

52:32-44

LEGISLATIVE HISTORY CHECKLIST

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LAWS OF: 2001 **CHAPTER:** 134
NJSA: 52:32-44 (Registration of providers of goods and services to casinos)
BILL NO: S2465 (Substituted for A3739)
SPONSOR(S): Kavanaugh
DATE INTRODUCED: June 21, 2001
COMMITTEE: **ASSEMBLY:** ---
SENATE: Budget
AMENDED DURING PASSAGE: Yes
DATE OF PASSAGE: **ASSEMBLY** June 28, 2001
SENATE: June 28, 2001
DATE OF APPROVAL: June 29, 2001

FOLLOWING ARE ATTACHED IF AVAILABLE:

FINAL TEXT OF BILL (1st reprint enacted)

(Amendments during passage denoted by superscript numbers)

S2465

SPONSORS STATEMENT: (Begins on page 6 of original bill) Yes

COMMITTEE STATEMENT: **ASSEMBLY:** No

SENATE: Yes

FLOOR AMENDMENT STATEMENTS: No

LEGISLATIVE FISCAL ESTIMATE: No

A3739

SPONSORS STATEMENT: (Begins on page 5 of original bill) Yes

COMMITTEE STATEMENT:	ASSEMBLY:	No
	SENATE:	No
FLOOR AMENDMENT STATEMENTS:		No
LEGISLATIVE FISCAL ESTIMATE:		No

A3696

SPONSORS STATEMENT: (Begins on page 6 of original bill)	Yes
----------------------------------------------------------------	-----

Bill and sponsors statement identical to S2465

COMMITTEE STATEMENT:	ASSEMBLY:	Yes
	SENATE:	No
FLOOR AMENDMENT STATEMENTS:		No
LEGISLATIVE FISCAL ESTIMATE:		No

VETO MESSAGE:	No
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GOVERNOR'S PRESS RELEASE ON SIGNING:	Yes
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FOLLOWING WERE PRINTED:

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NEWSPAPER ARTICLES:	No

SENATE, No. 2465

STATE OF NEW JERSEY
209th LEGISLATURE

INTRODUCED JUNE 21, 2001

Sponsored by:

Senator WALTER J. KAVANAUGH

District 16 (Morris and Somerset)

SYNOPSIS

Requires providers of goods and services to the State and casinos and certain subcontractors to register their business and obtain tax clearance certificates.

CURRENT VERSION OF TEXT

As introduced.



S2465 KAVANAUGH

2

1 AN ACT concerning business registration and tax clearance
2 procedures for providers of goods and services to the State and
3 casinos, supplementing Titles 54 and 52 of the Revised Statutes and
4 amending P.L.1977, c.110.

5

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

8

9 1. (New section) a. The Director of the Division of Taxation shall
10 review the records pursuant to the State tax payment, collection and
11 withholding duties imposed pursuant to Title 54 of the Revised
12 Statutes and Title 54A of the New Jersey Statutes, of the contractors
13 enumerated in subsection e. of this section that are subject to review
14 pursuant to subsection f. of this section to determine if the contractors
15 have satisfied all requirements for filing those taxes and information
16 returns and for paying those taxes for which they have been liable
17 individually or as operators of current or past businesses. The same
18 review shall be performed at any time upon request by a prospective
19 contractor, within such time limits as the director may determine.

20 b. If the director determines that a contractor or prospective
21 contractor has complied with all requirements for filing tax and
22 information returns and for paying or remitting those taxes, the
23 director shall issue to the vendor a Contractor Tax Clearance
24 Certificate.

25 c. If the director determines that the contractor or prospective
26 contractor has not filed all required tax and information returns or has
27 not paid or remitted all tax, penalties, interest or fees due pursuant to
28 Title 54 of the Revised Statutes and Title 54A of the New Jersey
29 Statutes, the director shall issue a notice of delinquency or deficiency
30 listing unfiled returns or balances due. The director may require a
31 contractor or prospective contractor to resolve all delinquencies and
32 deficiencies before a Contractor Tax Clearance Certificate is issued,
33 or upon review of the total circumstances, the director shall issue an
34 interim Contractor Tax Clearance Certificate if the director determines
35 to the director's satisfaction that the contractor or prospective
36 contractor will resolve all such delinquencies and deficiencies.

37 d. The director's issuance of a regular or interim Contractor Tax
38 Clearance Certificate shall not constitute a waiver of authority to
39 demand resolution of all deficiencies and delinquencies and shall not
40 prevent further audit or the assessment of additional taxes, penalties,
41 interest or fees as may be provided by law.

42 e. For the purposes of this section, and under the conditions
43 established pursuant to subsection f. of this section, "contractor"

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 means:

2 (1) a provider of goods or services licensed pursuant to subsection
3 a. of section 92 of P.L.1977, c.110 (C.5:12-92) as a casino service
4 industry;

5 (2) a provider of goods or services licensed pursuant to subsection
6 c. of section 92 of P.L.1977, c.110 (C.5:12-92) as a casino service
7 industry;

8 (3) a provider of goods or services for whom a casino licensee is
9 required to file a Vendor Registration Form;

10 (4) a subcontractor to (1) or (2) above in any of its business with
11 a casino or casino licensee;

12 (5) a contractor subject to the provisions of section 2 of
13 P.L. , c. (C.)(pending before the Legislature as this bill); and

14 (6) a subcontractor to a contractor in any of its business subject to
15 the provisions of section 2 of P.L. , c. (C.)(pending before
16 the Legislature as this bill).

17 f. The contractors enumerated in subsection e. of this section that
18 shall be subject to review pursuant to this section shall be determined
19 pursuant to a schedule promulgated by the Director of the Division of
20 Taxation specifying those contractors that shall be subject to review
21 by a specific date. No contractor or subcontractor shall be denied the
22 right to enter a contract because of failure to possess a Contractor Tax
23 Clearance Certificate if the failure to possess the certificate is a result
24 of the inability of the Division of Taxation to provide adequate notice
25 of the review schedule, provide adequate notice of the specific review,
26 complete the review of a contractor within a reasonable period under
27 the circumstances applicable to the contractor, or issue the certificate
28 within a reasonable period after the completion of the review.

29

30 2. (New section) a. For the purposes of this section:

31 "Contractor" means a person under contract to provide goods or
32 services or to construct a construction project, or seeking to enter a
33 contract to provide goods or services or to construct a construction
34 project, with a contracting State agency;

35 "Contracting State agency" means the principal departments in the
36 Executive Branch of the State Government, and any division, board,
37 bureau, office, commission or other instrumentality within or created
38 by such department, the Legislature of the State and the Judicial
39 Branch of the State and any office, board, bureau or commission
40 within or created by the Legislative Branch or the Judicial Branch, or
41 any independent State authority, commission, instrumentality or
42 agency;

43 "Subcontractor" means any person who enters into a contract with
44 a contractor to supply goods and services to a contractor under a
45 contract with a State agency; and

46 "Tax Clearance Certificate" means a certificate issued pursuant of

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1 section 1 of P.L. , c. (C.) (now pending before the
2 Legislature as this bill).

3 b. A contractor shall provide proof of valid business registration
4 with the Division of Revenue to any contracting State agency; no
5 contract shall be entered into by any contracting State agency unless
6 the contractor first provides proof of valid business registration and
7 is in possession of a Tax Clearance Certificate, if the contractor is
8 subject to review pursuant to subsection f. of section 1 of
9 P.L. , c. (C.) (now pending before the Legislature as this
10 bill).

11 c. A subcontractor under any contract with a contracting State
12 agency shall provide proof of valid business registration with the
13 Division of Revenue to any contractor; verification information shall
14 be forwarded by the contractor to the contracting State agency. No
15 subcontract shall be entered into by any contractor under any contract
16 with a contracting State agency unless the subcontractor first provides
17 proof of valid business registration and is in possession of a Tax
18 Clearance Certificate, if the subcontractor is subject to review
19 pursuant to subsection f. of section 1 of P.L. , c. (C.) (now
20 pending before the Legislature as this bill).

21 d. A contract entered into by a contracting State agency with a
22 provider of goods or services or a contractor or subcontractor of a
23 construction project shall contain a notice of the provisions in this
24 section.

25

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

28 92. Licensing and Registration of Casino Service Industries.

29 a. (1) All casino service industries offering goods or services which
30 directly relate to casino or gaming activity, including gaming
31 equipment and simulcast wagering equipment manufacturers,
32 suppliers, repairers and independent testing laboratories, schools
33 teaching gaming and either playing or dealing techniques, and casino
34 security services, shall be licensed in accordance with the provisions
35 of this act prior to conducting any business whatsoever with a casino
36 applicant or licensee, its employees or agents, and in the case of a
37 school, prior to enrollment of any students or offering of any courses
38 to the public whether for compensation or not; provided, however,
39 that upon a showing of good cause by a casino applicant or licensee
40 for each business transaction, the commission may permit an applicant
41 for a casino service industry license to conduct business transactions
42 with such casino applicant or licensee prior to the licensure of that
43 service industry applicant under this subsection.

44 (2) In addition to the requirements of paragraph (1) of this
45 subsection, any casino service industry intending to manufacture, sell,
46 distribute, test or repair slot machines within New Jersey, other than

1 antique slot machines as defined in N.J.S.2C:37-7, shall be licensed in
2 accordance with the provisions of this act prior to engaging in any
3 such activities; provided, however, that upon a showing of good cause
4 by a casino applicant or licensee for each business transaction, the
5 commission may permit an applicant for a casino service industry
6 license to conduct business transactions with the casino applicant or
7 licensee prior to the licensure of that service industry applicant under
8 this subsection; and provided further, however, that upon a showing
9 of good cause by an applicant required to be licensed as a casino
10 service industry pursuant to this paragraph, the commission may
11 permit the service industry applicant to initiate the manufacture of slot
12 machines or engage in the sale, distribution, testing or repair of slot
13 machines with any person other than a casino applicant or licensee, its
14 employees or agents, prior to the licensure of that service industry
15 applicant under this subsection.

16 b. Each casino service industry in subsection a. of this section, as
17 well as its owners; management and supervisory personnel; and
18 principal employees if such principal employees have responsibility for
19 services to a casino licensee, must qualify under the standards, except
20 residency, established for qualification of a casino key employee under
21 this act.

22 c. All casino service industries not included in subsection a. of this
23 section shall be licensed in accordance with rules of the commission
24 prior to commencement or continuation of any business with a casino
25 applicant or licensee or its employees or agents. Such casino service
26 industries, whether or not directly related to gaming operations, shall
27 include junket enterprises; suppliers of alcoholic beverages, food and
28 nonalcoholic beverages; in-State and out-of-State sending tracks as
29 defined in section 2 of the "Casino Simulcasting Act," P.L.1992, c.19
30 (C.5:12-192); garbage handlers; vending machine providers; linen
31 suppliers; maintenance companies; shopkeepers located within the
32 approved hotels; limousine services; and construction companies
33 contracting with casino applicants or licensees or their employees or
34 agents. The commission may exempt any person or field of commerce
35 from the licensing requirements of this subsection if the person or field
36 of commerce demonstrates (1) that it is regulated by a public agency
37 or that it will provide goods or services in insubstantial or insignificant
38 amounts or quantities, and (2) that licensing is not deemed necessary
39 in order to protect the public interest or to accomplish the policies
40 established by this act.

41 Upon granting an exemption or at any time thereafter, the
42 commission may limit or place such restrictions thereupon as it may
43 deem necessary in the public interest, and shall require the exempted
44 person to cooperate with the commission and the division and, upon
45 request, to provide information in the same manner as required of a
46 casino service industry licensed pursuant to this subsection; provided,

1 however, that no exemption be granted unless the casino service
2 industry complies with the requirements of sections 134 and 135 of
3 this act.

4 d. Licensure pursuant to subsection c. of this section of any casino
5 service industry may be denied to any applicant disqualified in
6 accordance with the criteria contained in section 86 of this act.

7 e. No casino service industry license shall be issued pursuant to
8 subsection a. or subsection c. of this section to any person unless that
9 person shall (1) provide proof of valid business registration with the
10 Division of Revenue and (2) possess a Tax Clearance Certificate, if the
11 person is subject to review pursuant to subsection f. of section 1 of
12 P.L. , c. (C.) (now pending before the Legislature as this
13 bill).

14 f. A casino service industry licensed pursuant to subsection a. or
15 subsection c. of this section shall require proof, from a subcontractor
16 to a casino service industry contract with a casino applicant or casino
17 licensee, of valid business registration with the Division of Revenue;
18 verification information shall be forwarded by the casino service
19 industry to the Division of Taxation in the Department of the
20 Treasury. No subcontract to a casino service industry contract with
21 a casino applicant or casino licensee shall be entered into by any casino
22 service contractor unless the subcontractor first provides proof of
23 valid business registration and possesses a Contractor Tax Clearance
24 Certificate if the subcontractor is subject to review pursuant to
25 subsection f. of section 1 of P.L. , c. (C.) (now pending
26 before the Legislature as this bill).

27 (cf: 1995, c.18, s.30).

28

29 4. This act shall take effect immediately; provided however, that
30 sections 2 and 3 shall remain inoperative until the first day of the third
31 month following enactment.

32

33

34

STATEMENT

35

36 This bill requires providers of goods and services to the State and
37 its agencies, to casino licensees, and subcontractors under those
38 State and casino contracts to register their businesses with the
39 Division of Revenue and obtain tax clearance certificates from the
40 Division of Taxation.

41 The bill requires all contractors and subcontractors under contracts
42 with casino licensees and all agencies and instrumentalities of State
43 government to register with the Division of Revenue in the
44 Department of the Treasury. This registration is the single "one stop
45 shopping" program for businesses new to transacting business in New
46 Jersey, and allows Treasury to identify taxpayers.

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1 The bill also requires all contractors to the State and its agencies,
2 to casino licensees, and subcontractors under those State and casino
3 contracts to obtain a Contractor Tax Clearance Certificate from the
4 Division of Taxation. The Division of Taxation will issue clearance
5 certificates after a review verifying that the contractor or prospective
6 contractor has complied with all requirements for filing, reporting,
7 paying and remitting State taxes. The Division of Taxation will issue
8 an interim clearance certificate on a determination that the licensee will
9 resolve all delinquencies and deficiencies. These reviews will be
10 performed on a schedule developed by the Division of Taxation.

11 The bill stipulates that no contractor or subcontractor shall be
12 denied the right to enter a contract because of failure to possess a
13 Contractor Tax Clearance Certificate if the failure to possess the
14 certificate is a result of the inability of the Division of Taxation to
15 provide adequate notice of the review schedule, provide adequate
16 notice of the specific review, complete the review of a contractor
17 within a reasonable period under the circumstances applicable to the
18 contractor, or issue the certificate within a reasonable period after the
19 completion of the review.

SENATE BUDGET AND APPROPRIATIONS COMMITTEE

STATEMENT TO

SENATE, No. 2465

with committee amendments

STATE OF NEW JERSEY

DATED: JUNE 25, 2001

The Senate Budget and Appropriations Committee reports favorably Senate Bill No. 2465 with committee amendments.

This bill requires providers of goods and services to the State and its agencies or to casino licensees, and any subcontractors under those State and casino contracts, to register their businesses with the Division of Revenue.

The bill requires all contractors and subcontractors under contracts with casino licensees and all agencies and instrumentalities of State government to provide proof of their registration with the Division of Revenue in the Department of the Treasury. This registration, a consolidated ("one stop") procedure for businesses new to the transaction of business in New Jersey, would allow the Department of the Treasury to identify taxpayers. All businesses currently transacting business in New Jersey *are already required under various laws to have registered* (for example, the corporate registration laws for incorporated business, the gross income tax for unincorporated businesses, the sales and use tax law for businesses dealing in tangible property and taxable services, and the labor laws for businesses with employees) and these functions have recently been consolidated in the Division of Revenue for the convenience of the registrants.

The bill also provides that person that fails to provide proof of valid business registration with the Division of Revenue as required under the bill or that provides false information of business registration shall, in addition to any other penalties that may apply, be subject to a penalty of \$25 for each day of violation, not to exceed \$50,000.

COMMITTEE AMENDMENTS

The committee amendments remove a tax clearance certificate process and requirement from the bill and establish the penalty provisions.

FISCAL IMPACT

The proposed State FY2002 budget act anticipates that the changes in information reporting prescribed under this legislation, and the consequent improvement in taxpayer compliance, will result in an increase in tax revenue during the fiscal year of some \$25 million (\$10 million in sales tax and \$15 million in corporation business tax).

[Corrected Copy]

[First Reprint]

SENATE, No. 2465

STATE OF NEW JERSEY
209th LEGISLATURE

INTRODUCED JUNE 21, 2001

Sponsored by:

Senator WALTER J. KAVANAUGH

District 16 (Morris and Somerset)

Co-Sponsored by:

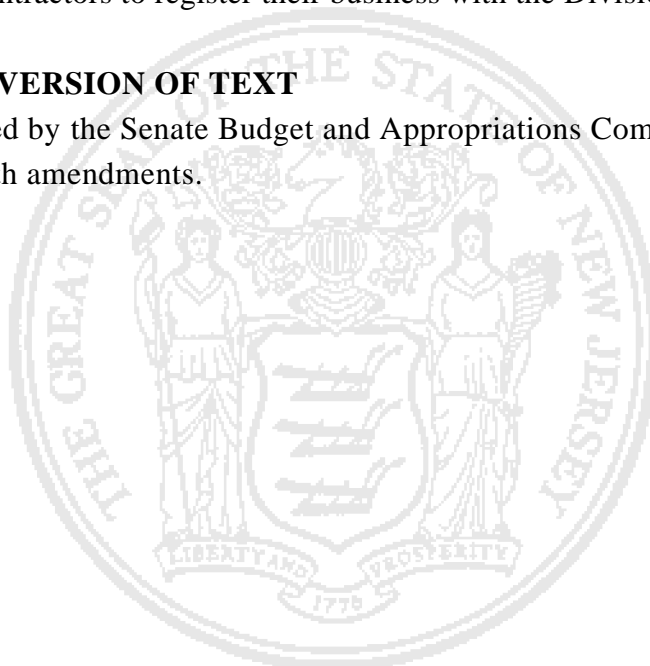
Assemblyman Malone

SYNOPSIS

Requires providers of goods and services to the State and casinos and certain subcontractors to register their business with the Division of Revenue.

CURRENT VERSION OF TEXT

As reported by the Senate Budget and Appropriations Committee on June 25, 2001, with amendments.



(Sponsorship Updated As Of: 6/29/2001)

1 AN ACT concerning business registration ¹[and tax clearance
2 procedures]¹ for providers of goods and services to the State and
3 casinos, supplementing ¹[Titles] Title¹ 54 ¹[and 52]¹ of the
4 Revised Statutes and amending P.L.1977, c.110.

5

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

8

9 ¹[1. (New section) a. The Director of the Division of Taxation
10 shall review the records pursuant to the State tax payment, collection
11 and withholding duties imposed pursuant to Title 54 of the Revised
12 Statutes and Title 54A of the New Jersey Statutes, of the contractors
13 enumerated in subsection e. of this section that are subject to review
14 pursuant to subsection f. of this section to determine if the contractors
15 have satisfied all requirements for filing those taxes and information
16 returns and for paying those taxes for which they have been liable
17 individually or as operators of current or past businesses. The same
18 review shall be performed at any time upon request by a prospective
19 contractor, within such time limits as the director may determine.

20 b. If the director determines that a contractor or prospective
21 contractor has complied with all requirements for filing tax and
22 information returns and for paying or remitting those taxes, the
23 director shall issue to the vendor a Contractor Tax Clearance
24 Certificate.

25 c. If the director determines that the contractor or prospective
26 contractor has not filed all required tax and information returns or has
27 not paid or remitted all tax, penalties, interest or fees due pursuant to
28 Title 54 of the Revised Statutes and Title 54A of the New Jersey
29 Statutes, the director shall issue a notice of delinquency or deficiency
30 listing unfiled returns or balances due. The director may require a
31 contractor or prospective contractor to resolve all delinquencies and
32 deficiencies before a Contractor Tax Clearance Certificate is issued,
33 or upon review of the total circumstances, the director shall issue an
34 interim Contractor Tax Clearance Certificate if the director determines
35 to the director's satisfaction that the contractor or prospective
36 contractor will resolve all such delinquencies and deficiencies.

37 d. The director's issuance of a regular or interim Contractor Tax
38 Clearance Certificate shall not constitute a waiver of authority to
39 demand resolution of all deficiencies and delinquencies and shall not
40 prevent further audit or the assessment of additional taxes, penalties,
41 interest or fees as may be provided by law.

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:

¹ Senate SBA committee amendments adopted June 25, 2001.

1 e. For the purposes of this section, and under the conditions
2 established pursuant to subsection f. of this section, "contractor"
3 means:

4 (1) a provider of goods or services licensed pursuant to subsection
5 a. of section 92 of P.L.1977, c.110 (C.5:12-92) as a casino service
6 industry;

7 (2) a provider of goods or services licensed pursuant to subsection
8 c. of section 92 of P.L.1977, c.110 (C.5:12-92) as a casino service
9 industry;

10 (3) a provider of goods or services for whom a casino licensee is
11 required to file a Vendor Registration Form;

12 (4) a subcontractor to (1) or (2) above in any of its business with
13 a casino or casino licensee;

14 (5) a contractor subject to the provisions of section 2 of
15 P.L. , c. (C.)(pending before the Legislature as this bill); and

16 (6) a subcontractor to a contractor in any of its business subject to
17 the provisions of section 2 of P.L. , c. (C.)(pending before
18 the Legislature as this bill).

19 f. The contractors enumerated in subsection e. of this section that
20 shall be subject to review pursuant to this section shall be determined
21 pursuant to a schedule promulgated by the Director of the Division of
22 Taxation specifying those contractors that shall be subject to review
23 by a specific date. No contractor or subcontractor shall be denied the
24 right to enter a contract because of failure to possess a Contractor Tax
25 Clearance Certificate if the failure to possess the certificate is a result
26 of the inability of the Division of Taxation to provide adequate notice
27 of the review schedule, provide adequate notice of the specific review,
28 complete the review of a contractor within a reasonable period under
29 the circumstances applicable to the contractor, or issue the certificate
30 within a reasonable period after the completion of the review.]¹

31

32 ¹[2.] 1.¹ (New section) a. For the purposes of this section:

33 "Contractor" means a person under contract to provide goods or
34 services or to construct a construction project, or seeking to enter a
35 contract to provide goods or services or to construct a construction
36 project, with a contracting State agency;

37 "Contracting State agency" means the principal departments in the
38 Executive Branch of the State Government, and any division, board,
39 bureau, office, commission or other instrumentality within or created
40 by such department, the Legislature of the State and the Judicial
41 Branch of the State and any office, board, bureau or commission
42 within or created by the Legislative Branch or the Judicial Branch, or
43 any independent State authority, commission, instrumentality or
44 agency;

45 "Subcontractor" means any person who enters into a contract with
46 a contractor to supply goods and services to a contractor under a

1 contract with a State agency.

2 ¹["Tax Clearance Certificate" means a certificate issued pursuant
3 ot section 1 of P.L. , c. (C.) (now pending before the
4 Legislature as this bill).]¹

5 b. A contractor shall provide proof of valid business registration
6 with the Division of Revenue ¹in the Department of the Treasury¹ to
7 any contracting State agency; no contract shall be entered into by any
8 contracting State agency unless the contractor first provides proof of
9 valid business registration ¹[and is in possession of a Tax Clearance
10 Certificate, if the contractor is subject to review pursuant to
11 subsection f. of section 1 of P.L. , c. (C.) (now pending
12 before the Legislature as this bill)]¹.

13 c. A subcontractor under any contract with a contracting State
14 agency shall provide proof of valid business registration with the
15 Division of Revenue to any contractor; verification information shall
16 be forwarded by the contractor to the contracting State agency. No
17 subcontract shall be entered into by any contractor under any contract
18 with a contracting State agency unless the subcontractor first provides
19 proof of valid business registration ¹[and is in possession of a Tax
20 Clearance Certificate, if the subcontractor is subject to review
21 pursuant to subsection f. of section 1 of P.L. , c. (C.) (now
22 pending before the Legislature as this bill)]¹.

23 d. A contract entered into by a contracting State agency with a
24 provider of goods or services or a contractor or subcontractor of a
25 construction project shall contain a notice of the provisions in this
26 section.

27

28 ¹[3.] 2.¹ Section 92 of P.L.1977, c.110 (C.5:12-92) is amended to
29 read as follows:

30 92. Licensing and Registration of Casino Service Industries.

31 a. (1) All casino service industries offering goods or services which
32 directly relate to casino or gaming activity, including gaming
33 equipment and simulcast wagering equipment manufacturers,
34 suppliers, repairers and independent testing laboratories, schools
35 teaching gaming and either playing or dealing techniques, and casino
36 security services, shall be licensed in accordance with the provisions
37 of this act prior to conducting any business whatsoever with a casino
38 applicant or licensee, its employees or agents, and in the case of a
39 school, prior to enrollment of any students or offering of any courses
40 to the public whether for compensation or not; provided, however,
41 that upon a showing of good cause by a casino applicant or licensee
42 for each business transaction, the commission may permit an applicant
43 for a casino service industry license to conduct business transactions
44 with such casino applicant or licensee prior to the licensure of that
45 service industry applicant under this subsection.

46 (2) In addition to the requirements of paragraph (1) of this

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

18 b. Each casino service industry in subsection a. of this section, as
19 well as its owners; management and supervisory personnel; and
20 principal employees if such principal employees have responsibility for
21 services to a casino licensee, must qualify under the standards, except
22 residency, established for qualification of a casino key employee under
23 this act.

24 c. All casino service industries not included in subsection a. of this
25 section shall be licensed in accordance with rules of the commission
26 prior to commencement or continuation of any business with a casino
27 applicant or licensee or its employees or agents. Such casino service
28 industries, whether or not directly related to gaming operations, shall
29 include junket enterprises; suppliers of alcoholic beverages, food and
30 nonalcoholic beverages; in-State and out-of-State sending tracks as
31 defined in section 2 of the "Casino Simulcasting Act," P.L.1992, c.19
32 (C.5:12-192); garbage handlers; vending machine providers; linen
33 suppliers; maintenance companies; shopkeepers located within the
34 approved hotels; limousine services; and construction companies
35 contracting with casino applicants or licensees or their employees or
36 agents. The commission may exempt any person or field of commerce
37 from the licensing requirements of this subsection if the person or field
38 of commerce demonstrates (1) that it is regulated by a public agency
39 or that it will provide goods or services in insubstantial or insignificant
40 amounts or quantities, and (2) that licensing is not deemed necessary
41 in order to protect the public interest or to accomplish the policies
42 established by this act.

43 Upon granting an exemption or at any time thereafter, the
44 commission may limit or place such restrictions thereupon as it may
45 deem necessary in the public interest, and shall require the exempted
46 person to cooperate with the commission and the division and, upon

1 request, to provide information in the same manner as required of a
2 casino service industry licensed pursuant to this subsection; provided,
3 however, that no exemption be granted unless the casino service
4 industry complies with the requirements of sections 134 and 135 of
5 this act.

6 d. Licensure pursuant to subsection c. of this section of any casino
7 service industry may be denied to any applicant disqualified in
8 accordance with the criteria contained in section 86 of this act.

9 e. No casino service industry license shall be issued pursuant to
10 subsection a. or subsection c. of this section to any person unless that
11 person shall ¹[(1)]¹ provide proof of valid business registration with
12 the Division of Revenue ¹[and (2) possess a Tax Clearance Certificate,
13 if the person is subject to review pursuant to subsection f. of section
14 1 of P.L. _____, c. _____ (C. _____) (now pending before the Legislature as
15 this bill)] in the Department of the Treasury¹.

16 f. A casino service industry licensed pursuant to subsection a. or
17 subsection c. of this section shall require proof, from a subcontractor
18 to a casino service industry contract with a casino applicant or casino
19 licensee, of valid business registration with the Division of Revenue;
20 verification information shall be forwarded by the casino service
21 industry to the Division of Taxation in the Department of the
22 Treasury. No subcontract to a casino service industry contract with
23 a casino applicant or casino licensee shall be entered into by any casino
24 service contractor unless the subcontractor first provides proof of
25 valid business registration ¹[and possesses a Contractor Tax Clearance
26 Certificate if the subcontractor is subject to review pursuant to
27 subsection f. of section 1 of P.L. _____, c. _____ (C. _____) (now pending
28 before the Legislature as this bill)]¹.
29 (cf: P.L.1995, c.18, s.30).

30
31 ¹3. (New section) A person that fails to provide proof of valid
32 business registration with the Division of Revenue in the Department
33 of the Treasury as required pursuant to section 1 or section 2 of P.L.
34 c. _____ (C. _____)(now pending before the Legislature as this bill), or that
35 provides false information of business registration under the
36 requirements of those sections, shall, in addition to any penalties that
37 may apply pursuant to chapter 52 of Title 54 of the Revised Statutes,
38 be subject to a penalty of \$25 for each day of violation, not to exceed
39 \$50,000 for each violation of this section.¹

40
41 4. This act shall take effect immediately; provided however, that
42 sections ¹[2 and 3] 1, 2 and 3 ¹ shall remain inoperative until the
43 first day of the third month following enactment.

[First Reprint]

SENATE, No. 2465

STATE OF NEW JERSEY
209th LEGISLATURE

INTRODUCED JUNE 21, 2001

Sponsored by:

Senator WALTER J. KAVANAUGH

District 16 (Morris and Somerset)

Co-Sponsored by:

Assemblyman Malone

SYNOPSIS

Requires providers of goods and services to the State and casinos and certain subcontractors to register their business with the Division of Revenue.

CURRENT VERSION OF TEXT

As reported by the Senate Budget and Appropriations Committee on June 25, 2001, with amendments.



(Sponsorship Updated As Of: 6/29/2001)

1 AN ACT concerning business registration ¹[and tax clearance
2 procedures]¹ for providers of goods and services to the State and
3 casinos, supplementing ¹[Titles] Title¹ 54 ¹[and 52]¹ of the
4 Revised Statutes and amending P.L.1977, c.110.

5

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

8

9 ¹[1. (New section) a. The Director of the Division of Taxation
10 shall review the records pursuant to the State tax payment, collection
11 and withholding duties imposed pursuant to Title 54 of the Revised
12 Statutes and Title 54A of the New Jersey Statutes, of the contractors
13 enumerated in subsection e. of this section that are subject to review
14 pursuant to subsection f. of this section to determine if the contractors
15 have satisfied all requirements for filing those taxes and information
16 returns and for paying those taxes for which they have been liable
17 individually or as operators of current or past businesses. The same
18 review shall be performed at any time upon request by a prospective
19 contractor, within such time limits as the director may determine.

20 b. If the director determines that a contractor or prospective
21 contractor has complied with all requirements for filing tax and
22 information returns and for paying or remitting those taxes, the
23 director shall issue to the vendor a Contractor Tax Clearance
24 Certificate.

25 c. If the director determines that the contractor or prospective
26 contractor has not filed all required tax and information returns or has
27 not paid or remitted all tax, penalties, interest or fees due pursuant to
28 Title 54 of the Revised Statutes and Title 54A of the New Jersey
29 Statutes, the director shall issue a notice of delinquency or deficiency
30 listing unfiled returns or balances due. The director may require a
31 contractor or prospective contractor to resolve all delinquencies and
32 deficiencies before a Contractor Tax Clearance Certificate is issued,
33 or upon review of the total circumstances, the director shall issue an
34 interim Contractor Tax Clearance Certificate if the director determines
35 to the director's satisfaction that the contractor or prospective
36 contractor will resolve all such delinquencies and deficiencies.

37 d. The director's issuance of a regular or interim Contractor Tax
38 Clearance Certificate shall not constitute a waiver of authority to
39 demand resolution of all deficiencies and delinquencies and shall not
40 prevent further audit or the assessment of additional taxes, penalties,
41 interest or fees as may be provided by law.

42 e. For the purposes of this section, and under the conditions
43 established pursuant to subsection f. of this section, "contractor"

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 means:

2 (1) a provider of goods or services licensed pursuant to subsection
3 a. of section 92 of P.L.1977, c.110 (C.5:12-92) as a casino service
4 industry;

5 (2) a provider of goods or services licensed pursuant to subsection
6 c. of section 92 of P.L.1977, c.110 (C.5:12-92) as a casino service
7 industry;

8 (3) a provider of goods or services for whom a casino licensee is
9 required to file a Vendor Registration Form;

10 (4) a subcontractor to (1) or (2) above in any of its business with
11 a casino or casino licensee;

12 (5) a contractor subject to the provisions of section 2 of
13 P.L. , c. (C.)(pending before the Legislature as this bill); and

14 (6) a subcontractor to a contractor in any of its business subject to
15 the provisions of section 2 of P.L. , c. (C.)(pending before
16 the Legislature as this bill).

17 f. The contractors enumerated in subsection e. of this section that
18 shall be subject to review pursuant to this section shall be determined
19 pursuant to a schedule promulgated by the Director of the Division of
20 Taxation specifying those contractors that shall be subject to review
21 by a specific date. No contractor or subcontractor shall be denied the
22 right to enter a contract because of failure to possess a Contractor Tax
23 Clearance Certificate if the failure to possess the certificate is a result
24 of the inability of the Division of Taxation to provide adequate notice
25 of the review schedule, provide adequate notice of the specific review,
26 complete the review of a contractor within a reasonable period under
27 the circumstances applicable to the contractor, or issue the certificate
28 within a reasonable period after the completion of the review.]¹

29

30 ¹[2.] 1.¹ (New section) a. For the purposes of this section:

31 "Contractor" means a person under contract to provide goods or
32 services or to construct a construction project, or seeking to enter a
33 contract to provide goods or services or to construct a construction
34 project, with a contracting State agency;

35 "Contracting State agency" means the principal departments in the
36 Executive Branch of the State Government, and any division, board,
37 bureau, office, commission or other instrumentality within or created
38 by such department, the Legislature of the State and the Judicial
39 Branch of the State and any office, board, bureau or commission
40 within or created by the Legislative Branch or the Judicial Branch, or
41 any independent State authority, commission, instrumentality or
42 agency;

43 "Subcontractor" means any person who enters into a contract with
44 a contractor to supply goods and services to a contractor under a
45 contract with a State agency.

46 ¹["Tax Clearance Certificate" means a certificate issued pursuant

1 ot section 1 of P.L. , c. (C.) (now pending before the
2 Legislature as this bill).]¹

3 b. A contractor shall provide proof of valid business registration
4 with the Division of Revenue ¹in the Department of the Treasury¹ to
5 any contracting State agency; no contract shall be entered into by any
6 contracting State agency unless the contractor first provides proof of
7 valid business registration ¹[and is in possession of a Tax Clearance
8 Certificate, if the contractor is subject to review pursuant to
9 subsection f. of section 1 of P.L. , c. (C.) (now pending
10 before the Legislature as this bill)]¹.

11 c. A subcontractor under any contract with a contracting State
12 agency shall provide proof of valid business registration with the
13 Division of Revenue to any contractor; verification information shall
14 be forwarded by the contractor to the contracting State agency. No
15 subcontract shall be entered into by any contractor under any contract
16 with a contracting State agency unless the subcontractor first provides
17 proof of valid business registration ¹[and is in possession of a Tax
18 Clearance Certificate, if the subcontractor is subject to review
19 pursuant to subsection f. of section 1 of P.L. , c. (C.) (now
20 pending before the Legislature as this bill)]¹.

21 d. A contract entered into by a contracting State agency with a
22 provider of goods or services or a contractor or subcontractor of a
23 construction project shall contain a notice of the provisions in this
24 section.

25

26 ¹[3.] 2.¹ Section 92 of P.L.1977, c.110 (C.5:12-92) is amended to
27 read as follows:

28 92. Licensing and Registration of Casino Service Industries.

29 a. (1) All casino service industries offering goods or services which
30 directly relate to casino or gaming activity, including gaming
31 equipment and simulcast wagering equipment manufacturers,
32 suppliers, repairers and independent testing laboratories, schools
33 teaching gaming and either playing or dealing techniques, and casino
34 security services, shall be licensed in accordance with the provisions
35 of this act prior to conducting any business whatsoever with a casino
36 applicant or licensee, its employees or agents, and in the case of a
37 school, prior to enrollment of any students or offering of any courses
38 to the public whether for compensation or not; provided, however,
39 that upon a showing of good cause by a casino applicant or licensee
40 for each business transaction, the commission may permit an applicant
41 for a casino service industry license to conduct business transactions
42 with such casino applicant or licensee prior to the licensure of that
43 service industry applicant under this subsection.

44 (2) In addition to the requirements of paragraph (1) of this
45 subsection, any casino service industry intending to manufacture, sell,
46 distribute, test or repair slot machines within New Jersey, other than

1 antique slot machines as defined in N.J.S.2C:37-7, shall be licensed in
2 accordance with the provisions of this act prior to engaging in any
3 such activities; provided, however, that upon a showing of good cause
4 by a casino applicant or licensee for each business transaction, the
5 commission may permit an applicant for a casino service industry
6 license to conduct business transactions with the casino applicant or
7 licensee prior to the licensure of that service industry applicant under
8 this subsection; and provided further, however, that upon a showing
9 of good cause by an applicant required to be licensed as a casino
10 service industry pursuant to this paragraph, the commission may
11 permit the service industry applicant to initiate the manufacture of slot
12 machines or engage in the sale, distribution, testing or repair of slot
13 machines with any person other than a casino applicant or licensee, its
14 employees or agents, prior to the licensure of that service industry
15 applicant under this subsection.

16 b. Each casino service industry in subsection a. of this section, as
17 well as its owners; management and supervisory personnel; and
18 principal employees if such principal employees have responsibility for
19 services to a casino licensee, must qualify under the standards, except
20 residency, established for qualification of a casino key employee under
21 this act.

22 c. All casino service industries not included in subsection a. of this
23 section shall be licensed in accordance with rules of the commission
24 prior to commencement or continuation of any business with a casino
25 applicant or licensee or its employees or agents. Such casino service
26 industries, whether or not directly related to gaming operations, shall
27 include junket enterprises; suppliers of alcoholic beverages, food and
28 nonalcoholic beverages; in-State and out-of-State sending tracks as
29 defined in section 2 of the "Casino Simulcasting Act," P.L.1992, c.19
30 (C.5:12-192); garbage handlers; vending machine providers; linen
31 suppliers; maintenance companies; shopkeepers located within the
32 approved hotels; limousine services; and construction companies
33 contracting with casino applicants or licensees or their employees or
34 agents. The commission may exempt any person or field of commerce
35 from the licensing requirements of this subsection if the person or field
36 of commerce demonstrates (1) that it is regulated by a public agency
37 or that it will provide goods or services in insubstantial or insignificant
38 amounts or quantities, and (2) that licensing is not deemed necessary
39 in order to protect the public interest or to accomplish the policies
40 established by this act.

41 Upon granting an exemption or at any time thereafter, the
42 commission may limit or place such restrictions thereupon as it may
43 deem necessary in the public interest, and shall require the exempted
44 person to cooperate with the commission and the division and, upon
45 request, to provide information in the same manner as required of a
46 casino service industry licensed pursuant to this subsection; provided,

1 however, that no exemption be granted unless the casino service
2 industry complies with the requirements of sections 134 and 135 of
3 this act.

4 d. Licensure pursuant to subsection c. of this section of any casino
5 service industry may be denied to any applicant disqualified in
6 accordance with the criteria contained in section 86 of this act.

7 e. No casino service industry license shall be issued pursuant to
8 subsection a. or subsection c. of this section to any person unless that
9 person shall ¹ [(1)]¹ provide proof of valid business registration with
10 the Division of Revenue ¹ [and (2) possess a Tax Clearance Certificate,
11 if the person is subject to review pursuant to subsection f. of section
12 1 of P.L. _____, c. _____ (C. _____) (now pending before the Legislature as
13 this bill)] in the Department of the Treasury¹.

14 f. A casino service industry licensed pursuant to subsection a. or
15 subsection c. of this section shall require proof, from a subcontractor
16 to a casino service industry contract with a casino applicant or casino
17 licensee, of valid business registration with the Division of Revenue;
18 verification information shall be forwarded by the casino service
19 industry to the Division of Taxation in the Department of the
20 Treasury. No subcontract to a casino service industry contract with
21 a casino applicant or casino licensee shall be entered into by any casino
22 service contractor unless the subcontractor first provides proof of
23 valid business registration ¹ [and possesses a Contractor Tax Clearance
24 Certificate if the subcontractor is subject to review pursuant to
25 subsection f. of section 1 of P.L. _____, c. _____ (C. _____) (now pending
26 before the Legislature as this bill)]¹.

27 (cf: P.L.1995, c.18, s.30).

28

29 ¹3. (New section) A person that fails to provide proof of valid
30 business registration with the Division of Revenue in the Department
31 of the Treasury as required pursuant to section 1 or section 2 of P.L.
32 c. _____ (C. _____)(now pending before the Legislature as this bill), or that
33 provides false information of business registration under the
34 requirements of those sections, shall, in addition to any penalties that
35 may apply pursuant to chapter 52 of Title 54 of the Revised Statutes,
36 be subject to a penalty of \$25 for each day of violation, not to exceed
37 \$50,000 for each violation of this section.¹

38

39 4. This act shall take effect immediately; provided however, that
40 sections ¹[2 and 3] 1, 2 and 3¹ shall remain inoperative until the
41 first day of the third month following enactment.

ASSEMBLY, No. 3739

STATE OF NEW JERSEY 209th LEGISLATURE

INTRODUCED JUNE 25, 2001

Sponsored by:

Assemblyman JOSEPH R. MALONE, III

District 30 (Burlington, Monmouth and Ocean)

SYNOPSIS

Requires providers of goods and services to the State and casinos and certain subcontractors to register their business with the Division of Revenue.

CURRENT VERSION OF TEXT

As introduced.



1 AN ACT concerning business registration for providers of goods and
2 services to the State and casinos, supplementing Title 54 of the
3 Revised Statutes and amending P.L.1977, c.110.

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

7
8 1. (New section) a. For the purposes of this section:

9 "Contractor" means a person under contract to provide goods or
10 services or to construct a construction project, or seeking to enter a
11 contract to provide goods or services or to construct a construction
12 project, with a contracting State agency;

13 "Contracting State agency" means the principal departments in the
14 Executive Branch of the State Government, and any division, board,
15 bureau, office, commission or other instrumentality within or created
16 by such department, the Legislature of the State and the Judicial
17 Branch of the State and any office, board, bureau or commission
18 within or created by the Legislative Branch or the Judicial Branch, or
19 any independent State authority, commission, instrumentality or
20 agency;

21 "Subcontractor" means any person who enters into a contract with
22 a contractor to supply goods and services to a contractor under a
23 contract with a State agency.

24 b. A contractor shall provide proof of valid business registration
25 with the Division of Revenue in the Department of the Treasury to any
26 contracting State agency; no contract shall be entered into by any
27 contracting State agency unless the contractor first provides proof of
28 valid business registration.

29 c. A subcontractor under any contract with a contracting State
30 agency shall provide proof of valid business registration with the
31 Division of Revenue to any contractor; verification information shall
32 be forwarded by the contractor to the contracting State agency. No
33 subcontract shall be entered into by any contractor under any contract
34 with a contracting State agency unless the subcontractor first provides
35 proof of valid business registration.

36 d. A contract entered into by a contracting State agency with a
37 provider of goods or services or a contractor or subcontractor of a
38 construction project shall contain a notice of the provisions in this
39 section.

40

41 2. Section 92 of P.L.1977, c.110 (C.5:12-92) is amended to read
42 as follows:

43 92. Licensing and Registration of Casino Service Industries.

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 a. (1) All casino service industries offering goods or services which
2 directly relate to casino or gaming activity, including gaming
3 equipment and simulcast wagering equipment manufacturers,
4 suppliers, repairers and independent testing laboratories, schools
5 teaching gaming and either playing or dealing techniques, and casino
6 security services, shall be licensed in accordance with the provisions
7 of this act prior to conducting any business whatsoever with a casino
8 applicant or licensee, its employees or agents, and in the case of a
9 school, prior to enrollment of any students or offering of any courses
10 to the public whether for compensation or not; provided, however,
11 that upon a showing of good cause by a casino applicant or licensee
12 for each business transaction, the commission may permit an applicant
13 for a casino service industry license to conduct business transactions
14 with such casino applicant or licensee prior to the licensure of that
15 service industry applicant under this subsection.

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

34 b. Each casino service industry in subsection a. of this section, as
35 well as its owners; management and supervisory personnel; and
36 principal employees if such principal employees have responsibility for
37 services to a casino licensee, must qualify under the standards, except
38 residency, established for qualification of a casino key employee under
39 this act.

40 c. All casino service industries not included in subsection a. of this
41 section shall be licensed in accordance with rules of the commission
42 prior to commencement or continuation of any business with a casino
43 applicant or licensee or its employees or agents. Such casino service
44 industries, whether or not directly related to gaming operations, shall
45 include junket enterprises; suppliers of alcoholic beverages, food and
46 nonalcoholic beverages; in-State and out-of-State sending tracks as

1 defined in section 2 of the "Casino Simulcasting Act," P.L.1992, c.19
2 (C.5:12-192); garbage handlers; vending machine providers; linen
3 suppliers; maintenance companies; shopkeepers located within the
4 approved hotels; limousine services; and construction companies
5 contracting with casino applicants or licensees or their employees or
6 agents. The commission may exempt any person or field of commerce
7 from the licensing requirements of this subsection if the person or field
8 of commerce demonstrates (1) that it is regulated by a public agency
9 or that it will provide goods or services in insubstantial or insignificant
10 amounts or quantities, and (2) that licensing is not deemed necessary
11 in order to protect the public interest or to accomplish the policies
12 established by this act.

13 Upon granting an exemption or at any time thereafter, the
14 commission may limit or place such restrictions thereupon as it may
15 deem necessary in the public interest, and shall require the exempted
16 person to cooperate with the commission and the division and, upon
17 request, to provide information in the same manner as required of a
18 casino service industry licensed pursuant to this subsection; provided,
19 however, that no exemption be granted unless the casino service
20 industry complies with the requirements of sections 134 and 135 of
21 this act.

22 d. Licensure pursuant to subsection c. of this section of any casino
23 service industry may be denied to any applicant disqualified in
24 accordance with the criteria contained in section 86 of this act.

25 e. No casino service industry license shall be issued pursuant to
26 subsection a. or subsection c. of this section to any person unless that
27 person shall provide proof of valid business registration with the
28 Division of Revenue in the Department of the Treasury.

29 f. A casino service industry licensed pursuant to subsection a. or
30 subsection c. of this section shall require proof, from a subcontractor
31 to a casino service industry contract with a casino applicant or casino
32 licensee, of valid business registration with the Division of Revenue;
33 verification information shall be forwarded by the casino service
34 industry to the Division of Taxation in the Department of the
35 Treasury. No subcontract to a casino service industry contract with
36 a casino applicant or casino licensee shall be entered into by any casino
37 service contractor unless the subcontractor first provides proof of
38 valid business registration.

39 (cf: P.L.1995, c.18, s.30).

40

41 3. (New section) A person that fails to provide proof of valid
42 business registration with the Division of Revenue in the Department
43 of the Treasury as required pursuant to section 1 or section 2 of P.L.

44 c. (C.) (now pending before the Legislature as this bill), or that
45 provides false information of business registration under the
46 requirements of those sections, shall, in addition to any penalties that

1 may apply pursuant to chapter 52 of Title 54 of the Revised Statutes,
2 be subject to a penalty of \$25 for each day of violation, not to exceed
3 \$50,000 for each violation of this section.

4
5 4. This act shall take effect immediately; provided however, that
6 sections 1, 2 and 3 shall remain inoperative until the first day of the
7 third month following enactment.

8
9
10 STATEMENT

11
12 This bill requires providers of goods and services to the State and
13 its agencies or to casino licensees, and any subcontractors under those
14 State and casino contracts, to register their businesses with the
15 Division of Revenue.

16 The bill requires all contractors and subcontractors under contracts
17 with casino licensees and all agencies and instrumentalities of State
18 government to provide proof of their registration with the Division of
19 Revenue in the Department of the Treasury. This registration, a
20 consolidated ("one stop") procedure for businesses new to the
21 transaction of business in New Jersey, would allow the Department of
22 the Treasury to identify taxpayers. All businesses currently transacting
23 business in New Jersey *are already required under various laws to*
24 *have registered* (for example, the corporate registration laws for
25 incorporated business, the gross income tax for unincorporated
26 businesses, the sales and use tax law for businesses dealing in tangible
27 property and taxable services, and the labor laws for businesses with
28 employees) and these functions have recently been consolidated in the
29 Division of Revenue for the convenience of the registrants.

30 The bill also provides that a person that fails to provide proof of
31 valid business registration with the Division of Revenue as required
32 under the bill or that provides false information of business registration
33 shall, in addition to any other penalties that may apply, be subject to
34 a penalty of \$25 for each day of violation, not to exceed \$50,000.

P.L. 2001, CHAPTER 134, *approved June 29, 2001*
Senate, No. 2465 (*First Reprint*)
(CORRECTED COPY)

1 AN ACT concerning business registration ¹[and tax clearance
2 procedures]¹ for providers of goods and services to the State and
3 casinos, supplementing ¹[Titles] Title¹ 54 ¹[and 52]¹ of the
4 Revised Statutes and amending P.L.1977, c.110.
5

6 **BE IT ENACTED** by the Senate and General Assembly of the State
7 of New Jersey:
8

9 ¹[1. (New section) a. The Director of the Division of Taxation
10 shall review the records pursuant to the State tax payment, collection
11 and withholding duties imposed pursuant to Title 54 of the Revised
12 Statutes and Title 54A of the New Jersey Statutes, of the contractors
13 enumerated in subsection e. of this section that are subject to review
14 pursuant to subsection f. of this section to determine if the contractors
15 have satisfied all requirements for filing those taxes and information
16 returns and for paying those taxes for which they have been liable
17 individually or as operators of current or past businesses. The same
18 review shall be performed at any time upon request by a prospective
19 contractor, within such time limits as the director may determine.

20 b. If the director determines that a contractor or prospective
21 contractor has complied with all requirements for filing tax and
22 information returns and for paying or remitting those taxes, the
23 director shall issue to the vendor a Contractor Tax Clearance
24 Certificate.

25 c. If the director determines that the contractor or prospective
26 contractor has not filed all required tax and information returns or has
27 not paid or remitted all tax, penalties, interest or fees due pursuant to
28 Title 54 of the Revised Statutes and Title 54A of the New Jersey
29 Statutes, the director shall issue a notice of delinquency or deficiency
30 listing unfiled returns or balances due. The director may require a
31 contractor or prospective contractor to resolve all delinquencies and
32 deficiencies before a Contractor Tax Clearance Certificate is issued,
33 or upon review of the total circumstances, the director shall issue an
34 interim Contractor Tax Clearance Certificate if the director determines
35 to the director's satisfaction that the contractor or prospective
36 contractor will resolve all such delinquencies and deficiencies.

37 d. The director's issuance of a regular or interim Contractor Tax
38 Clearance Certificate shall not constitute a waiver of authority to

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

Matter underlined thus is new matter.

Matter enclosed in superscript numerals has been adopted as follows:

¹ Senate SBA committee amendments adopted June 25, 2001.

1 demand resolution of all deficiencies and delinquencies and shall not
 2 prevent further audit or the assessment of additional taxes, penalties,
 3 interest or fees as may be provided by law.

4 e. For the purposes of this section, and under the conditions
 5 established pursuant to subsection f. of this section, "contractor"
 6 means:

7 (1) a provider of goods or services licensed pursuant to subsection
 8 a. of section 92 of P.L.1977, c.110 (C.5:12-92) as a casino service
 9 industry;

10 (2) a provider of goods or services licensed pursuant to subsection
 11 c. of section 92 of P.L.1977, c.110 (C.5:12-92) as a casino service
 12 industry;

13 (3) a provider of goods or services for whom a casino licensee is
 14 required to file a Vendor Registration Form;

15 (4) a subcontractor to (1) or (2) above in any of its business with
 16 a casino or casino licensee;

17 (5) a contractor subject to the provisions of section 2 of
 18 P.L. , c. (C.)(pending before the Legislature as this bill); and

19 (6) a subcontractor to a contractor in any of its business subject to
 20 the provisions of section 2 of P.L. , c. (C.)(pending before
 21 the Legislature as this bill).

22 f. The contractors enumerated in subsection e. of this section that
 23 shall be subject to review pursuant to this section shall be determined
 24 pursuant to a schedule promulgated by the Director of the Division of
 25 Taxation specifying those contractors that shall be subject to review
 26 by a specific date. No contractor or subcontractor shall be denied the
 27 right to enter a contract because of failure to possess a Contractor Tax
 28 Clearance Certificate if the failure to possess the certificate is a result
 29 of the inability of the Division of Taxation to provide adequate notice
 30 of the review schedule, provide adequate notice of the specific review,
 31 complete the review of a contractor within a reasonable period under
 32 the circumstances applicable to the contractor, or issue the certificate
 33 within a reasonable period after the completion of the review.]¹
 34

35 ¹[2.] 1.¹ (New section) a. For the purposes of this section:

36 "Contractor" means a person under contract to provide goods or
 37 services or to construct a construction project, or seeking to enter a
 38 contract to provide goods or services or to construct a construction
 39 project, with a contracting State agency;

40 "Contracting State agency" means the principal departments in the
 41 Executive Branch of the State Government, and any division, board,
 42 bureau, office, commission or other instrumentality within or created
 43 by such department, the Legislature of the State and the Judicial
 44 Branch of the State and any office, board, bureau or commission
 45 within or created by the Legislative Branch or the Judicial Branch, or
 46 any independent State authority, commission, instrumentality or

1 agency;

2 "Subcontractor" means any person who enters into a contract with
3 a contractor to supply goods and services to a contractor under a
4 contract with a State agency.

5 ¹["Tax Clearance Certificate" means a certificate issued pursuant
6 ot section 1 of P.L. , c. (C.) (now pending before the
7 Legislature as this bill).]¹

8 b. A contractor shall provide proof of valid business registration
9 with the Division of Revenue ¹in the Department of the Treasury¹ to
10 any contracting State agency; no contract shall be entered into by any
11 contracting State agency unless the contractor first provides proof of
12 valid business registration ¹[and is in possession of a Tax Clearance
13 Certificate, if the contractor is subject to review pursuant to
14 subsection f. of section 1 of P.L. , c. (C.) (now pending
15 before the Legislature as this bill)]¹.

16 c. A subcontractor under any contract with a contracting State
17 agency shall provide proof of valid business registration with the
18 Division of Revenue to any contractor; verification information shall
19 be forwarded by the contractor to the contracting State agency. No
20 subcontract shall be entered into by any contractor under any contract
21 with a contracting State agency unless the subcontractor first provides
22 proof of valid business registration ¹[and is in possession of a Tax
23 Clearance Certificate, if the subcontractor is subject to review
24 pursuant to subsection f. of section 1 of P.L. , c. (C.) (now
25 pending before the Legislature as this bill)]¹.

26 d. A contract entered into by a contracting State agency with a
27 provider of goods or services or a contractor or subcontractor of a
28 construction project shall contain a notice of the provisions in this
29 section.

30

31 ¹[3.] 2.¹ Section 92 of P.L.1977, c.110 (C.5:12-92) is amended to
32 read as follows:

33 92. Licensing and Registration of Casino Service Industries.

34 a. (1) All casino service industries offering goods or services which
35 directly relate to casino or gaming activity, including gaming
36 equipment and simulcast wagering equipment manufacturers,
37 suppliers, repairers and independent testing laboratories, schools
38 teaching gaming and either playing or dealing techniques, and casino
39 security services, shall be licensed in accordance with the provisions
40 of this act prior to conducting any business whatsoever with a casino
41 applicant or licensee, its employees or agents, and in the case of a
42 school, prior to enrollment of any students or offering of any courses
43 to the public whether for compensation or not; provided, however,
44 that upon a showing of good cause by a casino applicant or licensee
45 for each business transaction, the commission may permit an applicant
46 for a casino service industry license to conduct business transactions

1 with such casino applicant or licensee prior to the licensure of that
2 service industry applicant under this subsection.

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

21 b. Each casino service industry in subsection a. of this section, as
22 well as its owners; management and supervisory personnel; and
23 principal employees if such principal employees have responsibility for
24 services to a casino licensee, must qualify under the standards, except
25 residency, established for qualification of a casino key employee under
26 this act.

27 c. All casino service industries not included in subsection a. of this
28 section shall be licensed in accordance with rules of the commission
29 prior to commencement or continuation of any business with a casino
30 applicant or licensee or its employees or agents. Such casino service
31 industries, whether or not directly related to gaming operations, shall
32 include junket enterprises; suppliers of alcoholic beverages, food and
33 nonalcoholic beverages; in-State and out-of-State sending tracks as
34 defined in section 2 of the "Casino Simulcasting Act," P.L.1992, c.19
35 (C.5:12-192); garbage handlers; vending machine providers; linen
36 suppliers; maintenance companies; shopkeepers located within the
37 approved hotels; limousine services; and construction companies
38 contracting with casino applicants or licensees or their employees or
39 agents. The commission may exempt any person or field of commerce
40 from the licensing requirements of this subsection if the person or field
41 of commerce demonstrates (1) that it is regulated by a public agency
42 or that it will provide goods or services in insubstantial or insignificant
43 amounts or quantities, and (2) that licensing is not deemed necessary
44 in order to protect the public interest or to accomplish the policies
45 established by this act.

46 Upon granting an exemption or at any time thereafter, the

1 commission may limit or place such restrictions thereupon as it may
2 deem necessary in the public interest, and shall require the exempted
3 person to cooperate with the commission and the division and, upon
4 request, to provide information in the same manner as required of a
5 casino service industry licensed pursuant to this subsection; provided,
6 however, that no exemption be granted unless the casino service
7 industry complies with the requirements of sections 134 and 135 of
8 this act.

9 d. Licensure pursuant to subsection c. of this section of any casino
10 service industry may be denied to any applicant disqualified in
11 accordance with the criteria contained in section 86 of this act.

12 e. No casino service industry license shall be issued pursuant to
13 subsection a. or subsection c. of this section to any person unless that
14 person shall ¹ [(1)]¹ provide proof of valid business registration with
15 the Division of Revenue ¹ [and (2) possess a Tax Clearance Certificate,
16 if the person is subject to review pursuant to subsection f. of section
17 1 of P.L. _____, c. _____ (C. _____) (now pending before the Legislature as
18 this bill)] in the Department of the Treasury¹.

19 f. A casino service industry licensed pursuant to subsection a. or
20 subsection c. of this section shall require proof, from a subcontractor
21 to a casino service industry contract with a casino applicant or casino
22 licensee, of valid business registration with the Division of Revenue;
23 verification information shall be forwarded by the casino service
24 industry to the Division of Taxation in the Department of the
25 Treasury. No subcontract to a casino service industry contract with
26 a casino applicant or casino licensee shall be entered into by any casino
27 service contractor unless the subcontractor first provides proof of
28 valid business registration ¹ [and possesses a Contractor Tax Clearance
29 Certificate if the subcontractor is subject to review pursuant to
30 subsection f. of section 1 of P.L. _____, c. _____ (C. _____) (now pending
31 before the Legislature as this bill)]¹.

32 (cf: P.L.1995, c.18, s.30).

33
34 ¹3. (New section) A person that fails to provide proof of valid
35 business registration with the Division of Revenue in the Department
36 of the Treasury as required pursuant to section 1 or section 2 of P.L.
37 c. _____ (C. _____)(now pending before the Legislature as this bill), or that
38 provides false information of business registration under the
39 requirements of those sections, shall, in addition to any penalties that
40 may apply pursuant to chapter 52 of Title 54 of the Revised Statutes,
41 be subject to a penalty of \$25 for each day of violation, not to exceed
42 \$50,000 for each violation of this section.¹

43
44 4. This act shall take effect immediately; provided however, that
45 sections ¹ [2 and 3] 1, 2 and 3¹ shall remain inoperative until the
46 first day of the third month following enactment.

1

2

3 Requires providers of goods and services to the State and casinos and

4 certain subcontractors to register their business with the Division of

5 Revenue.

CHAPTER 134

AN ACT concerning business registration for providers of goods and services to the State and casinos, supplementing Title 54 of the Revised Statutes and amending P.L.1977, c.110.

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

C.52:32-44 Definitions relative to registration of certain businesses.

1. a. For the purposes of this section:

"Contractor" means a person under contract to provide goods or services or to construct a construction project, or seeking to enter a contract to provide goods or services or to construct a construction project, with a contracting State agency;

"Contracting State agency" means the principal departments in the Executive Branch of the State Government, and any division, board, bureau, office, commission or other instrumentality within or created by such department, the Legislature of the State and the Judicial Branch of the State and any office, board, bureau or commission within or created by the Legislative Branch or the Judicial Branch, or any independent State authority, commission, instrumentality or agency;

"Subcontractor" means any person who enters into a contract with a contractor to supply goods and services to a contractor under a contract with a State agency.

b. A contractor shall provide proof of valid business registration with the Division of Revenue in the Department of the Treasury to any contracting State agency; no contract shall be entered into by any contracting State agency unless the contractor first provides proof of valid business registration.

c. A subcontractor under any contract with a contracting State agency shall provide proof of valid business registration with the Division of Revenue to any contractor; verification information shall be forwarded by the contractor to the contracting State agency. No subcontract shall be entered into by any contractor under any contract with a contracting State agency unless the subcontractor first provides proof of valid business registration.

d. A contract entered into by a contracting State agency with a provider of goods or services or a contractor or subcontractor of a construction project shall contain a notice of the provisions in this section.

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

C.5:12-92 Licensing and registration of casino service industries.

92. Licensing and Registration of Casino Service Industries.

a. (1) All casino service industries 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, schools teaching gaming and either playing or dealing techniques, and casino security services, shall be licensed in accordance with the provisions of this act prior to conducting any business whatsoever with a casino applicant or licensee, its employees or agents, and in the case of a school, prior to enrollment of any students or offering of any courses to the public whether for compensation or not; provided, however, that upon a showing of good cause by a casino applicant or licensee for each business transaction, the commission may permit an applicant for a casino service industry license to conduct business transactions with such casino applicant or licensee prior to the licensure of that service industry applicant under this subsection.

(2) In addition to the requirements of paragraph (1) of this subsection, any casino service industry intending to manufacture, sell, distribute, test or repair slot machines within New Jersey, other than antique slot machines as defined in N.J.S.2C:37-7, shall be licensed in accordance with the provisions of this act prior to engaging in any such activities; provided, however, that upon a showing of good cause by a casino applicant or licensee for each business transaction, the commission may permit an applicant for a casino service industry license to conduct business transactions with the casino applicant or licensee prior to the licensure of that service industry applicant under this subsection; and provided further, however, that upon a showing of good cause by an applicant required to be licensed as a casino service industry pursuant to this paragraph, the commission may permit the service industry applicant to initiate the manufacture of slot machines or engage in the sale, distribution, testing or repair of slot machines with any

person other than a casino applicant or licensee, its employees or agents, prior to the licensure of that service industry applicant under this subsection.

b. Each casino service industry in subsection a. of this section, as well as its owners; management and supervisory personnel; and principal employees if such principal employees have responsibility for services to a casino licensee, must qualify under the standards, except residency, established for qualification of a casino key employee under this act.

c. All casino service industries not included in subsection a. of this section shall be licensed in accordance with rules of the commission prior to commencement or continuation of any business with a casino applicant or licensee or its employees or agents. Such casino service industries, whether or not directly related to gaming operations, shall include junket enterprises; suppliers of alcoholic beverages, food and nonalcoholic beverages; in-State and out-of-State sending tracks as defined in section 2 of the "Casino Simulcasting Act," P.L.1992, c.19 (C.5:12-192); garbage handlers; vending machine providers; linen suppliers; maintenance companies; shopkeepers located within the approved hotels; limousine services; and construction companies contracting with casino applicants or licensees or their employees or agents. The commission may exempt any person or field of commerce from the licensing requirements of this subsection if the person or field of commerce demonstrates (1) that it is regulated by a public agency or that it will provide goods or services in insubstantial or insignificant amounts or quantities, and (2) that licensing is not deemed necessary in order to protect the public interest or to accomplish the policies established by this act.

Upon granting an exemption or at any time thereafter, the commission may limit or place such restrictions thereupon as it may deem necessary in the public interest, and shall require the exempted person to cooperate with the commission and the division and, upon request, to provide information in the same manner as required of a casino service industry licensed pursuant to this subsection; provided, however, that no exemption be granted unless the casino service industry complies with the requirements of sections 134 and 135 of this act.

d. Licensure pursuant to subsection c. of this section of any casino service industry may be denied to any applicant disqualified in accordance with the criteria contained in section 86 of this act.

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

f. A casino service industry licensed pursuant to subsection a. or subsection c. of this section shall require proof, from a subcontractor to a casino service industry contract with a casino applicant or casino licensee, of valid business registration with the Division of Revenue; verification information shall be forwarded by the casino service industry to the Division of Taxation in the Department of the Treasury. No subcontract to a casino service industry contract with a casino applicant or casino licensee shall be entered into by any casino service contractor unless the subcontractor first provides proof of valid business registration.

C.54:52-20 Violations, penalties for failure to register.

3. A person that fails to provide proof of valid business registration with the Division of Revenue in the Department of the Treasury as required pursuant to section 1 or section 2 of P.L.2001, c.134 (C.52:32-44 et al.), or that provides false information of business registration under the requirements of those sections, shall, in addition to any penalties that may apply pursuant to chapter 52 of Title 54 of the Revised Statutes, be subject to a penalty of \$25 for each day of violation, not to exceed \$50,000 for each violation of this section.

4. This act shall take effect immediately; provided however, that sections 1, 2 and 3 shall remain inoperative until the first day of the third month following enactment.

Approved June 29, 2001.

PO BOX 004
TRENTON, NJ 08625

Office of the Governor
NEWS RELEASE

CONTACT: Rae Hutton
609-777-2600

RELEASE: June 29 , 2001

Acting Governor Donald T. DiFrancesco signed the following legislation today:

S-2450, sponsored by Senators Peter Inverso (R-Mercer/Middlesex) and John Matheussen(R-Camden/Gloucester) and Assemblymembers Nicholas Asselta (R-Cape May/Atlantic/Cumberland) and Joseph Azzolina (R-Middlesex/Monmouth), increases the retirement benefits under the Teachers' Pension and Annuity Fund (TPAF) and The Public Employees' Retirement System (PERS) for service, deferred and early retirement by changing the formula from 1/70 to 1/64 to final compensation for each year of Class A service and from 1/60 to 1/55 of final compensation for each year of Class B service.

The bill also increases the retirement benefit for TPAF and PERS veteran members with 35 or more years of service and reduces the age qualification from 60 to 55.

The bill also provides for a reduction in TPAF member contributions.

S-2465, sponsored by Assemblyman Joseph Malone (R-Burlington/Monmouth/Ocean) and Senator Walter Kavanaugh (R-Morris/Somerset), requires providers of goods and services to the State and its agencies or to casino licensees, and any subcontractor under those State and casino contracts, to register their businesses with the Division of Revenue.

S-1581, sponsored by Senators Gerald Cardinale (R-Bergen) and Richard Codey (R-Essex) and Assemblymen Kip Bateman (R-Morris/Somerset) and Joseph Doria (D-Hudson), allows an existing health service corporation, or any health corporation formed in the future, to convert from a non-profit health service to a for-profit domestic stock health insurer. As a condition of this conversion, the corporation is required to establish a charitable foundation and contribute to it the fair market value of the health service corporation at the time of the conversion to satisfy the charitable obligations of the converting corporation to the people of the State of New Jersey.

S-2298, sponsored by Senators Martha Bark (R-Atlantic/Burlington/Camden) and Bernard Kenny (D-Hudson) and Assemblymembers Paul DiGaetano (R-Bergen/Essex/Passaic) and Joseph Doria (D-Hudson), increases the membership of the Board of Public Utilities (BPU) from three to five members, no more than three of whom are to be of the same political party.

A-3045, sponsored by Senator Anthony Bucco (R-Morris) and Assemblyman Guy Gregg (R-Sussex/Hunterdon/Morris), closes a gap in the administration of the taxes imposed on the owners of limited partnerships and limited liability companies.