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1979a

N.J. Legislature. Assembly. State
Government Committee.
Public hearing, held 7-26-79 & 8-15-79.
Atlantic City and Pleasantville, NJ, 1979.

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N.J. Legislature. Assembly. Legislative
Oversight Committee.
Public hearing...on social and economic
impact of casino gambling in Atlantic City,
held 11-14-78 and 11-15-78. Trenton, 1978.

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1978e

N.J. Legislature. Assembly. State Government,
Federal and Interstate Relations and Veterans
Affairs.
Public hearing on casino control act, held
9-27-78. Atlantic City, NJ, 1978.

SENATE COMMITTEE SUBSTITUTE FOR
ASSEMBLY, No. 3485

STATE OF NEW JERSEY

ADOPTED DECEMBER 3, 1979

AN ACT to amend the "Casino Control Act," approved June 2, 1977 (P. L. 1977, c. 110) and P. L. 1978, c. 7, supplementary thereto.

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

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

3 5. "Authorized Game" or "Authorized Gambling Game"—Rou-
4 lette, baccarat, blackjack, craps, big six wheel, **[and]** slot machines,
5 *and any variations or composites of such games, provided that such*
6 *variations or composites are found by the commission suitable*
7 *for casino use after an appropriate test or experimental period*
8 *under such terms and conditions as the commission may deem*
9 *appropriate.*

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

3 7. "Casino Employee"—Any natural person employed in the
4 operation of a licensed casino, including, without limitation, box-
5 men; dealers or croupiers; floormen; machine mechanics; *casino*
6 *security employees*; and bartenders, waiters and waitresses or
7 other persons whose employment duties require or authorize access
8 to the casino but who are not included in the definition of casino
9 hotel employee, casino key employee, **[casino security employee,]**
10 or principal employee as hereinafter stated.

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

3 21. "Game" or "Gambling Game"—Any banking or percentage
4 game located exclusively within the casino played with cards, dice
5 or any *electronic, electrical, or mechanical* device or machine for
6 money, property, or any representative of value.

1 4. Section 23 of P. L. 1977, c. 110 (C. 5:12-23) is amended to
2 read as follows:

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

3 23. "Gaming Device" or "Gaming Equipment"—Any *electronic*,
4 *electrical*, or mechanical contrivance or machine used in connection
5 with gaming or any game.

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

3 24. "Gross Revenue"—The total of all sums, including checks
4 received *by a casino licensee* pursuant to section 101 of this act,
5 whether collected or not, actually received by a *casino licensee*
6 from gaming operations, less only the total of all sums paid out as
7 winnings to patrons and **[an allowance]** a *deduction* for **[un-**
8 **collected]** *uncollectible* gaming receivables not to exceed the lesser
9 of **[such receivables actually uncollected]** a *reasonable provision*
10 *for uncollectible patron checks received from gaming operations*
11 or 4% of the total of all sums including checks, whether collected
12 or not, *less the amount paid out as winnings to patrons*.

1 6. Section 26 of P. L. 1977, c. 110 (C. 5:12-26) is amended to
2 read as follows:

3 26. "Holding Company"—Any corporation, association, firm,
4 partnership, trust or other form of business organization not a
5 natural person which, directly or indirectly, owns, has the power
6 or right to control, or has the power to vote **[all or]** any *significant*
7 part of the outstanding voting securities of a corporation which
8 holds or applies for a casino license. For the purpose of this sec-
9 tion, in addition to any other reasonable meaning of the words
10 used, a "holding company" indirectly has, holds or owns any such
11 power, right or security if it does so through any interest in a
12 subsidiary or successive subsidiaries, however many such sub-
13 sidiaries may intervene between the holding company and the
14 corporate licensee or applicant.

1 7. Section 27 of P. L. 1977, c. 110 (C. 5:12-27) is amended to
2 read as follows:

3 27. "Hotel" or "Approved Hotel"—A single building **[under**
4 **one ownership,]** located within the limits of the city of Atlantic
5 City as said limits were defined as of November 2, 1976, and con-
6 taining not fewer than 500 sleeping units, each of at least 325
7 square feet measured to the center of perimeter walls, including
8 bathroom and closet space and excluding hallways, balconies and
9 lounges; each containing private bathroom facilities; and each
10 held available and used regularly for the lodging of tourists and
11 convention guests and conforming in all respects to the facilities
12 requirements contained in this act. For the purpose of exceeding
13 the maximum casino size specified in section 83 **[g.]** of this act,
14 an approved hotel may, by means of physical connection, annex

15 additional buildings or facilities *to increase the amount of its*
 16 *qualifying meeting, exhibition, dining, entertainment, sports and*
 17 *kitchen support facilities space, but not to increase its number of*
 18 *qualifying sleeping units.* "Physical connection" for the purposes
 19 herein means an enclosed permanent pedestrian passageway. In
 20 no event shall the main entrance or only access to an approved
 21 hotel be through a casino.

1 8. Section 29 of P. L. 1977, c. 110 (C. 5:12-29) is amended to
 2 read as follows:

3 29. "Junket"—An arrangement or arrangements the primary
 4 purpose of which is to induce any person to **gamble at a licensed**
 5 **casino hotel** *come to a licensed casino hotel for the purpose of*
 6 *gambling* and pursuant to which, and as consideration for which,
 7 over \$200.00 of the cost of transportation, food, lodging, and
 8 entertainment for said person is directly or indirectly paid by a
 9 casino licensee or employee or agent thereof. For purposes of
 10 this act, the furnishing of any of the above items on a com-
 11 plimentary basis shall be deemed to constitute the indirect payment
 12 for such **food or lodging** *items* in the amount of the retail price
 13 normally charged **by the licensee** *for such items.*

1 9. Section 47 of P. L. 1977, c. 110 (C. 5:12-47) is amended to
 2 read as follows:

3 47. "Subsidiary"—

4 a. Any corporation, **all or** any *significant* part of whose out-
 5 standing equity securities are owned, subject to a power or right
 6 of control, or held with power to vote, by a holding company or
 7 an intermediary company; or

8 b. **Any** *A significant interest in any* firm, association, partner-
 9 ship, trust or other form of business organization, not a natural
 10 person, **or any interest therein,** which is owned, subject to a
 11 power or right of control, or held with power to vote, by a holding
 12 company or an intermediary company.

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

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

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

12 c. The commission shall appoint an executive secretary who
 13 shall serve at its pleasure and shall be responsible for the conduct
 14 of its administrative affairs. No person shall be eligible for such
 15 appointment unless he shall have at least 5 years of responsible
 16 experience in public or business administration or possesses broad
 17 management skills. The salary of the executive secretary shall be
 18 fixed by the commission; provided, however, that such salary shall
 19 not exceed ~~[\$35,000.00]~~ \$41,000.00.

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

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

3 58. Restrictions on Pre-Employment by Commissioners, Commis-
 4 sion Employees and Division Employees and Agents. a. ~~[No person~~
 5 ~~shall be appointed to or be employed by the commission or division~~
 6 ~~if, during the period commencing 3 years prior to appointment or~~
 7 ~~employment, said person held any direct or indirect interest in, or~~
 8 ~~any employment by, any person engaged in gaming; any manu-~~
 9 ~~facturer, distributor or servicer of gaming equipment; or any~~
 10 ~~operator of licensed pari-mutuel betting.] Deleted by amendment.~~

11 b. No person shall be appointed to or employed by the commis-
 12 sion or division if, during the period commencing 3 years prior to
 13 appointment or employment, said person held any direct or indirect
 14 interest in, or any employment by, any person which is licensed
 15 ~~[by]~~ *as a casino hotel pursuant to section 87 of P. L. 1977, c. 110*
 16 *(C. 5:12-87) or as a casino service industry pursuant to subsection*
 17 *a. of section 92 of P. L. 1977, c. 110 (C. 5:12-92a.) or has an appli-*
 18 *cation for such a license pending before [or is registered with]*
 19 *the commission; provided, however, that notwithstanding any other*

20 *provision of this act to the contrary, any such person may be*
 21 *appointed to or employed by the commission or division if his*
 22 *interest in any such casino hotel or casino service industry which is*
 23 *publicly traded did not constitute a controlling interest in that*
 24 *casino hotel or casino service industry.*

25 c. Prior to appointment or employment, each member of the com-
 26 mission, each employee of the commission, the director of the
 27 Division of Gaming Enforcement and each employee and agent
 28 of the division shall swear or affirm that he possesses no interest
 29 in any business or organization licensed by or registered with the
 30 commission.

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

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

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

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

8 b. A Code of Ethics governing the specific needs of the com-
 9 mission and the division shall be promulgated by each and shall
 10 include, among other provisions, that:

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

14 (2) No commission member or employee or division employee or
 15 agent shall solicit or accept employment from any person licensed
 16 by or registered with the commission or from any applicant for a
 17 period of 4 years after termination of service with the commission,
 18 or division, unless subject to section 60 [b.] of this act.

19 c. No commission member or employee or division employee or
 20 agent shall have any interest, direct or indirect, in any applicant or
 21 in any person licensed by or registered with the commission during
 22 his term of office or employment.

23 d. No commission member shall be employed in any capacity by
 24 any person licensed by or registered with the commission.

25 e. Each employee of the commission, including legal counsel,
 26 and each employee and agent of the division shall devote his entire
 27 time and attention to his duties and shall not pursue any other
 28 business or occupation or other gainful employment; provided,
 29 however, that secretarial and clerical personnel may engage in
 30 such other gainful employment as shall not interfere with their
 31 duties to the commission or division, unless otherwise directed;
 32 and further provided, that the commission may employ hearing
 33 examiners on a part-time basis.

34 f. No member of the commission, employee of the commission,
 35 or employee or agent of the division shall:

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

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

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

47 g. For the purpose of applying the provisions of the "New
 48 Jersey Conflicts of Interest Law," any consultant or other person
 49 under contract for services to the commission shall be deemed to
 50 be a special State employee. Such person and any corporation,
 51 firm or partnership in which he has an interest or by which he
 52 is employed shall not represent any person or party other than
 53 the commission before the commission.

1 13. Section 60 of P. L. 1977, c. 110 (C. 5:12-60) is amended to
 2 read as follows:

3 60. Post-Employment Restrictions. a. No member of the com-
4 mission shall hold any direct or indirect interest in, or be employed
5 by, any applicant or by any person licensed by or registered with
6 the commission for a period of 4 years commencing on the date
7 his membership on the commission terminates.

8 b. No employee of the commission or employee or agent of the
9 division may acquire any direct or indirect interest in, or accept
10 employment with, any applicant or any person licensed by or regis-
11 tered with the commission, for a period of 2 years commencing at
12 the termination of employment with the commission or division. At
13 the end of 2 years, the former employee or agent may acquire an
14 interest in, or accept employment with, any applicant or person
15 licensed by or registered with the commission upon application to
16 and the approval of the commission upon a finding that the interest
17 to be acquired or the employment will not create the appearance
18 of a conflict of interest and does not evidence a conflict of interest
19 in fact.

20 c. No commission member or person employed by the commission
21 or division shall represent any person or party other than the State
22 before or against the commission for a period of 2 years from the
23 termination of his office or employment with the commission or
24 division.

25 d. No partnership, firm or corporation in which a former com-
26 mission member or employee or former division employee or agent
27 has an interest, nor any partner, officer or employee of any such
28 partnership, firm or corporation shall make any appearance or
29 representation which is prohibited to said former member, em-
30 ployee, or agent; *provided, however, that nothing herein shall pro-*
31 *hibit such partnership, firm or corporation from making such ap-*
32 *pearance or representation on behalf of a casino service industry*
33 *licensed under subsection c. of section 92 of P. L. 1977, c. 110*
34 *(C. 5:12-92c.).*

35 e. *Notwithstanding any post-employment restriction imposed by*
36 *this section, nothing herein shall prohibit a former commission*
37 *member or employee or former division employee or agent, at any*
38 *time after termination of such membership or employment, from*
39 *acquiring an interest in, or soliciting or obtaining employment*
40 *with, any person licensed as a casino service industry under sec-*
41 *tion 92c. of this act or any applicant for such licensure.*

1 14. Section 70 of P. L. 1977, c. 110 (C. 5:12-70) is amended to
2 read as follows:

3 70. Required Regulations. The commission shall, without limita-
4 tion on the powers conferred in the preceding section, include
5 within its regulations the following specific provisions in accord-
6 ance with the provisions of this act:

7 a. Prescribing the methods and forms of application which any
8 applicant shall follow and complete prior to consideration of his
9 application by the commission;

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

13 c. Prescribing procedures for the fingerprinting of an applicant,
14 employee of a licensee, or registrant, or other methods of identifica-
15 tion which may be necessary in the judgment of the commission
16 to accomplish effective enforcement of restrictions on access to
17 the casino floor and other restricted areas of the casino hotel
18 complex;

19 d. Prescribing the manner and procedure of all hearings con-
20 ducted by the commission or any hearing examiner, including
21 special rules of evidence applicable thereto and notices thereof;

22 e. Prescribing the manner and method of collection of payments
23 of taxes, fees, and penalties;

24 f. Defining and limiting the areas of operation, the rules of
25 authorized games, odds, and devices permitted, and the method
26 of operation of such games and devices;

27 g. Regulating the practice and procedures for negotiable trans-
28 actions involving patrons, including limitations on the circum-
29 stances and amounts of such transactions, and the establishment
30 of forms and procedures for negotiable instrument transactions,
31 redemptions, and consolidations;

32 h. Prescribing grounds and procedures for the revocation or
33 suspension of operation certificates and licenses;

34 i. Governing the manufacture, distribution, sale, and servicing
35 of gaming devices and equipment;

36 j. Prescribing the procedures, forms and methods of management
37 controls, including employee and supervisory tables of organization
38 and responsibility, and minimum security standards, including
39 security personnel structure, alarm and other electrical or visual
40 security measures;

41 k. Prescribing the qualifications of, and the conditions pursuant
42 to which, engineers, accountants, and others shall be permitted to
43 practice before the commission or to submit materials on behalf
44 of any applicant or licensee; provided, however, that no member

45 of the Legislature, nor any firm with which said member is as-
46 sociated, shall be permitted to appear or practice or act in any
47 capacity whatsoever before the commission or division regarding
48 any matter whatsoever, nor shall any member of the family of
49 the Governor or of a member of the Legislature be permitted to
50 so practice or appear in any capacity whatsoever before the com-
51 mission or division regarding any matter whatsoever;

52 l. Prescribing minimum procedures for the exercise of effective
53 control over the internal fiscal affairs of a licensee, including pro-
54 visions for the safeguarding of assets and revenues, the recording
55 of cash and evidence of indebtedness, and the maintenance of
56 reliable records, accounts, and reports of transactions, operations
57 and events, including reports to the commission;

58 m. Providing for a minimum uniform standard of accountancy
59 methods, procedures and forms; a uniform code of accounts and
60 accounting classifications; and such other standard operating
61 procedures, including those controls listed in section 99 a. hereof,
62 as may be necessary to assure consistency, comparability, and
63 effective disclosure of all financial information, including calcula-
64 tions of percentages of profit by game, table, gaming device and
65 slot machines;

66 n. Requiring periodic financial reports and the form thereof,
67 including an annual audit prepared by a certified public accountant
68 licensed to do business in this State attesting to the financial con-
69 dition of a licensee and disclosing whether the accounts, records
70 and control procedures examined are maintained by the licensee
71 as required by this act and the regulations promulgated hereunder;

72 o. Governing the advertising of casino licensees, their employees
73 and agents, with the view toward assuring that gaming activity in
74 Atlantic City is not the dominating advertising theme, that gaming
75 is portrayed as an activity for adults conducted in an atmosphere
76 of social graciousness, and that such advertisements are in no way
77 deceptive; provided, however, that such regulations shall not
78 prohibit the advertisement of casino location, hours of operation,
79 or types of games and other amenities offered, but in no circum-
80 stance shall permit the advertisement of information about odds,
81 the number of games, or the size of the casino; and provided
82 further, however, that such regulations shall require the words
83 "Bet with your head, not over it" to appear on all billboards,
84 signs, and other on-sight advertising of a casino operation;

85 p. Governing entertainment presented by casino licensees in
86 accordance with the prevailing community standards as determined
87 by the commission;

88 q. Concerning the distribution and consumption of alcoholic
 89 beverages on the premises of the licensee, which regulations shall
 90 be insofar as possible consistent with Title 33 of the Revised
 91 Statutes, and shall deviate only insofar as necessary because of
 92 the unique character of the hotel casino premises and operations;
 93 and

94 r. Limiting signs and other **[on-sight]** *on-site* advertising, with
 95 a view toward minimizing solicitation for gaming purposes from
 96 the public thoroughfares or otherwise dominating or despoiling
 97 the architecture or environment of the city.

1 15. Section 71 of P. L. 1977, c. 110 (C. 5:12-71) is amended to
 2 read as follows:

3 71. Regulation Requiring Exclusion of Certain Persons. a. The
 4 commission shall, by regulation, provide for the establishment of
 5 a list of persons who are to be excluded or ejected from any licensed
 6 casino establishment. Such provisions shall define the standards
 7 for exclusion, and shall include standards relating to persons:

8 (1) Who are career or professional offenders as defined by regu-
 9 lation of the commission;

10 (2) Who have been convicted of a criminal offense under the
 11 laws of **[this State]** *any state* or of the United States, which is
 12 punishable by more than 6 months in prison, or any crime or offense
 13 involving moral turpitude; or

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

17 The commission shall promulgate definitions establishing those
 18 categories of persons who shall be excluded pursuant to this section,
 19 including cheats and persons whose privileges for licensure have
 20 been revoked.

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

23 c. The commission may impose sanctions upon a licensed casino
 24 or individual licensee in accordance with the provisions of this act
 25 if such casino or individual licensee knowingly fails to exclude or
 26 eject from the premises of any licensed casino any person placed
 27 by the commission on the list of persons to be excluded or ejected.

28 d. Any list compiled by the commission of persons to be excluded
 29 or ejected shall not be deemed an all inclusive list, and licensed
 30 casino establishments shall have a duty to keep from their premises
 31 persons known to them to be within the classifications declared in
 32 paragraph a. of this section and the regulations promulgated
 33 thereunder.

34 e. Whenever the name or description of any person is placed on
 35 a list pursuant to this section, the commission shall serve notice
 36 of such fact to such person by personal service, by certified mail
 37 at the last known address of such person, or by publication daily
 38 for 1 week in a newspaper of general circulation in Atlantic City.

39 f. Within 30 days after service by mail or in person or 60 days
 40 from the time of last publication, as the case may be, the person
 41 named for exclusion or ejection may demand a hearing before
 42 the commission and show cause why he should have his name re-
 43 moved from such list. Failure to demand such a hearing within the
 44 time allotted in this section shall preclude a person from having
 45 an administrative hearing, but shall in no way affect his right to
 46 judicial review as provided herein.

47 g. Upon receipt of a demand for a hearing, the commission shall
 48 set a time and place for such hearing. Unless otherwise agreed by
 49 the commission and the named person, such hearing shall not be
 50 later than 30 days after the receipt of a demand for such hearing.

51 h. If, upon completion of the hearing, the commission determines
 52 that the regulation does not or should not apply to the person so
 53 listed, the commission shall notify all casino licensees of such
 54 determination.

55 i. If, upon completion of a hearing, the commission determines
 56 that the placement of the name of the person on the exclusionary
 57 list was appropriate, the commission shall make and enter an order
 58 to that effect. Such order shall be subject to review by the Superior
 59 Court in accordance with the rules of court.

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

3 76. General Duties and Powers. a. The Division of Gaming
 4 Enforcement shall promptly and in reasonable order investigate
 5 all applications, enforce the provisions of this act and any regula-
 6 tions promulgated hereunder, and prosecute before the commission
 7 all proceedings for violations of this act or any regulations promul-
 8 gated hereunder. The division shall provide the commission with
 9 all information necessary for all action under Article 6 of this act
 10 and for all proceedings involving enforcement of the [regulations]
 11 *provisions* of this act or any regulations promulgated hereunder.

12 b. The division shall:

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

16 (2) Investigate the circumstances surrounding any act or trans-
 17 action for which commission approval is required;

18 (3) Investigate violations of this act and regulations promul-
19 gated hereunder;

20 (4) Initiate, prosecute and defend such proceedings before the
21 commission, or appeals therefrom, as the division may deem
22 appropriate;

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

25 (6) Conduct continuing reviews of casino operations through
26 on-site observation and other reasonable means to assure compli-
27 ance with this act and regulations promulgated hereunder, subject
28 to section 63 g. of this act;

29 (7) Conduct audits of casino operations, including reviews of
30 accounting, administrative and financial records, and management
31 control systems, procedures and records utilized by a casino licen-
32 see; and

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

1 17. Section 80 of P. L. 1977, c. 110 (C. 5:12-80) is amended to
2 read as follows:

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

9 b. Any applicant, licensee or any other person who must be
10 qualified pursuant to this act shall provide all information required
11 by this act and satisfy all requests for information pertaining to
12 qualification and in the form specified by the commission. All
13 applicants and licensees shall waive liability as to the State of
14 New Jersey, and its instrumentalities and agents, for any damages
15 resulting from **[lawful or unintentional]** *any* disclosure or publi-
16 cation in any manner, *other than a willfully unlawful disclosure or*
17 *publication*, of any material or information acquired during in-
18 quiries, investigations or hearings.

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

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

25 duty to provide any assistance or information required by the
 26 commission or division, and to cooperate in any inquiry or investi-
 27 gation conducted by the division and any inquiry, investigation, or
 28 hearing conducted by the commission. If, upon issuance of a
 29 formal request to answer or produce information, evidence or
 30 testimony, any applicant, licensee, registrant, or any other person
 31 who shall be qualified pursuant to this act refuses to comply, the
 32 application, license, registration or qualification of such person
 33 may be denied or revoked by the commission.

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

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

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

1 18. Section 82 of P. L. 1977, c. 110 (C. 5:12-82) is amended to
 2 read as follows:

3 82. Casino License—Applicant Eligibility. a. No casino shall
 4 operate unless all necessary licenses and approvals therefor have
 5 been obtained in accordance with law.

6 [b. Any person shall be eligible to apply for a casino license if he
 7 agrees to comply in all respects with this act and the regulations
 8 promulgated hereunder and if he:

9 (1) Owns 100% of an approved hotel as herein defined; or

10 (2) Leases 100% of an approved hotel in accordance with the
 11 provisions of section 104 a. of this act; or

12 (3) Owns or has a contract to purchase or construct a hotel,
 13 or leases or has an agreement to lease in accordance with the
 14 provisions of section 104 a. of this act 100% of a hotel, which,
 15 in the judgment of the commission, can become an approved hotel

16 within 30 months or within such additional time period as the
17 commission may, upon a showing of good cause therefor, estab-
18 lish; or

19 (4) Has a written agreement, with a casino license or with
20 an eligible applicant for a casino license, for the complete manage-
21 ment of a casino in accordance with the provisions of section 104a.
22 of this act, and owns 100% of or controls any approved hotel, in-
23 cluding the approved hotel which is the subject of the management
24 agreement. For purposes of this subsection, control of an approved
25 hotel shall mean the ownership of at least 10% of all outstanding
26 equity securities of a casino licensee or of an eligible applicant for
27 a casino license, and the sole and unrestricted power to direct the
28 operations of such casino licensee or eligible applicant.

29 c. No casino license shall be issued to any person leasing a hotel
30 pursuant to section 104 a. hereof unless a separate casino license
31 has first been issued to the owner of the casino hotel facility which
32 is the subject of such lease.】

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

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

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

52 (3) *Any person who has a written agreement with a casino*
53 *licensee or with an eligible applicant for a casino license for the*
54 *complete management of a casino; and*

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

58 c: *Prior to the operation of the casino, every agreement to lease*
59 *an approved hotel building or the land thereunder and every*
60 *agreement for the management of the casino shall be in writing*
61 *and filed with the commission. No such agreement shall be effective*
62 *unless expressly approved by the commission. The commission may*
63 *require that any such agreement include within its terms any*
64 *provision reasonably necessary to best accomplish the policies of*
65 *this act. Consistent with the policies of this act:*

66 (1) *The commission, with the concurrence of the Attorney Gen-*
67 *eral which may not be unreasonably withheld, may determine that*
68 *any person who does not have the ability to exercise any significant*
69 *control over either the approved hotel building or the operation of*
70 *the casino contained therein shall not be eligible to hold or required*
71 *to hold a casino license;*

72 (2) *The commission, with the concurrence of the Attorney Gen-*
73 *eral which may not be unreasonably withheld, may determine that*
74 *any owner, lessor or lessee of an approved hotel building or the*
75 *land thereunder who does not own or lease the entire approved*
76 *hotel building shall not be eligible to hold or required to hold a*
77 *casino license;*

78 (3) *The commission shall require that any person or persons*
79 *eligible to apply for a casino license organize itself or themselves*
80 *into such form or forms of business association as the commission*
81 *shall deem necessary or desirable in the circumstances to carry out*
82 *the policies of this act;*

83 (4) *The commission may issue separate casino licenses to any*
84 *persons eligible to apply therefor;*

85 (5) *As to agreements to lease an approved hotel building or the*
86 *land thereunder, unless it expressly and by formal vote for good*
87 *cause determines otherwise, the commission shall require that each*
88 *party thereto hold either a casino license or casino service industry*
89 *license and that such an agreement be for a durational term exceed-*
90 *ing 30 years, concern 100% of the entire approved hotel building*
91 *or of the land upon which same is located, and include within its*
92 *terms a buy-out provision conferring upon the casino licensee-lessee*
93 *who controls the operation of the approved hotel the absolute right*
94 *to purchase for an expressly set forth fixed sum the entire interest*
95 *of the lessor or any person associated with the lessor in the*
96 *approved hotel building or the land thereunder in the event that*
97 *said lessor or said person associated with the lessor is found by*
98 *the commission to be unsuitable to be associated with a casino*
99 *enterprise;*

100 (6) *The commission shall not permit an agreement for the leasing*
101 *of an approved hotel building or the land thereunder to provide*
102 *for the payment of an interest, percentage or share of money*
103 *gambled at the casino or derived from casino gaming activity or*
104 *of revenues or profits of the casino unless each party thereto holds*
105 *either a casino license or casino service industry license and unless*
106 *the agreement is for a durational term exceeding 30 years, concerns*
107 *a significant portion of the entire approved hotel building or of the*
108 *land upon which same is located, and includes within its terms a*
109 *buy-out provision conforming to that described in paragraph (5)*
110 *above;*

111 (7) *As to agreements for the management of a casino, the com-*
112 *mission shall require that each party thereto hold a casino license,*
113 *that the party thereto who is to manage the casino own at least*
114 *10% of all outstanding equity securities of any casino licensee or*
115 *of any eligible applicant for a casino license if the said licensee or*
116 *applicant is a corporation and the ownership of an equivalent*
117 *interest in any casino licensee or in any eligible applicant for a*
118 *casino license if same is not a corporation, and that such an*
119 *agreement be for the complete management of the casino, provide*
120 *for the sale and unrestricted power to direct the casino operations*
121 *of the casino which is the subject of the agreement, and be for*
122 *such a durational term as to assure reasonable continuity, stability*
123 *and independence in the management of the casino;*

124 (8) *The commission may permit an agreement for the manage-*
125 *ment of a casino to provide for the payment of an interest, per-*
126 *centage or share of money gambled at the casino or derived from*
127 *casino gaming activity or of revenues or profits of the casino; and,*

128 (9) *As to both agreements to lease an approved hotel building*
129 *or the land thereunder and agreements for the management of a*
130 *casino, the commission may, for good cause shown, require that*
131 *each party thereto shall be individually and severally liable for all*
132 *acts, omissions and violations of this act by another party thereto*
133 *regardless of actual knowledge of such act, omission or violation*
134 *and notwithstanding any provision in such agreement to the*
135 *contrary.*

136 d. No corporation shall be eligible to apply for a casino license
137 unless the corporation shall:

138 (1) Be incorporated in the State of New Jersey, although such
139 corporation may be a wholly or partially owned subsidiary of a
140 corporation which is organized pursuant to the laws of another
141 state of the United States or of a foreign country;

142 (2) Maintain an office of the corporation in the premises licensed
143 or to be licensed;

144 (3) Comply with all the requirements of the laws of the State
145 of New Jersey pertaining to corporations;

146 (4) Maintain a ledger in the principal office of the corporation in
147 New Jersey which shall at all times reflect the current ownership
148 of every class of security issued by the corporation and shall be
149 available for inspection by the commission or the division and
150 authorized agents of the commission and the division at all reason-
151 able times without notice;

152 (5) Maintain all operating accounts required by the commission
153 in a bank in New Jersey;

154 (6) Include among the purposes stated in its certificate of
155 incorporation the conduct of casino gaming and provide that the
156 certificate of incorporation includes all provisions required by
157 this act;

158 (7) If it is not a publicly traded corporation, file with the com-
159 mission such adopted corporate charter or bylaws provisions as
160 may be necessary to establish the right of the commission to
161 approve future transfers of corporate securities, shares, and other
162 interests in the applicant corporation and in any *non-publicly*
163 *traded* holding company, intermediary company, or subsidiary
164 thereof; and, if it is a publicly traded corporation, said corporation
165 shall provide in its corporate charter or bylaws that any securities
166 of such corporation are held subject to the condition that if a holder
167 thereof is found to be disqualified by the commission pursuant to
168 the provisions of this act, such holder shall dispose of his interest in
169 the corporation; provided, however, that, notwithstanding the
170 provisions of N. J. S. 14A:7-12 and N. J. S. 12A:8-101 et seq.,
171 nothing herein shall be deemed to require that any security of such
172 corporation bear any legend to this effect; and

173 (8) If it is not a publicly traded corporation, establish to the
174 satisfaction of the commission that appropriate charter or bylaw
175 provisions create the absolute right of such *non-publicly traded*
176 corporations and companies to repurchase at the market price or
177 the purchase price, whichever is the lesser, any security, share or
178 other interest in the corporation in the event that the commission
179 disapproves a transfer in accordance with the provisions of this act.

180 e. No person shall be issued or be the holder of more than three
181 casino licenses. For the purpose of this subsection a person shall be
182 considered the holder of a casino license if such license is issued to
183 such person or if such license is held by any holding, intermediary

184 or subsidiary company thereof, or by any officer, director, casino
185 key employee or principal employee of such person, or of any hold-
186 ing, intermediary or subsidiary company thereof.

1 19. Section 83 of P. L. 1977, c. 110 (C. 5:12-83) is amended to
2 read as follows:

3 83. Approved Hotel. An approved hotel for purposes of this act
4 shall be a hotel providing facilities in accordance with this section.
5 Nothing in this section shall be construed to limit the authority of
6 the commission to determine the suitability of facilities as provided
7 in this act, and nothing in this section shall be construed to require
8 a casino to be larger than the minimum size or smaller than the
9 maximum size herein provided. An approved hotel shall, in accord-
10 ance with the following table:

11 a. Contain [the minimum number of] *qualifying* sleeping units
12 as [hereinbefore] defined in *section 27 of this act*;

13 b. Contain [the minimum amount of] *qualifying* meeting and
14 exhibition space, consisting of indoor public space available and
15 of the sort regularly used for conventions, exhibits, meetings,
16 banquets and similar functions, but not including space regularly
17 used as restaurants, lobbies, lounges, bars, show theaters, sports
18 facilities, casinos, or parking areas;

19 c. Contain [the minimum amount of] *qualifying* indoor *public*
20 space used for dining, entertainment, and sports facilities, includ-
21 ing restaurants, bars, lounges, show theaters, shops, dance halls,
22 and swimming facilities but excluding lobbies, casinos, parking
23 areas and tennis facilities. For purposes of this subsection, only the
24 actual swimming pool and a 25-foot area on all sides thereof shall
25 be eligible for inclusion in the allowable indoor sports space; and

26 d. Contain a *single* casino room as [hereinbefore] defined in
27 *section 6 of this act*, in accordance with the [relative size of room,
28 meeting and exhibition, and indoor dining, entertainment and
29 sports] *minimum number of qualifying sleeping units and mini-*
30 *mum amount of qualifying indoor public* space as provided in the
31 following chart, but, except as hereinafter provided, in no event
32 may a casino room *be permitted to exceed* the maximum square
33 footage stated:

	<i>[No. of rooms</i>	<i>Meeting space Sq. Ft. Minimum</i>	<i>Dining, entertainment and indoor sports Sq. Ft. Minimum</i>	<i>Casino space Sq. Ft. Maximum</i>
34	500	25,000	40,000	30,000
35	750	30,000	50,000	40,000
36	1,000	35,000	60,000	50,000
37	1,250	40,000	70,000	60,000
38	1,500	45,000	80,000	70,000
39	1,750	50,000	90,000	85,000
40	2,000	55,000	100,000	100,000

41 If a licensed facility shall provide more meeting space and
42 dining, entertainment, and indoor sports space than is required by
43 subsection d. hereof, the maximum allowable casino space may
44 be increased by a figure representing one-half of the amount of
45 such excess meeting space and excess dining and kitchen support
46 facilities, entertainment, and indoor sports space; provided, how-
47 ever, that at least 25% of the total of such excess space shall be
48 either meeting space or dining and kitchen support facilities,
49 entertainment, and indoor sports space; and provided further,
50 however, that the total of the increased allowable casino space
51 shall not exceed a figure representing the original maximum
52 casino size.】

	<i>Minimum Number of Qualifying Sleeping Units</i>	<i>Minimum Square Footage of Qualifying Indoor Public Space Sq. Ft.</i>	<i>Maximum Square Footage of Casino Room Sq. Ft.</i>
53	500	65,000	30,000
54	750	80,000	40,000
55	1,000	95,000	50,000
56	1,250	110,000	60,000
57	1,500	125,000	70,000
58	1,750	140,000	85,000
59	2,000	155,000	100,000

60 e. The commission shall have the authority to insure a fair mix-
61 ture of meeting, exhibition, dining, entertainment and indoor
62 sports space within the indoor public space within a qualifying
63 casino hotel facility in order to best promote the tourist, resort
64 and convention industry of the State in accordance with the poli-
65 cies of this act and shall, unless for a good cause it otherwise
66 determines, require that each such casino hotel facility contain no
67 less than 25,000 square feet of qualifying meeting and exhibition
68 space and no less than 40,000 square feet of qualifying dining,
69 entertainment and sports space.

70 *f. If an approved hotel shall provide more than the minimum*
 71 *number of qualifying sleeping units as hereinbefore defined than is*
 72 *required by subsection d. hereof, the maximum casino space may*
 73 *be permitted to increase by 40 square feet for each such excess*
 74 *sleeping unit.*

75 *g. If a licensed facility shall provide more qualifying indoor*
 76 *public space as hereinbefore defined than is required by sub-*
 77 *section d. hereof, the maximum allowable casino space may be*
 78 *permitted to increase by a figure representing one-half of the*
 79 *amount of such excess qualifying indoor public space, including*
 80 *space serving as kitchen support facilities.*

81 *h. In no event may the total of the increased allowable casino*
 82 *space be permitted to exceed a figure representing the original*
 83 *maximum casino size.*

1 20. Section 84 of P. L. 1977, c. 110 (C. 5:12-84) is amended to
 2 read as follows:

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

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

17 b. Each applicant shall produce such information, documenta-
 18 tion and assurances as may be necessary to establish by clear and
 19 convincing evidence the integrity and reputation of all financial
 20 backers, investors, mortgagees, bond holders, and holders of in-
 21 dentures, notes or other evidences of indebtedness, either in effect
 22 or proposed, which bears any relation to the casino proposal sub-
 23 mitted by the applicant or applicants. The reputation and integrity
 24 of financial sources shall be judged upon the same standards as
 25 the applicant. In addition, the applicant shall produce whatever
 26 information, documentation or assurance may be required to estab-
 27 lish by clear and convincing evidence the adequacy of financial
 28 resources both as to the completion of the casino proposal and
 29 the operation of the casino.

30 c. Each applicant shall produce such information, documenta-
31 tion and assurances of good character as may be required to
32 establish by clear and convincing evidence the applicant's good
33 reputation for honesty and integrity. Such information shall in-
34 clude, without limitation, information pertaining to family, habits,
35 character, criminal and arrest record, business activities, financial
36 affairs, and business, professional and personal associates, cover-
37 ing at least the 10-year period immediately preceding the filing
38 of the application. Each applicant shall notify the commission of
39 any civil judgments obtained against any such applicant pertaining
40 to antitrust or security regulation laws of the Federal government,
41 of this State or of any other state, jurisdiction, province or country.
42 In addition, each applicant shall produce letters of reference from
43 law enforcement agencies having jurisdiction in the applicant's
44 place of residence and principal place of business, which letters of
45 reference shall indicate that such law enforcement agencies do not
46 have any pertinent information concerning the applicant, or if
47 such law enforcement agency does have information pertaining
48 to the applicant, shall specify what the information is. If the
49 applicant has conducted gaming operations in a jurisdiction which
50 permits such activity, the applicant shall produce letters of
51 reference from the gaming or casino enforcement or control agency
52 which shall specify the experiences of such agency with the
53 applicant, his associates, and his gaming operation; provided,
54 however, that if no such letters are received within 60 days of
55 request therefor, the applicant may submit a statement under oath
56 that he is or was during the period such activities were conducted
57 in good standing with such gaming or casino enforcement or control
58 agency.

59 d. Each applicant shall produce such information, documenta-
60 tion and assurances as may be required to establish by clear and
61 convincing evidence that the applicant has sufficient business
62 ability and casino experience as to establish the likelihood of
63 creation and maintenance of a successful, efficient casino operation.
64 The applicant shall produce the names of all proposed casino key
65 employees as they become known and a description of their respec-
66 tive or proposed responsibilities, and a full description of security
67 systems and management controls proposed for the casino and
68 related facilities.

69 e. Each applicant shall produce such information, documenta-
70 tion and assurances to establish to the satisfaction of the com-
71 mission the suitability of the casino and related facilities and its

72 proposed location, and that the proposal will not adversely affect
 73 casino operations or overall environmental conditions. Each
 74 applicant shall submit an impact statement which shall include,
 75 without limitation, architectural and site plans which establish that
 76 the proposed facilities comply in all respects **[to]** *with* the require-
 77 ments of this act, *the requirements* of the master plan and zoning
 78 ordinances of Atlantic City, and *the requirements* of the "Coastal
 79 Area Facility Review Act," P. L. 1973, c. 185 (C. 13:19-1 et seq.),
 80 *and that the proposed facilities have been approved by the plan-*
 81 *ning board of the city of Atlantic City as to the location and design,*
 82 *and as to compliance with the interim or final zoning ordinance and*
 83 *with all elements and requirements of the master plan of the city*
 84 *as approved by such planning board;* a market impact study which
 85 analyzes the adequacy of the patron market and the effect of the
 86 proposal on such market and on the existing casino facilities li-
 87 censed under this act; and an analysis of the effect of the proposal
 88 on the overall environment, including, without limitation, economic,
 89 social, demographic and competitive conditions as well as the na-
 90 tural resources of Atlantic City and the State of New Jersey.

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

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

6 (1) The organization, financial structure and nature of all busi-
 7 nesses operated by the corporation; *the names and personal em-*
 8 *ployment and criminal histories of all officers, directors and princi-*
 9 *pal employees of the corporation; the names of all holding, inter-*
 10 *mediary and subsidiary companies of the corporation; and the*
 11 *organization, financial structure and nature of all businesses op-*
 12 *erated by such of its holding, intermediary and subsidiary com-*
 13 *panies as the commission may require, including names and*
 14 *personal employment and criminal histories of **[all]** such officers,*
 15 *directors and principal employees of **[all]** such corporations and*
 16 *companies as the commission may require;*

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

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

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

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

29 (6) Names of persons other than directors and officers whose
30 compensation exceeds \$25,000.00 per annum, and amounts thereof;

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

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

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

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

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

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

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

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

66 d. No corporation which is a subsidiary shall be eligible to re-
67 ceive or hold a casino license unless each holding and intermediary
68 company with respect thereto:

69 (1) If it is a corporation, shall comply with the provisions of
70 subsection c. of this section as if said holding or intermediary
71 company were itself applying for a casino license; provided,
72 however, that the commission with the concurrence of the director
73 may waive compliance with the provisions of subsection c. hereof
74 on the part of a publicly-traded corporation which is a holding
75 company as to any officer, director, lender, underwriter, agent or
76 employee thereof, or person directly or indirectly holding a bene-
77 ficial interest or ownership of the securities of such corporation,
78 where the commission and the director are satisfied that such officer,
79 director, lender, underwriter, agent or employee is not significantly
80 involved in the activities of the corporate licensee, and in the case
81 of security holders, does not have the ability to control the publicly-
82 traded corporation or elect one or more directors thereof; or

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

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

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

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

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

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

13 misleading as to a material fact pertaining to the qualification
14 criteria;

15 c. The conviction of the applicant, or of any person required to
16 be qualified under this act as a condition of a *casino license*, of any
17 offense in any jurisdiction which would be under New Jersey law
18 at the time of application [a capital offense or a high misdemeanor
19 or a misdemeanor under any of the following sections of the statu-
20 tory law:

21 N. J. S. 2A:85-1

22 N. J. S. 2A:89-1 et seq.

23 N. J. S. 2A:91-1 et seq.

24 N. J. S. 2A:93-1 et seq.

25 N. J. S. 2A:98-1 et seq.

26 P. L. 1961, c. 53 (C. 2A:98-3, 2A:98-4)

27 N. J. S. 2A:102-1 et seq.

28 P. L. 1959, c. 98 (C. 2A:102-12.1)

29 P. L. 1957, c. 182 (C. 2A:102-13 to 2A:102-17)

30 N. J. S. 2A:105-3

31 N. J. S. 2A:108-1 et seq.

32 N. J. S. 2A:111-1

33 N. J. S. 2A:111-4

34 N. J. S. 2A:111-6

35 N. J. S. 2A:111-7

36 N. J. S. 2A:111-8

37 N. J. S. 2A:111-9

38 N. J. S. 2A:111-10

39 N. J. S. 2A:111-11

40 N. J. S. 2A:111-13

41 N. J. S. 2A:111-14

42 N. J. S. 2A:111-15

43 N. J. S. 2A:111-20

44 N. J. S. 2A:111-21

45 P. L. 1964, c. 179 (C. 2A:111-21.1)

46 N. J. S. 2A:111-22

47 N. J. S. 2A:111-23

48 N. J. S. 2A:117-1 et seq.

49 N. J. S. 2A:119-1 to 2A:119-5

50 P. L. 1965, c. 52 (C. 2A:119-5.1 to 2A:119-5.5)

51 N. J. S. 2A:119-6 to 2A:119-8

52 P. L. 1962, c. 201 (C. 2A:119-8.1)

53 N. J. S. 2A:119-9

54 N. J. S. 2A:131-4 to 2A:131-7

55 N. J. S. 2A:139-1 et seq.
 56 N. J. S. 2A:147-1 et seq.
 57 N. J. S. 2A:149-1
 58 N. J. S. 2A:150-1,
 59 or any of the disorderly persons offenses enumerated in the follow-
 60 ing sections of the statutory law:
 61 N. J. S. 2A:170-5
 62 N. J. S. 2A:170-18
 63 P. L. 1969, c. 256 (C. 2A:170-102),¹
 64 *a violation of any of the following provisions of law, provided that*
 65 *such conviction occurred within the 10-year period immediately*
 66 *preceding application for licensure:*
 67 (1) *With respect to convictions obtained pursuant to the "New*
 68 *Jersey Code of Criminal Justice," P. L. 1978, c. 95 (Title 2C of*
 69 *the New Jersey Statutes) as amended and supplemented:*
 70 *all crimes of the first degree;*
 71 *N. J. S. 2C:5-1 (attempt to commit an offense which is listed in*
 72 *this paragraph);*
 73 *N. J. S. 2C:5-2 (conspiracy to commit an offense which is listed in*
 74 *this paragraph);*
 75 *N. J. S. 2C:11-4b. (manslaughter);*
 76 *N. J. S. 2C:12-1b. (aggravated assault which constitutes a crime*
 77 *of the second or third degree);*
 78 *N. J. S. 2C:15-1 (robberies);*
 79 *N. J. S. 2C:17-1a. and b. (crimes involving arson and related*
 80 *offenses);*
 81 *N. J. S. 2C:17-2a. and b. (causing or risking widespread injury*
 82 *or damage);*
 83 *N. J. S. 2C:18-2 (burglary which constitutes a crime of the second*
 84 *degree);*
 85 *N. J. S. 2C:20-1 et seq. (theft and related offenses which con-*
 86 *stitute crimes of the second and third degrees);*
 86A *N. J. S. 2C:20-7 (receiving stolen property);*
 86B *N. J. S. 2C:21-1 et seq. (forgery and fraudulent practices which*
 86C *constitute crimes of the second and third degrees);*
 87 *N. J. S. 2C:21-4a. (falsifying or tampering with records);*
 88 *N. J. S. 2C:21-14 (receiving deposits in a failing financial*
 89 *institution);*
 90 *N. J. S. 2C:27-1 et seq. (bribery and corrupt influence);*
 91 *N. J. S. 2C:28-1 et seq. (perjury and other falsification in official*
 92 *matters which constitutes a crime of the third and fourth degrees);*
 93 *N. J. S. 2C:30-2 and N. J. S. 2C:30-3 (misconduct in office and*

94 *abuse in office which constitutes a crime of the second degree*);
95 *N. J. S. 2C:37-1 et seq. (gambling offenses which constitute*
96 *crimes of the third and fourth degrees)*;
97 *N. J. S. 2C:37-7 (possession of a gambling device)*;
98 *(2) With respect to convictions obtained under Title 2A of the*
99 *New Jersey Statutes*:
100 *N. J. S. 2A:85-5 (attempt to commit an offense which is in this*
101 *paragraph)*;
102 *N. J. S. 2A:89-1 et seq. (arson and other burnings)*;
103 *N. J. S. 2A:90-1 et seq. (assault and battery)*;
104 *N. J. S. 2A:91-1 et seq. (banks and financial corporations)*;
105 *N. J. S. 2A:93-1 (bribery of judge or magistrate; acceptance of*
106 *bribe)*;
107 *N. J. S. 2A:93-2 (bribery of legislators; acceptance by legislators*
108 *or other persons)*;
109 *N. J. S. 2A:93-4 (soliciting or receiving award for official vote)*;
110 *N. J. S. 2A:93-6 (giving or accepting bribes in connection with*
111 *government work, service, etc.)*;
112 *N. J. S. 2A:93-10 (giving or promising bribe to participants in*
113 *sporting contest)*;
114 *N. J. S. 2A:93-13 (giving or promising bribe to referee, umpire*
115 *or other official in sporting contest)*;
116 *N. J. S. 2A:94-1 (breaking and entering or entering)*;
116A *N. J. S. 2A:94-2 (use of high explosives in breaking or entering)*;
117 *N. J. S. 2A:98-1 (conspiracy to commit an offense which is*
118 *enumerated in this paragraph)*;
119 *N. J. S. 2A:99-1 (obstructing execution of process; assaulting*
120 *officers)*;
121 *N. J. S. 2A:102-1 et seq. (embezzlement, conversion and mis-*
122 *appropriation)*;
123 *N. J. S. 2A:103-1 et seq. (embracery)*;
124 *N. J. S. 2A:105-1 et seq. (extortion, threats and unlawful*
125 *takings)*;
126 *N. J. S. 2A:108-9 (narcotic drugs; persuading others to use)*;
127 *N. J. S. 2A:109-1 to N. J. S. 2A:109-3, N. J. S. 2A:109-6 to*
128 *N. J. S. 2A:109-9 (forgery and counterfeiting)*;
129 *N. J. S. 2A:111-1 to N. J. S. 2A:111-3, N. J. S. 2A:111-5 to*
130 *N. J. S. 2A:111-15, N. J. S. 2A:111-18 to N. J. S. 2A:111-21.1,*
131 *N. J. S. 2A:111-23 and N. J. S. 2A:111-24, N. J. S. 2A:111-28 to*
132 *N. J. S. 2A:111-32, N. J. S. 2A:111-34 to N. J. S. 2A:111-35,*
133 *N. J. S. 2A:111-37 to N. J. S. 2A:111-46 (frauds and cheats)*;

- 134 N. J. S. 2A:112-1 et seq. (gaming);
- 135 N. J. S. 2A:113-1 (murder);
- 136 N. J. S. 2A:113-5 (manslaughter);
- 137 N. J. S. 2A:114-2 (incestuous conduct between parent and child);
- 138 N. J. S. 2A:118-1 et seq. (kidnapping);
- 139 N. J. S. 2A:119-1 to N. J. S. 2A:119-5, P. L. 1965, c. 52 (C.
- 140 2A:119-5.1 et seq.) (larceny and other stealings);
- 141 N. J. S. 2A:119-8 (stealing narcotic drugs; breaking and entering
- 142 with intent to steal);
- 143 P. L. 1968, c. 349 (C. 2A:119A-1 et seq.) (loansharking);
- 144 N. J. S. 2A:121-1 et seq. (lotteries);
- 145 N. J. S. 2A:125-1 et seq. (mayhem);
- 146 N. J. S. 2A:131-1 to N. J. S. 2A:131-3 (perjury and subornation
- 147 of perjury);
- 148 N. J. S. 2A:135-3 (public officers or employees unlawfully obtain-
- 149 ing state, county, municipal or school district funds);
- 150 N. J. S. 2A:138-1 et seq. (rape and carnal abuse);
- 151 N. J. S. 2A:139-1 et seq. (receiving stolen property);
- 152 N. J. S. 2A:141-1 (robbery);
- 153 N. J. S. 2A:143-2 (sodomy with children under 10);
- 154 P. L. 1957, c. 49 (C. 2A:148-22.1) (giving false information to law
- 155 enforcement officer or agency);
- 156 (3) any high misdemeanor under section 19 of P. L. 1970, c. 226
- 157 (C. 24:21-19) or
- 158 (4) any other offense which indicates that licensure of the appli-
- 159 cant would be inimical to the policy of this act and to casino
- 160 operations; provided, however, that the automatic disqualification
- 161 provisions of this subsection shall not apply with regard to any
- 162 conviction which has been the subject of a judicial order of ex-
- 163 punction or sealing and provided, further however, that, any
- 164 applicant or any person required to be qualified under this act as
- 165 a condition of a casino license who is disqualified on the basis of
- 166 paragraph (2) herein shall not be so disqualified if such applicant
- 167 or person demonstrates to the commission by clear and convincing
- 168 evidence that the act or acts which constitute the offense which
- 169 forms the basis for such disqualification would not form the basis
- 170 for a disqualification pursuant to paragraph (1) of this section;
- 171 d. Current prosecution or pending charges in any jurisdiction of
- 172 the applicant or of any person who is required to be qualified under
- 173 this act as a condition of a casino license, for any of the offenses
- 174 enumerated in subsection c. of this section; provided, however,
- 175 that at the request of the applicant or the person charged, the

176 commission shall defer decision upon such application during the
177 pendency of such charge;

178 e. The pursuit by the applicant or any person who is required to
179 be qualified under this act as a condition of a casino license of
180 economic gain in an occupational manner or context which is in
181 violation of the criminal or civil public policies of this State, if
182 such pursuit creates a reasonable belief that the participation of
183 such person in casino operations would be inimical to the policies of
184 this act or to legalized gaming in this State. For purposes of this
185 section, occupational manner or context shall be defined as the
186 systematic planning, administration, management, or execution of
187 an activity for financial gain;

188 f. The identification of the applicant or any person who is re-
189 quired to be qualified under this act as a condition of a casino
190 license as a career offender or a member of a career offender cartel
191 or an associate of a career offender or career offender cartel in such
192 a manner which creates a reasonable belief that the association is
193 of such a nature as to be inimical to the policy of this act and to
194 gaming operations. For purposes of this section, career offender
195 shall be defined as any person whose behavior is pursued in an
196 occupational manner or context for the purpose of economic gain,
197 utilizing such methods as are deemed criminal violations of the
198 public policy of this State. A career offender cartel shall be de-
199 fined as any group of persons who operate together as career
200 offenders;

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

206 h. Contumacious defiance by the applicant or any person who is
207 required to be qualified under this act of any legislative investi-
208 gatory body or other official investigatory body of **[this State]**
209 *any state* or of the United States when such body is engaged in the
210 investigation of crimes relating to gaming, official corruption, or
211 organized crime activity.

1 23. Section 87 of P. L. 1977, c. 110 (C. 5:12-87) is amended to
2 read as follows:

3 87. Investigation of Applicants For Casino Licenses; Order
4 Approving or Denying License. a. Upon the filing of an application
5 for a casino license and such supplemental information as the
6 commission may require, the commission shall request the division

7 to conduct such investigation into the qualification of the applicant,
8 and the commission shall conduct a hearing thereon concerning the
9 qualification of the applicant in accordance with its regulations.

10 b. After such investigation and hearing, the commission may
11 either deny the application or grant a casino license to an applicant
12 whom it determines to be qualified to hold such license.

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

19 d. After an application is submitted to the commission, final
20 action of the commission shall be taken within 90 days after com-
21 pletion of all hearings and investigations and the receipt of all
22 information required by the commission.

23 e. If satisfied that an applicant is qualified to receive a casino
24 license, and upon tender of all license fees and taxes as required
25 by law and regulations of the commission, and such bonds as the
26 commission may require for the faithful performance of all
27 requirements imposed by law or regulations, the commission shall
28 issue a casino license for the term of 1 year.

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

40 **[g. No more than one casino license may be issued with respect**
41 **to any approved hotel, except that in the case of any lease agree-**
42 **ment or management contract approved in accordance with section**
43 **104 of this act, each party to such agreement or contract may be**
44 **issued a casino license.]**

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

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

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

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

19 (2) Each applicant for a casino key employee license shall pro-
20 duce such information, documentation and assurances as may be
21 required to establish by clear and convincing evidence the appli-
22 cant's reputation for good character, honesty and integrity. Such
23 information shall include, without limitation, data pertaining to
24 family, habits, character, criminal and arrest record, business
25 activities, financial affairs, and business, professional and personal
26 associates, covering at least the 10-year period immediately pre-
27 ceding the filing of the application. Each applicant shall notify
28 the commission of any civil judgments obtained against such appli-
29 cant pertaining to antitrust or security regulation laws of the
30 Federal government, of this State or of any other state, jurisdic-
31 tion, province or country. In addition, each applicant shall, *upon*
32 *request of the commission or the division*, produce letters of refer-
33 ence from law enforcement agencies having jurisdiction in the ap-
34 plicant's place of residence and principal place of business, which
35 letters of reference shall indicate that such law enforcement
36 agencies do not have any pertinent information concerning the ap-
37 plicant, or if such law enforcement agency does have information
38 pertaining to the applicant, shall specify what that information is.
39 If the applicant has been associated with gaming or casino opera-
40 tions in any capacity, position or employment in a jurisdiction
41 which permits such activity, the applicant shall, *upon request of*
42 *the commission or division*, produce letters of reference from the
43 gaming or casino enforcement or control agency which shall specify
44 the experiences of such agency with the applicant, his associates
45 and his participation in the gaming operations of that jurisdiction;
46 provided, however, that if no such letters are received *from the*
47 *appropriate law enforcement agencies* within 60 days of the appli-

48 *cant*'s request therefor, the applicant may submit a statement under
49 oath that he is or was during the period such activities were con-
50 ducted in good standing with such gaming or casino enforcement
51 or control agency.

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

57 (4) Each applicant shall be a resident of the State of New Jersey
58 prior to the issuance of a casino key employee license.

59 The commission may also, by regulation, require that all appli-
60 cants for casino key employee licenses be residents of this State
61 for a period not to exceed 6 months immediately prior to the
62 issuance of such license, but application may be made prior to the
63 expiration of the required period of residency. The commission
64 shall, by resolution, waive the required residency period for an
65 applicant upon a showing that the residency period would cause
66 undue hardship upon the casino licensee which intends to employ
67 said applicant, or upon a showing of other good cause.

68 c. The commission shall endorse upon any license issued here-
69 under the particular positions as defined by this act or by regulation
70 which the licensee is qualified to hold.

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

74 e. *Upon petition by the holder of a casino license or the holder*
75 *of a temporary casino permit, the commission may, no earlier than*
76 *30 days after the date of the petition, issue a temporary license to*
77 *an applicant for a casino key employee license, provided that:*

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

80 (2) *The division certifies to the commission that the complete*
81 *casino key employee license application as specified in paragraph*
82 *(1) of this subsection has been in the possession of the division for*
83 *at least 30 days;*

84 (3) *The information provided by the applicant indicates that the*
85 *applicant meets the requirements of subsection b. (3) of this*
86 *section;*

87 (4) *The petition for a temporary casino key employee license*
88 *certifies, and the commission finds, that an existing casino key*
89 *employee position of the petitioner is vacant and that the issuance*
90 *of a temporary key employee license is necessary to fill the said*

91 *vacancy on an emergency basis to continue the efficient operation*
 92 *of the casino, and that such circumstances are extraordinary and*
 93 *not designed to circumvent the normal licensing procedures of this*
 94 *act;*

95 *(5) The division does not object to the issuance of the temporary*
 96 *casino key employee license.*

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

107 *Unless otherwise terminated pursuant to this act, any temporary*
 108 *casino key employee license issued pursuant to this subsection shall*
 109 *expire 6 months from the date of its issuance, and shall be re-*
 110 *newable by the commission, in the absence of objection by the*
 111 *division as specified in paragraph (5) of this subsection, for one*
 112 *additional 3 month period.*

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

3 90. Licensing of Casino Employees. a. No person may commence
 4 employment as a casino employee unless he is the holder of a valid
 5 casino employee license **[issued by the commission]**. *The chairman*
 6 *may issue and renew said license and shall endorse upon any license*
 7 *issued hereunder the particular position which the licensee is quali-*
 8 *fied to hold, except in those circumstances where the division objects*
 9 *to licensure of an applicant or provides information which indi-*
 10 *cates that an applicant may lack the qualifications for licensure.*
 11 *In such circumstances, the commission shall have the exclusive au-*
 12 *thority to issue or to renew such a license.*

13 b. Any applicant for a casino employee license must, prior to the
 14 issuance of any such license, produce sufficient information, docu-
 15 mentation and assurances to meet the qualification criteria, includ-
 16 ing New Jersey residency, contained in subsection b. of section 89
 17 of this act and any additional residency requirement imposed under
 18 subsection c. of this section; except that the standards for business
 19 ability and casino experience may be satisfied by a showing of ca-
 20 sino job experience and knowledge of the provisions of this act and

21 regulations pertaining to the particular position involved, or by
22 successful completion of a course of study at a licensed school in
23 an approved curriculum.

24 c. The commission may, by regulation, require that all applicants
25 for casino employee licenses be residents of this State for a period
26 not to exceed 6 months immediately prior to the issuance of such
27 license, but application may be made prior to the expiration of the
28 required period of residency. The commission shall, by resolution,
29 waive the required residency period for an applicant upon a show-
30 ing that the residency period would cause undue hardship upon the
31 casino licensee which intends to employ said applicant, or upon a
32 showing of other good cause.

33 d. The commission, *except as provided in subsection a. of this*
34 *section*, shall endorse upon any license issued hereunder the par-
35 ticular positions as defined by regulation which the licensee is
36 qualified to hold.

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

40 f. For purposes of this section, casino security employees shall
41 be considered casino employees and must, in addition to any re-
42 quirements under other laws, be licensed in accordance with the
43 provisions of this act.

44 *g. A temporary license may be issued by the chairman to casino*
45 *employees for positions not directly related to gaming activity if,*
46 *in his judgement, the issuance of a plenary license will be restricted*
47 *by necessary investigations and said temporary licensing of the*
48 *applicant is necessary for the operations of the casino. Unless*
49 *otherwise terminated pursuant to this act, a temporary license*
50 *issued pursuant to this subsection shall expire 6 months from*
51 *the date of its issuance and be renewable, at the discretion of the*
52 *chairman, for one additional 6 month period. Positions "directly*
53 *related to gaming activity" shall include, but not be limited to,*
54 *boxmen, floormen, dealers or croupiers, cage personnel, count room*
55 *personnel, slot and slot booth personnel, credit and collection per-*
56 *sonnel, casino surveillance personnel, and casino security em-*
57 *ployees whose employment duties require or authorize access to*
58 *the casino.*

59 *h. Notwithstanding the provisions of subsection e. of this section,*
60 *no applicant shall be denied a casino employee license on the basis*
61 *of a conviction of any of the offenses enumerated in this act as*
62 *disqualification criteria provided that the applicant has affirma-*

63 *tively demonstrated his rehabilitation. In determining whether the*
 64 *applicant has affirmatively demonstrated his rehabilitation the com-*
 65 *mission shall consider the following factors:*

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

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

3 91. Casino Hotel Employee Licenses. a. No person may com-
 4 mence employment as a casino hotel employee unless he is the
 5 holder of a valid casino hotel employee license issued by the chair-
 6 man.

7 b. Any applicant for a casino hotel employee license must, prior
 8 to the issuance of any such license, produce sufficient information,
 9 documentation and assurances to meet the qualification criteria, in-
 10 cluding New Jersey residency, contained in subsections b.(1), b. (2)
 11 and b.(4) of section 89 of this act and any additional residency
 12 requirement imposed under subsection c. of this section. No casino
 13 hotel employee license shall be issued to any person disqualified
 14 on the basis of the criteria contained in section 86 of this act.

15 c. The commission may, by regulation, require that all applicants
 16 for casino hotel employee licenses be residents of this State for a
 17 period not to exceed 3 months immediately prior to the issuance
 18 of such license, but application may be made prior to the expiration
 19 of the required period of residency. The chairman shall waive the
 20 required residency period for an applicant upon a showing that the
 21 residency period would cause undue hardship upon the casino li-
 22 censee which intends to employ said applicant, or upon a showing
 23 of other good cause.

24 d. Notwithstanding the provisions of subsection b. of this section,
 25 no applicant shall be denied a casino hotel employee license on

26 the basis of a conviction of any of the offenses enumerated in this
 27 act as disqualification criteria, provided that the applicant has
 28 **[demonstrated his rehabilitation or can produce a certificate of**
 29 **rehabilitation, or that the offense for which the applicant has been**
 30 **convicted is not reasonably related to the duties for which the ap-**
 31 **plicant will be employed in the casino hotel.] affirmatively**
 32 *demonstrated his rehabilitation. In determining whether the appli-*
 33 *cant has affirmatively demonstrated his rehabilitation the com-*
 34 *mission shall consider the following factors:*

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

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

52 f. A temporary license **[of 5 days duration]** may be issued by
 53 the chairman if in his judgment the issuance of a permanent license
 54 will be restricted by necessary investigations and said temporary
 55 licensing of the applicant is necessary for the **[continuing]** opera-
 56 tions of the hotel. *Unless otherwise terminated pursuant to this*
 57 *act, a temporary license issued pursuant to this subsection shall*
 58 *expire 6 months from the date of its issuance and be renewable, at*
 59 *the discretion of the chairman, for one additional 6-month period.*

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

3 92. Licensing and Registration of Casino Service Industries.

4 a. All casino service industries offering goods or services on a reg-
 5 ular basis which directly relate to casino or gaming activity, in-
 6 cluding gaming equipment manufacturers, suppliers and repairers,
 7 schools teaching gaming and either playing or dealing techniques,
 8 and casino security services, shall be licensed in accordance with
 9 the provisions of this act prior to conducting any business whatso-

10 ever with a casino licensee, its employees or agents, and in the case
11 of a school, prior to enrollment of any students or offering of any
12 courses to the public whether for compensation or not; *provided*
13 *however, that upon a showing of good cause by a casino licensee*
14 *for each business transaction, the commission may permit an ap-*
15 *plicant for a casino service industry license to conduct business*
16 *transactions with such casino licensee prior to the licensure of that*
17 *applicant under this subsection.*

18 b. Each casino service industry in subsection a. of this section,
19 as well as its owners, management and supervisory personnel and
20 other principal employees must qualify under the standards, except
21 residency, established for qualification of a casino key employee
22 under this act. In addition, if the business or enterprise is a school
23 teaching gaming and either playing or dealing techniques, each
24 resident director, instructor, principal employee, and sales repre-
25 sentative employed thereby shall be licensed under the standards
26 established for qualification of a casino employee under this act;
27 provided, however, that nothing in this subsection shall be deemed
28 to require, in the case of a public school district or a public insti-
29 tution of higher education, the licensure or qualification of any in-
30 dividuals except those instructors and other principal employees
31 responsible for the teaching of playing or dealing techniques. *The*
32 *chairman, in his discretion, may issue a temporary license to an*
33 *applicant for an instructor's license upon a finding that the appli-*
34 *cant meets the educational and experiential requirements for such*
35 *license, that the issuance of a permanent license will be restricted*
36 *by necessary investigations, and that temporary licensing is neces-*
37 *sary for the operation of the gaming school. Unless otherwise ter-*
38 *minated pursuant to this act, a temporary license issued pursuant*
39 *to this subsection shall expire 6 months from the date of its issuance*
40 *and be renewable, at the discretion of the chairman, for one addi-*
41 *tional 6-month period.*

42 c. All casino service industries not included in subsection a. of
43 this section shall be licensed in accordance with rules of the com-
44 mission prior to commencement or continuation of any business
45 with a casino licensee or its agents. Such casino service industries,
46 whether or not directly related to gaming operations, shall include
47 suppliers of alcoholic beverages, food and nonalcoholic beverages;
48 garbage handlers; vending machine providers; linen suppliers;
49 maintenance companies; shopkeepers located within the approved
50 hotel; and limousine services contracting with casino licensees. The
51 commission may exempt any person or field of commerce from the
52 licensing requirements of this subsection if [it finds that such per-

53 son or field of commerce is regulated by a public agency and that
 54 licensure is not necessary to protect the public interest or to ac-
 55 complish the policies established by this act. *the person or field*
 56 *of commerce demonstrates (1) that it is regulated by a public*
 57 *agency or that it will provide goods or services in insubstantial*
 58 *or insignificant amounts or quantities, and (2) that licensing is*
 59 *not deemed necessary in order to protect the public interest or to*
 60 *accomplish the policies established by this act. Upon granting an*
 61 *exemption or at any time thereafter, the commission may limit*
 62 *or place such restrictions thereupon as it may deem necessary in*
 63 *the public interest, and shall require the exempted person to co-*
 64 *operate with the commission and the division and, upon request, to*
 65 *provide information in the same manner as required of a casino*
 66 *service industry licensed pursuant to this subsection provided,*
 67 *however, that no exemption shall be granted unless the casino ser-*
 68 *vice industry complies with the requirements of sections 134 and*
 69 *135 of this act.*

70 d. Licensure pursuant to subsection c. of this section of any ca-
 71 sino service industry may be denied to any applicant disqualified
 72 in accordance with the criteria contained in section 86 of this act.

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

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

13 b. After such investigation, the commission may either deny
 14 the application or grant a license to or accept the registration of
 15 an applicant whom it determines to be qualified to hold such
 16 license or registration. Notwithstanding the above, the chairman
 17 may, *where authorized*, grant a *casino employee license* or a *casino*
 18 *hotel employee license* upon application therefor; if said applica-
 19 tion is denied, the applicant may appeal to the commission in the
 20 normal course.

21 c. The commission shall have the authority to deny any applica-
 22 tion pursuant to the provisions of this act. When an application
 23 is denied, the commission shall prepare and file its order denying

24 such application with the general reasons therefor, and if requested
 25 by the applicant, shall further prepare and file a statement of the
 26 reasons for the denial, including the specific findings of facts.

27 d. When the commission grants an application, the commission
 28 may limit or place such restrictions thereupon as it may deem
 29 necessary in the public interest. Licenses shall be granted and
 30 registrations approved for a term of 1 year; *provided, however,*
 31 *that casino employee licenses for positions directly related to*
 32 *gaming activity and for gaming school resident director, instructor,*
 33 *principal employee and sales representative licenses shall be*
 34 *granted for a term of 2 years; and provided further that casino*
 35 *employee licenses for positions not directly related to gaming*
 36 *activity, casino hotel employee licenses, and casino service industry*
 37 *licenses issued pursuant to subsection c. of section 92 of P. L. 1977,*
 38 *c. 110 (C. 5:12-92 c.) shall be granted for a term of 3 years.*

39 e. After an application is submitted to the commission, final
 40 action of the commission shall be taken within 90 days after
 41 completion of all hearings and investigations and the receipt of
 42 all information required by the commission.

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

3 95. Renewal of Licenses and Registrations. Subject to the power
 4 of the commission to deny, revoke or suspend any license or
 5 registration, any license other than a casino license or any registra-
 6 tion may be renewed upon proper application for renewal no later
 7 than ~~90~~ 120 days prior to the expiration of the current license or
 8 registration, and the payment of fees as provided by law on or
 9 before the date of expiration of the current license or registration.
 10 The commission shall act upon such application for renewal no later
 11 than 30 days prior to the date of expiration of the current license
 12 or registration.

1 30. Section 24 of P. L. 1978, c. 7 (C. 5:12-95.5) is amended to read
 2 as follows:

3 24. Hearings. Upon the filing of a final request for a tempo-
 4 rary casino permit, the commission shall schedule and conduct a
 5 hearing on the matter, and a decision on the granting of a tempo-
 6 rary casino permit shall be rendered no later than ~~42~~ 70 days
 7 following said request.

1 31. Section 26 of P. L. 1978, c. 7 (C. 5:12-95.7) is amended to
 2 read as follows:

3 26. Expiration of a Temporary Casino Permit. Unless other-
 4 wise terminated pursuant to this amendatory and supplementary
 5 act, a temporary casino permit shall expire at the conclusion of

6 **[6]** 9 months from the date of its issuance and be renewable, at
7 the discretion of the commission, for one 3-month period. The com-
8 mission may, within its discretion, deem the applicant's willful
9 cessation or discontinuation of the regular casino business of a
10 temporary casino permittee to be an expiration of said temporary
11 casino permit.

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

3 99. Internal Controls. a. Each casino licensee shall submit to
4 the commission a description of its system of internal procedures
5 and administrative and accounting controls. Such submission shall
6 be made at least 90 days before gaming operations are to commence
7 or before changes in previously submitted control plans are to
8 become effective, unless otherwise directed by the commission.
9 Each such submission shall contain both narrative and diagram-
10 matic representations of the internal control system to be utilized
11 by the casino, including, but not limited to:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

52 (16) Procedures and rules governing the conduct of particular
53 games and the responsibility of casino personnel in respect thereto.

54 b. The commission shall review each submission required by
55 subsection a. hereof, and shall determine whether it conforms to
56 the requirements of this act and to the regulations promulgated
57 thereunder and whether the system submitted provides adequate
58 and effective controls for the operations of the particular casino
59 submitting it. If the commission finds any insufficiencies, it shall
60 specify same in writing to the casino licensee, who shall make
61 appropriate alterations. When the commission determines a sub-
62 mission to be adequate in all respects, it shall notify the casino
63 licensee of same. No casino licensee shall commence gaming opera-
64 tions, or alter in fact its internal controls, unless and until such
65 system of controls is approved by the commission.

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

3 100. Games and Gaming Equipment. a. This act shall not be con-
4 strued to permit any gaming except the conduct of authorized
5 games in a casino room in accordance with this act and the regula-
6 tions promulgated hereunder.

7 b. Gaming equipment shall not be possessed, maintained or ex-
8 hibited by any person on the premises of a casino hotel complex
9 except in the casino room and in secure areas used for the inspec-
10 tion, repair or storage of such equipment and specifically designated
11 for that purpose by the casino licensee with the approval of the
12 commission. No gaming equipment shall be possessed, maintained,
13 exhibited, brought into or removed from a casino room by any per-

14 son unless such equipment is necessary to the conduct of an
15 authorized game, has permanently affixed, imprinted, impressed or
16 engraved thereon an identification number or symbol authorized
17 by the commission, is under the exclusive control of a casino licensee
18 or his employees, and is brought into or removed from the casino
19 room at times authorized for that purpose by the commission or at
20 other times when prior notice has been given to and written
21 approval granted by an authorized agent of the commission.

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

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

39 e. All gaming shall be conducted according to rules promulgated
40 by the commission. All wagers and pay-offs of winning wagers at
41 table games shall be made according to rules promulgated by the
42 commission, which shall establish such minimum wagers and other
43-44 limitations as may be necessary to assure the vitality of casino
45 operations and fair odds to and maximum participation by casino
46 patrons; provided, however, that a licensee may establish
47 a higher minimum wager with the prior approval of the commis-
48 sion. Each slot machine shall have a minimum payout of 83%.

49 f. Each casino licensee shall make available in printed form to
50 any casino patron upon request the complete text of the rules of the
51 commission regarding games and the conduct of gaming, pay-offs
52 of winning wagers, an approximation of the odds of winning for
53 each wager, and such other advice to the player as the commission
54 shall require. Each casino licensee shall prominently post within
55 the casino room according to regulations of the commission such
56 information about gaming rules, pay-offs of winning wagers, the

57 odds of winning for each wager, and such other advice to the player
58 as the commission shall require.

59 g. Each gaming table shall be equipped with a sign indicating the
60 permissible minimum and maximum wagers pertaining thereto.
61 It shall be unlawful [to conduct gaming activity at any table in any
62 manner inconsistent with the information stated upon the signs re-
63 quired by this subsection] *for a casino licensee to require any wager*
64 *to be greater than the stated minimum or less than the stated maxi-*
65 *imum; provided, however, that any wager actually made by a patron*
66 *and not rejected by a casino licensee prior to the commencement of*
67 *play shall be treated as a valid wager.*

68 h. No slot machine shall be used to conduct gaming unless it is
69 identical in all electrical, mechanical and other aspects to a model
70 thereof which has been specifically tested by the division and
71 licensed for use by the commission. The commission shall, by
72 regulation, establish such technical standards for licensure, includ-
73 ing mechanical and electrical reliability, security against tamper-
74 ing, the comprehensibility of wagering, and noise and light levels,
75 as it may deem necessary to protect the player from fraud or decep-
76 tion and to insure the integrity of gaming. In no event shall slot
77 machines, including walkways between them, occupy more than 30%
78 of the first 50,000 square feet of floor space of a casino, or more
79 than 25% of any additional floor space of a casino larger than
80 50,000 square feet. The commission shall, by regulation, determine
81 the permissible density of particular licensed slot machines or
82 combinations thereof, based upon their size and light and noise
83 levels, so as to create and maintain a gracious playing environment
84 in the casino and to avoid deception or frequent distraction to
85 players at gaming tables. The denominations of such machines
86 shall be set by the licensee, subject to the prior approval of the
87 commission.

88 i. Each casino shall be arranged in such fashion as to allow floor
89 space for each gaming table, including the space occupied by the
90 table, in accordance with the following:

91 Baccarat—300 square feet

92 Blackjack—100 square feet

93 Craps—200 square feet

94 Roulette—150 square feet

95 Bix Six Wheel—150 square feet

96 j. Each casino shall be arranged in such fashion as to assure
97 that gaming tables shall at all times be present, whether in use or
98 not, according to the following:

99 (1) At least one baccarat table for every 25,000 square feet of
100 casino space or part thereof;

101 (2) At least one craps table for every 10,000 square feet of
102 casino space or part thereof;

103 (3) At least one roulette table for every 10,000 square feet of
104 casino space or part thereof;

105 (4) At least four blackjack tables for every 10,000 square feet
106 of casino space or part thereof; and

107 (5) No more than one Big Six Wheel and table for every 10,000
108 square feet of casino space or part thereof.

109 k. It shall be unlawful for any person to exchange or redeem
110 chips for anything whatsoever, except currency, negotiable per-
111 sonal checks, negotiable counter checks or other chips. A casino
112 licensee shall, upon the request of any person, redeem that licensee's
113 gaming chips surrendered by that person in any amount over \$25.00
114 with a check drawn upon the licensee's account at any banking in-
115 stitution in this State and made payable to that person.

116 l. It shall be unlawful for any casino licensee or his agents or
117 employees to employ, contract with, or use any shill or barker to
118 induce any person to enter a casino or play at any game or for any
119 purpose whatsoever.

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

123 n. It shall be unlawful for any casino key employee, other than
124 a junket, representative, or any casino employee, other than a
125 bartender, waiter, waitress, or other casino employee who in the
126 judgement of the commission is not directly involved with the con-
127 duct of gaming operations, to wager at any game in any casino in
128 this State.

129 o. (1) It shall be unlawful for any casino key employee or box-
130 man, floorman, or any other casino employee who shall serve in a
131 supervisory position to solicit or accept, and for any other casino
132 employee to solicit, any tip or gratuity from any player or patron
133 at the casino where he is employed.

134 (2) A dealer may accept tips or gratuities from a patron at the
135 table at which such dealer is conducting play, subject to the pro-
136 visions of this subsection. All such tips or gratuities shall be
137 immediately deposited in a lock box reserved for that purpose,
138 accounted for, and placed in a pool for distribution pro rata among
139 the dealers on a weekly basis, with the distribution based upon
140 the number of hours each dealer has worked.

1 34. Section 104 of P. L. 1977, c. 110 (C. 5:12-104) is amended
2 to read as follows:

3 104. Casino License—Leases and Contracts. a. [It shall be
4 unlawful for any person to lend, let, lease or otherwise provide any
5 thing, or furnish any service, including service in managing a
6 casino or in maintaining any equipment for any gambling game,
7 including slot machines, for any interest or any percentage or share
8 of the money or property gambled at or derived from such casino,
9 equipment, or service, or for any interest, however defined, in the
10 revenues, profits or earnings of the casino other than pursuant to
11 the terms of a written agreement providing:

12 (1) For casino employee profit sharing;

13 (2) For casino key employee profit sharing;

14 (3) For the leasing of 100% of the entire casino hotel facility
15 for a term exceeding 30 years; or

16 (4) For the complete management of the casino.

17 Such agreements shall not be effective unless approved by the
18 commission, except that receipts of percentage charges between
19 a corporate licensee and another entity which is a holding company
20 or intermediary company with respect to such licensee shall be
21 permitted. Under no circumstances shall any such agreement be
22 approved unless all parties thereto are themselves holders of
23 licenses issued pursuant to the provisions of this act, and in the
24 case of leases and management contracts, each party thereto holds
25 or is eligible to apply for a casino license. Receipts, rentals, or
26 charges for real property, personal property, or services shall not
27 lose their character as payments of a fixed sum because of contract,
28 lease, or license provisions for adjustments in charges, rentals, or
29 fees on account of changes in taxes or assessments, cost-of-living
30 index escalations, expansion or improvement of facilities, or
31 changes in services supplied. In the case of leases and manage-
32 ment contracts permitted under this subsection, each party thereto
33 shall be individually and severally liable for all acts, omissions,
34 and violations of this act by the other party thereto, regardless of
35 actual knowledge of such act, omission, or violation and notwith-
36 standing any provision of such lease or contract to the contrary.
37 The commission shall adopt such regulations as it may deem
38 necessary to further define or restrict the terms of such agree-
39 ments. No casino licensee shall be permitted to enter into contracts
40 for the management of a total of more than three casinos.] (1)
41 *Unless otherwise provided in this subsection, no agreement which*
42 *provides for the payment, however defined, of any direct or*
43 *indirect interest, percentage or share of any money or property*

44 gambled at a casino or derived from casino gaming activity or of
45 any such interest, percentage, or share of any revenues, profits or
46 earnings of a casino shall be lawful.

47 (2) Agreements which provide only for the payment of a fixed
48 sum which is in no way affected by the amount of any such money,
49 property, revenues, profits or earnings shall not be subject to the
50 provisions of this subsection; and receipts, rentals or charges for
51 real property, personal property or services shall not lose their
52 character as payments of a fixed sum because of contract, lease, or
53 license provisions for adjustments in charges, rentals or fees on
54 account of changes in taxes or assessments, cost-of-living index
55 escalations, expansion or improvement of facilities, or changes in
56 services supplied.

57 (3) Agreements between a casino licensee and its employees
58 which provide for casino employee or casino key employee profit
59 sharing and which are in writing and have been filed with the com-
60 mission shall be lawful and effective only if expressly approved as
61 to their terms by the commission.

62 (4) Agreements to lease an approved hotel building or the land
63 thereunder and agreements for the complete management of a
64 casino shall not be subject to the provisions of this subsection but
65 shall rather be subject to the provisions of subsections b. and c. of
66 section 82 of this act.

67 (5) Agreements which provide for percentage charges between
68 the casino licensee and a holding company or intermediary company
69 of the casino licensee shall be in writing and filed with the com-
70 mission but shall not be subject to the provisions of this subsection.

71 b. Each casino licensee shall be required to present to the com-
72 mission any written or unwritten agreement regarding the realty
73 of, or any business or person doing business with or on the prem-
74 ises of, its casino hotel facility. Such agreement shall be reviewed
75 by the commission on the basis of the reasonableness of its terms,
76 including the terms of compensation, and of the qualifications of
77 the person involved in the agreement with such casino licensee,
78 which qualifications shall be reviewed according to the standards
79 enumerated in section 86 of this act. If the commission does not
80 approve such an agreement or association, the commission may
81 require its termination.

82 Every agreement with a casino hotel shall be deemed to include
83 a provision for its termination without liability on the part of the
84 licensee, if the commission shall disapprove of the business or
85 of any person associated therewith, by reason of a finding that
86 said business or person is unsuitable to be associated with a casino

87 enterprise in accordance with the regulations promulgated under
88 this act. Failure expressly to include such a condition in the agree-
89 ment shall not constitute a defense in any action brought to termi-
90 nate the agreement. If the agreement is not presented to the
91 commission in accordance with commission regulations, or the
92 disapproved agreement or association is not terminated, the com-
93 mission may pursue any remedy or combination of remedies pro-
94 vided in this act.

95 c. Nothing in this act shall be deemed to permit the transfer of
96 any license, or any interest in any license, or any certificate of
97 compliance or any commitment or reservation.

1 35. Section 105 of P. L. 1977, c. 110 (C. 5:12-105) is amended to
2 read as follows:

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

7 b. Every security issued by a corporation which holds a casino
8 license shall bear, on both sides of the certificate evidencing such
9 security, a statement of the restrictions imposed by this section,
10 except that in the case of a publicly traded corporation incorpo-
11 rated prior to the effective date of this act, a statement of restric-
12 tion shall be necessary only insofar as certificates are issued by
13 such corporation after the effective date of this act.

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

21 d. If at any time the commission finds that an individual owner
22 or holder **[or]** of any security of a corporate licensee or of a hold-
23 ing or intermediary company with respect thereto is not qualified
24 under this act, and if as a result the corporate licensee is no longer
25 qualified to continue as a casino licensee in this State, the commis-
26 sion shall, pursuant to the provisions of this act, propose any
27 necessary action to protect the public interest, including the sus-
28 pension or revocation of the casino license of the corporation; pro-
29 vided, however, that if the holding or intermediary company is a
30 publicly traded corporation and the commission finds disqualified
31 any holder of any security thereof who is required to be qualified
32 under section 85 d. of this act, and the commission also finds that:

33 (1) the holding or intermediary company has complied with the
34 provisions of section 82 d. (7) of this act; (2) the holding or in-
35 termediary company has made a good faith effort, including the
36 prosecution of all legal remedies, to comply with any order of the
37 commission requiring the divestiture of the security interest held
38 by the disqualified holder; and (3) such disqualified holder does
39 not have the ability to control the corporate licensee or any holding
40 or intermediary company with respect thereto, or to elect one or
41 more members of the board of directors of such corporation or
42 company, the commission shall not take action against the casino
43 licensee or the holding or intermediary company with respect to
44 the continued ownership of the security interest by the disqualified
45 holder. For purposes of this act, a security holder shall be pre-
46 sumed to have the ability to control a publicly traded corporation,
47 or to elect one or more members of its board of directors, if such
48 holder owns or beneficially holds 5% or more of securities of such
49 corporation, unless such presumption of control or ability to elect
50 is rebutted by clear and convincing evidence.

51 e. Commencing on the date the commission serves notice upon
52 a corporation of the determination of disqualification under sub-
53 section d. of this section, it shall be unlawful for the named in-
54 dividual:

55 (1) To receive any dividends or interest upon any such secur-
56 ities;

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

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

61 f. After a **[non-public]** non-publicly traded corporation has been
62 issued a casino license pursuant to the provisions of this act, but
63 prior to the issuance or transfer of any security to any person re-
64 quired to be but not yet qualified in accordance with the provisions
65 of this act, such corporation shall file a report of its proposed action
66 with the commission, and shall request the approval of the com-
67 mission for the transaction. If the commission shall deny the re-
68 quest, the corporation shall not issue or transfer such security.
69 After a **[public]** *publicly traded* corporation has been issued a
70 casino license, such corporation shall file a report quarterly with
71 the commission, which report shall list all owners and holders of
72 any security issued by such corporate casino licensee.

73 g. Each corporation which has been issued a casino license pur-
74 suant to the provisions of this act shall file a report of any change
75 of its corporate officers or members of its board of directors with

76 the commission. No officer or director shall be entitled to exercise
77 any powers of the office to which he was so elected or appointed
78 until qualified by the commission in accordance with the provisions
79 of this act.

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

3 107. **【**Commencement. a. Any proceeding against a licensee shall
4 be brought on by written complaint, which shall include a state-
5 ment setting forth in ordinary and concise language the charges
6 and the acts or omissions supporting such charges.

7 b. Upon filing of the complaint, the commission shall serve a
8 copy upon the licensee either personally or by certified mail to his
9 address on file with the commission.

10 c. Within 15 days after service upon him of the complaint, the
11 licensee may file with the commission a notice of defense, in which
12 he may:

- 13 (1) Request a hearing;
14 (2) Admit the accusation in whole or in part;
15 (3) Present new matters or explanations by way of defense; or
16 (4) State any legal objections to the complaint. Within the time
17 specified, the licensee may file one or more notices of defense upon
18 any or all of the above grounds.

19 d. The licensee shall be entitled to a hearing on the merits if he
20 files the required notice of defense within the time allowed by sub-
21 section c. of this section, and any such notice shall be deemed a
22 specific denial of all parts of the complaint not expressly admitted.
23 Failure to file a notice of defense within such time shall constitute
24 a waiver of the licensee's rights to a hearing, but the commission,
25 in its discretion, may nevertheless order a hearing. All affirmative
26 defenses must be specifically stated, and unless objection is taken
27 as provided in subparagraph (4) of subsection c. of this section, all
28 objections to the form of complaint shall be deemed waived.

29 e. The commission shall determine the time and place of the
30 hearing as soon as is reasonably practical after receiving the li-
31 censee's notice of defense. The commission shall deliver or send
32 by certified mail a notice to all parties at least 10 days prior to the
33 hearing. Unless the licensee consents, the hearing shall not be held
34 prior to the expiration time within which the licensee is entitled to
35 file the notice of defense.

36 f. Prior to a hearing before the commission, and during a hearing
37 upon reasonable cause shown, the commission shall issue subpoenas
38 and subpoenas duces tecum at the request of a licensee or the divi-
39 sion. **】**

40 *Conduct of Hearings; Rules of Evidence; Punishment of Con-*
41 *tempts; Rehearing.*

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

44 *(1) Unless the commission hears the matter directly, the chair-*
45 *man shall refer the matter to the Office of Administrative Law in*
46 *accordance with P. L. 1978, c. 67, (C. 52:14F-1 et seq.); provided,*
47 *however, that the chairman may, in his discretion, designate a*
48 *member of the commission to serve as hearing examiner in a par-*
49 *ticular matter;*

50 *(2) The proceedings at the hearing shall be recorded or trans-*
51 *cribed;*

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

53 *(4) Each party to a hearing shall have the right to call and*
54 *examine witnesses; to introduce exhibits relevant to the issues of*
55 *the case, including the transcript of testimony at any investigative*
56 *hearing conducted by or on behalf of the commission; to cross-*
57 *examine opposing witnesses in any matters relevant to the issue*
58 *of the case; to impeach any witness, regardless of which party*
59 *called him to testify; and to offer rebuttal evidence;*

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

64 *(6) The hearing shall not be conducted according to rules relat-*
65 *ing to the admissibility of evidence in courts of law. Any relevant*
66 *evidence may be admitted and shall be sufficient in itself to support*
67 *a finding if it is the sort of evidence upon which responsible persons*
68 *are accustomed to rely in the conduct of serious affairs, regardless*
69 *of the existence of any common law or statutory rule which might*
70 *make improper the admission of such evidence over objection in*
71 *a civil action; and*

72 *(7) The parties or their counsel may, by written stipulation,*
73 *agree that certain specified evidence may be admitted, although*
74 *such evidence may be otherwise subject to objection.*

75 *b. The commission may take official notice of any generally ac-*
76 *cepted information or technical or scientific matter in the field of*
77 *gaming and of any other fact which may be judicially noticed by*
78 *the courts of this State. The parties shall be informed of any in-*
79 *formation, matters or facts so noticed and shall be given a reason-*
80 *able opportunity, on request, to refute such information, matters*
81 *or facts by evidence or by written or oral presentation of authori-*
82 *ties, the manner of such refutation to be determined by the com-*

83 mission. The commission may, in its discretion, before rendering
 84 its decision, permit the filing of amended or supplemental pleadings
 85 and shall notify all parties thereof and provide a reasonable op-
 86 portunity for objections thereto.

87 c. If any person in proceedings before the commission disobeys
 88 or resists any lawful order, refuses to respond to a subpoena, re-
 89 fuses to take the oath or affirmation as a witness or thereafter re-
 90 fuses to be examined, or is guilty of misconduct at the hearing or
 91 so near the place thereof as to obstruct the proceeding, the person
 92 may be punished for contempt in accordance with the Rules of
 93 Court if the commission certifies the facts underlying the contu-
 94 macious behavior to the Superior Court. Thereafter, the courts
 95 shall have jurisdiction in the matter, and the same proceeding shall
 96 be had, the same penalties may be imposed, and the person charged
 97 may purge himself of the contempt in the same way as in the case
 98 of a person who has committed contempt in the trial of a civil
 99 action before the Superior Court.

100 d. The commission may, upon motion therefor made within 10
 101 days after the service of the decision and order, order a rehearing
 102 before the commission upon such terms and conditions as it may
 103 deem just and proper. Such motion shall be granted only upon a
 104 showing that there is additional evidence which is material and
 105 necessary and which would be reasonably likely to change the de-
 106 cision of the commission, and that sufficient reason existed for
 107 failure to present such evidence at the hearing of the commission.
 108 The motion shall be supported by an affidavit of the moving party
 109 or his counsel showing with particularity the materiality and neces-
 110 sity of the additional evidence and the reason why it was not intro-
 111 duced at the hearing. Upon rehearing, rebuttal evidence to the
 112 additional evidence shall be admitted. After rehearing, the com-
 113 mission may modify its decision and order as the additional evi-
 114 dence may warrant.

1 37. Section 108 of P. L. 1977, c. 110 (C. 5:12-108) is amended to
 2 read as follows:

3 108. **Conduct of Hearings; Rules of Evidence; Punishment of**
 4 **Contempts; Decisions; Rehearing.** a. At all hearings of the com-
 5 mission pursuant to this article:

6 (1) At least one member of the commission shall be present and
 7 shall exercise all powers relating to the conduct of the hearing;

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

10 (3) Oral evidence shall be taken only upon oath or affirmation
 11 administered by the commission;

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

19 (5) If the licensee shall not testify in his own behalf, he may be
20 called and examined as if under cross-examination;

21 (6) The hearing need not be conducted according to rules relating
22 to the admissibility of evidence in courts of law. Any relevant evi-
23 dence may be admitted and shall be sufficient in itself to support a
24 finding if it is the sort of evidence upon which responsible persons
25 are accustomed to rely in the conduct of serious affairs, regardless
26 of the existence of any common law or statutory rule which might
27 make improper the admission of such evidence over objection in a
28 civil action; and

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

32 b. The commission may take official notice of any generally
33 accepted information or technical or scientific matter in the field
34 of gaming, and of any other fact which may be judicially noticed
35 by the courts of this State. The parties shall be informed of any
36 information, matters or facts so noticed and shall be given a
37 reasonable opportunity, on request, to refute such information,
38 matters or facts by evidence or by written or oral presentation of
39 authorities, the manner of such refutation to be determined by the
40 commission. The commission may in its discretion, before render-
41 ing its decision, permit the filing of amended or supplemental
42 pleadings and shall notify all parties thereof and provide a reason-
43 able opportunity for objections thereto.

44 c. If any person in proceedings before the commission disobeys
45 or resists any lawful order, refuses to respond to a subpoena or
46 refuses to take the oath or affirmation as a witness or thereafter
47 refuses to be examined, or is guilty of misconduct at the hearing
48 or so near the place thereof as to obstruct the proceeding, the
49 person may be punished for contempt in accordance with the Rules
50 of Court if the commission certifies the facts underlying the contu-
51 macious behavior to the Superior Court. Thereafter, the courts
52 shall have jurisdiction in the matter, and the same proceeding
53 shall be had, the same penalties may be imposed, and the person

54 charged may purge himself of the contempt in the same way as in
55 the case of a person who has committed contempt in the trial of a
56 civil action before the Superior Court.

57 d. Failure of a licensee to file a notice of defense or to request
58 or appear at the hearing shall constitute an admission of all matters
59 and facts contained in the complaint filed with respect to such
60 respondent. In such cases the commission may take action based
61 upon such admission or upon any other evidence, without any
62 further notice whatever to the licensee. In such cases the commis-
63 sion shall prepare and file a record containing the evidence upon
64 which the action was based.

65 e. After the hearing in a contested matter, and upon review of the
66 transcript, the commission shall render a written decision on the
67 merits, which shall contain findings of fact, determination of the
68 issues presented, and specifications of the penalty or penalties to
69 be imposed, if any; and shall thereafter make and enter its written
70 order in accordance with such decision. Copies of the decision and
71 order shall be served on the parties personally or sent to them by
72 certified mail. The decision shall become and remain effective upon
73 such service and until the commission shall otherwise order.

74 f. The commission may, upon motion therefor made within 10
75 days after service of the decision and order, order a rehearing
76 before the commission upon such terms and conditions as it may
77 deem just and proper. Such motion shall be granted only upon a
78 showing that there is additional evidence which is material and
79 necessary, and which would be reasonably likely to change the
80 decision of the commission, and that sufficient reason existed for
81 failure to present such evidence at the hearing of the commission.
82 The motion shall be supported by an affidavit of the moving party
83 or his counsel showing with particularity the materiality and
84 necessity of the additional evidence and the reason why it was not
85 introduced at the hearing. Upon rehearing, rebuttal evidence to the
86 additional evidence shall be admitted. After rehearing, the com-
87 mission may modify its decision and order as the additional evi-
88 dence may warrant.】

89 *Proceedings Against Licensees. a. Any proceeding against a*
90 *licensee shall be brought on by written complaint, which shall in-*
91 *clude a statement setting forth in ordinary and concise language*
92 *the charges and the acts or omissions supporting such charges.*

93 *b. Upon filing of the complaint, the commission shall serve a*
94 *copy upon the licensee either personally or by certified mail to his*
95 *address on file with the commission.*

96 c. *Within 15 days after service upon him of the complaint, the*
 97 *licensee may file with the commission a notice of defense, in which*
 98 *he may:*

99 (1) *Request a hearing;*

100 (2) *Admit the accusation in whole or in part;*

101 (3) *Present new matters or explanations by way of defense; or*

102 (4) *State any legal objections to the complaint.*

103 *Within the time specified, the licensee may file one or more*
 104 *notices of defense upon any or all of the above grounds.*

105 d. *The licensee shall be entitled to a hearing on the merits if he*
 106 *files the required notice of defense within the time allowed by sub-*
 107 *section c. of this section, and any such notice shall be deemed a*
 108 *specific denial of all parts of the complaint not expressly admitted.*
 109 *Failure to timely file the required notice of defense or to appear*
 110 *at the hearing shall constitute an admission of all matters and*
 111 *facts contained in the complaint and a waiver of the licensee's*
 112 *rights to a hearing, but the commission, in its discretion, may*
 113 *nevertheless order a hearing. All affirmative defenses shall be*
 114 *specifically stated, and unless objection is taken as provided in*
 115 *paragraph (4) of subsection c. of this section, all objections to the*
 116 *form of the complaint shall be deemed waived.*

117 e. *The commission shall determine the time and place of the*
 118 *hearing as soon as is reasonably practical after receiving the*
 119 *licensee's notice of defense. The commission shall deliver or send*
 120 *by certified mail a notice to all parties at least 10 days prior to the*
 121 *hearing. Unless the licensee consents, the hearing shall not be held*
 122 *prior to the expiration time within which the licensee is entitled to*
 123 *file the notice of defense.*

124 f. *Prior to a hearing before the commission, and during a hear-*
 125 *ing upon reasonable cause shown, the commission shall issue sub-*
 126 *penas and subpenas duces tecum at the request of a licensee or the*
 127 *division.*

1 38. Section 113 of P. L. 1977, c. 110 (C. 5:12-113) is amended to
 2 read as follows:

3 113. a. Swindling and Cheating: Penalties. **【Any】** *Except as*
 4 *provided in subsection b., any person who by any trick or 【slight】*
 5 *sleight of hand performance, or by a fraud or fraudulent scheme,*
 6 *cards, dice or device, for himself or for another wins or attempts*
 7 *to win 【for himself or for another】 money or property or a repre-*
 8 *sentative of either or reduces a losing wager or attempts to reduce*
 9 *a losing wager in connection with casino gaming is guilty 【of a*
 10 *misdemeanor and subject to not more than 3 years imprisonment*
 11 *or a fine of \$25,000.00 or both】 of a crime of the fourth degree and*

12 *notwithstanding the provisions of N. J. S. 2C:43-3 shall be subject*
13 *to a fine of not more than \$25,000.00, and in the case of a person*
14 *other than a natural person, to a fine of not more than \$100,000.00*
15 *and any other appropriate disposition authorized by N. J. S.*
16 *2C:43-2b.*

17 *b. Any person who by any trick or sleight of hand performance,*
18 *or by fraud or fraudulent scheme, cards, dice or device, for him-*
19 *self or for another wins or attempts to win money or property or*
20 *a representative of either or reduces a losing wager or attempts*
21 *to reduce a losing wager in connection with casino gaming is guilty*
22 *of a disorderly persons offense if the value of such money or prop-*
23 *erty or representative of either is \$25.00 or under.*

1 39. Section 114 of P. L. 1977, c. 110 (C. 5:12-114) is amended to
2 read as follows:

3 114. Unlawful Use of Bogus Chips or Gaming Billets, Marked
4 Cards, Dice, Cheating Devices, Unlawful Coins; Penalty. a. It shall
5 be unlawful for any person playing any licensed gambling game:

6 (1) Knowingly to use bogus or counterfeit chips or gaming
7 billets, or knowingly to substitute and use in any such game cards
8 or dice that have been marked, loaded or tampered with; or

9 (2) Knowingly to use or possess any cheating device with intent
10 to cheat or defraud.

11 b. It shall be unlawful for any person, playing or using any slot
12 machine in a licensed casino:

13 (1) Knowingly to use other than a lawful coin or legal tender of
14 the United States of America, or to use coin not of the same
15 denomination as the coin intended to be used in such slot machine,
16 except that in the playing of any slot machine or similar gaming
17 device, it shall be lawful for any person to use gaming billets, tokens
18 or similar objects therein which are approved by the commission; or

19 (2) To use any cheating or thieving device, including but not
20 limited to tools, drills, wires, coins or tokens attached to strings
21 or wires, or electronic or magnetic devices, to facilitate the align-
22 ment of any winning combination or removing from any slot
23 machine any money or other contents thereof.

24 c. It shall be unlawful for any person knowingly to possess or
25 use while on the premises of a licensed casino, any cheating or
26 thieving device, including but not limited to tools, wires, drills,
27 coins attached to strings or wires or electronic or magnetic devices
28 to facilitate removing from any slot machine any money or contents
29 thereof, except that a duly authorized employee of a licensed casino
30 may possess and use any of the foregoing only in furtherance of his
31 employment in the casino.

32 d. It shall be unlawful for any person knowingly to possess or
 33 use while on the premises of any licensed casino any key or device
 34 designed for the purpose of or suitable for opening or entering
 35 any slot machine or similar gaming device or drop box, except that
 36 a duly authorized employee of a licensed casino or of the commis-
 37 sion may possess and use any of the foregoing only in furtherance
 38 of his employment.

39 e. Any person who violates this section is guilty [of a misde-
 40 meanor and shall be subject to not more than 3 years imprison-
 41 ment or a fine of \$25,000.00 or both] of a crime of the fourth degree
 42 and notwithstanding the provisions of N. J. S. 2C:43-3 shall be
 43 subject to a fine of not more than \$25,000.00, and in the case of a
 44 person other than a natural person, to a fine of not more than
 45 \$100,000.00 and any other appropriate disposition authorized by
 46 N. J. S. 2C:43-2b.

1 40. Section 134 of P. L. 1977, c. 110 (C. 5:12-134) is amended to
 2 read as follows:

3 134. Equal Employment Opportunity; Requirements of License.

4 a. Each applicant at the time of submitting architectural plans
 5 or site plans to the commission for approval of proposed construc-
 6 tion, renovation or reconstruction of any structure or facility to
 7 be used as an approved hotel or casino shall accompany same with
 8 a written guaranty that all contracts and subcontracts to be
 9 awarded in connection therewith shall contain appropriate provi-
 10 sions by which contractors and subcontractors or their assignees
 11 agree to afford an equal employment opportunity to all prospective
 12 employees and to all actual employees to be employed by the
 13 contractor or subcontractor in accordance with an affirmative action
 14 program approved by the commission and consonant with the
 15 provisions of the "Law Against Discrimination" P. L. 1945, c. 169
 16 (C. 10:5-1 et seq.). *On and after the effective date of this amenda-*
 17 *tory act an applicant shall also be required to demonstrate that*
 18 *equal employment opportunities in accordance with the aforesaid*
 19 *affirmative action program in compliance with P. L. 1945, c. 169*
 20 *have been afforded to all prospective employees and to all actual*
 21 *employees employed by a contractor or subcontractor in connection*
 22 *with the actual construction, renovation or reconstruction of any*
 23 *structure or facility to be used as an approved hotel or casino prior*
 24 *to submission of architectural plans or site plans to the commission.*

25 b. No license shall be issued by the commission to any appli-
 26 cant, including a casino service industry as defined in section 12
 27 of this act, who has not agreed to afford an equal employment
 28 opportunity to all prospective employees in accordance with an

29 affirmative-action program approved by the commission and con-
30 sonant with the provisions of the "Law Against Discrimination,"
31 P. L. 1945, c. 169 (C. 10:5-1 et seq.).

32 c. Each applicant shall formulate for commission approval and
33 abide by an affirmative-action program of equal opportunity
34 whereby the applicant guarantees to provide equal employment
35 opportunity to rehabilitated offenders eligible under section 91
36 of this act and members of minority groups qualified for licensure
37 in all employment categories, including the handicapped, in accord-
38 ance with the provisions of the "Law Against Discrimination,"
39 P. L. 1945, c. 169 (C. 10:5-1 et seq.), except in the case of the
40 mentally handicapped, if it can be clearly shown that such handicap
41 would prevent such person from performing a particular job.

42 d. Any license issued by the commission in violation of this
43 section shall be null and void.

1 41. This act shall take effect immediately.

ASSEMBLY, No. 3485

STATE OF NEW JERSEY

INTRODUCED JUNE 18, 1979

By Assemblymen CODEY, McMANIMON, MATTHEWS, GORMLEY,
VILLANE, Assemblywomen KALIK and KIERNAN

(Without Reference)

AN ACT to amend the "Casino Control Act," approved June 2, 1977 (P. L. 1977, c. 110) and P. L. 1978, c. 7, supplementary thereto.

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

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

3 5. "Authorized Game" or "Authorized Gambling Game"—Rou-
4 lette, baccarat, blackjack, craps, big six wheel, **[and]** slot machines,
5 *and any variations or composites of such games, provided that such*
6 *variations or composites are found by the commission suitable*
7 *for casino use after an appropriate test or experimental period*
8 *under such terms and conditions as the commission may deem*
9 *appropriate.*

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

3 7. "Casino Employee"—Any natural person employed in the
4 operation of a licensed casino, including, without limitation, box-
5 men; dealers or croupiers; floormen; machine mechanics; *casino*
6 *security employees;* and bartenders, waiters and waitresses or
7 other persons whose employment duties require or authorize access
8 to the casino but who are not included in the definition of casino
9 hotel employee, casino key employee, **[casino security employee,]**
10 or principal employee as hereinafter stated.

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

3 21. "Game" or "Gambling Game"—Any banking or percentage
4 game located exclusively within the casino played with cards, dice
5 or any *electronic, electrical, or mechanical device or machine for*
6 *money, property, or any representative of value.*

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

1 4. Section 23 of P. L. 1977, c. 110 (C. 5:12-23) is amended to
2 read as follows:

3 23. "Gaming Device" or "Gaming Equipment"—Any *electronic*,
4 *electrical*, or mechanical contrivance or machine used in connection
5 with gaming or any game.

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

3 24. "Gross Revenue"—The total of all sums, including checks
4 received *by a casino licensee* pursuant to section 101 of this act,
5 whether collected or not, actually received by a *casino licensee*
6 from gaming operations, less only the total of all sums paid out as
7 winnings to patrons and [an allowance] a deduction for [un-
8 collected] *uncollectible* gaming receivables not to exceed the lesser
9 of [such receivables actually uncollected] a reasonable provision
10 for *uncollectible patron checks received from gaming operations*
11 or 4% of the total of all sums including checks, whether collected
12 or not, *less the amount paid out as winnings to patrons*.

1 6. Section 26 of P. L. 1977, c. 110 (C. 5:12-26) is amended to
2 read as follows:

3 26. "Holding Company"—Any corporation, association, firm,
4 partnership, trust or other form of business organization not a
5 natural person which, directly or indirectly, owns, has the power
6 or right to control, or has the power to vote [all or] any *significant*
7 part of the outstanding voting securities of a corporation which
8 holds or applies for a casino license. For the purpose of this sec-
9 tion, in addition to any other reasonable meaning of the words
10 used, a "holding company" indirectly has, holds or owns any such
11 power, right or security if it does so through any interest in a
12 subsidiary or successive subsidiaries, however many such sub-
13 sidiaries may intervene between the holding company and the
14 corporate licensee or applicant.

1 7. Section 29 of P. L. 1977, c. 110 (C. 5:12-29) is amended to
2 read as follows:

3 29. "Junket"—An arrangement or arrangements the primary
4 purpose of which is to induce any person to [gamble at a licensed
5 casino hotel] *come to a licensed casino hotel for the purpose of*
6 *gambling* and pursuant to which, and as consideration for which,
7 over \$200.00 of the cost of transportation, food, lodging, and
8 entertainment for said person is directly or indirectly paid by a
9 casino licensee or employee or agent thereof. For purposes of
10 this act, the furnishing of any of the above items on a com-
11 plimentary basis shall be deemed to constitute the indirect payment
12 for such [food or lodging] *items* in the amount of the retail price
13 normally charged [by the licensee] *for such items*.

1 8. Section 47 of P. L. 1977, c. 110 (C. 5:12-47) is amended to
2 read as follows:

3 47. "Subsidiary"—

4 a. Any corporation, **[all or]** any *significant* part of whose out-
5 standing equity securities are owned, subject to a power or right
6 of control, or held with power to vote, by a holding company or
7 an intermediary company; or

8 b. **[Any]** *A significant interest in any* firm, association, partner-
9 ship, trust or other form of business organization, not a natural
10 person, **[or any interest therein,]** which is owned, subject to a
11 power or right of control, or held with power to vote, by a holding
12 company or an intermediary company.

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

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

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

12 c. The commission shall appoint an executive secretary who
13 shall serve at its pleasure and shall be responsible for the conduct
14 of its administrative affairs. No person shall be eligible for such
15 appointment unless he shall have at least 5 years of responsible
16 experience in public or business administration or possesses broad
17 management skills. The salary of the executive secretary shall be
18 fixed by the commission; provided, however, that such salary shall
19 not exceed **[\$35,000.00]** \$41,000.00.

20 d. The commission may employ such other personnel as it deems
21 necessary. All employees of the commission, except for secretarial
22 and clerical personnel, shall be in the unclassified service of the
23 Civil Service. All employees of the commission shall be deemed
24 confidential employees for the purposes of the "New Jersey Em-
25 ployer-Employee Relations Act" (P. L. 1941, c. 100; C. 34:13A-1
26 et seq.), as amended. Notwithstanding the provisions of any other
27 law to the contrary, the commission may employ legal counsel
28 who shall represent the commission in any proceeding to which it
29 is a party, and who shall render legal advice to the commission
30 upon its request. The commission may contract for the services

31 of other professional, technical and operational personnel and
 32 consultants as may be necessary to the performance of its re-
 33 sponsibilities under this act. Members and employees of the com-
 34 mission shall be enrolled in the Public Employees Retirement
 35 System of New Jersey (P. L. 1954, c. 84; C. 43:15A-1 et seq.).

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

3 58. Restrictions on Pre-Employment by Commissioners, Commis-
 4 sion Employees and Division Employees and Agents. a. **【**No person
 5 shall be appointed to or be employed by the commission or division
 6 if, during the period commencing 3 years prior to appointment or
 7 employment, said person held any direct or indirect interest in, or
 8 any employment by, any person engaged in gaming; any manu-
 9 facturer, distributor or servicer of gaming equipment; or any
 10 operator of licensed pari-mutuel betting.**】 Deleted by amendment.**

11 b. No person shall be appointed to or employed by the commis-
 12 sion or division if, during the period commencing 3 years prior to
 13 appointment or employment, said person held any direct or indirect
 14 interest in, or any employment by, any person which is licensed
 15 **【by】** as a casino hotel pursuant to section 87 of P. L. 1977, c. 110
 16 (C. 5:12-87) or as a casino service industry pursuant to subsection
 17 a. of section 92 of P. L. 1977, c. 110 (C. 5:12-92a.) or has an appli-
 18 cation for such a license pending before **【or is registered with】**
 19 the commission; *provided, however, that notwithstanding any other*
 20 *provision of this act to the contrary, any such person may be*
 21 *appointed to or employed by the commission or division if his*
 22 *interest in any such casino hotel or casino service industry which is*
 23 *publicly traded did not constitute a controlling interest in that*
 24 *casino hotel or casino service industry.*

25 c. Prior to appointment or employment, each member of the com-
 26 mission, each employee of the commission, the director of the
 27 Division of Gaming Enforcement and each employee and agent
 28 of the division shall swear or affirm that he possesses no interest
 29 in any business or organization licensed by or registered with the
 30 commission.

31 d. Each member of the commission and the director of the divi-
 32 sion shall file with the Executive Commission on Ethical Standards
 33 a financial disclosure statement listing all assets and liabilities,
 34 property and business interests, and sources of income of said
 35 member or director and his spouse and shall provide to the
 36 Attorney General a financial disclosure statement listing all assets
 37 and liabilities, property and business interests, and sources of

38 income of the parents, brothers, sisters, and children of said mem-
39 ber or director. Such statement shall be under oath and shall be
40 filed at the time of appointment and annually thereafter.

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

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

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

8 b. A Code of Ethics governing the specific needs of the com-
9 mission and the division shall be promulgated by each and shall
10 include, among other provisions, that:

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

14 (2) No commission member or employee or division employee or
15 agent shall solicit or accept employment from any person licensed
16 by or registered with the commission or from any applicant for a
17 period of 4 years after termination of service with the commission,
18 or division, unless subject to section 60 [b.] of this act.

19 c. No commission member or employee or division employee or
20 agent shall have any interest, direct or indirect, in any applicant or
21 in any person licensed by or registered with the commission during
22 his term of office or employment.

23 d. No commission member shall be employed in any capacity by
24 any person licensed by or registered with the commission.

25 e. Each employee of the commission, including legal counsel,
26 and each employee and agent of the division shall devote his entire
27 time and attention to his duties and shall not pursue any other
28 business or occupation or other gainful employment; provided,
29 however, that secretarial and clerical personnel may engage in
30 such other gainful employment as shall not interfere with their
31 duties to the commission or division, unless otherwise directed;

32 and further provided, that the commission may employ hearing
33 examiners on a part-time basis.

34 f. No member of the commission, employee of the commission,
35 or employee or agent of the division shall:

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

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

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

47 g. For the purpose of applying the provisions of the "New
48 Jersey Conflicts of Interest Law," any consultant or other person
49 under contract for services to the commission shall be deemed to
50 be a special State employee. Such person and any corporation,
51 firm or partnership in which he has an interest or by which he
52 is employed shall not represent any person or party other than
53 the commission before the commission.

1 12. Section 60 of P. L. 1977, c. 110 (C. 5:12-60) is amended to
2 read as follows:

3 60. Post-Employment Restrictions. a. No member of the com-
4 mission shall hold any direct or indirect interest in, or be employed
5 by, any applicant or by any person licensed by or registered with
6 the commission for a period of 4 years commencing on the date
7 his membership on the commission terminates.

8 b. No employee of the commission or employee or agent of the
9 division may acquire any direct or indirect interest in, or accept
10 employment with, any applicant or any person licensed by or regis-
11 tered with the commission, for a period of 2 years commencing at
12 the termination of employment with the commission or division. At
13 the end of 2 years, the former employee or agent may acquire an
14 interest in, or accept employment with, any applicant or person
15 licensed by or registered with the commission upon application to
16 and the approval of the commission upon a finding that the interest
17 to be acquired or the employment will not create the appearance
18 of a conflict of interest and does not evidence a conflict of interest
19 in fact.

20 c. No commission member or person employed by the commission
 21 or division shall represent any person or party other than the State
 22 before or against the commission for a period of 2 years from the
 23 termination of his office or employment with the commission or
 24 division.

25 d. No partnership, firm or corporation in which a former com-
 26 mission member or employee or former division employee or agent
 27 has an interest, nor any partner, officer or employee of any such
 28 partnership, firm or corporation shall make any appearance or
 29 representation which is prohibited to said former member, em-
 30 ployee, or agent; *provided, however, that nothing herein shall pro-*
 31 *hibit such partnership, firm or corporation from making such ap-*
 32 *pearance or representation on behalf of a casino service industry*
 33 *licensed under subsection c. of section 92 of P. L. 1977, c. 110*
 34 *(C. 5:12-92c.).*

35 e. *Notwithstanding any post-employment restriction imposed by*
 36 *this section, nothing herein shall prohibit a former commission*
 37 *member or employee or former division employee or agent, at any*
 38 *time after termination of such membership or employment, from*
 39 *acquiring an interest in, or soliciting or obtaining employment*
 40 *with, any person licensed as a casino service industry under sec-*
 41 *tion 92c. of this act or any applicant for such licensure.*

1 13. Section 70 of P. L. 1977, c. 110 (C. 5:12-70) is amended to
 2 read as follows:

3 70. Required Regulations. The commission shall, without limita-
 4 tion on the powers conferred in the preceding section, include
 5 within its regulations the following specific provisions in accord-
 6 ance with the provisions of this act:

7 a. Prescribing the methods and forms of application which any
 8 applicant shall follow and complete prior to consideration of his
 9 application by the commission;

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

13 c. Prescribing procedures for the fingerprinting of an applicant,
 14 employee of a licensee, or registrant, or other methods of identifica-
 15 tion which may be necessary in the judgment of the commission
 16 to accomplish effective enforcement of restrictions on access to
 17 the casino floor and other restricted areas of the casino hotel
 18 complex;

19 d. Prescribing the manner and procedure of all hearings con-
 20 ducted by the commission or any hearing examiner, including

21 special rules of evidence applicable thereto and notices thereof;
22 e. Prescribing the manner and method of collection of payments
23 of taxes, fees, and penalties;
24 f. Defining and limiting the areas of operation, the rules of
25 authorized games, odds, and devices permitted, and the method
26 of operation of such games and devices;
27 g. Regulating the practice and procedures for negotiable trans-
28 actions involving patrons, including limitations on the circum-
29 stances and amounts of such transactions, and the establishment
30 of forms and procedures for negotiable instrument transactions,
31 redemptions, and consolidations;
32 h. Prescribing grounds and procedures for the revocation or
33 suspension of operation certificates and licenses;
34 i. Governing the manufacture, distribution, sale, and servicing
35 of gaming devices and equipment;
36 j. Prescribing the procedures, forms and methods of management
37 controls, including employee and supervisory tables of organization
38 and responsibility, and minimum security standards, including
39 security personnel structure, alarm and other electrical or visual
40 security measures;
41 k. Prescribing the qualifications of, and the conditions pursuant
42 to which, engineers, accountants, and others shall be permitted to
43 practice before the commission or to submit materials on behalf
44 of any applicant or licensee; provided, however, that no member
45 of the Legislature, nor any firm with which said member is as-
46 sociated, shall be permitted to appear or practice or act in any
47 capacity whatsoever before the commission or division regarding
48 any matter whatsoever, nor shall any member of the family of
49 the Governor or of a member of the Legislature be permitted to
50 so practice or appear in any capacity whatsoever before the com-
51 mission or division regarding any matter whatsoever;
52 l. Prescribing minimum procedures for the exercise of effective
53 control over the internal fiscal affairs of a licensee, including pro-
54 visions for the safeguarding of assets and revenues, the recording
55 of cash and evidence of indebtedness, and the maintenance of
56 reliable records, accounts, and reports of transactions, operations
57 and events, including reports to the commission;
58 m. Providing for a minimum uniform standard of accountancy
59 methods, procedures and forms; a uniform code of accounts and
60 accounting classifications; and such other standard operating
61 procedures, including those controls listed in section 99 a. hereof,
62 as may be necessary to assure consistency, comparability, and

63 effective disclosure of all financial information, including calcula-
 64 tions of percentages of profit by game, table, gaming device and
 65 slot machines ;

66 n. Requiring periodic financial reports and the form thereof,
 67 including an annual audit prepared by a certified public accountant
 68 licensed to do business in this State attesting to the financial con-
 69 dition of a licensee and disclosing whether the accounts, records
 70 and control procedures examined are maintained by the licensee
 71 as required by this act and the regulations promulgated hereunder ;

72 o. Governing the advertising of casino licensees, their employees
 73 and agents, with the view toward assuring that gaming activity in
 74 Atlantic City is not the dominating advertising theme, that gaming
 75 is portrayed as an activity for adults conducted in an atmosphere
 76 of social graciousness, and that such advertisements are in no way
 77 deceptive; provided, however, that such regulations shall not
 78 prohibit the advertisement of casino location, hours of operation,
 79 or types of games and other amenities offered, but in no circum-
 80 stance shall permit the advertisement of information about odds,
 81 the number of games, or the size of the casino; and provided
 82 further, however, that such regulations shall require the words
 83 "Bet with your head, not over it" to appear on all billboards,
 84 signs, and other on-sight advertising of a casino operation ;

85 p. Governing entertainment presented by casino licensees in
 86 accordance with the prevailing community standards as determined
 87 by the commission ;

88 q. Concerning the distribution and consumption of alcoholic
 89 beverages on the premises of the licensee, which regulations shall
 90 be insofar as possible consistent with Title 33 of the Revised
 91 Statutes, and shall deviate only insofar as necessary because of
 92 the unique character of the hotel casino premises and operations ;
 93 and

94 r. Limiting signs and other **[on-sight]** *on-site* advertising, with
 95 a view toward minimizing solicitaton for gaming purposes from
 96 the public thoroughfares or otherwise dominating or despoiling
 97 the architecture or environment of the city.

1 14. Section 71 of P. L. 1977, c. 110 (C. 5:12-71) is amended to
 2 read as follows :

3 71. Regulation Requiring Exclusion of Certain Persons. a. The
 4 commission shall, by regulation, provide for the establishment of
 5 a list of persons who are to be excluded or ejected from any licensed
 6 casino establishment. Such provisions shall define the standards
 7 for exclusion, and shall include standards relating to persons :

8 (1) Who are career or professional offenders as defined by regu-
9 lation of the commission;

10 (2) Who have been convicted of a criminal offense under the
11 laws of **[this State]** *any state* or of the United States, which is
12 punishable by more than 6 months in prison, or any crime or offense
13 involving moral turpitude; or

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

17 The commission shall promulgate definitions establishing those
18 categories of persons who shall be excluded pursuant to this section,
19 including cheats and persons whose privileges for licensure have
20 been revoked.

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

23 c. The commission may impose sanctions upon a licensed casino
24 or individual licensee in accordance with the provisions of this act
25 if such casino or individual licensee knowingly fails to exclude or
26 eject from the premises of any licensed casino any person placed
27 by the commission on the list of persons to be excluded or ejected.

28 d. Any list compiled by the commission of persons to be excluded
29 or ejected shall not be deemed an all inclusive list, and licensed
30 casino establishments shall have a duty to keep from their premises
31 persons known to them to be within the classifications declared in
32 paragraph a. of this section and the regulations promulgated
33 thereunder.

34 e. Whenever the name or description of any person is placed on
35 a list pursuant to this section, the commission shall serve notice
36 of such fact to such person by personal service, by certified mail
37 at the last known address of such person, or by publication daily
38 for one week in a newspaper of general circulation in Atlantic City.

39 f. Within 30 days after service by mail or in person or 60 days
40 from the time of last publication, as the case may be, the person
41 named for exclusion or ejection may demand a hearing before
42 the commission and show cause why he should have his name re-
43 moved from such list. Failure to demand such a hearing within the
44 time allotted in this section shall preclude a person from having
45 an administrative hearing, but shall in no way affect his right to
46 judicial review as provided herein.

47 g. Upon receipt of a demand for a hearing, the commission shall
48 set a time and place for such hearing. Unless otherwise agreed by
49 the commission and the named person, such hearing shall not be

50 later than 30 days after the receipt of a demand for such hearing.

51 h. If, upon completion of the hearing, the commission determines
52 that the regulation does not or should not apply to the person so
53 listed, the commission shall notify all casino licensees of such
54 determination.

55 i. If, upon completion of a hearing, the commission determines
56 that the placement of the name of the person on the exclusionary
57 list was appropriate, the commission shall make and enter an order
58 to that effect. Such order shall be subject to review by the Superior
59 Court in accordance with the rules of court.

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

3 76. General Duties and Powers. a. The Division of Gaming
4 Enforcement shall promptly and in reasonable order investigate
5 all applications, enforce the provisions of this act and any regula-
6 tions promulgated hereunder, and prosecute before the commission
6A all proceedings for violations of this act or any regulations promul-
6B gated hereunder. The division shall provide the commission with
7 all information necessary for all action under Article 6 of this act
8 and for all proceedings involving enforcement of the [regulations]
9 provisions of this act or any regulations promulgated hereunder.

10 b. The division shall:

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

14 (2) Investigate the circumstances surrounding any act or trans-
15 action for which commission approval is required;

16 (3) Investigate violations of this act and regulations promul-
17 gated hereunder;

18 (4) Initiate, prosecute and defend such proceedings before the
19 commission, or appeals therefrom, as the division may deem
20 appropriate;

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

23 (6) Conduct continuing reviews of casino operations through
24 on-site observation and other reasonable means to assure compli-
25 ance with this act and regulations promulgated hereunder, subject
26 to section 63 g. of this act;

27 (7) Conduct audits of casino operations, including reviews of
28 accounting, administrative and financial records, and management
29 control systems, procedures and records utilized by a casino licen-
30 see; and

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

1 16. Section 82 of P. L. 1977, c. 110 (C. 5:12-82) is amended to read
2 as follows:

3 82. Casino License—Applicant Eligibility. a. No casino shall
4 operate unless all necessary licenses and approvals therefor have
5 been obtained in accordance with law.

6 b. Any person shall be eligible to apply for a casino license if he
7 agrees to comply in all respects with this act and the regulations
8 promulgated hereunder and if he:

9 (1) Owns 100% of an approved hotel as herein defined; or

10 (2) Leases 100% of an approved hotel in accordance with the
11 provisions of section 104 a. of this act; or

12 (3) Owns or has a contract to purchase or construct a hotel,
13 or leases or has an agreement to lease in accordance with the
14 provisions of section 104 a. of this act 100% of a hotel, which,
15 in the judgment of the commission, can become an approved hotel
16 within 30 months or within such additional time period as the
17 commission may, upon a showing of good cause therefor, estab-
18 lish; or

19 (4) Has a written agreement, with a casino license or with
20 an eligible applicant for a casino license, for the complete manage-
21 ment of a casino in accordance with the provisions of section 104a.
22 of this act, and owns 100% of or controls any approved hotel, in-
23 cluding the approved hotel which is the subject of the management
24 agreement. For purposes of this subsection, control of an approved
25 hotel shall mean the ownership of at least 10% of all outstanding
26 equity securities of a casino licensee or of an eligible applicant for
27 a casino license, and the sole and unrestricted power to direct the
28 operations of such casino licensee or eligible applicant.

29 c. No casino license shall be issued to any person leasing a hotel
30 pursuant to section 104 a. hereof unless a separate casino license
31 has first been issued to the owner of the casino hotel facility which
32 is the subject of such lease.

33 d. No corporation shall be eligible to apply for a casino license
34 unless the corporation shall:

35 (1) Be incorporated in the State of New Jersey, although such
36 corporation may be a wholly or partially owned subsidiary of a
37 corporation which is organized pursuant to the laws of another
38 state of the United States or of a foreign country;

39 (2) Maintain an office of the corporation in the premises licensed
40 or to be licensed;

41 (3) Comply with all the requirements of the laws of the State
42 of New Jersey pertaining to corporations;

43 (4) Maintain a ledger in the principal office of the corporation in
44 New Jersey which shall at all times reflect the current ownership
45 of every class of security issued by the corporation and shall be
46 available for inspection by the commission or the division and
47 authorized agents of the commission and the division at all reason-
48 able times without notice;

49 (5) Maintain all operating accounts required by the commission
50 in a bank in New Jersey;

51 (6) Include among the purposes stated in its certificate of
52 incorporation the conduct of casino gaming and provide that the
53 certificate of incorporation includes all provisions required by
54 this act;

55 (7) If it is not a publicly traded corporation, file with the com-
56 mission such adopted corporate charter or by-laws provisions as
57 may be necessary to establish the right of the commission to
58 approve future transfers of corporate securities, shares, and other
59 interests in the applicant corporation and in any *non-publicly*
60 *traded* holding company, intermediary company, or subsidiary
61 thereof; and, if it is a publicly traded corporation, said corporation
62 shall provide in its corporate charter or by-laws that any securities
63 of such corporation are held subject to the condition that if a holder
64 thereof is found to be disqualified by the commission pursuant to
65 the provisions of this act, such holder shall dispose of his interest in
66 the corporation; provided, however, that, notwithstanding the
67 provisions of N. J. S. 14A:7-12 and N. J. S. 12A:8-101 et seq.,
68 nothing herein shall be deemed to require that any security of such
69 corporation bear any legend to this effect; and

70 (8) If it is not a publicly traded corporation, establish to the
71 satisfaction of the commission that appropriate charter or by-law
72 provisions create the absolute right of such *non-publicly traded*
73 corporations and companies to repurchase at the market price or
74 the purchase price, whichever is the lesser, any security, share or
75 other interest in the corporation in the event that the commission
76 disapproves a transfer in accordance with the provisions of this act.

77 e. No person shall be issued or be the holder of more than three
78 casino licenses. For the purpose of this subsection a person shall be
79 considered the holder of a casino license if such license is issued to
80 such person or if such license is held by any holding, intermediary
81 or subsidiary company thereof, or by any officer, director, casino
82 key employee or principal employee of such person, or of any hold-
83 ing, intermediary or subsidiary company thereof.

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

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

6 (1) The organization, financial structure and nature of all busi-
7 nesses operated by the corporation; *the names and personal em-*
8 *ployment and criminal histories of all officers, directors and princi-*
9 *pal employees of the corporation; the names of all holding, inter-*
10 *mediary and subsidiary companies of the corporation; and the*
11 *organization, financial structure and nature of all businesses op-*
12 *erated by such of its holding, intermediary and subsidiary com-*
13 *panies as the commission may require, including names and*
14 *personal employment and criminal histories of [all] such officers,*
15 *directors and principal employees of [all] such corporations and*
16 *companies as the commission may require;*

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

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

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

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

29 (6) Names of persons other than directors and officers whose
30 compensation exceeds \$25,000.00 per annum, and amounts thereof;

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

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

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

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

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

40 (2) If it is a corporation, register with the commission and
41 furnish the commission with all the information required of a
42 corporate licensee as specified in subsection a. (1), (2) and (3) of

43 *this section and such other information as the commission may*
44 *require; or*

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

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

66 d. No corporation which is a subsidiary shall be eligible to re-
67 ceive or hold a casino license unless each holding and intermediary
68 company with respect thereto:

69 (1) If it is a corporation, shall comply with the provisions of
70 subsection c. of this section as if said holding or intermediary
71 company were itself applying for a casino license; provided,
72 however, that the commission with the concurrence of the director
73 may waive compliance with the provisions of subsection c. hereof
74 on the part of a publicly-traded corporation which is a holding
75 company as to any officer, director, lender, underwriter, agent or
76 employee thereof, or person directly or indirectly holding a bene-
77 ficial interest or ownership of the securities of such corporation,
78 where the commission and the director are satisfied that such officer,
79 director, lender, underwriter, agent or employee is not significantly
80 involved in the activities of the corporate licensee, and in the case
81 of security holders, does not have the ability to control the publicly-
82 traded corporation or elect one or more directors thereof; or

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

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

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

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

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

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

15 c. The conviction of the applicant, or of any person required to
 16 be qualified under this act as a condition *of a casino license*, of any
 17 offense in any jurisdiction which would be under New Jersey law
 18 at the time of application [a capital offense or a high misdemeanor
 19 or a misdemeanor under any of the following sections of the statu-
 20 tory law:

21 N. J. S. 2A:85-1

22 N. J. S. 2A:89-1 et seq.

23 N. J. S. 2A:91-1 et seq.

24 N. J. S. 2A:93-1 et seq.

25 N. J. S. 2A:98-1 et seq.

26 P. L. 1961, c. 53 (C. 2A:98-3, 2A:98-4)

27 N. J. S. 2A:102-1 et seq.

28 P. L. 1959, c. 98 (C. 2A:102-12.1)

29 P. L. 1957, c. 182 (C. 2A:102-13 to 2A:102-17)

30 N. J. S. 2A:105-3

31 N. J. S. 2A:108-1 et seq.

32 N. J. S. 2A:111-1

- 33 N. J. S. 2A:111-4
 34 N. J. S. 2A:111-6
 35 N. J. S. 2A:111-7
 36 N. J. S. 2A:111-8
 37 N. J. S. 2A:111-9
 38 N. J. S. 2A:111-10
 39 N. J. S. 2A:111-11
 40 N. J. S. 2A:111-13
 41 N. J. S. 2A:111-14
 42 N. J. S. 2A:111-15
 43 N. J. S. 2A:111-20
 44 N. J. S. 2A:111-21
 45 P. L. 1964, c. 179 (C. 2A:111-21.1)
 46 N. J. S. 2A:111-22
 47 N. J. S. 2A:111-23
 48 N. J. S. 2A:117-1 et seq.
 49 N. J. S. 2A:119-1 to 2A:119-5
 50 P. L. 1965, c. 52 (C. 2A:119-5.1 to 2A:119-5.5)
 51 N. J. S. 2A:119-6 to 2A:119-8
 52 P. L. 1962, c. 201 (C. 2A:119-8.1)
 53 N. J. S. 2A:119-9
 54 N. J. S. 2A:131-4 to 2A:131-7
 55 N. J. S. 2A:139-1 et seq.
 56 N. J. S. 2A:147-1 et seq.
 57 N. J. S. 2A:149-1
 58 N. J. S. 2A:150-1,
 59 or any of the disorderly persons offenses enumerated in the follow-
 60 ing sections of the statutory law:
 61 N. J. S. 2A:170-5
 62 N. J. S. 2A:170-18
 63 P. L. 1969, c. 256 (C. 2A:170-102),**]**
 64 *a violation of any of the following provisions of law, provided that*
 65 *such conviction occurred within the 10-year period immediately pre-*
 66 *ceding application for licensure:*
 67 *(1) With respect to applications filed on or after the effective*
 68 *date of the Code of Criminal Justice, P. L. 1978, c. 95, as amended*
 69 *and supplemented:*
 70 *all crimes of the first degree;*
 71 *N. J. S. 2C:5-2 and 5-4a. (conspiracy to commit an offense which*
 72 *is enumerated in this subsection of this amendatory act and which*
 73 *constitutes a crime of the second degree);*
 74 *N. J. S. 2C:12-1b. (aggravated assault which constitutes a crime*
 75 *of the second degree);*

- 76 *N. J. S. 2C:17-1a. and b. (crimes involving arson and related*
77 *offenses);*
- 78 *N. J. S. 2C:17-2a. and b. (causing widespread injury or damage);*
- 79 *N. J. S. 2C:18-2 (burglary which constitutes a crime of the*
80 *second degree);*
- 81 *N. J. S. 2C:19-1 (robberies which constitute crimes of the second*
82 *degree);*
- 83 *N. J. S. 2C:20-1 et seq. (theft and related offenses which consti-*
84 *tute crimes of the second and third degrees);*
- 85 *N. J. S. 2C:20-7 (receiving stolen property);*
- 86 *N. J. S. 2C:21-1 et seq. (forgery and fraudulent practices which*
87 *constitute crimes of the second and third degrees);*
- 88 *N. J. S. 2C:21-4 (falsifying or tampering with records);*
- 89 *N. J. S. 2C:21-9 (misconduct by corporate officials which consti-*
90 *tutes a crime of the second or third degree);*
- 91 *N. J. S. 2C:21-10 (commercial bribery and breach of duty to act*
92 *disinterestedly which constitutes crimes of the second and third*
93 *degrees);*
- 94 *N. J. S. 2C:21-14 (receiving deposits in a failing financial insti-*
95 *tution);*
- 96 *N. J. S. 2C:30-2 and 30-3 (official misconduct which constitutes*
97 *a crime of the second degree);*
- 98 *N. J. S. 2C:37-1 et seq. (gambling offenses which constitute*
99 *crimes of the third degree);*
- 100 *(2) With respect to applications filed before the effective date*
101 *of the Code of Criminal Justice, P. L. 1978, c. 95, as amended and*
102 *supplemented:*
- 103 *any high misdemeanor under Title 2A or under section 19 of*
104 *P. L. 1970, c. 226 (C. 24:21-19);*
- 105 *a misdemeanor under any of the following sections of the statu-*
106 *tory law:*
- 107 *N. J. S. 2A:89-1 et seq. (arson);*
- 108 *N. J. S. 2A:91-1 et seq. (banks and bank records);*
- 109 *N. J. S. 2A:93-1 et seq. (bribery and corruption);*
- 110 *N. J. S. 2A:98-1 (conspiracy; provided that the object of the*
111 *conspiracy is to commit an offense enumerated in this subsection*
112 *of this amendatory act);*
- 113 *N. J. S. 2A:102-1 et seq. (embezzlement);*
- 114 *N. J. S. 2A:111-1 et seq. (frauds and cheats);*
- 115 *N. J. S. 2A:112-1 et seq. (gaming);*
- 116 *N. J. S. 2A:119-1 to 119-5 (larceny and other thefts);*
- 117 *N. J. S. 2A:121-1 et seq. (lotteries);*

118 *N. J. S. 2A:139-1 et seq. (receiving stolen property);*
119 or any other offense which indicates that licensure of the applicant
120 would be inimical to the policy of this act and to casino operations;
121 *provided, however, that the automatic disqualification provisions*
122 *of this subsection shall not apply with regard to any conviction*
123 *which has been the subject of a judicial order of expungement or*
124 *sealing;*

125 d. Current prosecution or pending charges in any jurisdiction of
126 the applicant or of any person who is required to be qualified under
127 this act as a condition of a casino license, for any of the offenses
128 enumerated in subsection c. of this section; provided, however,
129 that at the request of the applicant or the person charged, the
130 commission shall defer decision upon such application during the
131 pendency of such charge;

132 e. The pursuit by the applicant or any person who is required to
133 be qualified under this act as a condition of a casino license of
134 economic gain in an occupational manner or context which is in
135 violation of the criminal or civil public policies of this State, if
136 such pursuit creates a reasonable belief that the participation of
137 such person in casino operations would be inimical to the policies of
138 this act or to legalized gaming in this State. For purposes of this
139 section, occupational manner or context shall be defined as the
140 systematic planning, administration, management, or execution of
141 an activity for financial gain;

142 f. The identification of the applicant or any person who is re-
143 quired to be qualified under this act as a condition of a casino
144 license as a career offender or a member of a career offender cartel
145 or an associate of a career offender or career offender cartel in such
146 a manner which creates a reasonable belief that the association is
147 of such a nature as to be inimical to the policy of this act and to
148 gaming operations. For purposes of this section, career offender
149 shall be defined as any person whose behavior is pursued in an
150 occupational manner or context for the purpose of economic gain,
151 utilizing such methods as are deemed criminal violations of the
152 public policy of this State. A career offender cartel shall be de-
153 fined as any group of persons who operate together as career
154 offenders;

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

160 h. Contumacious defiance by the applicant or any person who is
161 required to be qualified under this act of any legislative investi-
162 gatory body or other official investigatory body of [this State]
162 *any state* or of the United States when such body is engaged in the
163 investigation of crimes relating to gaming, official corruption, or
164 organized crime activity.

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

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

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

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

18 (2) Each applicant for a casino key employee license shall pro-
18 duce such information, documentation and assurances as may be
19 required to establish by clear and convincing evidence the appli-
20 cant's reputation for good character, honesty and integrity. Such
21 information shall include, without limitation, data pertaining to
22 family, habits, character, criminal and arrest record, business
23 activities, financial affairs, and business, professional and personal
24 associates, covering at least the 10-year period immediately pre-
25 ceding the filing of the application. Each applicant shall notify
26 the commission of any civil judgments obtained against such appli-
27 cant pertaining to antitrust or security regulation laws of the
28 Federal government, of this State or of any other state, jurisdic-
29 tion, province or country. In addition, each applicant shall, *upon*
30 *request of the commission or the division*, produce letters of refer-
31 ence from law enforcement agencies having jurisdiction in the ap-
32 plicant's place of residence and principal place of business, which
33 letters of reference shall indicate that such law enforcement
34 agencies do not have any pertinent information concerning the ap-

35 plicant, or if such law enforcement agency does have information
36 pertaining to the applicant, shall specify what that information is.
37 If the applicant has been associated with gaming or casino opera-
38 tions in any capacity, position or employment in a jurisdiction
39 which permits such activity, the applicant shall, *upon request of*
40 *the commission or division*, produce letters of reference from the
41 gaming or casino enforcement or control agency which shall specify
42 the experiences of such agency with the applicant, his associates
43 and his participation in the gaming operations of that jurisdiction;
44 provided, however, that if no such letters are received *from the*
45 *appropriate law enforcement agencies* within 60 days of *the appli-*
46 *cant's* request therefor, the applicant may submit a statement under
47 oath that he is or was during the period such activities were con-
48 ducted in good standing with such gaming or casino enforcement
49 or control agency.

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

55 (4) Each applicant shall be a resident of the State of New Jersey
56 prior to the issuance of a casino key employee license.

57 The commission may also, by regulation, require that all appli-
58 cants for casino key employee licenses be residents of this State
59 for a period not to exceed 6 months immediately prior to the
60 issuance of such license, but application may be made prior to the
61 expiration of the required period of residency. The commission
62 shall, by resolution, waive the required residency period for an
63 applicant upon a showing that the residency period would cause
64 undue hardship upon the casino licensee which intends to employ
65 said applicant, or upon a showing of other good cause.

66 c. The commission shall endorse upon any license issued here-
67 under the particular positions as defined by this act or by regulation
68 which the licensee is qualified to hold.

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

72 e. *If an applicant for a casino key employee license is the holder*
73 *of a casino employee license issued pursuant to section 90 of this*
74 *act and if that applicant meets the requirements of subsection*
75 *b. (3) of this section, then a temporary license as a casino key em-*
76 *ployee may be issued by the chairman if, in his judgment, the*

77 *issuance of a permanent license will be restricted by necessary in-*
78 *vestigations and the said temporary license of the applicant is*
79 *necessary for the continuing operations of the casino.*

1 20. Section 90 of P. L. 1977, c. 110 (c. 5:12-90) is amended to
2 read as follows:

3 90. Licensing of Casino Employees. a. No person may commence
4 employment as a casino employee unless he is the holder of a valid
5 casino employee license [issued by the commission]. *The chairman*
6 *may issue and renew said license and shall endorse upon any license*
7 *issued hereunder the particular position which the licensee is quali-*
8 *fied to hold, except in those circumstances where the division objects*
9 *to licensure of an applicant or provides information which indi-*
10 *cates that an applicant may lack the qualifications for licensure.*
11 *In such circumstances, the commission shall have the exclusive au-*
12 *thority to issue or to renew such a license.*

13 b. Any applicant for a casino employee license must, prior to the
14 issuance of any such license, produce sufficient information, docu-
15 mentation and assurances to meet the qualification criteria, includ-
16 ing New Jersey residency, contained in subsection b. of section 89
17 of this act and any additional residency requirement imposed under
18 subsection c. of this section; except that the standards for business
19 ability and casino experience may be satisfied by a showing of ca-
20 sino job experience and knowledge of the provisions of this act and
21 regulations pertaining to the particular position involved, or by
22 successful completion of a course of study at a licensed school in
23 an approved curriculum.

24 c. The commission may, by regulation, require that all applicants
25 for casino employee licenses be residents of this State for a period
26 not to exceed 6 months immediately prior to the issuance of such
27 license, but application may be made prior to the expiration of the
28 required period of residency. The commission shall, by resolution,
29 waive the required residency period for an applicant upon a show-
30 ing that the residency period would cause undue hardship upon the
31 casino licensee which intends to employ said applicant, or upon a
32 showing of other good cause.

33 d. The commission, *except as provided in subsection a. of this*
34 *section*, shall endorse upon any license issued hereunder the par-
35 ticular positions as defined by regulation which the licensee is
36 qualified to hold.

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

40 f. For purposes of this section, casino security employees shall
 41 be considered casino employees and must, in addition to any re-
 42 quirements under other laws, be licensed in accordance with the
 43 provisions of this act.

44 g. *A temporary license may be issued by the chairman to casino*
 45 *employees for positions not directly related to gaming activity if,*
 46 *in his judgment, the issuance of a plenary license will be restricted*
 47 *by necessary investigations and said temporary licensing of the*
 48 *applicant is necessary for the continuing operations of the casino.*
 49 *Unless otherwise terminated pursuant to this act, a temporary li-*
 50 *cence issued pursuant to this subsection shall expire 6 months from*
 51 *the date of its issuance and be renewable, at the discretion of the*
 52 *chairman, for one additional 6 month period. Positions "directly*
 53 *related to gaming activity" shall include, but not be limited to,*
 54 *boxmen, floormen, dealers or croupiers, cage personnel, count room*
 55 *personnel, slot and slot booth personnel, credit and collection per-*
 56 *sonnel, casino surveillance personnel, and casino security em-*
 57 *ployees whose employment duties require or authorize access to*
 58 *the casino.*

59 h. *Notwithstanding the provisions of subsection e. of this section,*
 60 *no applicant shall be denied a casino employee license on the basis*
 61 *of a conviction of any of the offenses enumerated in this act as*
 62 *disqualification criteria provided that the applicant has affirma-*
 63 *tively demonstrated his rehabilitation. In determining whether the*
 64 *applicant has affirmatively demonstrated his rehabilitation the com-*
 65 *mission shall consider the following factors:*

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

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

3 91. Casino Hotel Employee Licenses. a. No person may com-
4 mence employment as a casino hotel employee unless he is the
5 holder of a valid casino hotel employee license issued by the chair-
6 man.

7 b. Any applicant for a casino hotel employee license must, prior
8 to the issuance of any such license, produce sufficient information,
9 documentation and assurances to meet the qualification criteria, in-
10 cluding New Jersey residency, contained in subsections b.(1), b.(2)
11 and b.(4) of section 89 of this act and any additional residency re-
12 quirement imposed under subsection c. of this section. No casino
13 hotel employee license shall be issued to any person disqualified
14 on the basis of the criteria contained in section 86 of this act.

15 c. The commission may, by regulation, require that all applicants
16 for casino hotel employee licenses be residents of this State for a
17 period not to exceed 3 months immediately prior to the issuance
18 of such license, but application may be made prior to the expiration
19 of the required period of residency. The chairman shall waive the
20 required residency period for an applicant upon a showing that the
21 residency period would cause undue hardship upon the casino li-
22 censee which intends to employ said applicant, or upon a showing
23 of other good cause.

24 d. Notwithstanding the provisions of subsection b. of this section,
25 no applicant shall be denied a casino hotel employee license on
26 the basis of a conviction of any of the offenses enumerated in this
27 act as disqualification criteria, provided that the applicant has
28 demonstrated his rehabilitation or can produce a certificate of re-
29 habilitation, or that the offense for which the applicant has been
30 convicted is not reasonably related to the duties for which the ap-
31 plicant will be employed in the casino hotel.

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

35 f. A temporary license [of 5 days duration] may be issued by
36 the chairman if in his judgment the issuance of a permanent license
37 will be restricted by necessary investigations and said temporary
38 licensing of the applicant is necessary for the continuing operations
39 of the hotel. *Unless otherwise terminated pursuant to this act, a*
40 *temporary license issued pursuant to this subsection shall expire*
41 *6 months from the date of its issuance and be renewable, at the*
42 *discretion of the chairman, for one additional 6-month period.*

1 22. Section 92 of P. L. 1977, c. 10 (C. 5:12-92) is amended to read
2 as follows:

3 92. Licensing and Registration of Casino Service Industries.

4 a. All casino service industries offering goods or services on a reg-
5 ular basis which directly relate to casino or gaming activity, in-
6 cluding gaming equipment manufacturers, suppliers and repairers,
7 schools teaching gaming and either playing or dealing techniques,
8 and casino security services, shall be licensed in accordance with
9 the provisions of this act prior to conducting any business whatso-
10 ever with a casino licensee, its employees or agents, and in the case
11 of a school, prior to enrollment of any students or offering of any
12 courses to the public whether for compensation or not; *provided*
13 *however, that upon a showing of good cause by a casino licensee*
14 *for each business transaction, the commission may permit an ap-*
15 *plicant for a casino service industry license to conduct business*
16 *transactions with such casino licensee prior to the licensure of that*
17 *applicant under this subsection.*

18 b. Each casino service industry in subsection a. of this section,
19 as well as its owners, management and supervisory personnel and
20 other principal employees must qualify under the standards, except
21 residency, established for qualification of a casino key employee
22 under this act. In addition, if the business or enterprise is a school
23 teaching gaming and either playing or dealing techniques, each
24 resident director, instructor, principal employee, and sales repre-
25 sentative employed thereby shall be licensed under the standards
26 established for qualification of a casino employee under this act;
27 provided, however, that nothing in this subsection shall be deemed
28 to require, in the case of a public school district or a public insti-
29 tution of higher education, the licensure or qualification of any in-
30 dividuals except those instructors and other principal employees
31 responsible for the teaching of playing or dealing techniques. *The*
32 *chairman, in his discretion, may issue a temporary license to an*
33 *applicant for an instructor's license upon a finding that the appli-*
34 *cant meets the educational and experiential requirements for such*
35 *license, that the issuance of a permanent license will be restricted*
36 *by necessary investigations, and that temporary licensing is neces-*
37 *sary for the operation of the gaming school. Unless otherwise ter-*
38 *minated pursuant to this act, a temporary license issued pursuant*
39 *to this subsection shall expire 6 months from the date of its issuance*
40 *and be renewable, at the discretion of the chairman, for one addi-*
41 *tional 6-month period.*

42-43 c. All casino service industries not included in subsection a. of
44 this section shall be licensed in accordance with rules of the com-
45 mission prior to commencement or continuation of any business

46 with a casino licensee or its agents. Such casino service industries;
 47 whether or not directly related to gaming operations, shall include
 48 suppliers of alcoholic beverages, food and nonalcoholic beverages;
 49 garbage handlers; vending machine providers; linen suppliers;
 50 maintenance companies; shopkeepers located within the approved
 51 hotel; and limousine services contracting with casino licensees. The
 52 commission may exempt any person or field of commerce from the
 53 licensing requirements of this subsection if [it finds that such per-
 54 son or field of commerce is regulated by a public agency and that
 55 licensure is not necessary to protect the public interest or to ac-
 56 complish the policies established by this act] *the person or field*
 57 *of commerce demonstrates (1) that it is regulated by a public*
 58 *agency or that it will provide goods or services in insubstantial*
 59 *or insignificant amounts or quantities, and (2) that licensing is*
 60 *not deemed necessary in order to protect the public interest or to*
 61 *accomplish the policies established by this act. Upon granting an*
 62 *exemption or at any time thereafter, the commission may limit*
 63 *or place such restrictions thereupon as it may deem necessary in*
 64 *the public interest, and shall require the exempted person to co-*
 65 *operate with the commission and the division and, upon request, to*
 66 *provide information in the same manner as required of a casino*
 67 *service industry licensed pursuant to this subsection.*

68 d. Licensure pursuant to subsection c. of this section of any ca-
 69 sino service industry may be denied to any applicant disqualified
 70 in accordance with the criteria contained in section 86 of this act.

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

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

13 b. After such investigation, the commission may either deny
 14 the application or grant a license to or accept the registration of
 15 an applicant whom it determines to be qualified to hold such
 16 license or registration. Notwithstanding the above, the chairman
 17 may, *where authorized*, grant a casino employee license or a casino

18 hotel employee license upon application therefor; if said applica-
 19 tion is denied, the applicant may appeal to the commission in the
 20 normal course.

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

27 d. When the commission grants an application, the commission
 28 may limit or place such restrictions thereupon as it may deem
 29 necessary in the public interest. Licenses shall be granted and
 30 registrations approved for a term of 1 year; *provided, however,*
 31 *that casino employee licenses for positions directly related to*
 32 *gaming activity and for gaming school resident director, instructor,*
 33 *principal employee and sales representative licenses shall be*
 34 *granted for a term of 2 years; and provided further that casino*
 35 *employee licenses for positions not directly related to gaming*
 36 *activity, casino hotel employee licenses, and casino service industry*
 37 *licenses issued pursuant to subsection c. of section 92 of P. L. 1977,*
 38 *c. 110 (C. 5:12-92 c.) shall be granted for a term of 3 years.*

39 e. After an application is submitted to the commission, final
 40 action of the commission shall be taken within 90 days after
 41 completion of all hearings and investigations and the receipt of
 42 all information required by the commission.

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

3 95. Renewal of Licenses and Registrations. Subject to the power
 4 of the commission to deny, revoke or suspend any license or
 5 registration, any license other than a casino license or any registra-
 6 tion may be renewed upon proper application for renewal no later
 7 than ~~90~~ 120 days prior to the expiration of the current license or
 8 registration, and the payment of fees as provided by law on or
 9 before the date of expiration of the current license or registration.
 10 The commission shall act upon such application for renewal no later
 11 than 30 days prior to the date of expiration of the current license
 12 or registration.

1 25. Section 24 of P. L. 1978, c. 7 (C. 5:12-95.5) is amended to
 2 read as follows:

3 24. Hearings. Upon the filing of a formal request for a tempo-
 4 rary casino permit, the commission shall schedule and conduct a
 5 hearing on the matter, and a decision on the granting of a tempo-

6 rary casino permit shall be rendered no later than **[42]** 70 days
7 following said request.

1 26. Section 26 of P. L. 1978, c. 7 (C. 5:12-95.7) is amended to
2 read as follows:

3 26. Expiration of a Temporary Casino Permit. Unless other-
4 wise terminated pursuant to this amendatory and supplementary
5 act, a temporary casino permit shall expire at the conclusion of
6 **[6]** 9 months from the date of its issuance and be renewable, at
7 the discretion of the commission, for one 3-month period. The com-
8 mission may, within its discretion, deem the applicant's willful
9 cessation or discontinuation of the regular casino business of a
10 temporary casino permittee to be an expiration of said temporary
11 casino permit.

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

3 99. Internal Controls. a. Each casino licensee shall submit to
4 the commission a description of its system of internal procedures
5 and administrative and accounting controls. Such submission shall
6 be made at least 90 days before gaming operations are to commence
7 or before changes in previously submitted control plans are to
8 become effective, unless otherwise directed by the commission.
9 Each such submission shall contain both narrative and diagram-
10 matic representations of the internal control system to be utilized
11 by the casino, including, but not limited to:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

52 (16) Procedures and rules governing the conduct of particular
53 games and the responsibility of casino personnel in respect thereto.

54 b. The commission shall review each submission required by
55 subsection a. hereof, and shall determine whether it conforms to
56 the requirements of this act and to the regulations promulgated
57 thereunder and whether the system submitted provides adequate
58 and effective controls for the operations of the particular casino
59 submitting it. If the commission finds any insufficiencies, it shall
60 specify same in writing to the casino licensee, who shall make
61 appropriate alterations. When the commission determines a sub-
62 mission to be adequate in all respects, it shall notify the casino
63 licensee of same. No casino licensee shall commence gaming op-
64 erations, or alter in fact its internal controls, unless and until such
65 system of controls is approved by the commission.

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

3 100. Games and Gaming Equipment. a. This act shall not be con-
4 strued to permit any gaming except the conduct of authorized
5 games in a casino room in accordance with this act and the regula-
6 tions promulgated hereunder.

7 b. Gaming equipment shall not be possessed, maintained or exhib-
8 ited by any person on the premises of a casino hotel complex

9 except in the casino room and in secure areas used for the inspec-
10 tion, repair or storage of such equipment and specifically designated
11 for that purpose by the casino licensee with the approval of the
12 commission. No gaming equipment shall be possessed, maintained,
13 exhibited, brought into or removed from a casino room by any per-
14 son unless such equipment is necessary to the conduct of an
15 authorized game, has permanently affixed, imprinted, impressed or
16 engraved thereon an identification number or symbol authorized
17 by the commission, is under the exclusive control of a casino licensee
18 or his employees, and is brought into or removed from the casino
19 room at times authorized for that purpose by the commission or at
20 other times when prior notice has been given to and written
21 approval granted by an authorized agent of the commission.

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

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

39 e. All gaming shall be conducted according to rules promulgated
40 by the commission. All wagers and pay-offs of winning wagers at
41 table games shall be made according to rules promulgated by the
42 commission, which shall establish such minimum wagers and other
43 limitations as may be necessary to assure the vitality of casino
44 operations and fair odds to and maximum participation by casino
45 patrons; provided, however, that a licensee may establish a
46 higher minimum wager with the prior approval of the commis-
47 sion. Each slot machine shall have a minimum payout of 83%.

48 f. Each casino licensee shall make available in printed form to
49 any casino patron upon request the complete text of the rules of the
50 commission regarding games and the conduct of gaming, pay-offs

51 of winning wagers, an approximation of the odds of winning for
52 each wager, and such other advice to the player as the commission
53 shall require. Each casino licensee shall prominently post within
54 the casino room according to regulations of the commission such
55 information about gaming rules, pay-offs of winning wagers, the
56 odds of winning for each wager, and such other advice to the player
57 as the commission shall require.

58 g. Each gaming table shall be equipped with a sign indicating the
59 permissible minimum and maximum wagers pertaining thereto.
60 It shall be unlawful [to conduct gaming activity at any table in any
61 manner inconsistent with the information stated upon the signs re-
62 quired by this subsection] *for a casino licensee to require any wager*
63 *to be greater than the stated minimum or less than the stated maxi-*
64 *imum; provided, however, that any wager actually made by a patron*
65 *and not rejected by a casino licensee prior to the commencement of*
66 *play shall be treated as a valid wager.*

67 h. No slot machine shall be used to conduct gaming unless it is
68 identical in all electrical, mechanical and other aspects to a model
69 thereof which has been specifically tested by the division and
70 licensed for use by the commission. The commission shall, by
71 regulation, establish such technical standards for licensure, includ-
72 ing mechanical and electrical reliability, security against tamper-
73 ing, the comprehensibility of wagering, and noise and light levels,
74 as it may deem necessary to protect the player from fraud or decep-
75 tion and to insure the integrity of gaming. In no event shall slot
76 machines, including walkways between them, occupy more than 30%
77 of the first 50,000 square feet of floor space of a casino, or more
78 than 25% of any additional floor space of a casino larger than
79 50,000 square feet. The commission shall, by regulation, determine
80 the permissible density of particular licensed slot machines or
81 combinations thereof, based upon their size and light and noise
82 levels, so as to create and maintain a gracious playing environment
83 in the casino and to avoid deception or frequent distraction to
84 players at gaming tables. The denominations of such machines
85 shall be set by the licensee, subject to the prior approval of the
86 commission.

87 i. Each casino shall be arranged in such fashion as to allow floor
88 space for each gaming table, including the space occupied by the
89 table, in accordance with the following:

90 Baccarat—300 square feet

91 Blackjack—100 square feet

92 Craps—200 square feet

93 Roulette—150 square feet

94 Bix Six Wheel—150 square feet

95 j. Each casino shall be arranged in such fashion as to assure
96 that gaming tables shall at all times be present, whether in use or
97 not, according to the following:

98 (1) At least one baccarat table for every 25,000 square feet of
99 casino space or part thereof;

100 (2) At least one craps table for every 10,000 square feet of
101 casino space or part thereof;

102 (3) At least one roulette table for every 10,000 square feet of
103 casino space or part thereof;

104 (4) At least four blackjack tables for every 10,000 square feet
105 of casino space or part thereof; and

106 (5) No more than one Bix Six Wheel and table for every 10,000
107 square feet of casino space or part thereof.

108 k. It shall be unlawful for any person to exchange or redeem
109 chips for anything whatsoever, except currency, negotiable per-
110 sonal checks, negotiable counter checks or other chips. A casino
111 licensee shall, upon the request of any person, redeem that licensee's
112 gaming chips surrendered by that person in any amount over \$25.00
113 with a check drawn upon the licensee's account at any banking in-
114 stitution in this State and made payable to that person.

115 l. It shall be unlawful for any casino licensee or his agents or
116 employees to employ, contract with, or use any shill or barker to
119 induce any person to enter a casino or play at any game or for any
120 purpose whatsoever.

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

124 n. It shall be unlawful for any casino key employee, other than
125 a junket representative, or any casino employee, other than a
126 bartender, waiter, waitress, or other casino employee who in the
127 judgment of the commission is not directly involved with the con-
128 duct of gaming operations, to wager at any game in any casino in
129 this State.

130 o. (1) It shall be unlawful for any casino key employee or box-
131 man, floorman, or any other casino employee who shall serve in a
132 supervisory position to solicit or accept, and for any other casino
133 employee to solicit, any tip or gratuity from any player or patron
134 at the casino where he is employed.

135 (2) A dealer may accept tips or gratuities from a patron at the
136 table at which such dealer is conducting play, subject to the pro-

137 visions of this subsection. All such tips or gratuities shall be
 138 immediately deposited in a lock box reserved for that purpose,
 139 accounted for, and placed in a pool for distribution pro rata among
 140 the dealers on a weekly basis, with the distribution based upon
 141 the number of hours each dealer has worked.

1 29. Section 105 of P. L. 1977, c. 110 (C. 5:12-105) is amended
 2 to read as follows:

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

7 b. Every security issued by a corporation which holds a casino
 8 license shall bear, on both sides of the certificate evidencing such
 9 security, a statement of the restrictions imposed by this section,
 10 except that in the case of a publicly traded corporation incorpo-
 11 rated prior to the effective date of this act, a statement of restric-
 12 tion shall be necessary only insofar as certificates are issued by
 13 such corporation after the effective date of this act.

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

21 d. If at any time the commission finds that an individual owner
 22 or holder [or] of any security of a corporate licensee or of a hold-
 23 ing or intermediary company with respect thereto is not qualified
 24 under this act, and if as a result the corporate licensee is no longer
 25 qualified to continue as a casino licensee in this State, the commis-
 26 sion shall, pursuant to the provisions of this act, propose any
 27 necessary action to protect the public interest, including the sus-
 28 pension or revocation of the casino license of the corporation; pro-
 29 vided, however, that if the holding or intermediary company is a
 30 publicly traded corporation and the commission finds disqualified
 31 any holder of any security thereof who is required to be qualified
 32 under section 85 d. of this act, and the commission also finds that:
 33 (1) the holding or intermediary company has complied with the
 34 provisions of section 82 d. (7) of this act; (2) the holding or in-
 35 termediary company has made a good faith effort, including the
 36 prosecution of all legal remedies, to comply with any order of the
 37 commission requiring the divestiture of the security interest held

38 by the disqualified holder; and (3) such disqualified holder does
39 not have the ability to control the corporate licensee or any holding
40 or intermediary company with respect thereto, or to elect one or
41 more members of the board of directors of such corporation or
42 company, the commission shall not take action against the casino
43 licensee or the holding or intermediary company with respect to
44 the continued ownership of the security interest by the disqualified
45 holder. For purposes of this act, a security holder shall be pre-
46 sumed to have the ability to control a publicly traded corporation,
47 or to elect one or more members of its board of directors, if such
48 holder owns or beneficially holds 5% or more of securities of such
49 corporation, unless such presumption of control or ability to elect
50 is rebutted by clear and convincing evidence.

51 e. Commencing on the date the commission serves notice upon
52 a corporation of the determination of disqualification under sub-
53 section d. of this section, it shall be unlawful for the named in-
54 dividual:

55 (1) To receive any dividends or interest upon any such secur-
56 ities;

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

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

61 f. After a **[non-public]** non-publicly traded corporation has been
62 issued a casino license pursuant to the provisions of this act, but
63 prior to the issuance or transfer of any security to any person re-
64 quired to be but not yet qualified in accordance with the provisions
65 of this act, such corporation shall file a report of its proposed action
66 with the commission, and shall request the approval of the com-
67 mission for the transaction. If the commission shall deny the re-
68 quest, the corporation shall not issue or transfer such security.
69 After a **[public]** *publicly traded* corporation has been issued a
70 casino license, such corporation shall file a report quarterly with
71 the commission, which report shall list all owners and holders of
72 any security issued by such corporate casino licensee.

73 g. Each corporation which has been issued a casino license pur-
74 suant to the provisions of this act shall file a report of any change
75 of its corporate officers or members of its board of directors with
76 the commission. No officer or director shall be entitled to exercise
77 any powers of the office to which he was so elected or appointed
78 until qualified by the commission in accordance with the provisions
79 of this act.

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

3 107. **【**Commencement. a. Any proceeding against a licensee shall
4 be brought on by written complaint, which shall include a state-
5 ment setting forth in ordinary and concise language the charges
6 and the acts or omissions supporting such charges.

7 b. Upon filing of the complaint, the commission shall serve a
8 copy upon the licensee either personally or by certified mail to his
9 address on file with the commission.

10 c. Within 15 days after service upon him of the complaint, the
11 licensee may file with the commission a notice of defense, in which
12 he may:

13 (1) Request a hearing;

14 (2) Admit the accusation in whole or in part;

15 (3) Present new matters or explanations by way of defense; or

16 (4) State any legal objections to the complaint. Within the time
17 specified, the licensee may file one or more notices of defense upon
18 any or all of the above grounds.

19 d. The licensee shall be entitled to a hearing on the merits if he
20 files the required notice of defense within the time allowed by sub-
21 section c. of this section, and any such notice shall be deemed a
22 specific denial of all parts of the complaint not expressly admitted.
23 Failure to file a notice of defense within such time shall constitute
24 a waiver of the licensee's rights to a hearing, but the commission,
25 in its discretion, may nevertheless order a hearing. All affirmative
26 defenses must be specifically stated, and unless objection is taken
27 as provided in subparagraph (4) of subsection c. of this section, all
28 objections to the form of complaint shall be deemed waived.

29 e. The commission shall determine the time and place of the
30 hearing as soon as is reasonably practical after receiving the li-
31 censee's notice of defense. The commission shall deliver or send
32 by certified mail a notice to all parties at least 10 days prior to the
33 hearing. Unless the licensee consents, the hearing shall not be held
34 prior to the expiration time within which the licensee is entitled to
35 file the notice of defense.

36 f. Prior to a hearing before the commission, and during a hearing
37 upon reasonable cause shown, the commission shall issue subpoenas
38 and subpoenas duces tecum at the request of a licensee or the divi-
38A sion.】.

39 *Conduct of Hearings; Rules of Evidence; Punishment of Con-*
40 *tempts; Rehearing.*

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

43 (1) *Unless the commission hears the matter directly, the chair-*
44 *man shall refer the matter to the Office of Administrative Law in*
45 *accordance with P. L. 1978, c. 67, (C. 52:14F-1 et seq.); provided,*
46 *however, that the chairman may, in his discretion, designate a*
47 *member of the commission to serve as hearing examiner in a par-*
48 *ticular matter;*

49 (2) *The proceedings at the hearing shall be recorded or trans-*
50 *cribed;*

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

52 (4) *Each party to a hearing shall have the right to call and*
53 *examine witnesses; to introduce exhibits relevant to the issues of*
54 *the case, including the transcript of testimony at any investigative*
55 *hearing conducted by or on behalf of the commission; to cross-*
56 *examine opposing witnesses in any matters relevant to the issue*
57 *of the case; to impeach any witness, regardless of which party*
58 *called him to testify; and to offer rebuttal evidence;*

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

63 (6) *The hearing shall not be conducted according to rules relat-*
64 *ing to the admissibility of evidence in courts of law. Any relevant*
65 *evidence may be admitted and shall be sufficient in itself to support*
66 *a finding if it is the sort of evidence upon which responsible persons*
67 *are accustomed to rely in the conduct of serious affairs, regardless*
68 *of the existence of any common law or statutory rule which might*
69 *make improper the admission of such evidence over objection in*
70 *a civil action; and*

71 (7) *The parties or their counsel may, by written stipulation,*
72 *agree that certain specified evidence may be admitted, although*
73 *such evidence may be otherwise subject to objection.*

74 b. *The commission may take official notice of any generally ac-*
75 *cepted information or technical or scientific matter in the field of*
76 *gaming and of any other fact which may be judicially noticed by*
77 *the courts of this State. The parties shall be informed of any in-*
78 *formation, matters or facts so noticed and shall be given a reason-*
79 *able opportunity, on request, to refute such information, matters*
80 *or facts by evidence or by written or oral presentation of authori-*
81 *ties, the manner of such refutation to be determined by the com-*
82 *mission. The commission may, in its discretion, before rendering*
83 *its decision, permit the filing of amended or supplemental pleadings*
84 *and shall notify all parties thereof and provide a reasonable op-*
85 *portunity for objections thereto.*

86 c. If any person in proceedings before the commission disobeys
 87 or resists any lawful order, refuses to respond to a subpoena, re-
 88 fuses to take the oath or affirmation as a witness or thereafter re-
 89 fuses to be examined, or is guilty of misconduct at the hearing or
 90 so near the place thereof as to obstruct the proceeding, the person
 91 may be punished for contempt in accordance with the Rules of
 92 Court if the commission certifies the facts underlying the contu-
 93 macious behavior to the Superior Court. Thereafter, the courts
 94 shall have jurisdiction in the matter, and the same proceeding shall
 95 be had, the same penalties may be imposed, and the person charged
 96 may purge himself of the contempt in the same way as in the case
 97 of a person who has committed contempt in the trial of a civil
 98 action before the Superior Court.

99 d. The commission may, upon motion therefor made within 10
 100 days after service of the decision and order, order a rehearing
 101 before the commission upon such terms and conditions as it may
 102 deem just and proper. Such motion shall be granted only upon a
 103 showing that there is additional evidence which is material and
 104 necessary and which would be reasonably likely to change the de-
 105 cision of the commission, and that sufficient reason existed for
 106 failure to present such evidence at the hearing of the commission.
 107 The motion shall be supported by an affidavit of the moving party
 108 or his counsel showing with particularity the materiality and neces-
 109 sity of the additional evidence and the reason why it was not intro-
 110 duced at the hearing. Upon rehearing, rebuttal evidence to the
 111 additional evidence shall be admitted. After rehearing, the com-
 112 mission may modify its decision and order as the additional evi-
 113 dence may warrant.

1 31. Section 108 of P. L. 1977, c. 110 (C. 5:12-108) is amended to
 2 read as follows:

3 108. [Conduct of Hearings; Rules of Evidence; Punishment of
 4 Contempts; Decisions; Rehearing. a. At all hearings of the com-
 5 mission pursuant to this article:

6 (1) At least one member of the commission shall be present and
 7 shall exercise all powers relating to the conduct of the hearing;

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

10 (3) Oral evidence shall be taken only upon oath or affirmation
 11 administered by the commission;

12 (4) Each party to a hearing shall have the right to call and
 13 examine witnesses; to introduce exhibits relevant to the issues
 14 of the case, including the transcript of testimony at any investi-

15 gative hearing conducted by or on behalf of the commission; to
16 cross-examine opposing witnesses in any matters relevant to the
17 issue of the case; to impeach any witness, regardless of which
18 party called him to testify; and to offer rebuttal evidence;

19 (5) If the licensee shall not testify in his own behalf, he may be
20 called and examined as if under cross-examination;

21 (6) The hearing need not be conducted according to rules relating
22 to the admissibility of evidence in courts of law. Any relevant evi-
23 dence may be admitted and shall be sufficient in itself to support a
24 finding if it is the sort of evidence upon which responsible persons
25 are accustomed to rely in the conduct of serious affairs, regardless
26 of the existence of any common law or statutory rule which might
27 make improper the admission of such evidence over objection in a
28 civil action; and

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

32 b. The commission may take official notice of any generally
33 accepted information or technical or scientific matter in the field
34 of gaming, and of any other fact which may be judicially noticed
35 by the courts of this State. The parties shall be informed of any
36 information, matters or facts so noticed and shall be given a
37 reasonable opportunity, on request, to refute such information,
38 matters or facts by evidence or by written or oral presentation of
39 authorities, the manner of such refutation to be determined by the
40 commission. The commission may in its discretion, before render-
41 ing its decision, permit the filing of amended or supplemental
42 pleadings and shall notify all parties thereof and provide a reason-
43 able opportunity for objections thereto.

44 c. If any person in proceedings before the commission disobeys
45 or resists any lawful order, refuses to respond to a subpoena or
46 refuses to take the oath or affirmation as a witness or thereafter
47 refuses to be examined, or is guilty of misconduct at the hearing
48 or so near the place thereof as to obstruct the proceeding, the
49 person may be punished for contempt in accordance with the Rules
50 of Court if the commission certifies the facts underlying the contu-
51 macious behavior to the Superior Court. Thereafter, the courts
52 shall have jurisdiction in the matter, and the same proceeding
53 shall be had, the same penalties may be imposed, and the person
54 charged may purge himself of the contempt in the same way as in
55 the case of a person who has committed contempt in the trial of a
56 civil action before the Superior Court.

105 *d. The licensee shall be entitled to a hearing on the merits if he*
106 *files the required notice of defense within the time allowed by sub-*
107 *section c. of this section, and any such notice shall be deemed a*
108 *specific denial of all parts of the complaint not expressly admitted.*

57 d. Failure of a licensee to file a notice of defense or to request
58 or appear at the hearing shall constitute an admission of all matters
59 and facts contained in the complaint filed with respect to such
60 respondent. In such cases the commission may take action based
61 upon such admission or upon any other evidence, without any
62 further notice whatever to the licensee. In such cases the commis-
63 sion shall prepare and file a record containing the evidence upon
64 which the action was based.

65 e. After the hearing in a contested matter, and upon review of the
66 transcript, the commission shall render a written decision on the
67 merits, which shall contain findings of fact, determination of the
68 issues presented, and specifications of the penalty or penalties to
69 be imposed, if any; and shall thereafter make and enter its written
70 order in accordance with such decision. Copies of the decision and
71 order shall be served on the parties personally or sent to them by
72 certified mail. The decision shall become and remain effective upon
73 such service and until the commission shall otherwise order.

74 f. The commission may, upon motion therefor made within 10
75 days after service of the decision and order, order a rehearing
76 before the commission upon such terms and conditions as it may
77 deem just and proper. Such motion shall be granted only upon a
78 showing that there is additional evidence which is material and
79 necessary, and which would be reasonably likely to change the
80 decision of the commission, and that sufficient reason existed for
81 failure to present such evidence at the hearing of the commission.
82 The motion shall be supported by an affidavit of the moving party
83 or his counsel showing with particularity the materiality and
84 necessity of the additional evidence and the reason why it was not
85 introduced at the hearing. Upon rehearing, rebuttal evidence to the
86 additional evidence shall be admitted. After rehearing, the com-
87 mission may modify its decision and order as the additional evi-
88 dence may warrant.】

89 *Proceedings Against Licensees. a. Any proceeding against a*
90 *licensee shall be brought on by written complaint, which shall in-*
91 *clude a statement setting forth in ordinary and concise language*
92 *the charges and the acts or omissions supporting such charges.*

93 *b. Upon filing of the complaint, the commission shall serve a*
94 *copy upon the licensee either personally or by certified mail to his*
95 *address on file with the commission.*

96 *c. Within 15 days after service upon him of the complaint, the*
97 *licensee may file with the commission a notice of defense, in which*
98 *he may:*

- 99 (1) *Request a hearing;*
 100 (2) *Admit the accusation in whole or in part;*
 101 (3) *Present new matters or explanations by way of defense; or*
 102 (4) *State any legal objections to the complaint.*

103 *Within the time specified, the licensee may file one or more*
 104 *notices of defense upon any or all of the above grounds.*

105 *d. The licensee shall be entitled to a hearing on the merits if he*
 106 *files the required notice of defense within the time allowed by sub-*
 107 *section c. of this section, and any such notice shall be deemed a*
 108 *specific denial of all parts of the complaint not expressly admitted.*
 109 *Failure to timely file the required notice of defense or to appear*
 110 *at the hearing shall constitute an admission of all matters and*
 111 *facts contained in the complaint and a waiver of the licensee's*
 112 *rights to a hearing, but the commission, in its discretion, may*
 113 *nevertheless order a hearing. All affirmative defenses shall be*
 114 *specifically stated, and unless objection is taken as provided in*
 115 *paragraph (4) of subsection c. of this section, all objections to the*
 116 *form of the complaint shall be deemed waived.*

117 *e. The commission shall determine the time and place of the*
 118 *hearing as soon as is reasonably practical after receiving the*
 119 *licensee's notice of defense. The commission shall deliver or send*
 120 *by certified mail a notice to all parties at least 10 days prior to the*
 121 *hearing. Unless the licensee consents, the hearing shall not be held*
 122 *prior to the expiration time within which the licensee is entitled to*
 123 *file the notice of defense.*

124 *f. Prior to a hearing before the commission, and during a hear-*
 125 *ing upon reasonable cause shown, the commission shall issue sub-*
 126 *penas and subpenas duces tecum at the request of a licensee or the*
 127 *division.*

1 32. Section 113 of P. L. 1977, c. 110 (C. 5:12-113) is amended
 2 to read as follows:

3 113. *a. Swindling and Cheating; Penalties. Any person who by*
 4 *any trick or [slight] sleight of hand performance, or by a fraud*
 5 *or fraudulent scheme, cards, dice or device, for himself or for*
 6 *another wins or attempts to win [for himself or for another] money*
 7 *or property or a representative of either or reduces a losing wager*
 8 *or attempts to reduce a losing wager in connection with casino*
 9 *gaming is guilty of a misdemeanor and subject to not more than 3*
 10 *years imprisonment or a fine of \$25,000.00 or both, and in the case*
 11 *of a person other than a natural person, to a fine of not more than*
 12 *\$100,000.00.*

13 *b. Any person who by any trick or sleight of hand performance,*
 14 *or by fraud or fraudulent scheme, cards, dice or device, for him-*

15 *self or for another wins or attempts to win money or property or*
16 *a representative of either or reduces a losing wager or attempts*
17 *to reduce a losing wager in connection with casino gaming is guilty*
18 *of a disorderly persons offense if the value of such money or prop-*
19 *erty or representative of either is under \$25.00.*

1 33. Section 114 of P. L. 1977, c. 110 (C. 5:12-114) is amended
2 to read as follows:

3 114. Unlawful Use of Bogus Chips *or Gaming Billets*, Marked
4 Cards, Dice, Cheating Devices, Unlawful Coins; Penalty. a. It shall
5 be unlawful for any person playing any licensed gambling game:

6 (1) Knowingly to use bogus or counterfeit chips *or gaming*
7 *billets*, or knowingly to substitute and use in any such game cards
8 or dice that have been marked, loaded or tampered with; or

9 (2) Knowingly to use or possess any cheating device with intent
10 to cheat or defraud.

11 b. It shall be unlawful for any person, playing or using any slot
12 machine in a licensed casino:

13 (1) Knowingly to use other than a lawful coin or legal tender of
14 the United States of America, or to use coin not of the same
15 denomination as the coin intended to be used in such slot machine,
16 except that in the playing of any slot machine *or similar gaming*
17 *device*, it shall be lawful for any person to use *gaming billets*, tokens
18 or similar objects therein which are approved by the commission; or

19 (2) To use any cheating or thieving device, including but not
20 limited to tools, drills, wires, coins or tokens attached to strings
21 or wires, or electronic or magnetic devices, to facilitate the align-
22 ment of any winning combination or removing from any slot
23 machine any money or other contents thereof.

24 c. It shall be unlawful for any person knowingly to possess or
25 use while on the premises of a licensed casino, any cheating or
26 thieving device, including but not limited to tools, wires, drills,
27 coins attached to strings or wires or electronic or magnetic devices
28 to facilitate removing from any slot machine any money or contents
29 thereof, except that a duly authorized employee of a licensed casino
30 may possess and use any of the foregoing only in furtherance of his
31 employment in the casino.

32 d. It shall be unlawful for any person knowingly to possess or
33 use while on the premises of any licensed casino any key or device
34 designed for the purpose of or suitable for opening or entering
35 any slot machine *or similar gaming device* or drop box, except that
36 a duly authorized employee of a licensed casino or of the commis-
37 sion may possess and use any of the foregoing only in furtherance
38 of his employment.

39 e. Any person who violates this section is guilty of a misde-
 40 meanor and shall be subject to not more than 3 years imprison-
 41 ment or a fine of \$25,000.00 or both, and in the case of a person
 42 other than a natural person, to a fine of not more than \$100,000.00.

1 34. Section 14 of P. L. 1977, c. 110 (C. 5:12-140) is amended
 2 to read as follows:

3 140. License Fee on Slot Machines. a. In addition to any other
 4 tax or fee imposed by this act, there is also hereby imposed an
 5 annual license fee of \$200.00 upon every slot machine [which is sub-
 6 ject to the occupational tax on coin-operated devices under the
 7 provisions of the Federal Internal Revenue Code of 1954 and the
 8 amendments thereof and supplements thereto] *maintained for use*
 9 *or in use in licensed casino establishment in this State.*

10 b. License fees imposed under the provisions of this section
 11 shall be imposed as of July 1 of each year, with regard to all slot
 12 machines *maintained for use or in use on that date*, and on a pro
 13 rata basis thereafter during the year with regard to all slot ma-
 14 chines *maintained for use or placed in use after July 1.*

1 35. Section 144 of P. L. 1977, c. 110 (C. 5:12-144) is amended
 2 to read as follows:

3 144. Tax on Gross Revenues. a. There is hereby imposed an
 4 annual tax on gross revenues as defined in section 24 of this act
 5 in the amount of 8% of such gross revenues.

6 b. Commencing with the [third] *first* annual tax return of a
 7 licensee *for any calendar year beginning after December 31, 1978*,
 8 and based upon a determination that in said return or any annual
 9 return thereafter the gross revenue of a licensee in the calendar
 10 year upon which the tax is based exceeds the cumulative invest-
 11 ments in this State of said licensee as of that year, such licensee
 12 shall make investments in an amount not less than 2% of the gross
 13 revenue for said calendar year within a period of 5 years from the
 14 end of said calendar year. [Investments] *Fifty percent of the in-*
 15 *vestments* required as a result of any of the [five] *two* annual tax
 16 returns commencing with the [third] *first* annual tax return *for*
 17 *any calendar year beginning after December 31, 1978* shall be made
 18 in the municipality in which the licensed premises are located, *and*
 19 *50% of such investments shall be made in any other municipality*
 20 *of this State.* [Not less than 50%] *Twenty-five percent* of invest-
 21 ments required as a result of any annual tax return subsequent to
 22 the [seventh] *second* such return *in a series of returns the first of*
 23 *which is for a calendar year beginning after December 31, 1978*
 24 *shall be made in the municipality in which the licensed premises are*

25 *located, and 75%* shall be made in any other municipality of this
26 State.

27 All investments and cumulative investments made pursuant to
28 this Article shall be subject to a determination by the commission
29 as to the eligibility of such investments. In determining eligibility,
30 the commission shall consider the public interest, including the
31 social and economic benefits to be derived from such investments
32 for the people of this State.

33 c. For the purposes of this Article, "investments" means equity
34 investments in land and real property on which improvements are
35 made and in real property improvements. For the purpose of this
36 Article, "cumulative investments" means investments in and debt
37 financing of the licensed premises, plus other investments in and
38 debt financing of land and real property on which improvements
39 are made and real property improvements; provided, however,
40 that the investments and debt financing not associated with the
41 licensed premises have been made subsequent to July 6, 1976. Real
42 property and real property improvements sold or otherwise dis-
43 posed of by the licensee shall not be included for the purposes of
44 determining cumulative investments.

45 d. For the purposes of satisfying the amount of investments in
46 any given year and of determining cumulative investments as of
47 any given year, pursuant to subsection b., [actual monetary] con-
48 tributions *of money or realty* shall be included if the commission
49 determines that such contributions *best serve the public interest*
50 *and either (1) directly relate to the improvement, furtherance, and*
51 *promotion of the tourist industry in this State through the plan-*
52 *ning, acquisition, construction, improvement, maintenance, and*
53 *operation of recreation [and], entertainment, and other facilities*
54 *for the public, including, without limitation, a performing arts*
55 *center, the beaches and shore front of this State, and transporta-*
56 *tion facilities providing or enhancing service in resort areas of this*
57 *State, or (2) directly relate to the improvement, furtherance, and*
58 *promotion of the health and well-being of the people of this State*
59 *through the planning, acquisition, construction, improvement, main-*
60 *tenance, and operation of a facility, project or program approved*
61 *by the commission.*

62 e. In the event that the investments required in subsection b. of
63 this section are not made within the time set forth therein, there
64 shall be imposed an investment alternative tax in an amount equiv-
65 alent to 2% of gross revenue, which tax shall be added to the tax
66 determined under subsection a. of this section and shall be due and

67 payable in accordance with this section. For purposes of determin-
 68 ing whether the investment alternative shall be paid, the State
 69 Treasurer shall certify, under such rules and regulations as he
 70 shall promulgate consistent with the provisions of this Article, the
 71 amount of cumulative investments made by each licensee. In the
 72 event of the sale or other disposition of the licensed premises, any
 73 investment obligation imposed by subsection b. which is not satis-
 74 fied shall be immediately deemed due and payable as investment
 75 alternative tax, and said amount shall constitute a lien upon the
 76 licensed premises until paid, together with interest at the rate
 77 specified in the "State Tax Uniform Procedure Law," Subtitle 9 of
 78 Title 54 of the Revised Statutes; *provided, however, that the ap-*
 79 *pointment of a conservator under section 31 of P. L. 1978, c. 7 shall*
 80 *not constitute a sale or other disposition of the licensed premises*
 81 *within the meaning of this subsection, and provided further that if,*
 82 *in the judgment of the commission, a sale or other disposition does*
 83 *not significantly affect the operations of a casino licensee with*
 84 *respect to such premises, the commission may permit the invest-*
 85 *ment obligation imposed on such licensee to continue under such*
 86 *conditions as the commission may deem appropriate.*

87 f. The commission shall promulgate rules and regulations con-
 88 sistent with the provisions of this Article as to the eligibility of the
 89 investments and cumulative investments required by this Article.

1 36. This act shall take effect immediately.

SPONSOR'S STATEMENT

This bill amends the "Casino Control Act" and P. L. 1978, c. 7, the amendatory and supplementary act passed in March 1978. It is the result of several days of working sessions by the Assembly State Government Committee and incorporates recommendations of the Casino Control Commission and the Division of Gaming Enforcement.

Among the changes made by this bill are the following:

1. Variations of the six games authorized by the "Casino Control Act" are permitted, including the use of electronic devices.

2. More realistic pre- and post-employment restrictions are placed on commission members and employees and division employees and agents in certain instances.

3. Less cumbersome requirements for the filing of information by a corporate applicant are provided, but the commission still retains the flexibility to decide what information it needs and to demand that information.

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4. A casino employee license cannot be denied for the conviction of crimes listed as disqualification criteria if the individual has "affirmatively demonstrated" his rehabilitation.

5. The chairman of the Casino Control Commission, rather than the commission, is given the authority in normal circumstances to issue casino employee licenses.

6. The chairman is given the authority to issue temporary licenses to non-gaming related casino employees, casino hotel employees, and gaming school instructors for a period of six months, with one six-month renewal. The chairman is also authorized to grant a temporary casino key employee license to a casino employee who has been promoted but the investigation of whom has not been completed.

7. The term of licenses is extended from one year to three years for casino hotel employees, non-gaming related casino employees, and casino service industries, and two years for gaming-related casino employees and gaming school instructors.

8. Casino service industries may be authorized by the commission on a transaction-by-transaction basis to conduct business with casino licensees prior to the licensure of the casino service industry.

9. Exemption from the requirement for a casino service industry license may be made if the amount of business involved is insubstantial.

10. The period of a temporary casino permit is extended from six months to nine months, with a three-month extension, and the commission is given 70 rather than 42 days to decide on a temporary permit.

11. The existing sections on the conduct of hearings are reorganized and clarified.

12. The penalty for swindling and cheating is made applicable to unsuccessful as well as successful attempts at swindling and cheating, and the penalty is reduced to a disorderly persons offense if the amount involved is under 25.00.

13. The requirement for a 2% investment is to begin in the first rather than the third year of operation, and rather than total investment in Atlantic City for 5 years and then at least 50% outside the city, 50% is to be invested in and 50% outside Atlantic City for two years, and then 25% in and 75% outside Atlantic City. Also, contributions of money or realty for various recreation, entertainment, and other public purposes are permitted to satisfy the 2% investment requirement.

SENATE JUDICIARY COMMITTEE

STATEMENT TO

ASSEMBLY, No. 3485

STATE OF NEW JERSEY

DATED: AUGUST 6, 1979

As amended by the Senate Judiciary Committee, Assembly Bill No. 3485 would make the following changes in the Casino Control Act:

Section 1 amends the definition "authorized game" to allow for variations of the six games presently authorized (roulette, baccarat, blackjack, craps, big six wheel and slot machines) if authorized by the commission.

Section 2 amends the definition of "casino employee". Presently, "casino security employees" are specifically excluded from this definition. However, another section of the Casino Control Act provides that "casino security employees shall be considered casino employees and must . . . be licensed in accordance with the provisions of the act." The proposed modifications would clarify this confusing statutory scheme and require that persons providing physical security in a casino will be licensed to the standard of casino employee or, where appropriate, casino key employee.

Sections 3 and 4 amend the definitions of "game" and "gaming device" to permit the use of electronic equipment.

Section 5 amends the definition of the term "gross revenue" as applicable to a casino licensee in order to resolve an ambiguity in the present act with regard to the deduction permitted for bad checks received from gambling operations.

Section 6 amends the definition of "holding company" to mean any entity having power over "any significant part" of the outstanding voting securities of a corporation which holds or applies for a casino license. Presently, the Casino Control Act defines a holding company as an entity having control over any or all of the voting securities of a corporation.

Section 7 deletes the phrase "under one ownership" from the definition of "hotel" or "approved hotel". This deletion is made because the present definition is considered too inflexible since a casino developer may not be able to obtain total ownership; he may own part of a building and have to lease another part. Also, this change is made because the Casino Control Act does not directly address the matter of the land on which a hotel is located. Casino developers are having to put together parcels of land, either by purchase or by lease or both, in order to obtain the space necessary to build a casino-hotel.

Section 7 also amends the definition of "hotel" or "approved hotel" to clarify that the linkage of existing buildings by pedestrian passageways to increase the number of qualifying sleeping units in order to increase the maximum permissible casino size would not be permitted. The use of pedestrian passageways to annex additional facilities would be permitted, however, to increase the qualifying public space within an approved hotel so as to permit larger casino size.

Section 8 clarifies the definition of the term "junket" to incorporate the concept of travel for the purpose of gambling. This aligns the definition of "junket" with its ordinary usage in the casino industry and clearly differentiates junkets from complimentary services.

Section 9 amends the term "subsidiary" to mean any corporation, a "significant" part of which is controlled by a holding company or intermediary company. Presently, a subsidiary is defined as a corporation of which any or all interest is controlled by a holding company or intermediary corporation.

Section 10 raises the salary of the executive secretary of Casino Control Commission from \$35,000.00 to \$41,000.00.

Section 11 changes pre-employment restrictions placed on Casino Control Commission members and employees and employees and agents of the Division of Gaming Enforcement by:

A. Eliminating the present prohibition on hiring or appointing anyone who, for 3 years previously, held a direct or indirect interest in, or employment by, any person engaged in gaming, manufacturing gaming equipment, or operating pari-mutuel betting.

B. Modifying the present prohibition on hiring or appointing anyone who held a direct or indirect interest in, or employment by any person licensed by the commission to only those licensed as a casino hotel or a casino service industry. However, a person can be appointed or hired if his interest in a publicly traded casino hotel or casino service industry did not constitute a "controlling interest".

Section 12 corrects an incorrect reference.

Section 13 changes the post-employment restrictions for Casino Control Commission members and employees and Gaming Division employees and agents to permit them to be employed by, or acquire an interest in, any entity licensed as a casino service industry or applying for such a license. A partnership, firm, corporation that a former employee joins may appear before the Casino Control Commission on behalf of a casino service industry, but the former employee may not.

Section 14 corrects a misspelling.

Section 15 deals with the section of the Casino Control Act which permits the commission to establish a list excluding certain persons from casinos. As presently written, any person convicted of a crime

under the laws of New Jersey may be placed on that list. The proposed language would make any person convicted of a crime under the laws of any state eligible for placement on that list.

Section 16 contains a technical amendment.

Section 17 clarifies that employees of the commission, the Division of Gaming Enforcement and their employees are immune from liability for disclosure of information acquired during the licensing process, including the investigatory phase, unless such disclosures are "willfully unlawful".

Section 17 also adds a new subsection which imposes a duty on licensees and other qualified persons under the Casino Control Act to report any violation to the Commission or the Gaming Division.

Section 18 prescribes that persons who are eligible for and who are required to hold a casino license are listed. They are: owners; lessors or lessees of a casino-hotel and any other person who has any control over a casino-hotel or the land on which it is located or over the operation of a casino. The commission, with the concurrence of the Attorney General, may exempt any of the above from the requirement for a casino license if the person does not have any "significant control" over a casino-hotel or the operation of a casino, or if the person is an owner, lessor or lessee of only part of the hotel or land. The commission also has the authority to require any person or persons eligible for a casino license to organize into a form of business organization the commission deems necessary or desirable.

Section 18 also provides that the commission must approve all agreements for the leasing of a casino-hotel or the land under it and sets the following conditions for leases involving a casino-hotel or the land on which it is located: (a) each party must hold either a casino license or a casino service industry license; (b) the lease must be for at least 30 years; (c) the lease must concern 100% of the building or land; and (d) the lease must contain a "buy-out" provision which enables the casino licensee-lessee to buy the interest of any party to the lease who is found unsuitable by the commission. Any of these requirements can be waived by formal vote of the commission for good cause.

Section 18 also sets the following conditions for leases involving the management of a casino-hotel: (a) each party must hold a casino license, and (b) the agreement must be for complete management of the casino and be sufficiently long to "assure reasonable continuity, stability and independence" in the management of the casino.

Section 19 grants greater flexibility to the commission to establish the mixture of hotel rooms and public space vis-a-vis casino size in a casino-hotel.

Section 20 clarifies and emphasizes that the planning board is the exclusive local agency vested with the authority to determine location of a casino.

Section 21 provides that instead of mandating that the organization, financial structure and nature of all businesses operated by an applicant's holding, intermediary, and subsidiary companies, including the names and personal and employment histories of all officers, directors, and principal employees, be reported, only the names of all holding, intermediary, and subsidiary companies of a corporate applicant must be reported. All other information must be submitted only if the commission decides to require it.

Section 22 amends the section of the Casino Control Act on disqualification criteria. It takes into account the new penal code by adding the serious offenses delineated by the code to the list of offenses conviction of which would disqualify an individual from receiving a license under the Casino Control Act. Section 22 also deletes from this list of offenses certain Title 2A offenses which the commission and the division feel conviction of which does not require license disqualification, such as sale of unwholesome provisions, the sending of threatening letters and counterfeiting trademarks.

Section 22 also provides that if a conviction has been expunged or sealed that conviction shall not act to disqualify an applicant for licensure.

Section 23 deletes the present limitation of one casino license for each casino-hotel because of the flexibility given to the commission as noted above in connection with section 23 to require casino licenses to be held by various persons involved in ownership or management of a casino.

Section 24 would permit relaxation of the requirement that each applicant for a casino key employee license produce letters of reference from law enforcement and casino gaming enforcement agencies from the applicant's place of residence and principal place of business. Such letters of reference would only be produced upon request of the commission or gaming division. It is felt that this requirement, if inflexible, might prove to be difficult to administer. Section 24 would also permit the chairman to issue a temporary casino key employee license to casino employees who are being promoted.

Section 25 contains four amendments. The first will permit the chairman to issue, to renew and to endorse casino employee licenses for applicants when the Division of Gaming Enforcement has raised neither an objection nor any question regarding their suitability for licensure. This proposal will significantly reduce the processing time and backlog of applications by allowing the license to issue immediately

upon receipt of the investigation from the division instead of at the regularly scheduled biweekly commission meetings. At the same time, it will not result in a relaxation of the strict statutory standards since the full commission will be required to consider all applicants whenever any question is raised by the Division of Gaming Enforcement.

The second amendment permits temporary licensure of non-gaming related casino employees for a period which cannot exceed 1 year. This proposal will allow applicants to be employed in the industry pending permanent licensure, thereby removing the hardship imposed on applicants who must now wait substantial periods for a license. Additionally, it will permit a casino operation to employ adequate staff in order to effectively serve its patrons. The time limitation of 6 months and one additional 6 month period will operate to protect the strict regulatory goal of the statute, and insure that licensure is not circumvented.

The third amendment would permit a casino employee license to issue to a person convicted of a crime listed as disqualification criteria if the individual has "affirmatively demonstrated" his rehabilitation.

The fourth amendment provides that no conviction occurring 10 years prior to an application for licensure should act automatically to disqualify an individual from receiving a casino employee license.

Section 26 would allow the chairman to issue temporary licenses for casino hotel employees for a period of 6 months, with one 6 month renewal, instead of the present 5-day temporary license.

Section 26 also provides that no conviction occurring 10 years prior to an application for licensure should act automatically to disqualify an individual from receiving a hotel employee license.

Section 27 makes three amendments. First, it would permit the commission to authorize casino service industries to conduct business with casino licensees on a transaction-by-transaction basis prior to the licensure of the casino service industry.

The second amendment would give the chairman the authority to issue temporary licenses to gaming school instructors for a period of 6 months, with one 6 month renewal.

The third amendment would permit an exemption from the requirement for a casino service industry license if the amount of business involved is insubstantial. However, no exemption could be granted to a casino service industry under this section unless the casino service industry complies with the affirmative action provisions of the Casino Control Act.

Section 28 would extend the length of license terms from 1 year to 3 years for casino hotel employees, non-gaming related casino employees and casino service industries, and from 1 year to 2 years for gaming related casino employees and gaming school instructors.

Section 29 would change the application date for renewal of licenses from 90 to 120 days prior to the expiration of the current license.

Section 30 extends the period in which the commission must decide on an application for a temporary casino permit from 42 days to 70 days.

Section 31 extends the length of a temporary casino permit from 6 to 9 months.

Section 32 contains technical amendments.

Section 33 contains an amendment making it illegal for a casino licensee to require any wager to be greater than the stated minimum or less than the stated maximum. However, any wager that is actually made by a patron and not rejected is regarded as a valid wager.

Section 34 prohibits percentage contracts, which provide for payment of an interest or percentage or share of casino, unless (a) they provide profit-sharing for casino employees or casino key employees; (b) such contracts are part of an agreement for the leasing of a casino-hotel or the land under it and the agreement satisfies the conditions discussed in connection with section 18; (c) such contracts are for management of a casino and such contracts meet the condition discussed in connection with section 18; (d) agreements between a casino licensee and its holding company or an intermediary company.

Section 35 contains technical amendments.

Sections 36 and 37 reorganize and clarify the sections of the Casino Control Act dealing with the conduct of hearings before the commission. The amendments contained in these sections are aimed at assuring that the general procedural concepts which should be applicable to all contested case hearings of the commission are, in fact, so applied. Also, the language in section 36 has been revised to allow the commission to hear any contested case itself, to refer any such hearing to an administrative law judge or to designate one commissioner to preside at the hearing. Further, certain technical revisions are included to better effectuate the legislative intent and to avoid the appearance of conflict with the Administrative Procedure Act.

Section 38 makes the penalty for swindling and cheating applicable to unsuccessful as well as successful attempts at swindling and cheating and reduces the penalty to a disorderly persons offense, if the amount involved is less than \$25.00. Section 38 also changes the penalty for cheating and swindling to reflect the nomenclature of the new penal code.

Section 39 includes gaming billets among the devices the unlawful use of which is prohibited. Section 39 also changes the penalty for unlawful use of gambling devices to reflect the nomenclature of the new penal code.

Section 40 requires applicants for casino gambling licenses to demonstrate that equal employment opportunities have been afforded to all prospective and actual employees of contractors or sub-contractors involved in construction, renovation or reconstruction of structures or facilities to be used as an approved hotel or casino prior to the submission of architectural plans or site plans to the commission.

STATE OF NEW JERSEY
EXECUTIVE DEPARTMENT

January 3, 1980

ASSEMBLY BILL NO. 3485 (SENATE COMMITTEE SUBSTITUTE)

To the Senate:

Pursuant to Article V, Section I, Paragraph 14(b) of the Constitution, I herewith return Assembly Bill No. 3485 (Senate Committee Substitute) with my objections, for reconsideration.

The bill seeks to amend various portions of the Casino Control Act. These amendments are necessary in order to meet deficiencies perceived during the course of the first two years of the administration of the Act. The amendments will better enable the State to achieve the purposes enunciated in the original legislation.

I support, for the most part, the bill as proposed. I am returning the bill, however, in order to improve certain provisions. These corrections serve to refine the legislation to better insure that the goals of economic development and operational integrity are met.

Accordingly, I herewith return Assembly Bill No. 3485 (Senate Committee Substitute) with my recommendation for reconsideration and recommend that it be amended as follows:

Page 5, section 11, line 23: After "traded", insert "would not, in the opinion of the employing agency, interfere with the objective discharge of such person's employment obligations, but in no instance shall any person be appointed to or employed by the commission or division if his interest in such a casino hotel or casino service industry which is publicly traded constituted".

Page 5, section 11, line 23: Omit "did not constitute".

Page 16, section 18, line 104: After "unless", insert "the party receiving payment of such interest, percentage or share is a party to the approved lease agreement; unless".

Page 16, section 18, line 104: Omit "thereto" and insert "to the lease agreement".

Page 16, section 18, line 125: After "payment", insert "to the managing party".

Page 16, section 18, line 128: Omit "both".

Page 16, section 18, line 129: After "thereunder", insert ", agreements to jointly own an approved hotel building or the land thereunder".

Page 16, section 18, line 130: Omit "may, for good cause shown" and insert "shall".

Page 16, section 18, line 131: Omit "individually" and insert "jointly".

Page 16, section 18, line 132: Omit "another" and insert "any".

Page 22, section ²⁰22, line 77: After "zoning", insert "and planning".

Page 22, section ²⁰22, line 78: After "Atlantic City,", insert "without any use variance from the provisions thereof,".

Page 22, section ²⁰84, lines 80 through 84: Omit "and that the proposed facilities have been approved by the planning board of the city of Atlantic City as to the location and design, and as to compliance with the interim or final zoning ordinance and with all elements and requirements of the master plan of the city as approved by such planning board".

Page 26, section 22, lines 65 and 66: Omit "provided that such conviction occurred within the 10-year period immediately preceding application for licensure".

Page 28, section 22, line 162: After "conviction", insert "which did not occur within the 10 year period immediately preceding application for licensure and which the applicant demonstrates by clear and convincing evidence does not justify automatic disqualification pursuant to this subsection and any conviction"

Page 33, section 24, line 112: After line 112, insert new paragraph as follows:

"This subsection shall expire 18 months subsequent to its enactment; provided, however, that temporary licenses issued pursuant to this subsection may be continued and renewed subsequent to the expiration of this subsection as if such expiration had not occurred."

Page 34, section 25, line 58: After "casino.", insert "This subsection shall expire 18 months subsequent to its enactment; provided, however, that temporary licenses issued pursuant to this subsection may be continued and renewed subsequent to the expiration of this subsection as if such expiration had not occurred."

Page 37, section 27, line 41: After "period.", insert "The temporary licensing provisions of this subsection shall expire 18 months subsequent to its enactment; provided, however, that temporary licenses issued pursuant to this subsection may be continued and renewed subsequent to the expiration of the temporary licensing provisions of this subsection as if such expiration had not occurred."

Respectfully,

/s/ Brendan Byrne

GOVERNOR

[seal]

Attest:

/s/ Harold L. Hodes

CHIEF OF STAFF, SECRETARY