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REPORTS: No

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NEWSPAPER ARTICLES: Yes

"New law keeps Atlantic City casinos open no matter what," Asbury Park Press, 6-28-08, p.A3

"New Jersey casinos to stay open if government shuts down," Courier News, 6-28-08, p.A3

Law keeps casinos open is state shuts," The Philadelphia Inquirer, 6-28-08, p.____

"Corzine signs bill that keeps casinos open," Home News Tribune, 6-28-08, p.____

"Casinos are now budget-proof," The Record, 6-28-08, p.A03

"A.C. now always turned on," The Press, 6-28-08, p.A1

"New law will shield resort casinos from the budget turmoil," The Star Ledger, 6-28-08, p.9

"New law will shield casinos from budget turmoil," The Times, 6-28-08, p.A05

"Corzine signs bill to make casinos shutdown-proof," Gloucester County Times, 6-28-08, p.A1

LAW

Title 5.
Chapter 12.
Article 15. (New)
State of
Emergency
Operations
§§4-9, 11 -
C.5:12-211 to
5:12-217
§10 - C.5:5-22.3

P.L. 2008, CHAPTER 23, *approved June 27, 2008*
Senate, No. 1463 (*First Reprint*)

1 AN ACT providing for continued operation of casinos ¹and
2 racetracks¹ in the event ¹[of an] that a state of¹ emergency ¹[,
3 including a shutdown of State government] is declared¹ due to
4 the failure ¹[of the Governor and the Legislature] ¹to enact a
5 general appropriation law ¹by the deadline prescribed in the New
6 Jersey Constitution¹, and amending and supplementing P.L.1977,
7 c.110 ¹, and supplementing chapter 5 of Title 5 of the Revised
8 Statutes¹.

9
10 **BE IT ENACTED** by the Senate and General Assembly of the State
11 of New Jersey:

12
13 1. Section 63 of P.L.1977, c.110 (C.5:12-63) is amended to
14 read as follows:

15 63. Duties of the Commission. The Casino Control Commission
16 shall have general responsibility for the implementation of this act,
17 as hereinafter provided, including, without limitation, the
18 responsibility:

19 a. To hear and decide promptly and in reasonable order all
20 license, registration, certificate, and permit applications and causes
21 affecting the granting, suspension, revocation, or renewal thereof;

22 b. To conduct all hearings pertaining to civil violations of this
23 act or regulations promulgated hereunder;

24 c. To promulgate such regulations as in its judgment may be
25 necessary to fulfill the policies of this act;

26 d. To collect all license and registration fees and taxes imposed
27 by this act and the regulations issued pursuant hereto;

28 e. To levy and collect penalties for the violation of provisions
29 of this act and the regulations promulgated hereunder;

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

Matter underlined thus is new matter.

Matter enclosed in superscript numerals has been adopted as follows:

¹Senate SBA committee amendments adopted June 9, 2008.

1 f. To be present through its inspectors and agents at all times,
2 except as provided by section '12] 4' of P.L. , c. (C.)
3 (pending before the Legislature as this bill), during the operation of
4 any casino or simulcasting facility for the purpose of certifying the
5 revenue thereof, receiving complaints from the public relating to the
6 conduct of gaming and simulcast wagering operations, examining
7 records of revenues and procedures, and conducting periodic
8 reviews of operations and facilities for the purpose of evaluating
9 current or suggested provisions of P.L.1977, c.110 (C.5:12-1 et
10 seq.) and the regulations promulgated thereunder;

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

14 h. To review and rule upon any complaint by a casino licensee
15 regarding any investigative procedures of the division which are
16 unnecessarily disruptive of casino or simulcasting facility
17 operations. The need to inspect and investigate shall be presumed
18 at all times. The disruption of a licensee's operations shall be
19 proved by clear and convincing evidence, which evidence shall
20 establish that: (1) the procedures had no reasonable law
21 enforcement purpose, and (2) the procedures were so disruptive as
22 to inhibit unreasonably casino or simulcasting facility operations;
23 and

24 i. To ensure that there is no duplication of duties and
25 responsibilities between it and the division.
26 (cf: P.L.1995, c.18, s.14)

27

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

30 99. Internal Controls.

31 a. Each applicant for a casino license shall submit to the
32 commission a description of its initial system of internal procedures
33 and administrative and accounting controls for gaming and
34 simulcast wagering operations accompanied by a certification by its
35 Chief Legal Officer or equivalent that the submitted procedures
36 conform to the requirements of this act, P.L.1977, c.110 (C.5:12-1
37 et seq.), and the regulations promulgated thereunder, and a
38 certification by its Chief Financial Officer or equivalent that the
39 submitted procedures provide adequate and effective controls,
40 establish a consistent overall system of internal procedures and
41 administrative and accounting controls and conform to generally
42 accepted accounting principles. Each applicant shall make its initial
43 submission at least 30 days before such operations are to commence
44 unless otherwise directed by the commission. Except as otherwise
45 provided in subsection b. of this section, a casino licensee, upon
46 submission to the commission of a narrative description of a change
47 in its system of internal procedures and controls and the two
48 certifications described above, may, following the 15th day after
49 submission, implement the change. Each initial internal control

1 submission shall contain a narrative description of the internal
2 control system to be utilized by the casino, including, but not
3 limited to:

4 (1) Accounting controls, including the standardization of forms
5 and definition of terms to be utilized in the gaming and simulcast
6 wagering operations;

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

13 (3) Job descriptions and the system of personnel and chain-of-
14 command, establishing a diversity of responsibility among
15 employees engaged in casino or simulcasting facility operations and
16 identifying primary and secondary supervisory positions for areas
17 of responsibility, which areas shall not be so extensive as to be
18 impractical for an individual to monitor; salary structure; and
19 personnel practices;

20 (4) Procedures within the cashier's cage and simulcast facility
21 for the receipt, storage and disbursal of chips, cash, and other cash
22 equivalents used in gaming and simulcast wagering; the cashing of
23 checks; the redemption of chips and other cash equivalents used in
24 gaming and simulcast wagering; the pay-off of jackpots and
25 simulcast wagers; and the recording of transactions pertaining to
26 gaming and simulcast wagering operations;

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

29 (6) Procedures for the transfer and recordation of chips between
30 the gaming tables and the cashier's cage and the transfer and
31 recordation of moneys within the simulcasting facility;

32 (7) Procedures for the transfer of moneys from the gaming
33 tables to the counting process and the transfer of moneys within the
34 simulcasting facility for the counting process;

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

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

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

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

44 (12) Procedures for the payment and recordation of slot machine
45 jackpots;

46 (13) Procedures for the cashing and recordation of checks
47 exchanged by casino and simulcasting facility patrons;

48 (14) Procedures governing the utilization of the private security
49 force within the casino and simulcasting facility;

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

4 (16) Procedures and rules governing the conduct of particular
5 games and simulcast wagering and the responsibility of casino
6 personnel in respect thereto; **[and]**

7 (17) Procedures for separately recording all transactions pursuant
8 to section 101 of this act involving the Governor, any State officer
9 or employee, or any special State officer or employee, any member
10 of the Judiciary, any member of the Legislature, any officer of a
11 municipality or county in which casino gaming is authorized, or any
12 gaming related casino employee, and for the quarterly filing with
13 the Attorney General of a list reporting all such transactions; and

14 (18) Procedures for the orderly shutdown of casino operations in
15 the event that a state of emergency that is declared due to the failure
16 to enact a general appropriation law by the deadline prescribed by
17 Article VIII, Section II, paragraph 2 of the New Jersey Constitution
18 extends for more than seven days, as provided in section 4
19 of P.L. , c. (C.) (pending before the Legislature as this bill),
20 or the casino licensee is not eligible to conduct casino operations
21 during such a state of emergency in accordance with section 5 of
22 P.L. , c. (C.) (pending before the Legislature as this bill),
23 which procedures shall include, without limitation, the securing of
24 all keys and gaming assets.

25 b. The commission shall review a submission made pursuant to
26 subsection a. to determine whether it conforms to the requirements
27 of this act and to the regulations promulgated thereunder and
28 provides adequate and effective controls for the operations of the
29 particular casino hotel submitting it. If during its review, the
30 commission preliminarily determines that a procedure in the
31 submission contains a substantial and material insufficiency likely
32 to have a direct and materially adverse impact on the integrity of
33 gaming or simulcast wagering operations or the control of gross
34 revenue, the chairman, by written notice to the casino licensee,
35 shall: (1) specify the precise nature of the insufficiency and, when
36 possible, an acceptable alternative procedure, (2) schedule a hearing
37 before the full commission no later than 15 days after the date of
38 such written notice to plenary and finally determine whether the
39 procedure in question contains the described insufficiency, and (3)
40 direct that the internal controls in issue not yet implemented not be
41 implemented until approved by the commission. Upon receipt of
42 the notice, the casino licensee shall proceed to the scheduled
43 hearing before the full commission and may submit a revised
44 procedure addressing the concerns specified in the notice.

45 c. Notwithstanding the provisions of subsections a. and b.
46 hereof, the commission shall, by regulation, permit changes to those
47 internal controls required by subsection a. hereof that cannot have a
48 material impact upon the integrity of gaming or simulcast wagering
49 operations or the control and reporting of gross revenue, including

1 those internal controls described in paragraph (3) of subsection a.
2 hereof, to be implemented by a casino licensee immediately upon
3 the preparation and internal filing of such internal controls.

4 d. Each casino licensee and applicant shall submit a narrative
5 description of its system of internal procedures and administrative
6 and accounting controls for the recording and reporting of all
7 business transactions and agreements governed by sections 92 and
8 104 of P.L.1977, c.110 (C.5:12-92 and 5:12-104, as amended) no
9 later than five days after those operations commence or after any
10 change in those procedures or controls takes effect.¹
11 (cf: P.L.2002, c.65, s.21)
12

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

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

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

46 Notwithstanding any other provision of this section, equipment
47 which supports a multi-casino progressive slot system and links and
48 interconnects slot machines of two or more casino licensees but is
49 inaccessible to patrons, such as computers, may, with the approval

1 of the commission, be possessed, maintained and operated by a
2 casino licensee either in a restricted area on the premises of a casino
3 hotel or in a secure facility specifically designed for that purpose
4 off the premises of a casino hotel but within the city limits of the
5 City of Atlantic City.

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

11 c. Each casino hotel shall contain a count room and such other
12 secure facilities as may be required by the commission for the
13 counting and storage of cash, coins, tokens and checks received in
14 the conduct of gaming and for the inspection, counting and storage
15 of dice, cards, chips and other representatives of value. All drop
16 boxes and other devices wherein cash, coins, or tokens are
17 deposited at the gaming tables or in slot machines, and all areas
18 wherein such boxes and devices are kept while in use, shall be
19 equipped with two locking devices, one key to which shall be under
20 the exclusive control of the commission and the other under the
21 exclusive control of the casino licensee, and said drop boxes and
22 other devices shall not be brought into or removed from a casino
23 room or simulcasting facility, or locked or unlocked, except at such
24 times, in such places, and according to such procedures as the
25 commission may require. In the event that a state of emergency is
26 declared due to the failure to enact a general appropriation law by
27 the deadline prescribed by Article VIII, Section II, paragraph 2 of
28 the New Jersey Constitution, the commission, in accordance with
29 section 4 of P.L. , c. (C.) (pending before the Legislature as
30 this bill), may, at its discretion, and as may be necessary to ensure
31 the continuity of casino operations and the collection and counting
32 of gross revenue, give temporary custody of its key to a certified
33 public accountant approved by the commission, who shall act in the
34 capacity of the commission with respect to the use, control and
35 security of the key in accordance with internal controls approved by
36 the commission in accordance with section 5 of P.L. , c. (C.)
37 (pending before the Legislature as this bill).

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

41 e. All gaming shall be conducted according to rules
42 promulgated by the commission. All wagers and pay-offs of
43 winning wagers shall be made according to rules promulgated by
44 the commission, which shall establish such limitations as may be
45 necessary to assure the vitality of casino operations and fair odds to
46 patrons. Each slot machine shall have a minimum payout of 83%.

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

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

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

15 h. (1) Except as herein provided, no slot machine shall be used
16 to conduct gaming unless it is identical in all electrical, mechanical
17 and other aspects to a model thereof which has been specifically
18 tested by the division and licensed for use by the commission. The
19 division may, in its discretion, and for the purpose of expediting the
20 approval process, utilize the services of any testing laboratory with
21 a plenary license as a casino service industry pursuant to subsection
22 a. of section 92 of P.L.1977, c.110 (C.5:12-92) when testing a slot
23 machine model. The division shall, within 60 days of its receipt of
24 a complete application for the testing of a slot machine model,
25 recommend the approval or rejection of the slot machine model to
26 the commission. If the division is unable to complete the testing of
27 a slot machine model within this 60-day period, the division may
28 recommend that the commission conditionally approve the slot
29 machine model for test use by a casino licensee provided that the
30 division represents that the use of the slot machine model will not
31 have a direct and materially adverse impact on the integrity of
32 gaming or the control of gross revenue. The division shall give
33 priority to the testing of slot machines which a casino licensee has
34 certified it will use in its casino in this State. The commission
35 shall, by regulation, establish such technical standards for licensure
36 of slot machines, including mechanical and electrical reliability,
37 security against tampering, the comprehensibility of wagering, and
38 noise and light levels, as it may deem necessary to protect the
39 player from fraud or deception and to insure the integrity of
40 gaming. The denominations of such machines shall be set by the
41 licensee; the licensee shall simultaneously notify the commission of
42 the settings.

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

- 46 (a) promote optimum security for casino operations;
- 47 (b) avoid deception or frequent distraction to players at gaming
48 tables;
- 49 (c) promote the comfort of patrons;

1 (d) create and maintain a gracious playing environment in the
2 casino; and

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

6 Any such regulation promulgated by the commission which
7 determines the permissible number and density of slot machines in a
8 licensed casino shall provide that all casino floor space and all
9 space within a casino licensee's casino simulcasting facility shall be
10 included in any calculation of the permissible number and density
11 of slot machines in a licensed casino.

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

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

14 k. It shall be unlawful for any person to exchange or redeem
15 chips for anything whatsoever, except for currency, negotiable
16 personal checks, negotiable counter checks, other chips, coupons or
17 complimentary vouchers distributed by the casino licensee, or, if
18 authorized by regulation of the commission, a valid charge to a
19 credit or debit card account. A casino licensee shall, upon the
20 request of any person, redeem that licensee's gaming chips
21 surrendered by that person in any amount over \$100 with a check
22 drawn upon the licensee's account at any banking institution in this
23 State and made payable to that person.

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

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

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

1 or in any other casino or simulcasting facility in this State which is
2 owned or operated by the same casino licensee.

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

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

18 p. Any slot system operator that offers an annuity jackpot shall
19 secure the payment of such jackpot by establishing an annuity
20 jackpot guarantee in accordance with the requirements of this act,
21 P.L.1977, c.110 (C.5:12-1 et seq.), and the rules of the
22 commission.¹

23 (cf: P.L.2005, c.31, s.3)

24

25 ¹[2.] 4.¹ (New section) In the event ¹[of an] that a state of¹
26 emergency ¹[, including a shutdown of State government] is
27 declared¹ due to the failure ¹[of the Governor and the Legislature]¹
28 to enact a general appropriation law by the deadline prescribed
29 ¹[in] by Article VIII, Section II, paragraph 2 of¹ the New Jersey
30 Constitution, ¹[casino and simulcasting facilities shall remain open
31 and in full operation] that prevents inspectors, agents, or other
32 employees of the commission and the division from performing
33 their normal duties, a casino licensee may continue to conduct
34 casino and simulcast operations for a period not to exceed seven
35 calendar days,¹ notwithstanding that ¹the¹ inspectors, agents ¹,¹ or
36 other employees of the ¹[Casino Control Commission or the
37 Division of Gaming Enforcement are not performing the functions
38 usually required for the operation of those facilities, and licensees]
39 commission and the division are unable to perform their functions,
40 provided that the casino licensee has complied with section 5 of
41 P.L. , c. (C.) (pending before the Legislature as this bill),
42 and that the casino licensee and its employees¹ shall continue to
43 comply with all relevant provisions of the New Jersey Constitution
44 and ¹[of]¹ all relevant State statutes ¹[,] and¹ regulations ¹[and
45 policies]¹ and shall maintain detailed records of that compliance.

46 If, during any period of time that casino and simulcasting
47 facilities remain open pursuant to the provisions of this section, ¹[it

1 shall come to the attention of]¹ the Governor 'determines' that the
2 holder of a casino license, or any licensed employee thereof, may be
3 engaged in what the Governor believes to be a '[serious]' violation
4 of any State statute '[,] or' regulation '[or policy]' governing the
5 operation of those facilities 'that would ordinarily subject a licensee
6 to a possible suspension or revocation of its license', the Governor
7 shall have the authority to summarily suspend the license of that
8 casino or employee until such time as it is rescinded by the
9 Governor, or the 'state of' emergency ceases and the commission or
10 the division, as appropriate, is able to address the matter.

11 Any violation of a statute '[,] or' regulation '[or policy]' that
12 would ordinarily subject a licensee to a fine, but which occurs while
13 a facility remains open during '[an] a state of' emergency
14 'pursuant to this section, which is not reported by the casino
15 licensee in accordance with its approved internal control
16 procedures', shall be punishable by a fine of 'no less than five
17 times and' up to ten times the amount of the usual fine ' , depending
18 on the nature and seriousness of the violation'. When the 'state of'
19 emergency ceases, 'casino' licensees shall be responsible for any
20 costs associated with re-implementing onsite State inspections.

21

22 '5. (New section) In order for a casino licensee to conduct
23 casino and simulcast operations during a state of emergency as
24 authorized in section 4 of P.L. , c. (C.) (pending before the
25 Legislature as this bill), it shall obtain commission approval of
26 internal controls prior to the state of emergency, which shall
27 become effective only during the state of emergency, that contain,
28 without limitation:

29 a. Procedures for the casino licensee and its employees to
30 report any violation of a statute or regulation to the casino
31 licensee's chief legal officer and audit committee executive, who
32 shall report any such violations to the Governor immediately and to
33 the commission and division when the state of emergency ceases.

34 b. Procedures for the casino licensee to engage a certified
35 public accountant approved by the commission, which procedures
36 shall provide sufficient safeguards to ensure that the public's
37 interest in the integrity of casino operations is served, and shall
38 include but not be limited to a criminal history record background
39 check to be conducted in accordance with the authority provided
40 under paragraph (5) of subsection b. of section 89 of P.L.1977,
41 c.110 (C.5:12-89), to perform the following functions during the
42 state of emergency:

43 (1) Act in the capacity of the commission whenever the
44 presence of an inspector, agent or employee of the commission is
45 normally required to perform an activity including, without
46 limitation, the collection and counting of gross revenue;

- 1 (2) Perform any other functions in accordance with instructions
2 issued by the commission prior to the state of emergency; and
3 (3) Maintain a written record of all activity performed.
4 c. Procedures for the surveillance department of the casino
5 licensee to record any activity that involves the participation of the
6 certified public accountant and to provide the recordings to the
7 commission when the state of emergency ceases.
8 d. Procedures for providing any evidence of tampering or
9 cheating that occurs during the state of emergency to the certified
10 public accountant, who shall preserve such evidence for the
11 commission and division.
12 e. Procedures to ensure that a designee of the casino licensee's
13 chief legal officer is available at all times to receive any complaint
14 from the public relating to the conduct of casino operations. Any
15 such patron complaint shall be forwarded to the chief legal officer,
16 who shall promptly file it with the commission when the state of
17 emergency ceases.
18 f. Procedures for withholding the payment of slot machine
19 jackpots greater than \$75,000 during the state of emergency, which
20 shall be posted in the casino advising patrons of the temporary
21 jackpot payout procedures. Such procedures shall include, without
22 limitation, issuance of a written receipt to the winning patron and
23 withholding payment of the jackpot until the state of emergency
24 ceases and the division has had the opportunity to inspect the slot
25 machine on which the jackpot was won.
26 g. Procedures for staffing both the surveillance and casino
27 security departments with at least one additional officer at all times
28 during the state of emergency.¹
29
30 ¹6. (New section) During any period of operations authorized
31 by section 4 of P.L. , c. (C.) (pending before the Legislature
32 as this bill), a casino licensee shall not:
33 a. Amend or seek permission to amend: (1) any submission
34 required by section 99 of P.L.1977, c.110 (C.5:12-99); or (2) its
35 operation certificate.
36 b. Modify the configuration of its gaming floor or the gaming
37 assets located thereon in any manner whatsoever.
38 c. Perform any activity that requires a pre-inspection by the
39 commission to ensure that surveillance camera coverage is
40 adequate.
41 d. Perform any modification to any casino computer system or
42 multi-casino progressive slot system, except in the event of an
43 emergency that, in the opinion of its chief gaming executive and the
44 director of its Management Information Systems department, could
45 affect the integrity of casino or simulcasting operations or the
46 collection and certification of gross revenue.
47 e. Perform an adjustment to the amount on the progressive
48 meter of any slot machine; provided, however, notwithstanding any
49 commission regulation to the contrary, if a casino licensee

1 reasonably believes a progressive meter is displaying an incorrect
2 amount, it may take the progressive slot machine out of service
3 until the state of emergency ceases.

4 f. Conduct any gaming tournament or other activity that
5 requires commission approval, unless the tournament or activity has
6 been approved by the commission prior to the commencement of
7 the state of emergency.¹

8
9 ¹7. (New section) During any period of operations authorized
10 by section 4 of P.L. , c. (C.) (pending before the Legislature
11 as this bill), no transfer of property shall occur that would otherwise
12 require the issuance of interim casino authorization pursuant to
13 section 3 of P.L.1987, c.409 (C.5:12-95.12) prior to such transfer.¹

14
15 ¹8. (New section) In the event a state of emergency is declared
16 due to the failure to enact a general appropriation law by the
17 deadline prescribed by Article VIII, Section II, paragraph 2 of the
18 New Jersey Constitution, the duration of the state of emergency
19 shall not be included in the calculation of the time period required
20 by any law, rule or regulation for:

21 a. Action by the Casino Control Commission or the Division of
22 Gaming Enforcement on any pending application or submission;
23 and

24 b. The filing of any application or other required submission
25 with the Casino Control Commission or the Division of Gaming
26 Enforcement by any person.¹

27
28 ¹9. (New section) Notwithstanding any provision of the
29 "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et
30 seq.) to the contrary, the Casino Control Commission may adopt
31 immediately upon filing with the Office of Administrative Law
32 such regulations as the commission deems necessary to implement
33 the provisions of this act, which shall be effective for a period not
34 to exceed 270 days following enactment of P.L. , c. (pending
35 before the Legislature as this bill), and may thereafter be amended,
36 adopted, or readopted by the commission in accordance with the
37 requirements of the "Administrative Procedure Act," P.L.1968,
38 c.410 (C.52:14B-1 et seq.).¹

39
40 ¹10. (New section) a. In the event that a state of emergency is
41 declared due to the failure to enact a general appropriation law by
42 the deadline prescribed by Article VIII, Section II, paragraph 2 of
43 the New Jersey Constitution, that prevents employees of the New
44 Jersey Racing Commission from performing their normal duties, a
45 holder of a permit to conduct a horse race meeting may continue to
46 hold scheduled races and simulcast operations for a period not to
47 exceed seven calendar days, notwithstanding that employees of the
48 commission are unable to perform the functions usually required for

1 the conduct of horse racing in this State, provided that the permit
2 holder has complied with subsection b. of this section, and that the
3 permit holder and its employees shall continue to comply with all
4 relevant provisions of the New Jersey Constitution and all relevant
5 State statutes and regulations, and shall maintain detailed records of
6 that compliance.

7 If, during any period of time that racetrack facilities remain open
8 pursuant to the provisions of this section, the Governor determines
9 that a permit holder, or any employee thereof, may be engaged in
10 what the Governor believes to be a violation of any State statute or
11 regulation governing the operation of those facilities and the
12 conduct of horse racing in this State, that would ordinarily subject a
13 permit holder or employee to a possible suspension or revocation of
14 its permit or license, the Governor shall have the authority to
15 summarily suspend the permit or license of that permit holder or
16 employee until such time as it is rescinded by the Governor, or the
17 state of emergency ceases and the commission is able to address the
18 matter.

19 Any violation of a statute or regulation that would ordinarily
20 subject a permit holder or licensee to a fine, but which occurs while
21 a racetrack facility remains open during a state of emergency
22 pursuant to this section, which is not reported by the permit holder
23 or licensee in accordance with commission rules and regulations
24 pursuant to subsection b. of this section, shall be punishable by a
25 fine of no less than five times and up to ten times the amount of the
26 usual fine, depending on the nature and seriousness of the violation.
27 When the state of emergency ceases, permit holders shall be
28 responsible for any costs associated with implementing the
29 provisions of this section, including any costs accrued by the
30 commission and associated with re-implementing commission
31 functions and duties.

32 b. Notwithstanding any law, rule, or regulation to the contrary,
33 the New Jersey Racing Commission may develop, through rules and
34 regulations, the necessary standards, criteria, safeguards, and
35 procedures that a permit holder shall meet prior to, and as a
36 condition of, being eligible to continue to conduct horse racing
37 operations in this State in the event that a state of emergency is
38 declared, as provided in subsection a. of this section, and
39 commission employees are not able to perform their usual
40 functions. Notwithstanding any provision of the "Administrative
41 Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.) to the
42 contrary, the commission may adopt immediately upon filing with
43 the Office of Administrative Law such rules and regulations as the
44 commission deems necessary to implement the provisions of this
45 section, which shall be effective for a period not to exceed 270 days
46 following enactment of P.L. , c. (pending before the Legislature
47 as this bill), and may thereafter be amended, adopted, or readopted
48 by the commission in accordance with the requirements of the

1 "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et
2 seq.).¹

3

4 '[3.] 11.' This act shall take effect immediately 'and shall
5 continue in full force and effect unless superseded by constitutional
6 amendment¹.

7

8

9

10

11 Provides that in the event a state of emergency is declared due to
12 failure to enact appropriation law casinos and racetracks may
13 remain open under certain conditions.

SENATE, No. 1463

STATE OF NEW JERSEY 213th LEGISLATURE

INTRODUCED MARCH 3, 2008

Sponsored by:

Senator JIM WHELAN

District 2 (Atlantic)

Senator JOHN A. GIRGENTI

District 35 (Bergen and Passaic)

SYNOPSIS

Provides that in event of emergency including State government shutdown due to failure to enact appropriation law casinos may remain open under certain conditions.

CURRENT VERSION OF TEXT

As introduced.



1 AN ACT providing for continued operation of casinos in the event of
2 an emergency, including a shutdown of State government due to
3 the failure of the Governor and the Legislature to enact a general
4 appropriation law, and amending and supplementing P.L.1977,
5 c.110.

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

9
10 1. Section 63 of P.L.1977, c.110 (C.5:12-63) is amended to read
11 as follows:

12 63. Duties of the Commission. The Casino Control Commission
13 shall have general responsibility for the implementation of this act,
14 as hereinafter provided, including, without limitation, the
15 responsibility:

16 a. To hear and decide promptly and in reasonable order all
17 license, registration, certificate, and permit applications and causes
18 affecting the granting, suspension, revocation, or renewal thereof;

19 b. To conduct all hearings pertaining to civil violations of this
20 act or regulations promulgated hereunder;

21 c. To promulgate such regulations as in its judgment may be
22 necessary to fulfill the policies of this act;

23 d. To collect all license and registration fees and taxes imposed
24 by this act and the regulations issued pursuant hereto;

25 e. To levy and collect penalties for the violation of provisions of
26 this act and the regulations promulgated hereunder;

27 f. To be present through its inspectors and agents at all times,
28 except as provided by section 2 of P.L. , c. (C.) (pending
29 before the Legislature as this bill), during the operation of any
30 casino or simulcasting facility for the purpose of certifying the
31 revenue thereof, receiving complaints from the public relating to the
32 conduct of gaming and simulcast wagering operations, examining
33 records of revenues and procedures, and conducting periodic
34 reviews of operations and facilities for the purpose of evaluating
35 current or suggested provisions of P.L.1977, c.110 (C.5:12-1 et
36 seq.) and the regulations promulgated thereunder;

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

40 h. To review and rule upon any complaint by a casino licensee
41 regarding any investigative procedures of the division which are
42 unnecessarily disruptive of casino or simulcasting facility
43 operations. The need to inspect and investigate shall be presumed
44 at all times. The disruption of a licensee's operations shall be
45 proved by clear and convincing evidence, which evidence shall

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 establish that: (1) the procedures had no reasonable law
2 enforcement purpose, and (2) the procedures were so disruptive as
3 to inhibit unreasonably casino or simulcasting facility operations;
4 and

5 i. To ensure that there is no duplication of duties and
6 responsibilities between it and the division.

7 (cf: P.L.1995, c.18, s.14)

8

9 2. (New section) In the event of an emergency, including a
10 shutdown of State government due to the failure of the Governor
11 and the Legislature to enact a general appropriation law by the
12 deadline prescribed in the New Jersey Constitution, casino and
13 simulcasting facilities shall remain open and in full operation
14 notwithstanding that inspectors, agents or other employees of the
15 Casino Control Commission or the Division of Gaming
16 Enforcement are not performing the functions usually required for
17 the operation of those facilities, and licensees shall continue to
18 comply with all relevant provisions of the New Jersey Constitution
19 and of all relevant State statutes, regulations and policies and shall
20 maintain detailed records of that compliance.

21 If, during any period of time that casino and simulcasting
22 facilities remain open pursuant to the provisions of this section, it
23 shall come to the attention of the Governor that the holder of a
24 casino license, or any licensed employee thereof, may be engaged in
25 what the Governor believes to be a serious violation of any State
26 statute, regulation or policy governing the operation of those
27 facilities, the Governor shall have the authority to summarily
28 suspend the license of that casino or employee until such time as it
29 is rescinded by the Governor, or the emergency ceases and the
30 commission or the division, as appropriate, is able to address the
31 matter.

32 Any violation of a statute, regulation or policy that would
33 ordinarily subject a licensee to a fine, but which occurs while a
34 facility remains open during an emergency, shall be punishable by a
35 fine of up to ten times the amount of the usual fine. When the
36 emergency ceases, licensees shall be responsible for any costs
37 associated with re-implementing onsite State inspections.

38

39 3. This act shall take effect immediately.

40

41

42

STATEMENT

43

44 This bill provides that in the event of an emergency, including a
45 shutdown of State government due to the failure of the Governor
46 and the Legislature to enact a general appropriation law by the
47 deadline prescribed in the New Jersey Constitution, casino and
48 simulcasting facilities will remain open and in full operation
49 notwithstanding that inspectors, agents or other employees of the

1 Casino Control Commission or the Division of Gaming
2 Enforcement are not performing the functions usually required for
3 the operation of those facilities and licensees will continue to
4 comply with all relevant provisions of the New Jersey Constitution
5 and of all relevant State statutes, regulations and policies and will
6 maintain detailed records of that compliance.

7 In addition, the bill gives the Governor the authority to
8 summarily suspend the license of any casino or of any licensed
9 employee thereof if, during any period of time that casino and
10 simulcasting facilities remain open as permitted by the bill, it comes
11 to the Governor's attention that the licensee may be engaged in
12 what the Governor believes to be a serious violation of any State
13 statute, regulation or policy governing the operation of those
14 facilities. The suspension would continue until it is rescinded by
15 the Governor or the emergency ceases and the commission or the
16 division, as appropriate, is able to address the matter.

17 Any violation of a statute, regulation or policy that would
18 ordinarily subject a licensee to a fine, but which occurs while a
19 facility remains open during an emergency, will be punishable by a
20 fine of up to ten times the amount of the usual fine. When the
21 emergency ceases, licensees will be responsible for any costs
22 associated with re-implementing onsite State inspections.

SENATE WAGERING, TOURISM AND HISTORIC
PRESERVATION COMMITTEE

STATEMENT TO

SENATE, No. 1463

STATE OF NEW JERSEY

DATED: MARCH 10, 2008

The Senate Wagering, Tourism & Historic Preservation Committee reports favorably Senate Bill No. 1463.

This bill provides that in the event of an emergency, including a shutdown of State government due to the failure of the Governor and the Legislature to enact a general appropriation law by the deadline prescribed in the New Jersey Constitution, casino and simulcasting facilities will remain open and in full operation notwithstanding that inspectors, agents or other employees of the Casino Control Commission or the Division of Gaming Enforcement are not performing the functions usually required for the operation of those facilities and licensees will continue to comply with all relevant provisions of the New Jersey Constitution and of all relevant State statutes, regulations and policies and will maintain detailed records of that compliance.

In addition, the bill gives the Governor the authority to summarily suspend the license of any casino or of any licensed employee thereof if, during any period of time that casino and simulcasting facilities remain open as permitted by the bill, it comes to the Governor's attention that the licensee may be engaged in what the Governor believes to be a serious violation of any State statute, regulation or policy governing the operation of those facilities. The suspension would continue until it is rescinded by the Governor or the emergency ceases and the commission or the division, as appropriate, is able to address the matter.

Any violation of a statute, regulation or policy that would ordinarily subject a licensee to a fine, but which occurs while a facility remains open during an emergency, will be punishable by a fine of up to ten times the amount of the usual fine. When the emergency ceases, licensees will be responsible for any costs associated with re-implementing onsite State inspections.

SENATE BUDGET AND APPROPRIATIONS COMMITTEE

STATEMENT TO

SENATE, No. 1463

with committee amendments

STATE OF NEW JERSEY

DATED: JUNE 9, 2008

The Senate Budget and Appropriations Committee reports favorably Senate Bill No. 1256, with committee amendments.

As amended by the committee, this bill provides that in the event that a state of emergency is declared due to the failure to enact a general appropriation law by the deadline prescribed in the New Jersey Constitution, casino and racetrack facilities may remain open for a period not to exceed seven calendar days, notwithstanding that inspectors, agents or other employees of the Casino Control Commission, the Division of Gaming Enforcement, and the New Jersey Racing Commission, as appropriate, are not performing the functions usually required for the operation of those facilities. The bill establishes various procedures and compliance requirements unique to casino and racetrack facility operations that would apply during the state of emergency.

As amended by the committee, and with respect to casino operations, the bill provides that in order to conduct casino and simulcasting operations during the state of emergency, a casino licensee must have in place various internal control procedures previously approved by the Casino Control Commission for the casino licensee and its employees to: (1) engage a certified public accountant approved by the commission, who will act in the capacity of the commission whenever the presence of an inspector, agent or employee of the commission or the division, as appropriate, is normally required to perform an activity including, but not limited to, the collection and counting of gross revenue; (2) record any activity that involves the participation of the certified public accountant; (3) document and provide evidence of tampering or cheating to the certified public accountant; (4) immediately report any violation of a statute or regulation to the casino licensee's chief legal officer, audit committee executive, and to the Governor, and to the commission when the state of emergency ceases; (5) withhold the payment of slot machine jackpots greater than \$75,000 until the state of emergency ceases; (6) staff the surveillance and casino security departments with at least one additional officer; and (7) receive complaints from the public

relating to the conduct of casino operations, among other internal control measures. A casino licensee would not be permitted to continue operations during the state of emergency without prior commission approval of its internal control measures and would be required to close in that event.

Furthermore, the bill prohibits a casino licensee from undertaking certain activities during the state of emergency, such as: (1) making any change that would require a surveillance camera pre-inspection by the commission; (2) amending or seeking to amend its operation certificate; (3) modifying the gaming floor configuration, computer system, or multi-casino progressive slot system; (4) adjusting the progressive meter of any slot machine; (5) conducting any gaming tournament; and (6) transferring property. The duration of the state of emergency would not be included in the calculation of the time period required for any action by the commission regarding a new or a pending application.

With respect to racetrack operations, including live and simulcast horse races, the bill as amended permits the continuation of horse racing in the State during the state of emergency, provided the racetrack permit holder and its employees comply with applicable rules and regulations promulgated by the New Jersey Racing Commission pursuant to the bill. The bill directs the commission to develop the necessary standards, criteria, safeguards, and procedures that the permit holder shall meet prior to, and as a condition of, continuing to conduct horse racing operations during the state of emergency.

With respect to both casino and racetrack operations, the bill provides that the casino licensee, the racetrack permit holder, and their respective employees, are required to continue to comply with all relevant provisions of the New Jersey Constitution and all relevant State statutes and regulations, and to maintain detailed records of that compliance. In addition, the bill gives the Governor the authority to summarily suspend the license of any casino, racetrack, or of any licensed employee thereof, if the Governor determines that a violation of any State statute or regulation governing the operation of those facilities which would normally result in such license suspension may have occurred. The suspension would continue until it is rescinded by the Governor or the state of emergency ceases and the Casino Control Commission, Division of Gaming Enforcement, or the New Jersey Racing Commission, as appropriate, is able to address the matter.

Also, the bill provides that any violation of a statute or regulation that would ordinarily subject a casino licensee, racetrack permit holder, or a licensed employee to a fine, but which is not reported as required in the bill, is punishable by a fine of no less than five times and up to ten times the amount of the usual fine. When the state of emergency ceases, casino licensees and racetrack permit holders will be responsible for any costs associated with re-implementing onsite State inspections.

COMMITTEE AMENDMENTS:

The committee amendments:

(1) Require the casino licensee, upon Casino Control Commission approval, to adopt procedures for the orderly shutdown of casino operations in the event the state of emergency extends for more than seven days, or the casino licensee is not authorized to conduct operations during the state of emergency;

(2) Require the casino licensee, upon Casino Control Commission approval, to adopt internal control procedures to be effective during the state of emergency, for the licensee to:

- engage a certified public accountant approved by the commission, who will act in the capacity of the commission whenever the presence of an inspector, agent or employee of the commission or the division, as appropriate, is normally required to perform an activity including, but not limited to, the collection and counting of gross revenue;
- record any activity that involves the participation of the certified public accountant;
- document and provide evidence of tampering or cheating to the certified public accountant;
- immediately report any violation of a statute or regulation to the casino licensee's chief legal officer, audit committee executive, and to the Governor, and to the commission when the state of emergency ceases;
- withhold the payment of slot machine jackpots greater than \$75,000 until the state of emergency ceases;
- staff the surveillance and casino security departments with at least one additional officer; and
- receive complaints from the public relating to the conduct of casino operations, among other internal control measures;

(3) Authorize the Casino Control Commission to give temporary custody of its key to a certified public accountant approved by the commission, who will act in the capacity of the commission in accordance with approved internal control procedures;

(4) Prohibit a casino licensee from undertaking certain activities during the state of emergency;

(5) Permit racetracks to continue live and simulcast horse racing operations during the state of emergency, provided the racetrack permit holder and its employees comply with applicable rules and regulations promulgated by the New Jersey Racing Commission, and authorizes the commission to promulgate the necessary rules and regulations.

FISCAL IMPACT:

This bill is not certified for a fiscal note.

ASSEMBLY, No. 2410

STATE OF NEW JERSEY 213th LEGISLATURE

INTRODUCED MARCH 3, 2008

Sponsored by:

Assemblyman JOHN J. BURZICHELLI

District 3 (Salem, Cumberland and Gloucester)

Assemblyman RONALD S. DANCER

District 30 (Burlington, Mercer, Monmouth and Ocean)

Assemblyman PAUL D. MORIARTY

District 4 (Camden and Gloucester)

Co-Sponsored by:

Assemblymen Polistina, Amodeo and O'Scanlon

SYNOPSIS

Provides that in event of emergency including State government shutdown due to failure to enact appropriation law casinos may remain open under certain conditions.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 6/13/2008)

1 AN ACT providing for continued operation of casinos in the event of
2 an emergency, including a shutdown of State government due to
3 the failure of the Governor and the Legislature to enact a general
4 appropriation law, and amending and supplementing P.L.1977,
5 c.110.

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

9
10 1. Section 63 of P.L.1977, c.110 (C.5:12-63) is amended to read
11 as follows:

12 63. Duties of the Commission. The Casino Control Commission
13 shall have general responsibility for the implementation of this act,
14 as hereinafter provided, including, without limitation, the
15 responsibility:

16 a. To hear and decide promptly and in reasonable order all
17 license, registration, certificate, and permit applications and causes
18 affecting the granting, suspension, revocation, or renewal thereof;

19 b. To conduct all hearings pertaining to civil violations of this
20 act or regulations promulgated hereunder;

21 c. To promulgate such regulations as in its judgment may be
22 necessary to fulfill the policies of this act;

23 d. To collect all license and registration fees and taxes imposed
24 by this act and the regulations issued pursuant hereto;

25 e. To levy and collect penalties for the violation of provisions of
26 this act and the regulations promulgated hereunder;

27 f. To be present through its inspectors and agents at all times,
28 except as provided by section 2 of P.L. , c. (C.) (pending
29 before the Legislature as this bill), during the operation of any
30 casino or simulcasting facility for the purpose of certifying the
31 revenue thereof, receiving complaints from the public relating to the
32 conduct of gaming and simulcast wagering operations, examining
33 records of revenues and procedures, and conducting periodic
34 reviews of operations and facilities for the purpose of evaluating
35 current or suggested provisions of P.L.1977, c.110 (C.5:12-1 et
36 seq.) and the regulations promulgated thereunder;

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

40 h. To review and rule upon any complaint by a casino licensee
41 regarding any investigative procedures of the division which are
42 unnecessarily disruptive of casino or simulcasting facility
43 operations. The need to inspect and investigate shall be presumed
44 at all times. The disruption of a licensee's operations shall be

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 proved by clear and convincing evidence, which evidence shall
2 establish that: (1) the procedures had no reasonable law
3 enforcement purpose, and (2) the procedures were so disruptive as
4 to inhibit unreasonably casino or simulcasting facility operations;
5 and

6 i. To ensure that there is no duplication of duties and
7 responsibilities between it and the division.

8 (cf: P.L.1995, c.18, s.14)

9
10 2. (New section) In the event of an emergency, including a
11 shutdown of State government due to the failure of the Governor
12 and the Legislature to enact a general appropriation law by the
13 deadline prescribed in the New Jersey Constitution, casino and
14 simulcasting facilities shall remain open and in full operation
15 notwithstanding that inspectors, agents or other employees of the
16 Casino Control Commission or the Division of Gaming
17 Enforcement are not performing the functions usually required for
18 the operation of those facilities, and licensees shall continue to
19 comply with all relevant provisions of the New Jersey Constitution
20 and of all relevant State statutes, regulations and policies and shall
21 maintain detailed records of that compliance.

22 If, during any period of time that casino and simulcasting
23 facilities remain open pursuant to the provisions of this section, it
24 shall come to the attention of the Governor that the holder of a
25 casino license, or any licensed employee thereof, may be engaged in
26 what the Governor believes to be a serious violation of any State
27 statute, regulation or policy governing the operation of those
28 facilities, the Governor shall have the authority to summarily
29 suspend the license of that casino or employee until such time as it
30 is rescinded by the Governor, or the emergency ceases and the
31 commission or the division, as appropriate, is able to address the
32 matter.

33 Any violation of a statute, regulation or policy that would
34 ordinarily subject a licensee to a fine, but which occurs while a
35 facility remains open during an emergency, shall be punishable by a
36 fine of up to ten times the amount of the usual fine. When the
37 emergency ceases, licensees shall be responsible for any costs
38 associated with re-implementing onsite State inspections.

39
40 3. This act shall take effect immediately.

41

42

43

STATEMENT

44

45 This bill provides that in the event of an emergency, including a
46 shutdown of State government due to the failure of the Governor
47 and the Legislature to enact a general appropriation law by the
48 deadline prescribed in the New Jersey Constitution, casino and

1 simulcasting facilities will remain open and in full operation
2 notwithstanding that inspectors, agents or other employees of the
3 Casino Control Commission or the Division of Gaming
4 Enforcement are not performing the functions usually required for
5 the operation of those facilities and licensees will continue to
6 comply with all relevant provisions of the New Jersey Constitution
7 and of all relevant State statutes, regulations and policies and will
8 maintain detailed records of that compliance.

9 In addition, the bill gives the Governor the authority to
10 summarily suspend the license of any casino or of any licensed
11 employee thereof if, during any period of time that casino and
12 simulcasting facilities remain open as permitted by the bill, it comes
13 to the Governor's attention that the licensee may be engaged in
14 what the Governor believes to be a serious violation of any State
15 statute, regulation or policy governing the operation of those
16 facilities. The suspension would continue until it is rescinded by
17 the Governor or the emergency ceases and the commission or the
18 division, as appropriate, is able to address the matter.

19 Any violation of a statute, regulation or policy that would
20 ordinarily subject a licensee to a fine, but which occurs while a
21 facility remains open during an emergency, will be punishable by a
22 fine of up to ten times the amount of the usual fine. When the
23 emergency ceases, licensees will be responsible for any costs
24 associated with re-implementing onsite State inspections.

ASSEMBLY TOURISM AND GAMING COMMITTEE

STATEMENT TO

ASSEMBLY, No. 2410

STATE OF NEW JERSEY

DATED: MARCH 3, 2008

The Assembly Tourism and Gaming Committee reports favorably Assembly Bill No. 2410.

This bill provides that in the event of an emergency, including a shutdown of State government due to the failure of the Governor and the Legislature to enact a general appropriation law by the deadline prescribed in the New Jersey Constitution, casino and simulcasting facilities will remain open and in full operation notwithstanding that inspectors, agents or other employees of the Casino Control Commission or the Division of Gaming Enforcement are not performing the functions usually required for the operation of those facilities and licensees will continue to comply with all relevant provisions of the New Jersey Constitution and of all relevant State statutes, regulations and policies and will maintain detailed records of that compliance.

In addition, the bill gives the Governor the authority to summarily suspend the license of any casino or of any licensed employee thereof if, during any period of time that casino and simulcasting facilities remain open as permitted by the bill, it comes to the Governor's attention that the licensee may be engaged in what the Governor believes to be a serious violation of any State statute, regulation or policy governing the operation of those facilities. The suspension would continue until it is rescinded by the Governor or the emergency ceases and the commission or the division, as appropriate, is able to address the matter.

Any violation of a statute, regulation or policy that would ordinarily subject a licensee to a fine, but which occurs while a facility remains open during an emergency, will be punishable by a fine of up to ten times the amount of the usual fine. When the emergency ceases, licensees will be responsible for any costs associated with re-implementing onsite State inspections.

STATEMENT TO
ASSEMBLY, No. 2410

with Assembly Floor Amendments
(Proposed By Assemblyman BURZICHELLI)

ADOPTED: JUNE 16, 2008

These Assembly amendments:

(1) Require the casino licensee, upon Casino Control Commission approval, to adopt procedures for the orderly shutdown of casino operations in the event the state of emergency extends for more than seven days, or the casino licensee is not authorized to conduct operations during the state of emergency;

(2) Require the casino licensee, upon Casino Control Commission approval, to adopt internal control procedures to be effective during the state of emergency, for the licensee to:

- engage a certified public accountant approved by the commission, who will act in the capacity of the commission whenever the presence of an inspector, agent or employee of the commission or the division, as appropriate, is normally required to perform an activity including, but not limited to, the collection and counting of gross revenue;
- record any activity that involves the participation of the certified public accountant;
- document and provide evidence of tampering or cheating to the certified public accountant;
- immediately report any violation of a statute or regulation to the casino licensee's chief legal officer, audit committee executive, and to the Governor, and to the commission when the state of emergency ceases;
- withhold the payment of slot machine jackpots greater than \$75,000 until the state of emergency ceases;
- staff the surveillance and casino security departments with at least one additional officer; and
- receive complaints from the public relating to the conduct of casino operations, among other internal control measures;

(3) Authorize the Casino Control Commission to give temporary custody of its key to a certified public accountant approved by the commission, who will act in the capacity of the commission in accordance with approved internal control procedures;

(4) Prohibit a casino licensee from undertaking certain activities during the state of emergency, such as: making any change that would require a surveillance camera pre-inspection by the commission; amending or seeking to amend its operation certificate; modifying the gaming floor configuration, computer system, or multi-casino progressive slot system; adjusting the progressive

meter of any slot machine; conducting any gaming tournament; and transferring property;

(5) Permit racetracks to continue live and simulcast horse racing operations during the state of emergency, provided the racetrack permit holder and its employees comply with applicable rules and regulations promulgated by the New Jersey Racing Commission, and authorizes the commission to promulgate the necessary rules and regulations.

Jun-27-2008 Governor Signs Legislation to Keep Casinos Open

NEWS RELEASE

Governor Jon S. Corzine
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GOVERNOR SIGNS LEGISLATION TO KEEP CASINOS OPEN

Atlantic City - Governor Jon S. Corzine today signed legislation that will enable casinos and racetracks to remain open under certain conditions in the event a government shutdown occurs due to the failure to enact a state budget.

"It is critical that the casino industry in Atlantic City not live under the threat of government shutdown like it did in 2006," said Governor Corzine. "This bill ensures that the industry will remain open regardless of the status of state budget negotiations. Keeping the casinos up and running is critical for Atlantic City, for its hard-working employees, for the region and for the New Jersey economy."

The bill, S1463/A2410, also establishes various procedures and compliance requirements unique to casino and racetrack facility operations that would apply during the state of emergency.

"The 4th of July weekend is primetime for Atlantic City's economy, with visitors pumping in millions of dollars into hotels, restaurants and casinos in the resort," said Senator Jim Whelan (D-Atlantic). "Not only do casino operators rely on the economic activity over the holiday weekend, but dealers, hotel and restaurant employees, support staff, and a whole host of workers in related industries depend upon every penny earned in the busy July month. Under this new law, Atlantic City's economy will no longer be subject to hijacking based on budget stalemates in Trenton."

"New Jersey's casino and racetrack employees should never have to fear that a squabble in Trenton will leave them unprotected," said Assemblyman John J. Burzichelli (D-Gloucester), chair of the Assembly Gaming and Tourism Committee. "Our casinos and racetracks are too valuable to the economy to be left dangling in the crosshairs. Casino and racetrack operators know the rules

and should be given the benefit of the doubt that they can carry on business in the unlikely event of a state shutdown.”

Sponsors of the bill include Senator Jim Whelan (D-Atlantic); Senator John A. Girgenti (D-Bergen and Passaic); Assemblyman John J. Burzichelli (D-Salem, Cumberland and Gloucester); Assemblyman Ronald S. Dancer (R-Burlington, Mercer, Monmouth and Ocean) and Assemblyman Paul D. Moriarity (D-Camden and Gloucester).