respect to each list of junket patrons or

1 potential junket patrons purchased directly or indirectly by the casino
2 licensee, junket representative or enterprise.

3 k. The **commission** division shall have the authority to determine,
4 either by regulation, or upon petition by the holder of a casino license, that
5 a type of arrangement otherwise included within the definition of "junket"
6 established by section 29 of P.L.1977, c.110 (C.5:12-29) shall not require
7 compliance with any or all of the requirements of this section. **The**
8 **commission** shall seek the opinion of the division prior to granting any
9 exemption. **In** granting exemptions, the **commission** division shall
10 consider such factors as the nature, volume and significance of the
11 particular type of arrangement, and whether the exemption would be
12 consistent with the public policies established by this act. In applying the
13 provisions of this subsection, the **commission** division may condition,
14 limit, or restrict any exemption as the commission may deem appropriate.

15 l. No junket enterprise or junket representative or person acting as a
16 junket representative may:

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

19 (2) Exercise approval authority with regard to the authorization or
20 issuance of credit pursuant to section 101 of P.L.1977, c.110 (C.5:12-
21 101);

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

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

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

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

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

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

38 (3) The complimentary consists of coins, tokens, cash or other
39 complimentary items or services provided through a bus coupon or other
40 complimentary distribution program which, notwithstanding the
41 requirements of section 99 of P.L.1977, c.110 (C.5:12-99), shall be **filed**
42 **with the commission upon the implementation of the program or**
43 **maintained pursuant to commission regulation** maintained pursuant to
44 regulation and made available for inspection by the division.

45 Notwithstanding the foregoing, a casino licensee may offer and provide
46 complimentary cash or noncash gifts which are not otherwise included in
47 paragraphs (1) and (3) of this subsection to any person, provided that any
48 such gifts in excess of \$2,000.00, or such greater amount as the

1 **[commission]** division may establish by regulation, are supported by
2 documentation regarding the reason the gift was provided to the patron
3 and his guests, including where applicable, a patron's player rating, which
4 documentation shall be maintained by the casino licensee.

5 Each casino licensee shall maintain a regulated complimentary service
6 account, for those complimentaries which are permitted pursuant to this
7 section, and shall submit a quarterly report to the **[commission]** division
8 based upon such account and covering all complimentary services offered
9 or engaged in by the licensee during the immediately preceding quarter.
10 Such reports shall include identification of the regulated complimentary
11 services and their respective costs, the number of persons by category of
12 service who received the same, and such other information as the
13 **[commission]** division may require.

14 n. As used in this subsection, "person" means any State officer or
15 employee subject to financial disclosure by law or executive order and any
16 other State officer or employee with responsibility for matters affecting
17 casino activity; any special State officer or employee with responsibility
18 for matters affecting casino activity; the Governor; any member of the
19 Legislature or full-time member of the Judiciary; any full-time
20 professional employee of the Office of the Governor, or the Legislature;
21 members of the Casino Reinvestment Development Authority; the head of
22 a principal department; the assistant or deputy heads of a principal
23 department, including all assistant and deputy commissioners; the head of
24 any division of a principal department; any member of the governing
25 body, or the municipal judge or the municipal attorney of a municipality
26 wherein a casino is located; any member of or attorney for the planning
27 board or zoning board of adjustment of a municipality wherein a casino is
28 located, or any professional planner or consultant regularly employed or
29 retained by such planning board or zoning board of adjustment.

30 No casino applicant or licensee shall provide directly or indirectly to
31 any person any complimentary service or discount which is other than
32 such service or discount that is offered to members of the general public in
33 like circumstance.

34 o. **[Any person who, on the effective date of this 1992 amendatory**
35 **act, P.L.1992, c.9, holds a current and valid plenary junket representative**
36 **license, a junket representative license with a sole owner-operator**
37 **endorsement, or a junket enterprise license authorizing the conduct of**
38 **junket activities, shall be considered licensed in accordance with the**
39 **provisions of this section and subsection c. of section 92 of P.L.1977,**
40 **c.110 (C.5:12-92) for the remaining term of his current license.]** (Deleted
41 by amendment, P.L. , c.) (pending before the Legislature as this bill)
42 (cf: PL.2009, c.36, s.18)

43
44 73. Section 103 of P.L.1977, c.110 (C.5:12-103) is amended as
45 follows:

46 103. Alcoholic Beverages in Casino Hotel Facilities. a.
47 Notwithstanding any law to the contrary, the authority to grant any
48 license for, or to permit or prohibit the presence of, alcoholic beverages

1 in, on, or about any premises licensed as part of a casino hotel shall
2 exclusively be vested in the **【commission】** division.

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

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

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

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

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

1 portion of the premises of a casino hotel, unless said person possesses a
2 Casino Hotel Alcoholic Beverage License. Nothing herein or in any other
3 law to the contrary, however, shall prohibit a casino beverage server in the
4 course of his or her employment from inquiring of a casino patron whether
5 such patron desires a beverage, whether or not such inquiry is phrased in
6 terms of any word which may connote that the beverage is an alcoholic
7 beverage.

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

16 (3) Notwithstanding any other law to the contrary, a manufacturer,
17 wholesaler, or other person licensed to sell alcoholic beverages to
18 retailers, or third parties at their discretion, may, in addition to the
19 activities permitted by section 10 of P.L.2005, c.243 (C.33:1-43.2), jointly
20 sponsor with the Casino Hotel Alcoholic Beverage Licensee musical or
21 theatrical performances or concerts, sporting events and such similar
22 events and festivals, with an anticipated overall audience attendance of at
23 least one thousand patrons, as may be approved by the division.

24 g. In issuing a Casino Hotel Alcoholic Beverage License the
25 **[commission]** division shall describe the scope of the particular license
26 and the restrictions and limitations thereon as it deems necessary and
27 reasonable. The**[commission]** division may, in a single Casino Hotel
28 Alcoholic Beverage License, permit the holder of such a license to
29 perform any or all of the following activities, subject to applicable laws,
30 rules and regulations:

31 (1) To sell any alcoholic beverage by the glass or other open
32 receptacle including, but not limited to, an original container, for on-
33 premise consumption within a casino or simulcasting facility; provided,
34 however, that no alcoholic beverage shall be sold or given for
35 consumption; delivered or otherwise brought to a patron; or consumed at a
36 gaming table unless so requested by the patron.

37 (2) To sell any alcoholic beverage by the glass or other open
38 receptacle for on-premise consumption within a casino hotel, but not in a
39 casino or simulcasting facility, or from a fixed location outside a building
40 or structure containing a casino but on a casino hotel premises.

41 (3) To sell any alcoholic beverage in original containers for
42 consumption outside the licensed area from an enclosed package room not
43 in a casino or simulcasting facility.

44 (4) To sell any alcoholic beverage by the glass or other open
45 receptacle or in original containers from a room service location within an
46 enclosed room not in a casino or simulcasting facility; provided, however,
47 that any sale of alcoholic beverages is delivered only to a guest room or to
48 any other room in the casino hotel authorized by the **[commission]**

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

3 (5) To possess or to store alcoholic beverages in original containers
4 intended but not actually exposed for sale at a fixed location on a casino
5 hotel premises, not in a casino or simulcasting facility; and to transfer or
6 deliver such alcoholic beverages only to a location approved pursuant to
7 this section; provided, however, that no access to or from a storage
8 location shall be permitted except during the normal course of business by
9 employees or agents of the licensee, or by licensed employees or agents of
10 wholesalers or distributors licensed pursuant to Title 33 of the Revised
11 Statutes and any applicable rules and regulations; and provided further,
12 however, that no provision of this section shall be construed to prohibit a
13 Casino Hotel Alcoholic Beverage Licensee from obtaining an off-site
14 storage license from the Division of Alcoholic Beverage Control.

15 h. **[(1) No Casino Hotel Alcoholic Beverage License which**
16 **authorizes the sale of alcoholic beverages within a casino pursuant to**
17 **subsection g.(1) of this section shall issue to any applicant who does not**
18 **hold a casino license issued pursuant to this act.**

19 (2) No Casino Hotel Alcoholic Beverage License which authorizes the
20 possession, sale or storage of alcoholic beverages pursuant to subsection
21 g.(2), (3), (4), or (5) of this section shall issue to any applicant who would
22 not qualify under the standards for licensure of a casino service industry
23 enterprise pursuant to subsection c. of section 92 of P.L.1977, c.110
24 (C.5:12-92).

25 (3) No Casino Hotel Alcoholic Beverage License which authorizes the
26 possession or storage of alcoholic beverages pursuant to subsection g. of
27 this section shall issue to any applicant who does not hold a Casino Hotel
28 Alcoholic Beverage License, permitting any activity pursuant to
29 subsection g.(1), (2), (3), or (4) of this section. **Deleted by amendment,**
30 **P.L. , c. (pending before the Legislature as this bill)**

31 i. The **[commission]** division may revoke, suspend, refuse to renew
32 or refuse to transfer any Casino Hotel Alcoholic Beverage License, or fine
33 or penalize any Casino Hotel Alcoholic Beverage Licensee for violations
34 of any provision of Title 33 of the Revised Statutes, the rules and
35 regulations promulgated by the Director of the Division of Alcoholic
36 Beverage Control, and the regulations promulgated by the **[commission]**
37 division.

38 j. Jurisdiction over all alcoholic beverage licenses previously issued
39 with respect to the casino hotel facility is hereby vested in the
40 **[commission]** division, which in its discretion may by regulation provide
41 for the conversion thereof into a Casino Hotel Alcoholic Beverage License
42 as provided in this section.

43 (cf: P.L.2009, c.36, s.19)

44
45 74. Section 104 of P.L.1977, c.110 (C.5:12-104) is amended to read as
46 follows:

47 104. a. Unless otherwise provided in this subsection, no agreement
48 shall be lawful which provides for the payment, however defined, of any

1 direct or indirect interest, percentage or share of: any money or property
2 gambled at a casino or simulcasting facility; any money or property
3 derived from casino gaming activity or wagering at a simulcasting facility;
4 or any revenues, profits or earnings of a casino or simulcasting facility.
5 Notwithstanding the foregoing:

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

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

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

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

36 (5) Agreements which provide for percentage charges between the
37 casino licensee and a holding company or intermediary company of the
38 casino licensee shall be in writing and filed with the **[commission]**
39 division but shall not be subject to the provisions of this subsection.

40 (6) Agreements relating to simulcast racing and wagering between a
41 casino licensee and an in-State or out-of-State sending track licensed or
42 exempt from licensure in accordance with **[subsection c. of]** section 92 of
43 P.L.1977, c.110 (C.5:12-92) shall be in writing, be filed with the
44 **[commission]** division, and be lawful and effective only if expressly
45 approved as to their terms by the **[commission]** division and the New
46 Jersey Racing Commission, except that any such agreements which
47 provide for a percentage of the parimutuel pool wagered at a simulcasting

1 facility to be paid to the sending track shall not be subject to the
2 provisions of this subsection.

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

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

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

34 (10) A written agreement between a casino licensee and a casino
35 service industry enterprise licensed pursuant to subsection a. of section 92
36 of P.L.1977, c.110 (C.5:12-92), or an eligible applicant for such license,
37 relating to the construction, renovation or operation of qualifying sleeping
38 units, as defined in section 27 of P.L.1977, c.110 (C.5:12-27), or of non-
39 gaming amenities, as defined by the **【commission】** division, within the
40 limits of the city of Atlantic City, regardless of whether such qualifying
41 sleeping units or non-gaming amenities are connected to a casino hotel
42 facility, which provides for an interest, percentage or share of the casino
43 licensee's revenues, profits or earnings, not to exceed 5% of the casino
44 licensee's revenues, to be paid to the casino service industry enterprise
45 licensee or applicant in return for the construction, renovation or operation
46 of such qualifying sleeping units or non-gaming amenities shall not be
47 subject to the provisions of this subsection provided that: (i) the
48 agreement requires a capital investment, at least 10% of which shall be

1 made by the casino service industry enterprise licensee or applicant over
2 the term of the agreement, of not less than \$30 million, which minimum
3 amount shall be adjusted periodically by the [commission] division for
4 inflation; (ii) the [commission] division finds that the total amount of
5 casino revenues, profits or earnings that can be paid to the casino service
6 industry enterprise licensee or applicant pursuant to this agreement is
7 commercially reasonable under the circumstances; and (iii) the agreement
8 is filed with and approved by the [commission] division.

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

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

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

41 c. Nothing in this act shall be deemed to permit the transfer of any
42 license, or any interest in any license, or any certificate of compliance or
43 any commitment or reservation.

44 (cf: P.L.2009, c.36, s.20)

45

46 75. Section 105 of P.L.1977, c.110 (C.5:12-105) is amended as
47 follows:

- 1 105. Disposition of Securities by Corporate Licensee. a. The sale,
2 assignment, transfer, pledge or other disposition of any security issued by
3 a corporation which holds a casino license [is conditional and shall be
4 ineffective if disapproved by the commission] shall be effective five
5 business days after the commission receives notice from the licensee of
6 such sale, assignment, transfer, pledge or other disposition, in the form
7 required by regulation, unless within the five business day period, the
8 commission disapprove of such sale, assignment, transfer, pledge or other
9 disposition.
- 10 b. Every security issued by a corporation which holds a casino license
11 shall bear, on both sides of the certificate evidencing such security, a
12 statement of the restrictions imposed by this section, except that in the
13 case of a publicly traded corporation incorporated prior to the effective
14 date of this act, a statement of restriction shall be necessary only insofar as
15 certificates are issued by such corporation after the effective date of this
16 act.
- 17 c. The Secretary of State shall not accept for filing any articles of
18 incorporation of any corporation which includes as a stated purpose the
19 conduct of casino gaming, or any amendment which adds such purpose to
20 articles of incorporation already filed, unless such articles or amendments
21 have been approved by the commission and a copy of such approval is
22 annexed thereto upon presentation for filing with the Secretary of State.
- 23 d. If at any time the division reports to the commission [finds] that an
24 individual owner or holder of any security of a corporate licensee or of a
25 holding or intermediary company with respect thereto is not qualified
26 under this act, and if as a result the corporate licensee is no longer
27 qualified to continue as a casino licensee in this State, the commission
28 shall, pursuant to the provisions of this act, and upon the report and input
29 of the division, take any necessary action to protect the public interest,
30 including the suspension or revocation of the casino license of the
31 corporation; provided, however, that if the holding or intermediary
32 company is a publicly traded corporation and the commission finds
33 disqualified any holder of any security thereof who is required to be
34 qualified under section 85d. of this act, and the commission also finds
35 that: (1) the holding or intermediary company has complied with the
36 provisions of section 82d.(7) of this act; (2) the holding or intermediary
37 company has made a good faith effort, including the prosecution of all
38 legal remedies, to comply with any order of the commission or the
39 division requiring the divestiture of the security interest held by the
40 disqualified holder; and (3) such disqualified holder does not have the
41 ability to control the corporate licensee or any holding or intermediary
42 company with respect thereto, or to elect one or more members of the
43 board of directors of such corporation or company, the commission shall
44 not take action against the casino licensee or the holding or intermediary
45 company with respect to the continued ownership of the security interest
46 by the disqualified holder. For purposes of this act, a security holder shall
47 be presumed to have the ability to control a publicly traded corporation, or
48 to elect one or more members of its board of directors, if such holder owns
49 or beneficially holds 5% or more of the equity securities of such

1 corporation, unless such presumption of control or ability to elect is
2 rebutted by clear and convincing evidence.

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

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

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

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

11 f. After a nonpublicly traded corporation has been issued a casino
12 license pursuant to the provisions of this act, but prior to the issuance or
13 transfer of any security to any person required to be but not yet qualified
14 in accordance with the provisions of this act, such corporation shall file a
15 report of its proposed action with the commission and the division, and
16 shall request the approval of the commission for the transaction. If the
17 commission shall deny the request, the corporation shall not issue or
18 transfer such security. After a publicly traded corporation has been issued
19 a casino license, such corporation shall file a report quarterly with the
20 commission and the division, which report shall list all owners and holders
21 of any security issued by such corporate casino licensee.

22 g. Each corporation which has been issued a casino license pursuant to
23 the provisions of this act shall file a report of any change of its corporate
24 officers or members of its board of directors with the commission and the
25 division. No officer or director shall be entitled to exercise any powers of
26 the office to which he was so elected or appointed until qualified by the
27 commission in accordance with the provisions of this act.

28 (cf: P.L.1991, c.182, s.42)

29

30 76. Section 106 of P.L.1977, c.110 (C.5:12-106) is amended to read as
31 follows:

32 106. Casino Employment. a. A casino licensee shall not appoint or
33 employ in a position requiring a casino key employee license[,] or
34 a casino employee [license, or a casino service employee] registration any
35 person not possessing a current and valid license or registration permitting
36 such appointment or employment.

37 b. A casino licensee shall, within 24 hours of receipt of written or
38 electronically transferred notice thereof, terminate the appointment or
39 employment of any person whose license or registration has been revoked
40 or has expired. A casino licensee may, in its discretion, suspend rather
41 than terminate the appointment or employment of any person whose
42 license or registration has expired until such time as the person is again
43 licensed or registered. A casino licensee shall comply in all respects with
44 any order of the [commission] division imposing limitations or
45 restrictions upon the terms of employment or appointment in the course of
46 any investigation or hearing.

47 c. An applicant for or a holder of a casino key employee license or a
48 holder of a casino employee [license] registration whose application is

1 denied or whose licensure or registration is revoked, as the case may be,
2 shall not, in addition to any restrictions imposed by the regulations of the
3 commission or division, as applicable, on a reapplication for licensure, be
4 employed by a casino licensee in a position that does not require a license
5 or registration until five years have elapsed from the date of the denial or
6 revocation, except that the commission or division may permit such
7 employment upon good cause shown.

8 d. **【A holder of a casino service employee registration whose**
9 **registration is revoked, in addition to any restrictions imposed by the**
10 **regulations of the commission on a reapplication for licensure or**
11 **registration, shall not be employed by a casino licensee in a position that**
12 **does not require a license or registration until five years have elapsed from**
13 **the date of revocation, except that the commission may permit such**
14 **employment upon good cause shown.】** (Deleted by amendment, P.L. __,
15 c.) (pending before the Legislature as this bill)
16 (cf: P.L.2009, c.36, s.21)

17

18 77. Section 107 of P.L.1977, c.110 (C.5:12-107) is amended as
19 follows:

20 107. Conduct of Hearings; Rules of Evidence; Punishment of
21 Contempts **【; Rehearing】**. a. **【At all hearings of the commission in**
22 **contested cases, as defined in section 2 of P.L.1968, c.410 (C.52:14B-2):】**
23 The commission shall promulgate regulations for the conduct of hearings
24 it is authorized to conduct under subsection a. of section 63 of P.L.1977,
25 c.110 (C.5:12-63), which regulations shall include the following:

26 (1) Unless the commission hears the matter directly, the chairman shall
27 refer the matter to the Office of Administrative Law in accordance with
28 P.L.1978, c.67 (C.52:14F-1 et al.); provided, however, that the chairman
29 may, in his discretion, designate a member of the commission, or other
30 qualified person other than an employee of the commission, to serve as
31 hearing examiner in a particular matter;

32 (2) The proceedings at the hearing shall be recorded or transcribed;

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

34 (4) Each party to a hearing shall have the right to call and examine
35 witnesses; to introduce exhibits relevant to the issues of the case,
36 including the transcript of testimony at any investigative hearing
37 conducted by or on behalf of the commission; to cross-examine opposing
38 witnesses in any matters relevant to the issue of the case; to impeach any
39 witness, regardless of which party called him to testify; and to offer
40 rebuttal evidence;

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

44 (6) The hearing shall not be conducted according to rules relating to
45 the admissibility of evidence in courts of law. Any relevant evidence may
46 be admitted and shall be sufficient in itself to support a finding if it is the
47 sort of evidence upon which responsible persons are accustomed to rely in
48 the conduct of serious affairs, regardless of the existence of any common

1 law or statutory rule which might make improper the admission of such
2 evidence over objection in a civil action; and

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

6 b. The commission may take official notice of any generally accepted
7 information or technical or scientific matter in the field of gaming and of
8 any other fact which may be judicially noticed by the courts of this State.
9 The parties shall be informed of any information, matters or facts so
10 noticed and shall be given a reasonable opportunity, on request, to refute
11 such information, matters or facts by evidence or by written or oral
12 presentation of authorities, the manner of such refutation to be determined
13 by the commission. The commission may, in its discretion, before
14 rendering its decision, permit the filing of amended or supplemental
15 pleadings and shall notify all parties thereof and provide a reasonable
16 opportunity for objections thereto.

17 c. If any person in proceedings before the commission or the division
18 disobeys or resists any lawful order, refuses to respond to a subpoena,
19 refuses to take the oath or affirmation as a witness or thereafter refuses to
20 be examined, or is guilty of misconduct at the hearing or so near the place
21 thereof as to obstruct the proceeding, the person may be punished for
22 contempt in accordance with the Rules of Court if the commission or
23 division certifies the facts underlying the contumacious behavior to the
24 Superior Court. Thereafter, the courts shall have jurisdiction in the
25 matter, and the same proceeding shall be had, the same penalties may be
26 imposed, and the person charged may purge himself of the contempt in the
27 same way as in the case of a person who has committed contempt in the
28 trial of a civil action before the Superior Court.

29 d. [(1) The commission may, upon motion therefor made within 10
30 days after the service of the decision and order, order a rehearing before
31 the commission upon such terms and conditions as it may deem just and
32 proper when the commission finds cause to believe that the decision and
33 order should be reconsidered in view of the legal, policy or factual matters
34 advanced by the moving party or raised by the commission on its own
35 motion.

36 (2) Upon motion made within a reasonable time, but in no event later
37 than one year from the service of the decision and order, the commission
38 may relieve a party from the decision and order upon a showing that there
39 is additional evidence which is material and necessary and which would
40 be reasonably likely to change the decision of the commission, and that
41 sufficient reason existed for failure to present such evidence at the hearing
42 of the commission or on a motion under paragraph (1) of this subsection.
43 The motion shall be supported by an affidavit of the moving party or his
44 counsel showing with particularity the materiality and necessity of the
45 additional evidence and the reason why it was not presented at the hearing
46 or on a motion under paragraph (1) of this subsection. Upon rehearing,
47 rebuttal evidence to the additional evidence shall be admitted. After
48 rehearing, the commission may modify its decision and order as the
49 additional evidence may warrant.

1 (3) A motion for relief from a decision and order which is based on
2 any ground other than the presentation of newly discovered evidence shall
3 be governed as to both timeliness and sufficiency by the regulations of the
4 commission which shall be modeled, to the extent practical, upon the rules
5 then governing similar motions before the courts of this State.] (Deleted
6 by amendment, P.L. , c.) (pending before the Legislature as this bill)

7 e. The division shall promulgate rules governing the conduct of
8 hearings and other procedures as are necessary for it to fulfill its duties
9 and exercise its powers consistent with section 76 of P.L.1977, c.110
10 (C.5:12-76).

11 f. The commission and division shall have the power and authority to
12 issue subpoenas and to compel the attendance of witnesses at any place
13 within this State, to administer oaths and to require testimony under oath
14 before the commission or division in the course of any investigation or
15 hearing conducted under this act. The commission and division may
16 appoint hearing examiners, to whom may be delegated the power and
17 authority to administer oaths, issue subpoenas, and require testimony
18 under oath.

19 g. The commission and division shall have the authority to order any
20 person to answer a question or questions or produce evidence of any kind
21 and confer immunity as provided in this section. If, in the course of any
22 investigation or hearing conducted under this act, a person refuses to
23 answer a question or produce evidence on the ground that he will be
24 exposed to criminal prosecution thereby, then in addition to any other
25 remedies or sanctions provided for by this act, the division or the
26 commission with the written approval of the Attorney General, may issue
27 an order to answer or to produce evidence with immunity.

28 If, upon issuance of such an order, the person complies therewith, he
29 shall be immune from having such responsive answer given by him or
30 such responsive evidence produced by him, or evidence derived
31 therefrom, used to expose him to criminal prosecution, except that such
32 person may nevertheless be prosecuted for any perjury committed in such
33 answer or in producing such evidence, or for contempt for failing to give
34 an answer or produce evidence in accordance with the order of the
35 commission or the division; provided, however, that no period of
36 incarceration for contempt shall exceed 18 months in duration pursuant to
37 this section. Any such answer given or evidence produced shall be
38 admissible against him upon any criminal investigation, proceeding or
39 trial against him for such perjury; upon any investigation, proceeding or
40 trial against him for such contempt; or in any manner consonant with State
41 and constitutional provisions.

42 h. Any licensee, applicant for a license or a registrant who is aggrieved
43 by a final decision by the division shall have the right of appeal to the
44 commission. Notwithstanding the foregoing, no decision by the division
45 shall constitute a final agency action for purposes of establishing
46 jurisdiction on appeal in the New Jersey Superior Court.

47 i. All appeals from final decisions of the division shall be heard by the
48 commission in accordance with subsection b. of section 63 of P.L.1977,
49 c.110 (C.5:12-63), which procedure may include the opportunity for the

1 matter to be heard as a contested case in accordance with the
2 “Administrative Procedure Act,” P.L.1968, c.410 (C.5:14B-1 et. seq.).
3 Final orders of the commission shall constitute final agency action for
4 purposes of establishing jurisdiction on appeal in the New Jersey Superior
5 Court.

6 (cf: P.L.1993, c.292, s.25)

7

8 78. Section 109 of P.L.1977, c.110 (C.5:12-109) is amended to read as
9 follows:

10 109. Notwithstanding any provisions of this article, the **【commission】**
11 **director** may issue an emergency order for the suspension, limitation or
12 conditioning of any operation certificate or any license, other than a
13 casino license, or any registration, or may issue an emergency order
14 requiring the licensed casino to keep an individual from the premises of
15 such licensed casino or not to pay such individual any remuneration for
16 services or any profits, income or accruals on his investment in such
17 casino, in the following manner:

18 a. An emergency order shall be issued only when the **【commission】**
19 **director** finds that:

20 (1) There has been charged a violation of any of the criminal laws of
21 this State by a licensee or registrant, or

22 (2) Such action is necessary to prevent a violation of any such
23 provision, or

24 (3) Such action is necessary immediately for the preservation of the
25 public peace, health, safety, morals, good order and general welfare or to
26 preserve the public policies declared by this act.

27 b. An emergency order shall set forth the grounds upon which it is
28 issued, including the statement of facts constituting the alleged
29 emergency necessitating such action.

30 c. The emergency order shall be effective immediately upon issuance
31 and service upon the licensee, registrant, or resident agent of the licensee.
32 The emergency order may suspend, limit, condition or take other action in
33 relation to the approval of one or more individuals who were required to
34 be approved in any operation, without necessarily affecting any other
35 individuals or the licensed casino establishment. The emergency order
36 shall remain effective until further order of the **【commission or final**
37 **disposition of the case】 director.**

38 d. Within 5 days after issuance of an emergency order, the
39 **【commission】 division** shall cause a complaint to be filed and served
40 upon the person or entity involved in accordance with the provisions of
41 this act.

42 e. Thereafter, the person or entity against whom the emergency order
43 has been issued and served shall **【be entitled to a hearing before the**
44 **commission in accordance with the provisions of this act】** show cause
45 before the director why the emergency order should not remain in effect in
46 accordance with the provisions of this act and the regulations promulgated
47 hereunder.

48 (cf: P.L.1981, c.503, s.18)

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

3 110. a. The division or any person aggrieved by a final decision or
4 order of the commission made after hearing or rehearing by the
5 commission, whether or not a petition for hearing was filed, may obtain
6 judicial review thereof by appeal to the Superior Court in accordance with
7 the Rules of Court.

8 b. Filing of an appeal shall not stay enforcement of the decision or
9 order of the commission unless the stay is obtained from the court upon
10 application in accordance with the Rules of Court or from the commission
11 upon such terms and conditions as it deems proper.

12 c. The reviewing court may affirm the decision and order of the
13 commission, may remand the case for further proceedings, or may reverse
14 the decision if the substantive rights of the petitioner have been
15 prejudiced because the decision is:

16 (1) In violation of constitutional provisions;

17 (2) In excess of the statutory authority and jurisdiction of the
18 commission; or

19 (3) Arbitrary or capricious or otherwise not in accordance with law.

20 d. In order to protect the public interest and the regulatory authority of
21 the commission, any action by the commission taken pursuant to the
22 provisions of sections 64, 69 d. or 71 of this act shall not be subject to the
23 injunctive authority of the Superior Court prior to the exhaustion of the
24 administrative procedures herein specified, unless it shall appear evident
25 to the court, by clear and convincing evidence, that a manifest denial of
26 justice would be effectuated by the refusal to enjoin the contemplated
27 action **[of the commission]**.

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

29

30 80. Section 111 of P.L.1977, c.110 (C.5:12-111) is amended to read as
31 follows:

32 111. Penalties for Willful Evasion of Payment of License Fees, Other
33 Acts and Omissions. Any person who willfully fails to report, pay or
34 truthfully account for and pay over any license fee or tax imposed by the
35 provisions of this act, or willfully attempts in any manner to evade or
36 defeat any such license fee, tax, or payment thereof is guilty of a crime of
37 the fourth degree and subject to the penalties therefor, except that the
38 amount of a fine may be up to **[\$25,000.00]** \$50,000, and in the case of a
39 person other than a natural person, the amount of a fine may be up to
40 **[\$100,000.00]** \$200,000, and shall in addition be liable for a penalty of
41 three times the amount of the license fee evaded and not paid, collected or
42 paid over, which penalty shall be assessed by the **[commission]** division
43 and collected in accordance with the provisions of this act.

44 (cf: P.L.1991, c.182, s.44)

45

46 81. Section 112 of P.L.1977, c.110 (C.5:12-112) is amended to read as
47 follows:

48 112. Unlicensed Casino Gambling Games Unlawful; Penalties.

1 a. Any person who violates the provisions of sections 80 or 82 or of
2 Article 7 of this act, or permits any gambling game, slot machine or
3 device to be conducted, operated, dealt or carried on in any casino or
4 simulcasting facility by a person other than a person licensed for such
5 purposes pursuant to this act is guilty of a crime of the fourth degree and
6 subject to the penalties therefor, except that the amount of a fine may be
7 up to ~~[\$25,000.00]~~ \$50,000, and in the case of a person other than a
8 natural person, the amount of a fine may be up to ~~[\$100,000.00]~~
9 \$200,000.

10 b. Any licensee who places games or slot machines into play or
11 displays such games or slot machines in a casino or simulcasting facility
12 without authority of the ~~[commission]~~ division to do so is guilty of a
13 crime of the fourth degree and subject to the penalties therefor, except that
14 the amount of a fine may be up to ~~[\$25,000.00]~~ \$50,000, and in the case
15 of a person other than a natural person, the amount of a fine may be up to
16 ~~[\$100,000.00]~~ \$200,000.

17 c. Any person who operates, carries on or exposes for play any
18 gambling game, gaming device or slot machine after his license has
19 expired and prior to the actual renewal thereof is guilty of a crime of the
20 fourth degree and subject to the penalties therefor, except that the amount
21 of a fine may be up to ~~[\$25,000.00]~~ \$50,000, and in the case of a person
22 other than a natural person, the amount of a fine may be up to
23 ~~[\$100,000.00]~~ \$200,000.

24 (cf: P.L.1993, c.292, s.26)

25

26 82. Section 46 of P.L.1991, c.182 (C5:12-113.1) is amended to read as
27 follows:

28 46. a. A person commits a third degree offense if, in playing a game in
29 a licensed casino or simulcasting facility, the person uses, or assists
30 another in the use of, a computerized, electronic, electrical or mechanical
31 device which is designed, constructed, or programmed specifically for use
32 in obtaining an advantage at playing any game in a licensed casino or
33 simulcasting facility, unless the advantage obtained can be assessed a
34 monetary value or loss of \$75,000 or greater in which case the offense is a
35 crime of the second degree.

36 b. Any computerized, electronic, electrical or mechanical device used
37 in violation of subsection a. of this section shall be considered prima facie
38 contraband and shall be subject to the provisions of N.J.S.2C:64-2. A
39 device used by any person in violation of this section shall be subject to
40 forfeiture pursuant to the provisions of N.J.S.2C:64-1 et seq.

41 c. Each casino licensee shall post notice of this prohibition and the
42 penalties of this section in a manner determined by the ~~[commission]~~
43 division.

44 (cf: P.L.2002, c.65, s.28)

45

46 83. Section 114 of P.L.1977, c.110 (C.5:12-114) is amended to read as
47 follows:

1 114. Unlawful Use of Bogus Chips or Gaming Billets, Marked Cards,
2 Dice, Cheating Devices, Unlawful Coins; Penalty. a. It shall be unlawful
3 for any person playing any licensed gambling game:

4 (1) Knowingly to use bogus or counterfeit chips or gaming billets, or
5 knowingly to substitute and use in any such game cards or dice that have
6 been marked, loaded or tampered with; or

7 (2) Knowingly to use or possess any cheating device with intent to
8 cheat or defraud.

9 b. It shall be unlawful for any person, playing or using any slot
10 machine in a licensed casino:

11 (1) Knowingly to use other than a lawful coin or legal tender of the
12 United States of America, or to use coin not of the same denomination as
13 the coin intended to be used in such slot machine, except that in the
14 playing of any slot machine or similar gaming device, it shall be lawful
15 for any person to use gaming billets, tokens or similar objects therein
16 which are approved by the **[commission]** division; or

17 (2) To use any cheating or thieving device, including but not limited to
18 tools, drills, wires, coins or tokens attached to strings or wires, or
19 electronic or magnetic devices, to facilitate the alignment of any winning
20 combination or removing from any slot machine any money or other
21 contents thereof.

22 c. It shall be unlawful for any person knowingly to possess or use
23 while on the premises of a licensed casino, any cheating or thieving
24 device, including but not limited to tools, wires, drills, coins attached to
25 strings or wires or electronic or magnetic devices to facilitate removing
26 from any slot machine any money or contents thereof, except that a duly
27 authorized employee of a licensed casino may possess and use any of the
28 foregoing only in furtherance of his employment in the casino.

29 d. t shall be unlawful for any person knowingly to possess or use while
30 on the premises of any licensed casino or simulcasting facility any key or
31 device designed for the purpose of or suitable for opening or entering any
32 slot machine or similar gaming device or drop box, except that a duly
33 authorized employee of a licensed casino, of a company authorized to
34 conduct casino simulcasting, or of the **[commission]** division may possess
35 and use any of the foregoing only in furtherance of his employment.

36 e. Any person who violates this section is guilty of a crime of the
37 fourth degree and notwithstanding the provisions of N.J.S.2C:43-3 shall
38 be subject to a fine of not more than **[\$25,000.00]** \$50,000, and in the
39 case of a person other than a natural person, to a fine of not more than
40 **[\$100,000.00]** \$200,000 and any other appropriate disposition authorized
41 by subsection b. of N.J.S.2C:43-2.

42 (cf: P.L.1993, c.292, s.29)

43
44 84. Section 5 of P.L.1980, c.69 (C.5:12-117.1) is amended to read as
45 follows:

46 5. a. No applicant or person or organization licensed by or registered
47 with the commission or division shall employ or offer to employ any
48 person who is prohibited from accepting employment from a licensee or

1 applicant or any holding or intermediary company under section 4 of
2 P.L.1981, c.142 (C.52:13D-17.2).

3 b. An applicant or person or organization who violates the provisions
4 of this section is guilty of a crime of the fourth degree.
5 (cf: P.L.1987,c.410, s.11)

6
7 85. Section 118 of P.L.1977, c.110 (C.5:12-118) is amended to read as
8 follows:

9 118. Regulations Requiring Exclusion or Rejection of Certain Persons
10 from Licensed Casinos; Unlawful Entry by Person Whose Name Has Been
11 Placed on List; Penalty. Any person whose name is on the list of persons
12 promulgated by the **[commission]** division pursuant to the provisions of
13 section 71 of this act, P.L.1977, c.110 (C.5:12-71), who knowingly enters
14 the premises of a licensed casino is guilty of a crime of the fourth degree.
15 (cf: P.L.2002, c.65, s.29)

16
17 86. Section 121 of P.L.1977, c.110 (C.5:12-121) is amended to read as
18 follows:

19 121. Authority of Gaming Licensee and Agents to Detain or Question
20 Persons; Immunity from Liability; Posted Notice Required.

21 a. Any licensee or its officers, employees or agents may question any
22 individual in the casino or simulcasting facility or elsewhere in the
23 establishment who is reasonably suspected of violating any of the
24 provisions of sections 113 through 116 of P.L.1977, c.110 (C.5:12-113
25 through 116), section 46 of P.L.1991, c.182 (C.5:12-113.1), section 118 of
26 P.L.1977, c.110 (C.5:12-118), section 119 of P.L.1977, c.110 (C.5:12-
27 119) or R.S.33:1-81 pursuant to subsection d. of section 103 of P.L.1977,
28 c.110 (C.5:12-103). No licensee or its officers, employees or agents shall
29 be criminally or civilly liable by reason of any such questioning.

30 b. Any licensee or its officers, employees or agents who shall have
31 probable cause for believing there has been a violation of sections 113
32 through 116 of P.L.1977, c.110 (C.5:12-113 through 116), section 46 of
33 P.L.1991, c.182 (C.5:12-113.1), section 118 of P.L.1977, c.110 (C.5:12-
34 118), section 119 of P.L.1977, c.110 (C.5:12-119) or R.S.33:1-81 pursuant
35 to subsection d. of section 103 of P.L.1977, c.110 (C.5:12-103) in the
36 casino or simulcasting facility by any person may refuse to permit such
37 person to continue gaming or wagering or may take such person into
38 custody and detain him in the establishment in a reasonable manner for a
39 reasonable length of time, for the purpose of notifying law enforcement
40 **[or commission]** authorities. Such refusal or taking into custody and
41 detention shall not render such licensee or its officers, employees or
42 agents criminally or civilly liable for false arrest, false imprisonment,
43 slander or unlawful detention, unless such refusal or such taking into
44 custody or detention is unreasonable under all of the circumstances.

45 c. No licensee or its officers, employees or agents shall be entitled to
46 any immunity from civil or criminal liability provided in this section
47 unless there is displayed in a conspicuous manner in the casino and, if
48 applicable, the simulcasting facility a notice in bold face type clearly
49 legible and in substantially this form:

1 "Any gaming licensee or officer, employee or agent thereof who has
2 probable cause for believing that any person is violating any of the
3 provisions of the Casino Control Act prohibiting cheating or swindling in
4 gaming or simulcast wagering, underage gambling, underage drinking, the
5 unauthorized presence on the casino floor or simulcasting facility by an
6 underage person, or the presence in the casino establishment of a person
7 excluded pursuant to the provisions of section 71 of P.L.1977, c.110
8 (C.5:12-71), may detain such person in the establishment for the purpose
9 of notifying law enforcement **[or Casino Control Commission]**
10 authorities."

11 (cf: P.L.2009, c.36, s.22)

12

13 87. Section 129 of P.L.1977, c.110 (C.5:12-129) is amended to read as
14 follows:

15 129. Supplemental Sanctions.

16 a. In addition to any penalty, fine or term of imprisonment authorized
17 by law, the **[commission]** division shall, after appropriate hearings and
18 factual determinations, have the authority to impose the following
19 sanctions upon any person licensed or registered pursuant to this act:

20 (1) Revoke the license or registration of any person for the conviction
21 of any criminal offense under this act or for the commission of any other
22 offense or violation of this act which would disqualify such person from
23 holding his license or registration;

24 (2) Revoke the license or registration of any person for willfully and
25 knowingly violating an order of the **[commission]** division directed to
26 such person;

27 (3) Suspend the license or registration of any person pending hearing
28 and determination, in any case in which license or registration revocation
29 could result;

30 (4) Suspend the operation certificate of any casino licensee for
31 violation of any provisions of this act or regulations promulgated
32 hereunder relating to the operation of its casino or, if applicable, its
33 simulcasting facility, or both, including games, internal and accountancy
34 controls and security;

35 (5) Assess such civil penalties as may be necessary to punish
36 misconduct and to deter future violations, which penalties may not exceed
37 **[\$10,000.00]** \$20,000 in the case of any individual licensee or registrant,
38 except that in the case of a casino licensee the penalty may not exceed
39 **[\$50,000.00]** \$100,000;

40 (6) Order restitution of any moneys or property unlawfully obtained or
41 retained by a licensee or registrant;

42 (7) Enter a cease and desist order which specifies the conduct which is
43 to be discontinued, altered or implemented by the licensee or registrant;

44 (8) Issue letters of reprimand or censure, which letters shall be made a
45 permanent part of the file of each licensee or registrant so sanctioned; or

46 (9) Impose any or all of the foregoing sanctions in combination with
47 each other.

1 b. The division's imposition of any fine, penalty, or sanction pursuant
2 to this section shall be appealable to the commission, except that in no
3 case shall the division's decision to enter into a settlement agreement
4 which results in the imposition of a fine, penalty, sanction or any
5 combination thereof be subject to review by the commission.

6 (cf: P.L.1993, c.292, s.32)

7
8 88. Section 130 of P.L.1977, c.110 (C.5:12-130) is amended to read as
9 follows:

10 130. In considering appropriate sanctions in a particular case, the
11 **【commission】** division shall consider:

12 a. The risk to the public and to the integrity of gaming operations
13 created by the conduct of the licensee or registrant;

14 b. The seriousness of the conduct of the licensee or registrant, and
15 whether the conduct was purposeful and with knowledge that it was in
16 contravention of the provisions of this act or regulations promulgated
17 hereunder;

18 c. Any justification or excuse for such conduct by the licensee or
19 registrant;

20 d. The prior history of the particular license or registrant involved with
21 respect to gaming activity;

22 e. The corrective action taken by the licensee or registrant to prevent
23 future misconduct of a like nature from occurring; and

24 f. In the case of a monetary penalty, the amount of the penalty in
25 relation to the severity of the misconduct and the financial means of the
26 licensee or registrant. The **【commission】** division may impose any
27 schedule or terms of payment of such penalty as it may deem appropriate.

28 g. It shall be no defense to disciplinary action before the **【commission】**
29 division that an applicant, licensee, registrant, intermediary company, or
30 holding company inadvertently, unintentionally, or unknowingly violated
31 a provision of this act. Such factors shall only go to the degree of the
32 penalty to be imposed by the **【commission】** division, and not to a finding
33 of a violation itself.

34 (cf: P.L.1981, c.503, s.21)

35
36 89. Section 31 of P.L.1978, c.7 (C.5:12-130.1) is amended to read as
37 follows:

38 31. Institution of Conservatorship and Appointment of Conservators.

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

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

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

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

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

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

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

32 (cf: P.L.1991, c.182, s.54)

33
34 90. Section 133 of P.L.1977, c.110 (C.5:12-133) is amended to read as
35 follows:

36 133. a. If any clause, sentence, subparagraph, paragraph, subsection,
37 section, article or other portion of this act or the application thereof to any
38 person or circumstances shall be held to be invalid, such holding shall not
39 affect, impair or invalidate the remainder of this act or the application of
40 such portion held invalid to any other person or circumstances, but shall
41 be confined in its operation to the clause, sentence, paragraph,
42 subparagraph, subsection, section, article or other portion thereof directly
43 involved in such holding or to the person or circumstance therein
44 involved.

45 b. If any provision of this act is inconsistent with, in conflict with, or
46 contrary to any other provision of law, such provision of this act shall
47 prevail over such other provision and such other provision shall be
48 deemed to be amended, superseded or repealed to the extent of such
49 inconsistency or conflict. Notwithstanding the provisions of any other law

1 to the contrary, no local government unit of this State may enact or
2 enforce any ordinance or resolution conflicting with any provision of this
3 act or with any policy of this State expressed or implied herein, whether
4 by exclusion or inclusion. The commission shall have exclusive
5 jurisdiction over all matters delegated to it or within the scope of its
6 powers under the provisions of this act, and the division shall have
7 exclusive jurisdiction over all matters delegated to it or within the scope
8 of its powers under the provisions of this act.

9 (cf: P.L.1977, c.110, s.133)

10

11 91. Section 134 of P.L.1977, c.110 (C.5:12-134) is amended to read as
12 follows:

13 134. a. Each applicant at the time of submitting architectural plans or
14 site plans to the **[commission]** division for approval of proposed
15 construction, renovation or reconstruction of any structure or facility to be
16 used as an approved hotel or casino shall accompany same with a written
17 guaranty that all contracts and subcontracts to be awarded in connection
18 therewith shall contain appropriate provisions by which contractors and
19 subcontractors or their assignees agree to afford an equal employment
20 opportunity to all prospective employees and to all actual employees to be
21 employed by the contractor or subcontractor in accordance with an
22 affirmative action program approved by the **[commission]** division and
23 consonant with the provisions of the "Law Against Discrimination,"
24 P.L.1945, c.169 (C.10:5-1 et seq.). On and after the effective date of this
25 amendatory act an applicant shall also be required to demonstrate that
26 equal employment opportunities in accordance with the aforesaid
27 affirmative-action program in compliance with P.L.1945, c.169 have been
28 afforded to all prospective employees and to all actual employees
29 employed by a contractor or subcontractor in connection with the actual
30 construction, renovation or reconstruction of any structure or facility to be
31 used as an approved hotel or casino prior to submission of architectural
32 plans or site plans to the commission.

33 b. No license shall be issued by the commission to any applicant,
34 including a casino service industry enterprise as defined in section 12 of
35 this act, who has not agreed to afford an equal employment opportunity to
36 all prospective employees in accordance with an affirmative-action
37 program approved by the commission and consonant with the provisions
38 of the "Law Against Discrimination," P.L.1945, c.169 (C.10:5-1 et seq.).

39 c. Each applicant shall formulate for **[commission]** division approval
40 and abide by an affirmative-action program of equal opportunity whereby
41 the applicant guarantees to provide equal employment opportunity to
42 rehabilitated offenders eligible under sections 90 and 91 of this act and
43 members of minority groups qualified for licensure in all employment
44 categories, including a person with a disability, in accordance with the
45 provisions of the "Law Against Discrimination," P.L.1945, c.169 (C.10:5-
46 1 et seq.), except in the case of the mentally handicapped, if it can be
47 clearly shown that such disability would prevent such person from
48 performing a particular job.

1 d. Any license issued by the commission in violation of this section
2 shall be null and void.

3 (cf: P.L.2009, c.36, s.23)

4

5 92. Section 135 of P.L.1977, c.110 (C.5:12-135) is amended to read as
6 follows:

7 135. The **[commission]** division, in addition to and without limitation
8 of other powers which it may have by law, shall have the following
9 powers:

10 a. To investigate and determine the percentage of population of
11 minority groups in the State or in areas thereof from which the work force
12 for the licensee is or may be drawn;

13 b. To establish and promulgate such percentages as guidelines in
14 determining the adequacy of affirmative-action programs submitted for
15 approval pursuant to the provisions of section 134 of this act;

16 c. To impose such sanctions as may be necessary to accomplish the
17 objectives of section 134;

18 d. To refer to the Attorney General or his designee circumstances
19 which may constitute violation of the "Law Against Discrimination,"
20 P.L.1945, c.169 (C.10:5-1 et seq.);

21 e. To enforce in a court of law the provisions of section 134 or to join
22 in or assist any enforcement proceeding initiated by any aggrieved person;
23 and

24 f. To require the designation by a licensee of an equal employment
25 officer to enforce the provisions of section 134 and this section and the
26 regulations promulgated hereunder.

27 (cf: P.L.1977, c.110, s.135)

28

29 93. Section 136 of P.L.1977, c.110 (C.5:12-136) is amended to read as
30 follows:

31 136. All hotels and other facilities of a casino licensee, which are
32 public accommodations and are subject to the regulatory powers of the
33 **[commission]** division under this act, shall be constructed or renovated to
34 conform with the provisions of P.L.1971, c.269, as amended and
35 supplemented (C.52:32-4 et seq.) relating to barrier-free design for
36 providing facilities for the physically handicapped in public buildings,
37 and the rules, regulations and codes thereunder promulgated.

38 (cf: P.L.1977, c.110, s.136)

39

40 94. Section 139 of P.L.1977, c.110 (C.5:12-139) is amended to read as
41 follows:

42 139. Casino License Fees.

43 a. The **[commission]** division shall, by regulation, establish **[annual]**
44 fees for the issuance **[or renewal]** of casino licenses. The issuance fee
45 shall be based upon the cost of investigation and consideration of the
46 license application and shall be not less than \$200,000.00. **[The renewal**
47 **fee shall be based upon the cost of maintaining control and regulatory**
48 **activities contemplated by this act and shall be not less than \$100,000.00**

1 for a one-year casino license and \$200,000.00 for a four-year casino
2 license.】

3 b. The Attorney General shall certify 【to the commission】 actual and
4 prospective costs of the investigative and enforcement functions of the
5 division, which costs shall be the basis, together with the operating
6 expenses of the commission, for the establishment of annual license
7 issuance and renewal fees.

8 c. A nonrefundable deposit of at least \$100,000.00 shall be required to
9 be posted with each application for a casino license and shall be applied to
10 the initial license fee if the application is approved.

11 (cf: P.L.1995, c.18, s.41)

12

13 95. Section 141 of P.L.1977, c.110 (C.5:12-141) is amended to read as
14 follows:

15 141. Fees for Other Than Casino Licenses. The 【commission】
16 division shall, by regulation, establish fees for the investigation and
17 consideration of applications for the issuance and renewal of registrations
18 and licenses other than casino licenses, which fees shall be payable by the
19 applicant, licensee or registrant.

20 (cf: P.L.1987, c.354, s.20)

21

22 96. Section 31 of P.L.2002, c.65 (C.5:12-141.1) is amended to read as
23 follows:

24 31. Fees to Recoup Costs of the Division or Commission. The
25 【commission】 division may, by regulation, establish fees to recoup the
26 costs of services, equipment or other expenses that are rendered, utilized
27 or incurred by the division or commission, including any unusual or out of
28 pocket expenses directly related thereto, in response to requests arising
29 under P.L.1977, c.110 (C.5:12-1 et seq.) that are unrelated to the
30 investigation or consideration of the issuance or renewal of a registration
31 or license.

32 (cf: P.L.2002, c.65, s.31)

33

34 97. Section 24 of P.L.2009, c.36 (C.5:12-141.2) is amended as follows:

35 24. Expiration of gaming-related obligations owed to patrons; date of
36 expiration; payment to Casino Revenue Fund.

37 a. Whenever a casino licensee owes a patron a specific amount of
38 money as the result of a gaming transaction which remains unpaid due to
39 the failure of the patron to claim the money or redeem a representation of
40 the debt issued in a form approved by the commission, regardless of
41 whether the identity of the patron is known, the casino licensee shall
42 maintain a record of the obligation in accordance with the rules of the
43 【commission】 division.

44 b. If the patron does not claim the money or redeem the
45 representation of debt within one year of the date of the transaction, which
46 date shall be established in accordance with the rules of the 【commission】
47 division, the obligation of the casino licensee to pay the patron shall
48 expire, and 25% of the money or the value of the debt shall be paid to the

1 Casino Revenue Fund by the casino licensee, and the remaining 75% shall
2 be retained by the casino licensee, provided the licensee uses the full
3 amount for marketing purposes. Notwithstanding the foregoing, if the
4 obligation was incurred or the representation of debt was issued prior to
5 the effective date of this act, P.L.2009, c.36, the obligation of the casino
6 licensee to pay the patron shall expire one year after such effective date, at
7 which time 50% of the money or the value of the debt shall be paid to the
8 Casino Revenue Fund, subject to a credit for the payment required to be
9 made to that fund on or before June 30, 2009 by the casino licensee
10 pursuant to subsection c. of this section, and 50% shall be retained by the
11 casino licensee.

12 c. Each casino licensee shall, on or before June 30, 2009, make a
13 payment to the Casino Revenue Fund in an amount equal to 25% of the
14 value of the money or debt owed to its patrons as a result of gaming
15 transactions that occurred more than one year prior to the effective date of
16 this act, P.L.2009, c.36. This payment shall be credited towards the total
17 obligation of the casino licensee to make payments to the Casino Revenue
18 Fund in an amount equal to 50% of the value of expired gaming related
19 obligations pursuant to subsection b. of this section.

20 (cf: P.L.2009, c.36, s.24)

21

22 98. Section 143 of P.L.1977, c.110 (C.5:12-143) is amended to read as
23 follows:

24 143. a. There is hereby created and established in the Department of the
25 Treasury a separate special account to be known as the "Casino Control
26 Fund," into which shall be deposited all license fee revenues imposed by
27 sections 94, 139, 140, 141, and 142 of this act.

28 b. Moneys in the Casino Control Fund shall be appropriated,
29 notwithstanding the provisions of P.L.1976, c.67 (C.52:9H-5 et seq.),
30 exclusively for the operating expenses of the commission and the
31 division.

32 (cf: P.L.1977, c.110, s.143)

33

34 99. Section 144 of P.L.1977, c.110 (C.5:12-144) is amended to read as
35 follows:

36 144. a. There is hereby imposed an annual tax on gross revenues as
37 defined in section 24 of this act in the amount of 8% of such gross
38 revenues.

39 b. Commencing with the first annual tax return of a licensee for any
40 calendar year beginning after December 31, 1978, and ending before
41 January 1, 1984 and based upon a determination that in said return or any
42 annual return for a calendar year during that period the gross revenue of a
43 licensee in the calendar year upon which the tax is based exceeds the
44 cumulative investments in this State of said licensee as of that year, such
45 licensee shall make investments in an amount not less than 2% of the
46 gross revenue for said calendar year within a period of five years from the
47 end of said calendar year. Fifty percent of the investments required by
48 this subsection as a result of any of the three annual tax returns
49 commencing with the first annual tax return for any calendar year

1 beginning after December 31, 1978 shall be made in the municipality in
2 which the licensed premises are located, and 50% of such investments
3 shall be made in any other municipality of this State. Twenty-five percent
4 of the investments required by this subsection as a result of any annual tax
5 return subsequent to the third such return in a series of returns the first of
6 which is for a calendar year beginning after December 31, 1978 shall be
7 made in the municipality in which the licensed premises are located, and
8 75% shall be made in any other municipality of this State.

9 All investments and cumulative investments made pursuant to this
10 subsection shall be subject to a determination by the [commission]
11 division as to the eligibility of such investments. In determining
12 eligibility, the [commission] division shall consider the public interest,
13 including the social and economic benefits to be derived from such
14 investments for the people of this State.

15 c. For the purposes of this section, "investments" means equity
16 investments in land and real property on which improvements are made
17 and in real property improvements. For the purposes of this section,
18 "cumulative investments" means investments in and debt financing of the
19 licensed premises, plus other investments in and debt financing of land
20 and real property on which improvements are made and real property
21 improvements; provided, however, that the investments and debt
22 financing not associated with the licensed premises have been subsequent
23 to July 6, 1976. Real property and real property improvements sold or
24 otherwise disposed of by the licensee shall not be included for the
25 purposes of determining cumulative investments.

26 d. For the purposes of satisfying the amount of investments in any
27 given year and of determining cumulative investments as of any given
28 year, pursuant to subsection b., contributions of money or realty shall be
29 included if the [commission] division determines that such contributions
30 best serve the public interest and either (1) directly relate to the
31 improvement, furtherance, and promotion of the tourist industry in this
32 State through the planning, acquisition, construction, improvement,
33 maintenance and operation of recreational, entertainment, and other
34 facilities for the public, including, without limitation, a performing arts
35 center, the beaches and shorefront of this State, and transportation
36 facilities providing or enhancing service in resort areas of this State, or
37 (2) directly relate to the improvement, furtherance, and promotion of the
38 health and wellbeing of the people of this State through the planning,
39 acquisition, construction, improvement, maintenance, and operation of a
40 facility, project or program approved by the [commission] division.

41 e. In the event that the investments required in subsection b. of this
42 section are not made within the time set forth herein, there shall be
43 imposed an investment alternative tax in an amount equivalent to 2% of
44 gross revenue, which tax shall be added to the tax determined under
45 subsection a. of this section and shall be due and payable in accordance
46 with section 148 of P.L.1977, c.110 (C.5:12-148). For the purposes of
47 determining whether the investment alternative tax shall be paid, the State
48 Treasurer shall certify, under such rules and regulations as he shall

1 promulgate consistent with the provisions of this article, the amount of
2 cumulative investments made by each licensee. In the event of the sale or
3 other disposition of the licensed premises, any investment obligation
4 imposed by subsection b. which is not satisfied shall be immediately
5 deemed due and payable as investment alternative tax, and said amount
6 shall constitute a lien upon the licensed premises until paid, together with
7 interest at the rate specified in the "State Tax Uniform Procedure Law,"
8 Subtitle 9 of Title 54 of the Revised Statutes; provided, however, that the
9 appointment of a conservator under section 31 of P.L.1978, c.7, shall not
10 constitute a sale or other disposition of the licensed premises within the
11 meaning of this subsection, and provided further, that if, in the judgment
12 of the **【commission】** division, a sale or other disposition does not
13 significantly affect the operations of a casino licensee with respect to such
14 premises, the **【commission】** division may permit the investment
15 obligation imposed on such licensee to continue under such conditions as
16 the **【commission】** division may deem appropriate.

17 f. The **【commission】** division shall promulgate rules and regulations
18 consistent with the provisions of this article as to the eligibility of the
19 investments and cumulative investments required by this section.

20 g. The Casino Reinvestment Development Authority shall,
21 simultaneous with the initial exercise of its general powers and
22 responsibilities pursuant to section 39 of P.L.1984, c.218, assume and
23 exercise all powers and responsibilities and make all determinations
24 necessary to the administration of subsections b. through f. of section 144
25 of P.L.1977, c.110 (C.5:12-144) theretofore exercised or made by the
26 **【commission】** division, including the resolution of all matters then
27 pending before the **【commission】** division. Subsequent to the initial
28 exercise of its general powers and responsibilities by the Casino
29 Reinvestment Development Authority, the **【commission】** division shall
30 make no further determinations of eligibility under this section except as
31 may be necessary to enable a licensee to satisfy an investment obligation
32 which is due in calendar year 1984, and shall have no further
33 responsibility for planning or redevelopment activity with regard to the
34 use of reinvestment funds generated by either subsections b. through f. of
35 section 144 of P.L.1977, c.110 (C.5:12-144) or subsection b. of section 3
36 of P.L.1984, c.218 (C.5:12-144.1). All determinations **【of the**
37 **commission】** made in accordance with this section shall be final and
38 subject only to alteration by a decision of a court.

39 h. Notwithstanding any other provision of this section to the contrary,
40 any investment required by this section which has not been commenced
41 by a licensee as of the effective date of this 1984 amendatory and
42 supplementary act, other than an investment which is necessary to enable
43 a licensee to satisfy an investment obligation which is due in calendar
44 year 1984, may only be satisfied through the purchase of bonds of the
45 Casino Reinvestment Development Authority issued pursuant to sections
46 14 and 15 of P.L.1984, c.218 (C.5:12-162, 5:12-163), except that the date
47 by which the investment shall be made, and the amount of the investment

1 or investment alternative tax obligation, shall be that set forth in
2 subsections b. and e. of this section.

3 Notwithstanding the provisions of subsections b. and c. of this section,
4 any investment obligation which is due in calendar year 1984 which has
5 not been commenced or satisfied by December 31, 1984 may, at the
6 option of the licensee and with the approval of the **【Casino Control**
7 **Commission】** division, and in lieu of or in addition to making any other
8 investment or contribution authorized by this section, be satisfied
9 subsequent thereto by the purchase, or the agreement to make a purchase,
10 of bonds of the Casino Reinvestment Development Authority. Any
11 licensee desiring to exercise this option, with the approval of the **【Casino**
12 **Control Commission】** division, shall transfer and entrust the necessary
13 amount to the State Treasurer, who shall maintain the funds until the
14 initial exercise by the Casino Reinvestment Development Authority of its
15 general powers and responsibilities pursuant to section 39 of P.L.1984,
16 c.218. Immediately subsequent to the initial exercise of its general powers
17 and responsibilities by the Casino Reinvestment Development Authority,
18 the State Treasurer shall transfer any such entrusted funds to the Casino
19 Reinvestment Development Authority for the purchase of bonds by the
20 licensee in amounts equivalent to the amount of the funds deposited by the
21 licensee with the State Treasurer. Until he transfers the funds to the
22 Casino Reinvestment Development Authority, the State Treasurer shall be
23 authorized to invest and reinvest such funds through the Director of the
24 Division of Investment, who shall make such investments in accordance
25 with written directions of the State Treasurer, without regard to any other
26 law relating to investments by the Director of the Division of Investment.
27 Any interest earned on the funds while they are entrusted to the State
28 Treasurer shall accrue to the licensee and the Casino Reinvestment
29 Development Authority in the same proportion as if the funds were held
30 and invested by the Casino Reinvestment Development Authority pursuant
31 to subsection m. of section 13 of P.L.1984, c.218 (C.5:12-161).

32 The proceeds of all bond purchases made pursuant to this subsection
33 shall be used exclusively to finance the rehabilitation, development, or
34 construction of housing facilities in the city of Atlantic City for persons
35 or families of low through middle income in accordance with the
36 provisions of subsection f. of section 3 of P.L.1984, c.218 (C.5:12-144.1).

37 i. If a licensee has incurred an investment obligation which requires
38 bonds to be purchased pursuant to the provisions of subsection h. of this
39 section and the licensee purchases bonds of the Casino Reinvestment
40 Development Authority issued pursuant to sections 14 and 15 of
41 P.L.1984, c.218 (C.5:12-162, 5:12-163) in satisfaction of that obligation
42 no later than six months after the adoption by the Casino Reinvestment
43 Development Authority of rules and regulations pursuant to subsection j.
44 of section 3 of P.L.1984, c.218 (C.5:12-144.1), the licensee shall be
45 entitled to a reduction of its investment obligation in an amount
46 determined by the Casino Reinvestment Development Authority, taking
47 into account a current market discount rate from the date of the purchase
48 to the date the purchase would have been required to be made. Any

1 purchase of bonds made pursuant to this subsection shall first be used to
2 satisfy the licensee's most recently incurred investment obligation. That
3 purchase of bonds shall not constitute a credit against the tax provided for
4 in subsection a. of section 3 of this 1984 amendatory and supplementary
5 act.

6 (cf: P.L.1984, c.218, s.2)

7

8 100. Section 3 of P.L.1984, c.218 (C.5:12-144.1) is amended to read as
9 follows:

10 3. a. (1) Commencing with the first annual tax return of a licensee for
11 any calendar year beginning after December 31, 1983, there is imposed an
12 investment alternative tax on the gross revenues as defined in section 24
13 of P.L.1977, c.110 (C.5:12-24) of the licensee in the amount of 2.5% of
14 those gross revenues. The tax imposed with respect to each calendar year
15 shall be due and payable on the last day of April next following the end of
16 the calendar year. The State Treasurer shall have a lien against the
17 property constituting the casino of a licensee for the amount of any tax not
18 paid when due. No tax shall be imposed, however, on the gross revenues
19 received by a licensee during the first 12 months of the operation of any
20 casino that commences operation after January 1, 1984, but prior to the
21 effective date of this act, P.L.1996, c.118 (C.5:12-173.3a et al.).

22 (2) A licensee shall pay to the State Treasurer on or before the 15th
23 day of the first, fourth, seventh, and 10th months of each year as partial
24 payment of the investment alternative tax imposed pursuant to paragraph
25 (1) of this subsection an amount equal to 1.25% of the estimated gross
26 revenues for the three-month period immediately preceding the first day of
27 those months. The moneys received shall be placed in an escrow account
28 and shall be held until the licensee directs that the moneys be transferred
29 to the Casino Reinvestment Development Authority for the purchase of
30 bonds issued by or offered through the Casino Reinvestment Development
31 Authority or pursuant to a contract for such a purchase, be made available
32 to the licensee for a direct investment approved by the authority, or be
33 transferred to the Casino Revenue Fund as partial payment of the
34 investment alternative tax imposed pursuant to paragraph (1) of this
35 subsection. Any interest derived from the moneys in the escrow account
36 shall be paid or made available to the Casino Revenue Fund. If a licensee
37 fails to pay the amount due or underpays by an unjustifiable amount, the
38 **[Casino Control Commission]** division shall impose a fine of 5% of the
39 amount due or of the underpayment, as the case may be, for each month or
40 portion thereof the licensee is in default of payment, up to 25% of the
41 amount in default. Any fine imposed shall be paid to the Casino
42 Reinvestment Development Authority and shall be used for the purposes
43 of this 1984 amendatory and supplementary act.

44 b. Each licensee shall be entitled to an investment tax credit against
45 the tax imposed by subsection a. of this section, provided the licensee
46 shall pay over the moneys required pursuant to section 5 of P.L.1993,
47 c.159 (C.5:12-173.5): (1) for the first 10 years of a licensee's tax
48 obligation, in an amount equal to twice the purchase price of bonds issued
49 by the Casino Reinvestment Development Authority pursuant to sections

1 14 and 15 of this 1984 amendatory and supplementary act, purchased by
2 the licensee, or twice the amount of the investments authorized in lieu
3 thereof, and (2) for the remainder of a licensee's tax obligation, in an
4 amount equal to twice the purchase price of bonds issued by the Casino
5 Reinvestment Development Authority pursuant to sections 14 and 15 of
6 this 1984 amendatory and supplementary act, purchased by the licensee,
7 or twice the amount of the investments authorized in lieu thereof, and
8 twice the amount of investments made by a licensee in other approved
9 eligible investments made pursuant to section 25 of this act. The Casino
10 Reinvestment Development Authority shall have the power to enter into a
11 contract or contracts with a licensee pursuant to which the Casino
12 Reinvestment Development Authority agrees to issue and sell bonds to the
13 licensee, and the licensee agrees to purchase the bonds issued by or
14 offered through the Casino Reinvestment Development Authority, in
15 annual purchase price amounts as will constitute a credit against at least
16 50% of the tax to become due in any future year or years. The contract
17 may contain those terms and conditions relating to the terms of the bonds
18 and to the issuance and sale of the bonds to the licensee as the Casino
19 Reinvestment Development Authority shall deem necessary or desirable.
20 The contract shall not be deemed to be in violation of section 104 of
21 P.L.1977, c.110 (C.5:12-104). After the first 10 years of a licensee's
22 investment alternative tax obligation, a licensee will have the option of
23 entering into a contract with the Casino Reinvestment Development
24 Authority to have its tax credit comprised of direct investments in
25 approved eligible projects. These direct investments shall not comprise
26 more than 50% of a licensee's eligible tax credit in any one year.

27 The entering of a contract pursuant to this section shall be sufficient to
28 entitle a licensee to an investment tax credit for the appropriate tax year.

29 c. A contract entered into between a licensee and the Casino
30 Reinvestment Development Authority may provide for a deferral of
31 payment for and delivery of bonds required to be purchased and for a
32 deferral from making approved eligible investments in any year, but no
33 deferral shall occur more than two years consecutively. A deferral of
34 payment for any bonds required to be purchased by a licensee and a
35 deferral from making approved eligible investments may be granted by the
36 Casino Reinvestment Development Authority only upon a determination
37 by the **【Casino Control Commission】** Division of Gaming Enforcement
38 that purchase of these bonds or making approved eligible investments
39 would cause extreme financial hardship to the licensee and a
40 determination by the Casino Reinvestment Development Authority that
41 the deferral of the payment would not violate any covenant or agreement
42 or impair any financial obligation of the Casino Reinvestment
43 Development Authority. The contract may establish a late payment
44 charge to be paid in the event of deferral or other late payment at a rate as
45 shall be agreed to by the Casino Reinvestment Development Authority. If
46 a deferral of purchase or investment is granted, the licensee shall be
47 deemed to have made the purchase or investment at the time required by
48 the contract, except that if the purchase is not made at the time to which
49 the purchase or investment was deferred, then the licensee shall be

1 deemed not to have made the purchase or investment. The **【Casino**
2 **Control Commission】** Division of Gaming Enforcement shall adopt
3 regulations establishing a uniform definition of extreme financial hardship
4 applicable to all these contracts. If a licensee petitions the Casino
5 Reinvestment Development Authority for a deferral, the Casino
6 Reinvestment Development Authority shall give notice of that petition to
7 the **【Casino Control Commission and to the】** Division of Gaming
8 Enforcement within three days of the filing of the petition. The **【Casino**
9 **Control Commission】** Division of Gaming Enforcement shall render a
10 decision within 60 days of notice as to whether the licensee has
11 established extreme financial hardship**【, after consultation with the**
12 **Division of Gaming Enforcement】**. The Casino Reinvestment
13 Development Authority shall render a decision as to the availability of the
14 deferral within 10 days of the receipt by it of the decision of the **【Casino**
15 **Control Commission】** Division of Gaming Enforcement and shall notify
16 the Division of Gaming Enforcement **【and the Casino Control**
17 **Commission】** of that decision. If a deferral is granted, the Casino
18 Reinvestment Development Authority may determine whether the
19 purchases or investments shall be made in a lump sum, made over a period
20 of years, or whether the period of obligation shall be extended an
21 additional period of time equivalent to the period of time deferred.

22 d. The license of any licensee which has defaulted in its obligation to
23 make any purchase of bonds or investment in any approved eligible
24 project under a contract entered into pursuant to subsection b. of this
25 section for a period of 90 days may be suspended by the Casino Control
26 Commission upon report and recommendation of the division until that
27 purchase is made or deferred in accordance with subsection b. of this
28 section, or a fine or other penalty may be imposed upon the licensee by
29 the commission. If the Casino Control Commission elects not to suspend
30 the license of a licensee after the licensee has first defaulted in its
31 obligation **【but】** the division may instead **【imposes】** impose some lesser
32 penalty **【and】**. In such event, if the licensee continues to be in default of
33 its obligation after a period of 30 additional days and after any additional
34 30-day period, the **【commission】** division may impose another fine or
35 penalty upon the licensee, **【which】** and may **【include suspension of】**
36 again recommend that the commission suspend that licensee's license.
37 The fine shall be 5% of the amount of the obligation owed for each month
38 or portion thereof a licensee is in default, up to 25% of that obligation;
39 shall be paid to the Casino Reinvestment Development Authority; and
40 shall be used for the purposes of this 1984 amendatory and supplementary
41 act.

42 e. A contract entered into by a licensee and the Casino Reinvestment
43 Development Authority pursuant to subsection b. of this section may
44 provide that after the first 10 years of a licensee's investment alternative
45 tax obligation imposed by subsection a. of this section, the Casino
46 Reinvestment Development Authority may repurchase bonds previously
47 sold to the licensee, which were issued after the 10th year of a licensee's

1 investment alternative tax obligation, by the Casino Reinvestment
 2 Development Authority, if the Casino Reinvestment Development
 3 Authority determines that the repurchase will not violate any agreement or
 4 covenant or impair any financial obligation of the Casino Reinvestment
 5 Development Authority and that the licensee will reinvest the proceeds of
 6 the resale in an eligible project approved by the Casino Reinvestment
 7 Development Authority.

8 f. (1) During the 50 years a licensee is obligated to pay an investment
 9 alternative tax pursuant to subsection k. of this section, the total of (a) the
 10 proceeds of all bonds purchased by a licensee from or through the Casino
 11 Reinvestment Development Authority and (b) all approved investments in
 12 eligible projects by a licensee shall be devoted to the financing of projects
 13 in the following areas and amounts:

| 14 Areas | Yrs. | Yrs. | Yrs. | Yrs. | Yrs. | Yrs. | Yrs. | Yrs. | Yrs. |
|-------------------------|------|------|------|-------|-------|-------|-------|-------|-------|
| | 1-3 | 4-5 | 6-10 | 11-15 | 16-20 | 21-25 | 26-30 | 31-35 | 36-50 |
| 15 a) Atlantic City | 100% | 90% | 80% | 50% | 30% | 20% | | | |
| 16 b) South Jersey | 8% | 12% | 28% | 43% | 45% | | 25% | 50% | |
| 17 c) North Jersey | 2% | 8% | 22% | 27% | 35% | 35% | 50% | 50% | |
| 18 d) Atlantic City | | | | | | | | | |
| 19 through the Atlantic | | | | | | | | | |
| 20 City Fund | | | | | | | 65% | 25% | |

21 except that, with respect to the obligations for calendar years 1994
 22 through 1998, the amount allocated for the financing of projects in North
 23 Jersey from each casino licensee's obligation shall be the amount allocated
 24 for calendar year 1993, and the difference between that amount and the
 25 amount to be allocated to North Jersey, on the basis of the above schedule,
 26 from each casino licensee's obligations for calendar years 1994 through
 27 1998 shall be paid into or credited to the Atlantic City Fund established by
 28 section 44 of P.L.1995, c.18 (C.5:12-161.1) and be devoted to the
 29 financing of projects in Atlantic City through that fund. For the purposes
 30 of this paragraph, "South Jersey" means the counties of Atlantic,
 31 Burlington, Camden, Cape May, Cumberland, Gloucester, Mercer, Ocean,
 32 and Salem, except that "South Jersey" shall not include the City of
 33 Atlantic City; and "North Jersey" means the remaining 12 counties of the
 34 State. For the purposes of this 1984 amendatory and supplementary act,
 35 bond "proceeds" means all funds received from the sale of bonds and any
 36 funds generated or derived therefrom.

37
 38 In the financing of projects outside Atlantic City, the Casino
 39 Reinvestment Development Authority shall give priority to the
 40 revitalization of the urban areas of this State in the ways specified in
 41 section 12 of this 1984 amendatory and supplementary act. Those areas
 42 shall include, but not be limited to, all municipalities qualifying for aid
 43 pursuant to P.L.1978, c.14 (C.52:27D-178 et seq.).

44 Within nine months from the effective date of this 1984 amendatory
 45 and supplementary act, the Casino Reinvestment Development Authority
 46 shall determine the allocation of projected available moneys to
 47 municipalities in South Jersey for the first seven years of their receipt of
 48 funds, giving priority to the revitalization of the urban areas of the region.
 49 Municipalities receiving such an allocation shall present to the Casino
 50 Reinvestment Development Authority for its approval comprehensive

1 plans or projects for which the allocations shall be used. Any such
2 comprehensive plan or project may be submitted to the Casino
3 Reinvestment Development Authority for a determination of eligibility at
4 any time prior to the year for which the funds are allocated, and the
5 Casino Reinvestment Development Authority shall make a determination
6 of eligibility of the plan or project within a reasonable amount of time. If
7 the Casino Reinvestment Development Authority makes a positive
8 determination of eligibility for any comprehensive plan or project, or
9 combination of comprehensive plans or projects, for any municipality
10 whose total cost exceeds the amount allocated to that municipality for the
11 first seven years of the receipt of funds by South Jersey municipalities, the
12 Casino Reinvestment Development Authority shall make available
13 sufficient funds in subsequent years necessary to complete those plans or
14 projects, or to complete that portion of the plan or project originally
15 agreed to be funded through the Casino Reinvestment Development
16 Authority, from funds received by the Casino Reinvestment Development
17 Authority in the years following the seventh year of the receipt of funds
18 by South Jersey municipalities. If the comprehensive plan or project is
19 determined by the Casino Reinvestment Development Authority not to be
20 an eligible plan or project, the municipality may submit any other
21 comprehensive plan or project for a determination of eligibility. If,
22 however, the municipality fails to receive a positive determination of
23 eligibility for any comprehensive plan or project, or combination of
24 comprehensive plans or projects, sufficient to exhaust the total allocation
25 to that municipality for any year prior to April 30 of the following year for
26 which the allocation was made, the allocation to that municipality for that
27 year shall cease, and the Casino Reinvestment Development Authority
28 may apply those excess funds to any other comprehensive plan or project
29 in any other municipality in the region whose comprehensive plan or
30 project has received a positive determination of eligibility by the Casino
31 Reinvestment Development Authority.

32 Within 36 months from the effective date of this 1984 amendatory and
33 supplementary act, the Casino Reinvestment Development Authority shall
34 determine the allocation of projected available moneys to municipalities in
35 North Jersey for the first five years of their receipt of funds, giving
36 priority to the revitalization of the urban areas of the region.
37 Municipalities receiving such an allocation shall present to the Casino
38 Reinvestment Development Authority for its approval comprehensive
39 plans or projects for which the allocations shall be used. Any such
40 comprehensive plan or project may be submitted to the Casino
41 Reinvestment Development Authority for a determination of eligibility at
42 any time prior to the year for which the funds are allocated, and the
43 Casino Reinvestment Development Authority shall make a determination
44 of eligibility of the plan or project within a reasonable amount of time. If
45 the Casino Reinvestment Development Authority makes a positive
46 determination of eligibility for any comprehensive plan or project, or
47 combination of comprehensive plans or projects, for any municipality
48 whose total cost exceeds the amount allocated to that municipality for the
49 first five years of the receipt of funds by North Jersey municipalities, the

1 Casino Reinvestment Development Authority shall make available
2 sufficient funds in subsequent years necessary to complete those plans or
3 projects, or to complete that portion of the plan or project originally
4 agreed to be funded through the Casino Reinvestment Development
5 Authority, from funds received by the Casino Reinvestment Development
6 Authority in the years following the fifth year of the receipt of funds by
7 North Jersey municipalities. If the comprehensive plan or project is
8 determined by the Casino Reinvestment Development Authority not to be
9 an eligible plan or project, the municipality may submit any other
10 comprehensive plan or project for a determination of eligibility. If,
11 however, the municipality fails to receive a positive determination of
12 eligibility for any comprehensive plan or project, or combination of
13 comprehensive plans or projects, sufficient to exhaust the total allocation
14 to that municipality for any year prior to April 30 of the following year for
15 which the allocation was made, the allocation to that municipality for that
16 year shall cease, and the Casino Reinvestment Development Authority
17 may apply those excess funds to any other comprehensive plan or project
18 in any other municipality in the region whose comprehensive plan or
19 project has received a positive determination of eligibility by the Casino
20 Reinvestment Development Authority.

21 (2) Commencing with the first year in which a licensee incurs a tax
22 obligation pursuant to this section, and for the period of two years
23 thereafter, 100% of the proceeds of all bonds purchased by a licensee from
24 the Casino Reinvestment Development Authority which are devoted to the
25 financing of projects in the city of Atlantic City pursuant to paragraph (1)
26 of this subsection shall be used exclusively to finance the rehabilitation,
27 development, or construction of, or to provide mortgage financing of,
28 housing facilities in the city of Atlantic City for persons or families of low
29 through middle income, as defined in this subsection. For the purposes of
30 this subsection, the "rehabilitation, development, or construction of
31 housing facilities" shall include expenses attributable to site preparation,
32 infrastructure needs and housing-related community facilities and
33 services, including supporting commercial development. Commencing
34 with the fourth year in which a licensee incurs a tax obligation pursuant to
35 this subsection, 50% of the proceeds of all bonds purchased by a licensee
36 from the Casino Reinvestment Development Authority which are devoted
37 to the financing of projects in the city of Atlantic City shall be used
38 exclusively to finance the rehabilitation, development, or construction of
39 housing facilities in the city of Atlantic City for persons or families of low
40 through middle income. Commencing with the 11th year in which a
41 licensee incurs a tax obligation pursuant to this section, 50% of the annual
42 aggregate of the proceeds of bonds purchased by a licensee from the
43 Casino Reinvestment Development Authority which are devoted to the
44 financing of projects in the city of Atlantic City and investments in
45 approved eligible projects commenced by a licensee in the city of Atlantic
46 City shall be used exclusively to finance the rehabilitation, development,
47 or construction of, or to provide mortgage financing of, housing facilities
48 in the city of Atlantic City for persons or families of low through middle
49 income.

1 (3) The Legislature finds that it is necessary to provide for a balanced
2 community and develop a comprehensive housing program. The Casino
3 Reinvestment Development Authority shall determine the need for
4 housing in the city of Atlantic City, in consultation with the city of
5 Atlantic City and specifically its zoning and planning boards. This shall
6 include determining the types and classes of housing to be constructed and
7 the number of units of each type and class of housing to be built. The
8 Casino Reinvestment Development Authority shall give priority to the
9 housing needs of the persons and their families residing in the city of
10 Atlantic City in 1983 and continuing such residency through the effective
11 date of this 1984 amendatory and supplementary act. The actual
12 percentage of the proceeds of bonds and investments in approved eligible
13 projects commenced by a licensee in the city of Atlantic City, which shall
14 be used exclusively to finance the rehabilitation, development, or
15 construction of, or to provide mortgage financing of, housing facilities in
16 the city of Atlantic City for persons or families of low through middle
17 income, shall be based upon the authority's determination of the need for
18 housing in the city of Atlantic City conducted pursuant to this subsection.
19 Once the housing needs of the persons residing in the city of Atlantic City
20 in 1983 and continuing such residency through the effective date of this
21 1984 amendatory and supplementary act have been met, as determined by
22 the Casino Reinvestment Development Authority pursuant to this
23 subsection, any required percentages for such housing in the city of
24 Atlantic City may, in its sole discretion, be waived by the Casino
25 Reinvestment Development Authority. To aid the Casino Reinvestment
26 Development Authority in making these determinations, the Casino
27 Reinvestment Development Authority shall review the proposal for a
28 housing redevelopment program and strategy for the city of Atlantic City
29 approved and adopted by the Casino Control Commission and shall give
30 priority to same and any other plan or project which is consistent with the
31 standards of this subsection and is acceptable to the Casino Reinvestment
32 Development Authority, pursuant to section 25 of this 1984 amendatory
33 and supplementary act. The Casino Reinvestment Development Authority
34 may determine whether the funds used to finance housing facilities in the
35 city of Atlantic City for persons or families of low, moderate, median
36 range, and middle income are derived from the proceeds of bonds
37 purchased by a licensee from the Casino Reinvestment Development
38 Authority to be devoted to the financing of projects in the city of Atlantic
39 City, investments in approved eligible projects commenced by a licensee
40 in the city of Atlantic City, or a combination of both. Any investment
41 made by a licensee in excess of 100% of its eligible investment tax credit
42 during the first three years and in excess of 50% thereafter in either the
43 purchase of bonds or direct investments in approved eligible projects for
44 low, moderate, median range, and middle income family housing facilities
45 in the city of Atlantic City may be carried forward and credited against the
46 licensee's obligation to make a 100% investment during the first three
47 years and 50% thereafter in low, moderate, median range, and middle
48 income family housing in any future year, with the approval of the Casino
49 Reinvestment Development Authority. For the purposes of this act, "low

1 income families" means families whose income does not exceed 50% of
2 the median income of the area, with adjustments for smaller and larger
3 families. "Moderate income families" means families whose income does
4 not exceed 80% and is not less than 50% of the median income for the
5 area, with adjustments for smaller and larger families. "Median range
6 income families" means families whose income does not exceed 120% and
7 is not less than 80% of the median income for the area, with adjustments
8 for smaller and larger families. "Middle income families" means families
9 whose income does not exceed 150% and not less than 120% of the
10 median income for the area, with adjustments for smaller and larger
11 families. "Median income" means an income defined as median within
12 the Standard Metropolitan Statistical Area for Atlantic City by the United
13 States Department of Housing and Urban Development.

14 In order to achieve a balanced community, the authority shall ensure
15 that the development of housing for families of low and moderate income
16 shall proceed at the same time as housing for families of median range and
17 middle income, until such time as there is no longer a need for such
18 facilities in the city of Atlantic City, as determined by the Casino
19 Reinvestment Development Authority.

20 (4) Notwithstanding any other law or section to the contrary,
21 particularly this subsection regarding the waiver of the required
22 percentages for housing in the city of Atlantic City, subsection I. of
23 section 14, and sections 26, 27, 28, 29, and 31 of this 1984 amendatory
24 and supplementary act, nothing shall be implemented or waived by the
25 Casino Reinvestment Development Authority which would reduce, impair,
26 or prevent the fulfillment of the priorities established and contained in this
27 subsection of this 1984 amendatory and supplementary act.

28 g. If a person is a licensee with regard to more than one approved
29 hotel pursuant to section 82 of P.L.1977, c.110 (C.5:12-82), the person
30 shall separately account for the gross revenues, the investment alternative
31 tax obligations, and the investments for a tax credit against the investment
32 alternative tax for each approved hotel, and the tax obligations of the
33 licensee under this section shall be determined separately for each
34 approved hotel. The licensee may apportion investments between its
35 approved hotels; provided that no amount of investment shall be credited
36 more than once. If a licensee receives the prior approval of the Casino
37 Reinvestment Development Authority, the licensee may make eligible
38 investments in excess of the investments necessary to receive a tax credit
39 against the investment alternative tax for a given calendar year, and the
40 licensee may carry forward this excess investment and have it credited to
41 its next investment alternative tax obligation. If the Casino Reinvestment
42 Development Authority approves of such excess investment and approves
43 the carry forward of this excess investment, and a licensee elects to
44 purchase bonds of the Casino Reinvestment Development Authority or
45 makes direct investments in approved eligible projects in excess of the
46 investments necessary to receive a tax credit against the investment
47 alternative tax for its current obligation, the licensee shall be entitled to a
48 reduction of the amount of investments necessary in future years, which
49 amount shall be determined annually by the Casino Reinvestment

1 Development Authority, taking into account a current market discount rate
2 from the date of the purchase or investment to the date the purchase or
3 investment would have been required to be made.

4 h. Each casino licensee shall prepare and file, in a form prescribed by
5 the Casino Reinvestment Development Authority, an annual return
6 reporting that financial information as shall be deemed necessary by the
7 Casino Reinvestment Development Authority to carry out the provisions
8 of this act. This return shall be filed with the Casino Reinvestment
9 Development Authority and the **【Casino Control Commission】** Division
10 of Gaming Enforcement on or before April 30 following the calendar year
11 on which the return is based. The **【Casino Control Commission】** Division
12 of Gaming Enforcement shall verify to the Casino Reinvestment
13 Development Authority the information contained in the report, to the
14 fullest extent possible. Nothing in this subsection shall be deemed to
15 affect the due dates for making any investment or paying any tax under
16 this section.

17 i. Any purchase by a licensee of bonds issued by or offered through
18 the Casino Reinvestment Development Authority pursuant to sections 14
19 and 15 of this act and subsection b. of this section and all approved
20 eligible investments made by a licensee pursuant to section 25 of this act
21 and subsection b. of this section are to be considered investments and not
22 taxes owed or grants to the State or any political subdivision thereof. As
23 such, a licensee shall have the possibility of the return of principal and a
24 return on the capital invested as with other investments. Investors in the
25 bonds issued by or offered through the Casino Reinvestment Development
26 Authority shall be provided with an opinion from a recognized financial
27 rating agency or a financial advisory firm with national standing that each
28 loan of bond proceeds by the Casino Reinvestment Development
29 Authority has the minimum characteristics of an investment, in that a
30 degree of assurance exists that interest and principal payments can be
31 made and other terms of the proposed investment be maintained over the
32 period of the investment, and that the loan of the bond proceeds would
33 qualify for a bond rating of "C" or better. If an opinion cannot be
34 obtained from a recognized financial rating agency or a financial advisory
35 firm with national standing, an opinion shall be obtained from an expert
36 financial analyst with national standing, selected and hired by the Casino
37 Reinvestment Development Authority. In order to achieve a balanced
38 portfolio, assure the viability of the authority and the projects, facilities
39 and programs undertaken pursuant to this 1984 amendatory and
40 supplementary act, no more than 25% of the total investments made by or
41 through the Casino Reinvestment Development Authority with the
42 proceeds of bonds generated in each year shall be investments which
43 would qualify for a bond rating of "C," unless all holders of obligations in
44 each year agree to waive the 25% limit for that year. Nothing herein shall
45 be interpreted as limiting the Casino Reinvestment Development
46 Authority from taking any steps it deems appropriate to protect the
47 characteristics of its investment in projects or any other investments from
48 not being real investments with a prospect for the return of principal and a
49 return on the capital invested. Anything contained in this section shall not

1 be considered a guarantee by the State or any political subdivision thereof
2 of any return of principal or interest, but any purchase by a licensee of
3 bonds or approved eligible investments made by a licensee pursuant to this
4 act shall be at the risk of the licensee. A licensee or the licensees
5 purchasing an issue of bonds issued by the Casino Reinvestment
6 Development Authority in any given year may arrange, at their option, for
7 those bonds or the investments, made by or through the Casino
8 Reinvestment Development Authority with the proceeds of those bonds, to
9 be insured. The cost of any such insurance purchased by a licensee or
10 licensees shall be paid by the licensee or licensees desiring such
11 insurance.

12 j. The Casino Reinvestment Development Authority shall promulgate
13 rules and regulations deemed necessary to carry out the purposes of this
14 section.

15 k. The obligation of a licensee to pay an investment alternative tax
16 pursuant to subsection a. of this section, including a casino licensee
17 subject to the provisions of section 13 of P.L.2001, c.221 (C.5:12-173.21),
18 shall end for each licensed facility operated by the licensee 50 years after
19 any investment alternative tax obligation is first incurred in connection
20 with each licensed facility operated by the licensee, unless extended in
21 connection with a deferral granted by the Casino Reinvestment
22 Development Authority pursuant to subsection c. of this section.

23 l. Within 90 days of the effective date of this act, P.L.2004, c.129,
24 the State Treasurer shall certify the amounts that were invested pursuant to
25 this section in South Jersey, as defined in subsection f. of this section, for
26 projects located in the City of Atlantic City. Notwithstanding subsection
27 f. of this section, beginning in State fiscal year 2005, the amount of (a)
28 proceeds of all bonds purchased by a licensee from or through the Casino
29 Reinvestment Development Authority and (b) all approved investments in
30 eligible projects by a licensee devoted pursuant to subsection f., shall not
31 exceed the amount devoted for those purposes in State fiscal year 2004.
32 Any amounts in excess of the amounts devoted in State fiscal year 2004,
33 after fulfilling all fund reservations, bonding and contractual obligations,
34 shall be devoted to the financing of projects in South Jersey. For the
35 purpose of this section, "South Jersey" means the counties of Atlantic,
36 Burlington, Camden, Cape May, Cumberland, Gloucester, Mercer, Ocean,
37 and Salem, except that the term shall not include the City of Atlantic City.
38 The provisions of this subsection shall terminate when excess amounts
39 devoted to the financing of projects in South Jersey equal the amount
40 certified by the State Treasurer.

41 (cf: P.L.2004, c.129, s.1)

42

43 101. Section 2 of P.L.2008, c.12 (C.5:12-144.2) is amended to read as
44 follows:

45 2. a. A casino licensee shall receive an annual deduction from the
46 gross revenue taxed pursuant to subsection a. of section 144 of P.L.1977,
47 c.110 (C.5:12-144) in an amount equal to either (1) the promotional
48 gaming credits reported by that licensee in its annual tax return or (2) such
49 other portion of the promotional gaming credits reported by all casino

1 licensees as the **【commission】** division may allocate to a particular
2 licensee to reflect that licensee's pro rata share of the costs of the 2008
3 agreement executed between the New Jersey Sports and Exposition
4 Authority and the Casino Association of New Jersey for the benefit of the
5 horse racing industry.

6 b. Casino licensees shall be allowed a deduction from gross revenues
7 for a tax year pursuant to subsection a. of this section for the total value of
8 promotional gaming credits redeemed by patrons at all licensed casinos
9 for that tax year in excess of \$90,000,000. For the first tax year in which
10 this act becomes operative pursuant to section 3 of this act, P.L.2008,
11 c.12, the commission shall reduce the \$90,000,000 deduction threshold for
12 that tax year in proportion to the part of the tax year that has elapsed prior
13 to that operative date.

14 c. The **【commission】** division shall establish, by regulation,
15 procedures and standards for allocating the deduction established pursuant
16 to this section to reflect each licensee's pro rata share of the costs of the
17 2008 agreement executed between the New Jersey Sports and Exposition
18 Authority and the Casino Association of New Jersey for the benefit of the
19 horse racing industry and procedures and standards for each licensee to
20 take the deduction established pursuant to this section to reflect those
21 deductions that exceed the costs of the 2008 agreement. Such regulations
22 shall include standards for the allocation of the \$90,000,000 deduction
23 threshold established in subsection b. of this section, the timing of the
24 application of deductions, and all other matters related to the provisions of
25 this section.

26 d. (1) The **【commission】** division shall establish, by regulation,
27 procedures to ensure that the promotional gaming credit deduction
28 established pursuant to this section does not result in a negative fiscal
29 impact to the Casino Revenue Fund. If necessary, the **【commission】**
30 division may reduce the value of the available deduction to eliminate any
31 negative fiscal impact to the Casino Revenue Fund attributable solely to
32 the deduction and not to other economic or other factors that cause a
33 negative fiscal impact to the Casino Revenue Fund.

34 (2) For the purposes of this subsection, "negative fiscal impact to the
35 Casino Revenue Fund" shall mean that the amount generated from
36 taxation of promotional gaming credits falls below the level generated in
37 calendar year 2007.

38 (cf: P.L.2008, c.12, s.2)

39

40 102. Section 145 of P.L.1977, c.110 (C.5:12-145) is amended as
41 follows:

42 145. a. There is hereby created and established in the Department of
43 the Treasury a separate special account to be known as the "Casino
44 Revenue Fund," into which shall be deposited all revenues from the tax
45 imposed by section 144 of this act; the investment alternative tax imposed
46 by section 3 of P.L.1984, c.218 (C.5:12-144.1); the taxes and fees imposed
47 by sections 3, 4 and 6 of P.L.2003, c.116 (C.5:12-148.1, C.5:12-148.2 and
48 C.5:12-145.8) and any interest and penalties imposed by the

1 **【commission】** division relating to those taxes; the percentage of the value
2 of expired gaming related obligations pursuant to section 24 of P.L.2009,
3 c.36 (C.5:12-141.2); and all penalties levied and collected by the
4 **【commission】** division pursuant to P.L.1977, c.110 (C.5:12-1 et seq.) and
5 the regulations promulgated thereunder, except that the first \$600,000 in
6 penalties collected each fiscal year shall be paid into the General Fund for
7 appropriation by the Legislature to the Department of Health and Senior
8 Services, \$500,000 of which is to provide funds to the Council on
9 Compulsive Gambling of New Jersey and \$100,000 of which is to provide
10 funds for compulsive gambling treatment programs in the State. In the
11 event that less than \$600,000 in penalties are collected, the Department of
12 Health and Senior Services shall determine the allocation of funds
13 between the Council and the treatment programs eligible under the criteria
14 developed pursuant to section 2 of P.L.1993, c.229 (C.26:2-169).

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

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

36 (cf: P.L.2009, c.36, s.25)

37

38 103. Section 6 of P.L.2003, c.116 (C.5:12-145.8) is amended to read as
39 follows:

40 6. Notwithstanding the provisions of any other law to the contrary
41 and in addition to any other tax or fee imposed by law, there is imposed a
42 fee of \$3.00 per day on each hotel room in a casino hotel facility that is
43 occupied by a guest, for consideration or as a complimentary item. This
44 section shall be administered by the **【commission】** Casino Revenue Fund
45 Advisory Commission and the amounts generated by this section shall be
46 paid to the State Treasurer for deposit in the Casino Revenue Fund
47 established pursuant to section 145 of P.L.1977, c.110 (C.5:12-145) in
48 State fiscal years 2004 through 2006. Beginning in State fiscal year 2007

1 and thereafter, \$1.00 of the fee shall be deposited by the State Treasurer
2 into a special fund established and held by the State Treasurer and made
3 available for the exclusive use of the Casino Reinvestment Development
4 Authority established pursuant to section 5 of P.L.1984, c.218 (C.5:12-
5 153) for its purposes pursuant to law, as approved by the membership of
6 the authority, subject to the provisions of subsection e. of section 5 of
7 P.L.2004, c.129 (C.5:12-173.22a). Beginning in State fiscal year 2007
8 and thereafter, the portion of the proceeds of \$2.00 of the fee necessary to
9 carry out the purpose of subsections a. through c. of section 5 of P.L.2004,
10 c.129 (C.5:12-173.22a) shall be deposited by the State Treasurer into a
11 special fund established and held by the State Treasurer and made
12 available for the exclusive use of the authority to carry out that purpose,
13 and the remaining proceeds of the \$2.00 fee shall be deposited by the State
14 Treasurer into the Casino Revenue Fund.
15 (cf: P.L.2004, c.129, s.2)

16
17 104. Section 146 of P.L.1977, c.110 (C.5:12-146) is amended to read
18 as follows:

19 146. a. Any casino licensee whose licensed premises are located in an
20 area which has been declared, by the Department of Community Affairs
21 and the **[commission]** division, to be a blighted area, or an area
22 endangered by blight, may, for a period of not more than 25 years, enter
23 into a written agreement with the Department of the Treasury, which
24 agreement shall, with respect to real property held for use as a licensed
25 casino hotel, provide for the payment of taxes to the tax collector of the
26 municipality, in lieu of full local real property tax payments, in an amount
27 to be computed by the sum of the following amounts, payable at the time
28 specified by law for the payment of local property taxes;

29 (1) An annual amount equal to 2% of the cost of the real property
30 investment. For the purposes of this section, "cost of the real property
31 investment" means only the actual cost or fair market value of direct labor
32 and all materials used in the construction, expansion, or rehabilitation of
33 all buildings, structures, and facilities at the project site, including the
34 costs, if any, of land acquisition and land preparation, provision of access
35 roads, utilities, drainage facilities, and parking facilities, together with
36 architectural, engineering, legal, surveying, testing, and contractors' fees
37 associated with the project; provided, however, that the applicant shall
38 cause such costs to be certified and verified to the Department of the
39 Treasury by an independent certified public accountant, following the
40 completion of the investment in the project; and provided further,
41 however, that upon execution of an agreement pursuant to this section,
42 only real property improvements made after July 6, 1976 shall be subject
43 to the provisions herein; plus

44 (2) An amount equivalent to the difference between an amount that
45 would have been payable as property taxes under the full local property
46 tax rate and the amount calculated pursuant to subsection a.(1) of this
47 section, which shall be payable from such profits, if any, as hereinafter
48 defined in section 147, as shall remain after deducting therefrom interest
49 and principal paid on mortgage loans applicable to the real property held

1 for use as a licensed casino hotel. The total payments provided by this
2 section shall not exceed the full local property taxes normally payable for
3 the year.

4 b. At the time an applicant applies for a license under this act, he shall
5 determine whether to exercise the option to pay in lieu taxes under this
6 section or whether the property of the applicant shall be subject to the
7 normal real property taxes of the municipality. This determination having
8 been made and approved, the method selected may not be changed or
9 altered during the term of the agreement.

10 c. Upon the filing of a certification by the State Treasurer in any year
11 that an agreement has been entered into pursuant to this section, the in lieu
12 tax provisions of this section shall be applicable with respect to the
13 ensuing tax years.

14 (cf: P.L.1977, c.110, s.146)

15

16 105. Section 147 of P.L.1977, c.110 (C.5:12-147) is amended to read
17 as follows:

18 147. a. For the purposes of the application of the provisions of section
19 146 of this act, "profits" referred to in section 146 a.(2) for any year
20 means total profits from cumulative investments in Atlantic City. In
21 computing profits under this section, a licensee shall deduct from the
22 gross income of cumulative investments in Atlantic City all operating
23 expenses in accordance with generally accepted accounting principles.
24 There shall be included in said operating expenses (1) all annual payments
25 pursuant to section 146 a.(1) of this act; (2) property taxes in said
26 municipality not subject to section 146; and (3) an annual amount
27 sufficient to amortize in equal annual installments the total cost of the
28 investment over the life of the improvements, which in no case shall be
29 less than 25 years in the case of real property. There shall not be
30 included in said operating expenses or in any other account (1)
31 depreciation or obsolescence; (2) interest on debt; (3) taxes on income;
32 (4) losses on bad debt instruments from gaming operations in excess of the
33 lesser of such instruments actually uncollected or 4% of gross revenues;
34 or (5) salaries, bonuses and other compensation paid, directly or
35 indirectly, to directors, partners, officers, stockholders or other persons
36 having any proprietary or ownership interest in the licensee.

37 b. In any year during which gross income exceeds cumulative
38 investments as defined in section 144 d. hereof, 50% of the profits, as
39 herein defined, which exceed the amount equivalent to 20% of the
40 cumulative investments in the municipality of a licensee who shall have
41 entered into an agreement pursuant to the provisions of section 146 hereof
42 for such year shall be retained in a separate interest-bearing account
43 maintained by the Treasurer, which account shall be designated "Special
44 Casino Retention Account." All amounts retained in such account with
45 respect to a licensee for any year may be recaptured by the licensee,
46 provided that (1) the average annual gross income for the tax year and the
47 two immediately preceding years is less than the cumulative investments
48 of the licensee in casino, hotel, or other facilities in the municipality or
49 State; or (2) the licensee, within 5 years of the date its annual tax return

1 under this act is due, shall make cumulative investments in such
2 municipality which shall cause the total of such investments to exceed the
3 average annual gross income for the tax year and the 2 immediately
4 preceding years, and which are equal to or greater than the amount of
5 profits, as herein defined, retained in such account for the tax year.

6 c. In the event such licensee fails to make cumulative investments
7 within the time specified as required for recapture of profits under this
8 section, the profits retained in the Special Casino Retention Account shall
9 be remitted to the Treasurer for deposit to the credit of the Casino
10 Revenue Fund.

11 d. For the purposes of this section, each annual return of such licensee
12 shall reflect the profits, if appropriate, determined on the basis of the
13 immediately preceding calendar year. The **commission** division shall
14 make rules and regulations for the determination of profits under the
15 provisions of this section.

16 (cf: P.L.1977, c.110, s.147)

17

18 106. Section 148 of P.L.1977, c.110 (C.5:12-148) is amended to read
19 as follows:

20 148. a. The tax imposed under section 144 hereof shall be due and
21 payable annually on or before the 15th day of March and shall be based
22 upon gross revenues derived during the previous calendar year. A
23 licensee shall file its first return and shall report gross revenues from the
24 time it commenced operations and ending on the last day of said calendar
25 year. Such report shall be filed with the **commission** Director of the
26 Division of Taxation in the Department of the Treasury on or before the
27 following March 15.

28 b. Any other law to the contrary notwithstanding, any business
29 conducted by an individual, partnership, or corporation or any other
30 entity, or any combination thereof, holding a license pursuant to this act
31 shall, in addition to all other taxes imposed by this act, file a consolidated
32 corporation business tax return pursuant to P.L.1945, c.162 (C.54:10A-1
33 et seq.) and pay the taxes indicated thereon. The director of the Division
34 of Taxation shall issue such rules and regulations and design such tax
35 forms as shall be necessary to carry into effect the provisions of this act.

36 (cf: P.L.1977, c.110, s.148)

37

38 107. Section 4 of P.L.2003, c.116 (C.5:12-148.2) is amended to read as
39 follows:

40 4. a. A tax at the rate of 8% is imposed on casino service industry
41 multi-casino progressive slot machine revenue. The tax shall not be
42 considered a tax collectable under the "Sales and Use Tax Act," P.L.1966,
43 c.30 (C.54:32B-1 et seq.).

44 b. As used in this section, "casino service industry multi-casino
45 progressive slot machine revenue" means sums received by a casino
46 service industry enterprise, licensed pursuant to the provisions of
47 subsection a. of section 92 of P.L.1977, c.110 (C.5:12-92), or an eligible
48 applicant for such license, net of any money accrued for return to patrons
49 in the form of jackpots, that are directly or indirectly related to: (1) the

1 conduct of multi-casino progressive slot machine system operations in a
2 casino; or (2) the sale, lease, servicing or management of a multi-casino
3 progressive slot machine system. Notwithstanding the foregoing, "casino
4 service industry multi-casino progressive slot machine revenue" shall not
5 be construed to apply to revenue derived from transactions between a
6 casino licensee and its holding company or intermediary companies or
7 their affiliates.

8 c. The **【commission】** Director of the Division of Taxation in the
9 Department of the Treasury, in consultation with the Division of Gaming
10 Enforcement, shall administer the tax imposed pursuant to this section.
11 The tax imposed by this section, and any interest or penalties imposed by
12 the **【commission】** Director of the Division of Taxation relating to that tax,
13 shall be deposited by the State Treasurer into the Casino Revenue Fund
14 established pursuant to section 145 of P.L.1977, c.110 (C.5:12-145).

15 d. A casino service industry enterprise licensee or applicant required
16 to pay the tax imposed pursuant to this section shall, on or before the 28th
17 day of the month, forward to the State Treasurer the tax owed on casino
18 service industry multi-casino progressive slot machine revenue received
19 by the casino service industry enterprise licensee or applicant in the
20 preceding month and make and file a return for the preceding month with
21 the commission on any form and containing any information as the
22 commission shall prescribe by rule or regulation as necessary to determine
23 liability for the tax in the preceding month during which the person was
24 required to pay the tax.

25 e. The **【commission】** Director of the Division of Taxation may
26 permit or require returns to be made covering other periods and upon any
27 dates as the **【commission】** Director of the Division of Taxation may
28 specify. In addition, the **【commission】** Director of the Division of
29 Taxation may require payments of tax liability to the State Treasurer at
30 any intervals and based upon any classifications as the **【commission】**
31 Director of the Division of Taxation may designate. In prescribing any
32 other periods to be covered by the return or intervals or classifications for
33 payment of tax liability, the **【commission】** Director of the Division of
34 Taxation may take into account the dollar volume of tax involved as well
35 as the need for ensuring the prompt and orderly collection of the tax
36 imposed.

37 f. The **【commission】** Director of the Division of Taxation may
38 require amended returns to be filed within 20 days after notice and to
39 contain the information specified in the notice.

40 g. (Deleted by amendment, P.L.2004, c.128).
41 (cf: P.L.2009, c.36, s.26)

42
43 108. Section 5 of P.L.2003, c.116 (C.5:12-148.3) is amended to read as
44 follows:

45 5. a. In State fiscal years 2004 through 2006, a tax at the rate of 7.5%
46 is imposed on the adjusted net income of a casino licensee in calendar
47 year 2002, determined pursuant to information provided by casino
48 licensees to the commission pursuant to regulations promulgated in

1 accordance with subsection n. of section 70 of P.L.1977, c.110 (C.5:12-
2 70) and published on April 2, 2003 in the commission's statement of
3 casino licensee income for the twelve-month period ending on December
4 31, 2002, without regard to subsequent adjustment to such filing. For a
5 casino licensee that was not in operation in calendar year 2002, the
6 amount of the tax shall be 7.5% of its adjusted net income in State fiscal
7 year 2004, as filed by the licensee with the commission pursuant to
8 regulations promulgated in accordance with subsection n. of section 70 of
9 P.L.1977, c.110 (C.5:12-70). As used in this section, "adjusted net
10 income" means annual net income plus management fees.

11 The aggregate amount of tax imposed by this section shall not exceed
12 \$10 million annually for a holder of more than one casino license, and for
13 each casino licensee the tax imposed by this section shall not be less than
14 \$350,000 annually.

15 b. The **commission** Director of the Division of Taxation in the
16 Department of the Treasury shall collect and administer the tax imposed
17 pursuant to this section. In carrying out the provisions of this section, the
18 Director of the Division of Taxation shall have all of the powers granted
19 in P.L.1945, c.162 (C.54:10A-1 et seq.). For a casino licensee that was in
20 operation in calendar year 2002, the tax shall be due and payable to the
21 State Treasurer in four equal payments on September 15, December 15,
22 March 15, and June 15 of each State fiscal year. For a casino licensee that
23 was not in operation in calendar year 2002, the tax in State fiscal year
24 2004 shall be due and payable to the State Treasurer in four quarterly
25 estimated payments on the basis of adjusted net income in the current
26 quarter, and the licensee shall file an annual return for State fiscal year
27 2004 no later than October 15, 2004. In State fiscal years 2005 and 2006
28 for such casino licensee, the tax shall be due and payable to the State
29 Treasurer in four equal payments on September 15, December 15, March
30 15 and June 15.

31 c. The tax imposed by this section, and any interest or penalties
32 **imposed by the commission** collected by the Director of the Division of
33 Taxation in the Department of Treasury relating to that tax, shall be
34 deposited by the State Treasurer into the Casino Revenue Fund established
35 pursuant to section 145 of P.L.1977, c.110 (C.5:12-145).

36 d. The **commission** Director of the Division of Taxation in the
37 Department of Treasury shall certify annually on September 30~~],~~ 2003
38 and annually thereafter of each year the amount of tax required to be paid
39 pursuant to this section. The **commission** Director of the Division of
40 Taxation may promulgate such rules and regulations as the **commission**
41 Director of the Division of Taxation determines are necessary to effectuate
42 the provisions of this section.

43 e. (Deleted by amendment, P.L.2004, c.128).

44 f. The tax imposed under this section shall be governed by the
45 provisions of the "State Uniform Tax Procedure Law," R.S.54:48-1 et seq.
46 (cf: P.L.2004, c.128, s.6)

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

3 149. Determination of Tax Liability. The **【commission】** Division of
4 Taxation may perform audits of the books and records of a casino
5 licensee, at such times and intervals as it deems appropriate, for the
6 purpose of determining the sufficiency of tax payments. If a return or
7 deposit required by section 145 with regard to obligations imposed by
8 subsection a. of section 144 of P.L.1977, c.110 (C.5:12-144) is not filed or
9 paid, or if a return or deposit when filed or paid is determined by the
10 **【commission】** Division of Taxation to be incorrect or insufficient with or
11 without an audit, the amount of tax or deposit due shall be determined by
12 the **【commission】** Division of Taxation. Notice of such determination
13 shall be given to the licensee liable for the payment of the tax or deposit.
14 Such determination shall finally and irrevocably fix the tax unless the
15 person against whom it is assessed, within 30 days after receiving notice
16 of such determination, shall apply to the **【commission】** Division of
17 Taxation for a hearing¹, or unless the commission on its own motion shall
18 redetermine the same. After such hearing the commission shall give notice
19 of its determination to the person against whom the tax is assessed² in
20 accordance with the regulations of the Division of Taxation.
21 (cf: P.L.1993, c.292, s.34)
22

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

25 150. Penalties. a. Any licensee who shall fail to file his return when
26 due or to pay any tax or deposit when the same becomes due, as herein
27 provided, shall be subject to such penalties and interest as provided in the
28 "State Tax Uniform Procedure Law," Subtitle 9 of Title 54 of the Revised
29 Statutes. If the **【commission】** Division of Taxation determines that the
30 failure to comply with any provision of this Article was excusable under
31 the circumstances, the **【commission】** Division of Taxation may remit such
32 part or all of the penalty as shall be appropriate under such circumstances.

33 b. Any person failing to file a return, failing to pay the tax or deposit,
34 or filing or causing to be filed, or making or causing to be made, or giving
35 or causing to be given any return, certificate, affidavit, representation,
36 information, testimony or statement required or authorized by this act, or
37 rules or regulations adopted hereunder which is willfully false, or failing
38 to keep any records required by this act or rules and regulations adopted
39 hereunder, shall, in addition to any other penalties herein or elsewhere
40 prescribed, be guilty of a crime of the fourth degree and subject to the
41 penalties therefor, except that the amount of a fine may be up to
42 \$100,000.00.

43 c. Except as to those determinations required to be made by the
44 **【commission】** Division of Taxation pursuant to section 149 of P.L.1977,
45 c.110 (C.5:12-149), the certificate of the State Treasurer to the effect that
46 a tax or deposit has not been paid, that a return has not been filed, that
47 information has not been supplied, or that inaccurate information has been

1 supplied pursuant to the provisions of this act or rules or regulations
2 adopted hereunder, shall be presumptive evidence thereof.

3 d. If any part of any underpayment of tax required to be shown on a
4 return is due to fraud, there shall be added to the tax an amount equal to
5 50% of the underpayment.

6 (cf: P.L.1993, c.292, s.35)

7

8 111. Section 151 of P.L.1977, c.110 (C.5:12-151) is amended as
9 follows:

10 151. In addition to the other powers granted by this act, the
11 **commission** Division of Taxation is hereby authorized and empowered
12 to promulgate and distribute all forms and returns necessary to the
13 implementation of this act.

14 (cf: P.L.1977, c.110, s.151)

15

16 112. Section 4 of P.L.1985, c.539 (C.5:12-186) is amended to read as
17 follows:

18 4. a. Notwithstanding the provisions of any law, rule or regulation to
19 the contrary, every casino licensee shall establish goals of expending at
20 least 5% of the dollar value of its contracts for goods and services with
21 minority and women's business enterprises **by the end of the third year**
22 **following the operative date of this 1985 amendatory and supplementary**
23 **act or** **by the end of third year following the receipt of a casino license,**
24 **whichever is later** and 10% of the dollar value of its contracts for goods
25 and services with minority and women's business enterprises **by the end**
26 **of the sixth year following the operative date of this 1985 amendatory and**
27 **supplementary act or** **by the end of the sixth year following the receipt of**
28 **a casino license[, whichever is later];** and each such licensee shall have a
29 goal of expending 15% of the dollar value of its contracts for goods and
30 services with minority and women's business enterprises **by the end of**
31 **the 10th year following that operative date or** **by the end of the 10th year**
32 **following the receipt of a casino license[, whichever is later].** Each
33 casino licensee shall be required to demonstrate annually **to the**
34 **commission** that the requirements of this act have been met by
35 submitting a report which shall include the total dollar value of contracts
36 awarded for goods or services and the percentage thereof awarded to
37 minority and women's business enterprises.

38 As used in this section, "goods and services" shall not include (1)
39 utilities and taxes; (2) financing costs, such as mortgages, loans or any
40 other type of debt; (3) medical insurance; (4) dues and fees to the Atlantic
41 City Casino Association; (5) fees and payments to a parent or affiliated
42 company of the casino licensee other than those that represent fees and
43 payments for goods and services supplied by non-affiliated persons
44 through an affiliated company for the use or benefit of the casino licensee;
45 and (6) rents paid for real property and any payments constituting the
46 price of an interest in real property as a result of a real estate transaction.

1 b. A casino licensee shall make a good faith effort to meet the
2 requirements of this section and shall annually demonstrate to the
3 **【commission】** division that such an effort was made.

4 c. A casino licensee may fulfill no more than 70% of its obligation or
5 part of it under this act by requiring a vendor to set aside a portion of his
6 contract for minority or women's business enterprises. Upon request, the
7 licensee shall provide the **【commission】** division with proof of the amount
8 of the set-aside.

9 (cf: P.L.1987, c.137, s.3)

10

11 113. Section 5 of P.L.1985, c.539 (C.5:12-187) is amended to read as
12 follows:

13 5. a. Every casino licensee shall establish goals of expending at least
14 5% of the dollar value of its bus business with minority and women's
15 business enterprises **【by the end of the third year following the operative**
16 **date of this 1985 amendatory and supplementary act or】** by the end of the
17 third year following the receipt of a casino license, **【whichever is later】**
18 and 10% of the dollar value of its bus business with minority and women's
19 business enterprises **【by the end of the sixth year following the operative**
20 **date of this 1985 amendatory and supplementary act or】** by the end of the
21 sixth year following the receipt of a casino license**【, whichever is later】**;
22 and each such licensee shall have a goal of expending 15% of the dollar
23 value of its bus business with minority and women's business enterprises
24 by the end of the 10th year following **【that operative date or】** by the end
25 of the 10th year following the receipt of a casino license**【, whichever is**
26 **later】**. Each casino licensee shall be required to demonstrate annually **【to**
27 **the commission】** that the requirements of this act have been met by
28 submitting a report which shall include the total bus business expended
29 and the percentage thereof awarded to minority and women's business
30 enterprises.

31 b. A casino licensee shall make a good faith effort to meet the
32 requirements of this section **【and shall annually demonstrate to the**
33 **commission that such an effort was made】**.

34 (cf: P.L.1987, c.137, s.4)

35

36 114. Section 7 of P.L.1987, c.137 (C.5:12-187.1) is amended to read as
37 follows:

38 7. If the **【commission】** division determines that the provisions of
39 sections 4 and 5 of P.L.1985, c.539 (C.5:12-186 and C.5:12-187) relating
40 to expenditures and assignments to minority and women's business
41 enterprises have not been met by a licensee, the **【commission】** division
42 may **【suspend or revoke】** recommend to the commission the suspension or
43 revocation of the casino license, and the commission may, in its
44 discretion, revoke or suspend the license, or the division may fine or
45 impose appropriate conditions on the licensee, to ensure that the goals for
46 expenditures and assignments to minority and women's business
47 enterprises are met; except that if a determination is made that a casino

1 licensee has failed to demonstrate compliance with the provisions of
2 sections 4 and 5 of P.L.1985, c.539 (C.5:12-186 and C.5:12-187), a casino
3 licensee will have 90 days from the date of the determination of
4 noncompliance within which to comply with the provisions of those
5 sections.

6 (cf: P.L.1987, c.137, s.7)

7

8 115. Section 8 of P.L.1985, c.539 (C.5:12-190) is amended to read as
9 follows:

10 8. The Division of Development for Small Businesses and Women's
11 and Minority Businesses and the **【Casino Control Commission】** Division
12 of Gaming Enforcement shall develop such other regulations as may be
13 necessary to interpret and implement the provisions of this act.

14 (cf: P.L.1985, c.539, s.8)

15

16 116. Section 193 of P.L.1992, c.19 (C.5:12-193) is amended to read as
17 follows:

18 193. It shall be lawful for a casino to conduct casino simulcasting with
19 any in-State sending track and with any out-of-State sending track in
20 accordance with the provisions of this act, the applicable regulations of
21 the New Jersey Racing Commission and the **【New Jersey Casino Control**
22 **Commission】** Division of Gaming Enforcement and any joint regulations
23 of these commissions promulgated pursuant to this act.

24 (cf: P.L.1992, c.19, s.3)

25

26 117. Section 194 of P.L.1992, c.19 (C.5:12-194) is amended to read as
27 follows:

28 194. a. (1) A casino licensee which wishes to conduct casino
29 simulcasting shall establish a simulcasting facility as part of the casino
30 hotel. The simulcasting facility may be adjacent to, but shall not be part
31 of, any room or location in which casino gaming is conducted pursuant to
32 the provisions of P.L.1977, c.110 (C.5:12-1 et seq.). The simulcasting
33 facility shall conform to all requirements concerning square footage,
34 equipment, security measures and related matters which the **【Casino**
35 **Control Commission】** Division of Gaming Enforcement shall by
36 regulation prescribe. The space required for the establishment of a
37 simulcasting facility shall not reduce the space authorized for casino
38 gaming activities as specified in section 83 of P.L.1977, c.110 (C.5:12-
39 83). The cost of establishing, maintaining and operating a simulcasting
40 facility shall be the sole responsibility of the casino licensee.

41 (2) Wagering on simulcast horse races shall be conducted only in the
42 simulcasting facility, which shall be open and operated whenever
43 simulcast horse races are being transmitted to the casino hotel during
44 permitted hours of casino operation.

45 (3) Any authorized game, as defined in section 5 of P.L.1977, c.110
46 (C.5:12-5), other than slot machines may be conducted in a simulcasting
47 facility subject to the rules and regulations of the **【Casino Control**
48 **Commission】** Division of Gaming Enforcement.

1 (4) The security measures for a simulcasting facility shall include the
2 installation by the casino licensee of a closed circuit television system
3 according to specifications approved by the **【Casino Control**
4 **Commission】** Division of Gaming Enforcement. The Casino Control
5 Commission and the Division of Gaming Enforcement shall have access to
6 the system or its signal in accordance with regulations of the commission.

7 b. All persons engaged directly in wagering-related activities
8 conducted by a casino licensee in a simulcasting facility, whether
9 employed by the casino licensee or by a person or entity conducting
10 casino simulcasting in the simulcasting facility pursuant to an agreement
11 with the casino licensee~~],~~ shall be licensed as casino employees or casino
12 key employees, as appropriate. All and all other employees of the casino
13 licensee or of the person or entity conducting casino simulcasting who are
14 working in the simulcasting facility, shall be licensed or registered in
15 accordance with regulations of the Casino Control Commission or the
16 Division of Gaming Enforcement.

17 Any employee at the Atlantic City Race Course or Garden State Park
18 on or after June 12, 1992, who loses employment with that racetrack as a
19 direct result of the implementation of casino simulcasting and who has
20 been licensed by the New Jersey Racing Commission for five consecutive
21 years immediately preceding the loss of employment shall be given first
22 preference for employment whenever any comparable position becomes
23 available in any casino simulcasting facility, provided the person is
24 qualified pursuant to this subsection. If a casino licensee enters into an
25 agreement with a person or entity for the conduct of casino simulcasting in
26 its simulcasting facility, the agreement shall include the requirement that
27 such first preference in employment shall be given by the person or entity
28 with respect to employment in the simulcasting facility.

29 c. A casino licensee which establishes a simulcasting facility and
30 conducts casino simulcasting shall, as a condition of continued operation
31 of casino simulcasting, receive all live races which are transmitted by in-
32 State sending tracks.

33 d. Agreements between a casino licensee and an in-State or out-of-
34 State sending track for casino simulcasting shall be in writing and shall be
35 filed with the New Jersey Racing Commission and with the **【Casino**
36 **Control Commission】** Division of Gaming Enforcement in accordance
37 with section 104 of P.L.1977, c.110 (C.5:12-104).

38 e. If wagering at casinos on sports events is authorized by the voters of
39 this State and by enabling legislation enacted by the Legislature, and if a
40 casino licensee conducts such wagering and casino simulcasting, the two
41 activities shall be conducted in the same area, in accordance with such
42 regulations as the **【Casino Control Commission】** Division of Gaming
43 Enforcement shall prescribe with respect to wagering on sports events and
44 in accordance with this act and such regulations as may be adopted
45 pursuant to section 3 of this act with respect to casino simulcasting.

46 (cf: P.L.1996, c.84, s.8)

1 118. Section 199 of P.L.1992, c.19 (C.5:12-199) is amended to read as
2 follows:

3 199. A casino which chooses to conduct casino simulcasting and which
4 operates a simulcasting facility may, with the approval of both the New
5 Jersey Racing Commission and the New Jersey **【Casino Control**
6 **Commission】** Division of Gaming Enforcement, also receive simulcast
7 horse races conducted at out-of-State sending tracks in accordance with
8 the provisions of this act and any applicable regulations of these
9 commissions and joint regulations of these commissions promulgated
10 pursuant to this act.

11 In order to be eligible to participate in casino simulcasting, an out-of-
12 State sending track shall be approved by the New Jersey Racing
13 Commission and be subject to licensure by the **【Casino Control**
14 **Commission】** Division of Gaming Enforcement as a casino service
15 industry enterprise pursuant to subsection c. of section 92 of P.L.1977,
16 c.110 (C.5:12-92). The approval of the New Jersey Racing Commission
17 shall only be granted when that commission, in its discretion and after
18 consideration of the interests of the casino making application, determines
19 that approval is in the best interest of the public and the racing industry in
20 New Jersey.

21 (cf: P.L.2009, c.36, s.27)

22

23 119. Section 20 of P.L.1992, c.19 (C.5:12-210) is amended to read as
24 follows:

25 20. The **【Casino Control Commission】** Division of Gaming
26 Enforcement and the New Jersey Racing Commission shall individually
27 and jointly promulgate and adopt any rules and regulations, pursuant to
28 the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.),
29 which are necessary to effectuate the purposes of **【this act】** P.L.1992, c.19
30 (C.5:12-191 et seq.).

31 (cf: P.L.1992, c.19, s.20)

32

33 120. Section 4 of P.L.2008, c.23 (C.5:12-211) is amended to read as
34 follows:

35 4. In the event **【that】** of a state of emergency **【is declared due to the**
36 **failure to enact a general appropriation law by the deadline prescribed by**
37 **Article VIII, Section II, paragraph 2 of the New Jersey Constitution, that**
38 **prevents inspectors, agents, or other employees of the commission and the**
39 **division from performing their normal duties】**, a casino licensee may
40 continue to conduct casino and simulcast operations for a period not to
41 exceed seven calendar days, notwithstanding that **【the inspectors, agents**
42 **or other】** employees of the commission and the division are unable to
43 perform their functions, provided that the casino licensee has complied
44 with section 5 of P.L.2008, c.23 (C.5:12-212), and that the casino licensee
45 and its employees shall continue to comply with all relevant provisions of
46 the New Jersey Constitution and all relevant State statutes and regulations
47 and shall maintain detailed records of that compliance.

1 If, during any period of time that casino and simulcasting facilities
2 remain open pursuant to the provisions of this section, the Governor
3 determines that the holder of a casino license, or any licensed employee
4 thereof, may be engaged in what the Governor believes to be a violation of
5 any State statute or regulation governing the operation of those facilities
6 that would ordinarily subject a licensee to a possible suspension or
7 revocation of its license, the Governor shall have the authority to
8 summarily suspend the license of that casino or employee until such time
9 as it is rescinded by the Governor, or the state of emergency ceases and
10 the commission or the division, as appropriate, is able to address the
11 matter.

12 Any violation of a statute or regulation that would ordinarily subject a
13 licensee to a fine, but which occurs while a facility remains open during a
14 state of emergency pursuant to this section, which is not reported by the
15 casino licensee in accordance with **its approved internal control**
16 **procedures** this act, shall be punishable by a fine of no less than five
17 times and up to ten times the amount of the usual fine, depending on the
18 nature and seriousness of the violation. When the state of emergency
19 ceases, casino licensees shall be responsible for any costs associated with
20 re-implementing onsite State inspections.

21 (cf: P.L.2008, c.23, s.4)

22

23 121. Section 5 of P.L.2008, c.23 (C.5:12-212) is amended to read as
24 follows:

25 5. In order for a casino licensee to conduct casino and simulcast
26 operations during a state of emergency as authorized in section 4 of
27 P.L.2008, c.23 (C.5:12-211), it shall **obtain commission approval** create,
28 maintain, and file with the division of internal controls prior to the state of
29 emergency, which shall become effective only during the state of
30 emergency, that contain, without limitation:

31 a. Procedures for the casino licensee and its employees to report any
32 violation of a statute or regulation to the casino licensee's chief legal
33 officer and audit committee executive, who shall report any such
34 violations to the Governor immediately and to the commission and
35 division when the state of emergency ceases.

36 b. Procedures for the casino licensee to engage a certified public
37 accountant **approved by the commission, which procedures shall provide**
38 sufficient safeguards to ensure that the public's interest in the integrity of
39 casino operations is served, and shall include but not be limited to a
40 criminal history record background check to be conducted in accordance
41 with the authority provided under paragraph (5) of subsection b. of section
42 89 of P.L.1977, c.110 (C.5:12-89), **to perform the following functions**
43 during the state of emergency:

44 (1) Act in the capacity of the **commission** division whenever the
45 presence of an **inspector, agent or** employee of the **commission**
46 division is normally required to perform an activity **including, without**
47 limitation, the collection and counting of gross revenue];

- 1 (2) Perform any other functions in accordance with instructions issued
2 by the **【commission】** division prior to the state of emergency; and
- 3 (3) Maintain a written record of all activity performed.
- 4 c. Procedures for the surveillance department of the casino licensee to
5 record any activity that involves the participation of the certified public
6 accountant and to provide the recordings to the **【commission】** division
7 when the state of emergency ceases.
- 8 d. Procedures for providing any evidence of tampering or cheating
9 that occurs during the state of emergency to the certified public
10 accountant, who shall preserve such evidence for the **【commission and】**
11 division.
- 12 e. Procedures to ensure that a designee of the casino licensee's chief
13 legal officer is available at all times to receive any complaint from the
14 public relating to the conduct of casino operations. Any such patron
15 complaint shall be forwarded to the chief legal officer, who shall promptly
16 file it with the **【commission】** division when the state of emergency ceases.
- 17 f. Procedures for withholding the payment of slot machine jackpots
18 greater than \$75,000 during the state of emergency, which shall be posted
19 in the casino advising patrons of the temporary jackpot payout procedures.
20 Such procedures shall include, without limitation, issuance of a written
21 receipt to the winning patron and withholding payment of the jackpot until
22 the state of emergency ceases and the division has had the opportunity to
23 inspect the slot machine on which the jackpot was won.
- 24 g. Procedures for staffing both the surveillance and casino security
25 departments with at least one additional officer at all times during the state
26 of emergency.
- 27 (cf: P.L.2008, c.23, s.5)
- 28
- 29 122. Section 6 of P.L.2008, c.23 (C.5:12-213) is amended to read as
30 follows:
- 31 6. During any **【period of operations authorized by section 4 of**
32 **P.L.2008, c.23 (C.5:12-211)】** state of emergency, as defined in section 24
33 of P.L. c. (C.) (pending before the Legislature as this bill), a casino
34 licensee shall not:
- 35 a. Amend or seek permission to amend: (1) any submission required
36 by section 99 of P.L.1977, c.110 (C.5:12-99); or (2) its operation
37 certificate.
- 38 b. **【Modify the configuration of its gaming floor or the gaming assets**
39 **located thereon in any manner whatsoever.】** (Deleted by amendment,
40 P.L. , c.) (pending before the Legislature as this bill)
- 41 c. **【Perform any activity that requires a pre-inspection by the**
42 **commission to ensure that surveillance camera coverage is adequate.】**
43 (Deleted by amendment, P.L. , c.) (pending before the Legislature as
44 this bill)
- 45 d. Perform any modification to any casino computer system or multi-
46 casino progressive slot system, except in the event of an emergency that,
47 in the opinion of its chief gaming executive and the director of its
48 Management Information Systems department, could affect the integrity

1 of casino or simulcasting operations or the collection and certification of
2 gross revenue.

3 e. Perform an adjustment to the amount on the progressive meter of
4 any slot machine; provided, however, notwithstanding any **【commission】**
5 division regulation to the contrary, if a casino licensee reasonably believes
6 a progressive meter is displaying an incorrect amount, it may take the
7 progressive slot machine out of service until the state of emergency
8 ceases.

9 f. Conduct any gaming tournament or other activity that requires
10 **【commission】** division approval, unless the tournament or activity has
11 been approved by the **【commission】** division prior to the commencement
12 of the state of emergency.

13 (cf: P.L.2008, c.23, s.6)

14

15 123. Section 7 of P.L.2008, c.23 (C.5:12-214) is amended to read as
16 follows:

17 7. During any **【period of operations authorized by section 4 of**
18 **P.L.2008, c.23 (C.5:12-211)】** state of emergency, no transfer of property
19 shall occur that would otherwise require the issuance of interim casino
20 authorization pursuant to section 3 of P.L.1987, c.409 (C.5:12-95.12) prior
21 to such transfer.

22 (cf: P.L.2008, c.23, s.7)

23

24 124. Section 8 of P.L.2008, c.23 (C.5:12-215) is amended to read as
25 follows:

26 8. In the event a state of emergency is declared **【due to the failure to**
27 **enact a general appropriation law by the deadline prescribed by Article**
28 **VIII, Section II, paragraph 2 of the New Jersey Constitution】** that prevents
29 employees of the commission and the division from performing their
30 normal duties, the duration of the state of emergency shall not be included
31 in the calculation of the time period required by any law, rule or
32 regulation for:

33 a. Action by the Casino Control Commission or the Division of
34 Gaming Enforcement on any pending application **【or submission】**; and

35 b. The filing of any application or other required submission with the
36 Casino Control Commission or the Division of Gaming Enforcement by
37 any person.

38 (cf: P.L.2008, c.23, s.8)

39

40 125. Section 55 of P.L.1977, c.110 (C.5:12-55) is amended to read as
41 follows:

42 55. Division of gaming enforcement. There is hereby established in
43 the Department of Law and Public Safety the Division of Gaming
44 Enforcement. The division shall be under the immediate supervision of a
45 director who shall also be sworn as an Assistant Attorney General and
46 who shall administer the work of the division under the direction and
47 supervision of the Attorney General. The director shall be appointed by
48 the Governor, with the advice and consent of the Senate, and shall serve

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

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

10 The division shall be **[principally]** located in Atlantic City, except that
11 the division may maintain a secondary satellite office in Trenton, which
12 shall not be the primary office, if deemed necessary for the effective
13 performance of its duties and responsibilities.

14 If, as a result of the transfer of duties and responsibilities from the
15 Casino Control Commission to the division in accordance with P.L. , c.
16 (C.)(pending before the Legislature as this bill), the division needs to
17 employ an individual to fill a position, former employees of the
18 commission who performed the duties of the position to be filled shall be
19 given a one-time right of first refusal offer of employment with the
20 division, notwithstanding any other provision of law to the contrary.

21 (cf: P.L.1995, c.18, s.11)

22

23 126. (New section) A member of the Casino Control Commission and
24 any employee of the commission holding a supervisory or policy-making
25 management position, and the Director of the Division of Gaming
26 Enforcement and any employee of the division holding a supervisory or
27 policy-making management position, shall not make any contribution as
28 that term is defined in the "The New Jersey Campaign Contributions and
29 Expenditures Reporting Act," P.L.1973, c.83 (C.19:44A-1 et seq.).

30

31 127. Section 115 of P.L.1977, c.110 (C.5:12-115) is amended to read
32 as follows:

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

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

38 (2) Knowingly to deal, conduct, carry on, operate or expose for play
39 any game or games played with cards, dice or any mechanical device, or
40 any combination of games or devices, which have in any manner been
41 marked or tampered with, or placed in a condition, or operated in a
42 manner, the result of which tends to deceive the public or tends to alter the
43 normal random selection of characteristics or the normal chance of the
44 game which could determine or alter the result of the game.

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

47 c. Any person who violates this section is guilty of a crime of the
48 fourth degree and subject to the penalties therefor, except that the amount
49 of a fine may be up to **[\$25,000.00]** \$50,000, and in the case of a person

1 other than a natural person, the amount of a fine may be up to
2 ~~【\$100,000.00】~~ \$200,000.

3 (cf: P.L.1991, c.182, s.47)

4

5 128. Section 116 of P.L.1977, c.110 (C.5:12-116) is amended to read
6 as follows:

7 116. Unlawful possession of device, equipment or other material
8 illegally manufactured, distributed, sold or serviced. Any person who
9 possesses any device, equipment or material which he knows has been
10 manufactured, distributed, sold, tampered with or serviced in violation of
11 the provisions of this act is guilty of a crime of the fourth degree and
12 subject to the penalties therefor, except that the amount of a fine may be
13 up to ~~【\$25,000.00】~~ \$50,000, and in the case of a person other than a
14 natural person, the amount of a fine may be up to ~~【\$100,000.00】~~
15 \$200,000.

16 (cf: P.L.1991, c.182, s.48)

17

18 129. Section 117 of P.L.1977, c.110 (C.5:12-117) is amended to read
19 as follows:

20 117. Employment Without License or Registration; Penalty. a. Any
21 person who, without obtaining the requisite license or registration as
22 provided in this act, works or is employed in a position whose duties
23 would require licensing or registration under the provisions of this act is
24 guilty of a crime of the fourth degree and subject to the penalties therefor,
25 except that the amount of a fine may be up to ~~【\$10,000.00】~~ \$20,000, and
26 in the case of a person other than a natural person, the amount of a fine
27 may be up to ~~【\$50,000.00】~~ \$100,000.

28 b. Any person who employs or continues to employ an individual not
29 duly licensed or registered under the provisions of this act in a position
30 whose duties require a license or registration under the provisions of this
31 act is guilty of a crime of the fourth degree and subject to the penalties
32 therefor, except that the amount of a fine may be up to ~~【\$10,000.00】~~
33 \$20,000, and in the case of a person other than a natural person, the
34 amount of a fine may be up to ~~【\$50,000.00】~~ \$100,000.

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

36 d. Any person violating the provisions of subsection 101e. of this act
37 shall be guilty of a crime of the third degree, and shall be subject to the
38 penalties therefor, except that the amount of a fine may be up to
39 ~~【\$25,000.00】~~ \$50,000. Any licensee permitting or allowing such a
40 violation shall also be punishable under this subsection, in addition to any
41 other sanctions the commission may impose.

42 (cf: P.L.1991, c.182, s.49)

43

44 130. Section 120 of P.L.1977, c.110 (C.5:12-120) is amended to read
45 as follows:

46 120. Prohibited Political Contributions; Penalty. Any person who
47 makes or causes to be made a political contribution prohibited by the
48 provisions of this act is guilty of a crime of the fourth degree and subject

1 to the penalties therefor, except that the amount of a fine may be up to
2 ~~【\$100,000.00】~~ \$200,000, and in the case of a person other than a natural
3 person, the amount of a fine may be up to ~~【\$250,000.00】~~ \$500,000.
4 (cf: P.L.1991, c.182, s.52)
5

6 131. Section 126 of P.L.1977, c.110 (C.5:12-126) is amended to read
7 as follows:

8 126. a. It shall be unlawful for any person who has received any
9 income derived, directly or indirectly, from pattern of racketeering
10 activity or through collection of an unlawful debt in which such person
11 has participated as a principal within the meaning of N.J.S. 2A:85-14 to
12 use or invest, directly or indirectly, any part of such income, or the
13 proceeds of such income, in acquisition of any interest in, or the
14 establishment or operation of, any enterprise which is engaged in or the
15 activities of which affect casino gaming operations or ancillary industries
16 which do business with any casino licensee. A purchase of securities on
17 the open market for purposes of investment, and without the intention of
18 controlling or participating in the control of the issuer or of assisting
19 another to do so, shall not be unlawful under this subsection, provided
20 that the sum total of the securities of the issuer held by the purchaser, the
21 members of his family, and his or their accomplices in any pattern of
22 racketeering activity or in the collection of an unlawful debt does not
23 amount in the aggregate to one percent of the outstanding securities of any
24 one class, or does not, either in law or in fact, empower the holders thereof
25 to elect one or more directors of the issuer.

26 b. It shall be unlawful for any person through a pattern of racketeering
27 activity or through collection of an unlawful debt to acquire or maintain,
28 directly or indirectly, any interest in or control of any enterprise which is
29 engaged in, or the activities of which affect, casino gaming operations or
30 ancillary industries which do business with any casino licensee.

31 c. It shall be unlawful for any person employed by or associated with
32 any enterprise engaged in, or the activities of which affect, casino gaming
33 operations or ancillary industries which do business with any casino
34 licensee, to conduct or participate, directly or indirectly, in the conduct of
35 such enterprise's affairs through a pattern of racketeering activity or
36 collection of unlawful debt.

37 d. It shall be unlawful for any person to conspire to violate any of the
38 provisions of subsections a., b., or c. of this section.

39 e. Any person who violates any provision of this section shall be fined
40 not more than ~~【\$50,000.00】~~ \$100,000 or imprisoned not more than
41 twenty years or both and shall forfeit to the State (1) any interest he has
42 acquired or maintained in violation of this section and (2) any interest in,
43 security of, claim against, or property or contractual right of any kind
44 affording a source of influence over any enterprise which he has
45 established, operated, controlled, conducted, or participated in the conduct
46 of, in violation of this section.

47 f. In any action brought by the Attorney General under this section, the
48 Superior Court shall have jurisdiction to enter such restraining orders or
49 prohibitions, or to take such other actions, including, but not limited to,

1 the acceptance of satisfactory performance bonds, in connection with any
2 property or other interest subject to forfeiture under this section, as it
3 shall deem proper.

4 g. Upon conviction of a person under this section, the court shall
5 authorize the Attorney General to seize all property or other interest
6 declared forfeited under this section upon such terms and conditions as
7 the court shall deem proper. If a property right or other interest is not
8 exercisable or transferable for value by the State, it shall expire and shall
9 not revert to the convicted person.
10 (cf: P.L.1977, c.110, s.126)

11

12 132. The following sections are repealed:

13 Section 6 of P.L.1995, c.18 (C.5:12-11.1);
14 Section 38 of P.L.1977, c.110 (C.5:12-38);
15 Section 64 of P.L.1977, c.110 (C.5:12-64);
16 Section 65 of P.L.1977, c.110 (C.5:12-65);
17 Section 67 of P.L.1977, c.110 (C.5:12-67);
18 Section 88 of P.L.1977, c.110 (C.5:12-88);
19 Section 90 of P.L.1977, c.110 (C.5:12-90); and
20 Section 3 of P.L.2003, c.116 (C.5:12-148.1).

21

22 133. This act shall take effect immediately, provided, however, that the
23 division and commission may take such anticipatory action as is necessary
24 to effectuate the provisions of this act. Any completed applications
25 properly filed with or submitted to the commission which are pending on
26 the effective date of this act over which the division is accorded authority
27 pursuant to the provisions of this act shall be deemed to have been
28 properly filed with or submitted to the division, provided that any
29 application for a license, which license by effect of this act is no longer
30 required, shall be treated as a registration.

31

32

33

STATEMENT

34

35 This bill revises the Casino Control Act, P.L.1977, c.110 (C.5:12-1 et
36 seq.), the law that regulates the licensing of casinos and casino gaming in
37 this State.

38 Under the bill, various regulatory matters currently with the Casino
39 Control Commission would become the responsibility of the Division of
40 Gaming Enforcement in the Department of Law and Public Safety. The
41 division's responsibilities would include:

42 conducting investigative hearings on the conduct of gaming and
43 gaming operations and the enforcement of the casino control act;

44 issuing reports and recommendations to the commission on entities or
45 persons required to qualify for a casino license, on applications for interim
46 casino authorization, or on petitions for a statement of compliance;

47 examining records and procedures, and conducting periodic reviews of
48 operations and facilities, to evaluate provisions of law;

49 collecting certain fees and assessments;

1 issuing operation certificates to casino licensees;
2 accepting impact statements submitted by casino license applicants;
3 issuing emergency orders;
4 taking action against licensees or registrants for violations of the act;
5 imposing sanctions and collecting penalties;
6 accepting and maintaining registrations for casino employees and
7 certain vendors;
8 receiving complaints from the public;
9 certifying the revenue of a casino or simulcasting facility;
10 creating and maintaining the list of excluded patrons;
11 and
12 using private contractors to process criminal history record background
13 checks.

14 With regard to the Casino Control Commission, the responsibilities of
15 the commission would include the areas of casino licensing; licensing of
16 casino key employees; and hearing appeals on actions taken by the
17 division. The commission would retain responsibility over the institution
18 of a conservatorship and appointment of conservators, and over interim
19 authorizations. The bill removes the requirement that the commission be
20 present through inspectors and agents at all times during the operation of a
21 casino. The bill would also require the commission to expeditiously
22 implement Internet wagering when it is permitted under State and federal
23 law.

24 With regard to the membership of the commission, the bill would
25 remove the provision that prohibits members of the commission from
26 continuing in holdover status for more than 120 days after the expiration
27 of their term, so that the members may remain in holdover status until a
28 successor is appointed. Also, the bill would provide for the election of the
29 chairperson by the commission members; currently, the chairperson is
30 designated by the Governor. The election of the chairperson would
31 commence after the expiration of the term of the current chair.

32 The commission would no longer be authorized to employ legal
33 counsel but may award a contract for professional legal services.

34 Under the bill, the commission would continue to have responsibility
35 for issuing casino licenses and casino key employee licenses. The
36 division would have jurisdiction over the licensing of casino service
37 industry enterprises, and the registration of those vendors that are not
38 within the definition of such an enterprise. The division would also have
39 jurisdiction over the registration of casino employees.

40 The definition of casino service industry enterprise would be revised to
41 mean any vendor offering goods or services which directly relate to casino
42 or gaming activity, including gaming equipment and simulcast wagering
43 equipment manufacturers, suppliers, repairers and independent testing
44 laboratories, junket enterprises, and junket representatives. The definition
45 of casino employee would be revised to mean a person, who is not within
46 the definition of casino key employee, but who is employed by a casino
47 licensee, or a holding or intermediary company of a casino licensee, and is
48 involved in the operation of a licensed casino or a simulcasting facility, or

1 performs services or duties in a casino, simulcasting facility or a restricted
2 casino area.

3 The bill would remove license renewal requirements, but would add a
4 requirement for certain information to be provided to the commission and
5 division every five years by licensees in order to verify continued
6 compliance with the law.

7 The bill would remove certain restrictions concerning a Casino Hotel
8 Alcoholic Beverage License, and would permit a manufacturer,
9 wholesaler, or other person licensed to sell alcoholic beverages to
10 retailers, or third parties at their discretion, to jointly sponsor with the
11 Casino Hotel Alcoholic Beverage Licensee musical or theatrical
12 performances or concerts, sporting events and such similar events and
13 festivals, with an anticipated overall audience attendance of at least one
14 thousand patrons, as may be approved by the division.

15 The administration of the tax on casino service industry multi-casino
16 progressive slot machine revenue would be transferred to the Department
17 of the Treasury, and administration of the \$3.00 per day fee on each
18 casino hotel room occupied by a guest would be transferred to the Casino
19 Revenue Fund Advisory Commission. The definition of "gross revenue"
20 would be revised to exclude non-cashable credits in any form, including
21 coupons, electronic credits and vouchers.

22 Other provisions of the bill would:

23 add certain criminal violations to the current list that would disqualify
24 an applicant for a casino license;

25 revise various casino licensing requirements;

26 add a presumption that a casino licensee is financially stable under
27 described conditions;

28 revise procedures for the conduct of hearings by the commission and
29 the division;

30 permit the division to adopt the conclusions of a private testing
31 laboratory or governmental agency with regard to the testing of gaming
32 equipment;

33 permit the deployment, within 14 days after submission for testing, of
34 new gaming equipment or simulcast wagering equipment that is submitted
35 for testing to the division or to an independent testing laboratory;

36 require the division to give a one-time right of first refusal offer of
37 employment to certain former commission employees;

38 prohibit a member of the commission and any employee of the
39 commission holding a supervisory or policy-making management position,
40 and the director of the division and any employee of the division holding a
41 supervisory or policy-making management position, from making any
42 political contribution;

43 add the director of the division to the current four-year post-
44 employment restriction applicable to commission members;

45 require the division to be located in Atlantic City, except that the
46 division may maintain a secondary office in Trenton; and

47 double all monetary fines for violations of the casino control act.

48 The bill would repeal:

49 the definition of "casino service employee" and "principal employee;"

1 the provision authorizing the commission to exclude unqualified or
2 disqualified persons from licensing or casino operations;
3 the provision describing the powers and authority of the commission;
4 the provisions that permit the commission to issue subpoenas,
5 administer oaths, appoint hearing examiners, order persons to answer
6 questions or produce evidence, and confer immunity, which are being
7 replaced by new sections in the bill;
8 the provisions concerning the renewal of casino licenses, and the
9 licensing of casino employees; and
10 the provision that imposed a tax on casino complimentaries until June
11 30, 2009.

ASSEMBLY REGULATORY OVERSIGHT AND GAMING
COMMITTEE

STATEMENT TO

ASSEMBLY, No. 3517

with committee amendments

STATE OF NEW JERSEY

DATED: DECEMBER 9, 2010

The Assembly Regulatory Oversight and Gaming Committee reports favorably and with committee amendments Assembly, No. 3517.

This bill revises the Casino Control Act, P.L.1977, c.110 (C.5:12-1 et seq.), the law that regulates the licensing of casinos and casino gaming in this State.

Under the bill as amended, various regulatory matters currently with the Casino Control Commission would become the responsibility of the Division of Gaming Enforcement in the Department of Law and Public Safety.

With regard to the Casino Control Commission, the responsibilities of the commission would include casino licensing, licensing of casino key employees, and hearing appeals on actions taken by the division. The commission would retain responsibility over the institution of a conservatorship and appointment of conservators, and over interim authorizations. With regard to the membership of the commission, the bill would permit the members to remain in holdover status until a successor is appointed and to elect the chairperson. The bill removes the requirement that the commission be present through inspectors and agents at all times during the operation of a casino.

Under the bill, the commission would continue to have responsibility for issuing casino licenses and casino key employee licenses. The division would have jurisdiction over the licensing of casino service industry enterprises, and the registration of those vendors that are not within the definition of such an enterprise. The division would also have jurisdiction over the registration of casino employees. The bill would remove license renewal requirements, but would add a requirement for certain information to be provided to the commission and division every five years by licensees in order to verify continued compliance with the law.

The bill would remove certain restrictions concerning a Casino Hotel Alcoholic Beverage License, and would permit those licensed to

sell alcoholic beverages to retailers to jointly sponsor certain events with the Casino Hotel Alcoholic Beverage Licensee.

The administration of the tax on casino service industry multi-casino progressive slot machine revenue would be transferred to the Department of the Treasury, and the administration of the \$3.00 per day fee on each casino hotel room occupied by a guest would be transferred to the Casino Revenue Fund Advisory Commission. The definition of “gross revenue” would be revised to exclude non-cashable credits in any form, including coupons, electronic credits and vouchers.

Among the changes made by bill are revisions to various casino licensing requirements, and revisions to the procedures for the testing of gaming equipment. The bill would require the division to give a one-time right of first refusal offer of employment to certain former commission employees, and would prohibit members and staff of the commission and the division who hold supervisory or policy-making management positions from making political contributions. The bill would double all monetary fines for violations of the casino control act. The bill also eases the current post-employment restriction on commission and division employees, other than those who held a policy-making management position at any time during the five years prior to termination of employment, who are terminated as a result of a reduction in the workforce at the commission or division to permit the employee, at any time prior to the end of the two-year restriction period, to accept employment with any applicant or person licensed by or registered under the Casino Control Act upon notification to the division or the commission, unless there is a finding that the employment will create the appearance of a conflict of interest and does evidence a conflict of interest in fact.

The bill would repeal various provisions concerning the definition of “casino service employee” and “principal employee;” the commission’s authority to exclude unqualified or disqualified persons from licensing or casino operations; the powers and authority of the commission; the various hearing processes which are being replaced by new sections in the bill; the renewal of casino licenses; and the licensing of casino employees.

COMMITTEE AMENDMENTS:

The committee adopted amendments to the bill. These amendments:

change the definition of casino “gross revenue” in the casino control act to specify that “promotional gaming credits” are to be included as sums actually received by a casino licensee from gaming operations, and therefore subject to taxation. Current law defines promotional gaming credit as a slot machine credit or other approved item that is issued by a casino licensee to a patron for the purpose of

enabling the placement of a wager at a slot machine in the licensee's casino;

remove the requirement that the Division of Gaming Enforcement in the Department of Law and Public Safety consult with the Casino Control Commission on the form and content of the operation certificate to be issued by the division to a casino licensee and on matters concerning the hours of operation of a casino;

authorize both the division and commission to summarily adopt, amend, or repeal any order, rule, or regulation issued or promulgated by the commission or division for a period of time not to exceed 270 days for the purpose of initiating the implementation of Internet wagering at casinos, when authorized;

change the definition of "debt" and "equity security" for the purposes of the casino control act to remove convertible debt from the definition of "equity security" and include it in the definition of "debt":

change the bill's effective date to specify that an orderly transition of responsibilities and functions from the Casino Control Commission to the Division of Gaming Enforcement will take place for 90 days following the bill's immediate effective date;

include privately held corporations in the provision that grants a waiver of qualification to institutional investors holding certain equity or debt securities if such securities are those of a corporation, whether publicly traded or privately held, and its holdings of such securities were purchased for investment purposes only and it files a certified statement to the effect that it has no intention of influencing or affecting the affairs of the issuer, the casino licensee, or its holding or intermediary companies; and

modify the provision that requires all drop boxes and other devices into which certain items are deposited at the gaming tables or in slot machines, and all areas wherein such boxes and devices are kept while in use, to be equipped with two locking devices, with one key under the exclusive control of the Division of Gaming Enforcement and the other under the exclusive control of the casino licensee, so that the security of such drop boxes and devices and areas would be provided for by regulations of the division which the division must adopt.

STATEMENT TO
[First Reprint]
ASSEMBLY, No. 3517

with Assembly Floor Amendments
(Proposed by Assemblyman BURZICHELLI)

ADOPTED: DECEMBER 13, 2010

This bill, Assembly, No. 3517 (1R) of 2010, changes the definition of casino “gross revenue” in the casino control act to exclude from the amounts taxable by the State any form of non-cashable credits, such as coupons, electronic credits and vouchers used by patrons to place wagers. This bill also provides that, in determining the gross revenue of a casino, “promotional gaming credits” are to be included as sums actually received by a casino licensee from gaming operations, and therefore subject to taxation, unless excluded pursuant to section 2 of P.L.2008, c.12 (C.5:12-144.2). Current law defines a promotional gaming credit as a slot machine credit or other approved item that is issued by a casino licensee to a patron for the purpose of enabling the placement of a wager at a slot machine in the licensee's casino.

This floor amendment omits from the bill the redefinition of gross revenue, and therefore provides that gross revenues will continue to be calculated in the same manner as under current law.

This floor amendment also provides that the Department of the Treasury will be responsible for administering and collecting on behalf of the State the \$3.00 per day fee imposed on occupied casino hotel rooms, and renumbers two cross references.

STATEMENT TO

[Second Reprint] **ASSEMBLY, No. 3517**

with Assembly Floor Amendments
(Proposed by Assemblymen BURZICHELLI)

ADOPTED: JANUARY 6, 2011

--- Current law permits the Casino Control Commission to employ legal counsel to represent the commission in any proceeding to which it is a party and to render legal advice to the commission upon its request. The bill removes this authority and, in its place, specifically permits the commission to contract for the services of legal counsel.

This Assembly amendment would restore the ability of the commission to employ legal counsel and would remove the specific authorization to contract for the services of legal counsel.

--- Current law provides that no person is to be issued or is to hold a casino license if the issuance or the holding results in undue economic concentration in Atlantic City casino operations by that person. The commission is required to promulgate rules and regulations to define the criteria the commission will use in determining what constitutes undue economic concentration.

This Assembly amendment incorporates into the statutes the wording of the current regulations of the commission regarding this issue. The amendments define "undue economic concentration" to mean that a person would have such actual or potential domination of the casino gaming market in Atlantic City as to substantially impede or suppress competition among casino licensees or adversely impact the economic stability of the casino industry in Atlantic City. In determining whether the issuance or holding of a casino license by a person will result in undue economic concentration, the commission must consider the following criteria:

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

- The total number of licensed casinos in this State;
- Total casino and casino simulcasting facility square footage;
- Number of guest rooms;
- Number of slot machines;
- Number of table games;
- Net revenue;
- Table game win;
- Slot machine win;
- Table game drop;
- Slot machine drop; and
- Number of persons employed by the casino hotel;

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

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

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

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

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

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

(8) The barriers to entry into the casino industry, including the licensure requirements of this act, and whether the issuance or holding of a casino license by the person will operate as a barrier to new companies and individuals desiring to enter the market;

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

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

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

--- This Assembly amendment also adds a comma in paragraph (7) of subsection c. of N.J.S.A.5:12-82 (section 46 of the bill) to clarify intent.

LEGISLATIVE FISCAL ESTIMATE

[Third Reprint]

ASSEMBLY, No. 3517

STATE OF NEW JERSEY 214th LEGISLATURE

DATED: JANUARY 13, 2011

SUMMARY

- Synopsis:** Revises various aspects of casino industry regulation.
- Type of Impact:** Indeterminate Impact to the Casino Control Fund and Casino Revenue Fund.
- Agencies Affected:** Department of the Treasury, Department of Law and Public Safety - Division of Gaming and Enforcement, Casino Control Commission.

Executive Estimate

| Fiscal Impact | <u>FY 2011</u> | <u>FY 2012</u> | <u>FY 2013</u> |
|----------------------------|-----------------------|------------------------------------|-----------------------|
| Casino Control Fund | | Indeterminate – See comments below | |
| Casino Revenue Fund | | Indeterminate- See comments below | |

- This bill, among its various provisions, makes changes to the law that regulates the licensing of casinos and casino gaming in this State by reorganizing regulatory functions, permitting certain fee changes, and doubling monetary fines for violations of the law.
- The Office of Legislative Services (OLS) estimates that this bill will have certain fiscal impacts related to the transfer of regulatory functions from the Casino Control Commission (CCC) to the Division of Gaming Enforcement in the Department of Law and Public Safety (DGE) and the doubling of monetary fines for violations of the law. However, the fiscal impacts of these provisions are dependent upon prospective circumstances that render a fiscal estimate at this time, indeterminate.
- Under this bill, various regulatory matters currently under the direction and control of the CCC would become the responsibility of the DGE. Under current law, appropriations from the Casino Control Fund are made to fund the operations of the CCC and the DGE. The Casino Control Fund accounts for fees from the issuance and annual revenue of casino license, work permit fees, and other license fees.
- With regard to changes in certain fees, the OLS cannot estimate the change in revenues to the Casino Control Fund resulting from the provisions of the bill concerning fees that may be set

by the DGE because the determination of the fees are dependent upon the outcome of a reorganization of regulatory functions from the CCC to the DGE.

- With regard to the doubling of monetary fines for violation of the law, the DGE indicates that fines generally run in the range of \$600,000 per year. It should be noted that the increased maximum penalties set forth in this bill will have an indeterminate fiscal impact, but perhaps not a significant one. Such penalties are deposited into the Casino Revenue Fund.

BILL DESCRIPTION

Assembly Bill No. 3517 (3R) of 2010 revises the Casino Control Act, P.L.1977, c.110 (C.5:12-1 et seq.), the law that regulates the licensing of casinos and casino gaming in this State. Under the bill, various regulatory matters currently with the CCC would become the responsibility of the DGE. The division's responsibilities would include:

- conducting investigative hearings on the conduct of gaming and gaming operations and the enforcement of the casino control act;
- issuing reports and recommendations to the commission on entities or persons required to qualify for a casino license, on applications for interim casino authorization, or on petitions for a statement of compliance;
- examining records and procedures, and conducting periodic reviews of operations and facilities, to evaluate provisions of law;
- collecting certain fees and assessments;
- issuing operation certificates to casino licensees;
- accepting impact statements submitted by casino license applicants;
- issuing emergency orders;
- taking action against licensees or registrants for violations of the act;
- imposing sanctions and collecting penalties;
- accepting and maintaining registrations for casino employees and certain vendors;
- receiving complaints from the public;
- certifying the revenue of a casino or simulcasting facility;
- creating and maintaining the list of excluded patrons; and
- using private contractors to process criminal history record background checks.

With regard to the CCC, the responsibilities of the commission would include the areas of casino licensing; licensing of casino key employees; and hearing appeals on actions taken by the division. The commission would retain responsibility over the institution of a conservatorship and appointment of conservators, and over interim authorizations. The bill removes the requirement that the commission be present through inspectors and agents at all times during the operation of a casino. The bill would also require the commission to expeditiously implement Internet wagering when it is permitted under State and federal law.

Under the bill, the commission would continue to have responsibility for issuing casino licenses and casino key employee licenses. The division would have jurisdiction over the licensing of casino service industry enterprises, and the registration of those vendors that are not within the definition of such an enterprise. The division would also have jurisdiction over the registration of casino employees.

The bill would remove license renewal requirements, but would add a requirement for certain information to be provided to the commission and division every five years by licensees in order to verify continued compliance with the law.

This bill also doubles the maximum amount of monetary fines that may be imposed for a violation of the law.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None Received.

OFFICE OF LEGISLATIVE SERVICES

The OLS estimates that this bill will have certain fiscal impacts related to the transfer of regulatory functions from the CCC to the DGE and the doubling of monetary fines for violations of the law. However, the fiscal impacts of these provisions are dependent upon prospective circumstances that render a fiscal estimate, at this time, indeterminate. It should be noted that estimating the cost or possible savings to the Casino Control Fund resulting from the transfer of various regulatory functions from the CCC to the DGE would require the Executive Branch to provide a strategic reorganization plan that details the functions and regulations being transferred and any changes in scope and importance of those functions and regulations. In addition, an estimate of the costs or savings would require the Executive Branch to provide a workload analysis describing how the functions that are transferred will be handled by the DGE in terms of staffing and position restructuring. For example, will the DGE hire new employees to perform the transferred functions, will the existing DGE staff absorb the new job duties by having their job duties expanded to include the new functions, or will some functions be eliminated entirely? Furthermore, because the bill changes the language in current law requiring the DGE to be principally located in Atlantic City, will the State incur new building or facility costs?

The bill requires the DGE to establish, by regulation, appropriate fees to be imposed for licensing, registrations, and other matters. The Casino Control Fund accounts for fees from the issuance and annual revenue of casino license, work permit fees, and other license fees. Under current law, appropriations from the Casino Control Fund are made to fund the operations of the CCC and the DGE. An estimate of the fiscal impact to the Casino Control Fund concerning the changes in fees that may be established by the DGE cannot be determined at this time, because the establishment of the fees are or may be dependent upon the costs associated with a reorganization of regulatory functions from the CCC to the DGE.

The bill also doubles the maximum amount of monetary fines that may be imposed for a violation of the law. Such penalties are deposited into the Casino Revenue Fund, with the first \$600,000 appropriated for compulsive gambling matters. Information gathered during informal discussions with representatives of the DGE indicates that fines generally run in the range of \$600,000 per year. For the last three complete calendar years, fines have been: 2007, \$1.2 million; 2008, \$710,000; 2009, \$534,000. For 2010 thus far, the amount has been \$567,000. The 2007 figure includes a record \$750,000 penalty imposed on the Tropicana. It should be noted that the increased maximum penalties set forth in this bill will have an indeterminate fiscal impact, but perhaps not a significant one. N.J.S.A. 5:12-123 provides that any violation is considered a separate violation each day it occurs and violations tend to be ongoing. However, the maximum tends not to dictate the actual amount of fines imposed for a violation because of settlements with the violators. Accordingly, it would be incorrect to assume that doubling the statutory maximums would double the projected fine amounts the State would collect.

Section: State Government

*Analyst: Kimberly McCord Clemmensen
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*Approved: David J. Rosen
Legislative Budget and Finance Officer*

This legislative fiscal estimate has been produced by the Office of Legislative Services.

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



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Governor Christie Signs Landmark Legislation to Revitalize Atlantic City

Tuesday, February 1, 2011

Tags: [Jobs and the Economy](#)

Trenton, NJ - Today, Governor Chris Christie signed into law sweeping legislation to enact his reform plans to revitalize the ailing gaming and tourism industries in Atlantic City, and set the region on a new course for economic growth, job creation and prosperity. Recognizing the significance and importance of Atlantic City's regional economy to the state as a whole, Governor Christie put forward a comprehensive, bold reform plan in July aimed at turning around the deep and unprecedented challenges facing Atlantic City's gaming and tourism industries.

The bills signed by Governor Christie today, S-11 and S-12, represent critical steps in following through on his commitment to the tens of thousands of New Jersey families whose livelihoods depend on the regional economy, and will set the stage for Atlantic City to once again be a world-class destination resort and an engine of job creation and economic growth. S-11 authorizes the creation of a tourism district within Atlantic City, with the charge of improving public safety, public health, marketing and infrastructure projects and improvements; S-12 provides for the reform and modernization of New Jersey's casino regulatory structure.

"The challenges faced today by the Atlantic City tourism and gaming industries have been a long time in the making, and significant steps are needed to stop the decline and set a new course of economic growth, job creation and return Atlantic City to the ranks of the best destinations in the world. But, it can and must be done for the economic health of New Jersey as a whole," said Governor Christie. "Since we announced our plan for reform just over six months ago, we have already taken steps to secure that future – to stabilize the City's finances and create jobs through new business investment. Today, we are going much further to signal to businesses, to the public and to the people who call Atlantic City home that a new, brighter and more prosperous future is coming again."

The signing took place at the site of the Revel casino resort, a 53-story, 6.3 million square foot, 3,800 room hotel and casino that, upon completion, will be the biggest such property in Atlantic City. Governor Christie also announced the approval of \$260 million in tax-increment financing by the New Jersey Economic Development Authority that will support much needed infrastructure improvements in the South Inlet neighborhood adjacent to the Revel development and pave the way for completion of the \$2.8 billion project and thousands of new jobs. The project estimates the creation of 5,500 permanent jobs, 2,600 construction jobs, 1,100 manufacturing jobs, 400 vendor/supplies jobs and 250 professional/consulting jobs. Along with job creation associated with ancillary utility and infrastructure improvement projects, total job creation for the Revel project is estimated at more than 10,000 jobs.

The New Jersey Economic Development Authority also today approved a new policy requiring as a condition of any tax increment financing package of \$50 million or more, including the Revel financing approved today, that the state receive success reimbursement payments from the project commensurate with the extent of state financial participation.

S-11 implements several critical elements of Governor Christie's revitalization plan for Atlantic City. The bill authorizes the Casino Reinvestment Development Authority (CRDA) to establish a tourism district within Atlantic City. Within the territorial limits of the tourism district, CRDA will be authorized to establish land use regulations, implement a tourism district master plan, promote public health and safety initiatives, advance commercial development, undertake redevelopment projects and institute infrastructure improvements. The bill also provides for the merger of the Atlantic City Convention and Visitors Authority into CRDA. CRDA will also enter into a public-private partnership with a not-for-profit consisting of a majority of New Jersey casino licensees, through which they will commit funds totaling \$30 million annually for the development and implementation of a marketing program aimed at promoting Atlantic City. In October, the Casino Association of New Jersey announced the formation of such a non-profit and the commitment of the casino industry to contribute at least \$30 million annually to promote Atlantic City and support the tourism district.

S-11 directs the Attorney General and Superintendent of State Police, in consultation with the Mayor of Atlantic City and municipal law enforcement officials, to develop a public safety plan for Atlantic City to be implemented by a District Commander appointed by the Superintendent. The plan will include the development of law enforcement best practices, the procurement and deployment of new technology and equipment, and the development and implementation of a coordinated law enforcement strategy to address public safety concerns both inside and outside of the tourism district.

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S-12 reforms the state's regulatory structure for casinos by modernizing, streamlining, and eliminating duplication in the regulatory statutes, many of which were authored more than 30 years ago. Under the bill, the Casino Control Commission (CCC) is assigned the lead role in initial casino licensing matters as well as in adjudicating regulatory disputes. The Division of Gaming Enforcement (DGE) is charged with focusing on the day-to-day regulation of all casino operations. These changes move away from the duplicative and overlapping investigative, oversight, and regulatory functions previously held by the two-bodies and creates a more well-defined system of regulatory authority by the entities.

In addition, S-12 accounts for the significant technological advancements that have taken place since the inception of the regulatory statute by eliminating the current requirement that the Casino Control Commission be continuously present, through inspectors and agents, at all times during the operation of a casino. The bill provides for registration as opposed to licensure of certain casino-related employees and removes certain periodic license renewal requirements. The bill would, however, add a requirement for designated information to be provided periodically by licensees to the CCC and DGE in order to verify ongoing compliance with all legal requirements.


Finally, the bill makes various other changes to state law to remove impediments to efficient and productive casino operations and provide additional flexibility in their operation.

On July 21st, Governor Christie welcomed and endorsed the recommendations of the New Jersey Gaming, Sports and Entertainment Advisory Commission chaired by Jon F. Hanson. The actions taken today fulfill many of the goals outlined in that report, and move forward Governor Christie's commitment to ensuring the growth and success of Atlantic City's economy, and the state's gaming and tourism industries.

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