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**REPORTS:** No

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**NEWSPAPER ARTICLES:** Yes

“”McGreevey signs bill to ease casino regulations,” 8-15-2002 The Press, pC1

“New law streamlines casino regulations,” 8-15-2002 Burlington County Times, p.B3

“Law lets casinos openly offer free booze,” 8-15-2002 The Inquirer, p.B1

“McGreevey signs law streamlining casino regulations,” 8-15-2002 Asbury Park Press, p.A7

“McGreevey signs law easing some casino rules,” 8-15-2002 The Record, p.A4

P.L. 2002, CHAPTER 65, *approved August 14, 2002*  
Senate Bill No. 1656 (*First Reprint*)

1 **AN ACT** concerning casino gambling and proceeds thereof and  
2 amending and supplementing various parts of the statutory law <sup>1</sup>[,  
3 and providing for Senate Judiciary Committee oversight for the  
4 implementation thereof]<sup>1</sup>.

5

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

8

9 1. N.J.S.2C:21-5 is amended to read as follows:

10 2C:21-5. A person who issues or passes a check or similar sight  
11 order for the payment of money, knowing that it will not be honored  
12 by the drawee, commits an offense as provided for in subsection c. of  
13 this section. For the purposes of this section as well as in any  
14 prosecution for theft committed by means of a bad check, an issuer is  
15 presumed to know that the check or money order (other than a  
16 post-dated check or order) would not be paid, if:

17 a. The issuer had no account with the drawee at the time the check  
18 or order was issued; or

19 b. Payment was refused by the drawee for lack of funds, [upon  
20 presentation] or due to a closed account, after a deposit by the payee  
21 into a bank for collection or after presentation to the drawee within  
22 [30] 46 days after issue, and the issuer failed to make good within 10  
23 days after receiving notice of that refusal or after notice has been sent  
24 to the issuer's last known address. Notice of refusal may be given to  
25 the issuer orally or in writing in any reasonable manner by any person.

26 c. An offense under this section is:

27 (1) a crime of the second degree if the check or money order is  
28 \$75,000.00 or more;

29 (2) a crime of the third degree if the check or money order is  
30 \$1,000.00 or more but is less than \$75,000.00;

31 (3) a crime of the fourth degree if the check or money order is  
32 \$200.00 or more but is less than \$1,000.00;

33 (4) a disorderly persons offense if the check or money order is less  
34 than \$200.00.

35 (cf: P.L.1981, c.290, s.22)

36

37 2. (New section) “Cash equivalent value” – The monetary 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.**

**Matter underlined thus is new matter.**

**Matter enclosed in superscript numerals has been adopted as follows:**

<sup>1</sup> Senate SJU committee amendments adopted June 20, 2002.

1 that a casino licensee shall assign to a jackpot or payout that consists  
2 of merchandise or any thing of value other than cash, tokens, chips or  
3 plaques. The commission shall promulgate rules defining "cash  
4 equivalent value" in order to assure fairness, uniformity and  
5 comparability of valuation of jackpots and payoffs that include  
6 merchandise or any thing of value.

7  
8 3. Section 24 of P.L.1977, c.110 (C.5:12-24) is amended to read  
9 as follows:

10 24. "Gross Revenue"--The total of all sums, including checks  
11 received by a casino licensee pursuant to section 101 of this act,  
12 whether collected or not, actually received by a casino licensee from  
13 gaming operations, less only the total of all sums paid out as winnings  
14 to patrons and a deduction for uncollectible gaming receivables not to  
15 exceed the lesser of a reasonable provision for uncollectible patron  
16 checks received from gaming operations or 4% of the total of all sums  
17 including checks, whether collected or not, less the amount paid out  
18 as winnings to patrons; provided, however, that the cash equivalent  
19 value of any merchandise or thing of value included in a jackpot or  
20 payout shall not be included in the total of all sums paid out as  
21 winnings to patrons for purposes of determining gross revenue.  
22 "Gross Revenue" shall not include any amount received by a casino  
23 from casino simulcasting pursuant to the "Casino Simulcasting Act,"  
24 P.L.1992, c.19 (C.5:12-191 et al.).

25 For the purposes of this section, any check which is invalid and  
26 unenforceable pursuant to subsection f. of section 101 of P.L.1977,  
27 c.110 (C.5:12-101) shall be treated as cash received by the casino  
28 licensee from gaming operations.

29 (cf: P.L.1992, c.19, s.27)

30  
31 4. Section 26 of P.L.1977, c. 110 (C.5:12-26) is amended to read  
32 as follows:

33 26. "Holding company" --Any corporation, association, firm,  
34 partnership, trust or other form of business organization not a natural  
35 person which, directly or indirectly, owns, has the power or right to  
36 control, or has the power to vote any significant part of the  
37 outstanding voting securities of a corporation or other form of  
38 business organization which holds or applies for a casino license. For  
39 the purpose of this section, in addition to any other reasonable  
40 meaning of the words used, a "holding company" indirectly has, holds  
41 or owns any such power, right or security if it does so through any  
42 interest in a subsidiary or successive subsidiaries, however many such  
43 subsidiaries may intervene between the holding company and the  
44 **[corporate]** casino licensee or applicant.

45 (cf: P.L.1979, c.282, s.6)

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

3       27. "Hotel" or "approved hotel" -- A single building, or two or  
4 more buildings which are physically connected in a manner deemed  
5 appropriate by the commission and which are operated as one  
6 casino-hotel facility under the provisions of the "Casino Control Act,"  
7 P.L.1977, c.110 (C.5:12-1 et seq.), located within the limits of the city  
8 of Atlantic City as said limits were defined as of November 2, 1976,  
9 and containing not fewer than the number of sleeping units required by  
10 section 83 of P.L.1977, c.110 (C.5:12-83), each of which sleeping  
11 units shall: a. be at least 325 square feet measured to the center of  
12 perimeter walls, including bathroom and closet space and excluding  
13 hallways, balconies and lounges; b. contain private bathroom facilities;  
14 and c. be held available and used regularly for the lodging of tourists  
15 and convention guests. [In no event shall the main entrance or only  
16 access to an approved hotel be through a casino or simulcasting  
17 facility.]

18 (cf: P.L.1993, c.292, s.3)

19

20       6. Section 28 of P.L.1977, c. 110, (C.5:12-28) is amended to read  
21 as follows:

22       28. "Intermediary company" --Any corporation, association, firm,  
23 partnership, trust or any other form of business organization other than  
24 a natural person which:

25       a. Is a holding company with respect to a corporation or other  
26 form of business organization which holds or applies for a casino  
27 license, and

28       b. Is a subsidiary with respect to any holding company.

29 (cf: P.L.1977, c.110, s.28)

30

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

33       36. "Party" --The commission, the division, or any licensee,  
34 registrant, or applicant, or any person appearing of record for any  
35 licensee, registrant, or applicant in any proceeding before the  
36 commission or in any proceeding for judicial review of any action,  
37 decision or order of the commission.

38 (cf: P.L.1981, c.503, s.3)

39

40       8. Section 44 of P.L.1977, c. 110 (C.5:12-44) is amended to read  
41 as follows:

42       44. "Security" --Any instrument evidencing a direct or indirect  
43 beneficial ownership or creditor interest in a corporation or other form  
44 of business organization, including but not limited to, stock, common  
45 and preferred; bonds; mortgages; debentures; security agreements;  
46 notes; warrants; options and rights.

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

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

3       45. "Slot machine"--Any mechanical, electrical or other device,  
4 contrivance or machine which, upon insertion of a coin, token or  
5 similar object therein, or upon payment of any consideration  
6 whatsoever, is available to play or operate, the play or operation of  
7 which, whether by reason of the skill of the operator or application of  
8 the element of chance, or both, may deliver or entitle the person  
9 playing or operating the machine to receive cash or tokens to be  
10 exchanged for cash, or to receive merchandise or any thing of value  
11 whatsoever, whether the payoff is made automatically from the  
12 machine or in any other manner whatsoever, except that the cash  
13 equivalent value of any merchandise or other thing of value shall not  
14 be included [in the total of all sums paid out as winnings to patrons  
15 for purposes of determining gross revenues as defined by section 24  
16 of P.L.1977, c.110 (C.5:12-24) or be included] in determining the  
17 payout percentage of any slot machine. [The commission shall  
18 promulgate rules defining "cash equivalent value" in order to assure  
19 fairness, uniformity and comparability of valuation of slot machine  
20 payoffs.]

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

22

23       10. Section 69 of P.L.1977, c.110 (C.5:12-69) is amended to read  
24 as follows:

25       69. Regulations. a. The commission shall be authorized to adopt,  
26 amend, or repeal such regulations, consistent with the policy and  
27 objectives of this act, as amended, as it may deem necessary to protect  
28 the public interest in carrying out the provisions of this act.

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

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

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

39       e. Notwithstanding any other provision of this act or the  
40 "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.)  
41 to the contrary, the commission may, after notice provided in  
42 accordance with this subsection, authorize the temporary adoption,  
43 amendment or repeal of any rule concerning the conduct of gaming or  
44 simulcast wagering, or the use or design of gaming or simulcast  
45 wagering equipment, or the internal procedures and administrative and  
46 accounting controls required by section 99 of P.L.1977, c.110

1 (C.5:12-99) for a period not to exceed 270 days for the purpose of  
2 determining whether such rules should be adopted on a permanent  
3 basis in accordance with the requirements of this section. Any  
4 temporary rulemaking authorized by this subsection shall be subject to  
5 such terms and conditions as the commission may deem appropriate.  
6 Notice of any temporary rulemaking action taken by the commission  
7 pursuant to this subsection shall be published in the New Jersey  
8 Register, and provided to the newspapers designated by the  
9 commission pursuant to subsection d. of section 3 of P.L.1975, c.231  
10 (C.10:4-8), at least seven days prior to the implementation of the  
11 temporary rules. Nothing herein shall be deemed to require the  
12 publication of the text of any temporary rule adopted by the  
13 commission or notice of any modification of any temporary rulemaking  
14 initiated in accordance with this subsection. The text of any temporary  
15 rule adopted by the commission shall be [posted] available in each  
16 casino or simulcasting facility participating in the temporary  
17 rulemaking and shall be available upon request from the commission.  
18 (cf: P.L.1995, c.18, s.16)

19

20 11. Section 70 of P.L.1977, c.110 (C.5:12-70) is amended to read  
21 as follows:

22 70. Required Regulations. The commission shall, without  
23 limitation on the powers conferred in the preceding section, include  
24 within its regulations the following specific provisions in accordance  
25 with the provisions of this act:

26 a. Prescribing the methods and forms of application which any  
27 applicant shall follow and complete prior to consideration of his  
28 application by the commission;

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

32 c. Prescribing procedures for the fingerprinting of an applicant,  
33 employee of a licensee, or registrant, or other methods of  
34 identification which may be necessary in the judgment of the  
35 commission to accomplish effective enforcement of restrictions on  
36 access to the casino floor, the simulcasting facility, and other restricted  
37 areas of the casino hotel complex;

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

41 e. Prescribing the manner and method of collection of payments of  
42 taxes, fees, and penalties;

43 f. Defining and limiting the areas of operation, the rules of  
44 authorized games, odds, and devices permitted, and the method of  
45 operation of such games and devices;

46 g. Regulating the practice and procedures for negotiable

1 transactions involving patrons, including limitations on the  
2 circumstances and amounts of such transactions, and the establishment  
3 of forms and procedures for negotiable instrument transactions,  
4 redemptions, and consolidations;

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

7 i. Governing the manufacture, distribution, sale, and servicing of  
8 gaming devices and equipment;

9 j. Prescribing for gaming operations the procedures, forms and  
10 methods of management controls, including employee and supervisory  
11 tables of organization and responsibility, and minimum security  
12 standards, including security personnel structure, alarm and other  
13 electrical or visual security measures; provided, however, that the  
14 commission shall grant an applicant for a casino license or a casino  
15 licensee broad discretion concerning the organization and  
16 responsibilities of management personnel who are not directly involved  
17 in the supervision of gaming or simulcast wagering operations;

18 k. Prescribing the qualifications of, and the conditions pursuant to  
19 which, engineers, accountants, and others shall be permitted to  
20 practice before the commission or to submit materials on behalf of any  
21 applicant or licensee; provided, however, that no member of the  
22 Legislature, nor any firm with which said member is associated, shall  
23 be permitted to appear or practice or act in any capacity whatsoever  
24 before the commission or division regarding any matter whatsoever,  
25 nor shall any member of the family of the Governor or of a member of  
26 the Legislature be permitted to so practice or appear in any capacity  
27 whatsoever before the commission or division regarding any matter  
28 whatsoever;

29 l. Prescribing minimum procedures for the exercise of effective  
30 control over the internal fiscal affairs of a licensee, including  
31 provisions for the safeguarding of assets and revenues, the recording  
32 of cash and evidence of indebtedness, and the maintenance of reliable  
33 records, accounts, and reports of transactions, operations and events,  
34 including reports to the commission;

35 m. Providing for a minimum uniform standard of accountancy  
36 methods, procedures and forms; a uniform code of accounts and  
37 accounting classifications; and such other standard operating  
38 procedures, including those controls listed in section 99a. hereof, as  
39 may be necessary to assure consistency, comparability, and effective  
40 disclosure of all financial information, including calculations of  
41 percentages of profit by games, tables, gaming devices and slot  
42 machines;

43 n. Requiring quarterly financial reports and the form thereof, and  
44 an annual audit prepared by a certified public accountant licensed to  
45 do business in this State, attesting to the financial condition of a  
46 licensee and disclosing whether the accounts, records and control



1 procedures examined are maintained by the licensee as required by this  
2 act and the regulations promulgated hereunder;

3 o. Governing the gaming-related advertising of casino licensees,  
4 their employees and agents, with the view toward assuring that such  
5 advertisements are in no way deceptive; provided, however, that such  
6 regulations [ : (1) shall not prohibit the advertisement of casino  
7 location, hours of operation, or types of games and other amenities  
8 offered; (2) shall prohibit the advertisement of information about odds,  
9 the number of games, and the size of the casino or simulcasting  
10 facility; and (3)] shall require the words "Bet with your head, not over  
11 it," or some comparable language approved by the commission, to  
12 appear on all billboards, signs, and other on-site advertising of a casino  
13 operation and shall require the words "If you or someone you know  
14 has a gambling problem and wants help, call 1-800 GAMBLER," or  
15 some comparable language approved by the commission, which  
16 language shall include the words "gambling problem" and "call 1-800  
17 GAMBLER," to appear legibly on all print, billboard, and sign  
18 advertising of a casino operation; and

19 p. (Deleted by amendment, P.L.1991, c.182).

20 q. Concerning the distribution and consumption of alcoholic  
21 beverages on the premises of the licensee, which regulations shall be  
22 insofar as possible consistent with Title 33 of the Revised Statutes,  
23 and shall deviate only insofar as necessary because of the unique  
24 character of the hotel casino premises and operations;

25 r. (Deleted by amendment, P.L.1991, c.182).

26 (cf: P.L.1995, c.18, s.17)

27

28 12. Section 1 of P.L.2001, c.39 (C.5:12-71.2) is amended to read  
29 as follows:

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

39 b. The regulations of the commission shall establish procedures for  
40 placements on, and removals from, the list of self-excluded persons.  
41 Such regulations shall establish procedures for the transmittal to  
42 licensed casinos and simulcasting facilities of identifying information  
43 concerning self-excluded persons, and shall require licensed casinos  
44 and simulcasting facilities to establish procedures designed, at a  
45 minimum, to remove self-excluded persons from targeted mailings or  
46 other forms of advertising or promotions and deny self-excluded

1 persons access to credit, complementaries, check cashing privileges  
2 club programs, and other similar benefits.

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

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

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

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

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

27 (cf: P.L.2001, c.39, s.1)

28

29 13. Section 81 of P.L.1977, c.110 (C.5:12-81) is amended to read  
30 as follows:

31 81. Statement of compliance.

32 a. (1) The commission may, in its discretion, issue a statement of  
33 compliance to an applicant for any license or for qualification status  
34 under this act at any time the commission is satisfied that the applicant  
35 has established by clear and convincing evidence that one or more  
36 particular eligibility criteria have been satisfied by an applicant. A  
37 request for the issuance of a statement of compliance pursuant to this  
38 paragraph shall be initiated by the applicant filing a petition with the  
39 commission. Before the commission refers any such petition to the  
40 division for investigation, the commission may require the applicant to  
41 establish to the satisfaction of the commission that the applicant  
42 actually intends, if found qualified, to engage in the business or activity  
43 that would require the issuance of the license or the determination of  
44 qualification status.

45 (2) Any person who must be qualified pursuant to the "Casino  
46 Control Act," P.L.1977, c.110 (C.5:12-1 et seq.) in order to hold the

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

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

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

39 (1) the particular eligibility criterion satisfied by the applicant or  
40 person;

41 (2) the date as of which such satisfaction was determined by the  
42 commission;

43 (3) the continuing obligation of the applicant or person to file any  
44 information required by the commission or division as part of any  
45 application for a license or qualification status, including information  
46 related to the eligibility criterion for which the statement of

1 compliance was issued; and

2 (4) the obligation of the applicant or person to reestablish its  
3 satisfaction of the eligibility criterion should there be a change in any  
4 material fact or circumstance that is relevant to the eligibility criterion  
5 for which the statement of compliance was issued.

6 c. A statement of compliance certifying satisfaction of all of the  
7 requirements of subsection e. of section 84 of this act with respect to  
8 a specific casino hotel proposal submitted by an eligible applicant may  
9 be accompanied by a written commitment from the commission that a  
10 casino license shall be reserved for a period not to exceed 30 months  
11 or within such additional time period as the commission may, upon a  
12 showing of good cause therefor, establish and shall be issued to such  
13 eligible applicant with respect to such proposal provided that such  
14 applicant (1) complies in all respects with the provisions of this act,  
15 (2) qualifies for a casino license within a period not to exceed 30  
16 months of the date of such commitment or within such additional time  
17 period as the commission may, upon a showing of good cause  
18 therefor, establish, and (3) complies with such other conditions as the  
19 commission shall impose. The commission may revoke such  
20 reservation at any time it finds that the applicant is disqualified from  
21 receiving or holding a casino license or has failed to comply with any  
22 conditions imposed by the commission. Such reservation shall be  
23 automatically revoked if the applicant does not qualify for a casino  
24 license within the period of such commitment. No license other than  
25 a casino license shall be reserved by the commission.

26 d. Any statement of compliance issued pursuant to this section  
27 shall be withdrawn by the commission if:

28 (1) the applicant or person otherwise fails to satisfy the standards  
29 for licensure or qualification;

30 (2) the applicant or person fails to comply with any condition  
31 imposed by the commission; or

32 (3) the commission finds cause to revoke the statement of  
33 compliance for any other reason.

34 e. Notwithstanding any other provision of this section, unless  
35 otherwise extended by the commission upon application by the  
36 recipient and for good cause shown, any statement of compliance  
37 issued by the commission pursuant to this section shall expire 48  
38 months after its date of issuance, unless the recipient also has received  
39 a commitment for the reservation of a casino license, in which case the  
40 statement of compliance shall expire on the same date as the  
41 commitment.

42 f. Any statement of compliance issued by the commission prior to  
43 the effective date of this amendatory and supplementary act, P.L. , c.  
44 (now before the Legislature as this bill), shall expire in accordance  
45 with the provisions of subsection e. of this section as if the statement  
46 had been issued on such effective date, unless the statement is

1 otherwise extended, withdrawn or revoked prior to such date in  
2 accordance with the provisions of this section.

3 (cf: P.L.1995, c.18, s.22)

4

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

7 83. a. An approved hotel for purposes of this act shall be a hotel  
8 providing facilities in accordance with this section. Nothing in this  
9 section shall be construed to limit the authority of the commission to  
10 determine the suitability of facilities as provided in this act, and  
11 nothing in this section shall be construed to require a casino to be  
12 smaller than the maximum size herein provided.

13 b. [(1) In the case of a casino hotel in operation on June 29, 1991,  
14 a casino hotel shall include:

15 (a) an approved hotel containing at least the number of qualifying  
16 sleeping units, as defined in section 27 of P.L.1977, c.110 (C.5:12-27),  
17 which it had on that date, except that those units may be consolidated  
18 and reconfigured in order to form suites so long as there remain at  
19 least 500 qualifying sleeping units; and

20 (b) a casino, the total square footage of which shall not exceed the  
21 amount of casino space authorized on the basis of the provisions of  
22 this section which were in effect on June 28, 1991 and applicable to  
23 that casino hotel at that time, unless the number of qualifying sleeping  
24 units under subparagraph (a) of this paragraph and the number of any  
25 qualifying sleeping units added after June 29, 1991 permit an increase  
26 on the following basis: 60,000 square feet of casino space for the first  
27 500 qualifying sleeping units and 10,000 square feet of casino space  
28 for each additional 100 qualifying sleeping units above 500, up to a  
29 maximum of 200,000 square feet of casino space. No casino hotel in  
30 operation on June 29, 1991 shall be required to reduce the amount of  
31 its casino space below the amount authorized as of June 28, 1991  
32 unless the number of qualifying sleeping units is reduced below the  
33 number required in subparagraph (a) of this paragraph.

34 For the purpose of increasing casino space, an agreement approved  
35 by the commission for the addition of qualifying sleeping units within  
36 two years after the commencement of gaming operations in the  
37 additional casino space shall be deemed an addition of those rooms,  
38 but if the agreement is not fulfilled due to conditions within the control  
39 of the casino licensee, the casino licensee shall close the additional  
40 casino space or any portion thereof as directed by the commission.

41 The calculation of the number of qualifying sleeping units added  
42 with respect to any such casino hotel shall not include any qualifying  
43 sleeping unit or other hotel or motel room in existence in Atlantic City  
44 on June 29, 1991, whether or not that unit or room was offered or  
45 usable for occupancy on that date, or any replacement for such a unit  
46 or room which results from construction or renovation after that date,

1 except that any hotel room in existence in Atlantic City on June 29,  
2 1991 which was not used or available for use on that date and for at  
3 least 10 years prior to that date and which is reconstructed or replaced  
4 after the effective date of this amendatory and supplementary act,  
5 P.L.1993, c.159, and meets the specifications of a sleeping unit  
6 prescribed in section 27 of P.L.1977, c.110 (C.5:12-27) may be  
7 included in such calculation; any hotel room in existence in Atlantic  
8 City on June 29, 1991 which, for at least 10 years prior thereto, had  
9 been used as part of an annexed facility of a casino hotel, which facility  
10 was determined by the commission to be part of an approved hotel  
11 subsequent thereto and prior to the effective date of this amendatory  
12 and supplementary act, P.L.1995, c.18 (C.5:12-2.1 et al.), and meets,  
13 or was or is reconstructed or replaced to meet, the specifications of a  
14 sleeping unit prescribed in section 27 of P.L.1977, c.110 (C.5:12-27),  
15 may be included in such calculation; and any replacement which, in  
16 the judgment of the commission, is an integral element of a program  
17 of neighborhood rehabilitation undertaken by the casino licensee with  
18 the approval of the city of Atlantic City may also be included in such  
19 calculation.

20 (2) In the case of a hotel in operation on June 29, 1991 which was  
21 part of a casino hotel prior to, but not as of, that date, and which is  
22 reestablished as part of a casino hotel after that date, a casino hotel  
23 shall include:

24 (a) an approved hotel containing at least the number of qualifying  
25 sleeping units, as defined in section 27 of P.L.1977, c.110 (C.5:12-27),  
26 which it had on the date the casino ceased operations prior to June 29,  
27 1991, except that those units may be consolidated and reconfigured in  
28 order to form suites so long as there remain at least 500 qualifying  
29 sleeping units; and

30 (b) a casino, the total square footage of which shall not exceed the  
31 amount of casino space the casino had on the date it ceased operations  
32 prior to June 29, 1991 unless the number of qualifying sleeping units  
33 under subparagraph (a) of this paragraph and the number of any  
34 qualifying sleeping units added after that date permit an increase on  
35 the following basis: 60,000 square feet of casino space for the first 500  
36 qualifying sleeping units and 10,000 square feet of casino space for  
37 each additional 100 qualifying sleeping units above 500, up to a  
38 maximum of 200,000 square feet of casino space. No casino hotel  
39 which operates pursuant to this paragraph shall be required to reduce  
40 the amount of its casino space below the amount it had on the date it  
41 ceased operations unless the number of qualifying sleeping units is  
42 reduced below the number required in subparagraph (a) of this  
43 paragraph.

44 For the purpose of increasing casino space, an agreement approved  
45 by the commission for the addition of qualifying sleeping units within  
46 two years after the commencement of gaming operations in the

1 additional casino space shall be deemed an addition of those rooms,  
2 but if the agreement is not fulfilled due to conditions within the control  
3 of the casino licensee, the casino licensee shall close the additional  
4 casino space or any portion thereof as directed by the commission.

5 The calculation of the number of qualifying sleeping units added  
6 with respect to any such hotel shall not include any qualifying sleeping  
7 unit or other hotel or motel room in existence in Atlantic City on June  
8 29, 1991, whether or not that unit or room was offered or usable for  
9 occupancy on the effective date, or any replacement for such a unit or  
10 room which results from construction or renovation after that date,  
11 except that any hotel room in existence in Atlantic City on June 29,  
12 1991 which was not used or available for use on that date and for at  
13 least 10 years prior to that date and which is reconstructed or replaced  
14 after the effective date of this amendatory and supplementary act,  
15 P.L.1993, c.159, and meets the specifications of a sleeping unit  
16 prescribed in section 27 of P.L.1977, c.110 (C.5:12-27) may be  
17 included in such calculation, and any replacement which, in the  
18 judgment of the commission, is an integral element of a program of  
19 neighborhood rehabilitation undertaken by the casino licensee with the  
20 approval of the city of Atlantic City may also be included in such  
21 calculation.] Deleted by amendment, P.L.2002, c. (now before the  
22 Legislature as this bill).

23 c. [In the case of a casino hotel not in operation prior to or on  
24 June 29, 1991, a] A casino hotel shall include an approved hotel  
25 containing at least 500 qualifying sleeping units, as defined in section  
26 27 of the "Casino Control Act," P.L.1977, c.110 (C.5:12-27), and a  
27 casino, the total square footage of which shall not exceed 60,000  
28 square feet, except that for each additional 100 qualifying sleeping  
29 units above 500, the maximum amount of the casino space may be  
30 increased by 10,000 square feet, up to a maximum of 200,000 square  
31 feet of casino space. [The calculation of the number of qualifying  
32 sleeping units with respect to any such casino hotel shall not include  
33 any qualifying sleeping unit or other hotel or motel room in existence  
34 in Atlantic City on June 29, 1991, whether or not that unit or room  
35 was offered or usable for occupancy on that date, or any replacement  
36 for such a unit or room which results from construction or renovation  
37 after that date, except that any hotel room in existence in Atlantic City  
38 on June 29, 1991 which was not used or available for use on that date  
39 and for at least 10 years prior to that date and which is reconstructed  
40 or replaced after the effective date of this amendatory and  
41 supplementary act, P.L.1993, c.159, and meets the specifications of a  
42 sleeping unit prescribed in section 27 of P.L.1977, c.110 (C.5:12-27)  
43 may be included in such calculation, and any replacement which, in the  
44 judgment of the commission, is an integral element of a program of  
45 neighborhood rehabilitation undertaken by the casino licensee with the  
46 approval of the city of Atlantic City may also be included in such

1 calculation.] For the purpose of increasing casino space, an agreement  
2 approved by the commission for the addition of qualifying sleeping  
3 units within two years after the commencement of gaming operations  
4 in the additional casino space shall be deemed an addition of those  
5 sleeping units, but if the agreement is not fulfilled due to conditions  
6 within the control of the casino licensee, the casino licensee shall close  
7 the additional casino space or any portion thereof as directed by the  
8 commission.

9 d. Once a hotel is initially approved, the commission shall  
10 thereafter rely on the certification of the casino licensee with regard to  
11 the number of qualifying sleeping units and shall permit replacement,  
12 rehabilitation, renovation and alteration of any part of the approved  
13 hotel even if the replacement, rehabilitation, renovation, or alteration  
14 will mean that the casino licensee does not temporarily meet the  
15 requirements of subsection c. so long as the licensee certifies that the  
16 replacement, rehabilitation, renovation, or alteration shall be  
17 completed within one year or such other reasonable period of time as  
18 the commission may approve.

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

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

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

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

23 i. The commission shall not impose any criteria or requirements  
24 regarding the contents of the approved hotel in addition to the criteria  
25 and requirements expressly specified in the "Casino Control Act,"  
26 P.L.1977, c.110 (C.5:12-1 et seq.); provided, however, that the  
27 commission shall be authorized to require each casino licensee to  
28 establish and maintain an approved hotel which is in all respects a  
29 superior, first-class facility of exceptional quality which will help  
30 restore Atlantic City as a resort, tourist and convention destination.  
31 (cf: P.L.1996, c.84, s.4)

32  
33 15. Section 85 of P.L.1977, c.110 (C.5:12-85) is amended to read  
34 as follows:

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

38 (1) The organization, financial structure and nature of all  
39 businesses operated by the corporation; the names and personal  
40 employment and criminal histories of all officers, directors and  
41 principal employees of the corporation; the names of all holding,  
42 intermediary and subsidiary companies of the corporation; and the  
43 organization, financial structure and nature of all businesses operated  
44 by such of its holding, intermediary and subsidiary companies as the  
45 commission may require, including names and personal employment  
46 and criminal histories of such officers, directors and principal



- 1 employees of such corporations and companies as the commission may  
2 require;
- 3 (2) The rights and privileges acquired by the holders of different  
4 classes of authorized securities of such corporations and companies as  
5 the commission may require, including the names, addresses and  
6 amounts held by all holders of such securities;
- 7 (3) The terms upon which securities have been or are to be offered;
- 8 (4) The terms and conditions of all outstanding loans, mortgages,  
9 trust deeds, pledges or any other indebtedness or security devices  
10 utilized by the corporation;
- 11 (5) The extent of the equity security holding in the corporation of  
12 all officers, directors and underwriters, and their remuneration in the  
13 form of salary, wages, fees or otherwise;
- 14 (6) Names of persons other than directors and officers who occupy  
15 positions specified by the commission or whose compensation exceeds  
16 an amount determined by the commission, and the amount of their  
17 compensation;
- 18 (7) A description of all bonus and profit-sharing arrangements;
- 19 (8) Copies of all management and service contracts; and
- 20 (9) A listing of stock options existing or to be created.
- 21 b. If a corporation or other form of business organization applying  
22 for a casino license is, or if a corporation or other form of business  
23 organization holding a casino license is to become, a subsidiary, each  
24 holding company and each intermediary company with respect thereto  
25 must, as a condition of the said subsidiary acquiring or retaining such  
26 license, as the case may be:
- 27 (1) Qualify to do business in the State of New Jersey; and
- 28 (2) If it is a corporation, register with the commission and furnish  
29 the commission with all the information required of a corporate  
30 licensee as specified in subsection a. (1), (2) and (3) of this section and  
31 such other information as the commission may require; or
- 32 (3) If it is not a corporation, register with the commission and  
33 furnish the commission with such information as the commission may  
34 prescribe.
- 35 c. No corporation shall be eligible to hold a casino license unless  
36 each officer; each director; each person who directly or indirectly  
37 holds any beneficial interest or ownership of the securities issued by  
38 the corporation; any person who in the opinion of the commission has  
39 the ability to control the corporation or elect a majority of the board  
40 of directors of that corporation, other than a banking or other licensed  
41 lending institution which makes a loan or holds a mortgage or other  
42 lien acquired in the ordinary course of business; each principal  
43 employee; and any lender, underwriter, agent, employee of the  
44 corporation, or other person whom the commission may consider  
45 appropriate for approval or qualification would, but for residence,  
46 individually be qualified for approval as a casino key employee

1 pursuant to the provisions of this act.

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

5 (1) If it is a corporation, shall comply with the provisions of  
6 subsection c. of this section as if said holding or intermediary company  
7 were itself applying for a casino license; provided, however, that the  
8 commission with the concurrence of the director may waive  
9 compliance with the provisions of subsection c. hereof on the part of  
10 a [publicly-traded corporation which is a] holding company as to any  
11 officer, director, lender, underwriter, agent or employee thereof, or  
12 person directly or indirectly holding a beneficial interest or ownership  
13 of the securities of such corporation, where the commission and the  
14 director are satisfied that such officer, director, lender, underwriter,  
15 agent or employee is not significantly involved in the activities of the  
16 corporate licensee, and in the case of security holders, does not have  
17 the ability to control the [publicly-traded corporation] holding  
18 company or elect one or more directors thereof; or

19 (2) If it is not a corporation, shall comply with the provisions of  
20 subsection e. of this section as if said company were itself applying for  
21 a casino license; provided, however, that the commission with the  
22 concurrence of the director may waive compliance with the provisions  
23 of subsection e. of this section on the part of a noncorporate business  
24 organization which is a holding company as to any person who directly  
25 or indirectly holds any beneficial interest or ownership in such  
26 company, when the commission and the director are satisfied that such  
27 person does not have the ability to control the company.

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

38 f. Notwithstanding the provisions of subsections c. and d. of this  
39 section, and in the absence of a prima facie showing by the director  
40 that there is any cause to believe that the institutional investor may be  
41 found unqualified, an institutional investor holding either (1) under  
42 10% of the equity securities of a casino licensee's holding or  
43 intermediary companies, or (2) debt securities of a casino licensee's  
44 holding or intermediary companies, or another subsidiary company of  
45 a casino licensee's holding or intermediary companies which is related  
46 in any way to the financing of the casino licensee, where the securities

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

33 g. If at any time the commission finds that an institutional investor  
34 holding any security of a holding or intermediary company of a casino  
35 licensee, or, where relevant, of another subsidiary company of a  
36 holding or intermediary company of a casino licensee which is related  
37 in any way to the financing of the casino licensee, fails to comply with  
38 the terms of subsection f. of this section, or if at any time the  
39 commission finds that, by reason of the extent or nature of its  
40 holdings, an institutional investor is in a position to exercise such a  
41 substantial impact upon the controlling interests of a licensee that  
42 qualification of the institutional investor is necessary to protect the  
43 public interest, the commission may, in accordance with the provisions  
44 of subsections a. through e. of this section or subsections d. and e. of  
45 section 105 of P.L.1977, c.110 (C.5:12-105), take any necessary  
46 action to protect the public interest, including requiring such an

1 institutional investor to be qualified pursuant to the provisions of the  
2 "Casino Control Act," P.L.1977, c.110 (C.5:12-1 et seq.).  
3 (cf: P.L.1991, c.182, s.26)

4

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

7 91. Registration of Casino Service Employees.

8 a. No person may commence employment as a casino service  
9 employee unless the person has been registered with the commission,  
10 which registration shall be in accordance with subsection f. of this  
11 section.

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

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

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

- 37 (1) The nature and duties of the registrant's position;  
38 (2) The nature and seriousness of the offense or conduct;  
39 (3) The circumstances under which the offense or conduct  
40 occurred;  
41 (4) The date of the offense or conduct;  
42 (5) The age of the registrant when the offense or conduct was  
43 committed;  
44 (6) Whether the offense or conduct was an isolated or repeated  
45 incident;  
46 (7) Any social conditions which may have contributed to the

1 offense or conduct;

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

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

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

16 [Any person who, on the effective date of P.L.1995, c.18  
17 (C.5:12-2.1 et al.), possesses a current and valid casino hotel  
18 employee registration shall be considered registered in accordance  
19 with the provisions of this section.]

20 All casino hotel employee registrations shall expire 120 days after  
21 the effective date of this amendatory and supplementary act, P.L. , c.  
22 (now before the Legislature as this bill). Any holder of a casino hotel  
23 employee registration may until that date convert that registration to  
24 a casino service employee registration without fee.

25 (cf: P.L.1995, c.18, s.29)

26

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

29 92. Licensing and Registration of Casino Service Industries.

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

45 (2) In addition to the requirements of paragraph (1) of this  
46 subsection, any casino service industry intending to manufacture, sell,

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

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

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

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

1 casino service industry licensed pursuant to this subsection; provided,  
2 however, that no exemption be granted unless the casino service  
3 industry complies with the requirements of sections 134 and 135 of  
4 this act.

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

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

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

22 (cf: P.L.2001, c.134, s.2)

23

24 18. Section 93 of P.L.1977, c.110 (C.5:12-93) is amended to read  
25 as follows:

26 93. Registration of Labor Organizations.

27 a. Each labor organization, union or affiliate seeking to represent  
28 employees who are employed in a casino hotel, casino or casino  
29 simulcasting facility by a casino licensee shall register with the  
30 commission [~~annually~~] biennially, and shall disclose such information  
31 to the commission as the commission may require, including the names  
32 of all affiliated organizations, pension and welfare systems and all  
33 officers and agents of such organizations and systems; provided,  
34 however, that no labor organization, union, or affiliate shall be  
35 required to furnish such information to the extent such information is  
36 included in a report filed by any labor organization, union, or affiliate  
37 with the Secretary of Labor pursuant to 29 U.S.C.s.431 et seq. or s.  
38 1001 et seq. if a copy of such report, or of the portion thereof  
39 containing such information, is furnished to the commission pursuant  
40 to the aforesaid federal provisions. The commission may in its  
41 discretion exempt any labor organization, union, or affiliate from the  
42 registration requirements of this subsection where the commission  
43 finds that such organization, union or affiliate is not the certified  
44 bargaining representative of any employee who is employed in a casino  
45 hotel, casino or casino simulcasting facility by a casino licensee, is not  
46 involved actively, directly or substantially in the control or direction

1 of the representation of any such employee, and is not seeking to do  
2 so.

3 b. No person may act as an officer, agent or principal employee of  
4 a labor organization, union or affiliate registered or required to be  
5 registered pursuant to this section if the person has been found  
6 disqualified by the commission in accordance with the criteria  
7 contained in section 86 of that act. The commission may, for purposes  
8 of this subsection, waive any disqualification criterion consistent with  
9 the public policy of this act and upon a finding that the interests of  
10 justice so require.

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

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

19 e. The commission or the division may maintain a civil action and  
20 proceed in a summary manner, without posting bond, against any  
21 person, including any labor organization, union or affiliate, to compel  
22 compliance with this section, or to prevent any violations, the aiding  
23 and abetting thereof, or any attempt or conspiracy to violate this  
24 section.

25 f. In addition to any other remedies provided in this section, a labor  
26 organization, union or affiliate registered or required to be registered  
27 pursuant to this section may be prohibited by the commission from  
28 receiving any dues from any employee licensed or registered under that  
29 act and employed by a casino licensee or its agent, if any officer, agent  
30 or principal employee of the labor organization, union or affiliate has  
31 been found disqualified and if such disqualification has not been  
32 waived by the commission in accordance with subsection b. of this  
33 section. The commission or the division may proceed in the manner  
34 provided by subsection e. of this section to enforce an order of the  
35 commission prohibiting the receipt of dues.

36 g. Nothing contained in this section shall limit the power of the  
37 commission to proceed in accordance with subsection c. of section 107  
38 of P.L.1977, c.110 (C.5:12-107).

39 (cf: P.L.1995, c.18, s.31)

40

41 19. Section 95 of P.L.1977, c.110 (C.5:12-95) is amended to read  
42 as follows:

43 95. Renewal of Licenses and Registrations. Subject to the power  
44 of the commission to deny, revoke or suspend any license or  
45 registration, any license other than a casino license or any registration  
46 may be renewed upon proper application for renewal and the payment



1 of fees in accordance with the rules of the commission, but in no event  
2 later than the date of expiration of the current license or registration.

3 Notwithstanding the foregoing, in order to facilitate the efficient  
4 operation of the commission and the division, the commission shall  
5 have the authority, with the concurrence of the director of the division,  
6 to extend the period of any license other than a casino license, but in  
7 no event shall the expiration date be extended for more than two years.  
8 (cf: P.L.1987, c.354, s.16)

9

10 20. Section 97 of P.L.1977, c.110 (C.5:12-97) is amended to read  
11 as follows:

12 97. Hours of Operation. a. **[No] Each** casino licensed pursuant to  
13 this act shall **[operate between the hours of 6 a.m. and 10 a.m. on**  
14 **Saturdays, Sundays and State and federal holidays, or between the**  
15 **hours of 4 a.m. and 10 a.m. on all other days, except that the**  
16 **commission may extend the hours of operation, up to and including 24**  
17 **hours of operation, on any Saturday, Sunday, or State or federal**  
18 **holiday, or on any day that an extension of operating hours would, in**  
19 **the judgment of the commission, have an economic impact on the**  
20 **casino industry and on Atlantic City which would justify the extension**  
21 **of those hours. In making this finding, the commission shall consider,**  
22 **among other factors: (1) the anticipated volume of visitor, convention,**  
23 **or tourist traffic in Atlantic City as a result of any scheduled meetings**  
24 **or events; (2) any special promotions or market expansion programs**  
25 **undertaken by the casino industry or others to increase such traffic; or**  
26 **(3) any other basis for the conclusion that an extension of operating**  
27 **hours would, under the circumstances, effect a significant impact on**  
28 **the volume of casino business and thereby on the State revenues**  
29 **dependent thereupon. Any resolution approving an extension of**  
30 **operating hours shall be considered at a regularly scheduled meeting**  
31 **of the commission held pursuant to the "Open Public Meetings Act,"**  
32 **P.L.1975, c.231 (C.10:4-6 et seq.)] be permitted to operate 24 hours**  
33 **a day unless otherwise directed by the commission in accordance with**  
34 **its authority under P.L.1977, c.110 (C.5:12-1 et seq.).**

35 b. A casino licensee shall file with the commission a schedule of  
36 hours prior to the issuance of an initial operation certificate. If the  
37 casino licensee proposes any change in scheduled hours, such change  
38 may not be effected until such licensee files a notice of the new  
39 schedule of hours with the commission. Such filing must be made 30  
40 days prior to the effective date of the proposed change in hours.

41 c. Nothing herein shall be construed to limit a casino licensee in  
42 opening its casino later than, or closing its casino earlier than, the  
43 times stated in its schedule of operating hours; provided, however, that  
44 any such alterations in its hours shall comply with the provisions of  
45 subsection a. of this section and with regulations of the commission  
46 pertaining to such alterations.

47 (cf: P.L.1992, c.36, s.1)

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

3 99. Internal Controls.

4 a. Each applicant for a casino [licensee] license shall submit to the  
5 commission a description of its initial system of internal procedures  
6 and administrative and accounting controls for gaming and simulcast  
7 wagering operations [and a description of any changes thereof. Such]  
8 accompanied by a certification by its Chief Legal Officer or equivalent  
9 that the submitted procedures conform to the requirements of this act,  
10 P.L.1977, c.110 (C.5:12-1 et seq.), and the regulations promulgated  
11 thereunder, and a certification by its Chief Financial Officer or  
12 equivalent that the submitted procedures provide adequate and  
13 effective controls, establish a consistent overall system of internal  
14 procedures and administrative and accounting controls and conform  
15 to generally accepted accounting principles. Each applicant shall  
16 make its initial submission [shall be made] at least 30 days before such  
17 operations are to commence [or at least 30 days before any change in  
18 those procedures or controls is to take effect,] unless otherwise  
19 directed by the commission. [Notwithstanding the foregoing, the  
20 internal controls described in paragraph (3) of this subsection may be  
21 implemented by a casino licensee upon the filing of such internal  
22 controls with the commission.] <sup>1</sup>[A] Except as otherwise provided  
23 in subsection b. of this section, a<sup>1</sup> casino licensee, upon submission to  
24 the commission of a<sup>1</sup> narrative description of a<sup>1</sup> change in its system  
25 of internal procedures and controls and the two certifications  
26 described above, may<sup>1</sup> [immediately] , following the 15th day after  
27 submission,<sup>1</sup> implement the change. Each initial internal control  
28 submission shall contain [both] <sup>1</sup>a<sup>1</sup> narrative [and diagrammatic]  
29 <sup>1</sup>[representations] description<sup>1</sup> of the internal control system to be  
30 utilized by the casino, including, but not limited to:

31 (1) Accounting controls, including the standardization of forms and  
32 definition of terms to be utilized in the gaming and simulcast wagering  
33 operations;

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

39 (3) Job descriptions and the system of personnel and  
40 chain-of-command, establishing a diversity of responsibility among  
41 employees engaged in casino or simulcasting facility operations and  
42 identifying primary and secondary supervisory positions for areas of  
43 responsibility, which areas shall not be so extensive as to be  
44 impractical for an individual to monitor; salary structure; and  
45 personnel practices;

- 1 (4) Procedures within the cashier's cage and simulcast facility for  
2 the receipt, storage and disbursal of chips, cash, and other cash  
3 equivalents used in gaming and simulcast wagering; the cashing of  
4 checks; the redemption of chips and other cash equivalents used in  
5 gaming and simulcast wagering; the pay-off of jackpots and simulcast  
6 wagers; and the recording of transactions pertaining to gaming and  
7 simulcast wagering operations;
- 8 (5) Procedures for the collection and security of moneys at the  
9 gaming tables and in the simulcasting facility;
- 10 (6) Procedures for the transfer and recordation of chips between  
11 the gaming tables and the cashier's cage and the transfer and  
12 recordation of moneys within the simulcasting facility;
- 13 (7) Procedures for the transfer of moneys from the gaming tables  
14 to the counting process and the transfer of moneys within the  
15 simulcasting facility for the counting process;
- 16 (8) Procedures and security for the counting and recordation of  
17 revenue;
- 18 (9) Procedures for the security, storage and recordation of cash,  
19 chips and other cash equivalents utilized in the gaming and simulcast  
20 wagering operations;
- 21 (10) Procedures for the transfer of moneys or chips from and to the  
22 slot machines;
- 23 (11) Procedures and standards for the opening and security of slot  
24 machines;
- 25 (12) Procedures for the payment and recordation of slot machine  
26 jackpots;
- 27 (13) Procedures for the cashing and recordation of checks  
28 exchanged by casino and simulcasting facility patrons;
- 29 (14) Procedures governing the utilization of the private security  
30 force within the casino and simulcasting facility;
- 31 (15) Procedures and security standards for the handling and  
32 storage of gaming apparatus including cards, dice, machines, wheels  
33 and all other gaming equipment;
- 34 (16) Procedures and rules governing the conduct of particular  
35 games and simulcast wagering and the responsibility of casino  
36 personnel in respect thereto; and
- 37 (17) Procedures for separately recording all transactions pursuant  
38 to section 101 of this act involving the Governor, any State officer or  
39 employee, or any special State officer or employee, any member of the  
40 Judiciary, any member of the Legislature, any officer of a municipality  
41 or county in which casino gaming is authorized, or any gaming related  
42 casino employee, and for the quarterly filing with the Attorney General  
43 of a list reporting all such transactions.
- 44 [If required by regulation of the commission, each casino licensee  
45 shall also submit a description of its system of internal procedures and  
46 administrative and accounting controls for non-gaming operations and

1 a description of any changes thereto no later than five days after those  
2 operations commence or after any change in those procedures or  
3 controls takes effect.]

4 b. The commission [shall] <sup>1</sup>[may] shall<sup>1</sup> review [each] a  
5 submission [required by] made pursuant to subsection a. [hereof, and  
6 shall] to determine whether it conforms to the requirements of this act  
7 and to the regulations promulgated thereunder and [whether the  
8 system submitted] provides adequate and effective controls for the  
9 operations of the particular casino hotel submitting it <sup>1</sup>[, but shall  
10 complete its review no later than 30 days after the submission is  
11 made]<sup>1</sup>. If during its review, the commission preliminarily determines  
12 that a procedure in the submission contains a substantial and material  
13 insufficiency likely to have a direct and materially adverse impact on  
14 the integrity of gaming or simulcast wagering operations or the control  
15 of gross revenue, the chairman, by written notice to the <sup>1</sup>[applicant  
16 or]<sup>1</sup> casino licensee, <sup>1</sup>[which with respect to a change in a casino  
17 licensee's system of internal control procedures shall be no later than  
18 30 days after the submission is made,]<sup>1</sup> shall <sup>1</sup>: (1) <sup>1</sup>specify the  
19 precise nature of the insufficiency and, when possible, an acceptable  
20 alternative procedure, <sup>1</sup>[and shall] (2)<sup>1</sup> schedule a hearing before the  
21 full commission <sup>1</sup>[at its next regularly scheduled public meeting or  
22 such later date as the chairman deems appropriate] no later than 15  
23 days after the date of such written notice<sup>1</sup> to plenary and finally  
24 determine whether the procedure in question contains the described  
25 insufficiency <sup>1</sup>, and (3) direct that the internal controls in issue not yet  
26 implemented not be implemented until approved by the commission<sup>1</sup>.  
27 Upon receipt of the notice, the <sup>1</sup>[applicant or]<sup>1</sup> casino licensee <sup>1</sup>[may  
28 either] shall<sup>1</sup> proceed to the scheduled hearing before the full  
29 commission <sup>1</sup>[or] and may<sup>1</sup> submit a revised procedure addressing the  
30 concerns specified in the notice <sup>1</sup>[, which revised procedure the casino  
31 licensee may then immediately implement pursuant to subsection a. of  
32 this section and the commission may then further review pursuant to  
33 this subsection]<sup>1</sup>. [If the commission finds any insufficiencies, it shall  
34 specify same in writing to the casino licensee, who shall make  
35 appropriate alterations. When the commission determines a  
36 submission to be adequate in all respects, it shall notify the casino  
37 licensee of same. Except as otherwise provided in subsection a. of this  
38 section, no casino licensee shall commence or alter gaming operations  
39 unless and until such system of controls is approved by the  
40 commission.]

41 c. <sup>1</sup>[The internal control procedures contained in a submission  
42 made pursuant to subsection a. of this section shall be presumed to  
43 conform to the requirements of this act, P.L.1977, c.110 (C.5:12-1 et  
44 seq.), and the regulations promulgated thereunder and to provide  
45 adequate and effective controls. A casino licensee shall not be

1 prevented from implementing any such procedure in its operations  
2 unless and until the full commission enters a written order to that  
3 effect based upon a final determination made following a hearing  
4 provided for in subsection b. of this section that the procedure  
5 contains an insufficiency described pursuant to subsection b. of this  
6 section.] Notwithstanding the provisions of subsections a. and b.  
7 hereof, the commission shall, by regulation, permit changes to those  
8 internal controls required by subsection a. hereof that cannot have a  
9 material impact upon the integrity of gaming or simulcast wagering  
10 operations or the control and reporting of gross revenue, including  
11 those internal controls described in paragraph (3) of subsection a.  
12 hereof, to be implemented by a casino licensee immediately upon the  
13 preparation and internal filing of such internal controls.

14 d. Each casino licensee and applicant shall submit a narrative  
15 description of its system of internal procedures and administrative and  
16 accounting controls for the recording and reporting of all business  
17 transactions and agreements governed by sections 92 and 104 of  
18 P.L.1977, c.110 (C.5:12-92 and 5:12-104, as amended) no later than  
19 five days after those operations commence or after any change in those  
20 procedures or controls takes effect.<sup>1</sup>

21 (cf: P.L.1995, c.18, c.36)

22

23 22. Section 100 of P.L.1977, c.110 (C.5:12-100) is amended to  
24 read as follows:

25 100. Games and Gaming Equipment.

26 a. This act shall not be construed to permit any gaming except the  
27 conduct of authorized games in a casino room in accordance with this  
28 act and the regulations promulgated hereunder and in a simulcasting  
29 facility to the extent provided by the "Casino Simulcasting Act,"  
30 P.L.1992, c.19 (C.5:12-191 et al.). Notwithstanding the foregoing, if  
31 the commission approves the game of keno as an authorized game  
32 pursuant to section 5 of P.L.1977, c.110 (C.5:12-5), as amended, keno  
33 tickets may be sold or redeemed in accordance with commission  
34 regulations at any location in a casino hotel approved by the  
35 commission for such activity.

36 b. Gaming equipment shall not be possessed, maintained or  
37 exhibited by any person on the premises of a casino hotel except in a  
38 casino room, in the simulcasting facility, or in restricted casino areas  
39 used for the inspection, repair or storage of such equipment and  
40 specifically designated for that purpose by the casino licensee with the  
41 approval of the commission. Gaming equipment which supports the  
42 conduct of gaming in a casino or simulcasting facility but does not  
43 permit or require patron access, such as computers, may be possessed  
44 and maintained by a casino licensee in restricted casino areas  
45 specifically designated for that purpose by the casino licensee with the  
46 approval of the commission. No gaming equipment shall be possessed,

1 maintained, exhibited, brought into or removed from a casino room or  
2 simulcasting facility by any person unless such equipment is necessary  
3 to the conduct of an authorized game, has permanently affixed,  
4 imprinted, impressed or engraved thereon an identification number or  
5 symbol authorized by the commission, is under the exclusive control  
6 of a casino licensee or his employees, and is brought into or removed  
7 from the casino room or simulcasting facility following 24-hour prior  
8 notice given to an authorized agent of the commission.

9 Notwithstanding any other provision of this section, equipment  
10 which supports a multi-casino progressive slot system and links and  
11 interconnects slot machines of two or more casino licensees but is  
12 inaccessible to patrons, such as computers, may, with the approval of  
13 the commission, be possessed, maintained and operated by a casino  
14 licensee either in a restricted area on the premises of a casino hotel or  
15 in a secure facility specifically designed for that purpose off the  
16 premises of a casino hotel but within the city limits of the City of  
17 Atlantic City.

18 Notwithstanding the foregoing, a person may, with the prior  
19 approval of the commission and under such terms and conditions as  
20 may be required by the commission, possess, maintain or exhibit  
21 gaming equipment in any other area of the casino hotel; provided such  
22 equipment is used for nongaming purposes.

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

37 d. All chips used in gaming shall be of such size and uniform color  
38 by denomination as the commission shall require 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 shall  
41 be made according to rules promulgated by the commission, which  
42 shall establish such limitations as may be necessary to assure the  
43 vitality of casino operations and fair odds to patrons. Each slot  
44 machine shall have a minimum payout of 83%.

45 f. Each casino licensee shall make available in printed form to any  
46 patron upon request the complete text of the rules of the commission

1 regarding games and the conduct of gaming, pay-offs of winning  
2 wagers, an approximation of the odds of winning for each wager, and  
3 such other advice to the player as the commission shall require. Each  
4 casino licensee shall prominently post within a casino room and  
5 simulcasting facility, as appropriate, according to regulations of the  
6 commission such information about gaming rules, pay-offs of winning  
7 wagers, the odds of winning for each wager, and such other advice to  
8 the player as the commission shall require.

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

16 h. (1) No slot machine shall be used to conduct gaming unless it  
17 is identical in all electrical, mechanical and other aspects to a model  
18 thereof which has been specifically tested by the division and licensed  
19 for use by the commission. The division may, in its discretion, and for  
20 the purpose of expediting the approval process, refer testing to any  
21 testing laboratory with a plenary license as a casino service industry  
22 pursuant to subsection a. of section 92 of P.L.1977, c.110  
23 (C.5:12-92). The division shall give priority to the testing of slot  
24 machines which a casino licensee has certified it will use in its casino  
25 in this State. The commission shall, by regulation, establish such  
26 technical standards for licensure of slot machines, including mechanical  
27 and electrical reliability, security against tampering, the  
28 comprehensibility of wagering, and noise and light levels, as it may  
29 deem necessary to protect the player from fraud or deception and to  
30 insure the integrity of gaming. The denominations of such machines  
31 shall be set by the licensee; the licensee shall simultaneously notify the  
32 commission of the settings.

33 (2) The commission shall, by regulation, determine the permissible  
34 number and density of slot machines in a licensed casino so as to:

35 (a) promote optimum security for casino operations;

36 (b) avoid deception or frequent distraction to players at gaming  
37 tables;

38 (c) promote the comfort of patrons;

39 (d) create and maintain a gracious playing environment in the  
40 casino; and

41 (e) encourage and preserve competition in casino operations by  
42 assuring that a variety of gaming opportunities is offered to the public.

43 Any such regulation promulgated by the commission which  
44 determines the permissible number and density of slot machines in a  
45 licensed casino shall provide that all casino floor space and all space  
46 within a casino licensee's casino simulcasting facility shall be included

1 in any calculation of the permissible number and density of slot  
2 machines in a licensed casino.

3 i. (Deleted by amendment, P.L.1991, c.182).

4 j. (Deleted by amendment, P.L.1991, c.182).

5 k. It shall be unlawful for any person to exchange or redeem chips  
6 for anything whatsoever, except for currency, negotiable personal  
7 checks, negotiable counter checks, other chips, coupons or  
8 complimentary vouchers distributed by the casino licensee, or, if  
9 authorized by regulation of the commission, a valid charge to a credit  
10 or debit card account. A casino licensee shall, upon the request of any  
11 person, redeem that licensee's gaming chips surrendered by that person  
12 in any amount over \$100 with a check drawn upon the licensee's  
13 account at any banking institution in this State and made payable to  
14 that person. <sup>1</sup>[Except as provided in section 2 of P.L.2001, c.39  
15 (C.5:12-71.3), an unredeemed or outstanding gaming chip, gaming  
16 plaque, slot token, prize token or gaming voucher liability of a casino  
17 licensee shall not be subject to forfeiture, escheat, or other disposition  
18 provided in the laws of this State, including, but not limited to,  
19 R.S.46:30B-1 et seq.]<sup>1</sup>

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

24 m. It shall be unlawful for a dealer in any authorized game in which  
25 cards are dealt to deal cards by hand or other than from a device  
26 specifically designed for that purpose, unless otherwise permitted by  
27 the rules of the commission.

28 n. It shall be unlawful for any casino key employee or any person  
29 who is required to hold a casino key employee license as a condition  
30 of employment or qualification to wager in any casino or simulcasting  
31 facility in this State, or any casino employee, other than a junket  
32 representative, bartender, waiter, waitress, or other casino employee  
33 who, in the judgment of the commission, is not directly involved with  
34 the conduct of gaming operations, to wager in a casino or simulcasting  
35 facility in the casino hotel in which the employee is employed or in any  
36 other casino or simulcasting facility in this State which is owned or  
37 operated by the same casino licensee. Any casino employee, other  
38 than a junket representative, bartender, waiter, waitress, or other  
39 casino employee who, in the judgment of the commission, is not  
40 directly involved with the conduct of gaming operations, must wait at  
41 least 30 days following the date that the employee either leaves  
42 employment with a casino licensee or is terminated from employment  
43 with a casino licensee before the employee may gamble in a casino or  
44 simulcasting facility in the casino hotel in which the employee was  
45 formerly employed or in any other casino or simulcasting facility in this  
46 State which is owned or operated by the same casino licensee.



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

6 (2) A dealer may accept tips or gratuities from a patron at the table  
7 at which such dealer is conducting play, subject to the provisions of  
8 this subsection. All such tips or gratuities shall be immediately  
9 deposited in a lockbox reserved for that purpose, accounted for, and  
10 placed in a pool for distribution pro rata among the dealers, with the  
11 distribution based upon the number of hours each dealer has worked,  
12 except that the commission may permit a separate pool to be  
13 established for dealers in the game of poker, or may permit tips or  
14 gratuities to be retained by individual dealers in the game of poker.  
15 (cf: P.L.1998, c.141, s.1)

16

17 23. Section 101 of P.L.1977, c.110 (C.5:12-101) is amended to  
18 read as follows:

19 101. Credit. a. Except as otherwise provided in this section, no  
20 casino licensee or any person licensed under this act, and no person  
21 acting on behalf of or under any arrangement with a casino licensee or  
22 other person licensed under this act, shall:

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

27 (2) Release or discharge any debt, either in whole or in part, or  
28 make any loan which represents any losses incurred by any player in  
29 gaming or simulcast wagering activity, without maintaining a written  
30 record thereof in accordance with the rules of the commission.

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

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

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

40 (3) The check is presented to the cashier or the cashier's  
41 representative at a location in the casino approved by the commission  
42 and is exchanged for cash or slot tokens which total an amount equal  
43 to the amount for which the check is drawn, or the check is presented  
44 to the cashier's representative at a gaming table in exchange for chips  
45 which total an amount equal to the amount for which the check is  
46 drawn; and

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

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

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

46 In computing a time period prescribed by this subsection, the last

1 day of the period shall be included unless it is a Saturday, Sunday, or  
2 a State or federal holiday, in which event the time period shall run until  
3 the next business day.

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

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

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

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

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

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

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

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

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

38 (1) (a) The check is drawn by a casino licensee pursuant to the  
39 provisions of subsection k. of section 100 of P.L.1977, c.110  
40 (C.5:12-100) or upon a withdrawal of funds from an account  
41 established in accordance with the provisions of subsection b. of this  
42 section or is drawn by a casino licensee as payment for winnings from  
43 an authorized game or simulcast wagers;

44 (b) The check is issued by a banking institution which is chartered  
45 in a country other than the United States on its account at a federally  
46 chartered or state-chartered bank and is made payable to "cash,"

- 1 "bearer," a casino licensee, or the person presenting the check;
- 2 (c) The check is issued by a banking institution which is chartered  
3 in the United States on its account at another federally chartered or  
4 state-chartered bank and is made payable to "cash," "bearer," a casino  
5 licensee, or the person presenting the check;
- 6 (d) The check is issued by an annuity jackpot trust as payment for  
7 winnings from an annuity jackpot; or
- 8 (e) The check is issued by an affiliate of a casino licensee that holds  
9 a gaming license in any jurisdiction;
- 10 (2) The check is identifiable in a manner approved by the  
11 commission as a check issued for a purpose listed in paragraph (1) of  
12 this subsection;
- 13 (3) The check is dated, but not postdated;
- 14 (4) The check is presented to the cashier or the cashier's  
15 representative by the original payee and its validity is verified by the  
16 drawer in the case of a check drawn pursuant to subparagraph (a) of  
17 paragraph (1) of this subsection, or the check is verified in accordance  
18 with regulations promulgated by the commission in the case of a check  
19 issued pursuant to subparagraph (b), (c), (d) or (e) of paragraph (1) of  
20 this subsection; and
- 21 (5) The regulations concerning check cashing procedures are  
22 observed by the casino licensee and its employees and agents.
- 23 No casino licensee shall issue a check for the purpose of making a  
24 loan or otherwise providing or allowing any advance or credit to a  
25 person to enable the person to take part in gaming or simulcast  
26 wagering activity as a player.
- 27 h. [(1)] Notwithstanding the provisions of subsection b. and  
28 subsection c. of this section to the contrary, a casino licensee may, at  
29 a location outside the casino, accept a personal check or checks from  
30 a person for up to [[\$1,500] \$5,000] in exchange for cash or cash  
31 equivalents, and may, at such locations within the casino or casino  
32 simulcasting facility as may be permitted by the commission, accept a  
33 personal check or checks for up to [[\$1,500] \$5,000] in exchange for  
34 cash, cash equivalents, tokens, chips, or plaques to enable the person  
35 to take part in gaming or simulcast wagering activity as a player,  
36 provided that:
- 37 (a) The check is drawn on the patron's bank or brokerage cash  
38 management account;
- 39 (b) The check is for a specific amount;
- 40 (c) The check is made payable to the casino licensee;
- 41 (d) The check is dated but not post-dated;
- 42 (e) The patron's identity is established by examination of one of the  
43 following: valid credit card, driver's license, passport, or other form  
44 of identification credential which contains, at a minimum, the patron's  
45 signature;
- 46 (f) The check is restrictively endorsed "For Deposit Only" to the

1 casino licensee's bank account and deposited on the next banking day  
2 following the date of the transaction; [and]

3 (g) The total amount of personal checks accepted by any one  
4 licensee pursuant to this subsection that are outstanding at any time,  
5 including the current check being submitted, does not exceed  
6 ~~[\$1,500.]~~ \$5,000;

7 [(2) Nothing in paragraph (1) of this subsection shall be construed  
8 to limit the authority of a casino licensee to accept, and exchange for  
9 cash or cash equivalents other than tokens, chips, or plaques, a check  
10 from a patron that is not offered or exchanged in order to enable the  
11 patron or anyone else to take part in gaming or simulcast wagering  
12 activity as a player, provided that:

13 (a) The patron so certifies;

14 (b) The casino licensee has no reason to believe that the cash or  
15 cash equivalents will be used to enable the patron or anyone else to  
16 take part in gaming or simulcast wagering activity as a player;

17 (c) The check is not accepted or exchanged in the casino or  
18 simulcasting facility; and

19 (d) The casino licensee maintains full documentation of the  
20 transaction in accordance with regulations established by the  
21 commission.]

22 (h) The casino licensee has an approved system of internal controls  
23 in place that will enable it to determine the amount of outstanding  
24 personal checks received from any patron pursuant to this subsection  
25 at any given point in time; and

26 (i) The casino licensee maintains a record of each such transaction  
27 in accordance with regulations established by the commission.

28 i. Checks cashed pursuant to the provisions of [paragraph (1) of]  
29 subsection h. of this section which are subsequently uncollectable may  
30 not be deducted from the total of all sums received in calculating gross  
31 revenue pursuant to section 24 of P.L.1977, c.110 (C.5:12-24).

32 j. A person may request the commission to put that person's name  
33 on a list of persons to whom the extension of credit by a casino as  
34 provided in this section would be prohibited by submitting to the  
35 commission the person's name, address, and date of birth. The person  
36 does not need to provide a reason for this request. The commission  
37 shall provide this list to the credit department of each casino; neither  
38 the commission nor the credit department of a casino shall divulge the  
39 names on this list to any person or entity other than those provided for  
40 in this subsection. If such a person wishes to have that person's name  
41 removed from the list, the person shall submit this request to the  
42 commission, which shall so inform the credit departments of casinos  
43 no later than three days after the submission of the request.

44 k. Notwithstanding the provisions of paragraph (4) of subsection  
45 b. of this section to the contrary, a casino licensee may, prior to the  
46 completion of the verifications that are otherwise required by the rules

1 of the commission for a casino licensee to issue credit, accept a check  
2 from a person to enable such person to take part in gaming or  
3 simulcast wagering as a player, or may give cash or cash equivalents  
4 in exchange for such check, provided that:

5 (1) the casino licensee records in the credit file of the person:

6 (a) the efforts that were made to complete the required  
7 verifications and the reasons why the verifications could not be  
8 completed; and

9 (b) a description of the criteria that were relied upon in  
10 determining to issue credit to the person prior to the completion of the  
11 required verifications;

12 (2) the check otherwise complies with the requirements of  
13 subsection b. of this section and is processed by the casino licensee in  
14 accordance with all other provisions of this section and the regulations  
15 of the commission; and

16 (3) any check accepted by a casino licensee pursuant to the  
17 provisions of this subsection:

18 (a) is clearly marked as such in a manner approved by the  
19 commission; and

20 (b) may not be deducted from the total of all sums received in  
21 calculating gross revenue pursuant to section 24 of P.L.1977, c.110  
22 (C.5:12-24), even if such check should subsequently prove  
23 uncollectible or the casino licensee completes all of the required  
24 verifications prior to its deposit or presentment.

25 (cf: P.L.1995, c.18, s.38)

26

27 24. Section 102 of P.L.1977, c.110 (C.5:12-102) is amended to  
28 read as follows:

29 102. Junkets and Complimentary Services.

30 a. No junkets may be organized or permitted except in accordance  
31 with the provisions of this act. No person may act as a junket  
32 representative or junket enterprise except in accordance with this  
33 section.

34 b. A junket representative employed by a casino licensee, an  
35 applicant for a casino license or an affiliate of a casino licensee shall  
36 be licensed as a casino employee in accordance with the provisions of  
37 P.L.1977, c.110 (C.5:12-1 et seq.); provided, however, that said  
38 licensee need not be a resident of this State. Any person who holds a  
39 current and valid casino employee license may act as a junket  
40 representative while employed by a casino licensee or an affiliate. No  
41 casino licensee or applicant for a casino license may employ or  
42 otherwise engage a junket representative who is not so licensed.

43 c. Junket enterprises which, and junket representatives not  
44 employed by a casino licensee or an applicant for a casino license or  
45 by a junket enterprise who, are engaged in activities governed by this  
46 section shall be subject to the provisions of subsection c. of section 92

1 and subsection b. of section 104 of P.L.1977, c.110 (C.5:12-92 and  
2 5:12-104) with regard to those activities, unless otherwise directed by  
3 the commission pursuant to subsection k. of this section. Such of the  
4 owners, management and supervisory personnel, and other principal  
5 employees of a junket enterprise as the commission may consider  
6 appropriate for qualification shall qualify under the standards, except  
7 for residency, established for qualification of a casino key employee  
8 under P.L.1977, c.110 (C.5:12-1 et seq.).

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

16 e. Upon petition by the holder of a casino license, an applicant for  
17 junket representative licensure may be issued a temporary license by  
18 the commission, provided that:

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

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

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

27 (4) the division does not object to the temporary licensure of the  
28 applicant; provided, however, that failure of the division to object  
29 prior to the temporary licensure of the applicant shall not be construed  
30 to reflect in any manner upon the qualifications of the applicant for  
31 licensure.

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

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

46 f. Every agreement concerning junkets entered into by a casino

1 licensee and a junket representative or junket enterprise shall be  
2 deemed to include a provision for its termination without liability on  
3 the part of the casino licensee, if the commission orders the  
4 termination upon the suspension, limitation, conditioning, denial or  
5 revocation of the licensure of the junket representative or junket  
6 enterprise, in accordance with the provisions of P.L.1977, c.110  
7 (C.5:12-1 et seq.). Failure to expressly include such a condition in the  
8 agreement shall not constitute a defense in any action brought to  
9 terminate the agreement.

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

15 h. A casino licensee shall be responsible for any violation or  
16 deviation from the terms of a junket. Notwithstanding any other  
17 provisions of this act, the commission may, after hearings in  
18 accordance with this act, order restitution to junket participants, assess  
19 penalties for such violations or deviations, prohibit future junkets by  
20 the casino licensee, junket enterprise or junket representative, and  
21 order such further relief as it deems appropriate.

22 i. The commission shall, by regulation, prescribe methods,  
23 procedures and forms for the delivery and retention of information  
24 concerning the conduct of junkets by casino licensees. Without  
25 limitation of the foregoing, each casino licensee, in accordance with  
26 the rules of the commission, shall:

27 (1) Maintain on file a report describing the operation of any junket  
28 engaged in on its premises;

29 (2) (Deleted by amendment, P.L.1995, c.18.); and

30 (3) Submit to the commission and division a list of all its  
31 employees who are acting as junket representatives.

32 j. Each casino licensee, junket representative or junket enterprise  
33 shall, in accordance with the rules of the commission, file a report with  
34 the division with respect to each list of junket patrons or potential  
35 junket patrons purchased directly or indirectly by the casino licensee,  
36 junket representative or enterprise.

37 k. The commission shall have the authority to determine, either by  
38 regulation, or upon petition by the holder of a casino license, that a  
39 type of arrangement otherwise included within the definition of  
40 "junket" established by section 29 of P.L.1977, c.110 (C.5:12-29) shall  
41 not require compliance with any or all of the requirements of this  
42 section. The commission shall seek the opinion of the division prior to  
43 granting any exemption. In granting exemptions, the commission shall  
44 consider such factors as the nature, volume and significance of the  
45 particular type of arrangement, and whether the exemption would be  
46 consistent with the public policies established by this act. In applying



1 the provisions of this subsection, the commission may condition, limit,  
2 or restrict any exemption as the commission may deem appropriate.

3 1. No junket enterprise or junket representative or person acting as  
4 a junket representative may:

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

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

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

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

17 (5) Pay for any services, including transportation, or other items of  
18 value provided to, or for the benefit of, any patron participating in a  
19 junket.

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

22 (1) The complimentary consists of room, food, beverage or  
23 entertainment expenses provided directly to the patron and his guests  
24 by the licensee or indirectly to the patron and his guests on behalf of  
25 a licensee by a third party; or

26 (2) The complimentary consists of documented transportation  
27 expenses provided directly to the patron and his guests by the licensee  
28 or indirectly to the patron and his guests on behalf of a licensee by a  
29 third party, provided that the licensee complies with regulations  
30 promulgated by the commission to ensure that a patron's and his  
31 guests' documented transportation expenses are paid for or reimbursed  
32 only once; or

33 (3) The complimentary consists of coins, tokens, cash or other  
34 complimentary items or services provided through a bus coupon or  
35 other complimentary distribution program which, notwithstanding the  
36 requirements of section 99 of P.L.1977, c.110 (C.5:12-99), shall be  
37 filed with the commission upon the implementation of the program or  
38 maintained pursuant to commission regulation.

39 Notwithstanding the foregoing, a casino licensee may offer and  
40 provide complimentary cash or noncash gifts which are not otherwise  
41 included in paragraphs (1) through (3) of this subsection to any  
42 person, provided that any such gifts in excess of \$2,000.00 per trip, or  
43 such greater amount as the commission may establish by regulation,  
44 are supported by documentation regarding the reason the gift was  
45 provided to the patron and his guests, including where applicable, a  
46 patron's player rating, which documentation shall be maintained by the

1 casino licensee. For the purposes of this paragraph, all gifts presented  
2 to a patron and the patron's guests directly by the licensee or indirectly  
3 on behalf of the licensee by a third party within any five-day period  
4 shall be considered to have been made during a single trip. [In the  
5 case of cash gifts, the commission shall establish by  
6 regulation the total amount of such gifts that a licensee may provide  
7 to a patron each year.]

8 Each casino licensee shall maintain a regulated complimentary  
9 service account, for those complimentaries which are permitted  
10 pursuant to this section, and shall submit a quarterly report to the  
11 commission based upon such account and covering all complimentary  
12 services offered or engaged in by the licensee during the immediately  
13 preceding quarter. Such reports shall include identification of the  
14 regulated complimentary services and their respective costs, the  
15 number of persons by category of service who received the same, and  
16 such other information as the commission may require.

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

34 No casino applicant or licensee shall provide directly or indirectly  
35 to any person any complimentary service or discount which is other  
36 than such service or discount that is offered to members of the general  
37 public in like circumstance.

38 o. Any person who, on the effective date of this 1992 amendatory  
39 act, P.L.1992, c.9, holds a current and valid plenary junket  
40 representative license, a junket representative license with a sole  
41 owner-operator endorsement, or a junket enterprise license authorizing  
42 the conduct of junket activities, shall be considered licensed in  
43 accordance with the provisions of this section and subsection c. of  
44 section 92 of P.L.1977, c.110 (C.5:12-92) for the remaining term of  
45 his current license.

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

1       25. Section 103 of P.L.1977, c.110 (C.5:12-103) is amended to  
2 read as follows:

3       103. Alcoholic Beverages in Casino Hotel Facilities.

4       a. Notwithstanding any law to the contrary, the authority to grant  
5 any license for, or to permit or prohibit the presence of, alcoholic  
6 beverages in, on, or about any premises licensed as part of a casino  
7 hotel shall exclusively be vested in the commission.

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

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

24       d. Except as otherwise provided in this section, the provisions of  
25 Title 33 of the Revised Statutes and the rules, regulations and bulletins  
26 promulgated by the Director of the Division of Alcoholic Beverage  
27 Control shall apply to a Casino Hotel and Casino Hotel Alcoholic  
28 Beverage Licensee licensed under this act.

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

1 and availability thereof; practices unduly designed to increase  
2 consumption of alcoholic beverages; and such other matters  
3 whatsoever as are or may become necessary and consistent with the  
4 administration of this act.

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

17 (2) It shall be unlawful for any person issued a Casino Hotel  
18 Alcoholic Beverage License to expose, possess, sell, give, dispense,  
19 transfer, or otherwise dispose of alcoholic beverages, other than within  
20 the terms and conditions of the Casino Hotel Alcoholic Beverage  
21 License issued, the provisions of Title 33 of the Revised Statutes, the  
22 rules and regulations promulgated by the Director of the Division of  
23 Alcoholic Beverage Control, and, when applicable, the regulations  
24 promulgated pursuant to this act.

25 g. In issuing a Casino Hotel Alcoholic Beverage License the  
26 commission shall describe the scope of the particular license and the  
27 restrictions and limitations thereon as it deems necessary and  
28 reasonable. The commission may, in a single Casino Hotel Alcoholic  
29 Beverage License, permit the holder of such a license to perform any  
30 or all of the following activities, subject to applicable laws, rules and  
31 regulations:

32 (1) To sell any alcoholic beverage by the glass or other open  
33 receptacle [, but not in] including, but not limited to, an original  
34 container, for on-premise consumption within a casino or simulcasting  
35 facility; provided, however, that no alcoholic beverage shall be sold  
36 [,] or given [or be available] for consumption; [offered,] delivered  
37 or otherwise brought to a patron; or consumed at a gaming table  
38 unless so requested by the patron.

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

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

1 (4) To sell any alcoholic beverage by the glass or other open  
2 receptacle or in original containers from a room service location within  
3 an enclosed room not in a casino or simulcasting facility; provided,  
4 however, that any sale of alcoholic beverages is delivered only to a  
5 guest room or to any other room in the casino hotel authorized by the  
6 commission, other than any room authorized by the commission  
7 pursuant to paragraph (1), (3), or (5) of this subsection. (5)

8 To possess or to store alcoholic beverages in original containers  
9 intended but not actually exposed for sale at a fixed location on a  
10 casino hotel premises, not in a casino or simulcasting facility; and to  
11 transfer or deliver such alcoholic beverages only to a location  
12 approved pursuant to this section; provided, however, that no access  
13 to or from a storage location shall be permitted except during the  
14 normal course of business by employees or agents of the licensee, or  
15 by licensed employees or agents of wholesalers or distributors licensed  
16 pursuant to Title 33 of the Revised Statutes and any applicable rules  
17 and regulations; and provided further, however, that no provision of  
18 this section shall be construed to prohibit a Casino Hotel Alcoholic  
19 Beverage Licensee from obtaining an off-site storage license from the  
20 Division of Alcoholic Beverage Control.

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

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

31 (3) No Casino Hotel Alcoholic Beverage License which authorizes  
32 the possession or storage of alcoholic beverages pursuant to  
33 subsection g. of this section shall issue to any applicant who does not  
34 hold a Casino Hotel Alcoholic Beverage License, permitting any  
35 activity pursuant to subsection g.(1), (2), (3), or (4) of this section.

36 i. The commission may revoke, suspend, refuse to renew or refuse  
37 to transfer any Casino Hotel Alcoholic Beverage License, or fine or  
38 penalize any Casino Hotel Alcoholic Beverage Licensee for violations  
39 of any provision of Title 33 of the Revised Statutes, the rules and  
40 regulations promulgated by the Director of the Division of Alcoholic  
41 Beverage Control, and the regulations promulgated by the  
42 commission.

43 j. Jurisdiction over all alcoholic beverage licenses previously issued  
44 with respect to the casino hotel facility is hereby vested in the  
45 commission, which in its discretion may by regulation provide for the  
46 conversion thereof into a Casino Hotel Alcoholic Beverage License as

1 provided in this section.  
2 (cf: P.L.1993, c.292, s.22)

3  
4 26. Section 104 of P.L.1977, c.110 (C.5:12-104) is amended to  
5 read as follows:

6 104. a. ~~[(1)]~~ Unless otherwise provided in this subsection, no  
7 agreement shall be lawful which provides for the payment, however  
8 defined, of any direct or indirect interest, percentage or share of: any  
9 money or property gambled at a casino or simulcasting facility ~~[or]~~ ;  
10 any money or property derived from casino gaming activity or  
11 wagering at a simulcasting facility ~~[of any such interest, percentage,~~  
12 ~~or share of]~~ ; ~~or~~ any revenues, profits or earnings of a casino or  
13 simulcasting facility ~~[shall be lawful]~~. Notwithstanding the foregoing:

14 ~~[(2)]~~ (1) Agreements which provide only for the payment of a  
15 fixed sum which is in no way affected by the amount of any such  
16 money, property, revenues, profits or earnings shall not be subject to  
17 the provisions of this subsection; and receipts, rentals or charges for  
18 real property, personal property or services shall not lose their  
19 character as payments of a fixed sum because of contract, lease, or  
20 license provisions for adjustments in charges, rentals or fees on  
21 account of changes in taxes or assessments, cost-of-living index  
22 escalations, expansion or improvement of facilities, or changes in  
23 services supplied.

24 (2) Agreements between a casino licensee and a junket enterprise  
25 or junket representative licensed, qualified or registered in accordance  
26 with the provisions of P.L.1977, c.110 (C.5:12-1 et seq.) and the  
27 regulations of the commission which provide for the compensation of  
28 the junket enterprise or junket representative by the casino licensee  
29 based upon the actual casino gaming or simulcast wagering activities  
30 of a patron procured or referred by the junket enterprise or junket  
31 representative shall be lawful if filed with the division prior to the  
32 conduct of any junket that is governed by the agreement.

33 (3) Agreements between a casino licensee and its employees which  
34 provide for casino employee or casino key employee profit sharing  
35 ~~[and which are]~~ shall be lawful if the agreement is in writing and  
36 ~~[have been]~~ filed with the commission ~~[shall be lawful and effective~~  
37 ~~only if expressly approved as to their terms by the commission]~~ prior  
38 to its effective date. Such agreements may be reviewed by the  
39 commission under any relevant provision of P.L.1977, c.110 (5:12-1  
40 et seq.).

41 (4) Agreements to lease an approved casino hotel or the land  
42 thereunder and agreements for the complete management of all casino  
43 gaming operations in a casino hotel shall not be subject to the  
44 provisions of this subsection but shall rather be subject to the  
45 provisions of subsections b. and c. of section 82 of this act.

1 (5) Agreements which provide for percentage charges between the  
2 casino licensee and a holding company or intermediary company of the  
3 casino licensee shall be in writing and filed with the commission but  
4 shall not be subject to the provisions of this subsection.

5 (6) Agreements relating to simulcast racing and wagering between  
6 a casino licensee and an in-State or out-of-State sending track licensed  
7 or exempt from licensure in accordance with subsection c. of section  
8 92 of P.L.1977, c.110 (C.5:12-92) shall be in writing, be filed with the  
9 commission, and be lawful and effective only if expressly approved as  
10 to their terms by the commission and the New Jersey Racing  
11 Commission, except that any such agreements which provide for a  
12 percentage of the parimutuel pool wagered at a simulcasting facility to  
13 be paid to the sending track shall not be subject to the provisions of  
14 [paragraph (1) of] this subsection.

15 (7) Agreements relating to simulcast racing and wagering between  
16 a casino licensee and a casino service industry licensed pursuant to the  
17 provisions of subsection a. of section 92 of P.L.1977, c.110  
18 (C.5:12-92) as a hub facility, as defined in joint regulations of the  
19 Casino Control Commission and the New Jersey Racing Commission,  
20 shall be in writing, be filed with the commission, and be lawful and  
21 effective only if expressly approved as to their terms by the  
22 commission and the New Jersey Racing Commission, except that any  
23 such agreements which provide for a percentage of the casino  
24 licensee's share of the parimutuel pool wagered at a simulcasting  
25 facility to be paid to the hub facility shall not be subject to the  
26 provisions of [paragraph (1) of] this subsection.

27 (8) Agreements relating to simulcast racing and wagering between  
28 a casino licensee and a casino service industry licensed pursuant to the  
29 provisions of subsection a. of section 92 of P.L.1977, c.110  
30 (C.5:12-92) to conduct casino simulcasting in a simulcasting facility  
31 shall be in writing, be filed with the commission, and be lawful and  
32 effective only if expressly approved as to their terms by the  
33 commission, except that any such agreements which provide for a  
34 percentage of the casino licensee's share of the parimutuel pool  
35 wagered at a simulcasting facility to be paid to the casino service  
36 industry shall not be subject to the provisions of [paragraph (1) of]  
37 this subsection.

38 <sup>1</sup>(9) Existing agreements or any renewals thereof relating to the  
39 operation of multi-casino progressive slot machine systems between  
40 one or more casino licensees and a casino service industry licensed  
41 pursuant to the provisions of subsection a. of section 92 of P.L.1977,  
42 c.110 (C.5:12-92) and provided such agreements are approved by the  
43 commission.<sup>1</sup>

44 b. Each casino applicant or licensee shall maintain, in accordance  
45 with the rules of the commission, a record of each written or unwritten  
46 agreement regarding the realty, construction, maintenance, or business

1 of a proposed or existing casino hotel or related facility. The  
2 foregoing obligation shall apply regardless of whether the casino  
3 applicant or licensee is a party to the agreement. Any such agreement  
4 may be reviewed by the commission on the basis of the reasonableness  
5 of its terms, including the terms of compensation, and of the  
6 qualifications of the owners, officers, employees, and directors of any  
7 enterprise involved in the agreement, which qualifications shall be  
8 reviewed according to the standards enumerated in section 86 of this  
9 act. If the commission disapproves such an agreement or the owners,  
10 officers, employees, or directors of any enterprise involved therein, the  
11 commission may require its termination.

12 Every agreement required to be maintained, and every related  
13 agreement the performance of which is dependent upon the  
14 performance of any such agreement, shall be deemed to include a  
15 provision to the effect that, if the commission shall require termination  
16 of an agreement pursuant to this subsection, such termination shall  
17 occur without liability on the part of the casino applicant or licensee  
18 or any qualified party to the agreement or any related agreement.  
19 Failure expressly to include such a provision in the agreement shall not  
20 constitute a defense in any action brought to terminate the agreement.  
21 If the agreement is not maintained or presented to the commission in  
22 accordance with commission regulations, or the disapproved  
23 agreement is not terminated, the commission may pursue any remedy  
24 or combination of remedies provided in this act.

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

30 c. Nothing in this act shall be deemed to permit the transfer of any  
31 license, or any interest in any license, or any certificate of compliance  
32 or any commitment or reservation.

33 (cf: P.L.1996, c.84, s.7)

34

35 27. Section 113 of P.L.1977, c.110 (C.5:12-113) is amended to  
36 read as follows:

37 113. Swindling and Cheating; Penalties. [a. Except as provided  
38 in subsection b., any person who by any trick or sleight of hand  
39 performance, or by a fraud or fraudulent scheme, cards, dice or device,  
40 for himself or for another wins or attempts to win money or property  
41 or a representative of either or reduces a losing wager or attempts to  
42 reduce a losing wager in connection with casino gaming or simulcast  
43 wagering is guilty of a crime of the fourth degree and notwithstanding  
44 the provisions of N.J.S.2C:43-3 shall be subject to a fine of not more  
45 than \$25,000.00, and in the case of a person other than a natural  
46 person, to a fine of not more than \$100,000.00 and any other



1 appropriate disposition authorized by subsection b. of N.J.S.2C:43-2.

2 b. Any person who by any trick or sleight of hand performance, or  
3 by fraud or fraudulent scheme, cards, dice or device, for himself or for  
4 another wins or attempts to win money or property or a representative  
5 of either or reduces a losing wager or attempts to reduce a losing  
6 wager in connection with casino gaming or simulcast wagering is  
7 guilty of a disorderly persons offense if the value of such money or  
8 property or representative of either is \$25.00 or under.]

9 a. A person is guilty of swindling and cheating if the person  
10 purposely or knowingly by any trick or sleight of hand performance or  
11 by a fraud or fraudulent scheme, cards, dice or device, for himself or  
12 herself or for another, wins or attempts to win money or property or  
13 a representative of either or reduces a losing wager or attempts to  
14 reduce a losing wager in connection to casino gaming.

15 b. Consolidation of offenses. Conduct denominated swindling and  
16 cheating in this section constitutes a single offense, but each episode  
17 or transaction may be the subject of a separate prosecution and  
18 conviction. A charge of swindling and cheating may be supported by  
19 evidence that it was committed in any manner that would be swindling  
20 and cheating under this section, notwithstanding the specification of  
21 a different manner in the indictment or accusation, subject only to the  
22 power of the court to ensure a fair trial by granting a bill of  
23 particulars, discovery, continuance, or other appropriate relief when  
24 the conduct of the defense would be prejudiced by a lack of fair notice  
25 or by surprise.

26 c. Grading of swindling and cheating offenses.

27 (1) Swindling and cheating constitutes a crime of the second  
28 degree if the amount involved is \$75,000 or more.

29 (2) Swindling and cheating constitutes a crime of the third degree  
30 if the amount involved exceeds \$500.

31 (3) Swindling and cheating constitutes a crime of the fourth degree  
32 if the amount involved is at least \$200 but not more than \$500.

33 (4) Swindling and cheating constitutes a disorderly persons offense  
34 if the amount involved is less than \$200.

35 (5) The amount involved in swindling and cheating shall be  
36 determined by the trier of fact. Amounts involved in acts of swindling  
37 and cheating committed pursuant to one scheme or course of conduct,  
38 whether from the same person or several persons, may be aggregated  
39 in determining the grade of the offense.

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

41

42 28. Section 46 of P.L.1991, c.182 (C.5:12-113.1) is amended to  
43 read as follows:

44 46. a. A person commits a [disorderly persons] third degree  
45 offense if, in playing a game in a licensed casino or simulcasting  
46 facility, the person uses, or assists another in the use of, [an] a

1 computerized, electronic, electrical or mechanical device which is  
2 designed, constructed, or programmed specifically for use in obtaining  
3 an advantage at playing any game in a licensed casino or simulcasting  
4 facility, unless the advantage obtained can be assessed a monetary  
5 value or loss of \$75,000 or greater in which case the offense is a crime  
6 of the second degree. [A device used by any person in violation of this  
7 section shall be subject to forfeiture pursuant to the provisions of  
8 N.J.S.2C:64-1 et seq.]

9 b. Any computerized, electronic, electrical or mechanical device  
10 used in violation of subsection a. of this section shall be considered  
11 prima facie contraband and shall be subject to the provisions of N.J.S.  
12 2C:64-2. A device used by any person in violation of this section shall  
13 be subject to forfeiture pursuant to the provisions of N.J.S.2C:64-1 et  
14 seq.

15 c. Each casino licensee shall post notice of this prohibition and the  
16 penalties of this section in a manner determined by the commission.  
17 (cf: P.L.1993, c.292, s.28)

18

19 29. Section 118 of P.L.1977, c.110 (C.5:12-118) is amended to  
20 read as follows:

21 118. Regulations Requiring Exclusion or Rejection of Certain  
22 Persons from Licensed Casinos; Unlawful Entry by Person Whose  
23 Name Has Been Placed on List; Penalty. Any person whose name is  
24 on the list of persons promulgated by the commission pursuant to the  
25 provisions of section 71 of this act, P.L.1977, c.110, (C.5:12-71),  
26 who knowingly enters the premises of a licensed casino [is guilty of  
27 a disorderly persons offense, except that any person who has been  
28 convicted of this offense three times] is guilty of a crime of the fourth  
29 degree [for each subsequent offense].

30 (cf: P.L.1991, c.182, s.50)

31

32 30. Section 119 of P.L.1977, c.110 (C.5:12-119) is amended to  
33 read as follows:

34 119. Gaming by Certain Persons Prohibited; Penalties; Defenses.

35 a. No person under the age at which a person is authorized to  
36 purchase and consume alcoholic beverages shall enter, or wager in, a  
37 licensed casino or simulcasting facility; provided, however, that such  
38 a person may enter a casino or simulcasting facility by way of passage  
39 to another room, and provided further, however, that any such person  
40 who is licensed or registered under the provisions of the "Casino  
41 Control Act," P.L.1977, c.110 (C.5:12-1 et seq.), may enter a casino  
42 or simulcasting facility in the regular course of the person's permitted  
43 activities.

44 Any person who violates this subsection shall be guilty of a  
45 disorderly persons offense and shall be fined not less than \$500 and  
46 not more than \$1,000. In addition, the court shall suspend or

1 postpone the person's license to operate a motor vehicle for six  
2 months.

3 Upon the conviction of any person under this section, the court  
4 shall forward a report to the Division of Motor Vehicles stating the  
5 first and last day of the suspension or postponement period imposed  
6 by the court pursuant to this section. If a person at the time of the  
7 imposition of a sentence is less than 17 years of age, the period of  
8 license postponement, including a suspension or postponement of the  
9 privilege of operating a motorized bicycle, shall commence on the day  
10 the sentence is imposed and shall run for a period of six months after  
11 the person reaches the age of 17 years.

12 If a person at the time of the imposition of a sentence has a valid  
13 driver's license issued by this State, the court shall immediately collect  
14 the license and forward it to the division along with the report. If for  
15 any reason the license cannot be collected, the court shall include in  
16 the report the complete name, address, date of birth, eye color, and  
17 sex of the person as well as the first and last date of the license  
18 suspension period imposed by the court.

19 The court shall inform the person orally and in writing that if the  
20 person is convicted of operating a motor vehicle during the period of  
21 license suspension or postponement, the person shall be subject to the  
22 penalties set forth in R.S.39:3-40. A person shall be required to  
23 acknowledge receipt of the written notice in writing. Failure to  
24 receive a written notice or failure to acknowledge in writing the  
25 receipt of a written notice shall not be a defense to a subsequent  
26 charge of a violation of R.S.39:3-40.

27 If the person convicted under this section is not a New Jersey  
28 resident, the court shall suspend or postpone, as appropriate given the  
29 age at the time of sentencing, the non-resident driving privilege of the  
30 person and submit to the division the required report. The court shall  
31 not collect the license of a non-resident convicted under this section.  
32 Upon receipt of a report by the court, the division shall notify the  
33 appropriate officials in the licensing jurisdiction of the suspension or  
34 postponement.

35 b. Any licensee or employee of a casino who allows a person under  
36 the age at which a person is authorized to purchase and consume  
37 alcoholic beverages to remain in or wager in a casino or simulcasting  
38 facility is guilty of a disorderly persons offense; except that the  
39 establishment of all of the following facts by a licensee or employee  
40 allowing any such underage person to remain shall constitute a defense  
41 to any prosecution therefor:

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

45 (2) That the appearance of the underage person was such that an  
46 ordinary prudent person would believe him or her to be at or over the

1 age at which a person is authorized to purchase and consume alcoholic  
2 beverages; and

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

7 c. A person who knowingly allows or permits another person who  
8 is under his or her lawful care, custody, or control and who is under  
9 the age at which a person is authorized to purchase and consume  
10 alcoholic beverages to wager or attempt to wager in a licensed casino  
11 or simulcasting facility in violation of subsection a. of this section is  
12 guilty of a disorderly persons offense.

13 (cf: P.L.1993, c.292, s.30)

14

15 31. (New section) Fees to Recoup Costs of the Division or  
16 Commission. The commission may, by regulation, establish fees to  
17 recoup the costs of services, equipment or other expenses that are  
18 rendered, utilized or incurred by the division or commission, including  
19 any unusual or out of pocket expenses directly related thereto, in  
20 response to requests arising under P.L.1977, c. 110 (C. 5:12-1 et seq.)  
21 that are unrelated to the investigation or consideration of the issuance  
22 or renewal of a registration or license.

23

24 32. Section 3 of P.L. 1984, c. 218 (C. 5:12-144.1) is amended to  
25 read as follows:

26 3. a. (1) Commencing with the first annual tax return of a licensee  
27 for any calendar year beginning after December 31, 1983, there is  
28 imposed an investment alternative tax on the gross revenues as defined  
29 in section 24 of P.L.1977, c.110 (C.5:12-24) of the licensee in the  
30 amount of 2.5% of those gross revenues. The tax imposed with  
31 respect to each calendar year shall be due and payable on the last day  
32 of April next following the end of the calendar year. The State  
33 Treasurer shall have a lien against the property constituting the casino  
34 of a licensee for the amount of any tax not paid when due. No tax  
35 shall be imposed, however, on the gross revenues received by a  
36 licensee during the first 12 months of the operation of any casino that  
37 commences operation after January 1, 1984, but prior to the effective  
38 date of this act, P.L.1996, c.118 (C.5:12-173.3a et al.).

39 (2) A licensee shall pay to the State Treasurer on or before the  
40 15th day of the first, fourth, seventh, and 10th months of each year as  
41 partial payment of the investment alternative tax imposed pursuant to  
42 paragraph (1) of this subsection an amount equal to 1.25% of the  
43 estimated gross revenues for the three-month period immediately  
44 preceding the first day of those months. The moneys received shall be  
45 placed in an escrow account and shall be held until the licensee directs  
46 that the moneys be transferred to the Casino Reinvestment

1 Development Authority for the purchase of bonds issued by or offered  
2 through the Casino Reinvestment Development Authority or pursuant  
3 to a contract for such a purchase, be made available to the licensee for  
4 a direct investment approved by the authority, or be transferred to the  
5 Casino Revenue Fund as partial payment of the investment alternative  
6 tax imposed pursuant to paragraph (1) of this subsection. Any interest  
7 derived from the moneys in the escrow account shall be paid or made  
8 available to the Casino Revenue Fund. If a licensee fails to pay the  
9 amount due or underpays by an unjustifiable amount, the Casino  
10 Control Commission shall impose a fine of 5% of the amount due or  
11 of the underpayment, as the case may be, for each month or portion  
12 thereof the licensee is in default of payment, up to 25% of the amount  
13 in default. Any fine imposed shall be paid to the Casino Reinvestment  
14 Development Authority and shall be used for the purposes of this 1984  
15 amendatory and supplementary act.

16 b. Each licensee shall be entitled to an investment tax credit against  
17 the tax imposed by subsection a. of this section, provided the licensee  
18 shall pay over the moneys required pursuant to section 5 of P.L.1993,  
19 c.159 (C.5:12-173.5): (1) for the first 10 years of a licensee's tax  
20 obligation, in an amount equal to twice the purchase price of bonds  
21 issued by the Casino Reinvestment Development Authority pursuant  
22 to sections 14 and 15 of this 1984 amendatory and supplementary act,  
23 purchased by the licensee, or twice the amount of the investments  
24 authorized in lieu thereof, and (2) for the remainder of a licensee's tax  
25 obligation, in an amount equal to twice the purchase price of bonds  
26 issued by the Casino Reinvestment Development Authority pursuant  
27 to sections 14 and 15 of this 1984 amendatory and supplementary act,  
28 purchased by the licensee, or twice the amount of the investments  
29 authorized in lieu thereof, and twice the amount of investments made  
30 by a licensee in other approved eligible investments made pursuant to  
31 section 25 of this act. The Casino Reinvestment Development  
32 Authority shall have the power to enter into a contract or contracts  
33 with a licensee pursuant to which the Casino Reinvestment  
34 Development Authority agrees to issue and sell bonds to the licensee,  
35 and the licensee agrees to purchase the bonds issued by or offered  
36 through the Casino Reinvestment Development Authority, in annual  
37 purchase price amounts as will constitute a credit against at least 50%  
38 of the tax to become due in any future year or years. The contract  
39 may contain those terms and conditions relating to the terms of the  
40 bonds and to the issuance and sale of the bonds to the licensee as the  
41 Casino Reinvestment Development Authority shall deem necessary or  
42 desirable. The contract shall not be deemed to be in violation of  
43 section 104 of P.L.1977, c.110 (C.5:12-104). After the first 10 years  
44 of a licensee's investment alternative tax obligation, a licensee will  
45 have the option of entering into a contract with the Casino  
46 Reinvestment Development Authority to have its tax credit comprised

1 of direct investments in approved eligible projects. These direct  
2 investments shall not comprise more than 50% of a licensee's eligible  
3 tax credit in any one year.

4 The entering of a contract pursuant to this section shall be sufficient  
5 to entitle a licensee to an investment tax credit for the appropriate tax  
6 year.

7 c. A contract entered into between a licensee and the Casino  
8 Reinvestment Development Authority may provide for a deferral of  
9 payment for and delivery of bonds required to be purchased and for a  
10 deferral from making approved eligible investments in any year, but no  
11 deferral shall occur more than two years consecutively. A deferral of  
12 payment for any bonds required to be purchased by a licensee and a  
13 deferral from making approved eligible investments may be granted by  
14 the Casino Reinvestment Development Authority only upon a  
15 determination by the Casino Control Commission that purchase of  
16 these bonds or making approved eligible investments would cause  
17 extreme financial hardship to the licensee and a determination by the  
18 Casino Reinvestment Development Authority that the deferral of the  
19 payment would not violate any covenant or agreement or impair any  
20 financial obligation of the Casino Reinvestment Development  
21 Authority. The contract may establish a late payment charge to be  
22 paid in the event of deferral or other late payment at a rate as shall be  
23 agreed to by the Casino Reinvestment Development Authority. If a  
24 deferral of purchase or investment is granted, the licensee shall be  
25 deemed to have made the purchase or investment at the time required  
26 by the contract, except that if the purchase is not made at the time to  
27 which the purchase or investment was deferred, then the licensee shall  
28 be deemed not to have made the purchase or investment. The Casino  
29 Control Commission shall adopt regulations establishing a uniform  
30 definition of extreme financial hardship applicable to all these  
31 contracts. If a licensee petitions the Casino Reinvestment  
32 Development Authority for a deferral, the Casino Reinvestment  
33 Development Authority shall give notice of that petition to the Casino  
34 Control Commission and to the Division of Gaming Enforcement  
35 within three days of the filing of the petition. The Casino Control  
36 Commission shall render a decision within 60 days of notice as to  
37 whether the licensee has established extreme financial hardship, after  
38 consultation with the Division of Gaming Enforcement. The Casino  
39 Reinvestment Development Authority shall render a decision as to the  
40 availability of the deferral within 10 days of the receipt by it of the  
41 decision of the Casino Control Commission and shall notify the  
42 Division of Gaming Enforcement and the Casino Control Commission  
43 of that decision. If a deferral is granted, the Casino Reinvestment  
44 Development Authority may determine whether the purchases or  
45 investments shall be made in a lump sum, made over a period of years,  
46 or whether the period of obligation shall be extended an additional

1 period of time equivalent to the period of time deferred.

2 d. The license of any licensee which has defaulted in its obligation  
3 to make any purchase of bonds or investment in any approved eligible  
4 project under a contract entered into pursuant to subsection b. of this  
5 section for a period of 90 days may be suspended by the Casino  
6 Control Commission until that purchase is made or deferred in  
7 accordance with subsection b. of this section, or a fine or other penalty  
8 may be imposed upon the licensee by the commission. If the Casino  
9 Control Commission elects not to suspend the license of a licensee  
10 after the licensee has first defaulted in its obligation but instead  
11 imposes some lesser penalty and the licensee continues to be in default  
12 of its obligation after a period of 30 additional days and after any  
13 additional 30-day period, the commission may impose another fine or  
14 penalty upon the licensee, which may include suspension of that  
15 licensee's license. The fine shall be 5% of the amount of the obligation  
16 owed for each month or portion thereof a licensee is in default, up to  
17 25% of that obligation; shall be paid to the Casino Reinvestment  
18 Development Authority; and shall be used for the purposes of this  
19 1984 amendatory and supplementary act.

20 e. A contract entered into by a licensee and the Casino  
21 Reinvestment Development Authority pursuant to subsection b. of this  
22 section may provide that after the first 10 years of a licensee's  
23 investment alternative tax obligation imposed by subsection a. of this  
24 section, the Casino Reinvestment Development Authority may  
25 repurchase bonds previously sold to the licensee, which were issued  
26 after the 10th year of a licensee's investment alternative tax obligation,  
27 by the Casino Reinvestment Development Authority, if the Casino  
28 Reinvestment Development Authority determines that the repurchase  
29 will not violate any agreement or covenant or impair any financial  
30 obligation of the Casino Reinvestment Development Authority and  
31 that the licensee will reinvest the proceeds of the resale in an eligible  
32 project approved by the Casino Reinvestment Development Authority.

33 f. (1) During the ~~[30]~~ 35 years a licensee is obligated to pay an  
34 investment alternative tax pursuant to subsection k. of this section, the  
35 total of (a) the proceeds of all bonds purchased by a licensee from or  
36 through the Casino Reinvestment Development Authority and (b) all  
37 approved investments in eligible projects by a licensee shall be devoted  
38 to the financing of projects in the following areas and amounts:

39	Areas	Yrs.	Yrs.	Yrs.	Yrs.	Yrs.	Yrs.	Yrs.	<u>Yrs.</u>
40		1-3	4-5	6-10	11-15	16-20	21-25	26-30	<del>31-35</del>
41	a) Atlantic City	100%	90%	80%	50%	30%	20%		
42	b) South Jersey		8%	12%	28%	43%	45%		<u>25%</u>
43	c) North Jersey		2%	8%	22%	27%	35%	35%	<u>50%</u>
44	d) Atlantic City through the Atlantic City Fund							65%,	<u>25%</u>

45

46 except that, with respect to the obligations for calendar years 1994

1 through 1998, the amount allocated for the financing of projects in  
2 North Jersey from each casino licensee's obligation shall be the amount  
3 allocated for calendar year 1993, and the difference between that  
4 amount and the amount to be allocated to North Jersey, on the basis  
5 of the above schedule, from each casino licensee's obligations for  
6 calendar years 1994 through 1998 shall be paid into or credited to the  
7 Atlantic City Fund established by section 44 of P.L.1995, c.18  
8 (C.5:12-161.1) and be devoted to the financing of projects in Atlantic  
9 City through that fund. For the purposes of this paragraph, "South  
10 Jersey" means the counties of Atlantic, Burlington, Camden, Cape  
11 May, Cumberland, Gloucester, Mercer, Ocean, and Salem; and "North  
12 Jersey" means the remaining 12 counties of the State. For the purposes  
13 of this 1984 amendatory and supplementary act, bond "proceeds"  
14 means all funds received from the sale of bonds and any funds  
15 generated or derived therefrom.

16 In the financing of projects outside Atlantic City, the Casino  
17 Reinvestment Development Authority shall give priority to the  
18 revitalization of the urban areas of this State in the ways specified in  
19 section 12 of this 1984 amendatory and supplementary act. Those  
20 areas shall include, but not be limited to, all municipalities qualifying  
21 for aid pursuant to P.L.1978, c.14 (C.52:27D-178 et seq.).

22 Within nine months from the effective date of this 1984 amendatory  
23 and supplementary act, the Casino Reinvestment Development  
24 Authority shall determine the allocation of projected available moneys  
25 to municipalities in South Jersey for the first seven years of their  
26 receipt of funds, giving priority to the revitalization of the urban areas  
27 of the region. Municipalities receiving such an allocation shall present  
28 to the Casino Reinvestment Development Authority for its approval  
29 comprehensive plans or projects for which the allocations shall be  
30 used. Any such comprehensive plan or project may be submitted to  
31 the Casino Reinvestment Development Authority for a determination  
32 of eligibility at any time prior to the year for which the funds are  
33 allocated, and the Casino Reinvestment Development Authority shall  
34 make a determination of eligibility of the plan or project within a  
35 reasonable amount of time. If the Casino Reinvestment Development  
36 Authority makes a positive determination of eligibility for any  
37 comprehensive plan or project, or combination of comprehensive plans  
38 or projects, for any municipality whose total cost exceeds the amount  
39 allocated to that municipality for the first seven years of the receipt of  
40 funds by South Jersey municipalities, the Casino Reinvestment  
41 Development Authority shall make available sufficient funds in  
42 subsequent years necessary to complete those plans or projects, or to  
43 complete that portion of the plan or project originally agreed to be  
44 funded through the Casino Reinvestment Development Authority, from  
45 funds received by the Casino Reinvestment Development Authority in  
46 the years following the seventh year of the receipt of funds by South



1 Jersey municipalities. If the comprehensive plan or project is  
2 determined by the Casino Reinvestment Development Authority not to  
3 be an eligible plan or project, the municipality may submit any other  
4 comprehensive plan or project for a determination of eligibility. If,  
5 however, the municipality fails to receive a positive determination of  
6 eligibility for any comprehensive plan or project, or combination of  
7 comprehensive plans or projects, sufficient to exhaust the total  
8 allocation to that municipality for any year prior to April 30 of the  
9 following year for which the allocation was made, the allocation to  
10 that municipality for that year shall cease, and the Casino  
11 Reinvestment Development Authority may apply those excess funds to  
12 any other comprehensive plan or project in any other municipality in  
13 the region whose comprehensive plan or project has received a  
14 positive determination of eligibility by the Casino Reinvestment  
15 Development Authority.

16 Within 36 months from the effective date of this 1984 amendatory  
17 and supplementary act, the Casino Reinvestment Development  
18 Authority shall determine the allocation of projected available moneys  
19 to municipalities in North Jersey for the first five years of their receipt  
20 of funds, giving priority to the revitalization of the urban areas of the  
21 region. Municipalities receiving such an allocation shall present to the  
22 Casino Reinvestment Development Authority for its approval  
23 comprehensive plans or projects for which the allocations shall be  
24 used. Any such comprehensive plan or project may be submitted to  
25 the Casino Reinvestment Development Authority for a determination  
26 of eligibility at any time prior to the year for which the funds are  
27 allocated, and the Casino Reinvestment Development Authority shall  
28 make a determination of eligibility of the plan or project within a  
29 reasonable amount of time. If the Casino Reinvestment Development  
30 Authority makes a positive determination of eligibility for any  
31 comprehensive plan or project, or combination of comprehensive plans  
32 or projects, for any municipality whose total cost exceeds the amount  
33 allocated to that municipality for the first five years of the receipt of  
34 funds by North Jersey municipalities, the Casino Reinvestment  
35 Development Authority shall make available sufficient funds in  
36 subsequent years necessary to complete those plans or projects, or to  
37 complete that portion of the plan or project originally agreed to be  
38 funded through the Casino Reinvestment Development Authority, from  
39 funds received by the Casino Reinvestment Development Authority in  
40 the years following the fifth year of the receipt of funds by North  
41 Jersey municipalities. If the comprehensive plan or project is  
42 determined by the Casino Reinvestment Development Authority not to  
43 be an eligible plan or project, the municipality may submit any other  
44 comprehensive plan or project for a determination of eligibility. If,  
45 however, the municipality fails to receive a positive determination of  
46 eligibility for any comprehensive plan or project, or combination of

1 comprehensive plans or projects, sufficient to exhaust the total  
2 allocation to that municipality for any year prior to April 30 of the  
3 following year for which the allocation was made, the allocation to  
4 that municipality for that year shall cease, and the Casino  
5 Reinvestment Development Authority may apply those excess funds to  
6 any other comprehensive plan or project in any other municipality in  
7 the region whose comprehensive plan or project has received a  
8 positive determination of eligibility by the Casino Reinvestment  
9 Development Authority.

10 (2) Commencing with the first year in which a licensee incurs a tax  
11 obligation pursuant to this section, and for the period of two years  
12 thereafter, 100% of the proceeds of all bonds purchased by a licensee  
13 from the Casino Reinvestment Development Authority which are  
14 devoted to the financing of projects in the city of Atlantic City  
15 pursuant to paragraph (1) of this subsection shall be used exclusively  
16 to finance the rehabilitation, development, or construction of, or to  
17 provide mortgage financing of, housing facilities in the city of Atlantic  
18 City for persons or families of low through middle income, as defined  
19 in this subsection. For the purposes of this subsection, the  
20 "rehabilitation, development, or construction of housing facilities"  
21 shall include expenses attributable to site preparation, infrastructure  
22 needs and housing-related community facilities and services, including  
23 supporting commercial development. Commencing with the fourth  
24 year in which a licensee incurs a tax obligation pursuant to this  
25 subsection, 50% of the proceeds of all bonds purchased by a licensee  
26 from the Casino Reinvestment Development Authority which are  
27 devoted to the financing of projects in the city of Atlantic City shall be  
28 used exclusively to finance the rehabilitation, development, or  
29 construction of housing facilities in the city of Atlantic City for  
30 persons or families of low through middle income. Commencing with  
31 the 11th year in which a licensee incurs a tax obligation pursuant to  
32 this section, 50% of the annual aggregate of the proceeds of bonds  
33 purchased by a licensee from the Casino Reinvestment Development  
34 Authority which are devoted to the financing of projects in the city of  
35 Atlantic City and investments in approved eligible projects commenced  
36 by a licensee in the city of Atlantic City shall be used exclusively to  
37 finance the rehabilitation, development, or construction of, or to  
38 provide mortgage financing of, housing facilities in the city of Atlantic  
39 City for persons or families of low through middle income.

40 (3) The Legislature finds that it is necessary to provide for a  
41 balanced community and develop a comprehensive housing program.  
42 The Casino Reinvestment Development Authority shall determine the  
43 need for housing in the city of Atlantic City, in consultation with the  
44 city of Atlantic City and specifically its zoning and planning boards.  
45 This shall include determining the types and classes of housing to be  
46 constructed and the number of units of each type and class of housing

1 to be built. The Casino Reinvestment Development Authority shall  
2 give priority to the housing needs of the persons and their families  
3 residing in the city of Atlantic City in 1983 and continuing such  
4 residency through the effective date of this 1984 amendatory and  
5 supplementary act. The actual percentage of the proceeds of bonds  
6 and investments in approved eligible projects commenced by a licensee  
7 in the city of Atlantic City, which shall be used exclusively to finance  
8 the rehabilitation, development, or construction of, or to provide  
9 mortgage financing of, housing facilities in the city of Atlantic City for  
10 persons or families of low through middle income, shall be based upon  
11 the authority's determination of the need for housing in the city of  
12 Atlantic City conducted pursuant to this subsection. Once the housing  
13 needs of the persons residing in the city of Atlantic City in 1983 and  
14 continuing such residency through the effective date of this 1984  
15 amendatory and supplementary act have been met, as determined by  
16 the Casino Reinvestment Development Authority pursuant to this  
17 subsection, any required percentages for such housing in the city of  
18 Atlantic City may, in its sole discretion, be waived by the Casino  
19 Reinvestment Development Authority. To aid the Casino  
20 Reinvestment Development Authority in making these determinations,  
21 the Casino Reinvestment Development Authority shall review the  
22 proposal for a housing redevelopment program and strategy for the  
23 city of Atlantic City approved and adopted by the Casino Control  
24 Commission and shall give priority to same and any other plan or  
25 project which is consistent with the standards of this subsection and is  
26 acceptable to the Casino Reinvestment Development Authority,  
27 pursuant to section 25 of this 1984 amendatory and supplementary act.  
28 The Casino Reinvestment Development Authority may determine  
29 whether the funds used to finance housing facilities in the city of  
30 Atlantic City for persons or families of low, moderate, median range,  
31 and middle income are derived from the proceeds of bonds purchased  
32 by a licensee from the Casino Reinvestment Development Authority to  
33 be devoted to the financing of projects in the city of Atlantic City,  
34 investments in approved eligible projects commenced by a licensee in  
35 the city of Atlantic City, or a combination of both. Any investment  
36 made by a licensee in excess of 100% of its eligible investment tax  
37 credit during the first three years and in excess of 50% thereafter in  
38 either the purchase of bonds or direct investments in approved eligible  
39 projects for low, moderate, median range, and middle income family  
40 housing facilities in the city of Atlantic City may be carried forward  
41 and credited against the licensee's obligation to make a 100%  
42 investment during the first three years and 50% thereafter in low,  
43 moderate, median range, and middle income family housing in any  
44 future year, with the approval of the Casino Reinvestment  
45 Development Authority. For the purposes of this act, "low income  
46 families" means families whose income does not exceed 50% of the

1 median income of the area, with adjustments for smaller and larger  
2 families. "Moderate income families" means families whose income  
3 does not exceed 80% and is not less than 50% of the median income  
4 for the area, with adjustments for smaller and larger families. "Median  
5 range income families" means families whose income does not exceed  
6 120% and is not less than 80% of the median income for the area, with  
7 adjustments for smaller and larger families. "Middle income families"  
8 means families whose income does not exceed 150% and not less than  
9 120% of the median income for the area, with adjustments for smaller  
10 and larger families. "Median income" means an income defined as  
11 median within the Standard Metropolitan Statistical Area for Atlantic  
12 City by the United States Department of Housing and Urban  
13 Development.

14 In order to achieve a balanced community, the authority shall  
15 ensure that the development of housing for families of low and  
16 moderate income shall proceed at the same time as housing for families  
17 of median range and middle income, until such time as there is no  
18 longer a need for such facilities in the city of Atlantic City, as  
19 determined by the Casino Reinvestment Development Authority.

20 (4) Notwithstanding any other law or section to the contrary,  
21 particularly this subsection regarding the waiver of the required  
22 percentages for housing in the city of Atlantic City, subsection i. of  
23 section 14, and sections 26, 27, 28, 29, and 31 of this 1984  
24 amendatory and supplementary act, nothing shall be implemented or  
25 waived by the Casino Reinvestment Development Authority which  
26 would reduce, impair, or prevent the fulfillment of the priorities  
27 established and contained in this subsection of this 1984 amendatory  
28 and supplementary act.

29 g. If a person is a licensee with regard to more than one approved  
30 hotel pursuant to section 82 of P.L.1977, c.110 (C.5:12-82), the  
31 person shall separately account for the gross revenues, the investment  
32 alternative tax obligations, and the investments for a tax credit against  
33 the investment alternative tax for each approved hotel, and the tax  
34 obligations of the licensee under this section shall be determined  
35 separately for each approved hotel. The licensee may apportion  
36 investments between its approved hotels; provided that no amount of  
37 investment shall be credited more than once. If a licensee receives the  
38 prior approval of the Casino Reinvestment Development Authority, the  
39 licensee may make eligible investments in excess of the investments  
40 necessary to receive a tax credit against the investment alternative tax  
41 for a given calendar year, and the licensee may carry forward this  
42 excess investment and have it credited to its next investment  
43 alternative tax obligation. If the Casino Reinvestment Development  
44 Authority approves of such excess investment and approves the carry  
45 forward of this excess investment, and a licensee elects to purchase  
46 bonds of the Casino Reinvestment Development Authority or makes

1 direct investments in approved eligible projects in excess of the  
2 investments necessary to receive a tax credit against the investment  
3 alternative tax for its current obligation, the licensee shall be entitled  
4 to a reduction of the amount of investments necessary in future years,  
5 which amount shall be determined annually by the Casino  
6 Reinvestment Development Authority, taking into account a current  
7 market discount rate from the date of the purchase or investment to  
8 the date the purchase or investment would have been required to be  
9 made.

10 h. Each casino licensee shall prepare and file, in a form prescribed  
11 by the Casino Reinvestment Development Authority, an annual return  
12 reporting that financial information as shall be deemed necessary by  
13 the Casino Reinvestment Development Authority to carry out the  
14 provisions of this act. This return shall be filed with the Casino  
15 Reinvestment Development Authority and the Casino Control  
16 Commission on or before April 30 following the calendar year on  
17 which the return is based. The Casino Control Commission shall  
18 verify to the Casino Reinvestment Development Authority the  
19 information contained in the report, to the fullest extent possible.  
20 Nothing in this subsection shall be deemed to affect the due dates for  
21 making any investment or paying any tax under this section.

22 i. Any purchase by a licensee of bonds issued by or offered through  
23 the Casino Reinvestment Development Authority pursuant to sections  
24 14 and 15 of this act and subsection b. of this section and all approved  
25 eligible investments made by a licensee pursuant to section 25 of this  
26 act and subsection b. of this section are to be considered investments  
27 and not taxes owed or grants to the State or any political subdivision  
28 thereof. As such, a licensee shall have the possibility of the return of  
29 principal and a return on the capital invested as with other  
30 investments. Investors in the bonds issued by or offered through the  
31 Casino Reinvestment Development Authority shall be provided with  
32 an opinion from a recognized financial rating agency or a financial  
33 advisory firm with national standing that each loan of bond proceeds  
34 by the Casino Reinvestment Development Authority has the minimum  
35 characteristics of an investment, in that a degree of assurance exists  
36 that interest and principal payments can be made and other terms of  
37 the proposed investment be maintained over the period of the  
38 investment, and that the loan of the bond proceeds would qualify for  
39 a bond rating of "C" or better. If an opinion cannot be obtained from  
40 a recognized financial rating agency or a financial advisory firm with  
41 national standing, an opinion shall be obtained from an expert financial  
42 analyst with national standing, selected and hired by the Casino  
43 Reinvestment Development Authority. In order to achieve a balanced  
44 portfolio, assure the viability of the authority and the projects,  
45 facilities and programs undertaken pursuant to this 1984 amendatory  
46 and supplementary act, no more than 25% of the total investments

1 made by or through the Casino Reinvestment Development Authority  
2 with the proceeds of bonds generated in each year shall be investments  
3 which would qualify for a bond rating of "C," unless all holders of  
4 obligations in each year agree to waive the 25% limit for that year.  
5 Nothing herein shall be interpreted as limiting the Casino Reinvestment  
6 Development Authority from taking any steps it deems appropriate to  
7 protect the characteristics of its investment in projects or any other  
8 investments from not being real investments with a prospect for the  
9 return of principal and a return on the capital invested. Anything  
10 contained in this section shall not be considered a guarantee by the  
11 State or any political subdivision thereof of any return of principal or  
12 interest, but any purchase by a licensee of bonds or approved eligible  
13 investments made by a licensee pursuant to this act shall be at the risk  
14 of the licensee. A licensee or the licensees purchasing an issue of  
15 bonds issued by the Casino Reinvestment Development Authority in  
16 any given year may arrange, at their option, for those bonds or the  
17 investments, made by or through the Casino Reinvestment  
18 Development Authority with the proceeds of those bonds, to be  
19 insured. The cost of any such insurance purchased by a licensee or  
20 licensees shall be paid by the licensee or licensees desiring such  
21 insurance.

22 j. The Casino Reinvestment Development Authority shall  
23 promulgate rules and regulations deemed necessary to carry out the  
24 purposes of this section.

25 k. [Except as provided in section 13 of P.L.2001, c.221  
26 (C.5:12-173.21), the] The obligation of a licensee to pay an  
27 investment alternative tax pursuant to subsection a. of this section,  
28 including a casino licensee subject to the provision of section 13 of  
29 P.L.2001, c.221 (C.5:12-173.21), shall end for each licensed facility  
30 operated by the licensee [30] 35 years after any investment alternative  
31 tax obligation is first incurred in connection with each licensed facility  
32 operated by the licensee, unless extended in connection with a deferral  
33 granted by the Casino Reinvestment Development Authority pursuant  
34 to subsection c. of this section.

35 (cf: P.L.2001, c.221, s.14)

36

37 <sup>1</sup>[33. Section 3 of P.L. 2001, c. 221 (C.5:12-173.11) is amended  
38 to read as follows:

39 3. As used in this act:

40 "Authority" means the Casino Reinvestment Development Authority  
41 established pursuant to P.L.1984, c.218 (C.5:12-153 et seq.);

42 "Baseline luxury tax revenue amount" or "baseline luxury tax"  
43 means the annual amount of luxury tax receipts received pursuant to  
44 P.L.1947, c.71 (C.40:48-8.15 et seq.) from the taxation of retail sales  
45 or sales at retail originating from transactions at an  
46 entertainment-retail district project for the last full calendar year

1 preceding the year in which the district project opens under the  
2 incentive program;

3 "Casino hotel room fee fund" or "room fund" means the fund  
4 established by the State Treasurer pursuant to section 8 of P.L.2001,  
5 c.221 (C.5:12-173.16) into which shall be deposited the proceeds of  
6 the hotel room use fees as specified pursuant to section 6 of P.L.2001,  
7 c.221 (C.5:12-173.14);

8 "Casino reinvestment development authority urban revitalization  
9 incentive program" or "incentive program" means the program  
10 established pursuant to section 4 of P.L.2001, c.221 (C. 5:12-173.12)  
11 and administered by the authority to facilitate the development of  
12 entertainment-retail districts for the city of Atlantic City and to  
13 promote urban revitalization throughout the State;

14 "Commissioner" means the Commissioner of Community Affairs;

15 "Department" means the Department of Community Affairs;

16 "District project grant" or "grant" means an amount rebated to the  
17 authority pursuant to sections 7 or 8 of P.L.2001, c.221  
18 (C.5:12-173.15 or 5:12-173.16) for disbursement to a casino licensee  
19 that is approved by the authority for a district project or for retention  
20 by the authority for an approved district project sponsored by the  
21 authority;

22 "Entertainment-retail district" or "district" means one of six areas  
23 within Atlantic City, designated by the authority under the incentive  
24 program;

25 "Entertainment-retail district project" or "district project" means a  
26 project or projects to be developed by the authority or any casino  
27 [licensed to operate in Atlantic City prior to January 1, 2001]  
28 licensee, including, but not necessarily limited to, a minimum of  
29 150,000 square feet of public space, retail stores, entertainment venues  
30 and restaurants, and may include, in addition, casino hotels and public  
31 parking facilities approved by the authority under the incentive  
32 program, and may also include: the purchasing, leasing, condemning,  
33 or otherwise acquiring of land or other property, or an interest therein,  
34 approved by the authority pursuant to a project grant agreement or as  
35 an authority sponsored project, or as necessary for a right-of-way or  
36 other easement to or from the land or property, or the relocating and  
37 moving of persons displaced by the acquisition of the land or property;  
38 the rehabilitation and redevelopment of land or property, approved  
39 pursuant to a project grant agreement or as an authority sponsored  
40 project, including demolition, clearance, removal, relocation,  
41 renovation, alteration, construction, reconstruction, installation or  
42 repair of a building, street, highway, alley, utility, service or other  
43 structure or improvement; the acquisition, construction,  
44 reconstruction, rehabilitation, or installation of parking and other  
45 improvements approved pursuant to a project grant agreement or as  
46 an authority sponsored project; and the costs associated therewith

1 including the costs of an administrative appraisal, economic and  
2 environmental analyses or engineering, planning, design, architectural,  
3 surveying or other professional services approved pursuant to a  
4 project grant agreement or as part of an authority sponsored project;

5 "Entertainment-retail district project fund" or "project fund" means  
6 the fund established by the State Treasurer pursuant to section 7 of  
7 P.L.2001, c.221 (C.5:12-173.15) into which shall be deposited an  
8 amount equivalent to the amount of receipts received from the taxation  
9 of retail sales from a district project and from the taxation of  
10 construction materials used for building a district project, as specified  
11 pursuant to section 5 of P.L.2001, c.221 (C.5:12-173.13);

12 "Incremental luxury tax revenue amount" or "incremental luxury  
13 tax" means the amount by which the annual luxury tax receipts  
14 received pursuant to P.L.1947, c.71 (C.40:48-8.15 et seq.) from the  
15 taxation of retail sales or sales at retail originating from transactions  
16 at a district project in the year in which the district project opens under  
17 the incentive program, and in each year thereafter, exceed the baseline  
18 luxury tax, as determined by the State Treasurer; and

19 "Project grant agreement" means an agreement entered into  
20 between the authority and a casino licensee, pursuant to section 4 of  
21 P.L.2001, c.221 (C.5:12-173.12), that sets forth the terms and  
22 conditions of approval for a district project and of eligibility for  
23 district project grants, as determined by the authority.

24 (cf: P.L.2001, c.221, s.3)]<sup>1</sup>

25

26 <sup>1</sup>[34.] 33.1 Section 4 of P.L.2001, c.221 (C.5:12-173.12) is  
27 amended to read as follows:

28 4. a. There is established the incentive program that shall be  
29 administered by the authority. The purpose of the incentive program  
30 is to facilitate the development of entertainment-retail districts for the  
31 city of Atlantic City and to promote revitalization of other urban areas  
32 in the State. The provisions of section 30 of P.L.1984, c.218  
33 (C.5:12-178) shall not apply to the incentive program established  
34 pursuant to this section. In order to implement the incentive program,  
35 the authority is authorized to accept applications from casino licensees  
36 on or before September 1, 2001 for approval of a district project and  
37 to designate by resolution up to six districts on or before September  
38 30, 2001 and to enter into project grant agreements with casino  
39 licensees to develop district projects within each district or to approve  
40 a district project sponsored by the authority. The authority may  
41 disburse district project grants in accordance with sections 7 and 8 of  
42 P.L.2001, c.221 (C.5:12-173.15 and 5:12-173.16) to casino licensees  
43 with approved district projects or to the authority for an authority  
44 sponsored district project under the incentive program, if the authority  
45 determines that:

46 (1) construction of the district project will commence no later than



1 June 30, 2002 or as otherwise provided pursuant to the project grant  
2 agreement with the authority, or pursuant to the district project plan  
3 approved by the authority for an authority sponsored district project;

4 (2) a proposed district project plan submitted pursuant to section  
5 10 of P.L.2001, c.221 (C.5:12-173.18) is economically sound and will  
6 assist in the overall development of the city of Atlantic City and will  
7 benefit the people of New Jersey by increasing employment  
8 opportunities and strengthening New Jersey's economy;

9 (3) the disbursement of grants to a casino licensee is a material  
10 factor in the licensee's decision to go forward with a district project;  
11 and

12 (4) the casino licensee has agreed to invest a minimum of \$20  
13 million in its investment alternative tax obligations under section 3 of  
14 P.L.1984, c.218 (C.5:12-144.1), such obligation to be made in \$10  
15 million increments to one or more entertainment-retail projects, or  
16 housing and community development projects, approved by the  
17 authority and the department, in an urban area outside of Atlantic City,  
18 and designated by the commissioner as eligible for, and in need of the  
19 project, pursuant to section 11 of P.L.2001, c.221 (C.5:12-173.19).

20 b. Notwithstanding any provision to the contrary in P.L.2001,  
21 c.221 (C.5:12-173.9 et al.), the authority and the commissioner jointly  
22 may, in their discretion, also designate two entertainment-retail  
23 projects, one in North Jersey and one in South Jersey, as eligible for  
24 funds under the incentive program.

25 c. If construction of a designated district project does not  
26 commence within the time required pursuant to this section, the  
27 authority may remove that designation and, in accordance with  
28 procedures adopted by the authority by resolution, accept applications  
29 for and designate another district project of another casino licensee  
30 notwithstanding the application time requirements of this section.

31 d. The authority may amend its designation of a district project to  
32 increase the area of the district project by up to 50% with the  
33 agreement of the casino licensee.

34 (cf: P.L.2001, c.221, s.4)

35

36 <sup>1</sup>[35.] 34.<sup>1</sup> Section 7 of P.L.2001, c.221 (C.5:12-173.15) is  
37 amended to read as follows:

38 7. a. There is created a dedicated, nonlapsing project fund to be  
39 held by the State Treasurer, which shall be the repository for all  
40 moneys required to be deposited therein under section 5 of P.L.2001,  
41 c.221 (C.5:12-173.13) and any moneys appropriated or otherwise  
42 made available to the project fund.

43 b. All moneys deposited in the project fund shall be held and  
44 disbursed, subject to the requirements of section 11 of P.L.2001, c.221  
45 (C.5:12-173.19), in the form of district project grants as follows:

46 (1) an amount from the project fund equivalent to the total

1 revenues received pursuant to the "Sales and Use Tax Act," P.L.1966,  
2 c.30 (C.54:32B-1 et seq.) from the taxation of construction materials  
3 used for building a district project approved by the authority pursuant  
4 to a project grant agreement, or for building a district project  
5 sponsored by the authority, shall be rebated in the form of a one-time  
6 grant to the authority for disbursement to the casino licensee with an  
7 approved district project or to the authority for an authority sponsored  
8 district project;

9 (2) an amount from the project fund equivalent to the total  
10 revenues received pursuant to the "Sales and Use Tax Act," P.L.1966,  
11 c.30 (C.54:32B-1 et seq.) from the taxation of retail sales of tangible  
12 property and services originating from and delivered from business  
13 locations in a district project approved by the authority pursuant to a  
14 project grant agreement or from business locations in a district project  
15 sponsored by the authority, shall be rebated in the form of annual  
16 grants to the authority for disbursement to the casino licensee with an  
17 approved district project, or to the authority for an authority  
18 sponsored district project, with each annual grant not to exceed \$2.5  
19 million per district project and payable annually [until December 31,  
20 2022] for 20 years from the date of completion of the district project,  
21 or until [the date on which] such time as the combined total of grants  
22 disbursed under this section and under section 8 of P.L.2001, c.221  
23 (C.5:12-173.16) equals the approved cost of the district project, as  
24 determined by the authority, whichever is earlier;

25 (3) the balance of the revenues in the project fund shall be  
26 deposited in the General Fund if the authority, in consultation with the  
27 State Treasurer, determines that the revenues are no longer needed for  
28 the purposes of the project fund or for the uses prescribed in  
29 P.L.2001, c.221 (C.5:12-173.9 et al.).

30 c. The State Treasurer may invest and reinvest any moneys in the  
31 project fund, or any portion thereof, in legal obligations of the United  
32 States or of the State or any political subdivision thereof. Any income  
33 from, interest on, or increment to moneys so invested or reinvested  
34 shall be included in the project fund.

35 (cf: P.L.2001, c.221, s.7)

36

37 <sup>1</sup>[36.] 35.<sup>1</sup> Section 11 of P.L 2001, c.221 (C.5:12-173.19) is  
38 amended to read as follows:

39 11. a. A casino licensee shall submit a proposal to the authority  
40 and to the department for an entertainment- retail project or  
41 community and housing development project in an urban area outside  
42 of Atlantic City, consistent with the requirements of paragraph (4) of  
43 subsection a. of section 4 of P.L.2001, c.221 (C.5:12-173.12), that  
44 will further the development and revitalization of an urban area  
45 designated by the department as eligible for, and in need of, the  
46 proposed project. The department shall evaluate the proposal and

1 determine whether the proposed project meets the department's project  
2 criteria, and the authority shall evaluate the proposal and determine  
3 whether the [proposal] proposed project meets the authority's project  
4 criteria for approval of urban development projects outside of the city  
5 of Atlantic City under the incentive program. The authority and the  
6 commissioner jointly may, in their discretion, also designate two  
7 entertainment-retail projects, one in North Jersey and one in South  
8 Jersey, as eligible for funds under the incentive program. Investment  
9 by a casino licensee of a minimum of \$20 million of its investment  
10 alternative tax obligation under section 3 of P.L.1984, c.218 (C.5:12-  
11 144.1) in a North Jersey investment fund established for the purpose  
12 of furthering the development and revitalization of one or more urban  
13 areas designated by the commissioner shall satisfy the requirements of  
14 this section and section 4 of P.L.2001, c.221 (C.5:12-173.12).

15 b. The commissioner and the authority are authorized to approve  
16 the proposed project submitted under subsection a. of this section if  
17 the commissioner and the authority determine that the project meets  
18 the criteria established by the department and the authority,  
19 respectively. Upon approval by the commissioner, the State Treasurer  
20 shall annually, upon receipt of a written statement from the department  
21 certifying the satisfactory status of the project, rebate the district  
22 project grants to the authority for disbursement to casino licensees  
23 under the incentive program.

24 c. The authority and the commissioner shall give preference to  
25 those proposed projects that best leverage non-authority funds for the  
26 total construction project cost.

27 (cf: P.L.2001, c.221, s.11)

28

29 <sup>1</sup>[37.] 36.<sup>1</sup> Section 13 of P.L.2001, c.221 (C.5:12-173.21) is  
30 amended to read as follows:

31 13. a. Notwithstanding the provisions of any other law to the  
32 contrary, if a district project of a casino licensee is approved by the  
33 authority under the incentive program established by section 4 of  
34 P.L.2001, c.221 (C.5:12-173.12), the investment alternative tax  
35 imposed by subsection a. of section 3 of P.L.1984, c.218  
36 (C.5:12-144.1), and any credits which may by law be applied against  
37 that tax, shall end for the casino licensee's licensed facility, as  
38 determined by the authority, 35 years after any investment alternative  
39 tax obligation is first incurred in connection with the licensed facility  
40 operated by the licensee.

41 b. [During] If a district project of a casino licensee is approved by  
42 the authority under the incentive program established by section 4 of  
43 P.L.2001, c.221 (C.5:12-173.12), then during the [additional] last five  
44 years of a casino licensee's investment alternative tax obligations  
45 [required pursuant to subsection a. of this section], the total of the  
46 proceeds of all bonds purchased by a licensee from or through the

1 authority and all approved investments in eligible projects by a licensee  
2 shall not be devoted as set forth in subsection f.(1) of section 3 of  
3 P.L.1984, c.218 (C.5:12-144.1) and instead shall be devoted to the  
4 financing of projects in the following areas and amounts: a) 25% for  
5 the city of Atlantic City; b) 25% for South Jersey and c) 50% for  
6 North Jersey.

7 (cf: P.L.2001, c.221, s.13)

8

9 <sup>1</sup>[38. The Casino Control Commission, the Division of Gaming  
10 Enforcement in the Department of Law and Public Safety and the  
11 Casino Reinvestment Development Authority shall report on the  
12 implementation of this act to the Senate Judiciary Committee within  
13 one year following the effective date of this act, and shall include  
14 therewith any recommendations for amendments or other legislative  
15 action necessary to improve the effectiveness of the act. The Senate  
16 Judiciary Committee shall review the reports and recommendations so  
17 submitted and hold such public hearings or take such actions to  
18 provide for effective legislative oversight over the implementation of  
19 the act as it deems appropriate.]<sup>1</sup>

20

21 <sup>1</sup>[39. Sections 1, 2 and 4 through 8 of P.L.1985, c.539 (C.5:12-  
22 184 et seq.), and section 7 of P.L.1987, c.137 (C.5:12-187.1), are  
23 repealed.]<sup>1</sup>

24

25 <sup>1</sup>[40.] 37.<sup>1</sup> This act shall take effect immediately.

26

27

28

29

30 \_\_\_\_\_  
31 Makes various changes to casino gambling and use of proceeds  
thereof.

**SENATE, No. 1656**

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**STATE OF NEW JERSEY**  
**210th LEGISLATURE**

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INTRODUCED JUNE 13, 2002

**Sponsored by:**

**Senator WILLIAM L. GORMLEY**

**District 2 (Atlantic)**

**Senator RICHARD J. CODEY**

**District 27 (Essex)**

**SYNOPSIS**

Makes various changes to casino gambling and use of proceeds thereof; provides for Senate Judiciary Committee oversight.

**CURRENT VERSION OF TEXT**

As introduced.



**(Sponsorship Updated As Of: 6/21/2002)**

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2

1 AN ACT concerning casino gambling and proceeds thereof and  
2 amending and supplementing various parts of the statutory law, and  
3 providing for Senate Judiciary Committee oversight for the  
4 implementation thereof.

5

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

8

9 1. N.J.S.2C:21-5 is amended to read as follows:

10 2C:21-5. A person who issues or passes a check or similar sight  
11 order for the payment of money, knowing that it will not be honored  
12 by the drawee, commits an offense as provided for in subsection c. of  
13 this section. For the purposes of this section as well as in any  
14 prosecution for theft committed by means of a bad check, an issuer is  
15 presumed to know that the check or money order (other than a  
16 post-dated check or order) would not be paid, if:

17 a. The issuer had no account with the drawee at the time the check  
18 or order was issued; or

19 b. Payment was refused by the drawee for lack of funds, [upon  
20 presentation] or due to a closed account, after a deposit by the payee  
21 into a bank for collection or after presentation to the drawee within  
22 [30] 46 days after issue, and the issuer failed to make good within 10  
23 days after receiving notice of that refusal or after notice has been sent  
24 to the issuer's last known address. Notice of refusal may be given to  
25 the issuer orally or in writing in any reasonable manner by any person.

26 c. An offense under this section is:

27 (1) a crime of the second degree if the check or money order is  
28 \$75,000.00 or more;

29 (2) a crime of the third degree if the check or money order is  
30 \$1,000.00 or more but is less than \$75,000.00;

31 (3) a crime of the fourth degree if the check or money order is  
32 \$200.00 or more but is less than \$1,000.00;

33 (4) a disorderly persons offense if the check or money order is less  
34 than \$200.00.

35 (cf: P.L.1981, c.290, s.22)

36

37 2. (New section) "Cash equivalent value" – The monetary value  
38 that a casino licensee shall assign to a jackpot or payout that consists  
39 of merchandise or any thing of value other than cash, tokens, chips or  
40 plaques. The commission shall promulgate rules defining "cash  
41 equivalent value" in order to assure fairness, uniformity and  
42 comparability of valuation of jackpots and payoffs that include  
43 merchandise or any thing 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.**

**Matter underlined thus is new matter.**

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1       3. Section 24 of P.L.1977, c.110 (C.5:12-24) is amended to read  
2 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 from  
6 gaming operations, less only the total of all sums paid out as winnings  
7 to patrons and a deduction for uncollectible gaming receivables not to  
8 exceed the lesser of a reasonable provision for uncollectible patron  
9 checks received from gaming operations or 4% of the total of all sums  
10 including checks, whether collected or not, less the amount paid out  
11 as winnings to patrons; provided, however, that the cash equivalent  
12 value of any merchandise or thing of value included in a jackpot or  
13 payout shall not be included in the total of all sums paid out as  
14 winnings to patrons for purposes of determining gross revenue.  
15 "Gross Revenue" shall not include any amount received by a casino  
16 from casino simulcasting pursuant to the "Casino Simulcasting Act,"  
17 P.L.1992, c.19 (C.5:12-191 et al.).

18       For the purposes of this section, any check which is invalid and  
19 unenforceable pursuant to subsection f. of section 101 of P.L.1977,  
20 c.110 (C.5:12-101) shall be treated as cash received by the casino  
21 licensee from gaming operations.

22 (cf: P.L.1992, c.19, s.27)

23

24       4. Section 26 of P.L.1977, c. 110 (C.5:12-26) is amended to read  
25 as follows:

26       26. "Holding company" --Any corporation, association, firm,  
27 partnership, trust or other form of business organization not a natural  
28 person which, directly or indirectly, owns, has the power or right to  
29 control, or has the power to vote any significant part of the  
30 outstanding voting securities of a corporation or other form of  
31 business organization which holds or applies for a casino license. For  
32 the purpose of this section, in addition to any other reasonable  
33 meaning of the words used, a "holding company" indirectly has, holds  
34 or owns any such power, right or security if it does so through any  
35 interest in a subsidiary or successive subsidiaries, however many such  
36 subsidiaries may intervene between the holding company and the  
37 **[corporate]** casino licensee or applicant.

38 (cf: P.L.1979, c.282, s.6)

39

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

42       27. "Hotel" or "approved hotel" -- A single building, or two or  
43 more buildings which are physically connected in a manner deemed  
44 appropriate by the commission and which are operated as one  
45 casino-hotel facility under the provisions of the "Casino Control Act,"  
46 P.L.1977, c.110 (C.5:12-1 et seq.), located within the limits of the city

1 of Atlantic City as said limits were defined as of November 2, 1976,  
2 and containing not fewer than the number of sleeping units required by  
3 section 83 of P.L.1977, c.110 (C.5:12-83), each of which sleeping  
4 units shall: a. be at least 325 square feet measured to the center of  
5 perimeter walls, including bathroom and closet space and excluding  
6 hallways, balconies and lounges; b. contain private bathroom facilities;  
7 and c. be held available and used regularly for the lodging of tourists  
8 and convention guests. [In no event shall the main entrance or only  
9 access to an approved hotel be through a casino or simulcasting  
10 facility.]

11 (cf: P.L.1993, c.292, s.3)

12

13 6. Section 28 of P.L.1977, c. 110, (C.5:12-28) is amended to read  
14 as follows:

15 28. "Intermediary company" --Any corporation, association, firm,  
16 partnership, trust or any other form of business organization other than  
17 a natural person which:

18 a. Is a holding company with respect to a corporation or other  
19 form of business organization which holds or applies for a casino  
20 license, and

21 b. Is a subsidiary with respect to any holding company.

22 (cf: P.L.1977, c.110, s.28)

23

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

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

31 (cf: P.L.1981, c.503, s.3)

32

33 8. Section 44 of P.L.1977, c. 110 (C.5:12-44) is amended to read  
34 as follows:

35 44. "Security" --Any instrument evidencing a direct or indirect  
36 beneficial ownership or creditor interest in a corporation or other form  
37 of business organization, including but not limited to, stock, common  
38 and preferred; bonds; mortgages; debentures; security agreements;  
39 notes; warrants; options and rights.

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

41

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

44 45. "Slot machine"--Any mechanical, electrical or other device,  
45 contrivance or machine which, upon insertion of a coin, token or  
46 similar object therein, or upon payment of any consideration



1 whatsoever, is available to play or operate, the play or operation of  
2 which, whether by reason of the skill of the operator or application of  
3 the element of chance, or both, may deliver or entitle the person  
4 playing or operating the machine to receive cash or tokens to be  
5 exchanged for cash, or to receive merchandise or any thing of value  
6 whatsoever, whether the payoff is made automatically from the  
7 machine or in any other manner whatsoever, except that the cash  
8 equivalent value of any merchandise or other thing of value shall not  
9 be included [in the total of all sums paid out as winnings to patrons  
10 for purposes of determining gross revenues as defined by section 24  
11 of P.L.1977, c.110 (C.5:12-24) or be included] in determining the  
12 payout percentage of any slot machine. [The commission shall  
13 promulgate rules defining "cash equivalent value" in order to assure  
14 fairness, uniformity and comparability of valuation of slot machine  
15 payoffs.]

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

17

18 10. Section 69 of P.L.1977, c.110 (C.5:12-69) is amended to read  
19 as follows:

20 69. Regulations. a. The commission shall be authorized to adopt,  
21 amend, or repeal such regulations, consistent with the policy and  
22 objectives of this act, as amended, as it may deem necessary to protect  
23 the public interest in carrying out the provisions of this act.

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

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

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

34 e. Notwithstanding any other provision of this act or the  
35 "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.)  
36 to the contrary, the commission may, after notice provided in  
37 accordance with this subsection, authorize the temporary adoption,  
38 amendment or repeal of any rule concerning the conduct of gaming or  
39 simulcast wagering, or the use or design of gaming or simulcast  
40 wagering equipment, or the internal procedures and administrative and  
41 accounting controls required by section 99 of P.L.1977, c.110  
42 (C.5:12-99) for a period not to exceed 270 days for the purpose of  
43 determining whether such rules should be adopted on a permanent  
44 basis in accordance with the requirements of this section. Any  
45 temporary rulemaking authorized by this subsection shall be subject to  
46 such terms and conditions as the commission may deem appropriate.

1 Notice of any temporary rulemaking action taken by the commission  
2 pursuant to this subsection shall be published in the New Jersey  
3 Register, and provided to the newspapers designated by the  
4 commission pursuant to subsection d. of section 3 of P.L.1975, c.231  
5 (C.10:4-8), at least seven days prior to the implementation of the  
6 temporary rules. Nothing herein shall be deemed to require the  
7 publication of the text of any temporary rule adopted by the  
8 commission or notice of any modification of any temporary rulemaking  
9 initiated in accordance with this subsection. The text of any temporary  
10 rule adopted by the commission shall be [posted] available in each  
11 casino or simulcasting facility participating in the temporary  
12 rulemaking and shall be available upon request from the commission.  
13 (cf: P.L.1995, c.18, s.16)

14

15 11. Section 70 of P.L.1977, c.110 (C.5:12-70) is amended to read  
16 as follows:

17 70. Required Regulations. The commission shall, without  
18 limitation on the powers conferred in the preceding section, include  
19 within its regulations the following specific provisions in accordance  
20 with the provisions of this act:

21 a. Prescribing the methods and forms of application which any  
22 applicant shall follow and complete prior to consideration of his  
23 application by the commission;

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

27 c. Prescribing procedures for the fingerprinting of an applicant,  
28 employee of a licensee, or registrant, or other methods of  
29 identification which may be necessary in the judgment of the  
30 commission to accomplish effective enforcement of restrictions on  
31 access to the casino floor, the simulcasting facility, and other restricted  
32 areas of the casino hotel complex;

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

36 e. Prescribing the manner and method of collection of payments  
37 of taxes, fees, and penalties;

38 f. Defining and limiting the areas of operation, the rules of  
39 authorized games, odds, and devices permitted, and the method of  
40 operation of such games and devices;

41 g. Regulating the practice and procedures for negotiable  
42 transactions involving patrons, including limitations on the  
43 circumstances and amounts of such transactions, and the establishment  
44 of forms and procedures for negotiable instrument transactions,  
45 redemptions, and consolidations;

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

1 o. Governing the gaming-related advertising of casino licensees,  
2 their employees and agents, with the view toward assuring that such  
3 advertisements are in no way deceptive; provided, however, that such  
4 regulations [:(1) shall not prohibit the advertisement of casino  
5 location, hours of operation, or types of games and other amenities  
6 offered; (2) shall prohibit the advertisement of information about odds,  
7 the number of games, and the size of the casino or simulcasting  
8 facility; and (3)] shall require the words "Bet with your head, not over  
9 it," or some comparable language approved by the commission, to  
10 appear on all billboards, signs, and other on-site advertising of a casino  
11 operation and shall require the words "If you or someone you know  
12 has a gambling problem and wants help, call 1-800 GAMBLER," or  
13 some comparable language approved by the commission, which  
14 language shall include the words "gambling problem" and "call 1-800  
15 GAMBLER," to appear legibly on all print, billboard, and sign  
16 advertising of a casino operation; and

17 p. (Deleted by amendment, P.L.1991, c.182).

18 q. Concerning the distribution and consumption of alcoholic  
19 beverages on the premises of the licensee, which regulations shall be  
20 insofar as possible consistent with Title 33 of the Revised Statutes,  
21 and shall deviate only insofar as necessary because of the unique  
22 character of the hotel casino premises and operations;

23 r. (Deleted by amendment, P.L.1991, c.182).

24 (cf: P.L.1995, c.18, s.17)

25

26 12. Section 1 of P.L.2001, c.39 (C.5:12-71.2) is amended to read  
27 as follows:

28 1. a. The commission shall provide by regulation for the  
29 establishment of a list of persons self-excluded from gaming activities  
30 at all licensed casinos and simulcasting facilities. Any person may  
31 request placement on the list of self-excluded persons by  
32 acknowledging in a manner to be established by the commission that  
33 the person is a problem gambler and by agreeing that, during any  
34 period of voluntary exclusion, the person may not collect any winnings  
35 or recover any losses resulting from any gaming activity at such  
36 casinos and facilities.

37 b. The regulations of the commission shall establish procedures  
38 for placements on, and removals from, the list of self-excluded  
39 persons. Such regulations shall establish procedures for the transmittal  
40 to licensed casinos and simulcasting facilities of identifying information  
41 concerning self-excluded persons, and shall require licensed casinos  
42 and simulcasting facilities to establish procedures designed, at a  
43 minimum, to remove self-excluded persons from targeted mailings or  
44 other forms of advertising or promotions and deny self-excluded  
45 persons access to credit, complementaries, check cashing privileges  
46 club programs, and other similar benefits.

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

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

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

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

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

25 (cf: P.L.2001, c.39, s.1)

26  
27 13. Section 81 of P.L.1977, c.110 (C.5:12-81) is amended to read  
28 as follows:

29 81. Statement of compliance.

30 a. (1) The commission may, in its discretion, issue a statement of  
31 compliance to an applicant for any license or for qualification status  
32 under this act at any time the commission is satisfied that the applicant  
33 has established by clear and convincing evidence that one or more  
34 particular eligibility criteria have been satisfied by an applicant. A  
35 request for the issuance of a statement of compliance pursuant to this  
36 paragraph shall be initiated by the applicant filing a petition with the  
37 commission. Before the commission refers any such petition to the  
38 division for investigation, the commission may require the applicant to  
39 establish to the satisfaction of the commission that the applicant  
40 actually intends, if found qualified, to engage in the business or activity  
41 that would require the issuance of the license or the determination of  
42 qualification status.

43 (2) Any person who must be qualified pursuant to the "Casino  
44 Control Act," P.L.1977, c.110 (C.5:12-1 et seq.) in order to hold the  
45 securities of a casino licensee or any holding or intermediary company  
46 of a casino licensee may, prior to the acquisition of any such securities,

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

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

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

37 (1) the particular eligibility criterion satisfied by the applicant or  
38 person;

39 (2) the date as of which such satisfaction was determined by the  
40 commission;

41 (3) the continuing obligation of the applicant or person to file any  
42 information required by the commission or division as part of any  
43 application for a license or qualification status, including information  
44 related to the eligibility criterion for which the statement of  
45 compliance was issued; and

46 (4) the obligation of the applicant or person to reestablish its

1 satisfaction of the eligibility criterion should there be a change in any  
2 material fact or circumstance that is relevant to the eligibility criterion  
3 for which the statement of compliance was issued.

4 c. A statement of compliance certifying satisfaction of all of the  
5 requirements of subsection e. of section 84 of this act with respect to  
6 a specific casino hotel proposal submitted by an eligible applicant may  
7 be accompanied by a written commitment from the commission that a  
8 casino license shall be reserved for a period not to exceed 30 months  
9 or within such additional time period as the commission may, upon a  
10 showing of good cause therefor, establish and shall be issued to such  
11 eligible applicant with respect to such proposal provided that such  
12 applicant (1) complies in all respects with the provisions of this act,  
13 (2) qualifies for a casino license within a period not to exceed 30  
14 months of the date of such commitment or within such additional time  
15 period as the commission may, upon a showing of good cause  
16 therefor, establish, and (3) complies with such other conditions as the  
17 commission shall impose. The commission may revoke such  
18 reservation at any time it finds that the applicant is disqualified from  
19 receiving or holding a casino license or has failed to comply with any  
20 conditions imposed by the commission. Such reservation shall be  
21 automatically revoked if the applicant does not qualify for a casino  
22 license within the period of such commitment. No license other than  
23 a casino license shall be reserved by the commission.

24 d. Any statement of compliance issued pursuant to this section  
25 shall be withdrawn by the commission if:

26 (1) the applicant or person otherwise fails to satisfy the standards  
27 for licensure or qualification;

28 (2) the applicant or person fails to comply with any condition  
29 imposed by the commission; or

30 (3) the commission finds cause to revoke the statement of  
31 compliance for any other reason.

32 e. Notwithstanding any other provision of this section, unless  
33 otherwise extended by the commission upon application by the  
34 recipient and for good cause shown, any statement of compliance  
35 issued by the commission pursuant to this section shall expire 48  
36 months after its date of issuance, unless the recipient also has received  
37 a commitment for the reservation of a casino license, in which case the  
38 statement of compliance shall expire on the same date as the  
39 commitment.

40 f. Any statement of compliance issued by the commission prior to  
41 the effective date of this amendatory and supplementary act, P.L. , c.  
42 (now before the Legislature as this bill), shall expire in accordance  
43 with the provisions of subsection e. of this section as if the statement  
44 had been issued on such effective date, unless the statement

1 is otherwise extended, withdrawn or revoked prior to such date in  
2 accordance with the provisions of this section.

3 (cf: P.L.1995, c.18, s.22)

4

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

7 83. a. An approved hotel for purposes of this act shall be a hotel  
8 providing facilities in accordance with this section. Nothing in this  
9 section shall be construed to limit the authority of the commission to  
10 determine the suitability of facilities as provided in this act, and  
11 nothing in this section shall be construed to require a casino to be  
12 smaller than the maximum size herein provided.

13 b. [(1) In the case of a casino hotel in operation on June 29, 1991,  
14 a casino hotel shall include:

15 (a) an approved hotel containing at least the number of qualifying  
16 sleeping units, as defined in section 27 of P.L.1977, c.110 (C.5:12-27),  
17 which it had on that date, except that those units may be consolidated  
18 and reconfigured in order to form suites so long as there remain at  
19 least 500 qualifying sleeping units; and

20 (b) a casino, the total square footage of which shall not exceed the  
21 amount of casino space authorized on the basis of the provisions of  
22 this section which were in effect on June 28, 1991 and applicable to  
23 that casino hotel at that time, unless the number of qualifying sleeping  
24 units under subparagraph (a) of this paragraph and the number of any  
25 qualifying sleeping units added after June 29, 1991 permit an increase  
26 on the following basis: 60,000 square feet of casino space for the first  
27 500 qualifying sleeping units and 10,000 square feet of casino space  
28 for each additional 100 qualifying sleeping units above 500, up to a  
29 maximum of 200,000 square feet of casino space. No casino hotel in  
30 operation on June 29, 1991 shall be required to reduce the amount of  
31 its casino space below the amount authorized as of June 28, 1991  
32 unless the number of qualifying sleeping units is reduced below the  
33 number required in subparagraph (a) of this paragraph.

34 For the purpose of increasing casino space, an agreement approved  
35 by the commission for the addition of qualifying sleeping units within  
36 two years after the commencement of gaming operations in the  
37 additional casino space shall be deemed an addition of those rooms,  
38 but if the agreement is not fulfilled due to conditions within the control  
39 of the casino licensee, the casino licensee shall close the additional  
40 casino space or any portion thereof as directed by the commission.

41 The calculation of the number of qualifying sleeping units added  
42 with respect to any such casino hotel shall not include any qualifying  
43 sleeping unit or other hotel or motel room in existence in Atlantic City  
44 on June 29, 1991, whether or not that unit or room was offered or  
45 usable for occupancy on that date, or any replacement for such a unit  
46 or room which results from construction or renovation after that date,



1 except that any hotel room in existence in Atlantic City on June 29,  
2 1991 which was not used or available for use on that date and for at  
3 least 10 years prior to that date and which is reconstructed or replaced  
4 after the effective date of this amendatory and supplementary act,  
5 P.L.1993, c.159, and meets the specifications of a sleeping unit  
6 prescribed in section 27 of P.L.1977, c.110 (C.5:12-27) may be  
7 included in such calculation; any hotel room in existence in Atlantic  
8 City on June 29, 1991 which, for at least 10 years prior thereto, had  
9 been used as part of an annexed facility of a casino hotel, which facility  
10 was determined by the commission to be part of an approved hotel  
11 subsequent thereto and prior to the effective date of this amendatory  
12 and supplementary act, P.L.1995, c.18 (C.5:12-2.1 et al.), and meets,  
13 or was or is reconstructed or replaced to meet, the specifications of a  
14 sleeping unit prescribed in section 27 of P.L.1977, c.110 (C.5:12-27),  
15 may be included in such calculation; and any replacement which, in  
16 the judgment of the commission, is an integral element of a program  
17 of neighborhood rehabilitation undertaken by the casino licensee with  
18 the approval of the city of Atlantic City may also be included in such  
19 calculation.

20 (2) In the case of a hotel in operation on June 29, 1991 which was  
21 part of a casino hotel prior to, but not as of, that date, and which is  
22 reestablished as part of a casino hotel after that date, a casino hotel  
23 shall include:

24 (a) an approved hotel containing at least the number of qualifying  
25 sleeping units, as defined in section 27 of P.L.1977, c.110 (C.5:12-27),  
26 which it had on the date the casino ceased operations prior to June 29,  
27 1991, except that those units may be consolidated and reconfigured in  
28 order to form suites so long as there remain at least 500 qualifying  
29 sleeping units; and

30 (b) a casino, the total square footage of which shall not exceed the  
31 amount of casino space the casino had on the date it ceased operations  
32 prior to June 29, 1991 unless the number of qualifying sleeping units  
33 under subparagraph (a) of this paragraph and the number of any  
34 qualifying sleeping units added after that date permit an increase on  
35 the following basis: 60,000 square feet of casino space for the first 500  
36 qualifying sleeping units and 10,000 square feet of casino space for  
37 each additional 100 qualifying sleeping units above 500, up to a  
38 maximum of 200,000 square feet of casino space. No casino hotel  
39 which operates pursuant to this paragraph shall be required to reduce  
40 the amount of its casino space below the amount it had on the date it  
41 ceased operations unless the number of qualifying sleeping units is  
42 reduced below the number required in subparagraph (a) of this  
43 paragraph.

44 For the purpose of increasing casino space, an agreement approved  
45 by the commission for the addition of qualifying sleeping units within  
46 two years after the commencement of gaming operations in the

1 additional casino space shall be deemed an addition of those rooms,  
2 but if the agreement is not fulfilled due to conditions within the control  
3 of the casino licensee, the casino licensee shall close the additional  
4 casino space or any portion thereof as directed by the commission.

5 The calculation of the number of qualifying sleeping units added  
6 with respect to any such hotel shall not include any qualifying sleeping  
7 unit or other hotel or motel room in existence in Atlantic City on June  
8 29, 1991, whether or not that unit or room was offered or usable for  
9 occupancy on the effective date, or any replacement for such a unit or  
10 room which results from construction or renovation after that date,  
11 except that any hotel room in existence in Atlantic City on June 29,  
12 1991 which was not used or available for use on that date and for at  
13 least 10 years prior to that date and which is reconstructed or replaced  
14 after the effective date of this amendatory and supplementary act,  
15 P.L.1993, c.159, and meets the specifications of a sleeping unit  
16 prescribed in section 27 of P.L.1977, c.110 (C.5:12-27) may be  
17 included in such calculation, and any replacement which, in the  
18 judgment of the commission, is an integral element of a program of  
19 neighborhood rehabilitation undertaken by the casino licensee with the  
20 approval of the city of Atlantic City may also be included in such  
21 calculation.] Deleted by amendment, P.L.2002, c. (now before the  
22 Legislature as this bill).

23 c. [In the case of a casino hotel not in operation prior to or on  
24 June 29, 1991, a] A casino hotel shall include an approved hotel  
25 containing at least 500 qualifying sleeping units, as defined in section  
26 27 of the "Casino Control Act," P.L.1977, c.110 (C.5:12-27), and a  
27 casino, the total square footage of which shall not exceed 60,000  
28 square feet, except that for each additional 100 qualifying sleeping  
29 units above 500, the maximum amount of the casino space may be  
30 increased by 10,000 square feet, up to a maximum of 200,000 square  
31 feet of casino space. [The calculation of the number of qualifying  
32 sleeping units with respect to any such casino hotel shall not include  
33 any qualifying sleeping unit or other hotel or motel room in existence  
34 in Atlantic City on June 29, 1991, whether or not that unit or room  
35 was offered or usable for occupancy on that date, or any replacement  
36 for such a unit or room which results from construction or renovation  
37 after that date, except that any hotel room in existence in Atlantic City  
38 on June 29, 1991 which was not used or available for use on that date  
39 and for at least 10 years prior to that date and which is reconstructed  
40 or replaced after the effective date of this amendatory and  
41 supplementary act, P.L.1993, c.159, and meets the specifications of a  
42 sleeping unit prescribed in section 27 of P.L.1977, c.110 (C.5:12-27)  
43 may be included in such calculation, and any replacement which, in the  
44 judgment of the commission, is an integral element of a program of  
45 neighborhood rehabilitation undertaken by the casino licensee with the  
46 approval of the city of Atlantic City may also be included in such

1 calculation.] For the purpose of increasing casino space, an agreement  
2 approved by the commission for the addition of qualifying sleeping  
3 units within two years after the commencement of gaming operations  
4 in the additional casino space shall be deemed an addition of those  
5 sleeping units, but if the agreement is not fulfilled due to conditions  
6 within the control of the casino licensee, the casino licensee shall close  
7 the additional casino space or any portion thereof as directed by the  
8 commission.

9 d. Once a hotel is initially approved, the commission shall  
10 thereafter rely on the certification of the casino licensee with regard to  
11 the number of qualifying sleeping units and shall permit replacement,  
12 rehabilitation, renovation and alteration of any part of the approved  
13 hotel even if the replacement, rehabilitation, renovation, or alteration  
14 will mean that the casino licensee does not temporarily meet the  
15 requirements of subsection c. so long as the licensee certifies that the  
16 replacement, rehabilitation, renovation, or alteration shall be  
17 completed within one year or such other reasonable period of time as  
18 the commission may approve.

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

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

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

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

23 i. The commission shall not impose any criteria or requirements  
24 regarding the contents of the approved hotel in addition to the criteria  
25 and requirements expressly specified in the "Casino Control Act,"  
26 P.L.1977, c.110 (C.5:12-1 et seq.); provided, however, that the  
27 commission shall be authorized to require each casino licensee to  
28 establish and maintain an approved hotel which is in all respects a  
29 superior, first-class facility of exceptional quality which will help  
30 restore Atlantic City as a resort, tourist and convention destination.  
31 (cf: P.L.1996, c.84, s.4)

32  
33 15. Section 85 of P.L.1977, c.110 (C.5:12-85) is amended to read  
34 as follows:

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

38 (1) The organization, financial structure and nature of all  
39 businesses operated by the corporation; the names and personal  
40 employment and criminal histories of all officers, directors and  
41 principal employees of the corporation; the names of all holding,  
42 intermediary and subsidiary companies of the corporation; and the  
43 organization, financial structure and nature of all businesses operated  
44 by such of its holding, intermediary and subsidiary companies as the  
45 commission may require, including names and personal employment  
46 and criminal histories of such officers, directors and principal

1 employees of such corporations and companies as the commission may  
2 require;

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

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

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

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

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

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

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

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

21 b. If a corporation or other form of business organization applying  
22 for a casino license is, or if a corporation or other form of business  
23 organization holding a casino license is to become, a subsidiary, each  
24 holding company and each intermediary company with respect thereto  
25 must, as a condition of the said subsidiary acquiring or retaining such  
26 license, as the case may be:

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

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

32 (3) If it is not a corporation, register with the commission and  
33 furnish the commission with such information as the commission may  
34 prescribe.

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

1 pursuant to the provisions of this act.

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

5 (1) If it is a corporation, shall comply with the provisions of  
6 subsection c. of this section as if said holding or intermediary company  
7 were itself applying for a casino license; provided, however, that the  
8 commission with the concurrence of the director may waive  
9 compliance with the provisions of subsection c. hereof on the part of  
10 a [publicly-traded corporation which is a] holding company as to any  
11 officer, director, lender, underwriter, agent or employee thereof, or  
12 person directly or indirectly holding a beneficial interest or ownership  
13 of the securities of such corporation, where the commission and the  
14 director are satisfied that such officer, director, lender, underwriter,  
15 agent or employee is not significantly involved in the activities of the  
16 corporate licensee, and in the case of security holders, does not have  
17 the ability to control the [publicly-traded corporation] holding  
18 company or elect one or more directors thereof; or

19 (2) If it is not a corporation, shall comply with the provisions of  
20 subsection e. of this section as if said company were itself applying for  
21 a casino license; provided, however, that the commission with the  
22 concurrence of the director may waive compliance with the provisions  
23 of subsection e. of this section on the part of a noncorporate business  
24 organization which is a holding company as to any person who directly  
25 or indirectly holds any beneficial interest or ownership in such  
26 company, when the commission and the director are satisfied that such  
27 person does not have the ability to control the company.

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

38 f. Notwithstanding the provisions of subsections c. and d. of this  
39 section, and in the absence of a prima facie showing by the director  
40 that there is any cause to believe that the institutional investor may be  
41 found unqualified, an institutional investor holding either (1) under  
42 10% of the equity securities of a casino licensee's holding or  
43 intermediary companies, or (2) debt securities of a casino licensee's  
44 holding or intermediary companies, or another subsidiary company of  
45 a casino licensee's holding or intermediary companies which is related  
46 in any way to the financing of the casino licensee, where the securities

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

33 g. If at any time the commission finds that an institutional investor  
34 holding any security of a holding or intermediary company of a casino  
35 licensee, or, where relevant, of another subsidiary company of a  
36 holding or intermediary company of a casino licensee which is related  
37 in any way to the financing of the casino licensee, fails to comply with  
38 the terms of subsection f. of this section, or if at any time the  
39 commission finds that, by reason of the extent or nature of its  
40 holdings, an institutional investor is in a position to exercise such a  
41 substantial impact upon the controlling interests of a licensee that  
42 qualification of the institutional investor is necessary to protect the  
43 public interest, the commission may, in accordance with the provisions  
44 of subsections a. through e. of this section or subsections d. and e. of  
45 section 105 of P.L.1977, c.110 (C.5:12-105), take any necessary  
46 action to protect the public interest, including requiring such an

1 institutional investor to be qualified pursuant to the provisions of the  
2 "Casino Control Act," P.L.1977, c.110 (C.5:12-1 et seq.).  
3 (cf: P.L.1991, c.182, s.26)

4  
5 16. Section 91 of P.L.1977, c.110 (C.5:12-91) is amended to read  
6 as follows:

7 91. Registration of Casino Service Employees.

8 a. No person may commence employment as a casino service  
9 employee unless the person has been registered with the commission,  
10 which registration shall be in accordance with subsection f. of this  
11 section.

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

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

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

- 37 (1) The nature and duties of the registrant's position;  
38 (2) The nature and seriousness of the offense or conduct;  
39 (3) The circumstances under which the offense or conduct  
40 occurred;  
41 (4) The date of the offense or conduct;  
42 (5) The age of the registrant when the offense or conduct was  
43 committed;  
44 (6) Whether the offense or conduct was an isolated or repeated  
45 incident;  
46 (7) Any social conditions which may have contributed to the

1 offense or conduct;

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

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

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

16 [Any person who, on the effective date of P.L.1995, c.18  
17 (C.5:12-2.1 et al.), possesses a current and valid casino hotel  
18 employee registration shall be considered registered in accordance  
19 with the provisions of this section.]

20 All casino hotel employee registrations shall expire 120 days after  
21 the effective date of this amendatory and supplementary act, P.L. , c.  
22 (now before the Legislature as this bill). Any holder of a casino hotel  
23 employee registration may until that date convert that registration to  
24 a casino service employee registration without fee.

25 (cf: P.L.1995, c.18, s.29)

26

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

29 92. Licensing and Registration of Casino Service Industries.

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



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

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

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

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

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

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

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

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

27 (cf: P.L.2001, c.134, s.2)

28

29       18. Section 93 of P.L.1977, c.110 (C.5:12-93) is amended to read  
30 as follows:

31       93. Registration of Labor Organizations.

32       a. Each labor organization, union or affiliate seeking to represent  
33 employees who are employed in a casino hotel, casino or casino  
34 simulcasting facility by a casino licensee shall register with the  
35 commission [~~annually~~] biennially, and shall disclose such information  
36 to the commission as the commission may require, including the names  
37 of all affiliated organizations, pension and welfare systems and all  
38 officers and agents of such organizations and systems; provided,  
39 however, that no labor organization, union, or affiliate shall be  
40 required to furnish such information to the extent such information is  
41 included in a report filed by any labor organization, union, or affiliate  
42 with the Secretary of Labor pursuant to 29 U.S.C. s. 431 et seq. or s.  
43 1001 et seq. if a copy of such report, or of the portion thereof  
44 containing such information, is furnished to the commission pursuant  
45 to the aforesaid federal provisions. The commission may in its  
46 discretion exempt any labor organization, union, or affiliate from the

1 registration requirements of this subsection where the commission  
2 finds that such organization, union or affiliate is not the certified  
3 bargaining representative of any employee who is employed in a casino  
4 hotel, casino or casino simulcasting facility by a casino licensee, is not  
5 involved actively, directly or substantially in the control or direction  
6 of the representation of any such employee, and is not seeking to do  
7 so.

8 b. No person may act as an officer, agent or principal employee of  
9 a labor organization, union or affiliate registered or required to be  
10 registered pursuant to this section if the person has been found  
11 disqualified by the commission in accordance with the criteria  
12 contained in section 86 of that act. The commission may, for purposes  
13 of this subsection, waive any disqualification criterion consistent with  
14 the public policy of this act and upon a finding that the interests of  
15 justice so require.

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

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

24 e. The commission or the division may maintain a civil action and  
25 proceed in a summary manner, without posting bond, against any  
26 person, including any labor organization, union or affiliate, to compel  
27 compliance with this section, or to prevent any violations, the aiding  
28 and abetting thereof, or any attempt or conspiracy to violate this  
29 section.

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

41 g. Nothing contained in this section shall limit the power of the  
42 commission to proceed in accordance with subsection c. of section 107  
43 of P.L.1977, c.110 (C.5:12-107).

44 (cf: P.L.1995, c.18, s.31)

45

46 19. Section 95 of P.L.1977, c.110 (C.5:12-95) is amended to read

1 as follows:

2 95. Renewal of Licenses and Registrations. Subject to the power  
3 of the commission to deny, revoke or suspend any license or  
4 registration, any license other than a casino license or any registration  
5 may be renewed upon proper application for renewal and the payment  
6 of fees in accordance with the rules of the commission, but in no event  
7 later than the date of expiration of the current license or registration.

8 Notwithstanding the foregoing, in order to facilitate the efficient  
9 operation of the commission and the division, the commission shall  
10 have the authority, with the concurrence of the director of the division,  
11 to extend the period of any license other than a casino license, but in  
12 no event shall the expiration date be extended for more than two years.

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

14

15 20. Section 97 of P.L.1977, c.110 (C.5:12-97) is amended to read  
16 as follows:

17 97. Hours of Operation. a. [No] Each casino licensed pursuant  
18 to this act shall [operate between the hours of 6 a.m. and 10 a.m. on  
19 Saturdays, Sundays and State and federal holidays, or between the  
20 hours of 4 a.m. and 10 a.m. on all other days, except that the  
21 commission may extend the hours of operation, up to and including 24  
22 hours of operation, on any Saturday, Sunday, or State or federal  
23 holiday, or on any day that an extension of operating hours would, in  
24 the judgment of the commission, have an economic impact on the  
25 casino industry and on Atlantic City which would justify the extension  
26 of those hours. In making this finding, the commission shall consider,  
27 among other factors: (1) the anticipated volume of visitor, convention,  
28 or tourist traffic in Atlantic City as a result of any scheduled meetings  
29 or events; (2) any special promotions or market expansion programs  
30 undertaken by the casino industry or others to increase such traffic; or  
31 (3) any other basis for the conclusion that an extension of operating  
32 hours would, under the circumstances, effect a significant impact on  
33 the volume of casino business and thereby on the State revenues  
34 dependent thereupon. Any resolution approving an extension of  
35 operating hours shall be considered at a regularly scheduled meeting  
36 of the commission held pursuant to the "Open Public Meetings Act,"  
37 P.L.1975, c.231 (C.10:4-6 et seq.)] be permitted to operate 24 hours  
38 a day unless otherwise directed by the commission in accordance with  
39 its authority under P.L.1977, c.110 (C.5:12-1 et seq.).

40 b. A casino licensee shall file with the commission a schedule of  
41 hours prior to the issuance of an initial operation certificate. If the  
42 casino licensee proposes any change in scheduled hours, such change  
43 may not be effected until such licensee files a notice of the new  
44 schedule of hours with the commission. Such filing must be made 30  
45 days prior to the effective date of the proposed change in hours.

46 c. Nothing herein shall be construed to limit a casino licensee in

1 opening its casino later than, or closing its casino earlier than, the  
2 times stated in its schedule of operating hours; provided, however, that  
3 any such alterations in its hours shall comply with the provisions of  
4 subsection a. of this section and with regulations of the commission  
5 pertaining to such alterations.

6 (cf: P.L.1992, c.36, s.1)

7  
8 21. Section 99 of P.L.1977, c.110 (C.5:12-99) is amended to read  
9 as follows:

10 99. Internal Controls.

11 a. Each applicant for a casino [licensee] license shall submit to the  
12 commission a description of its initial system of internal procedures  
13 and administrative and accounting controls for gaming and simulcast  
14 wagering operations [and a description of any changes thereof. Such]  
15 accompanied by a certification by its Chief Legal Officer or equivalent  
16 that the submitted procedures conform to the requirements of this act,  
17 P.L.1977, c.110 (C.5:12-1 et seq.), and the regulations promulgated  
18 thereunder, and a certification by its Chief Financial Officer or  
19 equivalent that the submitted procedures provide adequate and  
20 effective controls, establish a consistent overall system of internal  
21 procedures and administrative and accounting controls and conform  
22 to generally accepted accounting principles. Each applicant shall  
23 make its initial submission [shall be made] at least 30 days before such  
24 operations are to commence [or at least 30 days before any change in  
25 those procedures or controls is to take effect,] unless otherwise  
26 directed by the commission. [Notwithstanding the foregoing, the  
27 internal controls described in paragraph (3) of this subsection may be  
28 implemented by a casino licensee upon the filing of such internal  
29 controls with the commission.] A casino licensee, upon submission to  
30 the commission of a change in its system of internal procedures and  
31 controls and the two certifications described above, may immediately  
32 implement the change. Each initial internal control submission shall  
33 contain [both] narrative [and diagrammatic] representations of the  
34 internal control system to be utilized by the casino, including, but not  
35 limited to:

36 (1) Accounting controls, including the standardization of forms and  
37 definition of terms to be utilized in the gaming and simulcast wagering  
38 operations;

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

44 (3) Job descriptions and the system of personnel and  
45 chain-of-command, establishing a diversity of responsibility among  
46 employees engaged in casino or simulcasting facility operations and

- 1 identifying primary and secondary supervisory positions for areas of  
2 responsibility, which areas shall not be so extensive as to be  
3 impractical for an individual to monitor; salary structure; and  
4 personnel practices;
- 5 (4) Procedures within the cashier's cage and simulcast facility for  
6 the receipt, storage and disbursal of chips, cash, and other cash  
7 equivalents used in gaming and simulcast wagering; the cashing of  
8 checks; the redemption of chips and other cash equivalents used in  
9 gaming and simulcast wagering; the pay-off of jackpots and simulcast  
10 wagers; and the recording of transactions pertaining to gaming and  
11 simulcast wagering operations;
- 12 (5) Procedures for the collection and security of moneys at the  
13 gaming tables and in the simulcasting facility;
- 14 (6) Procedures for the transfer and recordation of chips between  
15 the gaming tables and the cashier's cage and the transfer and  
16 recordation of moneys within the simulcasting facility;
- 17 (7) Procedures for the transfer of moneys from the gaming tables  
18 to the counting process and the transfer of moneys within the  
19 simulcasting facility for the counting process;
- 20 (8) Procedures and security for the counting and recordation of  
21 revenue;
- 22 (9) Procedures for the security, storage and recordation of cash,  
23 chips and other cash equivalents utilized in the gaming and simulcast  
24 wagering operations;
- 25 (10) Procedures for the transfer of moneys or chips from and to the  
26 slot machines;
- 27 (11) Procedures and standards for the opening and security of slot  
28 machines;
- 29 (12) Procedures for the payment and recordation of slot machine  
30 jackpots;
- 31 (13) Procedures for the cashing and recordation of checks  
32 exchanged by casino and simulcasting facility patrons;
- 33 (14) Procedures governing the utilization of the private security  
34 force within the casino and simulcasting facility;
- 35 (15) Procedures and security standards for the handling and storage  
36 of gaming apparatus including cards, dice, machines, wheels and all  
37 other gaming equipment;
- 38 (16) Procedures and rules governing the conduct of particular  
39 games and simulcast wagering and the responsibility of casino  
40 personnel in respect thereto; and
- 41 (17) Procedures for separately recording all transactions pursuant  
42 to section 101 of this act involving the Governor, any State officer or  
43 employee, or any special State officer or employee, any member of the  
44 Judiciary, any member of the Legislature, any officer of a municipality  
45 or county in which casino gaming is authorized, or any gaming related  
46 casino employee, and for the quarterly filing with the Attorney General

1 of a list reporting all such transactions.

2 [If required by regulation of the commission, each casino licensee  
3 shall also submit a description of its system of internal procedures and  
4 administrative and accounting controls for non-gaming operations and  
5 a description of any changes thereto no later than five days after those  
6 operations commence or after any change in those procedures or  
7 controls takes effect.]

8 b. The commission [shall] may review [each] a submission  
9 [required by] made pursuant to subsection a. [hereof, and shall] to  
10 determine whether it conforms to the requirements of this act and to  
11 the regulations promulgated thereunder and [whether the system  
12 submitted] provides adequate and effective controls for the operations  
13 of the particular casino hotel submitting it , but shall complete its  
14 review no later than 30 days after the submission is made. If during  
15 its review, the commission preliminarily determines that a procedure  
16 in the submission contains a substantial and material insufficiency  
17 likely to have a direct and materially adverse impact on the integrity  
18 of gaming or simulcast wagering operations or the control of gross  
19 revenue, the chairman, by written notice to the applicant or casino  
20 licensee, which with respect to a change in a casino licensee's system  
21 of internal control procedures shall be no later than 30 days after the  
22 submission is made, shall specify the precise nature of the insufficiency  
23 and, when possible, an acceptable alternative procedure, and shall  
24 schedule a hearing before the full commission at its next regularly  
25 scheduled public meeting or such later date as the chairman deems  
26 appropriate to plenary and finally determine whether the procedure  
27 in question contains the described insufficiency. Upon receipt of the  
28 notice, the applicant or casino licensee may either proceed to the  
29 scheduled hearing before the full commission or submit a revised  
30 procedure addressing the concerns specified in the notice, which  
31 revised procedure the casino licensee may then immediately implement  
32 pursuant to subsection a. of this section and the commission may then  
33 further review pursuant to this subsection. [If the commission finds  
34 any insufficiencies, it shall specify same in writing to the casino  
35 licensee, who shall make appropriate alterations. When the  
36 commission determines a submission to be adequate in all respects, it  
37 shall notify the casino licensee of same. Except as otherwise provided  
38 in subsection a. of this section, no casino licensee shall commence or  
39 alter gaming operations unless and until such system of controls is  
40 approved by the commission.]

41 c. The internal control procedures contained in a submission made  
42 pursuant to subsection a. of this section shall be presumed to conform  
43 to the requirements of this act, P.L.1977, c.110 (C.5:12-1 et seq.), and  
44 the regulations promulgated thereunder and to provide adequate and  
45 effective controls. A casino licensee shall not be prevented from  
46 implementing any such procedure in its operations unless and until the

1 full commission enters a written order to that effect based upon a final  
2 determination made following a hearing provided for in subsection b.  
3 of this section that the procedure contains an insufficiency described  
4 pursuant to subsection b. of this section.

5 (cf: P.L.1995, c.18, c.36)

6  
7 22. Section 100 of P.L.1977, c.110 (C.5:12-100) is amended to  
8 read as follows:

9 100. Games and Gaming Equipment.

10 a. This act shall not be construed to permit any gaming except the  
11 conduct of authorized games in a casino room in accordance with this  
12 act and the regulations promulgated hereunder and in a simulcasting  
13 facility to the extent provided by the "Casino Simulcasting Act,"  
14 P.L.1992, c.19 (C.5:12-191 et al.). Notwithstanding the foregoing, if  
15 the commission approves the game of keno as an authorized game  
16 pursuant to section 5 of P.L.1977, c.110 (C.5:12-5), as amended, keno  
17 tickets may be sold or redeemed in accordance with commission  
18 regulations at any location in a casino hotel approved by the  
19 commission for such activity.

20 b. Gaming equipment shall not be possessed, maintained or  
21 exhibited by any person on the premises of a casino hotel except in a  
22 casino room, in the simulcasting facility, or in restricted casino areas  
23 used for the inspection, repair or storage of such equipment and  
24 specifically designated for that purpose by the casino licensee with the  
25 approval of the commission. Gaming equipment which supports the  
26 conduct of gaming in a casino or simulcasting facility but does not  
27 permit or require patron access, such as computers, may be possessed  
28 and maintained by a casino licensee in restricted casino areas  
29 specifically designated for that purpose by the casino licensee with the  
30 approval of the commission. No gaming equipment shall be possessed,  
31 maintained, exhibited, brought into or removed from a casino room or  
32 simulcasting facility by any person unless such equipment is necessary  
33 to the conduct of an authorized game, has permanently affixed,  
34 imprinted, impressed or engraved thereon an identification number or  
35 symbol authorized by the commission, is under the exclusive control  
36 of a casino licensee or his employees, and is brought into or removed  
37 from the casino room or simulcasting facility following 24-hour prior  
38 notice given to an authorized agent of the commission.

39 Notwithstanding any other provision of this section, equipment  
40 which supports a multi-casino progressive slot system and links and  
41 interconnects slot machines of two or more casino licensees but is  
42 inaccessible to patrons, such as computers, may, with the approval of  
43 the commission, be possessed, maintained and operated by a casino  
44 licensee either in a restricted area on the premises of a casino hotel or  
45 in a secure facility specifically designed for that purpose off the  
46 premises of a casino hotel but within the city limits of the City of



1 Atlantic City.

2 Notwithstanding the foregoing, a person may, with the prior  
3 approval of the commission and under such terms and conditions as  
4 may be required by the commission, possess, maintain or exhibit  
5 gaming equipment in any other area of the casino hotel; provided such  
6 equipment is used for nongaming purposes.

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

21 d. All chips used in gaming shall be of such size and uniform color  
22 by denomination as the commission shall require by regulation.

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

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

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

46 h. (1) No slot machine shall be used to conduct gaming unless it

1 is identical in all electrical, mechanical and other aspects to a model  
2 thereof which has been specifically tested by the division and licensed  
3 for use by the commission. The division may, in its discretion, and for  
4 the purpose of expediting the approval process, refer testing to any  
5 testing laboratory with a plenary license as a casino service industry  
6 pursuant to subsection a. of section 92 of P.L.1977, c.110  
7 (C.5:12-92). The division shall give priority to the testing of slot  
8 machines which a casino licensee has certified it will use in its casino  
9 in this State. The commission shall, by regulation, establish such  
10 technical standards for licensure of slot machines, including mechanical  
11 and electrical reliability, security against tampering, the  
12 comprehensibility of wagering, and noise and light levels, as it may  
13 deem necessary to protect the player from fraud or deception and to  
14 insure the integrity of gaming. The denominations of such machines  
15 shall be set by the licensee; the licensee shall simultaneously notify the  
16 commission of the settings.

17 (2) The commission shall, by regulation, determine the permissible  
18 number and density of slot machines in a licensed casino so as to:

- 19 (a) promote optimum security for casino operations;
- 20 (b) avoid deception or frequent distraction to players at gaming  
21 tables;
- 22 (c) promote the comfort of patrons;
- 23 (d) create and maintain a gracious playing environment in the  
24 casino; and
- 25 (e) encourage and preserve competition in casino operations by  
26 assuring that a variety of gaming opportunities is offered to the public.

27 Any such regulation promulgated by the commission which  
28 determines the permissible number and density of slot machines in a  
29 licensed casino shall provide that all casino floor space and all space  
30 within a casino licensee's casino simulcasting facility shall be included  
31 in any calculation of the permissible number and density of slot  
32 machines in a licensed casino.

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

34 j. (Deleted by amendment, P.L.1991, c.182).

35 k. It shall be unlawful for any person to exchange or redeem chips  
36 for anything whatsoever, except for currency, negotiable personal  
37 checks, negotiable counter checks, other chips, coupons or  
38 complimentary vouchers distributed by the casino licensee, or, if  
39 authorized by regulation of the commission, a valid charge to a credit  
40 or debit card account. A casino licensee shall, upon the request of any  
41 person, redeem that licensee's gaming chips surrendered by that person  
42 in any amount over \$100 with a check drawn upon the licensee's  
43 account at any banking institution in this State and made payable to  
44 that person. Except as provided in section 2 of P.L. 2001, c.39  
45 (C.5:12-71.3), an unredeemed or outstanding gaming chip, gaming  
46 plaque, slot token, prize token or gaming voucher liability of a casino

1 licensee shall not be subject to forfeiture, escheat, or other disposition  
2 provided in the laws of this State, including, but not limited to,  
3 R.S.46:30B-1 et seq.

4 1. It shall be unlawful for any casino licensee or its agents or  
5 employees to employ, contract with, or use any shill or barker to  
6 induce any person to enter a casino or simulcasting facility or play at  
7 any game or for any purpose whatsoever.

8 m. It shall be unlawful for a dealer in any authorized game in  
9 which cards are dealt to deal cards by hand or other than from a device  
10 specifically designed for that purpose, unless otherwise permitted by  
11 the rules of the commission.

12 n. It shall be unlawful for any casino key employee or any person  
13 who is required to hold a casino key employee license as a condition  
14 of employment or qualification to wager in any casino or simulcasting  
15 facility in this State, or any casino employee, other than a junket  
16 representative, bartender, waiter, waitress, or other casino employee  
17 who, in the judgment of the commission, is not directly involved with  
18 the conduct of gaming operations, to wager in a casino or simulcasting  
19 facility in the casino hotel in which the employee is employed or in any  
20 other casino or simulcasting facility in this State which is owned or  
21 operated by the same casino licensee. Any casino employee, other  
22 than a junket representative, bartender, waiter, waitress, or other  
23 casino employee who, in the judgment of the commission, is not  
24 directly involved with the conduct of gaming operations, must wait at  
25 least 30 days following the date that the employee either leaves  
26 employment with a casino licensee or is terminated from employment  
27 with a casino licensee before the employee may gamble in a casino or  
28 simulcasting facility in the casino hotel in which the employee was  
29 formerly employed or in any other casino or simulcasting facility in this  
30 State which is owned or operated by the same casino licensee.

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

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

45 (cf: P.L.1998, c.141, s.1)

1       23. Section 101 of P.L.1977, c.110 (C.5:12-101) is amended to  
2 read as follows:

3       101. Credit. a. Except as otherwise provided in this section, no  
4 casino licensee or any person licensed under this act, and no person  
5 acting on behalf of or under any arrangement with a casino licensee or  
6 other person licensed under this act, shall:

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

11       (2) Release or discharge any debt, either in whole or in part, or  
12 make any loan which represents any losses incurred by any player in  
13 gaming or simulcast wagering activity, without maintaining a written  
14 record thereof in accordance with the rules of the commission.

15       b. No casino licensee or any person licensed under this act, and no  
16 person acting on behalf of or under any arrangement with a casino  
17 licensee or other person licensed under this act, may accept a check,  
18 other than a recognized traveler's check or other cash equivalent from  
19 any person to enable such person to take part in gaming or simulcast  
20 wagering activity as a player, or may give cash or cash equivalents in  
21 exchange for such check unless:

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

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

24       (3) The check is presented to the cashier or the cashier's  
25 representative at a location in the casino approved by the commission  
26 and is exchanged for cash or slot tokens which total an amount equal  
27 to the amount for which the check is drawn, or the check is presented  
28 to the cashier's representative at a gaming table in exchange for chips  
29 which total an amount equal to the amount for which the check is  
30 drawn; and

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

33       Nothing in this subsection shall be deemed to preclude the  
34 establishment of an account by any person with a casino licensee by a  
35 deposit of cash, recognized traveler's check or other cash equivalent,  
36 or a check which meets the requirements of subsection g. of this  
37 section, or to preclude the withdrawal, either in whole or in part, of  
38 any amount contained in such account.

39       c. When a casino licensee or other person licensed under this act,  
40 or any person acting on behalf of or under any arrangement with a  
41 casino licensee or other person licensed under this act, cashes a check  
42 in conformity with the requirements of subsection b. of this section,  
43 the casino licensee shall cause the deposit of such check in a bank for  
44 collection or payment, or shall require an attorney or casino key  
45 employee with no incompatible functions to present such check to the  
46 drawer's bank for payment, within (1) seven calendar days of the date

1 of the transaction for a check in an amount of \$1,000.00 or less; (2)  
2 14 calendar days of the date of the transaction for a check in an  
3 amount greater than \$1,000.00 but less than or equal to \$5,000.00; or  
4 (3) 45 calendar days of the date of the transaction for a check in an  
5 amount greater than \$5,000.00. Notwithstanding the foregoing, the  
6 drawer of the check may redeem the check by exchanging cash, cash  
7 equivalents, chips, or a check which meets the requirements of  
8 subsection g. of this section in an amount equal to the amount for  
9 which the check is drawn; or he may redeem the check in part by  
10 exchanging cash, cash equivalents, chips, or a check which meets the  
11 requirements of subsection g. of this section and another check which  
12 meets the requirements of subsection b. of this section for the  
13 difference between the original check and the cash, cash equivalents,  
14 chips, or check tendered; or he may issue one check which meets the  
15 requirements of subsection b. of this section in an amount sufficient to  
16 redeem two or more checks drawn to the order of the casino licensee.  
17 If there has been a partial redemption or a consolidation in conformity  
18 with the provisions of this subsection, the newly issued check shall be  
19 delivered to a bank for collection or payment or presented to the  
20 drawer's bank for payment by an attorney or casino key employee with  
21 no incompatible functions within the period herein specified. No casino  
22 licensee or any person licensed under this act, and no person acting on  
23 behalf of or under any arrangement with a casino licensee or other  
24 person licensed under this act, shall accept any check or series of  
25 checks in redemption or consolidation of another check or checks in  
26 accordance with this subsection for the purpose of avoiding or  
27 delaying the deposit of a check in a bank for collection or payment or  
28 the presentment of the check to the drawer's bank within the time  
29 period prescribed by this subsection.

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

34 d. No casino licensee or any other person licensed under this act,  
35 or any other person acting on behalf of or under any arrangement with  
36 a casino licensee or other person licensed under this act, shall transfer,  
37 convey, or give, with or without consideration, a check cashed in  
38 conformity with the requirements of this section to any person other  
39 than:

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

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

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

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

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

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

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

16 g. Notwithstanding the provisions of subsection b. of this section  
17 to the contrary, a casino licensee may accept a check from a person to  
18 enable the person to take part in gaming or simulcast wagering activity  
19 as a player, may give cash or cash equivalents in exchange for such a  
20 check, or may accept a check in redemption or partial redemption of  
21 a check issued in accordance with subsection b., provided that:

22 (1) (a) The check is drawn by a casino licensee pursuant to the  
23 provisions of subsection k. of section 100 of P.L.1977, c.110  
24 (C.5:12-100) or upon a withdrawal of funds from an account  
25 established in accordance with the provisions of subsection b. of this  
26 section or is drawn by a casino licensee as payment for winnings from  
27 an authorized game or simulcast wagers;

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

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

36 (d) The check is issued by an annuity jackpot trust as payment for  
37 winnings from an annuity jackpot; or

38 (e) The check is issued by an affiliate of a casino licensee that holds  
39 a gaming license in any jurisdiction;

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

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

44 (4) The check is presented to the cashier or the cashier's  
45 representative by the original payee and its validity is verified by the  
46 drawer in the case of a check drawn pursuant to subparagraph (a) of

1 paragraph (1) of this subsection, or the check is verified in accordance  
2 with regulations promulgated by the commission in the case of a check  
3 issued pursuant to subparagraph (b), (c), (d) or (e) of paragraph (1) of  
4 this subsection; and

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

7 No casino licensee shall issue a check for the purpose of making a  
8 loan or otherwise providing or allowing any advance or credit to a  
9 person to enable the person to take part in gaming or simulcast  
10 wagering activity as a player.

11 h. [(1)] Notwithstanding the provisions of subsection b. and  
12 subsection c. of this section to the contrary, a casino licensee may, at  
13 a location outside the casino, accept a personal check or checks from  
14 a person for up to [\\$1,500] \\$5,000 in exchange for cash or cash  
15 equivalents, and may, at such locations within the casino or casino  
16 simulcasting facility as may be permitted by the commission, accept a  
17 personal check or checks for up to [\\$1,500] \\$5,000 in exchange for  
18 cash, cash equivalents, tokens, chips, or plaques to enable the person  
19 to take part in gaming or simulcast wagering activity as a player,  
20 provided that:

21 (a) The check is drawn on the patron's bank or brokerage cash  
22 management account;

23 (b) The check is for a specific amount;

24 (c) The check is made payable to the casino licensee;

25 (d) The check is dated but not post-dated;

26 (e) The patron's identity is established by examination of one of the  
27 following: valid credit card, driver's license, passport, or other form  
28 of identification credential which contains, at a minimum, the patron's  
29 signature;

30 (f) The check is restrictively endorsed "For Deposit Only" to the  
31 casino licensee's bank account and deposited on the next banking day  
32 following the date of the transaction; [and]

33 (g) The total amount of personal checks accepted by any one  
34 licensee pursuant to this subsection that are outstanding at any time,  
35 including the current check being submitted, does not exceed  
36 [\\$1,500.] \\$5,000;

37 [(2) Nothing in paragraph (1) of this subsection shall be construed  
38 to limit the authority of a casino licensee to accept, and exchange for  
39 cash or cash equivalents other than tokens, chips, or plaques, a check  
40 from a patron that is not offered or exchanged in order to enable the  
41 patron or anyone else to take part in gaming or simulcast wagering  
42 activity as a player, provided that:

43 (a) The patron so certifies;

44 (b) The casino licensee has no reason to believe that the cash or  
45 cash equivalents will be used to enable the patron or anyone else to  
46 take part in gaming or simulcast wagering activity as a player;

1 (c) The check is not accepted or exchanged in the casino or  
2 simulcasting facility; and

3 (d) The casino licensee maintains full documentation of the  
4 transaction in accordance with regulations established by the  
5 commission.】

6 (h) The casino licensee has an approved system of internal controls  
7 in place that will enable it to determine the amount of outstanding  
8 personal checks received from any patron pursuant to this subsection  
9 at any given point in time; and

10 (i) The casino licensee maintains a record of each such transaction  
11 in accordance with regulations established by the commission.

12 i. Checks cashed pursuant to the provisions of [paragraph (1) of]  
13 subsection h. of this section which are subsequently uncollectable may  
14 not be deducted from the total of all sums received in calculating gross  
15 revenue pursuant to section 24 of P.L.1977, c.110 (C.5:12-24).

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

28 k. Notwithstanding the provisions of paragraph (4) of subsection  
29 b. of this section to the contrary, a casino licensee may, prior to the  
30 completion of the verifications that are otherwise required by the rules  
31 of the commission for a casino licensee to issue credit, accept a check  
32 from a person to enable such person to take part in gaming or  
33 simulcast wagering as a player, or may give cash or cash equivalents  
34 in exchange for such check, provided that:

35 (1) the casino licensee records in the credit file of the person:

36 (a) the efforts that were made to complete the required  
37 verifications and the reasons why the verifications could not be  
38 completed; and

39 (b) a description of the criteria that were relied upon in  
40 determining to issue credit to the person prior to the completion of the  
41 required verifications;

42 (2) the check otherwise complies with the requirements of  
43 subsection b. of this section and is processed by the casino licensee in  
44 accordance with all other provisions of this section and the regulations  
45 of the commission; and

46 (3) any check accepted by a casino licensee pursuant to the



1 provisions of this subsection:

2 (a) is clearly marked as such in a manner approved by the  
3 commission; and

4 (b) may not be deducted from the total of all sums received in  
5 calculating gross revenue pursuant to section 24 of P.L.1977, c.110  
6 (C.5:12-24), even if such check should subsequently prove  
7 uncollectible or the casino licensee completes all of the required  
8 verifications prior to its deposit or presentment.

9 (cf: P.L.1995, c.18, s.38)

10

11 24. Section 102 of P.L.1977, c.110 (C.5:12-102) is amended to  
12 read as follows:

13 102. Junkets and Complimentary Services.

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

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

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

39 d. Prior to the issuance of any license required by this section, an  
40 applicant for licensure shall submit to the jurisdiction of the State of  
41 New Jersey and shall demonstrate to the satisfaction of the  
42 commission that he is amenable to service of process within this State.  
43 Failure to establish or maintain compliance with the requirements of  
44 this subsection shall constitute sufficient cause for the denial,  
45 suspension or revocation of any license issued pursuant to this section.

46 e. Upon petition by the holder of a casino license, an applicant for

1 junket representative licensure may be issued a temporary license by  
2 the commission, provided that:

- 3 (1) the applicant for licensure is employed by a casino licensee;  
4 (2) the applicant for licensure has filed a completed application as  
5 required by the commission;  
6 (3) the division either certifies to the commission that the  
7 completed application for licensure as specified in paragraph (2) of this  
8 subsection has been in the possession of the division for at least 60  
9 days or agrees to allow the commission to consider the application in  
10 some lesser time; and  
11 (4) the division does not object to the temporary licensure of the  
12 applicant; provided, however, that failure of the division to object  
13 prior to the temporary licensure of the applicant shall not be construed  
14 to reflect in any manner upon the qualifications of the applicant for  
15 licensure.

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

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

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

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

6 h. A casino licensee shall be responsible for any violation or  
7 deviation from the terms of a junket. Notwithstanding any other  
8 provisions of this act, the commission may, after hearings in  
9 accordance with this act, order restitution to junket participants, assess  
10 penalties for such violations or deviations, prohibit future junkets by  
11 the casino licensee, junket enterprise or junket representative, and  
12 order such further relief as it deems appropriate. i. The commission  
13 shall, by regulation, prescribe methods, procedures and forms for the  
14 delivery and retention of information concerning the conduct of  
15 junkets by casino licensees. Without limitation of the foregoing, each  
16 casino licensee, in accordance with the rules of the commission, shall:

17 (1) Maintain on file a report describing the operation of any junket  
18 engaged in on its premises;

19 (2) (Deleted by amendment, P.L.1995, c.18.); and

20 (3) Submit to the commission and division a list of all its  
21 employees who are acting as junket representatives.

22 j. Each casino licensee, junket representative or junket enterprise  
23 shall, in accordance with the rules of the commission, file a report with  
24 the division with respect to each list of junket patrons or potential  
25 junket patrons purchased directly or indirectly by the casino licensee,  
26 junket representative or enterprise.

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

39 l. No junket enterprise or junket representative or person acting  
40 as a junket representative may:

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

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

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

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

11 (5) Pay for any services, including transportation, or other items of  
12 value provided to, or for the benefit of, any patron participating in a  
13 junket.

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

16 (1) The complimentary consists of room, food, beverage or  
17 entertainment expenses provided directly to the patron and his guests  
18 by the licensee or indirectly to the patron and his guests on behalf of  
19 a licensee by a third party; or

20 (2) The complimentary consists of documented transportation  
21 expenses provided directly to the patron and his guests by the licensee  
22 or indirectly to the patron and his guests on behalf of a licensee by a  
23 third party, provided that the licensee complies with regulations  
24 promulgated by the commission to ensure that a patron's and his  
25 guests' documented transportation expenses are paid for or reimbursed  
26 only once; or

27 (3) The complimentary consists of coins, tokens, cash or other  
28 complimentary items or services provided through a bus coupon or  
29 other complimentary distribution program which, notwithstanding the  
30 requirements of section 99 of P.L.1977, c.110 (C.5:12-99), shall be  
31 filed with the commission upon the implementation of the program or  
32 maintained pursuant to commission regulation.

33 Notwithstanding the foregoing, a casino licensee may offer and  
34 provide complimentary cash or noncash gifts which are not otherwise  
35 included in paragraphs (1) through (3) of this subsection to any  
36 person, provided that any such gifts in excess of \$2,000.00 per trip, or  
37 such greater amount as the commission may establish by regulation,  
38 are supported by documentation regarding the reason the gift was  
39 provided to the patron and his guests, including where applicable, a  
40 patron's player rating, which documentation shall be maintained by the  
41 casino licensee. For the purposes of this paragraph, all gifts presented  
42 to a patron and the patron's guests directly by the licensee or indirectly  
43 on behalf of the licensee by a third party within any five-day period  
44 shall be considered to have been made during a single trip. [In the  
45 case of cash gifts, the commission shall establish by

1 regulation the total amount of such gifts that a licensee may provide  
2 to a patron each year.】

3 Each casino licensee shall maintain a regulated complimentary  
4 service account, for those complimentaries which are permitted  
5 pursuant to this section, and shall submit a quarterly report to the  
6 commission based upon such account and covering all complimentary  
7 services offered or engaged in by the licensee during the immediately  
8 preceding quarter. Such reports shall include identification of the  
9 regulated complimentary services and their respective costs, the  
10 number of persons by category of service who received the same, and  
11 such other information as the commission may require.

12 n. As used in this subsection, "person" means any State officer or  
13 employee subject to financial disclosure by law or executive order and  
14 any other State officer or employee with responsibility for matters  
15 affecting casino activity; any special State officer or employee with  
16 responsibility for matters affecting casino activity; the Governor; any  
17 member of the Legislature or full-time member of the Judiciary; any  
18 full-time professional employee of the Office of the Governor, or the  
19 Legislature; members of the Casino Reinvestment Development  
20 Authority; the head of a principal department; the assistant or deputy  
21 heads of a principal department, including all assistant and deputy  
22 commissioners; the head of any division of a principal department; any  
23 member of the governing body, or the municipal judge or the  
24 municipal attorney of a municipality wherein a casino is located; any  
25 member of or attorney for the planning board or zoning board of  
26 adjustment of a municipality wherein a casino is located, or any  
27 professional planner or consultant regularly employed or retained by  
28 such planning board or zoning board of adjustment.

29 No casino applicant or licensee shall provide directly or indirectly  
30 to any person any complimentary service or discount which is other  
31 than such service or discount that is offered to members of the general  
32 public in like circumstance.

33 o. Any person who, on the effective date of this 1992 amendatory  
34 act, P.L.1992, c.9, holds a current and valid plenary junket  
35 representative license, a junket representative license with a sole  
36 owner-operator endorsement, or a junket enterprise license authorizing  
37 the conduct of junket activities, shall be considered licensed in  
38 accordance with the provisions of this section and subsection c. of  
39 section 92 of P.L.1977, c.110 (C.5:12-92) for the remaining term of  
40 his current license.

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

42

43 25. Section 103 of P.L.1977, c.110 (C.5:12-103) is amended to  
44 read as follows:

45 103. Alcoholic Beverages in Casino Hotel Facilities.

46 a. Notwithstanding any law to the contrary, the authority to grant

1 any license for, or to permit or prohibit the presence of, alcoholic  
2 beverages in, on, or about any premises licensed as part of a casino  
3 hotel shall exclusively be vested in the commission.

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

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

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

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

1 f. (1) It shall be unlawful for any person, including any casino  
2 licensee or any of its lessees, agents or employees, to expose for sale,  
3 solicit or promote the sale of, possess with intent to sell, sell, give,  
4 dispense, or otherwise transfer or dispose of alcoholic beverages in, on  
5 or about any portion of the premises of a casino hotel, unless said  
6 person possesses a Casino Hotel Alcoholic Beverage License.  
7 Nothing herein or in any other law to the contrary, however, shall  
8 prohibit a casino beverage server in the course of his or her  
9 employment from inquiring of a casino patron whether such patron  
10 desires a beverage, whether or not such inquiry is phrased in terms of  
11 any word which may connote that the beverage is an alcoholic  
12 beverage.

13 (2) It shall be unlawful for any person issued a Casino Hotel  
14 Alcoholic Beverage License to expose, possess, sell, give, dispense,  
15 transfer, or otherwise dispose of alcoholic beverages, other than within  
16 the terms and conditions of the Casino Hotel Alcoholic Beverage  
17 License issued, the provisions of Title 33 of the Revised Statutes, the  
18 rules and regulations promulgated by the Director of the Division of  
19 Alcoholic Beverage Control, and, when applicable, the regulations  
20 promulgated pursuant to this act.

21 g. In issuing a Casino Hotel Alcoholic Beverage License the  
22 commission shall describe the scope of the particular license and the  
23 restrictions and limitations thereon as it deems necessary and  
24 reasonable. The commission may, in a single Casino Hotel Alcoholic  
25 Beverage License, permit the holder of such a license to perform any  
26 or all of the following activities, subject to applicable laws, rules and  
27 regulations:

28 (1) To sell any alcoholic beverage by the glass or other open  
29 receptacle [, but not in] including, but not limited to, an original  
30 container, for on-premise consumption within a casino or simulcasting  
31 facility; provided, however, that no alcoholic beverage shall be sold  
32 [.] or given [or be available] for consumption; [offered,] delivered  
33 or otherwise brought to a patron; or consumed at a gaming table  
34 unless so requested by the patron.

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

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

43 (4) To sell any alcoholic beverage by the glass or other open  
44 receptacle or in original containers from a room service location within  
45 an enclosed room not in a casino or simulcasting facility; provided,  
46 however, that any sale of alcoholic beverages is delivered only to a

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

4 To possess or to store alcoholic beverages in original containers  
5 intended but not actually exposed for sale at a fixed location on a  
6 casino hotel premises, not in a casino or simulcasting facility; and to  
7 transfer or deliver such alcoholic beverages only to a location  
8 approved pursuant to this section; provided, however, that no access  
9 to or from a storage location shall be permitted except during the  
10 normal course of business by employees or agents of the licensee, or  
11 by licensed employees or agents of wholesalers or distributors licensed  
12 pursuant to Title 33 of the Revised Statutes and any applicable rules  
13 and regulations; and provided further, however, that no provision of  
14 this section shall be construed to prohibit a Casino Hotel Alcoholic  
15 Beverage Licensee from obtaining an off-site storage license from the  
16 Division of Alcoholic Beverage Control.

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

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

27 (3) No Casino Hotel Alcoholic Beverage License which authorizes  
28 the possession or storage of alcoholic beverages pursuant to  
29 subsection g. of this section shall issue to any applicant who does not  
30 hold a Casino Hotel Alcoholic Beverage License, permitting any  
31 activity pursuant to subsection g.(1), (2), (3), or (4) of this section.

32 i. The commission may revoke, suspend, refuse to renew or refuse  
33 to transfer any Casino Hotel Alcoholic Beverage License, or fine or  
34 penalize any Casino Hotel Alcoholic Beverage Licensee for violations  
35 of any provision of Title 33 of the Revised Statutes, the rules and  
36 regulations promulgated by the Director of the Division of Alcoholic  
37 Beverage Control, and the regulations promulgated by the  
38 commission.

39 j. Jurisdiction over all alcoholic beverage licenses previously  
40 issued with respect to the casino hotel facility is hereby vested in the  
41 commission, which in its discretion may by regulation provide for the  
42 conversion thereof into a Casino Hotel Alcoholic Beverage License as  
43 provided in this section.

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



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

3       104. a. ~~[(1)]~~ Unless otherwise provided in this subsection, no  
4 agreement shall be lawful which provides for the payment, however  
5 defined, of any direct or indirect interest, percentage or share of: any  
6 money or property gambled at a casino or simulcasting facility ~~[or]~~ ;  
7 any money or property derived from casino gaming activity or  
8 wagering at a simulcasting facility ~~[of any such interest, percentage,~~  
9 ~~or share of]~~ ; or any revenues, profits or earnings of a casino or  
10 simulcasting facility ~~[shall be lawful]~~. Notwithstanding the foregoing:

11       ~~[(2)]~~ (1) Agreements which provide only for the payment of a  
12 fixed sum which is in no way affected by the amount of any such  
13 money, property, revenues, profits or earnings shall not be subject to  
14 the provisions of this subsection; and receipts, rentals or charges for  
15 real property, personal property or services shall not lose their  
16 character as payments of a fixed sum because of contract, lease, or  
17 license provisions for adjustments in charges, rentals or fees on  
18 account of changes in taxes or assessments, cost-of-living index  
19 escalations, expansion or improvement of facilities, or changes in  
20 services supplied.

21       (2) Agreements between a casino licensee and a junket enterprise  
22 or junket representative licensed, qualified or registered in accordance  
23 with the provisions of P.L.1977, c.110 (C.5:12-1 et seq.) and the  
24 regulations of the commission which provide for the compensation of  
25 the junket enterprise or junket representative by the casino licensee  
26 based upon the actual casino gaming or simulcast wagering activities  
27 of a patron procured or referred by the junket enterprise or junket  
28 representative shall be lawful if filed with the division prior to the  
29 conduct of any junket that is governed by the agreement.

30       (3) Agreements between a casino licensee and its employees which  
31 provide for casino employee or casino key employee profit sharing  
32 ~~[and which are]~~ shall be lawful if the agreement is in writing and  
33 ~~[have been]~~ filed with the commission ~~[shall be lawful and effective~~  
34 ~~only if expressly approved as to their terms by the commission]~~ prior  
35 to its effective date. Such agreements may be reviewed by the  
36 commission under any relevant provision of P.L.1977, c.110 (5:12-1  
37 et seq.).

38       (4) Agreements to lease an approved casino hotel or the land  
39 thereunder and agreements for the complete management of all casino  
40 gaming operations in a casino hotel shall not be subject to the  
41 provisions of this subsection but shall rather be subject to the  
42 provisions of subsections b. and c. of section 82 of this act.

43       (5) Agreements which provide for percentage charges between the  
44 casino licensee and a holding company or intermediary company of the  
45 casino licensee shall be in writing and filed with the commission but

1 shall not be subject to the provisions of this subsection.

2 (6) Agreements relating to simulcast racing and wagering between  
3 a casino licensee and an in-State or out-of-State sending track licensed  
4 or exempt from licensure in accordance with subsection c. of section  
5 92 of P.L.1977, c.110 (C.5:12-92) shall be in writing, be filed with the  
6 commission, and be lawful and effective only if expressly approved as  
7 to their terms by the commission and the New Jersey Racing  
8 Commission, except that any such agreements which provide for a  
9 percentage of the parimutuel pool wagered at a simulcasting facility to  
10 be paid to the sending track shall not be subject to the provisions of  
11 [paragraph (1) of] this subsection.

12 (7) Agreements relating to simulcast racing and wagering between  
13 a casino licensee and a casino service industry licensed pursuant to the  
14 provisions of subsection a. of section 92 of P.L.1977, c.110  
15 (C.5:12-92) as a hub facility, as defined in joint regulations of the  
16 Casino Control Commission and the New Jersey Racing Commission,  
17 shall be in writing, be filed with the commission, and be lawful and  
18 effective only if expressly approved as to their terms by the  
19 commission and the New Jersey Racing Commission, except that any  
20 such agreements which provide for a percentage of the casino  
21 licensee's share of the parimutuel pool wagered at a simulcasting  
22 facility to be paid to the hub facility shall not be subject to the  
23 provisions of [paragraph (1) of] this subsection.

24 (8) Agreements relating to simulcast racing and wagering between  
25 a casino licensee and a casino service industry licensed pursuant to the  
26 provisions of subsection a. of section 92 of P.L.1977, c.110  
27 (C.5:12-92) to conduct casino simulcasting in a simulcasting facility  
28 shall be in writing, be filed with the commission, and be lawful and  
29 effective only if expressly approved as to their terms by the  
30 commission, except that any such agreements which provide for a  
31 percentage of the casino licensee's share of the parimutuel pool  
32 wagered at a simulcasting facility to be paid to the casino service  
33 industry shall not be subject to the provisions of [paragraph (1) of]  
34 this subsection.

35 b. Each casino applicant or licensee shall maintain, in accordance  
36 with the rules of the commission, a record of each written or unwritten  
37 agreement regarding the realty, construction, maintenance, or business  
38 of a proposed or existing casino hotel or related facility. The  
39 foregoing obligation shall apply regardless of whether the casino  
40 applicant or licensee is a party to the agreement. Any such agreement  
41 may be reviewed by the commission on the basis of the reasonableness  
42 of its terms, including the terms of compensation, and of the  
43 qualifications of the owners, officers, employees, and directors of any  
44 enterprise involved in the agreement, which qualifications shall be  
45 reviewed according to the standards enumerated in section 86 of this  
46 act. If the commission disapproves such an agreement or the owners,

1 officers, employees, or directors of any enterprise involved therein, the  
2 commission may require its termination.

3 Every agreement required to be maintained, and every related  
4 agreement the performance of which is dependent upon the  
5 performance of any such agreement, shall be deemed to include a  
6 provision to the effect that, if the commission shall require termination  
7 of an agreement pursuant to this subsection, such termination shall  
8 occur without liability on the part of the casino applicant or licensee  
9 or any qualified party to the agreement or any related agreement.  
10 Failure expressly to include such a provision in the agreement shall not  
11 constitute a defense in any action brought to terminate the agreement.  
12 If the agreement is not maintained or presented to the commission in  
13 accordance with commission regulations, or the disapproved  
14 agreement is not terminated, the commission may pursue any remedy  
15 or combination of remedies provided in this act.

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

21 c. Nothing in this act shall be deemed to permit the transfer of any  
22 license, or any interest in any license, or any certificate of compliance  
23 or any commitment or reservation.  
24 (cf: P.L.1996, c.84, s.7)

25  
26 27. Section 113 of P.L.1977, c.110 (C.5:12-113) is amended to  
27 read as follows:

28 113. Swindling and Cheating; Penalties. [a. Except as provided  
29 in subsection b., any person who by any trick or sleight of hand  
30 performance, or by a fraud or fraudulent scheme, cards, dice or device,  
31 for himself or for another wins or attempts to win money or property  
32 or a representative of either or reduces a losing wager or attempts to  
33 reduce a losing wager in connection with casino gaming or simulcast  
34 wagering is guilty of a crime of the fourth degree and notwithstanding  
35 the provisions of N.J.S.2C:43-3 shall be subject to a fine of not more  
36 than \$25,000.00, and in the case of a person other than a natural  
37 person, to a fine of not more than \$100,000.00 and any other  
38 appropriate disposition authorized by subsection b. of N.J.S.2C:43-2.

39  
40 b. Any person who by any trick or sleight of hand performance, or  
41 by fraud or fraudulent scheme, cards, dice or device, for himself or for  
42 another wins or attempts to win money or property or a representative  
43 of either or reduces a losing wager or attempts to reduce a losing  
44 wager in connection with casino gaming or simulcast wagering is  
45 guilty of a disorderly persons offense if the value of such money or  
46 property or representative of either is \$25.00 or under.]

1       a. A person is guilty of swindling and cheating if the person  
2 purposely or knowingly by any trick or sleight of hand performance or  
3 by a fraud or fraudulent scheme, cards, dice or device, for himself or  
4 herself or for another, wins or attempts to win money or property or  
5 a representative of either or reduces a losing wager or attempts to  
6 reduce a losing wager in connection to casino gaming.

7       b. Consolidation of offenses. Conduct denominated swindling and  
8 cheating in this section constitutes a single offense, but each episode  
9 or transaction may be the subject of a separate prosecution and  
10 conviction. A charge of swindling and cheating may be supported by  
11 evidence that it was committed in any manner that would be swindling  
12 and cheating under this section, notwithstanding the specification of  
13 a different manner in the indictment or accusation, subject only to the  
14 power of the court to ensure a fair trial by granting a bill of  
15 particulars, discovery, continuance, or other appropriate relief when  
16 the conduct of the defense would be prejudiced by a lack of fair notice  
17 or by surprise.

18       c. Grading of swindling and cheating offenses.

19       (1) Swindling and cheating constitutes a crime of the second degree  
20 if the amount involved is \$75,000 or more.

21       (2) Swindling and cheating constitutes a crime of the third degree  
22 if the amount involved exceeds \$500.

23       (3) Swindling and cheating constitutes a crime of the fourth degree  
24 if the amount involved is at least \$200 but not more than \$500.

25       (4) Swindling and cheating constitutes a disorderly persons offense  
26 if the amount involved is less than \$200.

27       (5) The amount involved in swindling and cheating shall be  
28 determined by the trier of fact. Amounts involved in acts of swindling  
29 and cheating committed pursuant to one scheme or course of conduct,  
30 whether from the same person or several persons, may be aggregated  
31 in determining the grade of the offense.

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

33  
34       28. Section 46 of P.L.1991, c.182 (C.5:12-113.1) is amended to  
35 read as follows:

36       46. a. A person commits a [disorderly persons] third degree  
37 offense if, in playing a game in a licensed casino or simulcasting  
38 facility, the person uses, or assists another in the use of, [an] a  
39 computerized, electronic, electrical or mechanical device which is  
40 designed, constructed, or programmed specifically for use in obtaining  
41 an advantage at playing any game in a licensed casino or simulcasting  
42 facility , unless the advantage obtained can be assessed a monetary  
43 value or loss of \$75,000 or greater in which case the offense is a crime  
44 of the second degree. [A device used by any person in violation of this  
45 section shall be subject to forfeiture pursuant to the provisions of  
46 N.J.S.2C:64-1 et seq.]

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1     b. Any computerized, electronic, electrical or mechanical device  
2 used in violation of subsection a. of this section shall be considered  
3 prima facie contraband and shall be subject to the provisions of N.J.S.  
4 2C:64-2. A device used by any person in violation of this section shall  
5 be subject to forfeiture pursuant to the provisions of N.J.S. 2C:64-1  
6 et seq.

7     c. Each casino licensee shall post notice of this prohibition and the  
8 penalties of this section in a manner determined by the commission.  
9 (cf: P.L.1993, c.292, s.28)

10  
11     29. Section 118 of P.L.1977, c.110 (C.5:12-118) is amended to  
12 read as follows:

13     118. Regulations Requiring Exclusion or Rejection of Certain  
14 Persons from Licensed Casinos; Unlawful Entry by Person Whose  
15 Name Has Been Placed on List; Penalty. Any person whose name is  
16 on the list of persons promulgated by the commission pursuant to the  
17 provisions of section 71 of this act . P.L.1977, c.110, (C.5:12-71),  
18 who knowingly enters the premises of a licensed casino [is guilty of  
19 a disorderly persons offense, except that any person who has been  
20 convicted of this offense three times] is guilty of a crime of the fourth  
21 degree [for each subsequent offense].

22 (cf: P.L.1991, c.182, s.50)

23  
24     30. Section 119 of P.L.1977, c.110 (C.5:12-119) is amended to  
25 read as follows:

26     119. Gaming by Certain Persons Prohibited; Penalties; Defenses.

27     a. No person under the age at which a person is authorized to  
28 purchase and consume alcoholic beverages shall enter, or wager in, a  
29 licensed casino or simulcasting facility; provided, however, that such  
30 a person may enter a casino or simulcasting facility by way of passage  
31 to another room, and provided further, however, that any such person  
32 who is licensed or registered under the provisions of the "Casino  
33 Control Act," P.L.1977, c.110 (C.5:12-1 et seq.), may enter a casino  
34 or simulcasting facility in the regular course of the person's permitted  
35 activities.

36     Any person who violates this subsection shall be guilty of a  
37 disorderly persons offense and shall be fined not less than \$500 and  
38 not more than \$1,000. In addition, the court shall suspend or  
39 postpone the person's license to operate a motor vehicle for six  
40 months.

41     Upon the conviction of any person under this section, the court  
42 shall forward a report to the Division of Motor Vehicles stating the  
43 first and last day of the suspension or postponement period imposed  
44 by the court pursuant to this section. If a person at the time of the  
45 imposition of a sentence is less than 17 years of age, the period of  
46 license postponement, including a suspension or postponement of the

1 privilege of operating a motorized bicycle, shall commence on the day  
2 the sentence is imposed and shall run for a period of six months after  
3 the person reaches the age of 17 years.

4 If a person at the time of the imposition of a sentence has a valid  
5 driver's license issued by this State, the court shall immediately collect  
6 the license and forward it to the division along with the report. If for  
7 any reason the license cannot be collected, the court shall include in  
8 the report the complete name, address, date of birth, eye color, and  
9 sex of the person as well as the first and last date of the license  
10 suspension period imposed by the court.

11 The court shall inform the person orally and in writing that if the  
12 person is convicted of operating a motor vehicle during the period of  
13 license suspension or postponement, the person shall be subject to the  
14 penalties set forth in R.S. 39:3-40. A person shall be required to  
15 acknowledge receipt of the written notice in writing. Failure to  
16 receive a written notice or failure to acknowledge in writing the  
17 receipt of a written notice shall not be a defense to a subsequent  
18 charge of a violation of R.S. 39:3-40.

19 If the person convicted under this section is not a New Jersey  
20 resident, the court shall suspend or postpone, as appropriate given the  
21 age at the time of sentencing, the non-resident driving privilege of the  
22 person and submit to the division the required report. The court shall  
23 not collect the license of a non-resident convicted under this section.  
24 Upon receipt of a report by the court, the division shall notify the  
25 appropriate officials in the licensing jurisdiction of the suspension or  
26 postponement.

27 b. Any licensee or employee of a casino who allows a person  
28 under the age at which a person is authorized to purchase and  
29 consume alcoholic beverages to remain in or wager in a casino or  
30 simulcasting facility is guilty of a disorderly persons offense; except  
31 that the establishment of all of the following facts by a licensee or  
32 employee allowing any such underage person to remain shall constitute  
33 a defense to any prosecution therefor:

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

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

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

1     c. A person who knowingly allows or permits another person who  
2 is under his or her lawful care, custody, or control and who is under  
3 the age at which a person is authorized to purchase and consume  
4 alcoholic beverages to wager or attempt to wager in a licensed casino  
5 or simulcasting facility in violation of subsection a. of this section is  
6 guilty of a disorderly persons offense.

7 (cf: P.L.1993, c.292, s.30)

8  
9     31. (New section) Fees to Recoup Costs of the Division or  
10 Commission. The commission may, by regulation, establish fees to  
11 recoup the costs of services, equipment or other expenses that are  
12 rendered, utilized or incurred by the division or commission, including  
13 any unusual or out of pocket expenses directly related thereto, in  
14 response to requests arising under P.L.1977, c. 110 (C. 5:12-1 et seq.)  
15 that are unrelated to the investigation or consideration of the issuance  
16 or renewal of a registration or license.

17  
18     32. Section 3 of P.L. 1984, c. 218 (C. 5:12-144.1) is amended to  
19 read as follows:

20     3. a. (1) Commencing with the first annual tax return of a licensee  
21 for any calendar year beginning after December 31, 1983, there is  
22 imposed an investment alternative tax on the gross revenues as defined  
23 in section 24 of P.L.1977, c.110 (C.5:12-24) of the licensee in the  
24 amount of 2.5% of those gross revenues. The tax imposed with  
25 respect to each calendar year shall be due and payable on the last day  
26 of April next following the end of the calendar year. The State  
27 Treasurer shall have a lien against the property constituting the casino  
28 of a licensee for the amount of any tax not paid when due. No tax  
29 shall be imposed, however, on the gross revenues received by a  
30 licensee during the first 12 months of the operation of any casino that  
31 commences operation after January 1, 1984, but prior to the effective  
32 date of this act, P.L.1996, c.118 (C.5:12-173.3a et al.).

33     (2) A licensee shall pay to the State Treasurer on or before the  
34 15th day of the first, fourth, seventh, and 10th months of each year as  
35 partial payment of the investment alternative tax imposed pursuant to  
36 paragraph (1) of this subsection an amount equal to 1.25% of the  
37 estimated gross revenues for the three-month period immediately  
38 preceding the first day of those months. The moneys received shall be  
39 placed in an escrow account and shall be held until the licensee directs  
40 that the moneys be transferred to the Casino Reinvestment  
41 Development Authority for the purchase of bonds issued by or offered  
42 through the Casino Reinvestment Development Authority or pursuant  
43 to a contract for such a purchase, be made available to the licensee for  
44 a direct investment approved by the authority, or be transferred to the  
45 Casino Revenue Fund as partial payment of the investment alternative  
46 tax imposed pursuant to paragraph (1) of this subsection. Any interest

1 derived from the moneys in the escrow account shall be paid or made  
2 available to the Casino Revenue Fund. If a licensee fails to pay the  
3 amount due or underpays by an unjustifiable amount, the Casino  
4 Control Commission shall impose a fine of 5% of the amount due or  
5 of the underpayment, as the case may be, for each month or portion  
6 thereof the licensee is in default of payment, up to 25% of the amount  
7 in default. Any fine imposed shall be paid to the Casino Reinvestment  
8 Development Authority and shall be used for the purposes of this 1984  
9 amendatory and supplementary act.

10 b. Each licensee shall be entitled to an investment tax credit  
11 against the tax imposed by subsection a. of this section, provided the  
12 licensee shall pay over the moneys required pursuant to section 5 of  
13 P.L.1993, c.159 (C.5:12-173.5): (1) for the first 10 years of a  
14 licensee's tax obligation, in an amount equal to twice the purchase  
15 price of bonds issued by the Casino Reinvestment Development  
16 Authority pursuant to sections 14 and 15 of this 1984 amendatory and  
17 supplementary act, purchased by the licensee, or twice the amount of  
18 the investments authorized in lieu thereof, and (2) for the remainder of  
19 a licensee's tax obligation, in an amount equal to twice the purchase  
20 price of bonds issued by the Casino Reinvestment Development  
21 Authority pursuant to sections 14 and 15 of this 1984 amendatory and  
22 supplementary act, purchased by the licensee, or twice the amount of  
23 the investments authorized in lieu thereof, and twice the amount of  
24 investments made by a licensee in other approved eligible investments  
25 made pursuant to section 25 of this act. The Casino Reinvestment  
26 Development Authority shall have the power to enter into a contract  
27 or contracts with a licensee pursuant to which the Casino  
28 Reinvestment Development Authority agrees to issue and sell bonds  
29 to the licensee, and the licensee agrees to purchase the bonds issued  
30 by or offered through the Casino Reinvestment Development  
31 Authority, in annual purchase price amounts as will constitute a credit  
32 against at least 50% of the tax to become due in any future year or  
33 years. The contract may contain those terms and conditions relating  
34 to the terms of the bonds and to the issuance and sale of the bonds to  
35 the licensee as the Casino Reinvestment Development Authority shall  
36 deem necessary or desirable. The contract shall not be deemed to be  
37 in violation of section 104 of P.L.1977, c.110 (C.5:12-104). After the  
38 first 10 years of a licensee's investment alternative tax obligation, a  
39 licensee will have the option of entering into a contract with the  
40 Casino Reinvestment Development Authority to have its tax credit  
41 comprised of direct investments in approved eligible projects. These  
42 direct investments shall not comprise more than 50% of a licensee's  
43 eligible tax credit in any one year.

44 The entering of a contract pursuant to this section shall be sufficient  
45 to entitle a licensee to an investment tax credit for the appropriate tax  
46 year.



1 c. A contract entered into between a licensee and the Casino  
2 Reinvestment Development Authority may provide for a deferral of  
3 payment for and delivery of bonds required to be purchased and for a  
4 deferral from making approved eligible investments in any year, but no  
5 deferral shall occur more than two years consecutively. A deferral of  
6 payment for any bonds required to be purchased by a licensee and a  
7 deferral from making approved eligible investments may be granted by  
8 the Casino Reinvestment Development Authority only upon a  
9 determination by the Casino Control Commission that purchase of  
10 these bonds or making approved eligible investments would cause  
11 extreme financial hardship to the licensee and a determination by the  
12 Casino Reinvestment Development Authority that the deferral of the  
13 payment would not violate any covenant or agreement or impair any  
14 financial obligation of the Casino Reinvestment Development  
15 Authority. The contract may establish a late payment charge to be  
16 paid in the event of deferral or other late payment at a rate as shall be  
17 agreed to by the Casino Reinvestment Development Authority. If a  
18 deferral of purchase or investment is granted, the licensee shall be  
19 deemed to have made the purchase or investment at the time required  
20 by the contract, except that if the purchase is not made at the time to  
21 which the purchase or investment was deferred, then the licensee shall  
22 be deemed not to have made the purchase or investment. The Casino  
23 Control Commission shall adopt regulations establishing a uniform  
24 definition of extreme financial hardship applicable to all these  
25 contracts. If a licensee petitions the Casino Reinvestment  
26 Development Authority for a deferral, the Casino Reinvestment  
27 Development Authority shall give notice of that petition to the Casino  
28 Control Commission and to the Division of Gaming Enforcement  
29 within three days of the filing of the petition. The Casino Control  
30 Commission shall render a decision within 60 days of notice as to  
31 whether the licensee has established extreme financial hardship, after  
32 consultation with the Division of Gaming Enforcement. The Casino  
33 Reinvestment Development Authority shall render a decision as to the  
34 availability of the deferral within 10 days of the receipt by it of the  
35 decision of the Casino Control Commission and shall notify the  
36 Division of Gaming Enforcement and the Casino Control Commission  
37 of that decision. If a deferral is granted, the Casino Reinvestment  
38 Development Authority may determine whether the purchases or  
39 investments shall be made in a lump sum, made over a period of years,  
40 or whether the period of obligation shall be extended an additional  
41 period of time equivalent to the period of time deferred.

42 d. The license of any licensee which has defaulted in its obligation  
43 to make any purchase of bonds or investment in any approved eligible  
44 project under a contract entered into pursuant to subsection b. of this  
45 section for a period of 90 days may be suspended by the Casino  
46 Control Commission until that purchase is made or deferred in

1 accordance with subsection b. of this section, or a fine or other penalty  
 2 may be imposed upon the licensee by the commission. If the Casino  
 3 Control Commission elects not to suspend the license of a licensee  
 4 after the licensee has first defaulted in its obligation but instead  
 5 imposes some lesser penalty and the licensee continues to be in default  
 6 of its obligation after a period of 30 additional days and after any  
 7 additional 30-day period, the commission may impose another fine or  
 8 penalty upon the licensee, which may include suspension of that  
 9 licensee's license. The fine shall be 5% of the amount of the obligation  
 10 owed for each month or portion thereof a licensee is in default, up to  
 11 25% of that obligation; shall be paid to the Casino Reinvestment  
 12 Development Authority; and shall be used for the purposes of this  
 13 1984 amendatory and supplementary act.

14 e. A contract entered into by a licensee and the Casino  
 15 Reinvestment Development Authority pursuant to subsection b. of this  
 16 section may provide that after the first 10 years of a licensee's  
 17 investment alternative tax obligation imposed by subsection a. of this  
 18 section, the Casino Reinvestment Development Authority may  
 19 repurchase bonds previously sold to the licensee, which were issued  
 20 after the 10th year of a licensee's investment alternative tax obligation,  
 21 by the Casino Reinvestment Development Authority, if the Casino  
 22 Reinvestment Development Authority determines that the repurchase  
 23 will not violate any agreement or covenant or impair any financial  
 24 obligation of the Casino Reinvestment Development Authority and  
 25 that the licensee will reinvest the proceeds of the resale in an eligible  
 26 project approved by the Casino Reinvestment Development Authority.

27 f. (1) During the ~~[30]~~ 35 years a licensee is obligated to pay an  
 28 investment alternative tax pursuant to subsection k. of this section, the  
 29 total of (a) the proceeds of all bonds purchased by a licensee from or  
 30 through the Casino Reinvestment Development Authority and (b) all  
 31 approved investments in eligible projects by a licensee shall be devoted  
 32 to the financing of projects in the following areas and amounts:

33	Areas	Yrs.	Yrs.	Yrs.	Yrs.	Yrs.	Yrs.	Yrs.	Yrs.
34		1-3	4-5	6-10	11-15	16-20	21-25	26-30	<del>31-35</del>
35	a) Atlantic City	100%	90%	80%	50%	30%	20%		
36	b) South Jersey		8%	12%	28%	43%	45%		<u>25%</u>
37	c) North Jersey		2%	8%	22%	27%	35%	35%	<u>50%</u>
38	d) Atlantic City through the Atlantic City Fund							65%,	<u>25%</u>

39  
 40 except that, with respect to the obligations for calendar years 1994  
 41 through 1998, the amount allocated for the financing of projects in  
 42 North Jersey from each casino licensee's obligation shall be the amount  
 43 allocated for calendar year 1993, and the difference between that  
 44 amount and the amount to be allocated to North Jersey, on the basis  
 45 of the above schedule, from each casino licensee's obligations for  
 46 calendar years 1994 through 1998 shall be paid into or credited to the

1 Atlantic City Fund established by section 44 of P.L.1995, c.18  
2 (C.5:12-161.1) and be devoted to the financing of projects in Atlantic  
3 City through that fund. For the purposes of this paragraph, "South  
4 Jersey" means the counties of Atlantic, Burlington, Camden, Cape  
5 May, Cumberland, Gloucester, Mercer, Ocean, and Salem; and "North  
6 Jersey" means the remaining 12 counties of the State. For the purposes  
7 of this 1984 amendatory and supplementary act, bond "proceeds"  
8 means all funds received from the sale of bonds and any funds  
9 generated or derived therefrom.

10 In the financing of projects outside Atlantic City, the Casino  
11 Reinvestment Development Authority shall give priority to the  
12 revitalization of the urban areas of this State in the ways specified in  
13 section 12 of this 1984 amendatory and supplementary act. Those  
14 areas shall include, but not be limited to, all municipalities qualifying  
15 for aid pursuant to P.L.1978, c.14 (C.52:27D-178 et seq.).

16 Within nine months from the effective date of this 1984 amendatory  
17 and supplementary act, the Casino Reinvestment Development  
18 Authority shall determine the allocation of projected available moneys  
19 to municipalities in South Jersey for the first seven years of their  
20 receipt of funds, giving priority to the revitalization of the urban areas  
21 of the region. Municipalities receiving such an allocation shall present  
22 to the Casino Reinvestment Development Authority for its approval  
23 comprehensive plans or projects for which the allocations shall be  
24 used. Any such comprehensive plan or project may be submitted to  
25 the Casino Reinvestment Development Authority for a determination  
26 of eligibility at any time prior to the year for which the funds are  
27 allocated, and the Casino Reinvestment Development Authority shall  
28 make a determination of eligibility of the plan or project within a  
29 reasonable amount of time. If the Casino Reinvestment Development  
30 Authority makes a positive determination of eligibility for any  
31 comprehensive plan or project, or combination of comprehensive plans  
32 or projects, for any municipality whose total cost exceeds the amount  
33 allocated to that municipality for the first seven years of the receipt of  
34 funds by South Jersey municipalities, the Casino Reinvestment  
35 Development Authority shall make available sufficient funds in  
36 subsequent years necessary to complete those plans or projects, or to  
37 complete that portion of the plan or project originally agreed to be  
38 funded through the Casino Reinvestment Development Authority, from  
39 funds received by the Casino Reinvestment Development Authority in  
40 the years following the seventh year of the receipt of funds by South  
41 Jersey municipalities. If the comprehensive plan or project is  
42 determined by the Casino Reinvestment Development Authority not to  
43 be an eligible plan or project, the municipality may submit any other  
44 comprehensive plan or project for a determination of eligibility. If,  
45 however, the municipality fails to receive a positive determination of  
46 eligibility for any comprehensive plan or project, or combination of

1 comprehensive plans or projects, sufficient to exhaust the total  
2 allocation to that municipality for any year prior to April 30 of the  
3 following year for which the allocation was made, the allocation to  
4 that municipality for that year shall cease, and the Casino  
5 Reinvestment Development Authority may apply those excess funds to  
6 any other comprehensive plan or project in any other municipality in  
7 the region whose comprehensive plan or project has received a  
8 positive determination of eligibility by the Casino Reinvestment  
9 Development Authority.

10       Within 36 months from the effective date of this 1984 amendatory  
11 and supplementary act, the Casino Reinvestment Development  
12 Authority shall determine the allocation of projected available moneys  
13 to municipalities in North Jersey for the first five years of their receipt  
14 of funds, giving priority to the revitalization of the urban areas of the  
15 region. Municipalities receiving such an allocation shall present to the  
16 Casino Reinvestment Development Authority for its approval  
17 comprehensive plans or projects for which the allocations shall be  
18 used. Any such comprehensive plan or project may be submitted to  
19 the Casino Reinvestment Development Authority for a determination  
20 of eligibility at any time prior to the year for which the funds are  
21 allocated, and the Casino Reinvestment Development Authority shall  
22 make a determination of eligibility of the plan or project within a  
23 reasonable amount of time. If the Casino Reinvestment Development  
24 Authority makes a positive determination of eligibility for any  
25 comprehensive plan or project, or combination of comprehensive plans  
26 or projects, for any municipality whose total cost exceeds the amount  
27 allocated to that municipality for the first five years of the receipt of  
28 funds by North Jersey municipalities, the Casino Reinvestment  
29 Development Authority shall make available sufficient funds in  
30 subsequent years necessary to complete those plans or projects, or to  
31 complete that portion of the plan or project originally agreed to be  
32 funded through the Casino Reinvestment Development Authority, from  
33 funds received by the Casino Reinvestment Development Authority in  
34 the years following the fifth year of the receipt of funds by North  
35 Jersey municipalities. If the comprehensive plan or project is  
36 determined by the Casino Reinvestment Development Authority not to  
37 be an eligible plan or project, the municipality may submit any other  
38 comprehensive plan or project for a determination of eligibility. If,  
39 however, the municipality fails to receive a positive determination of  
40 eligibility for any comprehensive plan or project, or combination of  
41 comprehensive plans or projects, sufficient to exhaust the total  
42 allocation to that municipality for any year prior to April 30 of the  
43 following year for which the allocation was made, the allocation to  
44 that municipality for that year shall cease, and the Casino  
45 Reinvestment Development Authority may apply those excess funds to  
46 any other comprehensive plan or project in any other municipality in

1 the region whose comprehensive plan or project has received a  
2 positive determination of eligibility by the Casino Reinvestment  
3 Development Authority.

4 (2) Commencing with the first year in which a licensee incurs a tax  
5 obligation pursuant to this section, and for the period of two years  
6 thereafter, 100% of the proceeds of all bonds purchased by a licensee  
7 from the Casino Reinvestment Development Authority which are  
8 devoted to the financing of projects in the city of Atlantic City  
9 pursuant to paragraph (1) of this subsection shall be used exclusively  
10 to finance the rehabilitation, development, or construction of, or to  
11 provide mortgage financing of, housing facilities in the city of Atlantic  
12 City for persons or families of low through middle income, as defined  
13 in this subsection. For the purposes of this subsection, the  
14 "rehabilitation, development, or construction of housing facilities"  
15 shall include expenses attributable to site preparation, infrastructure  
16 needs and housing-related community facilities and services, including  
17 supporting commercial development. Commencing with the fourth  
18 year in which a licensee incurs a tax obligation pursuant to this  
19 subsection, 50% of the proceeds of all bonds purchased by a licensee  
20 from the Casino Reinvestment Development Authority which are  
21 devoted to the financing of projects in the city of Atlantic City shall be  
22 used exclusively to finance the rehabilitation, development, or  
23 construction of housing facilities in the city of Atlantic City for  
24 persons or families of low through middle income. Commencing with  
25 the 11th year in which a licensee incurs a tax obligation pursuant to  
26 this section, 50% of the annual aggregate of the proceeds of bonds  
27 purchased by a licensee from the Casino Reinvestment Development  
28 Authority which are devoted to the financing of projects in the city of  
29 Atlantic City and investments in approved eligible projects commenced  
30 by a licensee in the city of Atlantic City shall be used exclusively to  
31 finance the rehabilitation, development, or construction of, or to  
32 provide mortgage financing of, housing facilities in the city of Atlantic  
33 City for persons or families of low through middle income.

34 (3) The Legislature finds that it is necessary to provide for a  
35 balanced community and develop a comprehensive housing program.  
36 The Casino Reinvestment Development Authority shall determine the  
37 need for housing in the city of Atlantic City, in consultation with the  
38 city of Atlantic City and specifically its zoning and planning boards.  
39 This shall include determining the types and classes of housing to be  
40 constructed and the number of units of each type and class of housing  
41 to be built. The Casino Reinvestment Development Authority shall  
42 give priority to the housing needs of the persons and their families  
43 residing in the city of Atlantic City in 1983 and continuing such  
44 residency through the effective date of this 1984 amendatory and  
45 supplementary act. The actual percentage of the proceeds of bonds  
46 and investments in approved eligible projects commenced by a licensee

1 in the city of Atlantic City, which shall be used exclusively to finance  
2 the rehabilitation, development, or construction of, or to provide  
3 mortgage financing of, housing facilities in the city of Atlantic City for  
4 persons or families of low through middle income, shall be based upon  
5 the authority's determination of the need for housing in the city of  
6 Atlantic City conducted pursuant to this subsection. Once the housing  
7 needs of the persons residing in the city of Atlantic City in 1983 and  
8 continuing such residency through the effective date of this 1984  
9 amendatory and supplementary act have been met, as determined by  
10 the Casino Reinvestment Development Authority pursuant to this  
11 subsection, any required percentages for such housing in the city of  
12 Atlantic City may, in its sole discretion, be waived by the Casino  
13 Reinvestment Development Authority. To aid the Casino  
14 Reinvestment Development Authority in making these determinations,  
15 the Casino Reinvestment Development Authority shall review the  
16 proposal for a housing redevelopment program and strategy for the  
17 city of Atlantic City approved and adopted by the Casino Control  
18 Commission and shall give priority to same and any other plan or  
19 project which is consistent with the standards of this subsection and is  
20 acceptable to the Casino Reinvestment Development Authority,  
21 pursuant to section 25 of this 1984 amendatory and supplementary act.  
22 The Casino Reinvestment Development Authority may determine  
23 whether the funds used to finance housing facilities in the city of  
24 Atlantic City for persons or families of low, moderate, median range,  
25 and middle income are derived from the proceeds of bonds purchased  
26 by a licensee from the Casino Reinvestment Development Authority to  
27 be devoted to the financing of projects in the city of Atlantic City,  
28 investments in approved eligible projects commenced by a licensee in  
29 the city of Atlantic City, or a combination of both. Any investment  
30 made by a licensee in excess of 100% of its eligible investment tax  
31 credit during the first three years and in excess of 50% thereafter in  
32 either the purchase of bonds or direct investments in approved eligible  
33 projects for low, moderate, median range, and middle income family  
34 housing facilities in the city of Atlantic City may be carried forward  
35 and credited against the licensee's obligation to make a 100%  
36 investment during the first three years and 50% thereafter in low,  
37 moderate, median range, and middle income family housing in any  
38 future year, with the approval of the Casino Reinvestment  
39 Development Authority. For the purposes of this act, "low income  
40 families" means families whose income does not exceed 50% of the  
41 median income of the area, with adjustments for smaller and larger  
42 families. "Moderate income families" means families whose income  
43 does not exceed 80% and is not less than 50% of the median income  
44 for the area, with adjustments for smaller and larger families. "Median  
45 range income families" means families whose income does not exceed  
46 120% and is not less than 80% of the median income for the area, with

1 adjustments for smaller and larger families. "Middle income families"  
2 means families whose income does not exceed 150% and not less than  
3 120% of the median income for the area, with adjustments for smaller  
4 and larger families. "Median income" means an income defined as  
5 median within the Standard Metropolitan Statistical Area for Atlantic  
6 City by the United States Department of Housing and Urban  
7 Development.

8 In order to achieve a balanced community, the authority shall  
9 ensure that the development of housing for families of low and  
10 moderate income shall proceed at the same time as housing for families  
11 of median range and middle income, until such time as there is no  
12 longer a need for such facilities in the city of Atlantic City, as  
13 determined by the Casino Reinvestment Development Authority.

14 (4) Notwithstanding any other law or section to the contrary,  
15 particularly this subsection regarding the waiver of the required  
16 percentages for housing in the city of Atlantic City, subsection i. of  
17 section 14, and sections 26, 27, 28, 29, and 31 of this 1984  
18 amendatory and supplementary act, nothing shall be implemented or  
19 waived by the Casino Reinvestment Development Authority which  
20 would reduce, impair, or prevent the fulfillment of the priorities  
21 established and contained in this subsection of this 1984 amendatory  
22 and supplementary act.

23 g. If a person is a licensee with regard to more than one approved  
24 hotel pursuant to section 82 of P.L.1977, c.110 (C.5:12-82), the  
25 person shall separately account for the gross revenues, the investment  
26 alternative tax obligations, and the investments for a tax credit against  
27 the investment alternative tax for each approved hotel, and the tax  
28 obligations of the licensee under this section shall be determined  
29 separately for each approved hotel. The licensee may apportion  
30 investments between its approved hotels; provided that no amount of  
31 investment shall be credited more than once. If a licensee receives the  
32 prior approval of the Casino Reinvestment Development Authority, the  
33 licensee may make eligible investments in excess of the investments  
34 necessary to receive a tax credit against the investment alternative tax  
35 for a given calendar year, and the licensee may carry forward this  
36 excess investment and have it credited to its next investment  
37 alternative tax obligation. If the Casino Reinvestment Development  
38 Authority approves of such excess investment and approves the carry  
39 forward of this excess investment, and a licensee elects to purchase  
40 bonds of the Casino Reinvestment Development Authority or makes  
41 direct investments in approved eligible projects in excess of the  
42 investments necessary to receive a tax credit against the investment  
43 alternative tax for its current obligation, the licensee shall be entitled  
44 to a reduction of the amount of investments necessary in future years,  
45 which amount shall be determined annually by the Casino  
46 Reinvestment Development Authority, taking into account a current

1 market discount rate from the date of the purchase or investment to  
2 the date the purchase or investment would have been required to be  
3 made.

4 h. Each casino licensee shall prepare and file, in a form prescribed  
5 by the Casino Reinvestment Development Authority, an annual return  
6 reporting that financial information as shall be deemed necessary by  
7 the Casino Reinvestment Development Authority to carry out the  
8 provisions of this act. This return shall be filed with the Casino  
9 Reinvestment Development Authority and the Casino Control  
10 Commission on or before April 30 following the calendar year on  
11 which the return is based. The Casino Control Commission shall  
12 verify to the Casino Reinvestment Development Authority the  
13 information contained in the report, to the fullest extent possible.  
14 Nothing in this subsection shall be deemed to affect the due dates for  
15 making any investment or paying any tax under this section.

16 i. Any purchase by a licensee of bonds issued by or offered  
17 through the Casino Reinvestment Development Authority pursuant to  
18 sections 14 and 15 of this act and subsection b. of this section and all  
19 approved eligible investments made by a licensee pursuant to section  
20 25 of this act and subsection b. of this section are to be considered  
21 investments and not taxes owed or grants to the State or any political  
22 subdivision thereof. As such, a licensee shall have the possibility of  
23 the return of principal and a return on the capital invested as with  
24 other investments. Investors in the bonds issued by or offered through  
25 the Casino Reinvestment Development Authority shall be provided  
26 with an opinion from a recognized financial rating agency or a financial  
27 advisory firm with national standing that each loan of bond proceeds  
28 by the Casino Reinvestment Development Authority has the minimum  
29 characteristics of an investment, in that a degree of assurance exists  
30 that interest and principal payments can be made and other terms of  
31 the proposed investment be maintained over the period of the  
32 investment, and that the loan of the bond proceeds would qualify for  
33 a bond rating of "C" or better. If an opinion cannot be obtained from  
34 a recognized financial rating agency or a financial advisory firm with  
35 national standing, an opinion shall be obtained from an expert financial  
36 analyst with national standing, selected and hired by the Casino  
37 Reinvestment Development Authority. In order to achieve a balanced  
38 portfolio, assure the viability of the authority and the projects,  
39 facilities and programs undertaken pursuant to this 1984 amendatory  
40 and supplementary act, no more than 25% of the total investments  
41 made by or through the Casino Reinvestment Development Authority  
42 with the proceeds of bonds generated in each year shall be investments  
43 which would qualify for a bond rating of "C," unless all holders of  
44 obligations in each year agree to waive the 25% limit for that year.  
45 Nothing herein shall be interpreted as limiting the Casino Reinvestment  
46 Development Authority from taking any steps it deems appropriate to



1 protect the characteristics of its investment in projects or any other  
2 investments from not being real investments with a prospect for the  
3 return of principal and a return on the capital invested. Anything  
4 contained in this section shall not be considered a guarantee by the  
5 State or any political subdivision thereof of any return of principal or  
6 interest, but any purchase by a licensee of bonds or approved eligible  
7 investments made by a licensee pursuant to this act shall be at the risk  
8 of the licensee. A licensee or the licensees purchasing an issue of  
9 bonds issued by the Casino Reinvestment Development Authority in  
10 any given year may arrange, at their option, for those bonds or the  
11 investments, made by or through the Casino Reinvestment  
12 Development Authority with the proceeds of those bonds, to be  
13 insured. The cost of any such insurance purchased by a licensee or  
14 licensees shall be paid by the licensee or licensees desiring such  
15 insurance.

16 j. The Casino Reinvestment Development Authority shall  
17 promulgate rules and regulations deemed necessary to carry out the  
18 purposes of this section.

19 k. [Except as provided in section 13 of P.L.2001, c.221  
20 (C.5:12-173.21), the] The obligation of a licensee to pay an  
21 investment alternative tax pursuant to subsection a. of this section,  
22 including a casino licensee subject to the provision of section 13 of  
23 P.L.2001, c.221 (C.5:12-173.21), shall end for each licensed facility  
24 operated by the licensee [30] 35 years after any investment alternative  
25 tax obligation is first incurred in connection with each licensed facility  
26 operated by the licensee, unless extended in connection with a deferral  
27 granted by the Casino Reinvestment Development Authority pursuant  
28 to subsection c. of this section.

29 (cf: P.L.2001, c.221, s.14)

30

31 33. Section 3 of P.L. 2001, c. 221 (C.5:12-173.11) is amended to  
32 read as follows:

33 3. As used in this act:

34 "Authority" means the Casino Reinvestment Development Authority  
35 established pursuant to P.L.1984, c.218 (C.5:12-153 et seq.);

36 "Baseline luxury tax revenue amount" or "baseline luxury tax"  
37 means the annual amount of luxury tax receipts received pursuant to  
38 P.L.1947, c.71 (C.40:48-8.15 et seq.) from the taxation of retail sales  
39 or sales at retail originating from transactions at an  
40 entertainment-retail district project for the last full calendar year  
41 preceding the year in which the district project opens under the  
42 incentive program;

43 "Casino hotel room fee fund" or "room fund" means the fund  
44 established by the State Treasurer pursuant to section 8 of P.L.2001,  
45 c.221 (C.5:12-173.16) into which shall be deposited the proceeds of  
46 the hotel room use fees as specified pursuant to section 6 of P.L.2001,

1 c.221 (C.5:12-173.14);

2 "Casino reinvestment development authority urban revitalization  
3 incentive program" or "incentive program" means the program  
4 established pursuant to section 4 of P.L.2001, c.221 (C. 5:12-173.12)  
5 and administered by the authority to facilitate the development of  
6 entertainment-retail districts for the city of Atlantic City and to  
7 promote urban revitalization throughout the State;

8 "Commissioner" means the Commissioner of Community Affairs;

9 "Department" means the Department of Community Affairs;

10 "District project grant" or "grant" means an amount rebated to the  
11 authority pursuant to sections 7 or 8 of P.L.2001, c.221  
12 (C.5:12-173.15 or 5:12-173.16) for disbursement to a casino licensee  
13 that is approved by the authority for a district project or for retention  
14 by the authority for an approved district project sponsored by the  
15 authority;

16 "Entertainment-retail district" or "district" means one of six areas  
17 within Atlantic City, designated by the authority under the incentive  
18 program;

19 "Entertainment-retail district project" or "district project" means a  
20 project or projects to be developed by the authority or any casino  
21 [licensed to operate in Atlantic City prior to January 1, 2001]  
22 licensee, including, but not necessarily limited to, a minimum of  
23 150,000 square feet of public space, retail stores, entertainment venues  
24 and restaurants, and may include, in addition, casino hotels and public  
25 parking facilities approved by the authority under the incentive  
26 program, and may also include: the purchasing, leasing, condemning,  
27 or otherwise acquiring of land or other property, or an interest therein,  
28 approved by the authority pursuant to a project grant agreement or as  
29 an authority sponsored project, or as necessary for a right-of-way or  
30 other easement to or from the land or property, or the relocating and  
31 moving of persons displaced by the acquisition of the land or property;  
32 the rehabilitation and redevelopment of land or property, approved  
33 pursuant to a project grant agreement or as an authority sponsored  
34 project, including demolition, clearance, removal, relocation,  
35 renovation, alteration, construction, reconstruction, installation or  
36 repair of a building, street, highway, alley, utility, service or other  
37 structure or improvement; the acquisition, construction,  
38 reconstruction, rehabilitation, or installation of parking and other  
39 improvements approved pursuant to a project grant agreement or as  
40 an authority sponsored project; and the costs associated therewith  
41 including the costs of an administrative appraisal, economic and  
42 environmental analyses or engineering, planning, design, architectural,  
43 surveying or other professional services approved pursuant to a  
44 project grant agreement or as part of an authority sponsored project;

45 "Entertainment-retail district project fund" or "project fund" means  
46 the fund established by the State Treasurer pursuant to section 7 of

1 P.L.2001, c.221 (C.5:12-173.15) into which shall be deposited an  
2 amount equivalent to the amount of receipts received from the taxation  
3 of retail sales from a district project and from the taxation of  
4 construction materials used for building a district project, as specified  
5 pursuant to section 5 of P.L.2001, c.221 (C.5:12-173.13);

6 "Incremental luxury tax revenue amount" or "incremental luxury  
7 tax" means the amount by which the annual luxury tax receipts  
8 received pursuant to P.L.1947, c.71 (C.40:48-8.15 et seq.) from the  
9 taxation of retail sales or sales at retail originating from transactions  
10 at a district project in the year in which the district project opens under  
11 the incentive program, and in each year thereafter, exceed the baseline  
12 luxury tax, as determined by the State Treasurer; and

13 "Project grant agreement" means an agreement entered into  
14 between the authority and a casino licensee, pursuant to section 4 of  
15 P.L.2001, c.221 (C.5:12-173.12), that sets forth the terms and  
16 conditions of approval for a district project and of eligibility for  
17 district project grants, as determined by the authority.

18 (cf: P.L.2001, c.221, s.3)

19

20 34. Section 4 of P.L. 2001, c. 221 (C.5:12-173.12) is amended to  
21 read as follows:

22 4. a. There is established the incentive program that shall be  
23 administered by the authority. The purpose of the incentive program  
24 is to facilitate the development of entertainment-retail districts for the  
25 city of Atlantic City and to promote revitalization of other urban areas  
26 in the State. The provisions of section 30 of P.L.1984, c.218  
27 (C.5:12-178) shall not apply to the incentive program established  
28 pursuant to this section. In order to implement the incentive program,  
29 the authority is authorized to accept applications from casino licensees  
30 on or before September 1, 2001 for approval of a district project and  
31 to designate by resolution up to six districts on or before September  
32 30, 2001 and to enter into project grant agreements with casino  
33 licensees to develop district projects within each district or to approve  
34 a district project sponsored by the authority. The authority may  
35 disburse district project grants in accordance with sections 7 and 8 of  
36 P.L.2001, c.221 (C.5:12-173.15 and 5:12-173.16) to casino licensees  
37 with approved district projects or to the authority for an authority  
38 sponsored district project under the incentive program, if the authority  
39 determines that:

40 (1) construction of the district project will commence no later than  
41 June 30, 2002 or as otherwise provided pursuant to the project grant  
42 agreement with the authority, or pursuant to the district project plan  
43 approved by the authority for an authority sponsored district project;

44 (2) a proposed district project plan submitted pursuant to section  
45 10 of P.L.2001, c.221 (C.5:12-173.18) is economically sound and will  
46 assist in the overall development of the city of Atlantic City and will

1 benefit the people of New Jersey by increasing employment  
2 opportunities and strengthening New Jersey's economy;

3 (3) the disbursement of grants to a casino licensee is a material  
4 factor in the licensee's decision to go forward with a district project;  
5 and

6 (4) the casino licensee has agreed to invest a minimum of \$20  
7 million in its investment alternative tax obligations under section 3 of  
8 P.L.1984, c.218 (C.5:12-144.1), such obligation to be made in \$10  
9 million increments to one or more entertainment-retail projects, or  
10 housing and community development projects, approved by the  
11 authority and the department, in an urban area outside of Atlantic City,  
12 and designated by the commissioner as eligible for, and in need of the  
13 project, pursuant to section 11 of P.L.2001, c.221 (C.5:12-173.19).

14 b. Notwithstanding any provision to the contrary in P.L.2001,  
15 c.221 (C.5:12-173.9 et al.), the authority and the commissioner jointly  
16 may, in their discretion, also designate two entertainment-retail  
17 projects, one in North Jersey and one in South Jersey, as eligible for  
18 funds under the incentive program.

19 c. If construction of a designated district project does not  
20 commence within the time required pursuant to this section, the  
21 authority may remove that designation and, in accordance with  
22 procedures adopted by the authority by resolution, accept applications  
23 for and designate another district project of another casino licensee  
24 notwithstanding the application time requirements of this section.

25 d. The authority may amend its designation of a district project to  
26 increase the area of the district project by up to 50% with the  
27 agreement of the casino licensee.

28 (cf: P.L.2001, c.221, s.4)

29

30 35. Section 7 of P.L. 2001, c. 221 (C.5:12-173.15) is amended to  
31 read as follows:

32 7. a. There is created a dedicated, nonlapsing project fund to be  
33 held by the State Treasurer, which shall be the repository for all  
34 moneys required to be deposited therein under section 5 of P.L.2001,  
35 c.221 (C.5:12-173.13) and any moneys appropriated or otherwise  
36 made available to the project fund.

37 b. All moneys deposited in the project fund shall be held and  
38 disbursed, subject to the requirements of section 11 of P.L.2001, c.221  
39 (C.5:12-173.19), in the form of district project grants as follows:

40 (1) an amount from the project fund equivalent to the total  
41 revenues received pursuant to the "Sales and Use Tax Act," P.L.1966,  
42 c.30 (C.54:32B-1 et seq.) from the taxation of construction materials  
43 used for building a district project approved by the authority pursuant  
44 to a project grant agreement, or for building a district project  
45 sponsored by the authority, shall be rebated in the form of a one-time  
46 grant to the authority for disbursement to the casino licensee with an

1 approved district project or to the authority for an authority sponsored  
2 district project;

3 (2) an amount from the project fund equivalent to the total  
4 revenues received pursuant to the "Sales and Use Tax Act," P.L.1966,  
5 c.30 (C.54:32B-1 et seq.) from the taxation of retail sales of tangible  
6 property and services originating from and delivered from business  
7 locations in a district project approved by the authority pursuant to a  
8 project grant agreement or from business locations in a district project  
9 sponsored by the authority, shall be rebated in the form of annual  
10 grants to the authority for disbursement to the casino licensee with an  
11 approved district project, or to the authority for an authority  
12 sponsored district project, with each annual grant not to exceed \$2.5  
13 million per district project and payable annually [until December 31,  
14 2022] for 20 years from the date of completion of the district project,  
15 or until [the date on which] such time as the combined total of grants  
16 disbursed under this section and under section 8 of P.L.2001, c.221  
17 (C.5:12-173.16) equals the approved cost of the district project, as  
18 determined by the authority, whichever is earlier;

19 (3) the balance of the revenues in the project fund shall be  
20 deposited in the General Fund if the authority, in consultation with the  
21 State Treasurer, determines that the revenues are no longer needed for  
22 the purposes of the project fund or for the uses prescribed in  
23 P.L.2001, c.221 (C.5:12-173.9 et al.).

24 c. The State Treasurer may invest and reinvest any moneys in the  
25 project fund, or any portion thereof, in legal obligations of the United  
26 States or of the State or any political subdivision thereof. Any income  
27 from, interest on, or increment to moneys so invested or reinvested  
28 shall be included in the project fund.

29 (cf: P.L.2001, c.221, s.7)

30

31 36. Section 11 of P.L. 2001, c. 221 (C.5:12-173.19) is amended to  
32 read as follows:

33 11. a. A casino licensee shall submit a proposal to the authority  
34 and to the department for an entertainment- retail project or  
35 community and housing development project in an urban area outside  
36 of Atlantic City, consistent with the requirements of paragraph (4) of  
37 subsection a. of section 4 of P.L.2001, c.221 (C.5:12-173.12), that  
38 will further the development and revitalization of an urban area  
39 designated by the department as eligible for, and in need of, the  
40 proposed project. The department shall evaluate the proposal and  
41 determine whether the proposed project meets the department's project  
42 criteria, and the authority shall evaluate the proposal and determine  
43 whether the [proposal] proposed project meets the authority's project  
44 criteria for approval of urban development projects outside of the city  
45 of Atlantic City under the incentive program. The authority and the  
46 commissioner jointly may, in their discretion, also designate two

1 entertainment-retail projects, one in North Jersey and one in South  
2 Jersey, as eligible for funds under the incentive program. Investment  
3 by a casino licensee of a minimum of \$20 million of its investment  
4 alternative tax obligation under section 3 of P.L.1984, c.218 (C.5:12-  
5 144.1) in a North Jersey investment fund established for the purpose  
6 of furthering the development and revitalization of one or more urban  
7 areas designated by the commissioner shall satisfy the requirements of  
8 this section and section 4 of P.L. 2001, c. 221 (C.5:12-173.12).

9 b. The commissioner and the authority are authorized to approve  
10 the proposed project submitted under subsection a. of this section if  
11 the commissioner and the authority determine that the project meets  
12 the criteria established by the department and the authority,  
13 respectively. Upon approval by the commissioner, the State Treasurer  
14 shall annually, upon receipt of a written statement from the department  
15 certifying the satisfactory status of the project, rebate the district  
16 project grants to the authority for disbursement to casino licensees  
17 under the incentive program.

18 c. The authority and the commissioner shall give preference to  
19 those proposed projects that best leverage non-authority funds for the  
20 total construction project cost.  
21 (cf: P.L.2001, c.221, s.11)

22

23 37. Section 13 of P.L.2001, c.221 (C.5:12-173.21) is amended to  
24 read as follows:

25 13. a. Notwithstanding the provisions of any other law to the  
26 contrary, if a district project of a casino licensee is approved by the  
27 authority under the incentive program established by section 4 of  
28 P.L.2001, c.221 (C.5:12-173.12), the investment alternative tax  
29 imposed by subsection a. of section 3 of P.L.1984, c.218  
30 (C.5:12-144.1), and any credits which may by law be applied against  
31 that tax, shall end for the casino licensee's licensed facility, as  
32 determined by the authority, 35 years after any investment alternative  
33 tax obligation is first incurred in connection with the licensed facility  
34 operated by the licensee.

35 b. **[During]** If a district project of a casino licensee is approved  
36 by the authority under the incentive program established by section 4  
37 of P.L.2001, c.221 (C.5:12-173.12), then during the [additional] last  
38 five years of a casino licensee's investment alternative tax obligations  
39 [required pursuant to subsection a. of this section], the total of the  
40 proceeds of all bonds purchased by a licensee from or through the  
41 authority and all approved investments in eligible projects by a licensee  
42 shall not be devoted as set forth in subsection f.(1) of section 3 of  
43 P.L.1984, c.218 (C.5:12-144.1) and instead shall be devoted to the  
44 financing of projects in the following areas and amounts: a) 25% for  
45 the city of Atlantic City; b) 25% for South Jersey and c) 50% for  
46 North Jersey.

1 (cf: P.L.2001, c.221, s.13)

2

3 38. The Casino Control Commission, the Division of Gaming  
4 Enforcement in the Department of Law and Public Safety and the  
5 Casino Reinvestment Development Authority shall report on the  
6 implementation of this act to the Senate Judiciary Committee within  
7 one year following the effective date of this act, and shall include  
8 therewith any recommendations for amendments or other legislative  
9 action necessary to improve the effectiveness of the act. The Senate  
10 Judiciary Committee shall review the reports and recommendations so  
11 submitted and hold such public hearings or take such actions to  
12 provide for effective legislative oversight over the implementation of  
13 the act as it deems appropriate.

14

15 39. Sections 1, 2 and 4 through 8 of P.L.1985, c.539 (C.5:12-184  
16 et seq.), and section 7 of P.L.1987, c.137 (C.5:12-187.1), are  
17 repealed.

18

19 40. This act shall take effect immediately.

20

21

#### 22 STATEMENT

23

24 This bill makes various changes to the "Casino Control Act",  
25 (N.J.S.A.5:12-1 et seq.) in order to streamline the regulation of the  
26 casino industry. Specifically, the bill:

27 C clarifies the offense of issuing of a bad check.

28 C permits merchandise or other things of value to be used as payoffs  
29 of winning wagers at table games.

30 C gives the Casino Control Commission (CCC) and the Division of  
31 Gaming Enforcement (DGE) discretion to waive qualification of  
32 persons associated with non-publicly traded companies or non-  
33 corporate entities.

34 C eliminates authority of the CCC to approve or disapprove of the  
35 main entrance to a casino hotel facility.

36 C adds the DGE to the list of persons identified as a "party" to a  
37 proceeding before the CCC.

38 C requires that temporary CCC rules be available in the casino hotel  
39 facility (under current law such rules are required to be posted in  
40 the facility).

41 C removes certain prohibitions on casino advertising, for consistency  
42 with federal court decisions.

43 C clarifies that in certain circumstances a casino licensee may share  
44 its player self-exclusion information with an affiliated casino  
45 operation in another jurisdiction for the limited purpose of assisting  
46 in the proper administration of responsible gaming programs in the

- 1 other jurisdiction.
- 2 C clarifies ambiguities regarding the issuing of statements of  
3 compliance.
- 4 C gives the CCC flexibility in enforcing minimum hotel room  
5 requirements required for casino gaming expansion.
- 6 C facilitates conversion of casino hotel employee registrations to  
7 casino service employee registrations.
- 8 C clarifies that gaming schools do not require a casino service  
9 industry license unless under contract with a casino licensee or  
10 applicant to train employees or potential employees.
- 11 C changes current annual labor organization registration with the  
12 CCC to a biennial registration.
- 13 C gives the CCC and the DGE flexibility to adjust cycle for casino  
14 employee license renewals.
- 15 C allows casino licensee to immediately adopt changes in its internal  
16 procedures and controls, and the commission has 30 days to  
17 determine whether these changes comply with the provisions of the  
18 Casino Control Act. If they are found not to comply, a licensee has  
19 the option of attending a full hearing before the commission on the  
20 matter, or amending the change in procedures and controls for  
21 compliance with the Casino Control Act. Currently, a licensee must  
22 receive commission approval for a change in its internal procedures  
23 and controls before adopting the change.
- 24 C specifies that 24-hour gaming is permitted in Atlantic City casinos  
25 unless otherwise limited by the CCC pursuant to an applicable  
26 provision of the Casino Control Act.
- 27 C permits monitoring rooms for multi-casino progressive slot machine  
28 systems to be located in Atlantic City at facilities other than casino  
29 hotel facilities.
- 30 C clarifies that unredeemed liability of an operating casino for casino  
31 chips, tokens and vouchers is generally not subject to forfeiture  
32 under the Unclaimed Property Law.
- 33 C increases from \$200 to \$5,000 the daily maximum amount of  
34 checks a casino may cash for a patron for non-gaming purposes and  
35 provides that no patron shall be permitted to have more than \$5,000  
36 in outstanding checks at any given time.
- 37 C removes authority of the CCC to promulgate regulations to limit  
38 the amount of cash complementaries a casino licensee may give to  
39 patrons.
- 40 C permits sale within a casino hotel facility of alcoholic beverages in  
41 an original and unopened container and clarifies that casino  
42 beverage servers may solicit alcoholic beverage orders from casino  
43 patrons.
- 44 C eliminates CCC pre-approval of casino licensee employee profit-  
45 sharing agreements and permits such agreements with junket  
46 representatives who are independent contractors of a casino



- 1 licensee.
- 2 C revises offenses of swindling and cheating, and use of a device to  
3 obtain advantage at casino games.
- 4 C provides that a person on the CCC list of persons to be excluded  
5 from a casino who knowingly enters a casino is guilty of a 4th  
6 degree crime in all cases.
- 7 C expands prohibition of and penalties for underage gambling.
- 8 C permits the CCC to establish fees to recover costs of the CCC or  
9 the DGE that are unrelated to the investigation or consideration of  
10 the issuance or renewal of a registration or license.
- 11 In addition, the bill makes various changes in the law pertaining to  
12 casino reinvestment obligations under N.J.S.A.5:12-144.1 and under  
13 the "Casino Reinvestment Development Authority Urban  
14 Revitalization Act" (N.J.S.A.5:12-173.9 et seq.). Specifically, the bill:
- 15 C increases for all casinos the alternative tax obligation from 30 to  
16 35 years with the obligation for the years 31 through 35 to be 25%  
17 to South Jersey, 50% to North Jersey, and 25% to Atlantic City  
18 (through the Atlantic City Fund).
- 19 C provides that under the CRDA Urban Revitalization Act, when  
20 construction on an Atlantic City district project has not  
21 commenced within the statutorily required time frame, the CRDA  
22 may reassign the project designation to another casino.
- 23 C provides that funding for a district project will run for 20 years  
24 from the completion of the project, rather than until December 31,  
25 2022.
- 26 C removes the requirement that a casino be licensed prior to a  
27 specific date to be eligible for a district project designation.
- 28 C permits participation in a North Jersey investment fund to meet the  
29 requirements of funding a district project in a North Jersey area.
- 30 C permits the CRDA to increase the size of a designated district  
31 project area by up to 50% of the existing project area with the  
32 agreement of the casino licensee.
- 33 C clarifies that the total proceeds from bonds and investments of a  
34 licensee with an approved district project under the incentive  
35 program will be devoted as contemplated under previous  
36 legislation.

1       The Casino Control Commission, the Division of Gaming  
2 Enforcement in the Department of Law and Public Safety and the  
3 Casino Reinvestment Development Authority will report on the  
4 implementation of this bill after enactment to the Senate Judiciary  
5 Committee within one year following the effective date of the act, and  
6 will include therewith any recommendations for amendments or other  
7 legislative action necessary to improve the effectiveness of the act.  
8 The Senate Judiciary Committee will review the reports and  
9 recommendations so submitted and hold such public hearings or take  
10 such actions to provide for effective legislative oversight over the  
11 implementation of the act as it deems appropriate.

12       Finally, the bill repeals women and minority-owned business set-  
13 aside requirements for casino contracts. These requirements have  
14 been declared unconstitutional by the U.S. 3rd Circuit Court of  
15 Appeals.

# SENATE JUDICIARY COMMITTEE

## STATEMENT TO

### **SENATE, No. 1656**

with committee amendments

# STATE OF NEW JERSEY

DATED: JUNE 20, 2002

The Senate Judiciary Committee reports favorably and with committee amendments Senate Bill No. 1656.

This bill makes various changes to the "Casino Control Act", (N.J.S.A.5:12-1 et seq.) in order to streamline the regulation of the casino industry. Specifically, the bill:

- C clarifies the offense of issuing a bad check.
- C permits merchandise or other things of value to be used as payoffs of winning wagers at table games.
- C gives the Casino Control Commission (CCC) and the Division of Gaming Enforcement (DGE) discretion to waive qualification of persons associated with non-publicly traded companies or non-corporate entities.
- C allows main entrance to a casino hotel facility to be through a casino.
- C adds the DGE to the list of persons identified as a "party" to a proceeding before the CCC.
- C requires that temporary CCC rules be available in the casino hotel facility (under current law such rules are required to be posted in the facility).
- C removes certain prohibitions on casino advertising, for consistency with federal court decisions.
- C clarifies that in certain circumstances a casino licensee may share its player self-exclusion information with an affiliated casino operation in another jurisdiction for the limited purpose of assisting in the proper administration of responsible gaming programs in the other jurisdiction.
- C clarifies ambiguities regarding the issuing of statements of compliance.
- C gives the CCC flexibility in enforcing minimum hotel room requirements required for casino gaming expansion.
- C facilitates conversion of casino hotel employee registrations to casino service employee registrations.
- C clarifies that gaming schools under contract with a casino licensee or applicant to train employees or potential employees require a casino service industry license.

- C changes current annual labor organization registration with the CCC to a biennial registration.
  - C gives the CCC and the DGE flexibility to adjust cycle for casino employee license renewals.
  - C specifies that 24-hour gaming is permitted in Atlantic City casinos unless otherwise limited by the CCC pursuant to an applicable provision of the Casino Control Act.
  - C revises the process for the submission and approval of a casino license applicant's proposed internal procedures and administrative and accounting controls, and a casino licensee's proposed changes to such procedures and controls.
  - C permits monitoring rooms for multi-casino progressive slot machine systems to be located in Atlantic City at facilities other than casino hotel facilities.
  - C increases from \$1,500 to \$5,000 the daily maximum amount of checks a casino may cash for a patron and provides that no patron shall be permitted to have more than \$5,000 in outstanding checks at any given time.
  - C removes authority of the CCC to promulgate regulations to limit the amount of cash complementaries a casino licensee may give to patrons.
  - C permits sale within a casino hotel facility of alcoholic beverages in an original and unopened container and clarifies that casino beverage servers may solicit alcoholic beverage orders from casino patrons.
  - C eliminates CCC pre-approval of casino licensee employee profit-sharing agreements and permits such agreements with junket representatives who are independent contractors of a casino licensee.
  - C revises offenses of swindling and cheating, and use of a device to obtain advantage at casino games.
  - C provides that a person on the CCC list of persons to be excluded from a casino who knowingly enters a casino is guilty of a 4th degree crime in all cases.
  - C expands prohibition of and penalties for underage gambling.
  - C permits the CCC to establish fees to recover costs of the CCC or the DGE that are unrelated to the investigation or consideration of the issuance or renewal of a registration or license.
- In addition, the bill makes various changes in the law pertaining to casino reinvestment obligations under N.J.S.A.5:12-144.1 and under the "Casino Reinvestment Development Authority Urban Revitalization Act" (N.J.S.A.5:12-173.9 et seq.). Specifically, the bill:
- C increases for all casinos the alternative tax obligation from 30 to 35 years with the obligation for the years 31 through 35 to be 25% to South Jersey, 50% to North Jersey, and 25% to Atlantic City (through the Atlantic City Fund).
  - C provides that under the CRDA Urban Revitalization Act, when construction on an Atlantic City district project has not

commenced within the statutorily required time frame, the CRDA may reassign the project designation to another casino.

- C provides that funding for a district project will run for 20 years from the completion of the project, rather than until December 31, 2022.
- C permits participation in a North Jersey investment fund to meet the requirements of funding a district project in a North Jersey area.
- C permits the CRDA to increase the size of a designated district project area by up to 50% of the existing project area with the agreement of the casino licensee.
- C clarifies that the total proceeds from bonds and investments of a licensee with an approved district project under the incentive program will be devoted as contemplated under previous legislation.

The amendments make changes in sections 21, 22 and 26 of the bill.

Section 21 prior to amendment allowed a casino licensee to immediately adopt changes in its internal procedures and controls, and the commission had 30 days to determine whether those changes comply with the provisions of the Casino Control Act. The amendments provide that the licensee may implement the changes following the 15th day after submission. The commission will review submitted changes. As amended, the section provides that if during its review, the commission preliminarily determines that a procedure in the submission contains a substantial and material insufficiency likely to have a direct and materially adverse impact on the integrity of gaming or simulcast wagering operations or the control of gross revenue, the chairman, by written notice to the casino licensee, will: (1) specify the precise nature of the insufficiency and, when possible, an acceptable alternative procedure, (2) schedule a hearing before the full commission no later than 15 days after the date of such written notice to plenary and finally determine whether the procedure in question contains the described insufficiency, and (3) direct that the internal controls in issue not yet implemented not be implemented until approved by the commission. Upon receipt of the notice, the casino licensee will proceed to the scheduled hearing before the full commission and may submit a revised procedure addressing the concerns specified in the notice. The amendments provide that the commission will, by regulation, permit changes to those internal controls that cannot have a material impact upon the integrity of gaming or simulcast wagering operations or the control and reporting of gross revenue to be implemented by a casino licensee immediately upon the preparation and internal filing of such internal controls. Also, each casino licensee and applicant will submit a narrative description of its system of internal procedures and administrative and accounting controls for the recording and reporting of all business

transactions and agreements governed by N.J.S.A.5:12-92 (regarding casino service industries) and N.J.S.A.5:12-104 (regarding casino license leases and contracts) no later than five days after those operations commence or after any change in those procedures or controls takes effect.

Section 22 was amended to remove the language that was added to subsection k. in the original form of the bill providing that an unredeemed or outstanding gaming chip, gaming plaque, slot token, prize token or gaming voucher liability of a casino licensee shall not be subject to forfeiture, escheat, or other disposition.

Section 26 was amended to add a new paragraph (9) to subsection a. to provide an exception to the statutory prohibition against certain profit sharing agreements for existing agreements or any renewals thereof relating to the operation of multi-casino progressive slot machine systems between one or more casino licensees and a casino service industry licensed pursuant to the provisions of subsection a. of N.J.S.A.5:12-92 and provided such agreements are approved by the commission.

Additionally, the committee amendments omit sections 33, 38 and 39 of the bill.

Section 33 would have removed the requirement that a casino be licensed prior to January 1, 2001 to be eligible for an entertainment-retail district project designation by the CRDA.

Section 38 provided that the CCC, the DGE and the CRDA would report on the implementation of this bill after enactment to the Senate Judiciary Committee and that this committee would take such actions to provide for effective legislative oversight over the implementation of the act as it deemed appropriate.

Section 39 would have repealed existing sections concerning women and minority-owned business set-aside requirements for casino contracts. Although these requirements have been declared unconstitutional by the U.S. 3rd Circuit Court of Appeals, the committee decided not to repeal these provisions at this time.

# ASSEMBLY, No. 2446

## STATE OF NEW JERSEY 210th LEGISLATURE

INTRODUCED JUNE 13, 2002

**Sponsored by:**

**Assemblyman ALBIO SIRES**

**District 33 (Hudson)**

**Assemblyman JOSEPH J. ROBERTS, JR.**

**District 5 (Camden and Gloucester)**

**Assemblyman FRANCIS J. BLEE**

**District 2 (Atlantic)**

**Assemblyman JEFF VAN DREW**

**District 1 (Cape May, Atlantic and Cumberland)**

**Assemblyman PAUL R. D'AMATO**

**District 2 (Atlantic)**

**Assemblyman NICHOLAS ASSELTA**

**District 1 (Cape May, Atlantic and Cumberland)**

**Co-Sponsored by:**

**Assemblymen Bodine, Chatzidakis, DeCroce, DiGaetano, Geist, Kean,  
Moran, Munoz and Wolfe**

**SYNOPSIS**

Makes various changes to casino gambling and use of proceeds thereof;  
provides for Senate Judiciary Committee oversight.

**CURRENT VERSION OF TEXT**

As introduced.

(Sponsorship Updated As Of: 6/21/2002)

A2446 SIRES, ROBERTS

2

1 AN ACT concerning casino gambling and proceeds thereof and  
2 amending and supplementing various parts of the statutory law, and  
3 providing for Senate Judiciary Committee oversight for the  
4 implementation thereof.

5

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

8

9 1. N.J.S.2C:21-5 is amended to read as follows:

10 2C:21-5. A person who issues or passes a check or similar sight  
11 order for the payment of money, knowing that it will not be honored  
12 by the drawee, commits an offense as provided for in subsection c. of  
13 this section. For the purposes of this section as well as in any  
14 prosecution for theft committed by means of a bad check, an issuer is  
15 presumed to know that the check or money order (other than a  
16 post-dated check or order) would not be paid, if:

17 a. The issuer had no account with the drawee at the time the check  
18 or order was issued; or

19 b. Payment was refused by the drawee for lack of funds, [upon  
20 presentation] or due to a closed account, after a deposit by the payee  
21 into a bank for collection or after presentation to the drawee within  
22 [30] 46 days after issue, and the issuer failed to make good within 10  
23 days after receiving notice of that refusal or after notice has been sent  
24 to the issuer's last known address. Notice of refusal may be given to  
25 the issuer orally or in writing in any reasonable manner by any person.

26 c. An offense under this section is:

27 (1) a crime of the second degree if the check or money order is  
28 \$75,000.00 or more;

29 (2) a crime of the third degree if the check or money order is  
30 \$1,000.00 or more but is less than \$75,000.00;

31 (3) a crime of the fourth degree if the check or money order is  
32 \$200.00 or more but is less than \$1,000.00;

33 (4) a disorderly persons offense if the check or money order is less  
34 than \$200.00.

35 (cf: P.L.1981, c.290, s.22)

36

37 2. (New section) "Cash equivalent value" – The monetary value  
38 that a casino licensee shall assign to a jackpot or payout that consists  
39 of merchandise or any thing of value other than cash, tokens, chips or  
40 plaques. The commission shall promulgate rules defining "cash  
41 equivalent value" in order to assure fairness, uniformity and  
42 comparability of valuation of jackpots and payoffs that include  
43 merchandise or any thing 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.**

**Matter underlined thus is new matter.**



1       3. Section 24 of P.L.1977, c.110 (C.5:12-24) is amended to read  
2 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 from  
6 gaming operations, less only the total of all sums paid out as winnings  
7 to patrons and a deduction for uncollectible gaming receivables not to  
8 exceed the lesser of a reasonable provision for uncollectible patron  
9 checks received from gaming operations or 4% of the total of all sums  
10 including checks, whether collected or not, less the amount paid out  
11 as winnings to patrons; provided, however, that the cash equivalent  
12 value of any merchandise or thing of value included in a jackpot or  
13 payout shall not be included in the total of all sums paid out as  
14 winnings to patrons for purposes of determining gross revenue.  
15 "Gross Revenue" shall not include any amount received by a casino  
16 from casino simulcasting pursuant to the "Casino Simulcasting Act,"  
17 P.L.1992, c.19 (C.5:12-191 et al.).

18       For the purposes of this section, any check which is invalid and  
19 unenforceable pursuant to subsection f. of section 101 of P.L.1977,  
20 c.110 (C.5:12-101) shall be treated as cash received by the casino  
21 licensee from gaming operations.

22 (cf: P.L.1992, c.19, s.27)

23

24       4. Section 26 of P.L.1977, c.110 (C.5:12-26) is amended to read  
25 as follows:

26       26. "Holding company" --Any corporation, association, firm,  
27 partnership, trust or other form of business organization not a natural  
28 person which, directly or indirectly, owns, has the power or right to  
29 control, or has the power to vote any significant part of the  
30 outstanding voting securities of a corporation or other form of  
31 business organization which holds or applies for a casino license. For  
32 the purpose of this section, in addition to any other reasonable  
33 meaning of the words used, a "holding company" indirectly has, holds  
34 or owns any such power, right or security if it does so through any  
35 interest in a subsidiary or successive subsidiaries, however many such  
36 subsidiaries may intervene between the holding company and the  
37 **[corporate]** casino licensee or applicant.

38 (cf: P.L.1979, c.282, s.6)

39

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

42       27. "Hotel" or "approved hotel" -- A single building, or two or  
43 more buildings which are physically connected in a manner deemed  
44 appropriate by the commission and which are operated as one  
45 casino-hotel facility under the provisions of the "Casino Control Act,"  
46 P.L.1977, c.110 (C.5:12-1 et seq.), located within the limits of the city

1 of Atlantic City as said limits were defined as of November 2, 1976,  
2 and containing not fewer than the number of sleeping units required by  
3 section 83 of P.L.1977, c.110 (C.5:12-83), each of which sleeping  
4 units shall: a. be at least 325 square feet measured to the center of  
5 perimeter walls, including bathroom and closet space and excluding  
6 hallways, balconies and lounges; b. contain private bathroom facilities;  
7 and c. be held available and used regularly for the lodging of tourists  
8 and convention guests. [In no event shall the main entrance or only  
9 access to an approved hotel be through a casino or simulcasting  
10 facility.]

11 (cf: P.L.1993, c.292, s.3)

12

13 6. Section 28 of P.L.1977, c. 110, (C.5:12-28) is amended to read  
14 as follows:

15 28. "Intermediary company" --Any corporation, association, firm,  
16 partnership, trust or any other form of business organization other than  
17 a natural person which:

18 a. Is a holding company with respect to a corporation or other  
19 form of business organization which holds or applies for a casino  
20 license, and

21 b. Is a subsidiary with respect to any holding company.

22 (cf: P.L.1977, c.110, s.28)

23

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

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

31 (cf: P.L.1981, c.503, s.3)

32

33 8. Section 44 of P.L.1977, c.110 (C.5:12-44) is amended to read  
34 as follows:

35 44. "Security" --Any instrument evidencing a direct or indirect  
36 beneficial ownership or creditor interest in a corporation or other form  
37 of business organization, including but not limited to, stock, common  
38 and preferred; bonds; mortgages; debentures; security agreements;  
39 notes; warrants; options and rights.

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

41

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

44 45. "Slot machine"--Any mechanical, electrical or other device,  
45 contrivance or machine which, upon insertion of a coin, token or  
46 similar object therein, or upon payment of any consideration

1 whatsoever, is available to play or operate, the play or operation of  
2 which, whether by reason of the skill of the operator or application of  
3 the element of chance, or both, may deliver or entitle the person  
4 playing or operating the machine to receive cash or tokens to be  
5 exchanged for cash, or to receive merchandise or any thing of value  
6 whatsoever, whether the payoff is made automatically from the  
7 machine or in any other manner whatsoever, except that the cash  
8 equivalent value of any merchandise or other thing of value shall not  
9 be included [in the total of all sums paid out as winnings to patrons  
10 for purposes of determining gross revenues as defined by section 24  
11 of P.L.1977, c.110 (C.5:12-24) or be included] in determining the  
12 payout percentage of any slot machine. [The commission shall  
13 promulgate rules defining "cash equivalent value" in order to assure  
14 fairness, uniformity and comparability of valuation of slot machine  
15 payoffs.]

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

17

18 10. Section 69 of P.L.1977, c.110 (C.5:12-69) is amended to read  
19 as follows:

20 69. Regulations. a. The commission shall be authorized to adopt,  
21 amend, or repeal such regulations, consistent with the policy and  
22 objectives of this act, as amended, as it may deem necessary to protect  
23 the public interest in carrying out the provisions of this act.

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

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

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

34 e. Notwithstanding any other provision of this act or the  
35 "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.)  
36 to the contrary, the commission may, after notice provided in  
37 accordance with this subsection, authorize the temporary adoption,  
38 amendment or repeal of any rule concerning the conduct of gaming or  
39 simulcast wagering, or the use or design of gaming or simulcast  
40 wagering equipment, or the internal procedures and administrative and  
41 accounting controls required by section 99 of P.L.1977, c.110  
42 (C.5:12-99) for a period not to exceed 270 days for the purpose of  
43 determining whether such rules should be adopted on a permanent  
44 basis in accordance with the requirements of this section. Any  
45 temporary rulemaking authorized by this subsection shall be subject to  
46 such terms and conditions as the commission may deem appropriate.

1 Notice of any temporary rulemaking action taken by the commission  
2 pursuant to this subsection shall be published in the New Jersey  
3 Register, and provided to the newspapers designated by the  
4 commission pursuant to subsection d. of section 3 of P.L.1975, c.231  
5 (C.10:4-8), at least seven days prior to the implementation of the  
6 temporary rules. Nothing herein shall be deemed to require the  
7 publication of the text of any temporary rule adopted by the  
8 commission or notice of any modification of any temporary rulemaking  
9 initiated in accordance with this subsection. The text of any temporary  
10 rule adopted by the commission shall be [posted] available in each  
11 casino or simulcasting facility participating in the temporary  
12 rulemaking and shall be available upon request from the commission.  
13 (cf: P.L.1995, c.18, s.16)

14

15 11. Section 70 of P.L.1977, c.110 (C.5:12-70) is amended to read  
16 as follows:

17 70. Required Regulations. The commission shall, without  
18 limitation on the powers conferred in the preceding section, include  
19 within its regulations the following specific provisions in accordance  
20 with the provisions of this act:

21 a. Prescribing the methods and forms of application which any  
22 applicant shall follow and complete prior to consideration of his  
23 application by the commission;

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

27 c. Prescribing procedures for the fingerprinting of an applicant,  
28 employee of a licensee, or registrant, or other methods of  
29 identification which may be necessary in the judgment of the  
30 commission to accomplish effective enforcement of restrictions on  
31 access to the casino floor, the simulcasting facility, and other restricted  
32 areas of the casino hotel complex;

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

36 e. Prescribing the manner and method of collection of payments  
37 of taxes, fees, and penalties;

38 f. Defining and limiting the areas of operation, the rules of  
39 authorized games, odds, and devices permitted, and the method of  
40 operation of such games and devices;

41 g. Regulating the practice and procedures for negotiable  
42 transactions involving patrons, including limitations on the  
43 circumstances and amounts of such transactions, and the establishment  
44 of forms and procedures for negotiable instrument transactions,  
45 redemptions, and consolidations;

46 h. Prescribing grounds and procedures for the revocation or

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

1 regulations [:(1) shall not prohibit the advertisement of casino  
2 location, hours of operation, or types of games and other amenities  
3 offered; (2) shall prohibit the advertisement of information about odds,  
4 the number of games, and the size of the casino or simulcasting  
5 facility; and (3)] shall require the words "Bet with your head, not over  
6 it," or some comparable language approved by the commission, to  
7 appear on all billboards, signs, and other on-site advertising of a casino  
8 operation and shall require the words "If you or someone you know  
9 has a gambling problem and wants help, call 1-800 GAMBLER," or  
10 some comparable language approved by the commission, which  
11 language shall include the words "gambling problem" and "call 1-800  
12 GAMBLER," to appear legibly on all print, billboard, and sign  
13 advertising of a casino operation; and

14 p. (Deleted by amendment, P.L.1991, c.182).

15 q. Concerning the distribution and consumption of alcoholic  
16 beverages on the premises of the licensee, which regulations shall be  
17 insofar as possible consistent with Title 33 of the Revised Statutes,  
18 and shall deviate only insofar as necessary because of the unique  
19 character of the hotel casino premises and operations;

20 r. (Deleted by amendment, P.L.1991, c.182).

21 (cf: P.L.1995, c.18, s.17)

22

23 12. Section 1 of P.L.2001, c.39 (C.5:12-71.2) is amended to read  
24 as follows:

25 1. a. The commission shall provide by regulation for the  
26 establishment of a list of persons self-excluded from gaming activities  
27 at all licensed casinos and simulcasting facilities. Any person may  
28 request placement on the list of self-excluded persons by  
29 acknowledging in a manner to be established by the commission that  
30 the person is a problem gambler and by agreeing that, during any  
31 period of voluntary exclusion, the person may not collect any winnings  
32 or recover any losses resulting from any gaming activity at such  
33 casinos and facilities.

34 b. The regulations of the commission shall establish procedures for  
35 placements on, and removals from, the list of self-excluded persons.  
36 Such regulations shall establish procedures for the transmittal to  
37 licensed casinos and simulcasting facilities of identifying information  
38 concerning self-excluded persons, and shall require licensed casinos  
39 and simulcasting facilities to establish procedures designed, at a  
40 minimum, to remove self-excluded persons from targeted mailings or  
41 other forms of advertising or promotions and deny self-excluded  
42 persons access to credit, complementaries, check cashing privileges  
43 club programs, and other similar benefits.

44 c. A licensed casino or simulcasting facility or employee thereof  
45 shall not be liable to any self-excluded person or to any other party in  
46 any judicial proceeding for any harm, monetary or otherwise, which

1 may arise as a result of:

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

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

8 d. Notwithstanding the provisions of P.L.1977, c.110 (C.5:12-1  
9 et seq.) or any other law to the contrary, the commission's list of  
10 self-excluded persons shall not be open to public inspection. Nothing  
11 herein, however, shall be construed to prohibit a casino licensee from  
12 disclosing the identity of persons self-excluded pursuant to this section  
13 to affiliated gaming entities in this State or other jurisdictions for the  
14 limited purpose of assisting in the proper administration of responsible  
15 gaming programs operated by such gaming affiliated entities.

16 e. A licensed casino or simulcasting facility or employee thereof  
17 shall not be liable to any self-excluded person or to any other party in  
18 any judicial proceeding for any harm, monetary or otherwise, which  
19 may arise as a result of disclosure or publication in any manner, other  
20 than a willfully unlawful disclosure or publication, of the identity of  
21 any self-excluded person.

22 (cf: P.L.2001, c.39, s.1)

23

24 13. Section 81 of P.L.1977, c.110 (C.5:12-81) is amended to read  
25 as follows:

26 81. Statement of compliance.

27 a. (1) The commission may, in its discretion, issue a statement of  
28 compliance to an applicant for any license or for qualification status  
29 under this act at any time the commission is satisfied that the applicant  
30 has established by clear and convincing evidence that one or more  
31 particular eligibility criteria have been satisfied by an applicant. A  
32 request for the issuance of a statement of compliance pursuant to this  
33 paragraph shall be initiated by the applicant filing a petition with the  
34 commission. Before the commission refers any such petition to the  
35 division for investigation, the commission may require the applicant to  
36 establish to the satisfaction of the commission that the applicant  
37 actually intends, if found qualified, to engage in the business or activity  
38 that would require the issuance of the license or the determination of  
39 qualification status.

40 (2) Any person who must be qualified pursuant to the "Casino  
41 Control Act," P.L.1977, c.110 (C.5:12-1 et seq.) in order to hold the  
42 securities of a casino licensee or any holding or intermediary company  
43 of a casino licensee may, prior to the acquisition of any such securities,  
44 request the issuance of a statement of compliance by the commission  
45 that the person is qualified to hold such securities. Any request for the  
46 issuance of a statement of compliance pursuant to this paragraph shall

1 be initiated by the person filing a petition with the commission in  
2 which the person shall be required to establish that there is a  
3 reasonable likelihood that, if qualified, the person will obtain and hold  
4 the securities of a casino licensee or any holding or intermediary  
5 company thereof to such extent as to require the qualification of the  
6 person. If the commission finds that this reasonable likelihood exists,  
7 and if the commission is satisfied, after an investigation by the division,  
8 that the qualifications of the person have been established by clear and  
9 convincing evidence, the commission may, in its discretion, issue a  
10 statement of compliance that the person is qualified to hold such  
11 securities. Any person who requests a statement of compliance  
12 pursuant to this paragraph shall be subject to the provisions of section  
13 80 of P.L.1977, c.110 (C.5:12-80) and shall pay for the costs of all  
14 investigations and proceedings in relation to the request unless the  
15 person provides to the commission an agreement with one or more  
16 casino licensees which states that the licensee or licensees will pay  
17 those costs.

18 (3) A statement of compliance shall not be issued indicating that  
19 an applicant that is a corporation or other form of business  
20 organization has established by clear and convincing evidence its good  
21 character, honesty and integrity unless the Chief Executive Officer,  
22 Chief Operating Officer and Chief Financial Officer, or the functional  
23 equivalent thereof; each director; each person who directly or  
24 indirectly holds any beneficial interest or ownership in the applicant,  
25 to the extent such person would be required to qualify under section  
26 85 of P.L.1977, c.110 (C.5:12-85) if the applicant were a holding  
27 company or intermediary company of a casino licensee; and any other  
28 person whom the commission may consider appropriate for approval  
29 or qualification, would, but for residence, individually be qualified for  
30 approval as a casino key employee pursuant to the provisions of  
31 section 89 of P.L.1977, c.110 (C.5:12-89).

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

34 (1) the particular eligibility criterion satisfied by the applicant or  
35 person;

36 (2) the date as of which such satisfaction was determined by the  
37 commission;

38 (3) the continuing obligation of the applicant or person to file any  
39 information required by the commission or division as part of any  
40 application for a license or qualification status, including information  
41 related to the eligibility criterion for which the statement of  
42 compliance was issued; and

43 (4) the obligation of the applicant or person to reestablish its  
44 satisfaction of the eligibility criterion should there be a change in any  
45 material fact or circumstance that is relevant to the eligibility criterion  
46 for which the statement of compliance was issued.



1 c. A statement of compliance certifying satisfaction of all of the  
2 requirements of subsection e. of section 84 of this act with respect to  
3 a specific casino hotel proposal submitted by an eligible applicant may  
4 be accompanied by a written commitment from the commission that a  
5 casino license shall be reserved for a period not to exceed 30 months  
6 or within such additional time period as the commission may, upon a  
7 showing of good cause therefor, establish and shall be issued to such  
8 eligible applicant with respect to such proposal provided that such  
9 applicant (1) complies in all respects with the provisions of this act,  
10 (2) qualifies for a casino license within a period not to exceed 30  
11 months of the date of such commitment or within such additional time  
12 period as the commission may, upon a showing of good cause  
13 therefor, establish, and (3) complies with such other conditions as the  
14 commission shall impose. The commission may revoke such  
15 reservation at any time it finds that the applicant is disqualified from  
16 receiving or holding a casino license or has failed to comply with any  
17 conditions imposed by the commission. Such reservation shall be  
18 automatically revoked if the applicant does not qualify for a casino  
19 license within the period of such commitment. No license other than  
20 a casino license shall be reserved by the commission.

21 d. Any statement of compliance issued pursuant to this section  
22 shall be withdrawn by the commission if:

23 (1) the applicant or person otherwise fails to satisfy the standards  
24 for licensure or qualification;

25 (2) the applicant or person fails to comply with any condition  
26 imposed by the commission; or

27 (3) the commission finds cause to revoke the statement of  
28 compliance for any other reason.

29 e. Notwithstanding any other provision of this section, unless  
30 otherwise extended by the commission upon application by the  
31 recipient and for good cause shown, any statement of compliance  
32 issued by the commission pursuant to this section shall expire 48  
33 months after its date of issuance, unless the recipient also has received  
34 a commitment for the reservation of a casino license, in which case the  
35 statement of compliance shall expire on the same date as the  
36 commitment.

37 f. Any statement of compliance issued by the commission prior to  
38 the effective date of this amendatory and supplementary act, P.L. , c.  
39 (now before the Legislature as this bill), shall expire in accordance  
40 with the provisions of subsection e. of this section as if the statement  
41 had been issued on such effective date, unless the statement is  
42 otherwise extended, withdrawn or revoked prior to such date in  
43 accordance with the provisions of this section.

44 (cf: P.L.1995, c.18, s.22)

45

46 14. Section 83 of P.L.1977, c.110 (C.5:12-83) is amended to read

1 as follows:

2 83. a. An approved hotel for purposes of this act shall be a hotel  
3 providing facilities in accordance with this section. Nothing in this  
4 section shall be construed to limit the authority of the commission to  
5 determine the suitability of facilities as provided in this act, and  
6 nothing in this section shall be construed to require a casino to be  
7 smaller than the maximum size herein provided.

8 b. [(1) In the case of a casino hotel in operation on June 29, 1991,  
9 a casino hotel shall include:

10 (a) an approved hotel containing at least the number of qualifying  
11 sleeping units, as defined in section 27 of P.L.1977, c.110 (C.5:12-27),  
12 which it had on that date, except that those units may be consolidated  
13 and reconfigured in order to form suites so long as there remain at  
14 least 500 qualifying sleeping units; and

15 (b) a casino, the total square footage of which shall not exceed the  
16 amount of casino space authorized on the basis of the provisions of  
17 this section which were in effect on June 28, 1991 and applicable to  
18 that casino hotel at that time, unless the number of qualifying sleeping  
19 units under subparagraph (a) of this paragraph and the number of any  
20 qualifying sleeping units added after June 29, 1991 permit an increase  
21 on the following basis: 60,000 square feet of casino space for the first  
22 500 qualifying sleeping units and 10,000 square feet of casino space  
23 for each additional 100 qualifying sleeping units above 500, up to a  
24 maximum of 200,000 square feet of casino space. No casino hotel in  
25 operation on June 29, 1991 shall be required to reduce the amount of  
26 its casino space below the amount authorized as of June 28, 1991  
27 unless the number of qualifying sleeping units is reduced below the  
28 number required in subparagraph (a) of this paragraph.

29 For the purpose of increasing casino space, an agreement approved  
30 by the commission for the addition of qualifying sleeping units within  
31 two years after the commencement of gaming operations in the  
32 additional casino space shall be deemed an addition of those rooms,  
33 but if the agreement is not fulfilled due to conditions within the control  
34 of the casino licensee, the casino licensee shall close the additional  
35 casino space or any portion thereof as directed by the commission.

36 The calculation of the number of qualifying sleeping units added  
37 with respect to any such casino hotel shall not include any qualifying  
38 sleeping unit or other hotel or motel room in existence in Atlantic City  
39 on June 29, 1991, whether or not that unit or room was offered or  
40 usable for occupancy on that date, or any replacement for such a unit  
41 or room which results from construction or renovation after that date,  
42 except that any hotel room in existence in Atlantic City on June 29,  
43 1991 which was not used or available for use on that date and for at  
44 least 10 years prior to that date and which is reconstructed or replaced  
45 after the effective date of this amendatory and supplementary act,  
46 P.L.1993, c.159, and meets the specifications of a sleeping unit

1 prescribed in section 27 of P.L.1977, c.110 (C.5:12-27) may be  
2 included in such calculation; any hotel room in existence in Atlantic  
3 City on June 29, 1991 which, for at least 10 years prior thereto, had  
4 been used as part of an annexed facility of a casino hotel, which facility  
5 was determined by the commission to be part of an approved hotel  
6 subsequent thereto and prior to the effective date of this amendatory  
7 and supplementary act, P.L.1995, c.18 (C.5:12-2.1 et al.), and meets,  
8 or was or is reconstructed or replaced to meet, the specifications of a  
9 sleeping unit prescribed in section 27 of P.L.1977, c.110 (C.5:12-27),  
10 may be included in such calculation; and any replacement which, in  
11 the judgment of the commission, is an integral element of a program  
12 of neighborhood rehabilitation undertaken by the casino licensee with  
13 the approval of the city of Atlantic City may also be included in such  
14 calculation.

15 (2) In the case of a hotel in operation on June 29, 1991 which was  
16 part of a casino hotel prior to, but not as of, that date, and which is  
17 reestablished as part of a casino hotel after that date, a casino hotel  
18 shall include:

19 (a) an approved hotel containing at least the number of qualifying  
20 sleeping units, as defined in section 27 of P.L.1977, c.110 (C.5:12-27),  
21 which it had on the date the casino ceased operations prior to June 29,  
22 1991, except that those units may be consolidated and reconfigured in  
23 order to form suites so long as there remain at least 500 qualifying  
24 sleeping units; and

25 (b) a casino, the total square footage of which shall not exceed  
26 the amount of casino space the casino had on the date it ceased  
27 operations prior to June 29, 1991 unless the number of qualifying  
28 sleeping units under subparagraph (a) of this paragraph and the  
29 number of any qualifying sleeping units added after that date permit an  
30 increase on the following basis: 60,000 square feet of casino space for  
31 the first 500 qualifying sleeping units and 10,000 square feet of casino  
32 space for each additional 100 qualifying sleeping units above 500, up  
33 to a maximum of 200,000 square feet of casino space. No casino hotel  
34 which operates pursuant to this paragraph shall be required to reduce  
35 the amount of its casino space below the amount it had on the date it  
36 ceased operations unless the number of qualifying sleeping units is  
37 reduced below the number required in subparagraph (a) of this  
38 paragraph.

39 For the purpose of increasing casino space, an agreement approved  
40 by the commission for the addition of qualifying sleeping units within  
41 two years after the commencement of gaming operations in the  
42 additional casino space shall be deemed an addition of those rooms,  
43 but if the agreement is not fulfilled due to conditions within the control  
44 of the casino licensee, the casino licensee shall close the additional  
45 casino space or any portion thereof as directed by the commission.

46 The calculation of the number of qualifying sleeping units added

1 with respect to any such hotel shall not include any qualifying sleeping  
2 unit or other hotel or motel room in existence in Atlantic City on June  
3 29, 1991, whether or not that unit or room was offered or usable for  
4 occupancy on the effective date, or any replacement for such a unit or  
5 room which results from construction or renovation after that date,  
6 except that any hotel room in existence in Atlantic City on June 29,  
7 1991 which was not used or available for use on that date and for at  
8 least 10 years prior to that date and which is reconstructed or replaced  
9 after the effective date of this amendatory and supplementary act,  
10 P.L.1993, c.159, and meets the specifications of a sleeping unit  
11 prescribed in section 27 of P.L.1977, c.110 (C.5:12-27) may be  
12 included in such calculation, and any replacement which, in the  
13 judgment of the commission, is an integral element of a program of  
14 neighborhood rehabilitation undertaken by the casino licensee with the  
15 approval of the city of Atlantic City may also be included in such  
16 calculation.] Deleted by amendment, P.L.2002, c. (now before the  
17 Legislature as this bill).

18 c. [In the case of a casino hotel not in operation prior to or on  
19 June 29, 1991, a] A casino hotel shall include an approved hotel  
20 containing at least 500 qualifying sleeping units, as defined in section  
21 27 of the "Casino Control Act," P.L.1977, c.110 (C.5:12-27), and a  
22 casino, the total square footage of which shall not exceed 60,000  
23 square feet, except that for each additional 100 qualifying sleeping  
24 units above 500, the maximum amount of the casino space may be  
25 increased by 10,000 square feet, up to a maximum of 200,000 square  
26 feet of casino space. [The calculation of the number of qualifying  
27 sleeping units with respect to any such casino hotel shall not include  
28 any qualifying sleeping unit or other hotel or motel room in existence  
29 in Atlantic City on June 29, 1991, whether or not that unit or room  
30 was offered or usable for occupancy on that date, or any replacement  
31 for such a unit or room which results from construction or renovation  
32 after that date, except that any hotel room in existence in Atlantic City  
33 on June 29, 1991 which was not used or available for use on that date  
34 and for at least 10 years prior to that date and which is reconstructed  
35 or replaced after the effective date of this amendatory and  
36 supplementary act, P.L.1993, c.159, and meets the specifications of a  
37 sleeping unit prescribed in section 27 of P.L.1977, c.110 (C.5:12-27)  
38 may be included in such calculation, and any replacement which, in the  
39 judgment of the commission, is an integral element of a program of  
40 neighborhood rehabilitation undertaken by the casino licensee with the  
41 approval of the city of Atlantic City may also be included in such  
42 calculation.] For the purpose of increasing casino space, an agreement  
43 approved by the commission for the addition of qualifying sleeping  
44 units within two years after the commencement of gaming operations  
45 in the additional casino space shall be deemed an addition of those  
46 sleeping units, but if the agreement is not fulfilled due to conditions

1 within the control of the casino licensee, the casino licensee shall close  
2 the additional casino space or any portion thereof as directed by the  
3 commission.

4 d. Once a hotel is initially approved, the commission shall  
5 thereafter rely on the certification of the casino licensee with regard to  
6 the number of qualifying sleeping units and shall permit replacement,  
7 rehabilitation, renovation and alteration of any part of the approved  
8 hotel even if the replacement, rehabilitation, renovation, or alteration  
9 will mean that the casino licensee does not temporarily meet the  
10 requirements of subsection c. so long as the licensee certifies that the  
11 replacement, rehabilitation, renovation, or alteration shall be  
12 completed within one year or such other reasonable period of time as  
13 the commission may approve.

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

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

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

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

18 i. The commission shall not impose any criteria or requirements  
19 regarding the contents of the approved hotel in addition to the criteria  
20 and requirements expressly specified in the "Casino Control Act,"  
21 P.L.1977, c.110 (C.5:12-1 et seq.); provided, however, that the  
22 commission shall be authorized to require each casino licensee to  
23 establish and maintain an approved hotel which is in all respects a  
24 superior, first-class facility of exceptional quality which will help  
25 restore Atlantic City as a resort, tourist and convention destination.  
26 (cf: P.L.1996, c.84, s.4)

27  
28 15. Section 85 of P.L.1977, c.110 (C.5:12-85) is amended to read  
29 as follows:

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

33 (1) The organization, financial structure and nature of all  
34 businesses operated by the corporation; the names and personal  
35 employment and criminal histories of all officers, directors and  
36 principal employees of the corporation; the names of all holding,  
37 intermediary and subsidiary companies of the corporation; and the  
38 organization, financial structure and nature of all businesses operated  
39 by such of its holding, intermediary and subsidiary companies as the  
40 commission may require, including names and personal employment  
41 and criminal histories of such officers, directors and principal  
42 employees of such corporations and companies as the commission may  
43 require;

44 (2) The rights and privileges acquired by the holders of different  
45 classes of authorized securities of such corporations and companies as  
46 the commission may require, including the names, addresses and

- 1 amounts held by all holders of such securities;
- 2 (3) The terms upon which securities have been or are to be  
3 offered;
- 4 (4) The terms and conditions of all outstanding loans, mortgages,  
5 trust deeds, pledges or any other indebtedness or security devices  
6 utilized by the corporation;
- 7 (5) The extent of the equity security holding in the corporation of  
8 all officers, directors and underwriters, and their remuneration in the  
9 form of salary, wages, fees or otherwise;
- 10 (6) Names of persons other than directors and officers who occupy  
11 positions specified by the commission or whose compensation exceeds  
12 an amount determined by the commission, and the amount of their  
13 compensation;
- 14 (7) A description of all bonus and profit-sharing arrangements;
- 15 (8) Copies of all management and service contracts; and
- 16 (9) A listing of stock options existing or to be created.
- 17 b. If a corporation or other form of business organization applying  
18 for a casino license is, or if a corporation or other form of business  
19 organization holding a casino license is to become, a subsidiary, each  
20 holding company and each intermediary company with respect thereto  
21 must, as a condition of the said subsidiary acquiring or retaining such  
22 license, as the case may be:
- 23 (1) Qualify to do business in the State of New Jersey; and
- 24 (2) If it is a corporation, register with the commission and furnish  
25 the commission with all the information required of a corporate  
26 licensee as specified in subsection a. (1), (2) and (3) of this section and  
27 such other information as the commission may require; or
- 28 (3) If it is not a corporation, register with the commission and  
29 furnish the commission with such information as the commission may  
30 prescribe.
- 31 c. No corporation shall be eligible to hold a casino license unless  
32 each officer; each director; each person who directly or indirectly  
33 holds any beneficial interest or ownership of the securities issued by  
34 the corporation; any person who in the opinion of the commission has  
35 the ability to control the corporation or elect a majority of the board  
36 of directors of that corporation, other than a banking or other licensed  
37 lending institution which makes a loan or holds a mortgage or other  
38 lien acquired in the ordinary course of business; each principal  
39 employee; and any lender, underwriter, agent, employee of the  
40 corporation, or other person whom the commission may consider  
41 appropriate for approval or qualification would, but for residence,  
42 individually be qualified for approval as a casino key employee  
43 pursuant to the provisions of this act.
- 44 d. No corporation or other form of business organization which  
45 is a subsidiary shall be eligible to receive or hold a casino license  
46 unless each holding and intermediary company with respect thereto:

1 (1) If it is a corporation, shall comply with the provisions of  
2 subsection c. of this section as if said holding or intermediary company  
3 were itself applying for a casino license; provided, however, that the  
4 commission with the concurrence of the director may waive  
5 compliance with the provisions of subsection c. hereof on the part of  
6 a [publicly-traded corporation which is a] holding company as to any  
7 officer, director, lender, underwriter, agent or employee thereof, or  
8 person directly or indirectly holding a beneficial interest or ownership  
9 of the securities of such corporation, where the commission and the  
10 director are satisfied that such officer, director, lender, underwriter,  
11 agent or employee is not significantly involved in the activities of the  
12 corporate licensee, and in the case of security holders, does not have  
13 the ability to control the [publicly-traded corporation] holding  
14 company or elect one or more directors thereof; or

15 (2) If it is not a corporation, shall comply with the provisions of  
16 subsection e. of this section as if said company were itself applying for  
17 a casino license; provided, however, that the commission with the  
18 concurrence of the director may waive compliance with the provisions  
19 of subsection e. of this section on the part of a noncorporate business  
20 organization which is a holding company as to any person who directly  
21 or indirectly holds any beneficial interest or ownership in such  
22 company, when the commission and the director are satisfied that such  
23 person does not have the ability to control the company.

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

34 f. Notwithstanding the provisions of subsections c. and d. of this  
35 section, and in the absence of a prima facie showing by the director  
36 that there is any cause to believe that the institutional investor may be  
37 found unqualified, an institutional investor holding either (1) under  
38 10% of the equity securities of a casino licensee's holding or  
39 intermediary companies, or (2) debt securities of a casino licensee's  
40 holding or intermediary companies, or another subsidiary company of  
41 a casino licensee's holding or intermediary companies which is related  
42 in any way to the financing of the casino licensee, where the securities  
43 represent a percentage of the outstanding debt of the company not  
44 exceeding 20%, or a percentage of any issue of the outstanding debt  
45 of the company not exceeding 50%, shall be granted a waiver of  
46 qualification if such securities are those of a publicly traded

1 corporation and its holdings of such securities were purchased for  
2 investment purposes only and upon request by the commission it files  
3 with the commission a certified statement to the effect that it has no  
4 intention of influencing or affecting the affairs of the issuer, the casino  
5 licensee or its holding or intermediary companies; provided, however,  
6 that it shall be permitted to vote on matters put to the vote of the  
7 outstanding security holders. The commission may grant a waiver of  
8 qualification to an institutional investor holding a higher percentage of  
9 such securities upon a showing of good cause and if the conditions  
10 specified above are met. Any institutional investor granted a waiver  
11 under this subsection which subsequently determines to influence or  
12 affect the affairs of the issuer shall provide not less than 30 days'  
13 notice of such intent and shall file with the commission an application  
14 for qualification before taking any action that may influence or affect  
15 the affairs of the issuer; provided, however, that it shall be permitted  
16 to vote on matters put to the vote of the outstanding security holders.  
17 If an institutional investor changes its investment intent, or if the  
18 commission finds reasonable cause to believe that the institutional  
19 investor may be found unqualified, no action other than divestiture  
20 shall be taken by such investor with respect to its security holdings  
21 until there has been compliance with the provisions of P.L.1987, c.409  
22 (C.5:12-95.12 et seq.), including the execution of a trust agreement.  
23 The casino licensee and its relevant holding, intermediary or subsidiary  
24 company shall immediately notify the commission and the division of  
25 any information about, or actions of, an institutional investor holding  
26 its equity or debt securities where such information or action may  
27 impact upon the eligibility of such institutional investor for a waiver  
28 pursuant to this subsection.

29 g. If at any time the commission finds that an institutional investor  
30 holding any security of a holding or intermediary company of a casino  
31 licensee, or, where relevant, of another subsidiary company of a  
32 holding or intermediary company of a casino licensee which is related  
33 in any way to the financing of the casino licensee, fails to comply with  
34 the terms of subsection f. of this section, or if at any time the  
35 commission finds that, by reason of the extent or nature of its  
36 holdings, an institutional investor is in a position to exercise such a  
37 substantial impact upon the controlling interests of a licensee that  
38 qualification of the institutional investor is necessary to protect the  
39 public interest, the commission may, in accordance with the provisions  
40 of subsections a. through e. of this section or subsections d. and e. of  
41 section 105 of P.L.1977, c.110 (C.5:12-105), take any necessary  
42 action to protect the public interest, including requiring such an  
43 institutional investor to be qualified pursuant to the provisions of the  
44 "Casino Control Act," P.L.1977, c.110 (C.5:12-1 et seq.).  
45 (cf: P.L.1991, c.182, s.26)



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

3       91. Registration of Casino Service Employees.

4       a. No person may commence employment as a casino service  
5 employee unless the person has been registered with the commission,  
6 which registration shall be in accordance with subsection f. of this  
7 section.

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

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

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

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

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

35       (3) The circumstances under which the offense or conduct  
36 occurred;

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

38       (5) The age of the registrant when the offense or conduct was  
39 committed;

40       (6) Whether the offense or conduct was an isolated or repeated  
41 incident;

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

44       (8) Any evidence of rehabilitation, including good conduct in  
45 prison or in the community, counseling or psychiatric treatment  
46 received, acquisition of additional academic or vocational schooling,

1 successful participation in correctional work-release programs, or the  
2 recommendation of persons who have or have had the registrant under  
3 their supervision.

4 e. The commission may waive any disqualification criterion for a  
5 casino service employee consistent with the public policy of this act  
6 and upon a finding that the interests of justice so require.

7 f. Upon petition by the holder of a casino license, casino service  
8 employee registration shall be granted to each applicant for such  
9 registration named therein, provided that the petition certifies that  
10 each such applicant has filed a completed application for casino service  
11 employee registration as required by the commission.

12 [Any person who, on the effective date of P.L.1995, c.18  
13 (C.5:12-2.1 et al.), possesses a current and valid casino hotel  
14 employee registration shall be considered registered in accordance  
15 with the provisions of this section.]

16 All casino hotel employee registrations shall expire 120 days after  
17 the effective date of this amendatory and supplementary act, P.L. , c.  
18 (now before the Legislature as this bill). Any holder of a casino hotel  
19 employee registration may until that date convert that registration to  
20 a casino service employee registration without fee.

21 (cf: P.L.1995, c.18, s.29)

22  
23 17. Section 92 of P.L.1977, c.110 (C.5:12-92) is amended to read  
24 as follows:

25 92. Licensing and Registration of Casino Service Industries.

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

41 (2) In addition to the requirements of paragraph (1) of this  
42 subsection, any casino service industry intending to manufacture, sell,  
43 distribute, test or repair slot machines within New Jersey, other than  
44 antique slot machines as defined in N.J.S.2C:37-7, shall be licensed in  
45 accordance with the provisions of this act prior to engaging in any  
46 such activities; provided, however, that upon a showing of good cause

1 by a casino applicant or licensee for each business transaction, the  
2 commission may permit an applicant for a casino service industry  
3 license to conduct business transactions with the casino applicant or  
4 licensee prior to the licensure of that service industry applicant under  
5 this subsection; and provided further, however, that upon a showing  
6 of good cause by an applicant required to be licensed as a casino  
7 service industry pursuant to this paragraph, the commission may  
8 permit the service industry applicant to initiate the manufacture of slot  
9 machines or engage in the sale, distribution, testing or repair of slot  
10 machines with any person other than a casino applicant or licensee, its  
11 employees or agents, prior to the licensure of that service industry  
12 applicant under this subsection.

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

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

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

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

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

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

18 (cf: P.L.2001, c.134, s.2)

19  
20 18. Section 93 of P.L.1977, c.110 (C.5:12-93) is amended to read  
21 as follows:

22 93. Registration of Labor Organizations.

23 a. Each labor organization, union or affiliate seeking to represent  
24 employees who are employed in a casino hotel, casino or casino  
25 simulcasting facility by a casino licensee shall register with the  
26 commission [~~annually~~] biennially, and shall disclose such information  
27 to the commission as the commission may require, including the names  
28 of all affiliated organizations, pension and welfare systems and all  
29 officers and agents of such organizations and systems; provided,  
30 however, that no labor organization, union, or affiliate shall be  
31 required to furnish such information to the extent such information is  
32 included in a report filed by any labor organization, union, or affiliate  
33 with the Secretary of Labor pursuant to 29 U.S.C. s. 431 et seq. or s.  
34 1001 et seq. if a copy of such report, or of the portion thereof  
35 containing such information, is furnished to the commission pursuant  
36 to the aforesaid federal provisions. The commission may in its  
37 discretion exempt any labor organization, union, or affiliate from the  
38 registration requirements of this subsection where the commission  
39 finds that such organization, union or affiliate is not the certified  
40 bargaining representative of any employee who is employed in a casino  
41 hotel, casino or casino simulcasting facility by a casino licensee, is not  
42 involved actively, directly or substantially in the control or direction  
43 of the representation of any such employee, and is not seeking to do  
44 so.

45 b. No person may act as an officer, agent or principal employee  
46 of a labor organization, union or affiliate registered or required to be

1 registered pursuant to this section if the person has been found  
2 disqualified by the commission in accordance with the criteria  
3 contained in section 86 of that act. The commission may, for purposes  
4 of this subsection, waive any disqualification criterion consistent with  
5 the public policy of this act and upon a finding that the interests of  
6 justice so require.

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

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

15 e. The commission or the division may maintain a civil action and  
16 proceed in a summary manner, without posting bond, against any  
17 person, including any labor organization, union or affiliate, to compel  
18 compliance with this section, or to prevent any violations, the aiding  
19 and abetting thereof, or any attempt or conspiracy to violate this  
20 section.

21 f. In addition to any other remedies provided in this section, a  
22 labor organization, union or affiliate registered or required to be  
23 registered pursuant to this section may be prohibited by the  
24 commission from receiving any dues from any employee licensed or  
25 registered under that act and employed by a casino licensee or its  
26 agent, if any officer, agent or principal employee of the labor  
27 organization, union or affiliate has been found disqualified and if such  
28 disqualification has not been waived by the commission in accordance  
29 with subsection b. of this section. The commission or the division may  
30 proceed in the manner provided by subsection e. of this section to  
31 enforce an order of the commission prohibiting the receipt of dues.

32 g. Nothing contained in this section shall limit the power of the  
33 commission to proceed in accordance with subsection c. of section 107  
34 of P.L.1977, c.110 (C.5:12-107).

35 (cf: P.L.1995, c.18, s.31)

36

37 19. Section 95 of P.L.1977, c.110 (C.5:12-95) is amended to read  
38 as follows:

39 95. Renewal of Licenses and Registrations. Subject to the power  
40 of the commission to deny, revoke or suspend any license or  
41 registration, any license other than a casino license or any registration  
42 may be renewed upon proper application for renewal and the payment  
43 of fees in accordance with the rules of the commission, but in no event  
44 later than the date of expiration of the current license or registration.

45 Notwithstanding the foregoing, in order to facilitate the efficient  
46 operation of the commission and the division, the commission shall

1 have the authority, with the concurrence of the director of the division,  
2 to extend the period of any license other than a casino license, but in  
3 no event shall the expiration date be extended for more than two years.  
4 (cf: P.L.1987, c.354, s.16)

5  
6 20. Section 97 of P.L.1977, c.110 (C.5:12-97) is amended to read  
7 as follows:

8 97. Hours of Operation. a. [No] Each casino licensed pursuant  
9 to this act shall [operate between the hours of 6 a.m. and 10 a.m. on  
10 Saturdays, Sundays and State and federal holidays, or between the  
11 hours of 4 a.m. and 10 a.m. on all other days, except that the  
12 commission may extend the hours of operation, up to and including 24  
13 hours of operation, on any Saturday, Sunday, or State or federal  
14 holiday, or on any day that an extension of operating hours would, in  
15 the judgment of the commission, have an economic impact on the  
16 casino industry and on Atlantic City which would justify the extension  
17 of those hours. In making this finding, the commission shall consider,  
18 among other factors: (1) the anticipated volume of visitor, convention,  
19 or tourist traffic in Atlantic City as a result of any scheduled meetings  
20 or events; (2) any special promotions or market expansion programs  
21 undertaken by the casino industry or others to increase such traffic; or  
22 (3) any other basis for the conclusion that an extension of operating  
23 hours would, under the circumstances, effect a significant impact on  
24 the volume of casino business and thereby on the State revenues  
25 dependent thereupon. Any resolution approving an extension of  
26 operating hours shall be considered at a regularly scheduled meeting  
27 of the commission held pursuant to the "Open Public Meetings Act,"  
28 P.L.1975, c.231 (C.10:4-6 et seq.)] be permitted to operate 24 hours  
29 a day unless otherwise directed by the commission in accordance with  
30 its authority under P.L.1977, c.110 (C.5:12-1 et seq.).

31 b. A casino licensee shall file with the commission a schedule of  
32 hours prior to the issuance of an initial operation certificate. If the  
33 casino licensee proposes any change in scheduled hours, such change  
34 may not be effected until such licensee files a notice of the new  
35 schedule of hours with the commission. Such filing must be made 30  
36 days prior to the effective date of the proposed change in hours.

37 c. Nothing herein shall be construed to limit a casino licensee in  
38 opening its casino later than, or closing its casino earlier than, the  
39 times stated in its schedule of operating hours; provided, however, that  
40 any such alterations in its hours shall comply with the provisions of  
41 subsection a. of this section and with regulations of the commission  
42 pertaining to such alterations.

43 (cf: P.L.1992, c.36, s.1)

44  
45 21. Section 99 of P.L.1977, c.110 (C.5:12-99) is amended to read  
46 as follows:

1 99. Internal Controls.

2 a. Each applicant for a casino [licensee] license shall submit to the  
3 commission a description of its initial system of internal procedures  
4 and administrative and accounting controls for gaming and simulcast  
5 wagering operations [and a description of any changes thereof. Such]  
6 accompanied by a certification by its Chief Legal Officer or equivalent  
7 that the submitted procedures conform to the requirements of this act,  
8 P.L.1977, c.110 (C.5:12-1 et seq.), and the regulations promulgated  
9 thereunder, and a certification by its Chief Financial Officer or  
10 equivalent that the submitted procedures provide adequate and  
11 effective controls, establish a consistent overall system of internal  
12 procedures and administrative and accounting controls and conform  
13 to generally accepted accounting principles. Each applicant shall  
14 make its initial submission [shall be made] at least 30 days before such  
15 operations are to commence [or at least 30 days before any change in  
16 those procedures or controls is to take effect,] unless otherwise  
17 directed by the commission. [Notwithstanding the foregoing, the  
18 internal controls described in paragraph (3) of this subsection may be  
19 implemented by a casino licensee upon the filing of such internal  
20 controls with the commission.] A casino licensee, upon submission to  
21 the commission of a change in its system of internal procedures and  
22 controls and the two certifications described above, may immediately  
23 implement the change. Each initial internal control submission shall  
24 contain [both] narrative [and diagrammatic] representations of the  
25 internal control system to be utilized by the casino, including, but not  
26 limited to:

27 (1) Accounting controls, including the standardization of forms  
28 and definition of terms to be utilized in the gaming and simulcast  
29 wagering operations;

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

35 (3) Job descriptions and the system of personnel and  
36 chain-of-command, establishing a diversity of responsibility among  
37 employees engaged in casino or simulcasting facility operations and  
38 identifying primary and secondary supervisory positions for areas of  
39 responsibility, which areas shall not be so extensive as to be  
40 impractical for an individual to monitor; salary structure; and  
41 personnel practices;

42 (4) Procedures within the cashier's cage and simulcast facility for  
43 the receipt, storage and disbursement of chips, cash, and other cash  
44 equivalents used in gaming and simulcast wagering; the cashing of  
45 checks; the redemption of chips and other cash equivalents used in  
46 gaming and simulcast wagering; the pay-off of jackpots and simulcast

1 wagers; and the recording of transactions pertaining to gaming and  
2 simulcast wagering operations;

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

5 (6) Procedures for the transfer and recordation of chips between  
6 the gaming tables and the cashier's cage and the transfer and  
7 recordation of moneys within the simulcasting facility;

8 (7) Procedures for the transfer of moneys from the gaming tables  
9 to the counting process and the transfer of moneys within the  
10 simulcasting facility for the counting process;

11 (8) Procedures and security for the counting and recordation of  
12 revenue;

13 (9) Procedures for the security, storage and recordation of cash,  
14 chips and other cash equivalents utilized in the gaming and simulcast  
15 wagering operations;

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

18 (11) Procedures and standards for the opening and security of slot  
19 machines;

20 (12) Procedures for the payment and recordation of slot machine  
21 jackpots;

22 (13) Procedures for the cashing and recordation of checks  
23 exchanged by casino and simulcasting facility patrons;

24 (14) Procedures governing the utilization of the private security  
25 force within the casino and simulcasting facility;

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

29 (16) Procedures and rules governing the conduct of particular  
30 games and simulcast wagering and the responsibility of casino  
31 personnel in respect thereto; and

32 (17) Procedures for separately recording all transactions pursuant  
33 to section 101 of this act involving the Governor, any State officer or  
34 employee, or any special State officer or employee, any member of the  
35 Judiciary, any member of the Legislature, any officer of a municipality  
36 or county in which casino gaming is authorized, or any gaming related  
37 casino employee, and for the quarterly filing with the Attorney General  
38 of a list reporting all such transactions.

39 [If required by regulation of the commission, each casino licensee  
40 shall also submit a description of its system of internal procedures and  
41 administrative and accounting controls for non-gaming operations and  
42 a description of any changes thereto no later than five days after those  
43 operations commence or after any change in those procedures or  
44 controls takes effect.]

45 b. The commission [shall] may review [each] a submission  
46 [required by] made pursuant to subsection a. [hereof, and shall] to



1 determine whether it conforms to the requirements of this act and to  
2 the regulations promulgated thereunder and [whether the system  
3 submitted] provides adequate and effective controls for the operations  
4 of the particular casino hotel submitting it, but shall complete its  
5 review no later than 30 days after the submission is made. If during  
6 its review, the commission preliminarily determines that a procedure  
7 in the submission contains a substantial and material insufficiency  
8 likely to have a direct and materially adverse impact on the integrity  
9 of gaming or simulcast wagering operations or the control of gross  
10 revenue, the chairman, by written notice to the applicant or casino  
11 licensee, which with respect to a change in a casino licensee's system  
12 of internal control procedures shall be no later than 30 days after the  
13 submission is made, shall specify the precise nature of the insufficiency  
14 and, when possible, an acceptable alternative procedure, and shall  
15 schedule a hearing before the full commission at its next regularly  
16 scheduled public meeting or such later date as the chairman deems  
17 appropriate to plenary and finally determine whether the procedure  
18 in question contains the described insufficiency. Upon receipt of the  
19 notice, the applicant or casino licensee may either proceed to the  
20 scheduled hearing before the full commission or submit a revised  
21 procedure addressing the concerns specified in the notice, which  
22 revised procedure the casino licensee may then immediately implement  
23 pursuant to subsection a. of this section and the commission may then  
24 further review pursuant to this subsection. [If the commission finds  
25 any insufficiencies, it shall specify same in writing to the casino  
26 licensee, who shall make appropriate alterations. When the  
27 commission determines a submission to be adequate in all respects, it  
28 shall notify the casino licensee of same. Except as otherwise provided  
29 in subsection a. of this section, no casino licensee shall commence or  
30 alter gaming operations unless and until such system of controls is  
31 approved by the commission.]

32 c. The internal control procedures contained in a submission made  
33 pursuant to subsection a. of this section shall be presumed to conform  
34 to the requirements of this act, P.L.1977, c.110 (C.5:12-1 et seq.), and  
35 the regulations promulgated thereunder and to provide adequate and  
36 effective controls. A casino licensee shall not be prevented from  
37 implementing any such procedure in its operations unless and until the  
38 full commission enters a written order to that effect based upon a final  
39 determination made following a hearing provided for in subsection b.  
40 of this section that the procedure contains an insufficiency described  
41 pursuant to subsection b. of this section.

42 (cf: P.L.1995, c.18, c.36)

43

44 22. Section 100 of P.L.1977, c.110 (C.5:12-100) is amended to  
45 read as follows:

46 100. Games and Gaming Equipment.

1 a. This act shall not be construed to permit any gaming except the  
2 conduct of authorized games in a casino room in accordance with this  
3 act and the regulations promulgated hereunder and in a simulcasting  
4 facility to the extent provided by the "Casino Simulcasting Act,"  
5 P.L.1992, c.19 (C.5:12-191 et al.). Notwithstanding the foregoing, if  
6 the commission approves the game of keno as an authorized game  
7 pursuant to section 5 of P.L.1977, c.110 (C.5:12-5), as amended, keno  
8 tickets may be sold or redeemed in accordance with commission  
9 regulations at any location in a casino hotel approved by the  
10 commission for such activity.

11 b. Gaming equipment shall not be possessed, maintained or  
12 exhibited by any person on the premises of a casino hotel except in a  
13 casino room, in the simulcasting facility, or in restricted casino areas  
14 used for the inspection, repair or storage of such equipment and  
15 specifically designated for that purpose by the casino licensee with the  
16 approval of the commission. Gaming equipment which supports the  
17 conduct of gaming in a casino or simulcasting facility but does not  
18 permit or require patron access, such as computers, may be possessed  
19 and maintained by a casino licensee in restricted casino areas  
20 specifically designated for that purpose by the casino licensee with the  
21 approval of the commission. No gaming equipment shall be possessed,  
22 maintained, exhibited, brought into or removed from a casino room or  
23 simulcasting facility by any person unless such equipment is necessary  
24 to the conduct of an authorized game, has permanently affixed,  
25 imprinted, impressed or engraved thereon an identification number or  
26 symbol authorized by the commission, is under the exclusive control  
27 of a casino licensee or his employees, and is brought into or removed  
28 from the casino room or simulcasting facility following 24-hour prior  
29 notice given to an authorized agent of the commission.

30 Notwithstanding any other provision of this section, equipment  
31 which supports a multi-casino progressive slot system and links and  
32 interconnects slot machines of two or more casino licensees but is  
33 inaccessible to patrons, such as computers, may, with the approval of  
34 the commission, be possessed, maintained and operated by a casino  
35 licensee either in a restricted area on the premises of a casino hotel or  
36 in a secure facility specifically designed for that purpose off the  
37 premises of a casino hotel but within the city limits of the City of  
38 Atlantic City.

39 Notwithstanding the foregoing, a person may, with the prior  
40 approval of the commission and under such terms and conditions as  
41 may be required by the commission, possess, maintain or exhibit  
42 gaming equipment in any other area of the casino hotel; provided such  
43 equipment is used for nongaming purposes.

44 c. Each casino hotel shall contain a count room and such other  
45 secure facilities as may be required by the commission for the counting  
46 and storage of cash, coins, tokens and checks received in the conduct

1 of gaming and for the inspection, counting and storage of dice, cards,  
2 chips and other representatives of value. All drop boxes and other  
3 devices wherein cash, coins, or tokens are deposited at the gaming  
4 tables or in slot machines, and all areas wherein such boxes and  
5 devices are kept while in use, shall be equipped with two locking  
6 devices, one key to which shall be under the exclusive control of the  
7 commission and the other under the exclusive control of the casino  
8 licensee, and said drop boxes and other devices shall not be brought  
9 into or removed from a casino room or simulcasting facility, or locked  
10 or unlocked, except at such times, in such places, and according to  
11 such procedures as the commission may require.

12 d. All chips used in gaming shall be of such size and uniform color  
13 by denomination as the commission shall require by regulation.

14 e. All gaming shall be conducted according to rules promulgated  
15 by the commission. All wagers and pay-offs of winning wagers shall  
16 be made according to rules promulgated by the commission, which  
17 shall establish such limitations as may be necessary to assure the  
18 vitality of casino operations and fair odds to patrons. Each slot  
19 machine shall have a minimum payout of 83%.

20 f. Each casino licensee shall make available in printed form to any  
21 patron upon request the complete text of the rules of the commission  
22 regarding games and the conduct of gaming, pay-offs of winning  
23 wagers, an approximation of the odds of winning for each wager, and  
24 such other advice to the player as the commission shall require. Each  
25 casino licensee shall prominently post within a casino room and  
26 simulcasting facility, as appropriate, according to regulations of the  
27 commission such information about gaming rules, pay-offs of winning  
28 wagers, the odds of winning for each wager, and such other advice to  
29 the player as the commission shall require.

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

37 h. (1) No slot machine shall be used to conduct gaming unless it  
38 is identical in all electrical, mechanical and other aspects to a model  
39 thereof which has been specifically tested by the division and licensed  
40 for use by the commission. The division may, in its discretion, and for  
41 the purpose of expediting the approval process, refer testing to any  
42 testing laboratory with a plenary license as a casino service industry  
43 pursuant to subsection a. of section 92 of P.L.1977, c.110  
44 (C.5:12-92). The division shall give priority to the testing of slot  
45 machines which a casino licensee has certified it will use in its casino  
46 in this State. The commission shall, by regulation, establish such

1 technical standards for licensure of slot machines, including mechanical  
2 and electrical reliability, security against tampering, the  
3 comprehensibility of wagering, and noise and light levels, as it may  
4 deem necessary to protect the player from fraud or deception and to  
5 insure the integrity of gaming. The denominations of such machines  
6 shall be set by the licensee; the licensee shall simultaneously notify the  
7 commission of the settings.

8 (2) The commission shall, by regulation, determine the permissible  
9 number and density of slot machines in a licensed casino so as to:

10 (a) promote optimum security for casino operations;

11 (b) avoid deception or frequent distraction to players at gaming  
12 tables;

13 (c) promote the comfort of patrons;

14 (d) create and maintain a gracious playing environment in the  
15 casino; and

16 (e) encourage and preserve competition in casino operations by  
17 assuring that a variety of gaming opportunities is offered to the public.

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

24 i. (Deleted by amendment, P.L.1991, c.182).

25 j. (Deleted by amendment, P.L.1991, c.182).

26 k. It shall be unlawful for any person to exchange or redeem chips  
27 for anything whatsoever, except for currency, negotiable personal  
28 checks, negotiable counter checks, other chips, coupons or  
29 complimentary vouchers distributed by the casino licensee, or, if  
30 authorized by regulation of the commission, a valid charge to a credit  
31 or debit card account. A casino licensee shall, upon the request of any  
32 person, redeem that licensee's gaming chips surrendered by that person  
33 in any amount over \$100 with a check drawn upon the licensee's  
34 account at any banking institution in this State and made payable to  
35 that person. Except as provided in section 2 of P.L. 2001, c.39  
36 (C.5:12-71.3), an unredeemed or outstanding gaming chip, gaming  
37 plaque, slot token, prize token or gaming voucher liability of a casino  
38 licensee shall not be subject to forfeiture, escheat, or other disposition  
39 provided in the laws of this State, including, but not limited to,  
40 R.S.46:30B-1 et seq.

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

45 m. It shall be unlawful for a dealer in any authorized game in  
46 which cards are dealt to deal cards by hand or other than from a device

1 specifically designed for that purpose, unless otherwise permitted by  
2 the rules of the commission.

3 n. It shall be unlawful for any casino key employee or any person  
4 who is required to hold a casino key employee license as a condition  
5 of employment or qualification to wager in any casino or simulcasting  
6 facility in this State, or any casino employee, other than a junket  
7 representative, bartender, waiter, waitress, or other casino employee  
8 who, in the judgment of the commission, is not directly involved with  
9 the conduct of gaming operations, to wager in a casino or simulcasting  
10 facility in the casino hotel in which the employee is employed or in any  
11 other casino or simulcasting facility in this State which is owned or  
12 operated by the same casino licensee. Any casino employee, other  
13 than a junket representative, bartender, waiter, waitress, or other  
14 casino employee who, in the judgment of the commission, is not  
15 directly involved with the conduct of gaming operations, must wait at  
16 least 30 days following the date that the employee either leaves  
17 employment with a casino licensee or is terminated from employment  
18 with a casino licensee before the employee may gamble in a casino or  
19 simulcasting facility in the casino hotel in which the employee was  
20 formerly employed or in any other casino or simulcasting facility in this  
21 State which is owned or operated by the same casino licensee.

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

27 (2) A dealer may accept tips or gratuities from a patron at the  
28 table at which such dealer is conducting play, subject to the provisions  
29 of this subsection. All such tips or gratuities shall be immediately  
30 deposited in a lockbox reserved for that purpose, accounted for, and  
31 placed in a pool for distribution pro rata among the dealers, with the  
32 distribution based upon the number of hours each dealer has worked,  
33 except that the commission may permit a separate pool to be  
34 established for dealers in the game of poker, or may permit tips or  
35 gratuities to be retained by individual dealers in the game of poker.

36 (cf: P.L.1998, c.141, s.1)

37

38 23. Section 101 of P.L.1977, c.110 (C.5:12-101) is amended to  
39 read as follows:

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

44 (1) Cash any check, make any loan, or otherwise provide or allow  
45 to any person any credit or advance of anything of value or which  
46 represents value to enable any person to take part in gaming or

1 simulcast wagering activity as a player; or

2 (2) Release or discharge any debt, either in whole or in part, or  
3 make any loan which represents any losses incurred by any player in  
4 gaming or simulcast wagering activity, without maintaining a written  
5 record thereof in accordance with the rules of the commission.

6 b. No casino licensee or any person licensed under this act, and  
7 no person acting on behalf of or under any arrangement with a casino  
8 licensee or other person licensed under this act, may accept a check,  
9 other than a recognized traveler's check or other cash equivalent from  
10 any person to enable such person to take part in gaming or simulcast  
11 wagering activity as a player, or may give cash or cash equivalents in  
12 exchange for such check unless:

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

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

15 (3) The check is presented to the cashier or the cashier's  
16 representative at a location in the casino approved by the commission  
17 and is exchanged for cash or slot tokens which total an amount equal  
18 to the amount for which the check is drawn, or the check is presented  
19 to the cashier's representative at a gaming table in exchange for chips  
20 which total an amount equal to the amount for which the check is  
21 drawn; and

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

24 Nothing in this subsection shall be deemed to preclude the  
25 establishment of an account by any person with a casino licensee by a  
26 deposit of cash, recognized traveler's check or other cash equivalent,  
27 or a check which meets the requirements of subsection g. of this  
28 section, or to preclude the withdrawal, either in whole or in part, of  
29 any amount contained in such account.

30 c. When a casino licensee or other person licensed under this act,  
31 or any person acting on behalf of or under any arrangement with a  
32 casino licensee or other person licensed under this act, cashes a check  
33 in conformity with the requirements of subsection b. of this section,  
34 the casino licensee shall cause the deposit of such check in a bank for  
35 collection or payment, or shall require an attorney or casino key  
36 employee with no incompatible functions to present such check to the  
37 drawer's bank for payment, within (1) seven calendar days of the date  
38 of the transaction for a check in an amount of \$1,000.00 or less; (2)  
39 14 calendar days of the date of the transaction for a check in an  
40 amount greater than \$1,000.00 but less than or equal to \$5,000.00; or  
41 (3) 45 calendar days of the date of the transaction for a check in an  
42 amount greater than \$5,000.00. Notwithstanding the foregoing, the  
43 drawer of the check may redeem the check by exchanging cash, cash  
44 equivalents, chips, or a check which meets the requirements of  
45 subsection g. of this section in an amount equal to the amount for  
46 which the check is drawn; or he may redeem the check in part by

1 exchanging cash, cash equivalents, chips, or a check which meets the  
2 requirements of subsection g. of this section and another check which  
3 meets the requirements of subsection b. of this section for the  
4 difference between the original check and the cash, cash equivalents,  
5 chips, or check tendered; or he may issue one check which meets the  
6 requirements of subsection b. of this section in an amount sufficient to  
7 redeem two or more checks drawn to the order of the casino licensee.  
8 If there has been a partial redemption or a consolidation in conformity  
9 with the provisions of this subsection, the newly issued check shall be  
10 delivered to a bank for collection or payment or presented to the  
11 drawer's bank for payment by an attorney or casino key employee with  
12 no incompatible functions within the period herein specified. No casino  
13 licensee or any person licensed under this act, and no person acting on  
14 behalf of or under any arrangement with a casino licensee or other  
15 person licensed under this act, shall accept any check or series of  
16 checks in redemption or consolidation of another check or checks in  
17 accordance with this subsection for the purpose of avoiding or  
18 delaying the deposit of a check in a bank for collection or payment or  
19 the presentment of the check to the drawer's bank within the time  
20 period prescribed by this subsection.

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

25 d. No casino licensee or any other person licensed under this act,  
26 or any other person acting on behalf of or under any arrangement with  
27 a casino licensee or other person licensed under this act, shall transfer,  
28 convey, or give, with or without consideration, a check cashed in  
29 conformity with the requirements of this section to any person other  
30 than:

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

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

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

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

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

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

46 f. Notwithstanding the provisions of any law to the contrary,

1 checks cashed in conformity with the requirements of this act shall be  
2 valid instruments, enforceable at law in the courts of this State. Any  
3 check cashed, transferred, conveyed or given in violation of this act  
4 shall be invalid and unenforceable for the purposes of collection but  
5 shall be included in the calculation of gross revenue pursuant to  
6 section 24 of P.L.1977, c.110 (C.5:12-24).

7 g. Notwithstanding the provisions of subsection b. of this section  
8 to the contrary, a casino licensee may accept a check from a person to  
9 enable the person to take part in gaming or simulcast wagering activity  
10 as a player, may give cash or cash equivalents in exchange for such a  
11 check, or may accept a check in redemption or partial redemption of  
12 a check issued in accordance with subsection b., provided that:

13 (1) (a) The check is drawn by a casino licensee pursuant to the  
14 provisions of subsection k. of section 100 of P.L.1977, c.110  
15 (C.5:12-100) or upon a withdrawal of funds from an account  
16 established in accordance with the provisions of subsection b. of this  
17 section or is drawn by a casino licensee as payment for winnings from  
18 an authorized game or simulcast wagers;

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

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

27 (d) The check is issued by an annuity jackpot trust as payment for  
28 winnings from an annuity jackpot; or

29 (e) The check is issued by an affiliate of a casino licensee that  
30 holds a gaming license in any jurisdiction;

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

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

35 (4) The check is presented to the cashier or the cashier's  
36 representative by the original payee and its validity is verified by the  
37 drawer in the case of a check drawn pursuant to subparagraph (a) of  
38 paragraph (1) of this subsection, or the check is verified in accordance  
39 with regulations promulgated by the commission in the case of a check  
40 issued pursuant to subparagraph (b), (c), (d) or (e) of paragraph (1) of  
41 this subsection; and

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

44 No casino licensee shall issue a check for the purpose of making a  
45 loan or otherwise providing or allowing any advance or credit to a  
46 person to enable the person to take part in gaming or simulcast



1 wagering activity as a player.

2 h. ~~[(1)]~~ Notwithstanding the provisions of subsection b. and  
3 subsection c. of this section to the contrary, a casino licensee may, at  
4 a location outside the casino, accept a personal check or checks from  
5 a person for up to ~~[\$1,500]~~ \$5,000 in exchange for cash or cash  
6 equivalents, and may, at such locations within the casino ~~or casino~~  
7 simulcasting facility as may be permitted by the commission, accept a  
8 personal check or checks for up to ~~[\$1,500]~~ \$5,000 in exchange for  
9 cash, cash equivalents, tokens, chips, or plaques to enable the person  
10 to take part in gaming or simulcast wagering activity as a player,  
11 provided that:

12 (a) The check is drawn on the patron's bank or brokerage cash  
13 management account;

14 (b) The check is for a specific amount;

15 (c) The check is made payable to the casino licensee;

16 (d) The check is dated but not post-dated;

17 (e) The patron's identity is established by examination of one of  
18 the following: valid credit card, driver's license, passport, or other  
19 form of identification credential which contains, at a minimum, the  
20 patron's signature;

21 (f) The check is restrictively endorsed "For Deposit Only" to the  
22 casino licensee's bank account and deposited on the next banking day  
23 following the date of the transaction; ~~[and]~~

24 (g) The total amount of personal checks accepted by any one  
25 licensee pursuant to this subsection that are outstanding at any time,  
26 including the current check being submitted, does not exceed  
27 ~~[\$1,500.]~~ \$5,000;

28 ~~[(2)]~~ Nothing in paragraph (1) of this subsection shall be construed  
29 to limit the authority of a casino licensee to accept, and exchange for  
30 cash or cash equivalents other than tokens, chips, or plaques, a check  
31 from a patron that is not offered or exchanged in order to enable the  
32 patron or anyone else to take part in gaming or simulcast wagering  
33 activity as a player, provided that:

34 (a) The patron so certifies;

35 (b) The casino licensee has no reason to believe that the cash or  
36 cash equivalents will be used to enable the patron or anyone else to  
37 take part in gaming or simulcast wagering activity as a player;

38 (c) The check is not accepted or exchanged in the casino or  
39 simulcasting facility; and

40 (d) The casino licensee maintains full documentation of the  
41 transaction in accordance with regulations established by the  
42 commission.]

43 (h) The casino licensee has an approved system of internal controls  
44 in place that will enable it to determine the amount of outstanding  
45 personal checks received from any patron pursuant to this subsection  
46 at any given point in time; and

1        (i) The casino licensee maintains a record of each such transaction  
2 in accordance with regulations established by the commission.

3        i. Checks cashed pursuant to the provisions of [paragraph (1) of]  
4 subsection h. of this section which are subsequently uncollectable may  
5 not be deducted from the total of all sums received in calculating gross  
6 revenue pursuant to section 24 of P.L.1977, c.110 (C.5:12-24).

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

19        k. Notwithstanding the provisions of paragraph (4) of subsection  
20 b. of this section to the contrary, a casino licensee may, prior to the  
21 completion of the verifications that are otherwise required by the rules  
22 of the commission for a casino licensee to issue credit, accept a check  
23 from a person to enable such person to take part in gaming or  
24 simulcast wagering as a player, or may give cash or cash equivalents  
25 in exchange for such check, provided that:

26        (1) the casino licensee records in the credit file of the person:

27        (a) the efforts that were made to complete the required  
28 verifications and the reasons why the verifications could not be  
29 completed; and

30        (b) a description of the criteria that were relied upon in  
31 determining to issue credit to the person prior to the completion of the  
32 required verifications;

33        (2) the check otherwise complies with the requirements of  
34 subsection b. of this section and is processed by the casino licensee in  
35 accordance with all other provisions of this section and the regulations  
36 of the commission; and

37        (3) any check accepted by a casino licensee pursuant to the  
38 provisions of this subsection:

39        (a) is clearly marked as such in a manner approved by the  
40 commission; and

41        (b) may not be deducted from the total of all sums received in  
42 calculating gross revenue pursuant to section 24 of P.L.1977, c.110  
43 (C.5:12-24), even if such check should subsequently prove  
44 uncollectible or the casino licensee completes all of the required  
45 verifications prior to its deposit or presentment.

46 (cf: P.L.1995, c.18, s.38)

1       24. Section 102 of P.L.1977, c.110 (C.5:12-102) is amended to  
2 read as follows:

3       102. Junkets and Complimentary Services.

4       a. No junkets may be organized or permitted except in accordance  
5 with the provisions of this act. No person may act as a junket  
6 representative or junket enterprise except in accordance with this  
7 section.

8       b. A junket representative employed by a casino licensee, an  
9 applicant for a casino license or an affiliate of a casino licensee shall  
10 be licensed as a casino employee in accordance with the provisions of  
11 P.L.1977, c.110 (C.5:12-1 et seq.); provided, however, that said  
12 licensee need not be a resident of this State. Any person who holds a  
13 current and valid casino employee license may act as a junket  
14 representative while employed by a casino licensee or an affiliate. No  
15 casino licensee or applicant for a casino license may employ or  
16 otherwise engage a junket representative who is not so licensed.

17       c. Junket enterprises which, and junket representatives not  
18 employed by a casino licensee or an applicant for a casino license or  
19 by a junket enterprise who, are engaged in activities governed by this  
20 section shall be subject to the provisions of subsection c. of section 92  
21 and subsection b. of section 104 of P.L.1977, c.110 (C.5:12-92 and  
22 5:12-104) with regard to those activities, unless otherwise directed by  
23 the commission pursuant to subsection k. of this section. Such of the  
24 owners, management and supervisory personnel, and other principal  
25 employees of a junket enterprise as the commission may consider  
26 appropriate for qualification shall qualify under the standards, except  
27 for residency, established for qualification of a casino key employee  
28 under P.L.1977, c.110 (C.5:12-1 et seq.).

29       d. Prior to the issuance of any license required by this section, an  
30 applicant for licensure shall submit to the jurisdiction of the State of  
31 New Jersey and shall demonstrate to the satisfaction of the  
32 commission that he is amenable to service of process within this State.  
33 Failure to establish or maintain compliance with the requirements of  
34 this subsection shall constitute sufficient cause for the denial,  
35 suspension or revocation of any license issued pursuant to this section.

36       e. Upon petition by the holder of a casino license, an applicant for  
37 junket representative licensure may be issued a temporary license by  
38 the commission, provided that:

- 39       (1) the applicant for licensure is employed by a casino licensee;  
40       (2) the applicant for licensure has filed a completed application as  
41 required by the commission;  
42       (3) the division either certifies to the commission that the  
43 completed application for licensure as specified in paragraph (2) of this  
44 subsection has been in the possession of the division for at least 60  
45 days or agrees to allow the commission to consider the application in  
46 some lesser time; and

1 (4) the division does not object to the temporary licensure of the  
2 applicant; provided, however, that failure of the division to object  
3 prior to the temporary licensure of the applicant shall not be construed  
4 to reflect in any manner upon the qualifications of the applicant for  
5 licensure.

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

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

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

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

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

42 i. The commission shall, by regulation, prescribe methods,  
43 procedures and forms for the delivery and retention of information  
44 concerning the conduct of junkets by casino licensees. Without  
45 limitation of the foregoing, each casino licensee, in accordance with  
46 the rules of the commission, shall:

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

1 expenses provided directly to the patron and his guests by the licensee  
2 or indirectly to the patron and his guests on behalf of a licensee by a  
3 third party, provided that the licensee complies with regulations  
4 promulgated by the commission to ensure that a patron's and his  
5 guests' documented transportation expenses are paid for or reimbursed  
6 only once; or

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

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

28 Each casino licensee shall maintain a regulated complimentary  
29 service account, for those complimentaries which are permitted  
30 pursuant to this section, and shall submit a quarterly report to the  
31 commission based upon such account and covering all complimentary  
32 services offered or engaged in by the licensee during the immediately  
33 preceding quarter. Such reports shall include identification of the  
34 regulated complimentary services and their respective costs, the  
35 number of persons by category of service who received the same, and  
36 such other information as the commission may require.

37 n. As used in this subsection, "person" means any State officer or  
38 employee subject to financial disclosure by law or executive order and  
39 any other State officer or employee with responsibility for matters  
40 affecting casino activity; any special State officer or employee with  
41 responsibility for matters affecting casino activity; the Governor; any  
42 member of the Legislature or full-time member of the Judiciary; any  
43 full-time professional employee of the Office of the Governor, or the  
44 Legislature; members of the Casino Reinvestment Development  
45 Authority; the head of a principal department; the assistant or deputy  
46 heads of a principal department, including all assistant and deputy

1 commissioners; the head of any division of a principal department; any  
2 member of the governing body, or the municipal judge or the  
3 municipal attorney of a municipality wherein a casino is located; any  
4 member of or attorney for the planning board or zoning board of  
5 adjustment of a municipality wherein a casino is located, or any  
6 professional planner or consultant regularly employed or retained by  
7 such planning board or zoning board of adjustment.

8 No casino applicant or licensee shall provide directly or indirectly  
9 to any person any complimentary service or discount which is other  
10 than such service or discount that is offered to members of the general  
11 public in like circumstance.

12 o. Any person who, on the effective date of this 1992 amendatory  
13 act, P.L.1992, c.9, holds a current and valid plenary junket  
14 representative license, a junket representative license with a sole  
15 owner-operator endorsement, or a junket enterprise license authorizing  
16 the conduct of junket activities, shall be considered licensed in  
17 accordance with the provisions of this section and subsection c. of  
18 section 92 of P.L.1977, c.110 (C.5:12-92) for the remaining term of  
19 his current license.

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

21

22 25. Section 103 of P.L.1977, c.110 (C.5:12-103) is amended to  
23 read as follows:

24 103. Alcoholic Beverages in Casino Hotel Facilities.

25 a. Notwithstanding any law to the contrary, the authority to grant  
26 any license for, or to permit or prohibit the presence of, alcoholic  
27 beverages in, on, or about any premises licensed as part of a casino  
28 hotel shall exclusively be vested in the commission.

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

34 c. Notwithstanding any provision of Title 33 of the Revised  
35 Statutes, the rules, regulations and bulletins promulgated by the  
36 director of the Division of Alcoholic Beverage Control, or any  
37 provision promulgated by any local authority, the authority to issue,  
38 renew, transfer, revoke or suspend a Casino Hotel Alcoholic Beverage  
39 License or any portion, location, privilege or condition thereof; to fine  
40 or penalize a Casino Hotel Alcoholic Beverage Licensee; to enforce all  
41 statutes, laws, rulings, or regulations relating to such license; and to  
42 collect license fees and establish application standards therefor, shall  
43 be, consistent with this act, exclusively vested in the commission or  
44 the division.

45 d. Except as otherwise provided in this section, the provisions of  
46 Title 33 of the Revised Statutes and the rules, regulations and bulletins

1 promulgated by the Director of the Division of Alcoholic Beverage  
2 Control shall apply to a Casino Hotel and Casino Hotel Alcoholic  
3 Beverage Licensee licensed under this act.

4 e. Notwithstanding any provision to the contrary, the commission  
5 may promulgate any regulations and special rulings and findings as  
6 may be necessary for the proper enforcement, regulation, and control  
7 of alcoholic beverages in casino hotels when the commission finds that  
8 the uniqueness of casino operations and the public interest require that  
9 such regulations, rulings, and findings are appropriate. Regulations of  
10 the commission may include but are not limited to: designation and  
11 duties of enforcement personnel; all forms necessary or convenient in  
12 the administration of this section; inspections, investigations, searches,  
13 seizures; licensing and disciplinary standards; requirements and  
14 standards for any hearings or disciplinary or other proceedings that  
15 may be required from time to time; the assessment of fines or penalties  
16 for violations; hours of sale; sales in original containers; sales on  
17 credit; out-of-door sales; limitations on sales; gifts and promotional  
18 materials; locations or places for sale; control of signs and other  
19 displays; identification of licensees and their employees; employment  
20 of aliens and minors; storage, transportation and sanitary requirements;  
21 records to be kept by the Casino Hotel Alcoholic Beverage Licensees  
22 and availability thereof; practices unduly designed to increase  
23 consumption of alcoholic beverages; and such other matters  
24 whatsoever as are or may become necessary and consistent with the  
25 administration of this act.

26 f. (1) It shall be unlawful for any person, including any casino  
27 licensee or any of its lessees, agents or employees, to expose for sale,  
28 solicit or promote the sale of, possess with intent to sell, sell, give,  
29 dispense, or otherwise transfer or dispose of alcoholic beverages in, on  
30 or about any portion of the premises of a casino hotel, unless said  
31 person possesses a Casino Hotel Alcoholic Beverage License.  
32 Nothing herein or in any other law to the contrary, however, shall  
33 prohibit a casino beverage server in the course of his or her  
34 employment from inquiring of a casino patron whether such patron  
35 desires a beverage, whether or not such inquiry is phrased in terms of  
36 any word which may connote that the beverage is an alcoholic  
37 beverage.

38 (2) It shall be unlawful for any person issued a Casino Hotel  
39 Alcoholic Beverage License to expose, possess, sell, give, dispense,  
40 transfer, or otherwise dispose of alcoholic beverages, other than within  
41 the terms and conditions of the Casino Hotel Alcoholic Beverage  
42 License issued, the provisions of Title 33 of the Revised Statutes, the  
43 rules and regulations promulgated by the Director of the Division of  
44 Alcoholic Beverage Control, and, when applicable, the regulations  
45 promulgated pursuant to this act.

46 g. In issuing a Casino Hotel Alcoholic Beverage License the



1 commission shall describe the scope of the particular license and the  
2 restrictions and limitations thereon as it deems necessary and  
3 reasonable. The commission may, in a single Casino Hotel Alcoholic  
4 Beverage License, permit the holder of such a license to perform any  
5 or all of the following activities, subject to applicable laws, rules and  
6 regulations:

7 (1) To sell any alcoholic beverage by the glass or other open  
8 receptacle [~~, but not in~~] including, but not limited to, an original  
9 container, for on-premise consumption within a casino or simulcasting  
10 facility; provided, however, that no alcoholic beverage shall be sold  
11 [~~,] or given [or be available] for consumption; [offered,] delivered~~  
12 or otherwise brought to a patron; or consumed at a gaming table  
13 unless so requested by the patron.

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

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

22 (4) To sell any alcoholic beverage by the glass or other open  
23 receptacle or in original containers from a room service location within  
24 an enclosed room not in a casino or simulcasting facility; provided,  
25 however, that any sale of alcoholic beverages is delivered only to a  
26 guest room or to any other room in the casino hotel authorized by the  
27 commission, other than any room authorized by the commission  
28 pursuant to paragraph (1), (3), or (5) of this subsection.

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

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

46 (2) No Casino Hotel Alcoholic Beverage License which authorizes

1 the possession, sale or storage of alcoholic beverages pursuant to  
2 subsection g.(2), (3), (4), or (5) of this section shall issue to any  
3 applicant who would not qualify under the standards for licensure of  
4 a casino service industry pursuant to subsection c. of section 92 of  
5 P.L.1977, c.110 (C.5:12-92).

6 (3) No Casino Hotel Alcoholic Beverage License which authorizes  
7 the possession or storage of alcoholic beverages pursuant to  
8 subsection g. of this section shall issue to any applicant who does not  
9 hold a Casino Hotel Alcoholic Beverage License, permitting any  
10 activity pursuant to subsection g.(1), (2), (3), or (4) of this section.

11 i. The commission may revoke, suspend, refuse to renew or refuse  
12 to transfer any Casino Hotel Alcoholic Beverage License, or fine or  
13 penalize any Casino Hotel Alcoholic Beverage Licensee for violations  
14 of any provision of Title 33 of the Revised Statutes, the rules and  
15 regulations promulgated by the Director of the Division of Alcoholic  
16 Beverage Control, and the regulations promulgated by the  
17 commission.

18 j. Jurisdiction over all alcoholic beverage licenses previously  
19 issued with respect to the casino hotel facility is hereby vested in the  
20 commission, which in its discretion may by regulation provide for the  
21 conversion thereof into a Casino Hotel Alcoholic Beverage License as  
22 provided in this section.

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

24

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

27 104. a. ~~[(1)]~~ Unless otherwise provided in this subsection, no  
28 agreement shall be lawful which provides for the payment, however  
29 defined, of any direct or indirect interest, percentage or share of:  
30 money or property gambled at a casino or simulcasting facility ~~[or];~~  
31 any money or property derived from casino gaming activity or  
32 wagering at a simulcasting facility ~~[of any such interest, percentage,~~  
33 ~~or share of];~~ or any revenues, profits or earnings of a casino or  
34 simulcasting facility ~~[shall be lawful]~~. Notwithstanding the foregoing:

35 ~~[(2)]~~ (1) Agreements which provide only for the payment of a  
36 fixed sum which is in no way affected by the amount of any such  
37 money, property, revenues, profits or earnings shall not be subject to  
38 the provisions of this subsection; and receipts, rentals or charges for  
39 real property, personal property or services shall not lose their  
40 character as payments of a fixed sum because of contract, lease, or  
41 license provisions for adjustments in charges, rentals or fees on  
42 account of changes in taxes or assessments, cost-of-living index  
43 escalations, expansion or improvement of facilities, or changes in  
44 services supplied.

45 (2) Agreements between a casino licensee and a junket enterprise  
46 or junket representative licensed, qualified or registered in accordance

1 with the provisions of P.L.1977, c.110 (C.5:12-1 et seq.) and the  
2 regulations of the commission which provide for the compensation of  
3 the junket enterprise or junket representative by the casino licensee  
4 based upon the actual casino gaming or simulcast wagering activities  
5 of a patron procured or referred by the junket enterprise or junket  
6 representative shall be lawful if filed with the division prior to the  
7 conduct of any junket that is governed by the agreement.

8 (3) Agreements between a casino licensee and its employees which  
9 provide for casino employee or casino key employee profit sharing  
10 [and which are] shall be lawful if the agreement is in writing and  
11 [have been] filed with the commission [shall be lawful and effective  
12 only if expressly approved as to their terms by the commission] prior  
13 to its effective date. Such agreements may be reviewed by the  
14 commission under any relevant provision of P.L.1977, c.110 (5:12-1  
15 et seq.).

16 (4) Agreements to lease an approved casino hotel or the land  
17 thereunder and agreements for the complete management of all casino  
18 gaming operations in a casino hotel shall not be subject to the  
19 provisions of this subsection but shall rather be subject to the  
20 provisions of subsections b. and c. of section 82 of this act.

21 (5) Agreements which provide for percentage charges between the  
22 casino licensee and a holding company or intermediary company of the  
23 casino licensee shall be in writing and filed with the commission but  
24 shall not be subject to the provisions of this subsection.

25 (6) Agreements relating to simulcast racing and wagering between  
26 a casino licensee and an in-State or out-of-State sending track licensed  
27 or exempt from licensure in accordance with subsection c. of section  
28 92 of P.L.1977, c.110 (C.5:12-92) shall be in writing, be filed with the  
29 commission, and be lawful and effective only if expressly approved as  
30 to their terms by the commission and the New Jersey Racing  
31 Commission, except that any such agreements which provide for a  
32 percentage of the parimutuel pool wagered at a simulcasting facility to  
33 be paid to the sending track shall not be subject to the provisions of  
34 [paragraph (1) of] this subsection.

35 (7) Agreements relating to simulcast racing and wagering between  
36 a casino licensee and a casino service industry licensed pursuant to the  
37 provisions of subsection a. of section 92 of P.L.1977, c.110  
38 (C.5:12-92) as a hub facility, as defined in joint regulations of the  
39 Casino Control Commission and the New Jersey Racing Commission,  
40 shall be in writing, be filed with the commission, and be lawful and  
41 effective only if expressly approved as to their terms by the  
42 commission and the New Jersey Racing Commission, except that any  
43 such agreements which provide for a percentage of the casino  
44 licensee's share of the parimutuel pool wagered at a simulcasting  
45 facility to be paid to the hub facility shall not be subject to the  
46 provisions of [paragraph (1) of] this subsection.

1 (8) Agreements relating to simulcast racing and wagering between  
2 a casino licensee and a casino service industry licensed pursuant to the  
3 provisions of subsection a. of section 92 of P.L.1977, c.110  
4 (C.5:12-92) to conduct casino simulcasting in a simulcasting facility  
5 shall be in writing, be filed with the commission, and be lawful and  
6 effective only if expressly approved as to their terms by the  
7 commission, except that any such agreements which provide for a  
8 percentage of the casino licensee's share of the parimutuel pool  
9 wagered at a simulcasting facility to be paid to the casino service  
10 industry shall not be subject to the provisions of [paragraph (1) of]  
11 this subsection.

12 b. Each casino applicant or licensee shall maintain, in accordance  
13 with the rules of the commission, a record of each written or unwritten  
14 agreement regarding the realty, construction, maintenance, or business  
15 of a proposed or existing casino hotel or related facility. The  
16 foregoing obligation shall apply regardless of whether the casino  
17 applicant or licensee is a party to the agreement. Any such agreement  
18 may be reviewed by the commission on the basis of the reasonableness  
19 of its terms, including the terms of compensation, and of the  
20 qualifications of the owners, officers, employees, and directors of any  
21 enterprise involved in the agreement, which qualifications shall be  
22 reviewed according to the standards enumerated in section 86 of this  
23 act. If the commission disapproves such an agreement or the owners,  
24 officers, employees, or directors of any enterprise involved therein, the  
25 commission may require its termination.

26 Every agreement required to be maintained, and every related  
27 agreement the performance of which is dependent upon the  
28 performance of any such agreement, shall be deemed to include a  
29 provision to the effect that, if the commission shall require termination  
30 of an agreement pursuant to this subsection, such termination shall  
31 occur without liability on the part of the casino applicant or licensee  
32 or any qualified party to the agreement or any related agreement.  
33 Failure expressly to include such a provision in the agreement shall not  
34 constitute a defense in any action brought to terminate the agreement.  
35 If the agreement is not maintained or presented to the commission in  
36 accordance with commission regulations, or the disapproved  
37 agreement is not terminated, the commission may pursue any remedy  
38 or combination of remedies provided in this act.

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

44 c. Nothing in this act shall be deemed to permit the transfer of any  
45 license, or any interest in any license, or any certificate of compliance  
46 or any commitment or reservation.

1 (cf: P.L.1996, c.84, s.7)

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

4 113. Swindling and Cheating; Penalties. [a. Except as provided  
5 in subsection b., any person who by any trick or sleight of hand  
6 performance, or by a fraud or fraudulent scheme, cards, dice or device,  
7 for himself or for another wins or attempts to win money or property  
8 or a representative of either or reduces a losing wager or attempts to  
9 reduce a losing wager in connection with casino gaming or simulcast  
10 wagering is guilty of a crime of the fourth degree and notwithstanding  
11 the provisions of N.J.S.2C:43-3 shall be subject to a fine of not more  
12 than \$25,000.00, and in the case of a person other than a natural  
13 person, to a fine of not more than \$100,000.00 and any other  
14 appropriate disposition authorized by subsection b. of N.J.S.2C:43-2.

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

22 a. A person is guilty of swindling and cheating if the person  
23 purposely or knowingly by any trick or sleight of hand performance or  
24 by a fraud or fraudulent scheme, cards, dice or device, for himself or  
25 herself or for another, wins or attempts to win money or property or  
26 a representative of either or reduces a losing wager or attempts to  
27 reduce a losing wager in connection to casino gaming.

28 b. Consolidation of offenses. Conduct denominated swindling and  
29 cheating in this section constitutes a single offense, but each episode  
30 or transaction may be the subject of a separate prosecution and  
31 conviction. A charge of swindling and cheating may be supported by  
32 evidence that it was committed in any manner that would be swindling  
33 and cheating under this section, notwithstanding the specification of  
34 a different manner in the indictment or accusation, subject only to the  
35 power of the court to ensure a fair trial by granting a bill of  
36 particulars, discovery, continuance, or other appropriate relief when  
37 the conduct of the defense would be prejudiced by a lack of fair notice  
38 or by surprise.

39 c. Grading of swindling and cheating offenses.

40 (1) Swindling and cheating constitutes a crime of the second degree  
41 if the amount involved is \$75,000 or more.

42 (2) Swindling and cheating constitutes a crime of the third degree  
43 if the amount involved exceeds \$500.

44 (3) Swindling and cheating constitutes a crime of the fourth degree  
45 if the amount involved is at least \$200 but not more than \$500.

46 (4) Swindling and cheating constitutes a disorderly persons offense

1 if the amount involved is less than \$200.

2 (5) The amount involved in swindling and cheating shall be  
3 determined by the trier of fact. Amounts involved in acts of swindling  
4 and cheating committed pursuant to one scheme or course of conduct,  
5 whether from the same person or several persons, may be aggregated  
6 in determining the grade of the offense.

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

8

9 28. Section 46 of P.L.1991, c.182 (C.5:12-113.1) is amended to  
10 read as follows:

11 46. a. A person commits a [disorderly persons] third degree  
12 offense if, in playing a game in a licensed casino or simulcasting  
13 facility, the person uses, or assists another in the use of, [an] a  
14 computerized, electronic, electrical or mechanical device which is  
15 designed, constructed, or programmed specifically for use in obtaining  
16 an advantage at playing any game in a licensed casino or simulcasting  
17 facility unless the advantage obtained can be assessed a monetary  
18 value or loss of \$75,000 or greater in which case the offense is a crime  
19 of the second degree. [A device used by any person in violation of this  
20 section shall be subject to forfeiture pursuant to the provisions of  
21 N.J.S.2C:64-1 et seq.]

22 b. Any computerized, electronic, electrical or mechanical device  
23 used in violation of subsection a. of this section shall be considered  
24 prima facie contraband and shall be subject to the provisions of N.J.S.  
25 2C:64-2. A device used by any person in violation of this section shall  
26 be subject to forfeiture pursuant to the provisions of N.J.S. 2C:64-1  
27 et seq.

28 c. Each casino licensee shall post notice of this prohibition and the  
29 penalties of this section in a manner determined by the commission.  
30 (cf: P.L.1993, c.292, s.28)

31

32 29. Section 118 of P.L.1977, c.110 (C.5:12-118) is amended to  
33 read as follows:

34 118. Regulations Requiring Exclusion or Rejection of Certain  
35 Persons from Licensed Casinos; Unlawful Entry by Person Whose  
36 Name Has Been Placed on List; Penalty. Any person whose name is  
37 on the list of persons promulgated by the commission pursuant to the  
38 provisions of section 71 of this act, P.L.1977, c.110, (C.5:12-71), who  
39 knowingly enters the premises of a licensed casino [is guilty of a  
40 disorderly persons offense, except that any person who has been  
41 convicted of this offense three times] is guilty of a crime of the fourth  
42 degree [for each subsequent offense].

43 (cf: P.L.1991, c.182, s.50)

44

45 30. Section 119 of P.L.1977, c.110 (C.5:12-119) is amended to  
46 read as follows:

1 119. Gaming by Certain Persons Prohibited; Penalties; Defenses.

2 a. No person under the age at which a person is authorized to  
3 purchase and consume alcoholic beverages shall enter, or wager in, a  
4 licensed casino or simulcasting facility; provided, however, that such  
5 a person may enter a casino or simulcasting facility by way of passage  
6 to another room, and provided further, however, that any such person  
7 who is licensed or registered under the provisions of the "Casino  
8 Control Act," P.L.1977, c.110 (C.5:12-1 et seq.), may enter a casino  
9 or simulcasting facility in the regular course of the person's permitted  
10 activities.

11 Any person who violates this subsection shall be guilty of a  
12 disorderly persons offense and shall be fined not less than \$500 and  
13 not more than \$1,000. In addition, the court shall suspend or  
14 postpone the person's license to operate a motor vehicle for six  
15 months.

16 Upon the conviction of any person under this section, the court  
17 shall forward a report to the Division of Motor Vehicles stating the  
18 first and last day of the suspension or postponement period imposed  
19 by the court pursuant to this section. If a person at the time of the  
20 imposition of a sentence is less than 17 years of age, the period of  
21 license postponement, including a suspension or postponement of the  
22 privilege of operating a motorized bicycle, shall commence on the day  
23 the sentence is imposed and shall run for a period of six months after  
24 the person reaches the age of 17 years.

25 If a person at the time of the imposition of a sentence has a valid  
26 driver's license issued by this State, the court shall immediately collect  
27 the license and forward it to the division along with the report. If for  
28 any reason the license cannot be collected, the court shall include in  
29 the report the complete name, address, date of birth, eye color, and  
30 sex of the person as well as the first and last date of the license  
31 suspension period imposed by the court.

32 The court shall inform the person orally and in writing that if the  
33 person is convicted of operating a motor vehicle during the period of  
34 license suspension or postponement, the person shall be subject to the  
35 penalties set forth in R.S.39:3-40. A person shall be required to  
36 acknowledge receipt of the written notice in writing. Failure to  
37 receive a written notice or failure to acknowledge in writing the  
38 receipt of a written notice shall not be a defense to a subsequent  
39 charge of a violation of R.S.39:3-40.

40 If the person convicted under this section is not a New Jersey  
41 resident, the court shall suspend or postpone, as appropriate given the  
42 age at the time of sentencing, the non-resident driving privilege of the  
43 person and submit to the division the required report. The court shall  
44 not collect the license of a non-resident convicted under this section.  
45 Upon receipt of a report by the court, the division shall notify the  
46 appropriate officials in the licensing jurisdiction of the suspension or

1 postponement.

2 b. Any licensee or employee of a casino who allows a person  
3 under the age at which a person is authorized to purchase and  
4 consume alcoholic beverages to remain in or wager in a casino or  
5 simulcasting facility is guilty of a disorderly persons offense; except  
6 that the establishment of all of the following facts by a licensee or  
7 employee allowing any such underage person to remain shall constitute  
8 a defense to any prosecution therefor:

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

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

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

20 c. A person who knowingly allows or permits another person who  
21 is under his or her lawful care, custody, or control and who is under  
22 the age at which a person is authorized to purchase and consume  
23 alcoholic beverages to wager or attempt to wager in a licensed casino  
24 or simulcasting facility in violation of subsection a. of this section is  
25 guilty of a disorderly persons offense.

26 (cf: P.L.1993, c.292, s.30)

27

28 31. (New section) Fees to Recoup Costs of the Division or  
29 Commission. The commission may, by regulation, establish fees to  
30 recoup the costs of services, equipment or other expenses that are  
31 rendered, utilized or incurred by the division or commission, including  
32 any unusual or out of pocket expenses directly related thereto, in  
33 response to requests arising under P.L.1977, c. 110 (C. 5:12-1 et seq.)  
34 that are unrelated to the investigation or consideration of the issuance  
35 or renewal of a registration or license.

36

37 32. Section 3 of P.L.1984, c.218 (C.5:12-144.1) is amended to  
38 read as follows:

39 3. a. (1) Commencing with the first annual tax return of a  
40 licensee for any calendar year beginning after December 31, 1983,  
41 there is imposed an investment alternative tax on the gross revenues  
42 as defined in section 24 of P.L.1977, c.110 (C.5:12-24) of the licensee  
43 in the amount of 2.5% of those gross revenues. The tax imposed with  
44 respect to each calendar year shall be due and payable on the last day  
45 of April next following the end of the calendar year. The State  
46 Treasurer shall have a lien against the property constituting the casino



1 of a licensee for the amount of any tax not paid when due. No tax  
2 shall be imposed, however, on the gross revenues received by a  
3 licensee during the first 12 months of the operation of any casino that  
4 commences operation after January 1, 1984, but prior to the effective  
5 date of this act, P.L.1996, c.118 (C.5:12-173.3a et al.).

6 (2) A licensee shall pay to the State Treasurer on or before the  
7 15th day of the first, fourth, seventh, and 10th months of each year as  
8 partial payment of the investment alternative tax imposed pursuant to  
9 paragraph (1) of this subsection an amount equal to 1.25% of the  
10 estimated gross revenues for the three-month period immediately  
11 preceding the first day of those months. The moneys received shall be  
12 placed in an escrow account and shall be held until the licensee directs  
13 that the moneys be transferred to the Casino Reinvestment  
14 Development Authority for the purchase of bonds issued by or offered  
15 through the Casino Reinvestment Development Authority or pursuant  
16 to a contract for such a purchase, be made available to the licensee for  
17 a direct investment approved by the authority, or be transferred to the  
18 Casino Revenue Fund as partial payment of the investment alternative  
19 tax imposed pursuant to paragraph (1) of this subsection. Any interest  
20 derived from the moneys in the escrow account shall be paid or made  
21 available to the Casino Revenue Fund. If a licensee fails to pay the  
22 amount due or underpays by an unjustifiable amount, the Casino  
23 Control Commission shall impose a fine of 5% of the amount due or  
24 of the underpayment, as the case may be, for each month or portion  
25 thereof the licensee is in default of payment, up to 25% of the amount  
26 in default. Any fine imposed shall be paid to the Casino Reinvestment  
27 Development Authority and shall be used for the purposes of this 1984  
28 amendatory and supplementary act.

29 b. Each licensee shall be entitled to an investment tax credit  
30 against the tax imposed by subsection a. of this section, provided the  
31 licensee shall pay over the moneys required pursuant to section 5 of  
32 P.L.1993, c.159 (C.5:12-173.5): (1) for the first 10 years of a  
33 licensee's tax obligation, in an amount equal to twice the purchase  
34 price of bonds issued by the Casino Reinvestment Development  
35 Authority pursuant to sections 14 and 15 of this 1984 amendatory and  
36 supplementary act, purchased by the licensee, or twice the amount of  
37 the investments authorized in lieu thereof, and (2) for the remainder of  
38 a licensee's tax obligation, in an amount equal to twice the purchase  
39 price of bonds issued by the Casino Reinvestment Development  
40 Authority pursuant to sections 14 and 15 of this 1984 amendatory and  
41 supplementary act, purchased by the licensee, or twice the amount of  
42 the investments authorized in lieu thereof, and twice the amount of  
43 investments made by a licensee in other approved eligible investments  
44 made pursuant to section 25 of this act. The Casino Reinvestment  
45 Development Authority shall have the power to enter into a contract  
46 or contracts with a licensee pursuant to which the Casino

1 Reinvestment Development Authority agrees to issue and sell bonds  
2 to the licensee, and the licensee agrees to purchase the bonds issued  
3 by or offered through the Casino Reinvestment Development  
4 Authority, in annual purchase price amounts as will constitute a credit  
5 against at least 50% of the tax to become due in any future year or  
6 years. The contract may contain those terms and conditions relating  
7 to the terms of the bonds and to the issuance and sale of the bonds to  
8 the licensee as the Casino Reinvestment Development Authority shall  
9 deem necessary or desirable. The contract shall not be deemed to be  
10 in violation of section 104 of P.L.1977, c.110 (C.5:12-104). After the  
11 first 10 years of a licensee's investment alternative tax obligation, a  
12 licensee will have the option of entering into a contract with the  
13 Casino Reinvestment Development Authority to have its tax credit  
14 comprised of direct investments in approved eligible projects. These  
15 direct investments shall not comprise more than 50% of a licensee's  
16 eligible tax credit in any one year.

17 The entering of a contract pursuant to this section shall be  
18 sufficient to entitle a licensee to an investment tax credit for the  
19 appropriate tax year.

20 c. A contract entered into between a licensee and the Casino  
21 Reinvestment Development Authority may provide for a deferral of  
22 payment for and delivery of bonds required to be purchased and for a  
23 deferral from making approved eligible investments in any year, but no  
24 deferral shall occur more than two years consecutively. A deferral of  
25 payment for any bonds required to be purchased by a licensee and a  
26 deferral from making approved eligible investments may be granted by  
27 the Casino Reinvestment Development Authority only upon a  
28 determination by the Casino Control Commission that purchase of  
29 these bonds or making approved eligible investments would cause  
30 extreme financial hardship to the licensee and a determination by the  
31 Casino Reinvestment Development Authority that the deferral of the  
32 payment would not violate any covenant or agreement or impair any  
33 financial obligation of the Casino Reinvestment Development  
34 Authority. The contract may establish a late payment charge to be  
35 paid in the event of deferral or other late payment at a rate as shall be  
36 agreed to by the Casino Reinvestment Development Authority. If a  
37 deferral of purchase or investment is granted, the licensee shall be  
38 deemed to have made the purchase or investment at the time required  
39 by the contract, except that if the purchase is not made at the time to  
40 which the purchase or investment was deferred, then the licensee shall  
41 be deemed not to have made the purchase or investment. The Casino  
42 Control Commission shall adopt regulations establishing a uniform  
43 definition of extreme financial hardship applicable to all these  
44 contracts. If a licensee petitions the Casino Reinvestment  
45 Development Authority for a deferral, the Casino Reinvestment  
46 Development Authority shall give notice of that petition to the Casino

1 Control Commission and to the Division of Gaming Enforcement  
2 within three days of the filing of the petition. The Casino Control  
3 Commission shall render a decision within 60 days of notice as to  
4 whether the licensee has established extreme financial hardship, after  
5 consultation with the Division of Gaming Enforcement. The Casino  
6 Reinvestment Development Authority shall render a decision as to the  
7 availability of the deferral within 10 days of the receipt by it of the  
8 decision of the Casino Control Commission and shall notify the  
9 Division of Gaming Enforcement and the Casino Control Commission  
10 of that decision. If a deferral is granted, the Casino Reinvestment  
11 Development Authority may determine whether the purchases or  
12 investments shall be made in a lump sum, made over a period of years,  
13 or whether the period of obligation shall be extended an additional  
14 period of time equivalent to the period of time deferred.

15 d. The license of any licensee which has defaulted in its obligation  
16 to make any purchase of bonds or investment in any approved eligible  
17 project under a contract entered into pursuant to subsection b. of this  
18 section for a period of 90 days may be suspended by the Casino  
19 Control Commission until that purchase is made or deferred in  
20 accordance with subsection b. of this section, or a fine or other penalty  
21 may be imposed upon the licensee by the commission. If the Casino  
22 Control Commission elects not to suspend the license of a licensee  
23 after the licensee has first defaulted in its obligation but instead  
24 imposes some lesser penalty and the licensee continues to be in default  
25 of its obligation after a period of 30 additional days and after any  
26 additional 30-day period, the commission may impose another fine or  
27 penalty upon the licensee, which may include suspension of that  
28 licensee's license. The fine shall be 5% of the amount of the obligation  
29 owed for each month or portion thereof a licensee is in default, up to  
30 25% of that obligation; shall be paid to the Casino Reinvestment  
31 Development Authority; and shall be used for the purposes of this  
32 1984 amendatory and supplementary act.

33 e. A contract entered into by a licensee and the Casino  
34 Reinvestment Development Authority pursuant to subsection b. of this  
35 section may provide that after the first 10 years of a licensee's  
36 investment alternative tax obligation imposed by subsection a. of this  
37 section, the Casino Reinvestment Development Authority may  
38 repurchase bonds previously sold to the licensee, which were issued  
39 after the 10th year of a licensee's investment alternative tax obligation,  
40 by the Casino Reinvestment Development Authority, if the Casino  
41 Reinvestment Development Authority determines that the repurchase  
42 will not violate any agreement or covenant or impair any financial  
43 obligation of the Casino Reinvestment Development Authority and  
44 that the licensee will reinvest the proceeds of the resale in an eligible  
45 project approved by the Casino Reinvestment Development Authority.

46 f. (1) During the [30] 35 years a licensee is obligated to pay an

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1 investment alternative tax pursuant to subsection k. of this section, the  
 2 total of (a) the proceeds of all bonds purchased by a licensee from or  
 3 through the Casino Reinvestment Development Authority and (b) all  
 4 approved investments in eligible projects by a licensee shall be devoted  
 5 to the financing of projects in the following areas and amounts:

6	Areas	Yrs.	Yrs.	Yrs.	Yrs.	Yrs.	Yrs.	Yrs.	<u>Yrs.</u>
7			1-3	4-5	6-10	11-15	16-20	21-25	<del>26-30</del>
8			<u>31-35</u>						
9	a) Atlantic City	100%	90%	80%	50%	30%	20%		
10	b) South Jersey		8%	12%	28%	43%	45%		<u>25%</u>
11	c) North Jersey		2%	8%	22%	27%	35%	35%	<u>50%</u>
12	d) Atlantic City through the Atlantic City Fund							65%,	<u>25%</u>

13  
 14 except that, with respect to the obligations for calendar years 1994  
 15 through 1998, the amount allocated for the financing of projects in  
 16 North Jersey from each casino licensee's obligation shall be the amount  
 17 allocated for calendar year 1993, and the difference between that  
 18 amount and the amount to be allocated to North Jersey, on the basis  
 19 of the above schedule, from each casino licensee's obligations for  
 20 calendar years 1994 through 1998 shall be paid into or credited to the  
 21 Atlantic City Fund established by section 44 of P.L.1995, c.18  
 22 (C.5:12-161.1) and be devoted to the financing of projects in Atlantic  
 23 City through that fund. For the purposes of this paragraph, "South  
 24 Jersey" means the counties of Atlantic, Burlington, Camden, Cape  
 25 May, Cumberland, Gloucester, Mercer, Ocean, and Salem; and "North  
 26 Jersey" means the remaining 12 counties of the State. For the purposes  
 27 of this 1984 amendatory and supplementary act, bond "proceeds"  
 28 means all funds received from the sale of bonds and any funds  
 29 generated or derived therefrom.

30 In the financing of projects outside Atlantic City, the Casino  
 31 Reinvestment Development Authority shall give priority to the  
 32 revitalization of the urban areas of this State in the ways specified in  
 33 section 12 of this 1984 amendatory and supplementary act. Those  
 34 areas shall include, but not be limited to, all municipalities qualifying  
 35 for aid pursuant to P.L.1978, c.14 (C.52:27D-178 et seq.).

36 Within nine months from the effective date of this 1984 amendatory  
 37 and supplementary act, the Casino Reinvestment Development  
 38 Authority shall determine the allocation of projected available moneys  
 39 to municipalities in South Jersey for the first seven years of their  
 40 receipt of funds, giving priority to the revitalization of the urban areas  
 41 of the region. Municipalities receiving such an allocation shall present  
 42 to the Casino Reinvestment Development Authority for its approval  
 43 comprehensive plans or projects for which the allocations shall be  
 44 used. Any such comprehensive plan or project may be submitted to  
 45 the Casino Reinvestment Development Authority for a determination  
 46 of eligibility at any time prior to the year for which the funds are

1 allocated, and the Casino Reinvestment Development Authority shall  
2 make a determination of eligibility of the plan or project within a  
3 reasonable amount of time. If the Casino Reinvestment Development  
4 Authority makes a positive determination of eligibility for any  
5 comprehensive plan or project, or combination of comprehensive plans  
6 or projects, for any municipality whose total cost exceeds the amount  
7 allocated to that municipality for the first seven years of the receipt of  
8 funds by South Jersey municipalities, the Casino Reinvestment  
9 Development Authority shall make available sufficient funds in  
10 subsequent years necessary to complete those plans or projects, or to  
11 complete that portion of the plan or project originally agreed to be  
12 funded through the Casino Reinvestment Development Authority, from  
13 funds received by the Casino Reinvestment Development Authority in  
14 the years following the seventh year of the receipt of funds by South  
15 Jersey municipalities. If the comprehensive plan or project is  
16 determined by the Casino Reinvestment Development Authority not to  
17 be an eligible plan or project, the municipality may submit any other  
18 comprehensive plan or project for a determination of eligibility. If,  
19 however, the municipality fails to receive a positive determination of  
20 eligibility for any comprehensive plan or project, or combination of  
21 comprehensive plans or projects, sufficient to exhaust the total  
22 allocation to that municipality for any year prior to April 30 of the  
23 following year for which the allocation was made, the allocation to  
24 that municipality for that year shall cease, and the Casino  
25 Reinvestment Development Authority may apply those excess funds to  
26 any other comprehensive plan or project in any other municipality in  
27 the region whose comprehensive plan or project has received a  
28 positive determination of eligibility by the Casino Reinvestment  
29 Development Authority.

30 Within 36 months from the effective date of this 1984 amendatory  
31 and supplementary act, the Casino Reinvestment Development  
32 Authority shall determine the allocation of projected available moneys  
33 to municipalities in North Jersey for the first five years of their receipt  
34 of funds, giving priority to the revitalization of the urban areas of the  
35 region. Municipalities receiving such an allocation shall present to the  
36 Casino Reinvestment Development Authority for its approval  
37 comprehensive plans or projects for which the allocations shall be  
38 used. Any such comprehensive plan or project may be submitted to  
39 the Casino Reinvestment Development Authority for a determination  
40 of eligibility at any time prior to the year for which the funds are  
41 allocated, and the Casino Reinvestment Development Authority shall  
42 make a determination of eligibility of the plan or project within a  
43 reasonable amount of time. If the Casino Reinvestment Development  
44 Authority makes a positive determination of eligibility for any  
45 comprehensive plan or project, or combination of comprehensive plans  
46 or projects, for any municipality whose total cost exceeds the amount

1 allocated to that municipality for the first five years of the receipt of  
2 funds by North Jersey municipalities, the Casino Reinvestment  
3 Development Authority shall make available sufficient funds in  
4 subsequent years necessary to complete those plans or projects, or to  
5 complete that portion of the plan or project originally agreed to be  
6 funded through the Casino Reinvestment Development Authority, from  
7 funds received by the Casino Reinvestment Development Authority in  
8 the years following the fifth year of the receipt of funds by North  
9 Jersey municipalities. If the comprehensive plan or project is  
10 determined by the Casino Reinvestment Development Authority not to  
11 be an eligible plan or project, the municipality may submit any other  
12 comprehensive plan or project for a determination of eligibility. If,  
13 however, the municipality fails to receive a positive determination of  
14 eligibility for any comprehensive plan or project, or combination of  
15 comprehensive plans or projects, sufficient to exhaust the total  
16 allocation to that municipality for any year prior to April 30 of the  
17 following year for which the allocation was made, the allocation to  
18 that municipality for that year shall cease, and the Casino  
19 Reinvestment Development Authority may apply those excess funds to  
20 any other comprehensive plan or project in any other municipality in  
21 the region whose comprehensive plan or project has received a  
22 positive determination of eligibility by the Casino Reinvestment  
23 Development Authority.

24 (2) Commencing with the first year in which a licensee incurs a tax  
25 obligation pursuant to this section, and for the period of two years  
26 thereafter, 100% of the proceeds of all bonds purchased by a licensee  
27 from the Casino Reinvestment Development Authority which are  
28 devoted to the financing of projects in the city of Atlantic City  
29 pursuant to paragraph (1) of this subsection shall be used exclusively  
30 to finance the rehabilitation, development, or construction of, or to  
31 provide mortgage financing of, housing facilities in the city of Atlantic  
32 City for persons or families of low through middle income, as defined  
33 in this subsection. For the purposes of this subsection, the  
34 "rehabilitation, development, or construction of housing facilities"  
35 shall include expenses attributable to site preparation, infrastructure  
36 needs and housing-related community facilities and services, including  
37 supporting commercial development. Commencing with the fourth  
38 year in which a licensee incurs a tax obligation pursuant to this  
39 subsection, 50% of the proceeds of all bonds purchased by a licensee  
40 from the Casino Reinvestment Development Authority which are  
41 devoted to the financing of projects in the city of Atlantic City shall be  
42 used exclusively to finance the rehabilitation, development, or  
43 construction of housing facilities in the city of Atlantic City for  
44 persons or families of low through middle income. Commencing with  
45 the 11th year in which a licensee incurs a tax obligation pursuant to  
46 this section, 50% of the annual aggregate of the proceeds of bonds

1 purchased by a licensee from the Casino Reinvestment Development  
2 Authority which are devoted to the financing of projects in the city of  
3 Atlantic City and investments in approved eligible projects commenced  
4 by a licensee in the city of Atlantic City shall be used exclusively to  
5 finance the rehabilitation, development, or construction of, or to  
6 provide mortgage financing of, housing facilities in the city of Atlantic  
7 City for persons or families of low through middle income.

8 (3) The Legislature finds that it is necessary to provide for a  
9 balanced community and develop a comprehensive housing program.  
10 The Casino Reinvestment Development Authority shall determine the  
11 need for housing in the city of Atlantic City, in consultation with the  
12 city of Atlantic City and specifically its zoning and planning boards.  
13 This shall include determining the types and classes of housing to be  
14 constructed and the number of units of each type and class of housing  
15 to be built. The Casino Reinvestment Development Authority shall  
16 give priority to the housing needs of the persons and their families  
17 residing in the city of Atlantic City in 1983 and continuing such  
18 residency through the effective date of this 1984 amendatory and  
19 supplementary act. The actual percentage of the proceeds of bonds  
20 and investments in approved eligible projects commenced by a licensee  
21 in the city of Atlantic City, which shall be used exclusively to finance  
22 the rehabilitation, development, or construction of, or to provide  
23 mortgage financing of, housing facilities in the city of Atlantic City for  
24 persons or families of low through middle income, shall be based upon  
25 the authority's determination of the need for housing in the city of  
26 Atlantic City conducted pursuant to this subsection. Once the housing  
27 needs of the persons residing in the city of Atlantic City in 1983 and  
28 continuing such residency through the effective date of this 1984  
29 amendatory and supplementary act have been met, as determined by  
30 the Casino Reinvestment Development Authority pursuant to this  
31 subsection, any required percentages for such housing in the city of  
32 Atlantic City may, in its sole discretion, be waived by the Casino  
33 Reinvestment Development Authority. To aid the Casino  
34 Reinvestment Development Authority in making these determinations,  
35 the Casino Reinvestment Development Authority shall review the  
36 proposal for a housing redevelopment program and strategy for the  
37 city of Atlantic City approved and adopted by the Casino Control  
38 Commission and shall give priority to same and any other plan or  
39 project which is consistent with the standards of this subsection and is  
40 acceptable to the Casino Reinvestment Development Authority,  
41 pursuant to section 25 of this 1984 amendatory and supplementary act.  
42 The Casino Reinvestment Development Authority may determine  
43 whether the funds used to finance housing facilities in the city of  
44 Atlantic City for persons or families of low, moderate, median range,  
45 and middle income are derived from the proceeds of bonds purchased  
46 by a licensee from the Casino Reinvestment Development Authority to

1 be devoted to the financing of projects in the city of Atlantic City,  
2 investments in approved eligible projects commenced by a licensee in  
3 the city of Atlantic City, or a combination of both. Any investment  
4 made by a licensee in excess of 100% of its eligible investment tax  
5 credit during the first three years and in excess of 50% thereafter in  
6 either the purchase of bonds or direct investments in approved eligible  
7 projects for low, moderate, median range, and middle income family  
8 housing facilities in the city of Atlantic City may be carried forward  
9 and credited against the licensee's obligation to make a 100%  
10 investment during the first three years and 50% thereafter in low,  
11 moderate, median range, and middle income family housing in any  
12 future year, with the approval of the Casino Reinvestment  
13 Development Authority. For the purposes of this act, "low income  
14 families" means families whose income does not exceed 50% of the  
15 median income of the area, with adjustments for smaller and larger  
16 families. "Moderate income families" means families whose income  
17 does not exceed 80% and is not less than 50% of the median income  
18 for the area, with adjustments for smaller and larger families. "Median  
19 range income families" means families whose income does not exceed  
20 120% and is not less than 80% of the median income for the area, with  
21 adjustments for smaller and larger families. "Middle income families"  
22 means families whose income does not exceed 150% and not less than  
23 120% of the median income for the area, with adjustments for smaller  
24 and larger families. "Median income" means an income defined as  
25 median within the Standard Metropolitan Statistical Area for Atlantic  
26 City by the United States Department of Housing and Urban  
27 Development.

28 In order to achieve a balanced community, the authority shall  
29 ensure that the development of housing for families of low and  
30 moderate income shall proceed at the same time as housing for families  
31 of median range and middle income, until such time as there is no  
32 longer a need for such facilities in the city of Atlantic City, as  
33 determined by the Casino Reinvestment Development Authority.

34 (4) Notwithstanding any other law or section to the contrary,  
35 particularly this subsection regarding the waiver of the required  
36 percentages for housing in the city of Atlantic City, subsection i. of  
37 section 14, and sections 26, 27, 28, 29, and 31 of this 1984  
38 amendatory and supplementary act, nothing shall be implemented or  
39 waived by the Casino Reinvestment Development Authority which  
40 would reduce, impair, or prevent the fulfillment of the priorities  
41 established and contained in this subsection of this 1984 amendatory  
42 and supplementary act.

43 g. If a person is a licensee with regard to more than one approved  
44 hotel pursuant to section 82 of P.L.1977, c.110 (C.5:12-82), the  
45 person shall separately account for the gross revenues, the investment  
46 alternative tax obligations, and the investments for a tax credit against



1 the investment alternative tax for each approved hotel, and the tax  
2 obligations of the licensee under this section shall be determined  
3 separately for each approved hotel. The licensee may apportion  
4 investments between its approved hotels; provided that no amount of  
5 investment shall be credited more than once. If a licensee receives the  
6 prior approval of the Casino Reinvestment Development Authority, the  
7 licensee may make eligible investments in excess of the investments  
8 necessary to receive a tax credit against the investment alternative tax  
9 for a given calendar year, and the licensee may carry forward this  
10 excess investment and have it credited to its next investment  
11 alternative tax obligation. If the Casino Reinvestment Development  
12 Authority approves of such excess investment and approves the carry  
13 forward of this excess investment, and a licensee elects to purchase  
14 bonds of the Casino Reinvestment Development Authority or makes  
15 direct investments in approved eligible projects in excess of the  
16 investments necessary to receive a tax credit against the investment  
17 alternative tax for its current obligation, the licensee shall be entitled  
18 to a reduction of the amount of investments necessary in future years,  
19 which amount shall be determined annually by the Casino  
20 Reinvestment Development Authority, taking into account a current  
21 market discount rate from the date of the purchase or investment to  
22 the date the purchase or investment would have been required to be  
23 made.

24 h. Each casino licensee shall prepare and file, in a form prescribed  
25 by the Casino Reinvestment Development Authority, an annual return  
26 reporting that financial information as shall be deemed necessary by  
27 the Casino Reinvestment Development Authority to carry out the  
28 provisions of this act. This return shall be filed with the Casino  
29 Reinvestment Development Authority and the Casino Control  
30 Commission on or before April 30 following the calendar year on  
31 which the return is based. The Casino Control Commission shall  
32 verify to the Casino Reinvestment Development Authority the  
33 information contained in the report, to the fullest extent possible.  
34 Nothing in this subsection shall be deemed to affect the due dates for  
35 making any investment or paying any tax under this section.

36 i. Any purchase by a licensee of bonds issued by or offered  
37 through the Casino Reinvestment Development Authority pursuant to  
38 sections 14 and 15 of this act and subsection b. of this section and all  
39 approved eligible investments made by a licensee pursuant to section  
40 25 of this act and subsection b. of this section are to be considered  
41 investments and not taxes owed or grants to the State or any political  
42 subdivision thereof. As such, a licensee shall have the possibility of  
43 the return of principal and a return on the capital invested as with  
44 other investments. Investors in the bonds issued by or offered through  
45 the Casino Reinvestment Development Authority shall be provided  
46 with an opinion from a recognized financial rating agency or a financial

1 advisory firm with national standing that each loan of bond proceeds  
2 by the Casino Reinvestment Development Authority has the minimum  
3 characteristics of an investment, in that a degree of assurance exists  
4 that interest and principal payments can be made and other terms of  
5 the proposed investment be maintained over the period of the  
6 investment, and that the loan of the bond proceeds would qualify for  
7 a bond rating of "C" or better. If an opinion cannot be obtained from  
8 a recognized financial rating agency or a financial advisory firm with  
9 national standing, an opinion shall be obtained from an expert financial  
10 analyst with national standing, selected and hired by the Casino  
11 Reinvestment Development Authority. In order to achieve a balanced  
12 portfolio, assure the viability of the authority and the projects,  
13 facilities and programs undertaken pursuant to this 1984 amendatory  
14 and supplementary act, no more than 25% of the total investments  
15 made by or through the Casino Reinvestment Development Authority  
16 with the proceeds of bonds generated in each year shall be investments  
17 which would qualify for a bond rating of "C," unless all holders of  
18 obligations in each year agree to waive the 25% limit for that year.  
19 Nothing herein shall be interpreted as limiting the Casino Reinvestment  
20 Development Authority from taking any steps it deems appropriate to  
21 protect the characteristics of its investment in projects or any other  
22 investments from not being real investments with a prospect for the  
23 return of principal and a return on the capital invested. Anything  
24 contained in this section shall not be considered a guarantee by the  
25 State or any political subdivision thereof of any return of principal or  
26 interest, but any purchase by a licensee of bonds or approved eligible  
27 investments made by a licensee pursuant to this act shall be at the risk  
28 of the licensee. A licensee or the licensees purchasing an issue of  
29 bonds issued by the Casino Reinvestment Development Authority in  
30 any given year may arrange, at their option, for those bonds or the  
31 investments, made by or through the Casino Reinvestment  
32 Development Authority with the proceeds of those bonds, to be  
33 insured. The cost of any such insurance purchased by a licensee or  
34 licensees shall be paid by the licensee or licensees desiring such  
35 insurance.

36 j. The Casino Reinvestment Development Authority shall  
37 promulgate rules and regulations deemed necessary to carry out the  
38 purposes of this section.

39 k. [Except as provided in section 13 of P.L.2001, c.221  
40 (C.5:12-173.21), the] The obligation of a licensee to pay an  
41 investment alternative tax pursuant to subsection a. of this section,  
42 including a casino licensee subject to the provision of section 13 of  
43 P.L.2001, c.221 (C.5:12-173.21), shall end for each licensed facility  
44 operated by the licensee [30] 35 years after any investment alternative  
45 tax obligation is first incurred in connection with each licensed facility  
46 operated by the licensee, unless extended in connection with a deferral

1 granted by the Casino Reinvestment Development Authority pursuant  
2 to subsection c. of this section.  
3 (cf: P.L.2001, c.221, s.14)

4  
5 33. Section 3 of P.L. 2001, c. 221 (C.5:12-173.11) is amended to  
6 read as follows:

7 3. As used in this act:

8 "Authority" means the Casino Reinvestment Development  
9 Authority established pursuant to P.L.1984, c.218 (C.5:12-153 et  
10 seq.);

11 "Baseline luxury tax revenue amount" or "baseline luxury tax"  
12 means the annual amount of luxury tax receipts received pursuant to  
13 P.L.1947, c.71 (C.40:48-8.15 et seq.) from the taxation of retail sales  
14 or sales at retail originating from transactions at an  
15 entertainment-retail district project for the last full calendar year  
16 preceding the year in which the district project opens under the  
17 incentive program;

18 "Casino hotel room fee fund" or "room fund" means the fund  
19 established by the State Treasurer pursuant to section 8 of P.L.2001,  
20 c.221 (C.5:12-173.16) into which shall be deposited the proceeds of  
21 the hotel room use fees as specified pursuant to section 6 of P.L.2001,  
22 c.221 (C.5:12-173.14);

23 "Casino reinvestment development authority urban revitalization  
24 incentive program" or "incentive program" means the program  
25 established pursuant to section 4 of P.L.2001, c.221 (C.5:12-173.12)  
26 and administered by the authority to facilitate the development of  
27 entertainment-retail districts for the city of Atlantic City and to  
28 promote urban revitalization throughout the State;

29 "Commissioner" means the Commissioner of Community Affairs;

30 "Department" means the Department of Community Affairs;

31 "District project grant" or "grant" means an amount rebated to the  
32 authority pursuant to sections 7 or 8 of P.L.2001, c.221  
33 (C.5:12-173.15 or 5:12-173.16) for disbursement to a casino licensee  
34 that is approved by the authority for a district project or for retention  
35 by the authority for an approved district project sponsored by the  
36 authority;

37 "Entertainment-retail district" or "district" means one of six areas  
38 within Atlantic City, designated by the authority under the incentive  
39 program;

40 "Entertainment-retail district project" or "district project" means a  
41 project or projects to be developed by the authority or any casino  
42 [licensed to operate in Atlantic City prior to January 1, 2001]  
43 licensee, including, but not necessarily limited to, a minimum of  
44 150,000 square feet of public space, retail stores, entertainment venues  
45 and restaurants, and may include, in addition, casino hotels and public  
46 parking facilities approved by the authority under the incentive

1 program, and may also include: the purchasing, leasing, condemning,  
2 or otherwise acquiring of land or other property, or an interest therein,  
3 approved by the authority pursuant to a project grant agreement or as  
4 an authority sponsored project, or as necessary for a right-of-way or  
5 other easement to or from the land or property, or the relocating and  
6 moving of persons displaced by the acquisition of the land or property;  
7 the rehabilitation and redevelopment of land or property, approved  
8 pursuant to a project grant agreement or as an authority sponsored  
9 project, including demolition, clearance, removal, relocation,  
10 renovation, alteration, construction, reconstruction, installation or  
11 repair of a building, street, highway, alley, utility, service or other  
12 structure or improvement; the acquisition, construction,  
13 reconstruction, rehabilitation, or installation of parking and other  
14 improvements approved pursuant to a project grant agreement or as  
15 an authority sponsored project; and the costs associated therewith  
16 including the costs of an administrative appraisal, economic and  
17 environmental analyses or engineering, planning, design, architectural,  
18 surveying or other professional services approved pursuant to a  
19 project grant agreement or as part of an authority sponsored project;

20 "Entertainment-retail district project fund" or "project fund" means  
21 the fund established by the State Treasurer pursuant to section 7 of  
22 P.L.2001, c.221 (C.5:12-173.15) into which shall be deposited an  
23 amount equivalent to the amount of receipts received from the taxation  
24 of retail sales from a district project and from the taxation of  
25 construction materials used for building a district project, as specified  
26 pursuant to section 5 of P.L.2001, c.221 (C.5:12-173.13);

27 "Incremental luxury tax revenue amount" or "incremental luxury  
28 tax" means the amount by which the annual luxury tax receipts  
29 received pursuant to P.L.1947, c.71 (C.40:48-8.15 et seq.) from the  
30 taxation of retail sales or sales at retail originating from transactions  
31 at a district project in the year in which the district project opens under  
32 the incentive program, and in each year thereafter, exceed the baseline  
33 luxury tax, as determined by the State Treasurer; and

34 "Project grant agreement" means an agreement entered into  
35 between the authority and a casino licensee, pursuant to section 4 of  
36 P.L.2001, c.221 (C.5:12-173.12), that sets forth the terms and  
37 conditions of approval for a district project and of eligibility for  
38 district project grants, as determined by the authority.

39 (cf: P.L.2001, c.221, s.3)

40

41 34. Section 4 of P.L.2001, c.221 (C.5:12-173.12) is amended to  
42 read as follows:

43 4. a. There is established the incentive program that shall be  
44 administered by the authority. The purpose of the incentive program  
45 is to facilitate the development of entertainment-retail districts for the  
46 city of Atlantic City and to promote revitalization of other urban areas

1 in the State. The provisions of section 30 of P.L.1984, c.218  
2 (C.5:12-178) shall not apply to the incentive program established  
3 pursuant to this section. In order to implement the incentive program,  
4 the authority is authorized to accept applications from casino licensees  
5 on or before September 1, 2001 for approval of a district project and  
6 to designate by resolution up to six districts on or before September  
7 30, 2001 and to enter into project grant agreements with casino  
8 licensees to develop district projects within each district or to approve  
9 a district project sponsored by the authority. The authority may  
10 disburse district project grants in accordance with sections 7 and 8 of  
11 P.L.2001, c.221 (C.5:12-173.15 and 5:12-173.16) to casino licensees  
12 with approved district projects or to the authority for an authority  
13 sponsored district project under the incentive program, if the authority  
14 determines that:

15 (1) construction of the district project will commence no later than  
16 June 30, 2002 or as otherwise provided pursuant to the project grant  
17 agreement with the authority, or pursuant to the district project plan  
18 approved by the authority for an authority sponsored district project;

19 (2) a proposed district project plan submitted pursuant to section  
20 10 of P.L.2001, c.221 (C.5:12-173.18) is economically sound and will  
21 assist in the overall development of the city of Atlantic City and will  
22 benefit the people of New Jersey by increasing employment  
23 opportunities and strengthening New Jersey's economy;

24 (3) the disbursement of grants to a casino licensee is a material  
25 factor in the licensee's decision to go forward with a district project;  
26 and

27 (4) the casino licensee has agreed to invest a minimum of \$20  
28 million in its investment alternative tax obligations under section 3 of  
29 P.L.1984, c.218 (C.5:12-144.1), such obligation to be made in \$10  
30 million increments to one or more entertainment-retail projects, or  
31 housing and community development projects, approved by the  
32 authority and the department, in an urban area outside of Atlantic City,  
33 and designated by the commissioner as eligible for, and in need of the  
34 project, pursuant to section 11 of P.L.2001, c.221 (C.5:12-173.19).

35 b. Notwithstanding any provision to the contrary in P.L.2001,  
36 c.221 (C.5:12-173.9 et al.), the authority and the commissioner jointly  
37 may, in their discretion, also designate two entertainment-retail  
38 projects, one in North Jersey and one in South Jersey, as eligible for  
39 funds under the incentive program.

40 c. If construction of a designated district project does not  
41 commence within the time required pursuant to this section, the  
42 authority may remove that designation and, in accordance with  
43 procedures adopted by the authority by resolution, accept applications  
44 for and designate another district project of another casino licensee  
45 notwithstanding the application time requirements of this section.

46 d. The authority may amend its designation of a district project to

1 increase the area of the district project by up to 50% with the  
2 agreement of the casino licensee.

3 (cf: P.L.2001, c.221, s.4)

4

5 35. Section 7 of P.L.2001, c.221 (C.5:12-173.15) is amended to  
6 read as follows:

7 7. a. There is created a dedicated, nonlapsing project fund to be  
8 held by the State Treasurer, which shall be the repository for all  
9 moneys required to be deposited therein under section 5 of P.L.2001,  
10 c.221 (C.5:12-173.13) and any moneys appropriated or otherwise  
11 made available to the project fund.

12 b. All moneys deposited in the project fund shall be held and  
13 disbursed, subject to the requirements of section 11 of P.L.2001, c.221  
14 (C.5:12-173.19), in the form of district project grants as follows:

15 (1) an amount from the project fund equivalent to the total  
16 revenues received pursuant to the "Sales and Use Tax Act," P.L.1966,  
17 c.30 (C.54:32B-1 et seq.) from the taxation of construction materials  
18 used for building a district project approved by the authority pursuant  
19 to a project grant agreement, or for building a district project  
20 sponsored by the authority, shall be rebated in the form of a one-time  
21 grant to the authority for disbursement to the casino licensee with an  
22 approved district project or to the authority for an authority sponsored  
23 district project;

24 (2) an amount from the project fund equivalent to the total  
25 revenues received pursuant to the "Sales and Use Tax Act," P.L.1966,  
26 c.30 (C.54:32B-1 et seq.) from the taxation of retail sales of tangible  
27 property and services originating from and delivered from business  
28 locations in a district project approved by the authority pursuant to a  
29 project grant agreement or from business locations in a district project  
30 sponsored by the authority, shall be rebated in the form of annual  
31 grants to the authority for disbursement to the casino licensee with an  
32 approved district project, or to the authority for an authority  
33 sponsored district project, with each annual grant not to exceed \$2.5  
34 million per district project and payable annually [until December 31,  
35 2022] for 20 years from the date of completion of the district project,  
36 or until [the date on which] such time as the combined total of grants  
37 disbursed under this section and under section 8 of P.L.2001, c.221  
38 (C.5:12-173.16) equals the approved cost of the district project, as  
39 determined by the authority, whichever is earlier;

40 (3) the balance of the revenues in the project fund shall be  
41 deposited in the General Fund if the authority, in consultation with the  
42 State Treasurer, determines that the revenues are no longer needed for  
43 the purposes of the project fund or for the uses prescribed in  
44 P.L.2001, c.221 (C.5:12-173.9 et al.).

45 c. The State Treasurer may invest and reinvest any moneys in the  
46 project fund, or any portion thereof, in legal obligations of the United

1 States or of the State or any political subdivision thereof. Any income  
2 from, interest on, or increment to moneys so invested or reinvested  
3 shall be included in the project fund.

4 (cf: P.L.2001, c.221, s.7)

5  
6 36. Section 11 of P.L.2001, c.221 (C.5:12-173.19) is amended to  
7 read as follows:

8 11. a. A casino licensee shall submit a proposal to the authority  
9 and to the department for an entertainment- retail project or  
10 community and housing development project in an urban area outside  
11 of Atlantic City, consistent with the requirements of paragraph (4) of  
12 subsection a. of section 4 of P.L.2001, c.221 (C.5:12-173.12), that  
13 will further the development and revitalization of an urban area  
14 designated by the department as eligible for, and in need of, the  
15 proposed project. The department shall evaluate the proposal and  
16 determine whether the proposed project meets the department's project  
17 criteria, and the authority shall evaluate the proposal and determine  
18 whether the [proposal] proposed project meets the authority's project  
19 criteria for approval of urban development projects outside of the city  
20 of Atlantic City under the incentive program. The authority and the  
21 commissioner jointly may, in their discretion, also designate two  
22 entertainment-retail projects, one in North Jersey and one in South  
23 Jersey, as eligible for funds under the incentive program. Investment  
24 by a casino licensee of a minimum of \$20 million of its investment  
25 alternative tax obligation under section 3 of P.L.1984, c.218 (C.5:12-  
26 144.1) in a North Jersey investment fund established for the purpose  
27 of furthering the development and revitalization of one or more urban  
28 areas designated by the commissioner shall satisfy the requirements of  
29 this section and section 4 of P.L. 2001, c. 221 (C.5:12-173.12).

30 b. The commissioner and the authority are authorized to approve  
31 the proposed project submitted under subsection a. of this section if  
32 the commissioner and the authority determine that the project meets  
33 the criteria established by the department and the authority,  
34 respectively. Upon approval by the commissioner, the State Treasurer  
35 shall annually, upon receipt of a written statement from the department  
36 certifying the satisfactory status of the project, rebate the district  
37 project grants to the authority for disbursement to casino licensees  
38 under the incentive program.

39 c. The authority and the commissioner shall give preference to  
40 those proposed projects that best leverage non-authority funds for the  
41 total construction project cost.

42 (cf: P.L.2001, c.221, s.11)

43  
44 37. Section 13 of P.L.2001, c.221 (C.5:12-173.21) is amended to  
45 read as follows:

46 13. a. Notwithstanding the provisions of any other law to the

1 contrary, if a district project of a casino licensee is approved by the  
2 authority under the incentive program established by section 4 of  
3 P.L.2001, c.221 (C.5:12-173.12), the investment alternative tax  
4 imposed by subsection a. of section 3 of P.L.1984, c.218  
5 (C.5:12-144.1), and any credits which may by law be applied against  
6 that tax, shall end for the casino licensee's licensed facility, as  
7 determined by the authority, 35 years after any investment alternative  
8 tax obligation is first incurred in connection with the licensed facility  
9 operated by the licensee.

10 b. [During] If a district project of a casino licensee is approved by  
11 the authority under the incentive program established by section 4 of  
12 P.L.2001, c.221 (C.5:12-173.12), then during the [additional] last five  
13 years of a casino licensee's investment alternative tax obligations  
14 [required pursuant to subsection a. of this section], the total of the  
15 proceeds of all bonds purchased by a licensee from or through the  
16 authority and all approved investments in eligible projects by a licensee  
17 shall not be devoted as set forth in subsection f.(1) of section 3 of  
18 P.L.1984, c.218 (C.5:12-144.1) and instead shall be devoted to the  
19 financing of projects in the following areas and amounts: a) 25% for  
20 the city of Atlantic City; b) 25% for South Jersey and c) 50% for  
21 North Jersey.

22 (cf: P.L.2001, c.221, s.13)

23  
24 38. The Casino Control Commission, the Division of Gaming  
25 Enforcement in the Department of Law and Public Safety and the  
26 Casino Reinvestment Development Authority shall report on the  
27 implementation of this act to the Senate Judiciary Committee within  
28 one year following the effective date of this act, and shall include  
29 therewith any recommendations for amendments or other legislative  
30 action necessary to improve the effectiveness of the act. The Senate  
31 Judiciary Committee shall review the reports and recommendations so  
32 submitted and hold such public hearings or take such actions to  
33 provide for effective legislative oversight over the implementation of  
34 the act as it deems appropriate.

35  
36 39. Sections 1, 2 and 4 through 8 of P.L.1985, c.539 (C.5:12-184  
37 et seq.), and section 7 of P.L.1987, c.137 (C.5:12-187.1), are  
38 repealed.

39  
40 40. This act shall take effect immediately.

#### 41 42 43 STATEMENT

44  
45 This bill makes various changes to the "Casino Control Act",  
46 (N.J.S.A.5:12-1 et seq.) in order to streamline the regulation of the



- 1 casino industry. Specifically, the bill:
- 2 C clarifies the offense of issuing of a bad check.
- 3 C permits merchandise or other things of value to be used as payoffs  
4 of winning wagers at table games.
- 5 C gives the Casino Control Commission (CCC) and the Division of  
6 Gaming Enforcement (DGE) discretion to waive qualification of  
7 persons associated with non-publicly traded companies or non-  
8 corporate entities.
- 9 C eliminates authority of the CCC to approve or disapprove of the  
10 main entrance to a casino hotel facility.
- 11 C adds the DGE to the list of persons identified as a "party" to a  
12 proceeding before the CCC.
- 13 C requires that temporary CCC rules be available in the casino hotel  
14 facility (under current law such rules are required to be posted in  
15 the facility).
- 16 C removes certain prohibitions on casino advertising, for consistency  
17 with federal court decisions.
- 18 C clarifies that in certain circumstances a casino licensee may share  
19 its player self-exclusion information with an affiliated casino  
20 operation in another jurisdiction for the limited purpose of assisting  
21 in the proper administration of responsible gaming programs in the  
22 other jurisdiction.
- 23 C clarifies ambiguities regarding the issuing of statements of  
24 compliance.
- 25 C gives the CCC flexibility in enforcing minimum hotel room  
26 requirements required for casino gaming expansion.
- 27 C facilitates conversion of casino hotel employee registrations to  
28 casino service employee registrations.
- 29 C clarifies that gaming schools do not require a casino service  
30 industry license unless under contract with a casino licensee or  
31 applicant to train employees or potential employees.
- 32 C changes current annual labor organization registration with the  
33 CCC to a biennial registration.
- 34 C gives the CCC and the DGE flexibility to adjust cycle for casino  
35 employee license renewals.
- 36 C allows casino licensee to immediately adopt changes in its internal  
37 procedures and controls, and the commission has 30 days to  
38 determine whether these changes comply with the provisions of the  
39 Casino Control Act. If they are found not to comply, a licensee  
40 has the option of attending a full hearing before the commission on  
41 the matter, or amending the change in procedures and controls for  
42 compliance with the Casino Control Act. Currently, a licensee  
43 must receive commission approval for a change in its internal  
44 procedures and controls before adopting the change.
- 45 C specifies that 24-hour gaming is permitted in Atlantic City casinos  
46 unless otherwise limited by the CCC pursuant to an applicable

- 1 provision of the Casino Control Act.
- 2 C permits monitoring rooms for multi-casino progressive slot  
3 machine systems to be located in Atlantic City at facilities other  
4 than casino hotel facilities.
- 5 C clarifies that unredeemed liability of an operating casino for casino  
6 chips, tokens and vouchers is generally not subject to forfeiture  
7 under the Unclaimed Property Law.
- 8 C increases from \$200 to \$5,000 the daily maximum amount of  
9 checks a casino may cash for a patron for non-gaming purposes  
10 and provides that no patron shall be permitted to have more than  
11 \$5,000 in outstanding checks at any given time.
- 12 C removes authority of the CCC to promulgate regulations to limit  
13 the amount of cash complementaries a casino licensee may give to  
14 patrons.
- 15 C permits sale within a casino hotel facility of alcoholic  
16 beverages in an original and unopened container and clarifies that  
17 casino beverage servers may solicit alcoholic beverage orders from  
18 casino patrons.
- 19 C eliminates CCC pre-approval of casino licensee employee profit-  
20 sharing agreements and permits such agreements with junket  
21 representatives who are independent contractors of a casino  
22 licensee.
- 23 C revises offenses of swindling and cheating, and use of a device to  
24 obtain advantage at casino games.
- 25 C provides that a person on the CCC list of persons to be excluded  
26 from a casino who knowingly enters a casino is guilty of a 4th  
27 degree crime in all cases.
- 28 C expands prohibition of and penalties for underage gambling.
- 29 C permits the CCC to establish fees to recover costs of the CCC or  
30 the DGE that are unrelated to the investigation or consideration of  
31 the issuance or renewal of a registration or license.
- 32
- 33 In addition, the bill makes various changes in the law pertaining to  
34 casino reinvestment obligations under N.J.S.A.5:12-144.1 and under  
35 the "Casino Reinvestment Development Authority Urban  
36 Revitalization Act" (N.J.S.A.5:12-173.9 et seq.). Specifically, the bill:
- 37 C increases for all casinos the alternative tax obligation from 30 to  
38 35 years with the obligation for the years 31 through 35 to be  
39 25% to South Jersey, 50% to North Jersey, and 25% to Atlantic  
40 City (through the Atlantic City Fund).
- 41 C provides that under the CRDA Urban Revitalization Act, when  
42 construction on an Atlantic City district project has not  
43 commenced within the statutorily required time frame, the CRDA  
44 may reassign the project designation to another casino.
- 45 C provides that funding for a district project will run for 20 years  
46 from the completion of the project, rather than until December 31,

- 1 2022.
- 2 C removes the requirement that a casino be licensed prior to a  
3 specific date to be eligible for a district project designation.
- 4 C permits participation in a North Jersey investment fund to meet  
5 the requirements of funding a district project in a North Jersey  
6 area.
- 7 C permits the CRDA to increase the size of a designated district  
8 project area by up to 50% of the existing project area with the  
9 agreement of the casino licensee.
- 10 C clarifies that the total proceeds from bonds and investments of a  
11 licensee with an approved district project under the incentive  
12 program will be devoted as contemplated under previous  
13 legislation.

14

15 The Casino Control Commission, the Division of Gaming  
16 Enforcement in the Department of Law and Public Safety and the  
17 Casino Reinvestment Development Authority will report on the  
18 implementation of this bill after enactment to the Senate Judiciary  
19 Committee within one year following the effective date of the act, and  
20 will include therewith any recommendations for amendments or other  
21 legislative action necessary to improve the effectiveness of the act.  
22 The Senate Judiciary Committee will review the reports and  
23 recommendations so submitted and hold such public hearings or take  
24 such actions to provide for effective legislative oversight over the  
25 implementation of the act as it deems appropriate.

26

27 Finally, the bill repeals women and minority-owned business set-  
28 aside requirements for casino contracts. These requirements have  
29 been declared unconstitutional by the U.S. 3rd Circuit Court of  
30 Appeals.

# ASSEMBLY BUDGET COMMITTEE

## STATEMENT TO

### ASSEMBLY, No. 2446

with Assembly committee amendments

# STATE OF NEW JERSEY

DATED: JUNE 24, 2002

The Assembly Budget Committee reports favorably Assembly Bill No. 2446.

Assembly Bill No. 2446, as amended, makes various changes to the "Casino Control Act", (N.J.S.A.5:12-1 et seq.) to streamline the regulation of the casino industry. the bill:

- C clarifies the offense of issuing a bad check.
- C permits merchandise or other things of value to be used as payoffs of winning wagers at table games.
- C gives the Casino Control Commission (CCC) and the Division of Gaming Enforcement (DGE) discretion to waive qualification of persons associated with non-publicly traded companies or non-corporate entities.
- C allows main entrance to a casino hotel facility to be through a casino.
- C adds the DGE to the list of persons identified as a "party" to a proceeding before the CCC.
- C requires that temporary CCC rules be available in the casino hotel facility (under current law such rules are required to be posted in the facility).
- C removes certain prohibitions on casino advertising, for consistency with federal court decisions.
- C clarifies that in certain circumstances a casino licensee may share its player self-exclusion information with an affiliated casino operation in another jurisdiction for the limited purpose of assisting in the proper administration of responsible gaming programs in the other jurisdiction.
- C clarifies ambiguities regarding the issuing of statements of compliance.
- C gives the CCC flexibility in enforcing minimum hotel room requirements required for casino gaming expansion.
- C facilitates conversion of casino hotel employee registrations to casino service employee registrations.
- C clarifies that gaming schools under contract with a casino licensee or applicant to train employees or potential employees require a casino service industry license.

- C changes current annual labor organization registration with the CCC to a biennial registration.
- C gives the CCC and the DGE flexibility to adjust cycle for casino employee license renewals.
- C specifies that 24-hour gaming is permitted in Atlantic City casinos unless otherwise limited by the CCC pursuant to an applicable provision of the Casino Control Act.
- C revises the process for the submission and approval of a casino license applicant's proposed internal procedures and administrative and accounting controls, and a casino licensee's proposed changes to such procedures and controls.
- C permits monitoring rooms for multi-casino progressive slot machine systems to be located in Atlantic City at facilities other than casino hotel facilities.
- C increases from \$1,500 to \$5,000 the daily maximum amount of checks a casino may cash for a patron and provides that no patron shall be permitted to have more than \$5,000 in outstanding checks at any given time.
- C removes authority of the CCC to promulgate regulations to limit the amount of cash complementaries a casino licensee may give to patrons.
- C permits sale within a casino hotel facility of alcoholic beverages in an original and unopened container and clarifies that casino beverage servers may solicit alcoholic beverage orders from casino patrons.
- C eliminates CCC pre-approval of casino licensee employee profit-sharing agreements and permits such agreements with junket representatives who are independent contractors of a casino licensee.
- C revises offenses of swindling and cheating, and use of a device to obtain advantage at casino games.
- C provides that a person on the CCC list of persons to be excluded from a casino who knowingly enters a casino is guilty of a 4th degree crime in all cases.
- C expands prohibition of and penalties for underage gambling.
- C permits the CCC to establish fees to recover costs of the CCC or the DGE that are unrelated to the investigation or consideration of the issuance or renewal of a registration or license.

The bill makes various changes in the law pertaining to casino reinvestment obligations under N.J.S.A.5:12-144.1 and under the "Casino Reinvestment Development Authority Urban Revitalization Act" (N.J.S.A.5:12-173.9 et seq.). Specifically, the bill:

- C increases for all casinos the alternative tax obligation from 30 to 35 years with the obligation for the years 31 through 35 to be 25% to South Jersey, 50% to North Jersey, and 25% to Atlantic City (through the Atlantic City Fund).
- C provides that under the Casino Reinvestment Development

Authority (CRDA) Urban Revitalization Act, when construction on an Atlantic City district project has not commenced within the statutorily required time frame, the CRDA may reassign the project designation to another casino.

- C provides that funding for a district project will run for 20 years from the completion of the project, rather than until December 31, 2022.
- C permits participation in a North Jersey investment fund to meet the requirements of funding a district project in a North Jersey area.
- C permits the CRDA to increase the size of a designated district project area by up to 50% of the existing project area with the agreement of the casino licensee.
- C clarifies that the total proceeds from bonds and investments of a licensee with an approved district project under the incentive program will be devoted as contemplated under previous legislation.

As reported and amended, by this committee, this bill is identical to Senate Bill No. 1656 (1R).

**FISCAL IMPACT:**

The bill makes various changes in the law pertaining to casino reinvestment obligations under N.J.S.A.5:12-144.1 and under the "Casino Reinvestment Development Authority (CRDA) Urban Revitalization Act" (N.J.S.A.5:12-173.9 et seq.). Specifically, the bill:

- C increases for all casinos the alternative tax obligation from 30 to 35 years with the obligation for the years 31 through 35 to be 25% to South Jersey, 50% to North Jersey, and 25% to Atlantic City (through the Atlantic City Fund).
- C provides that under the CRDA Urban Revitalization Act, when construction on an Atlantic City district project has not commenced within the statutorily required time frame, the CRDA may reassign the project designation to another casino.
- C provides that funding for a district project will run for 20 years from the completion of the project, rather than until December 31, 2022.
- C removes the requirement that a casino be licensed prior to a specific date to be eligible for a district project designation.
- C permits participation in a North Jersey investment fund to meet the requirements of funding a district project in a North Jersey area.
- C permits the CRDA to increase the size of a designated district project area by up to 50% of the existing project area with the agreement of the casino licensee, and
- C clarifies that the total proceeds from bonds and investments of a licensee with an approved district project under the incentive program will be devoted as contemplated under previous legislation.

COMMITTEE AMENDMENTS:

The amendments make changes in sections 21, 22 and 26 of the bill.

Section 21 prior to amendment allowed a casino licensee to immediately adopt changes in its internal procedures and controls, giving the commission 30 days to determine whether those changes comply with the provisions of the Casino Control Act. The amendments allow the licensee to implement the changes following the 15th day after submission; the commission will review submitted changes. As amended, the bill provides that if during its review, the commission preliminarily determines that a procedure in the submission contains a substantial and material insufficiency likely to have a direct and materially adverse impact on the integrity of gaming or simulcast wagering operations or the control of gross revenue, the chairman, by written notice to the casino licensee, will: (1) specify the precise nature of the insufficiency and, when possible, an acceptable alternative procedure, (2) schedule a hearing before the full commission no later than 15 days after the date of such written notice to plenary and finally determine whether the procedure in question contains the described insufficiency, and (3) direct that the internal controls in issue not yet implemented not be implemented until approved by the commission. Upon receipt of the notice, the casino licensee will proceed to the scheduled hearing before the full commission and may submit a revised procedure addressing the concerns specified in the notice. The amendments provide that the commission will, by regulation, permit changes to those internal controls that cannot have a material impact upon the integrity of gaming or simulcast wagering operations or the control and reporting of gross revenue to be implemented by a casino licensee immediately upon the preparation and internal filing of such internal controls. Also, each casino licensee and applicant will submit a narrative description of its system of internal procedures and administrative and accounting controls for the recording and reporting of all business transactions and agreements governed by N.J.S.A.5:12-92 (regarding casino service industries) and N.J.S.A.5:12-104 (regarding casino license leases and contracts) no later than five days after those operations commence or after any change in those procedures or controls takes effect.

Section 22 is amended to remove a provision formerly being added to subsection k. of the bill that would otherwise have provided that an unredeemed or outstanding gaming chip, gaming plaque, slot token, prize token or gaming voucher liability of a casino licensee shall not be subject to forfeiture, escheat, or other disposition.

Section 26 is amended to add a new paragraph (9) to subsection a. to provide an exception to the statutory prohibition against certain profit sharing agreements for existing agreements or any renewals thereof relating to the operation of multi-casino progressive slot machine systems between one or more casino licensees and a casino

service industry licensed pursuant to the provisions of subsection a. of N.J.S.A.5:12-92 and provided such agreements are approved by the commission.

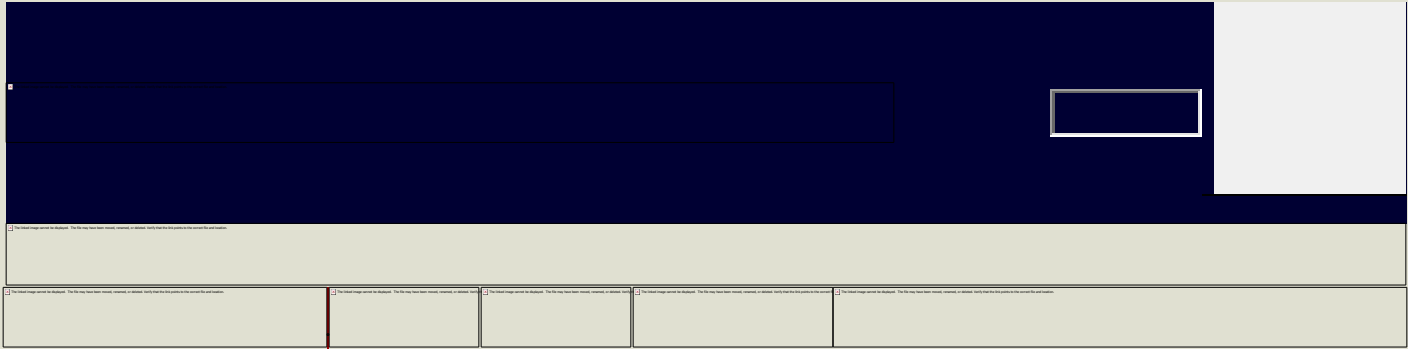
Additionally, the committee amendments omit sections 33, 38 and 39 of the bill.

Section 33 would have removed the requirement that a casino be licensed prior to January 1, 2001 to be eligible for an entertainment-retail district project designation by the CRDA.

Section 38 provided that the CCC, the DGE and the CRDA would report on the implementation of this bill after enactment to the Senate Judiciary Committee and that this committee would take such actions to provide for effective legislative oversight over the implementation of the act as it deemed appropriate.

Section 39 would have repealed existing sections concerning women and minority-owned business set-aside requirements for casino contracts. Although these requirements have been declared unconstitutional by the U.S. 3rd Circuit Court of Appeals, the committee has decided not to repeal these provisions at this time.





 **Press Releases**



PO BOX 004  
TRENTON, NJ 08625

Contact: Paul Aronsohn  
609-777-2600

RELEASE: August 14, 2002

[Previous Screen](#)

**McGreevey Signs Casino Gaming Legislation**

(ATLANTIC CITY) — Joined by Senator Richard Codey and Senator William Gormley, Governor James E. McGreevey today signed legislation to streamline the regulation of the casino industry.

“This legislation ensures the competitiveness of Atlantic City and the New Jersey gaming industry,” said McGreevey. “Most importantly, the law streamlines the casino industry regulations to ensure accountability while lessening cumbersome bureaucratic red tape. The Administration is committed to the economic vitality of Atlantic City and to working cooperatively with the gaming industry to increase private capital investment into Atlantic City.”

“This legislation is part of a continuing trend,” said Codey, who co-sponsored the bill. “We are trying to make Atlantic City more competitive without giving away any of the State controls that would jeopardize the integrity of the industry.”

The legislation signed today by Governor McGreevey, Senate Bill 1656, makes several changes to the Casino Control Act and to the Casino Reinvestment Act while enhancing gaming related statutes.

“This legislation represents a streamlining of regulatory process that will further enhance the viability of investing in Atlantic City, without sacrificing the necessary safeguards of integrity,” said Gormley, bill sponsor.

The new law permits merchandise or other items of value to be used as payoffs of winning wagers at table games, removes certain prohibitions on casino advertising for consistency with federal court decisions and provides the Casino Control Commission with the flexibility to enforce minimum hotel room requirements necessary for casino gaming expansion.

The bill also makes changes in the law pertaining to casino reinvestment obligations under the investment alternative tax law and under the “Casino Reinvestment Development Authority (CRDA) Urban Revitalization Act”. The bill provides that under the CRDA Urban Revitalization Act, when construction on an Atlantic City district project has not commenced within the statutorily required time frame, the CRDA may reassign the project designation to another casino. It also permits the CRDA to increase the size of a designated district project area by up to fifty percent of the existing project area with the agreement of the casino licensee.



State of New Jersey Governor's Office

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