

5:12-1

LEGISLATIVE HISTORY CHECKLIST
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(Casinos--regulation)

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LAWS OF: 1995

CHAPTER: 18

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DATE INTRODUCED: Octboer 20, 1994

COMMITTEE: ASSEMBLY: Policy & Rules; Appropriations

SENATE: ---

AMENDED DURING PASSAGE: Yes Assembly Committee Substitute (1R) enacted

DATE OF PASSAGE: ASSEMBLY: December 15, 1994

SENATE: December 15, 1994

DATE OF APPROVAL: January 25, 1995

FOLLOWING STATEMENTS ARE ATTACHED IF AVAILABLE:

SPONSOR STATEMENT: Yes

COMMITTEE STATEMENT: ASSEMBLY: Yes 11-21-94 12-8-94

SENATE: No

FISCAL NOTE: No

VETO MESSAGE: No

MESSAGE ON SIGNING: No

FOLLOWING WERE PRINTED:

REPORTS: No

HEARINGS: No

See newspaper clippings--attached:

"Casino regulations eased," 1-26-95, Atlantic City Press.

"Some casino regulations are eased," 1-26-95, Philadelphia Inquirer.

KBG:pp

[FIRST REPRINT]

ASSEMBLY COMMITTEE SUBSTITUTE FOR
ASSEMBLY, No. 61

STATE OF NEW JERSEY

ADOPTED NOVEMBER 21, 1994

Sponsored by Assemblymen GAFFNEY, DORIA, HAYTAIAN,
DiGaetano, Foley, Azzolina, DeCroce, Geist,
Solomon, Wolfe, Dalton and Pascrell

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

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

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

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

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

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

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

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

25 (3) The rehabilitation and redevelopment of existing tourist
26 and convention facilities in Atlantic City, and the fostering and
27 encouragement of new construction and the replacement of lost
28 convention, tourist, entertainment and cultural centers in
29 Atlantic City will offer a unique opportunity for the inhabitants
30 of the entire State to make maximum use of the natural
31 resources available in Atlantic City for the expansion and
32 encouragement of New Jersey's hospitality industry, and to that
33 end, the restoration of Atlantic City as the Playground of the
34 World and the major hospitality center of the Eastern United
35 States is found to be a program of critical concern and
36 importance to the inhabitants of the State of New Jersey.

37 (4) Legalized casino gaming has been approved by the citizens
38 of New Jersey as a unique tool of urban redevelopment for
39 Atlantic City. In this regard, the introduction of a limited number
40 of casino rooms in major hotel convention complexes, permitted

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

Matter underlined thus is new matter.

Matter enclosed in superscript numerals has been adopted as follows:
1 Assembly AAP committee amendments adopted December 12, 1994.

1 as an additional element in the hospitality industry of Atlantic
2 City, will facilitate the redevelopment of existing blighted areas
3 and the refurbishing and expansion of existing hotel, convention,
4 tourist, and entertainment facilities; encourage the replacement
5 of lost hospitality-oriented facilities; provide for judicious use of
6 open space for leisure time and recreational activities; and
7 attract new investment capital to New Jersey in general and to
8 Atlantic City in particular.

9 (5) Restricting the issuance of casino licenses to major hotel
10 and convention facilities is designed to assure that the existing
11 nature and tone of the hospitality industry in New Jersey and in
12 Atlantic City is preserved, and that the casino rooms licensed
13 pursuant to the provisions of this act are always offered and
14 maintained as an integral element of such hospitality facilities,
15 rather than as the industry unto themselves that they have
16 become in other jurisdictions.

17 (6) An integral and essential element of the regulation and
18 control of such casino facilities by the State rests in the public
19 confidence and trust in the credibility and integrity of the
20 regulatory process and of casino operations. To further such
21 public confidence and trust, the regulatory provisions of this act
22 are designed to extend strict State regulation to all persons,
23 locations, practices and associations related to the operation of
24 licensed casino enterprises and all related service industries as
25 herein provided. In addition, licensure of a limited number of
26 casino establishments, with the comprehensive law enforcement
27 supervision attendant thereto, is further designed to contribute to
28 the public confidence and trust in the efficacy and integrity of
29 the regulatory process.

30 (7) Legalized casino gaming in New Jersey can attain,
31 maintain and retain integrity, public confidence and trust, and
32 remain compatible with the general public interest only under
33 such a system of control and regulation as insures, so far as
34 practicable, the exclusion from participation therein of persons
35 with known criminal records, habits or associations, and the
36 exclusion or removal from any positions of authority or
37 responsibility within casino gaming operations and establishments
38 of any persons known to be so deficient in business probity,
39 [ability or experience,] either generally or with specific reference
40 to gaming, as to create or enhance the dangers of unsound, unfair
41 or illegal practices, methods and activities in the conduct of
42 gaming or the carrying on of the business and financial
43 arrangements incident thereto.

44 (8) Since the public has a vital interest in casino operations in
45 Atlantic City and has established an exception to the general
46 policy of the State concerning gaming for private gain,
47 participation in casino operations as a licensee or registrant
48 under this act shall be deemed a revocable privilege conditioned
49 upon the proper and continued qualification of the individual
50 licensee or registrant and upon the discharge of the affirmative
51 responsibility of each such licensee or registrant to provide to the
52 regulatory and investigatory authorities established by this act
53 any assistance and information necessary to assure that the
54 policies declared by this act are achieved. Consistent with this

1 policy, it is the intent of this act to preclude the creation of any
2 property right in any license, registration, certificate or
3 reservation permitted by this act, the accrual of any value to the
4 privilege of participation in gaming operations, or the transfer of
5 any license, registration, certificate, or reservation, and to
6 require that participation in gaming be solely conditioned upon
7 the individual qualifications of the person seeking such privilege.

8 (9) Since casino operations are especially sensitive and in need
9 of public control and supervision, and since it is vital to the
10 interests of the State to prevent entry, directly or indirectly, into
11 such operations or the ancillary industries regulated by this act of
12 persons who have pursued economic gains in an occupational
13 manner or context which are in violation of the criminal or civil
14 public policies of this State, the regulatory and investigatory
15 powers and duties shall be exercised to the fullest extent
16 consistent with law to avoid entry of such persons into the casino
17 operations or the ancillary industries regulated by this act.

18 (10) [Since the development of casino gaming operations in
19 Atlantic City will substantially alter the environment of New
20 Jersey's coastal areas, and since it is necessary to insure that
21 this substantial alteration be beneficial to the overall ecology of
22 the coastal areas, the regulatory and investigatory powers and
23 duties conferred by this act shall include, in cooperation with
24 other public agencies, the power and the duty to monitor and
25 regulate casinos and the growth of casino operations to respond
26 to the needs of the coastal areas.] (Deleted by amendment,
27 P.L. , c. (now pending before the Legislature as this bill).)

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

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

44 (13) It is in the public interest that the institution of licensed
45 casino establishments in New Jersey be strictly regulated and
46 controlled pursuant to the above findings and pursuant to the
47 provisions of this act, which provisions are designed to engender
48 and maintain public confidence and trust in the regulation of the
49 licensed enterprises, to provide an effective method of rebuilding
50 and redeveloping existing facilities and of encouraging new
51 capital investment in Atlantic City, and to provide a meaningful
52 and permanent contribution to the economic viability of the
53 resort, convention, and tourist industry of New Jersey.

54 (14) Confidence in casino gaming operations is eroded to the

1 extent the State of New Jersey does not provide a regulatory
2 framework for casino gaming that permits and promotes stability
3 and continuity in casino gaming operations.

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

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

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

23 (cf: P.L.1991, c.182, s.1)

24 2. (New section) "Affiliate"--A person that directly or
25 indirectly, through one or more intermediaries, controls or is
26 controlled by, or is under common control with, the affiliated
27 person.

28 3. (New section) "Annuity jackpot trust"--A trust that is
29 formed by one or more casino licensees, in accordance with rules
30 established by the commission, to assure that all payments that
31 are due to the winner of a slot machine jackpot that is to be paid
32 in installments at specified intervals in the future are actually
33 paid when due.

34 4. (New section) "Attorney"--Any attorney licensed to
35 practice law in this State or any other jurisdiction, including an
36 employee of a casino licensee.

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

39 11. "Casino security employee" -- Any natural person
40 employed by a casino licensee or its agent to provide physical
41 security in a casino, simulcasting facility, or restricted casino
42 area. "Casino security employee" shall not include any person
43 who provides physical security solely in any other part of the
44 casino hotel.

45 (cf: P.L.1993, c.292, s.2)

46 16. (New section) "Casino service employee" -- Any natural
47 person employed to perform services or duties in a casino, casino
48 simulcasting facility, or restricted casino area but who is not
49 included within the definition of casino employee, casino key
50 employee, or casino security employee as stated in sections 7, 9,
51 and 11, respectively, of P.L.1977, c.110 (C.5:12-7, 12-9, and
52 12-11).¹

53 ¹[5A.] 7.1 Section 12 of P.L.1977, c.110 (C.5:12-12) is
54 amended to read as follows:

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

21 For the purposes of this section, "casino applicant" includes
22 any person required to hold a casino license pursuant to section
23 82 of P.L.1977, c.110 (C.5:12-82) who has applied to the
24 commission for a casino license or any approval required under
25 P.L.1977, c.110 (C.5:12-1 et seq.).

26 (cf: P.L.1992, c.19, s.25)

27 ¹[6.] 8.¹ Section 4 of P.L.1983, c.41 (C.5:12-29.2) is amended
28 to read as follows:

29 4. "Junket representative"--Any natural person who
30 negotiates the terms of, or engages in the referral, procurement
31 or selection of persons who may participate in, [or accompanies
32 for purposes of monitoring or evaluating the participants in,] any
33 junket to a licensed casino, regardless of whether or not those
34 activities occur within the State of New Jersey.

35 (cf: P.L.1987, c.426, s.3)

36 ¹[7.] 9.¹ Section 45 of P.L.1977, c.110 (C.5:12-45) is amended
37 to read as follows:

38 45. "Slot machine"--Any mechanical, electrical or other
39 device, contrivance or machine which, upon insertion of a coin,
40 token or similar object therein, or upon payment of any
41 consideration whatsoever, is available to play or operate, the play
42 or operation of which, whether by reason of the skill of the
43 operator or application of the element of chance, or both, may
44 deliver or entitle the person playing or operating the machine to
45 receive cash or tokens to be exchanged for cash, or to receive
46 merchandise or any thing of value whatsoever, whether the
47 payoff is made automatically from the machine or in any other
48 manner whatsoever, except that [: a. no merchandise or thing of
49 value shall be offered as part of a payoff of any slot machine
50 unless such merchandise or thing of value has a cash equivalent
51 value of at least \$5,000.00, and b.] the cash equivalent value of
52 any merchandise or other thing of value shall not be included in
53 the total of all sums paid out as winnings to patrons for purposes
54 of determining gross revenues as defined by section 24 of

1 P.L.1977, c.110 (C.5:12-24) or be included in determining the
2 payout percentage of any slot machine. The commission shall
3 promulgate rules defining "cash equivalent value" in order to
4 assure fairness, uniformity and comparability of valuation of slot
5 machine payoffs.

6 (cf: P.L.1987, c.355, s.3)

7 ¹[8.] 10.¹ Section 50 of P.L.1977, c.110 (C.5:12-50) is amended
8 to read as follows:

9 50. Creation of Casino Control Commission; number of
10 members. The New Jersey Casino Control Commission,
11 consisting of five members, is hereby created in but not of the
12 Department of the Treasury. The commission shall be principally
13 located in Atlantic City.

14 (cf: P.L.1977, c.110, s.50)

15 ¹[9.] 11.¹ Section 55 of P.L.1977, c.110 (C.5:12-55) is amended
16 to read as follows:

17 55. Division of gaming enforcement. There is hereby
18 established in the Department of Law and Public Safety the
19 Division of Gaming Enforcement. The division shall be under the
20 immediate supervision of a director who shall also be sworn as an
21 Assistant Attorney General and who shall administer the work of
22 the division under the direction and supervision of the Attorney
23 General. The director shall be appointed by the Governor, with
24 the advice and consent of the Senate, and shall serve during the
25 term of office of the Governor, except that the first director
26 shall be appointed for a term of 2 years. The director may be
27 removed from office by the Attorney General for cause upon
28 notice and opportunity to be heard.

29 The director and any employee or agent of the division shall be
30 subject to the duty to appear and testify and to removal from his
31 office, position or employment in accordance with the provisions
32 of P.L.1970, c.72 (C.2A:81-17.2a et seq.). The Attorney General
33 shall be responsible for the exercise of the duties and powers
34 assigned to the division.

35 The division shall be principally located in Atlantic City.

36 (cf: P.L.1980, c.69, s.1)

37 ¹[10.] 12.¹ Section 59 of P.L.1977, c.110 (C.5:12-59) is
38 amended to read as follows:

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

45 b. The commission shall, no later than January 1, 1981,
46 promulgate a Code of Ethics that is modeled upon the Code of
47 Judicial Conduct of the American Bar Association, as amended
48 and adopted by the Supreme Court of New Jersey. This Code of
49 Ethics shall include, but not be limited to, provisions that address
50 the propriety of relationships and dealings between the
51 commission and its staff, and licensees and applicants for
52 licensure under this act.

53 c. The division shall promulgate a Code of Ethics governing its
54 specific needs.

1 d. The Codes of Ethics promulgated by the commission and the
2 division shall not be in conflict with the laws of this State,
3 except, however, that said Codes of Ethics may be more
4 restrictive than any law of this State.

5 e. The Codes of Ethics promulgated by the commission and the
6 division shall be submitted to the Executive Commission on
7 Ethical Standards for approval. The Codes of Ethics shall
8 include, but not be limited to provisions that:

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

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

18 (3) No commission member or employee or any division
19 employee or agent shall act in his official capacity in any matter
20 wherein he or his spouse, child, parent or sibling has a direct or
21 indirect personal financial interest that might reasonably be
22 expected to impair his objectivity or independence of judgment.

23 (4) No commission employee or any division employee or agent
24 shall act in his official capacity in a matter concerning an
25 applicant for licensure or a licensee who is the employer of a
26 spouse, child, parent or sibling of said commission or division
27 employee or agent when the fact of the employment of such
28 spouse, child, parent or sibling might reasonably be expected to
29 impair the objectivity and independence of judgment of said
30 commission employee or division employee or agent.

31 (5) No spouse, child, parent or sibling of a commission member
32 shall be employed in any capacity by an applicant for a casino
33 license or a casino licensee nor by any holding, intermediary or
34 subsidiary company thereof.

35 (6) No commission member shall meet with any person, except
36 for any other member of the commission or employee of the
37 commission, or discuss any issues involving any pending or
38 proposed application or any matter whatsoever which may
39 reasonably be expected to come before the commission, or any
40 member thereof, for determination unless the meeting or
41 discussion takes place on the business premises of the
42 commission, provided, however, that commission members may
43 meet to consider matters requiring the physical inspection of
44 equipment or premises at the location of the equipment or
45 premises. All meetings or discussions subject to this paragraph
46 shall be noted in a log maintained for this purpose and available
47 for inspection pursuant to the provisions of P.L.1963, c.73
48 (C.47:1A-1 et seq.).

49 f. No commission member or employee or division employee or
50 agent shall have any interest, direct or indirect, in any applicant
51 or in any person licensed by or registered with the commission
52 during his term of office or employment.

53 g. Each commission member and employee of the commission,
54 including legal counsel, and each employee and agent of the

1 division shall devote his entire time and attention to his duties
2 and shall not pursue any other business or occupation or other
3 gainful employment; provided, however, that secretarial and
4 clerical personnel may engage in such other gainful employment
5 as shall not interfere with their duties to the commission or
6 division, unless otherwise directed; and provided further,
7 however, that other employees of the commission and division
8 and agents of the division may engage in such other gainful
9 employment as shall not interfere or be in conflict with their
10 duties to the commission or division, upon approval by the
11 commission or the director of the division, as the case may be.

12 h. No member of the commission, employee of the
13 commission, or employee or agent of the division shall:

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

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

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

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

34 (cf: P.L.1989, c.150, s.1)

35 ¹[11.] 13.¹ Section 60 of P.L.1977, c.110 (C.5:12-60) is
36 amended to read as follows:

37 60. Post-employment restrictions. a. No member of the
38 commission shall hold any direct or indirect interest in, or be
39 employed by, any applicant or by any person licensed by or
40 registered with the commission for a period of 4 years
41 commencing on the date his membership on the commission
42 terminates.

43 b. ¹(1)¹ No employee of the commission or employee or agent
44 of the division may acquire any direct or indirect interest in, or
45 accept employment with, any applicant or any person licensed by
46 or registered with the commission, for a period of 2 years
47 commencing at the termination of employment with the
48 commission or division, except that a secretarial or clerical
49 employee of the commission or the division may accept such
50 employment at any time after the termination of employment
51 with the commission or division. At the end of 2 years[, the] and
52 for a period of 2 years thereafter, a former employee or agent
53 who held a ¹[managerial or supervisory] policy-making
54 management¹ position at any time during the five years

1 prior to termination of employment may acquire an interest in, or
2 accept employment with, any applicant or person licensed by or
3 registered with the commission upon application to and the
4 approval of the commission upon a finding that the interest to be
5 acquired or the employment will not create the appearance of a
6 conflict of interest and does not evidence a conflict of interest in
7 fact.

8 ¹(2)¹ Notwithstanding the provisions of this subsection, if the
9 employment of a commission employee or a division employee or
10 agent, other than an employee or agent who held a ¹[managerial
11 or supervisory] policy-making management¹ position at any time
12 during the five years prior to termination of employment, is
13 terminated as a result of a reduction in the workforce at the
14 commission or division, the employee or agent may, at any time
15 prior to the end of the 2-year period, accept employment with
16 any applicant or person licensed by or registered with the
17 commission upon application to and the approval of the
18 commission upon a finding that the employment will not create
19 the appearance of a conflict of interest and does not evidence a
20 conflict of interest in fact. ¹The decision of the commission
21 shall be final, and the employee or agent shall not be subject to a
22 determination by the Executive Commission on Ethical Standards
23 under section 4 of P.L.1981, c.142 (C.52:13D-17.2).¹

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

29 d. No partnership, firm or corporation in which a former
30 commission member or employee or former division employee or
31 agent has an interest, nor any partner, officer or employee of any
32 such partnership, firm or corporation shall make any appearance
33 or representation which is prohibited to said former member,
34 employee, or agent; provided, however, that nothing herein shall
35 prohibit such partnership, firm or corporation from making such
36 appearance or representation on behalf of a casino service
37 industry licensed under subsection c. of section 92 of P.L.1977,
38 c.110 (C.5:12-92c.).

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

46 (cf: P.L.1979, c.282, s.13)

47 ¹[12.] 14.¹ Section 63 of P.L.1977, c.110 (C.5:12-63) is
48 amended to read as follows:

49 63. Duties of the Commission. The Casino Control
50 Commission shall have general responsibility for the
51 implementation of this act, as hereinafter provided, including,
52 without limitation, the responsibility:

53 a. To hear and decide promptly and in reasonable order all
54 license, registration, certificate, and permit applications and

- 1 causes affecting the granting, suspension, revocation, or renewal
2 thereof;
- 3 b. To conduct all hearings pertaining to civil violations of this
4 act or regulations promulgated hereunder;
- 5 c. To promulgate such regulations as in its judgment may be
6 necessary to fulfill the policies of this act;
- 7 d. To collect all license and registration fees and taxes
8 imposed by this act and the regulations issued pursuant hereto;
- 9 e. To levy and collect penalties for the violation of provisions
10 of this act and the regulations promulgated hereunder;
- 11 f. To be present through its inspectors and agents at all times
12 during the operation of any casino or simulcasting facility for the
13 purpose of certifying the revenue thereof, receiving complaints
14 from the public relating to the conduct of gaming and simulcast
15 wagering operations, examining records of revenues and
16 procedures, and conducting periodic reviews of operations and
17 facilities for the purpose of evaluating current or suggested
18 provisions of P.L.1977, c.110 (C.5:12-1 et seq.) and the
19 regulations promulgated thereunder;
- 20 g. To refer to the division for investigation and prosecution
21 any evidence of a violation of P.L.1977, c.110 (C.5:12-1 et seq.)
22 or the regulations promulgated thereunder; [and]
- 23 h. To review and rule upon any complaint by a casino licensee
24 regarding any investigative procedures of the division which are
25 unnecessarily disruptive of casino or simulcasting facility
26 operations. The need to inspect and investigate shall be
27 presumed at all times. The disruption of a licensee's operations
28 shall be proved by clear and convincing evidence, which evidence
29 shall establish that: (1) the procedures had no reasonable law
30 enforcement purpose, and (2) the procedures were so disruptive as
31 to inhibit unreasonably casino or simulcasting facility operations;
32 and
- 33 i. To ensure that there is no duplication of duties and
34 responsibilities between it and the division.
- 35 (cf: P.L.1993, c.292, s.6)
- 36 ¹[13.] 15.¹ Section 66 of P.L.1977, c.110 (C.5:12-66) is
37 amended to read as follows:
- 38 66. Investigative hearings. The commission shall have the
39 authority to conduct investigative hearings concerning the
40 conduct of gaming and gaming operations as well as the
41 [development and well-being of the industries controlled by this
42 act] enforcement of the provisions of P.L.1977, c.110 (C.5:12-1
43 et seq.), as amended and supplemented.
- 44 (cf: P.L.1977, c.110, s.66)
- 45 ¹[14.] 16.¹ Section 69 of P.L.1977, c.110 (C.5:12-69) is
46 amended to read as follows:
- 47 69. Regulations. a. The commission shall be authorized to
48 adopt, amend, or repeal such regulations, consistent with the
49 policy and objectives of this act, as amended, as it may deem
50 necessary [or desirable for] to protect the public interest in
51 carrying out the provisions of this act.
- 52 b. Such regulations shall be adopted, amended, and repealed in
53 accordance with the provisions of the "Administrative Procedure
54 Act," P.L.1968, c.410 (C.52:14B-1 et seq.).

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

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

9 e. Notwithstanding any other provision of this act or the
10 "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et
11 seq.) to the contrary, the commission may, after notice provided
12 in accordance with this subsection, authorize the temporary
13 adoption, amendment or repeal of any rule concerning the
14 conduct of gaming or simulcast wagering [or], or the use or design
15 of gaming or simulcast wagering equipment, or the internal
16 procedures and administrative and accounting controls required
17 by section 99 of P.L.1977, c.110 (C.5:12-99) for [an experimental]
18 a period not to exceed 270 days for the purpose of determining
19 whether such rules should be adopted on a permanent basis in
20 accordance with the requirements of this section. Any [rules
21 experiment] temporary rulemaking authorized by this subsection
22 shall be [conducted under] subject to such terms and conditions as
23 the commission may deem appropriate. Notice of any temporary
24 rulemaking action taken by the commission pursuant to this
25 subsection shall be published in the New Jersey Register, and
26 provided to the newspapers designated by the commission
27 pursuant to subsection d. of section 3 of P.L.1975, c.231
28 (C.10:4-8), at least seven days prior to the [initiation of the
29 experimental period and shall be prominently posted in each
30 casino or simulcasting facility participating in the experiment]
31 implementation of the temporary rules. Nothing herein shall be
32 deemed to require the publication of the text of any temporary
33 rule adopted by the commission or notice of any modification of
34 [a rules experiment] any temporary rulemaking initiated in
35 accordance with this subsection. The text of any temporary rule
36 adopted by the commission shall be posted in each casino or
37 simulcasting facility participating in the [experiment] temporary
38 rulemaking and shall be available upon request from the
39 commission.

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

41 ¹[15.] 17.1 Section 70 of P.L.1977, c.110 (C.5:12-70) is
42 amended to read as follows:

43 70. Required Regulations. The commission shall, without
44 limitation on the powers conferred in the preceding section,
45 include within its regulations the following specific provisions in
46 accordance with the provisions of this act:

47 a. Prescribing the methods and forms of application which any
48 applicant shall follow and complete prior to consideration of his
49 application by the commission;

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

54 c. Prescribing procedures for the fingerprinting of an

- 1 applicant, employee of a licensee, or registrant, or other methods
2 of identification which may be necessary in the judgment of the
3 commission to accomplish effective enforcement of restrictions
4 on access to the casino floor, the simulcasting facility, and other
5 restricted areas of the casino hotel complex;
- 6 d. Prescribing the manner and procedure of all hearings
7 conducted by the commission or any hearing examiner, including
8 special rules of evidence applicable thereto and notices thereof;
- 9 e. Prescribing the manner and method of collection of
10 payments of taxes, fees, and penalties;
- 11 f. Defining and limiting the areas of operation, the rules of
12 authorized games, odds, and devices permitted, and the method
13 of operation of such games and devices;
- 14 g. Regulating the practice and procedures for negotiable
15 transactions involving patrons, including limitations on the
16 circumstances and amounts of such transactions, and the
17 establishment of forms and procedures for negotiable instrument
18 transactions, redemptions, and consolidations;
- 19 h. Prescribing grounds and procedures for the revocation or
20 suspension of operating certificates and licenses;
- 21 i. Governing the manufacture, distribution, sale, and servicing
22 of gaming devices and equipment;
- 23 j. Prescribing for gaming operations the procedures, forms and
24 methods of management controls, including employee and
25 supervisory tables of organization and responsibility, and
26 minimum security standards, including security personnel
27 structure, alarm and other electrical or visual security measures;
- 28 k. Prescribing the qualifications of, and the conditions
29 pursuant to which, engineers, accountants, and others shall be
30 permitted to practice before the commission or to submit
31 materials on behalf of any applicant or licensee; provided,
32 however, that no member of the Legislature, nor any firm with
33 which said member is associated, shall be permitted to appear or
34 practice or act in any capacity whatsoever before the commission
35 or division regarding any matter whatsoever, nor shall any
36 member of the family of the Governor or of a member of the
37 Legislature be permitted to so practice or appear in any capacity
38 whatsoever before the commission or division regarding any
39 matter whatsoever;
- 40 l. Prescribing minimum procedures for the exercise of
41 effective control over the internal fiscal affairs of a licensee,
42 including provisions for the safeguarding of assets and revenues,
43 the recording of cash and evidence of indebtedness, and the
44 maintenance of reliable records, accounts, and reports of
45 transactions, operations and events, including reports to the
46 commission;
- 47 m. Providing for a minimum uniform standard of accountancy
48 methods, procedures and forms; a uniform code of accounts and
49 accounting classifications; and such other standard operating
50 procedures, including those controls listed in section 99a. hereof,
51 as may be necessary to assure consistency, comparability, and
52 effective disclosure of all financial information, including
53 calculations of percentages of profit by games, tables, gaming
54 devices and slot machines;

1 n. Requiring [periodic] quarterly financial reports and the form
2 thereof, [including] and an annual audit prepared by a certified
3 public accountant licensed to do business in this State, attesting
4 to the financial condition of a licensee and disclosing whether the
5 accounts, records and control procedures examined are
6 maintained by the licensee as required by this act and the
7 regulations promulgated hereunder;

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

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

26 q. Concerning the distribution and consumption of alcoholic
27 beverages on the premises of the licensee, which regulations shall
28 be insofar as possible consistent with Title 33 of the Revised
29 Statutes, and shall deviate only insofar as necessary because of
30 the unique character of the hotel casino premises and operations;

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

32 (cf: P.L.1993, c.292, s.8)

33 ¹[16.] 18.¹ Section 40 of P.L.1993, c.292 (C.5:12-71.1) is
34 amended to read as follows:

35 40. A casino licensee may exclude or eject from its casino
36 hotel any person who is known to it to have been convicted[, on at
37 least three occasions,] of a crime, disorderly persons offense, or
38 petty disorderly persons offense committed in or on the premises
39 of any casino hotel. Nothing in this section or in any other law of
40 this State shall limit the right of a casino licensee to exercise its
41 common law right to exclude or eject permanently from its
42 casino hotel any person who disrupts the operations of its
43 premises, threatens the security of its premises or its occupants,
44 or is disorderly or intoxicated.

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

46 ¹[17.] 19.¹ Section 72 of P.L.1977, c.110 (C.5:12-72) is
47 amended to read as follows:

48 72. Commission reports and recommendations. The
49 commission shall carry on a continuous study of the operation and
50 administration of casino control laws which may be in effect in
51 other jurisdictions, literature on this subject which may from
52 time to time become available, federal laws which may affect
53 the operation of casino gaming in this State, and the reaction of
54 New Jersey citizens to existing and potential features of casino

1 gaming under this act. It shall be responsible for ascertaining any
2 defects in this act or in the rules and regulations issued
3 thereunder, formulating recommendations for changes in this act
4 to prevent abuses thereof, guarding against the use of this act as
5 a cloak for the carrying on of illegal gambling or other criminal
6 activities, and insuring that this act and the rules and regulations
7 shall be in such form and be so administered as to serve the true
8 purposes of this act. The commission shall make to the Governor
9 and the Legislature an annual report of all revenues, expenses and
10 disbursements, and shall include therein such recommendations
11 for changes in this act as the commission deems necessary or
12 desirable. The commission shall also report recommendations
13 that promote more efficient operations of the commission. The
14 commission shall report immediately to the Governor and the
15 Legislature any matters which in its judgment require immediate
16 changes in the laws of this State in order to prevent abuses and
17 evasions of this act or of rules and regulations promulgated
18 hereunder, or to rectify undesirable conditions in connection with
19 the operation and regulation of casino gaming.

20 (cf: P.L.1977, c.110, s.72)

21 ¹[18.] 20.¹ Section 76 of P.L.1977, c.110 (C.5:12-76) is
22 amended to read as follows:

23 76. General Duties and Powers. a. The Division of Gaming
24 Enforcement shall:

25 (1) promptly and in reasonable order investigate all
26 applications, enforce the provisions of this act and any regulations
27 promulgated hereunder, and prosecute before the commission all
28 proceedings for violations of this act or any regulations
29 promulgated hereunder[. The division shall];

30 (2) provide the commission with all information necessary for
31 all action under Article 6 of this act and for all proceedings
32 involving enforcement of the provisions of this act or any
33 regulations promulgated hereunder; and

34 (3) ensure that there is no duplication of duties and
35 responsibilities between it and the commission.

36 b. The division shall:

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

40 (2) Investigate the circumstances surrounding any act or
41 transaction for which commission approval is required;

42 (3) Investigate violations of this act and regulations
43 promulgated hereunder;

44 (4) Initiate, prosecute and defend such proceedings before the
45 commission, or appeals therefrom, as the division may deem
46 appropriate;

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

49 (6) Conduct continuing reviews of casino operations through
50 on-site observation and other reasonable means to assure
51 compliance with this act and regulations promulgated hereunder,
52 subject to subsection h. of section 63 of this act;

53 (7) Receive and take appropriate action on any referral from
54 the commission relating to any evidence of a violation of

1 P.L.1977, c.110 (C.5:12-1 et seq.) or the regulations promulgated
2 thereunder;

3 (8) Exchange fingerprint data with, and receive criminal
4 history record information from, the Federal Bureau of
5 Investigation for use in considering applicants for any license or
6 registration issued pursuant to the provisions of P.L.1977, c.110
7 (C.5:12-1 et seq.);

8 (9) Conduct audits of casino operations at such times, under
9 such circumstances, and to such extent as the director shall
10 determine, including reviews of accounting, administrative and
11 financial records, and management control systems, procedures
12 and records utilized by a casino licensee; [and]

13 (10) Be entitled to request and receive information, materials
14 and any other data from any licensee or registrant, or applicant
15 for a license or registration under this act; and

16 (11) Report to the Attorney General recommendations that
17 promote more efficient operations of the division.

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

19 ¹21. Section 80 of P.L.1977, c.110 (C.5:12-80) is amended to
20 read as follows:

21 80. General Provisions. a. It shall be the affirmative
22 responsibility of each applicant and licensee to establish by clear
23 and convincing evidence his individual qualifications, and for a
24 casino license the qualifications of each person who is required to
25 be qualified under this act as well as the qualifications of the
26 facility in which the casino is to be located.

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

37 c. All applicants, licensees, registrants, intermediary
38 companies, and holding companies shall consent to inspections,
39 searches and seizures and the supplying of handwriting exemplars
40 as authorized by this act and regulations promulgated hereunder.

41 d. All applicants, licensees, registrants, and any other person
42 who shall be qualified pursuant to this act shall have the
43 continuing duty to provide any assistance or information required
44 by the commission or division, and to cooperate in any inquiry or
45 investigation conducted by the division and any inquiry,
46 investigation, or hearing conducted by the commission. If, upon
47 issuance of a formal request to answer or produce information,
48 evidence or testimony, any applicant, licensee, registrant, or any
49 other person who shall be qualified pursuant to this act refuses to
50 comply, the application, license, registration or qualification of
51 such person may be denied or revoked by the commission.

52 e. No applicant or licensee shall give or provide, offer to give
53 or provide, directly or indirectly, any compensation or reward or
54 any percentage or share of the money or property played or

1 received through gaming or simulcast wagering activities, except
2 as authorized by this act, in consideration for obtaining any
3 license, authorization, permission or privilege to participate in
4 any way in gaming or simulcast wagering operations.

5 f. Each applicant or person who must be qualified under this
6 act shall be photographed and fingerprinted for identification and
7 investigation purposes in accordance with procedures established
8 by the commission.

9 g. All licensees, all registrants, all persons required to be
10 qualified under this act, and all persons employed by a casino
11 service industry licensed pursuant to this act, shall have a duty to
12 inform the commission or division of any action which they
13 believe would constitute a violation of this act. No person who so
14 informs the commission or the division shall be discriminated
15 against by an applicant, licensee or registrant because of the
16 supplying of such information.

17 h. [Any person who must be qualified pursuant to the "Casino
18 Control Act," P.L.1977, c.110 (C.5:12-1 et seq.) in order to hold
19 the securities of a casino licensee or any holding or intermediary
20 company of a casino licensee may apply for qualification status
21 prior to the acquisition of any such securities. The commission
22 may determine to accept such an application upon a finding that
23 there is a reasonable likelihood that, if qualified, the applicant
24 will obtain and hold securities of a licensee sufficient to require
25 qualification. Such an applicant shall be subject to the provisions
26 of this section and shall pay for the costs of all investigations and
27 proceedings in relation to the application unless the applicant
28 provides to the commission an agreement with one or more casino
29 licensees which states that the licensee or licensees will pay
30 those costs.] (Deleted by amendment, P.L. , c.)¹
31 (cf: P.L.1993, c.292, s.12)

32 ¹22. Section 81 of P.L.1977, c.110 (C.5:12-81) is amended to
33 read as follows:

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

48 (2) Any person who must be qualified pursuant to the "Casino
49 Control Act," P.L.1977, c.110 (C.5:12-1 et seq.) in order to hold
50 the securities of a casino licensee or any holding or intermediary
51 company of a casino licensee may, prior to the acquisition of any
52 such securities, request the issuance of a statement of
53 compliance by the commission that the person is qualified to hold

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

21 b. [Such] Any statement of compliance issued under P.L.1977,
22 c.110 (C.5:12-1 et seq.) shall specify:

23 (1) the particular eligibility criterion satisfied[,] by the
24 applicant or person;

25 (2) the date as of which such satisfaction [and a reservation to
26 the commission to revoke the statement of compliance at any
27 time based upon a change of circumstances affecting such
28 compliance] was determined by the commission;

29 (3) the continuing obligation of the applicant or person to file
30 any information required by the commission or division as part of
31 any application for a license or qualification status, including
32 information related to the eligibility criterion for which the
33 statement of compliance was issued; and

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

39 c. A statement of compliance certifying satisfaction of all of
40 the requirements of subsection e. of section 84 of this act with
41 respect to a specific casino hotel proposal submitted by an
42 eligible applicant may be accompanied by a written commitment
43 from the commission that a casino license shall be reserved for a
44 period not to exceed 30 months or within such additional time
45 period as the commission may, upon a showing of good cause
46 therefor, establish and shall be issued to such eligible applicant
47 with respect to such proposal provided that such applicant (1)
48 complies in all respects with the provisions of this act, (2)
49 qualifies for a casino license within a period not to exceed 30
50 months of the date of such commitment or within such additional
51 time period as the commission may, upon a showing of good cause
52 therefor, establish, and (3) complies with such other conditions as
53 the commission shall impose. The commission may revoke such
54 reservation at any time it finds that the applicant is disqualified

1 from receiving or holding a casino license or has failed to comply
2 with any conditions imposed by the commission. Such reservation
3 shall be automatically revoked if the applicant does not qualify
4 for a casino license within the period of such commitment. No
5 license other than a casino license shall be reserved by the
6 commission.

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

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

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

13 (3) the commission finds cause to revoke the statement of
14 compliance for any other reason.¹

15 (cf: P.L.1991, c.182, s.21)

16 ¹[19.] 23.¹ Section 82 of P.L.1977, c.110 (C.5:12-82) is
17 amended to read as follows:

18 82. Casino License--Applicant Eligibility. a. No casino shall
19 operate unless all necessary licenses and approvals therefor have
20 been obtained in accordance with law.

21 b. Only the following persons shall be eligible to hold a casino
22 license; and, unless otherwise determined by the commission with
23 the concurrence of the Attorney General which may not be
24 unreasonably withheld in accordance with subsection c. of this
25 section, each of the following persons shall be required to hold a
26 casino license prior to the operation of a casino in the hotel with
27 respect to which the casino license has been applied for:

28 (1) Any person who either owns an approved hotel building or
29 owns or has a contract to purchase or construct a hotel which in
30 the judgment of the commission can become an approved hotel
31 building within 30 months or within such additional time period as
32 the commission may, upon a showing of good cause therefor,
33 establish;

34 (2) Any person who, whether as lessor or lessee, either leases
35 an approved hotel building or leases or has an agreement to lease
36 a hotel which in the judgment of the commission can become an
37 approved hotel building within 30 months or within such
38 additional time period as the commission may, upon a showing of
39 good cause therefor, establish;

40 (3) Any person who has a written agreement with a casino
41 licensee or with an eligible applicant for a casino license for the
42 complete management of a casino; and

43 (4) Any other person who has [any] control over either an
44 approved hotel building or the land thereunder or the operation of
45 a casino.

46 c. Prior to the operation of the casino, every agreement to
47 lease an approved hotel building or the land thereunder and every
48 agreement for the management of the casino shall be in writing
49 and filed with the commission. No such agreement shall be
50 effective unless expressly approved by the commission. The
51 commission may require that any such agreement include within
52 its terms any provision reasonably necessary to best accomplish
53 the policies of this act. Consistent with the policies of this act:

54 (1) The commission, with the concurrence of the Attorney

1 General which may not be unreasonably withheld, may determine
2 that any person who does not have the ability to exercise any
3 significant control over either the approved hotel building or the
4 operation of the casino contained therein shall not be eligible to
5 hold or required to hold a casino license;

6 (2) The commission, with the concurrence of the Attorney
7 General which may not be unreasonably withheld, may determine
8 that any owner, lessor or lessee of an approved hotel building or
9 the land thereunder who does not own or lease the entire
10 approved hotel building shall not be eligible to hold or required to
11 hold a casino license;

12 (3) The commission shall require that any person or persons
13 eligible to apply for a casino license organize itself or themselves
14 into such form or forms of business association as the commission
15 shall deem necessary or desirable in the circumstances to carry
16 out the policies of this act;

17 (4) The commission may issue separate casino licenses to any
18 persons eligible to apply therefor;

19 (5) As to agreements to lease an approved hotel building or the
20 land thereunder, unless it expressly and by formal vote for good
21 cause determines otherwise, the commission shall require that
22 each party thereto hold either a casino license or casino service
23 industry license and that such an agreement be for a durational
24 term exceeding 30 years, concern 100% of the entire approved
25 hotel building or of the land upon which same is located, and
26 include within its terms a buy-out provision conferring upon the
27 casino licensee-lessee who controls the operation of the approved
28 hotel the absolute right to purchase for an expressly set forth
29 fixed sum the entire interest of the lessor or any person
30 associated with the lessor in the approved hotel building or the
31 land thereunder in the event that said lessor or said person
32 associated with the lessor is found by the commission to be
33 unsuitable to be associated with a casino enterprise;

34 (6) The commission shall not permit an agreement for the
35 leasing of an approved hotel building or the land thereunder to
36 provide for the payment of an interest, percentage or share of
37 money gambled at the casino or derived from casino gaming
38 activity or of revenues or profits of the casino unless the party
39 receiving payment of such interest, percentage or share is a party
40 to the approved lease agreement; unless each party to the lease
41 agreement holds either a casino license or casino service industry
42 license and unless the agreement is for a durational term
43 exceeding 30 years, concerns a significant portion of the entire
44 approved hotel building or of the land upon which same is located,
45 and includes within its terms a buy-out provision conforming to
46 that described in paragraph (5) above;

47 (7) As to agreements for the management of a casino, the
48 commission shall require that each party thereto hold a casino
49 license, that the party thereto who is to manage the casino own
50 at least 10% of all outstanding equity securities of any casino
51 licensee or of any eligible applicant for a casino license if the
52 said licensee or applicant is a corporation and the ownership of an
53 equivalent interest in any casino licensee or in any eligible
54 applicant for a casino license if same is not a corporation, and

1 that such an agreement be for the complete management of the
2 casino, provide for the sole and unrestricted power to direct the
3 casino operations of the casino which is the subject of the
4 agreement, and be for such a durational term as to assure
5 reasonable continuity, stability and independence in the
6 management of the casino;

7 (8) The commission may permit an agreement for the
8 management of a casino to provide for the payment to the
9 managing party of an interest, percentage or share of money
10 gambled at the casino or derived from casino gaming activity or
11 of revenues or profits of the casino;

12 (9) The commission may permit an agreement between a
13 casino licensee and a casino service industry licensed pursuant to
14 the provisions of subsection a. of section 92 of P.L.1977, c.110
15 (C.5:12-92) for the conduct of casino simulcasting in a
16 simulcasting facility to provide for the payment to the casino
17 service industry of an interest, percentage or share of the money
18 derived from the casino licensee's share of proceeds from
19 simulcast wagering activity; and

20 (10) As to agreements to lease an approved hotel building or
21 the land thereunder, agreements to jointly own an approved hotel
22 building or the land thereunder and agreements for the
23 management of a casino or for the conduct of casino simulcasting
24 in a simulcasting facility, the commission shall require that each
25 party thereto, except for a banking or other chartered or licensed
26 lending institution or any subsidiary thereof, or any chartered or
27 licensed life insurance company or property and casualty
28 insurance company, or the State of New Jersey or any political
29 subdivision thereof or any agency or instrumentality of the State
30 or any political subdivision thereof, shall be jointly and severally
31 liable for all acts, omissions and violations of this act by any
32 party thereto regardless of actual knowledge of such act,
33 omission or violation and notwithstanding any provision in such
34 agreement to the contrary.

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

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

42 (2) The corporation shall maintain an office of the corporation
43 in the premises licensed or to be licensed;

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

46 (4) The corporation shall maintain a ledger in the principal
47 office of the corporation in New Jersey which shall at all times
48 reflect the current ownership of every class of security issued by
49 the corporation and shall be available for inspection by the
50 commission or the division and authorized agents of the
51 commission and the division at all reasonable times without
52 notice;

53 (5) The corporation shall maintain all operating accounts
54 required by the commission in a bank in New Jersey, except that

1 a casino licensee may establish deposit-only accounts in any
2 jurisdiction in order to obtain payment of any check described in
3 section 101 of P.L.1977, c.110 (C.5:12-101);

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

8 (7) The corporation, if it is not a publicly traded corporation,
9 shall file with the commission such adopted corporate charter
10 provisions as may be necessary to establish the right of prior
11 approval by the commission with regard to transfers of securities,
12 shares, and other interests in the applicant corporation; and, if it
13 is a publicly traded corporation, provide in its corporate charter
14 that any securities of such corporation are held subject to the
15 condition that if a holder thereof is found to be disqualified by
16 the commission pursuant to the provisions of this act, such holder
17 shall dispose of his interest in the corporation; provided, however,
18 that, notwithstanding the provisions of N.J.S.14A:7-12 and
19 N.J.S.12A:8-101 et seq., nothing herein shall be deemed to
20 require that any security of such corporation bear any legend to
21 this effect;

22 (8) The corporation, if it is not a publicly traded corporation,
23 shall establish to the satisfaction of the commission that
24 appropriate charter provisions create the absolute right of such
25 non-publicly traded corporations and companies to repurchase at
26 the market price or the purchase price, whichever is the lesser,
27 any security, share or other interest in the corporation in the
28 event that the commission disapproves a transfer in accordance
29 with the provisions of this act;

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

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

41 Notwithstanding the foregoing, any corporation or company
42 which had bylaw provisions approved by the commission prior to
43 the effective date of this 1987 amendatory act shall have one
44 year from the effective date of this 1987 amendatory act to
45 adopt appropriate charter provisions in accordance with the
46 requirements of this subsection.

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

51 e. No person shall be issued or be the holder of [more than
52 three casino licenses] a casino license if the issuance or the
53 holding results in undue economic concentration in Atlantic City
54 casino operations by that person. The commission shall, after

1 conducting public hearings thereon, promulgate rules and
2 regulations in accordance with the "Administrative Procedure
3 Act," P.L.1968, c.410 (C.52:14B-1 et seq.) defining the criteria
4 the commission will use in determining what constitutes undue
5 economic concentration. For the purpose of this subsection a
6 person shall be considered the holder of a casino license if such
7 license is issued to such person or if such license is held by any
8 holding, intermediary or subsidiary company thereof, or by any
9 officer, director, casino key employee or principal employee of
10 such person, or of any holding, intermediary or subsidiary
11 company thereof.

12 (cf: P.L.1993, c.121, s.1)

13 ¹[19A.] 24.¹ Section 83 of P.L.1977, c.110 (C.5:12-83) is
14 amended to read as follows:

15 83. Approved Hotel. a. An approved hotel for purposes of this
16 act shall be a hotel providing facilities in accordance with this
17 section. Nothing in this section shall be construed to limit the
18 authority of the commission to determine the suitability of
19 facilities as provided in this act, and nothing in this section shall
20 be construed to require a casino to be smaller than the maximum
21 size herein provided.

22 b. (1) In the case of a casino hotel in operation on June 29,
23 1991, an approved hotel shall:

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

29 (b) contain a casino of not more than the amount of casino
30 space authorized on the basis of the provisions of this section
31 which were in effect on June 28, 1991 and applicable to that
32 casino at that time, 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 June 29, 1991 permit an
35 increase on the following basis: [50,000] 60,000 square feet for
36 the first 500 qualifying sleeping units and 10,000 square feet for
37 each additional 100 qualifying sleeping units above 500, up to a
38 maximum of 200,000 square feet. No casino hotel in operation on
39 June 29, 1991 shall be required to reduce the amount of its casino
40 space below the amount authorized as of June 28, 1991 unless the
41 number of qualifying sleeping units is reduced below the number
42 required in subparagraph (a) of this paragraph.

43 For the purpose of increasing casino space, an agreement
44 approved by the commission for the addition of qualifying
45 sleeping units within two years after the commencement of
46 gaming operations in the additional casino space shall be deemed
47 an addition of those rooms, but if the agreement is not fulfilled
48 due to conditions within the control of the casino licensee, the
49 casino licensee shall close the additional casino space or any
50 portion thereof as directed by the commission.

51 The calculation of the number of qualifying sleeping units
52 added with respect to any such casino hotel shall not include any
53 qualifying sleeping unit or other hotel or motel room in existence
54 in Atlantic City on June 29, 1991, whether or not that unit or

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

24 (2) In the case of a hotel in operation on June 29, 1991 in
25 which a licensed casino was located and operated prior to, but not
26 as of, that date, and in which a casino is reestablished after that
27 date, an approved hotel shall:

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

34 (b) contain a casino of not more than the amount of casino
35 space the casino had on the date it ceased operations prior to
36 June 29, 1991 unless the number of qualifying sleeping units under
37 subparagraph (a) of this paragraph and the number of any
38 qualifying sleeping units added after that date permit an increase
39 on the following basis: [50,000] 60,000 square feet for the first
40 500 qualifying sleeping units and 10,000 square feet for each
41 additional 100 qualifying sleeping units above 500, up to a
42 maximum of 200,000 square feet. No casino hotel which operates
43 pursuant to this paragraph shall be required to reduce the amount
44 of its casino space below the amount it had on the date it ceased
45 operations unless the number of qualifying sleeping units is
46 reduced below the number required in subparagraph (a) of this
47 paragraph.

48 For the purpose of increasing casino space, an agreement
49 approved by the commission for the addition of qualifying
50 sleeping units within two years after the commencement of
51 gaming operations in the additional casino space shall be deemed
52 an addition of those rooms, but if the agreement is not fulfilled
53 due to conditions within the control of the casino licensee, the
54 casino licensee shall close the additional casino space or any
55 portion thereof as directed by the commission.

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

19 c. In the case of a casino hotel not in operation prior to or on
20 June 29, 1991, an approved hotel shall contain at least 500
21 qualifying sleeping units, as defined in section 27 of the "Casino
22 Control Act," P.L.1977, c.110 (C.5:12-27), and a single casino
23 room of not more than [50,000] 60,000 square feet, except that
24 for each additional 100 qualifying sleeping units above 500, the
25 maximum size of the casino room may be increased by 10,000
26 square feet, up to a maximum of 200,000 square feet. The
27 calculation of the number of qualifying sleeping units with
28 respect to any such casino hotel shall not include any qualifying
29 sleeping unit or other hotel or motel room in existence in
30 Atlantic City on June 29, 1991, whether or not that unit or room
31 was offered or usable for occupancy on that date, or any
32 replacement for such a unit or room which results from
33 construction or renovation after that date, except that any hotel
34 room in existence in Atlantic City on June 29, 1991 which was
35 not used or available for use on that date and for at least 10
36 years prior to that date and which is reconstructed or replaced
37 after the effective date of this amendatory and supplementary
38 act, P.L.1993, c.159, and meets the specifications of a sleeping
39 unit prescribed in section 27 of P.L.1977, c.110 (C.5:12-27) may
40 be included in such calculation, and any replacement which, in
41 the judgment of the commission, is an integral element of a
42 program of neighborhood rehabilitation undertaken by the casino
43 licensee with the approval of the city of Atlantic City may also
44 be included in such calculation.

45 d. Once a hotel is initially approved, the commission shall
46 thereafter rely on the certification of the casino licensee with
47 regard to the number of rooms and shall permit rehabilitation,
48 renovation and alteration of any part of the approved hotel even
49 if the rehabilitation, renovation, or alteration will mean that the
50 casino licensee does not temporarily meet the requirements of
51 subsection c. so long as the licensee certifies that the
52 rehabilitation, renovation, or alteration shall be completed within
53 one year.

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

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

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

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

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

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

14 ¹[20.] 25.¹ Section 84 of P.L.1977, c.110 (C.5:12-84) is
15 amended to read as follows:

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

19 a. Each applicant shall produce such information,
20 documentation and assurances concerning financial background
21 and resources as may be required to establish by clear and
22 convincing evidence the financial stability, integrity and
23 responsibility of the applicant, including but not limited to bank
24 references, business and personal income and disbursement
25 schedules, tax returns and other reports filed with governmental
26 agencies, and business and personal accounting and check records
27 and ledgers. In addition, each applicant shall, in writing,
28 authorize the examination of all bank accounts and records as
29 may be deemed necessary by the commission or the division.

30 b. Each applicant shall produce such information,
31 documentation and assurances as may be necessary to establish
32 by clear and convincing evidence the integrity of all financial
33 backers, investors, mortgagees, bondholders, and holders of
34 indentures, notes or other evidences of indebtedness, either in
35 effect or proposed, which bears any relation to the casino
36 proposal submitted by the applicant or applicants; provided,
37 however, that this section shall not apply to banking or other
38 licensed lending institutions exempted from the qualification
39 requirements of subsections c. and d. of section 85 of P.L.1977,
40 c.110 (C.5:12-85) and institutional investors waived from the
41 qualification requirements of those subsections pursuant to the
42 provisions of subsection f. of section 85 of P.L.1977, c.110
43 (C.5:12-85). Any such banking or licensed lending institution or
44 institutional investor shall, however, produce for the commission
45 or the division upon request any document or information which
46 bears any relation to the casino proposal submitted by the
47 applicant or applicants. The integrity of financial sources shall
48 be judged upon the same standards as the applicant. In addition,
49 the applicant shall produce whatever information, documentation
50 or assurances as may be required to establish by clear and
51 convincing evidence the adequacy of financial resources both as
52 to the completion of the casino proposal and the operation of the
53 casino.

54 c. Each applicant shall produce such information,

1 documentation and assurances as may be required to establish by
2 clear and convincing evidence the applicant's good character,
3 honesty and integrity. Such information shall include, without
4 limitation, information pertaining to family, habits, character,
5 reputation, criminal and arrest record, business activities,
6 financial affairs, and business, professional and personal
7 associates, covering at least the 10-year period immediately
8 preceding the filing of the application. Each applicant shall
9 notify the commission of any civil judgments obtained against any
10 such applicant pertaining to antitrust or security regulation laws
11 of the federal government, of this State or of any other state,
12 jurisdiction, province or country. In addition, each applicant shall
13 produce letters of reference from law enforcement agencies
14 having jurisdiction in the applicant's place of residence and
15 principal place of business, which letters of reference shall
16 indicate that such law enforcement agencies do not have any
17 pertinent information concerning the applicant, or if such law
18 enforcement agency does have information pertaining to the
19 applicant, shall specify what the information is. If the applicant
20 has conducted gaming operations in a jurisdiction which permits
21 such activity, the applicant shall produce letters of reference
22 from the gaming or casino enforcement or control agency which
23 shall specify the experiences of such agency with the applicant,
24 his associates, and his gaming operation; provided, however, that
25 if no such letters are received within 60 days of request therefor,
26 the applicant may submit a statement under oath that he is or
27 was during the period such activities were conducted in good
28 standing with such gaming or casino enforcement or control
29 agency.

30 d. Each applicant shall produce such information,
31 documentation and assurances as may be required to establish by
32 clear and convincing evidence that the applicant has sufficient
33 business ability and casino experience as to establish the
34 likelihood of creation and maintenance of a successful, efficient
35 casino operation. The applicant shall produce the names of all
36 proposed casino key employees as they become known and a
37 description of their respective or proposed responsibilities, and a
38 full description of security systems and management controls
39 proposed for the casino and related facilities.

40 e. Each applicant shall produce such information,
41 documentation and assurances to establish to the satisfaction of
42 the commission the suitability of the casino and related facilities
43 subject to subsection i. of section 83 of P.L.1977, c.110
44 (C.5:12-83) and its proposed location will not adversely affect
45 casino operations [or overall environmental conditions]. Each
46 applicant shall submit an impact statement which shall include,
47 without limitation, architectural and site plans which establish
48 that the proposed facilities comply in all respects with the
49 requirements of this act[,] and the requirements of the master
50 plan and zoning and planning ordinances of Atlantic City, without
51 any use variance from the provisions thereof, and the
52 requirements of the "Coastal Area Facility Review Act,"
53 P.L.1973, c.185 (C.13:19-1 et seq.); a market impact study
54 which analyzes the adequacy of the patron market and the effect

1 of the proposal on such market and on the existing casino
2 facilities licensed under this act; and an analysis of the effect of
3 the proposal on the overall [environment, including, without
4 limitation,] economic[, social, demographic] and competitive
5 conditions [as well as the natural resources] of Atlantic City and
6 the State of New Jersey.

7 (cf: P.L.1991, c.182, s.25)

8 ¹[21.] 26.¹ Section 88 of P.L.1977, c.110 (C.5:12-88) is
9 amended to read as follows:

10 88. Renewal of Casino Licenses. a. Subject to the power of
11 the commission to deny, revoke, or suspend licenses, any casino
12 license in force shall be renewed by the commission for the next
13 succeeding license period upon proper application for renewal and
14 payment of license fees and taxes as required by law and the
15 regulations of the commission. The license period for a renewed
16 casino license shall be up to one year for each of the first two
17 renewal periods succeeding the initial issuance of a casino license
18 pursuant to section 87 of P.L.1977, c.110 (C.5:12-87).
19 Thereafter, [a casino license may be renewed for a period of up
20 to two years] the renewal periods shall be up to four years each,
21 but the commission may reopen licensing hearings at any time. In
22 addition, the commission shall reopen licensing hearings at any
23 time at the request of the [Division of Gaming Enforcement in
24 the Department of Law and Public Safety] division.
25 Notwithstanding the foregoing, the commission may, for the
26 purpose of facilitating its administration of this act, renew the
27 casino license of the holders of licenses initially opening after
28 January 1, 1981 for a period of one year; provided, however, the
29 renewal period for those particular casino licenses may not be
30 adjusted more than once pursuant to this provision. The
31 commission shall act upon any such application prior to the date
32 of expiration of the current license.

33 b. Application for renewal shall be filed with the commission
34 no later than 90 days prior to the expiration of the current
35 license, and all license fees and taxes as required by law shall be
36 paid to the commission on or before the date of expiration of the
37 current license.

38 c. Upon renewal of any license the commission shall issue an
39 appropriate renewal certificate or validating device or sticker
40 which shall be attached to each casino license.

41 (cf: P.L.1991, c.182, s.28)

42 ¹[22.] 27.¹ Section 89 of P.L.1977, c.110 (C.5:12-89) is
43 amended to read as follows:

44 89. Licensing of Casino Key Employees. a. No person may be
45 employed as a casino key employee unless he is the holder of a
46 valid casino key employee license issued by the commission.

47 b. Each applicant must, prior to the issuance of any casino key
48 employee license, produce information, documentation and
49 assurances concerning the following qualification criteria:

50 (1) Each applicant for a casino key employee license shall
51 produce such information, documentation and assurances as may
52 be required to establish by clear and convincing evidence the
53 financial stability, integrity and responsibility of the applicant,
54 including but not limited to bank references, business and

1 personal income and disbursements schedules, tax returns and
2 other reports filed with governmental agencies, and business and
3 personal accounting and check records and ledgers. In addition,
4 each applicant shall, in writing, authorize the examination of all
5 bank accounts and records as may be deemed necessary by the
6 commission or the division.

7 (2) Each applicant for a casino key employee license shall
8 produce such information, documentation and assurances as may
9 be required to establish by clear and convincing evidence the
10 applicant's good character, honesty and integrity. Such
11 information shall include, without limitation, data pertaining to
12 family, habits, character, reputation, criminal and arrest record,
13 business activities, financial affairs, and business, professional
14 and personal associates, covering at least the 10-year period
15 immediately preceding the filing of the application. Each
16 applicant shall notify the commission of any civil judgments
17 obtained against such applicant pertaining to antitrust or security
18 regulation laws of the federal government, of this State or of any
19 other state, jurisdiction, province or country. In addition, each
20 applicant shall, upon request of the commission or the division,
21 produce letters of reference from law enforcement agencies
22 having jurisdiction in the applicant's place of residence and
23 principal place of business, which letters of reference shall
24 indicate that such law enforcement agencies do not have any
25 pertinent information concerning the applicant, or if such law
26 enforcement agency does have information pertaining to the
27 applicant, shall specify what that information is. If the applicant
28 has been associated with gaming or casino operations in any
29 capacity, position or employment in a jurisdiction which permits
30 such activity, the applicant shall, upon request of the commission
31 or division, produce letters of reference from the gaming or
32 casino enforcement or control agency, which shall specify the
33 experience of such agency with the applicant, his associates and
34 his participation in the gaming operations of that jurisdiction;
35 provided, however, that if no such letters are received from the
36 appropriate law enforcement agencies within 60 days of the
37 applicant's request therefor, the applicant may submit a
38 statement under oath that he is or was during the period such
39 activities were conducted in good standing with such gaming or
40 casino enforcement or control agency.

41 (3) [Each applicant shall produce such information,
42 documentation and assurances as may be required to establish by
43 clear and convincing evidence that the applicant has sufficient
44 business ability and casino experience as to establish the
45 reasonable likelihood of success and efficiency in the particular
46 position involved.] (Deleted by amendment, P.L. , c. (now
47 pending before the Legislature as this bill).)

48 (4) Each applicant shall be a resident of the State of New
49 Jersey prior to the issuance of a casino key employee license;
50 provided, however, that upon petition by the holder of a casino
51 license, the commission may waive this residency requirement for
52 any applicant whose particular position will require him to be
53 employed outside the State.

54 The commission may also, by regulation, require that all

1 applicants for casino key employee licenses be residents of this
2 State for a period not to exceed six months immediately prior to
3 the issuance of such license, but application may be made prior to
4 the expiration of the required period of residency. The
5 commission shall, by resolution, waive the required residency
6 period for an applicant upon a showing that the residency period
7 would cause undue hardship upon the casino licensee which
8 intends to employ said applicant, or upon a showing of other good
9 cause.

10 c. [The commission shall endorse upon any license issued
11 hereunder the particular positions as defined by this act or by
12 regulation which the licensee is qualified to hold.] (Deleted by
13 amendment, P.L. , c. (now pending before the Legislature as
14 this bill).)

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

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

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

23 (2) The division either certifies to the commission that the
24 completed casino key employee license application as specified in
25 paragraph (1) of this subsection has been in the possession of the
26 division for at least [30] 15 days or agrees to allow the,
27 commission to consider the application in some lesser time;

28 (3) [The information provided by the applicant indicates that
29 the applicant meets the requirements of subsection b. (3) of this
30 section;] (Deleted by amendment, P.L. , c. (now pending
31 before the Legislature as this bill).)

32 (4) The petition for a temporary casino key employee license
33 certifies, and the commission finds, that an existing casino key
34 employee position of the petitioner is vacant or will become
35 vacant within 60 days of the date of the petition and that the
36 issuance of a temporary key employee license is necessary to fill
37 the said vacancy on an emergency basis to continue the efficient
38 operation of the casino, and that such circumstances are
39 extraordinary and not designed to circumvent the normal
40 licensing procedures of this act;

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

43 In the event that an applicant for a casino key employee
44 license is the holder of a valid casino employee license issued
45 pursuant to section 90 of this act, and if the provisions of
46 paragraphs (1), (2), [(3),] and (5) of this subsection are satisfied,
47 the commission may issue a temporary casino key employee
48 license upon petition by the holder of a casino license, if the
49 commission finds the issuance of a casino key employee license
50 will be delayed by necessary investigations and the said
51 temporary casino key employee license is necessary for the
52 operation of the casino.

53 Unless otherwise terminated pursuant to this act, any
54 temporary casino key employee license issued pursuant to this

1 subsection shall expire nine months from the date of its issuance.
2 (cf: P.L.1993, c.292, s.14)

3 ¹[23.] 28.¹ Section 90 of P.L.1977, c.110 (C.5:12-90) is
4 amended to read as follows:

5 90. Licensing of Casino Employees. a. No person may
6 commence employment as a casino employee unless he is the
7 holder of a valid casino employee license.

8 b. Any applicant for a casino employee license must, prior to
9 the issuance of any such license, produce sufficient information,
10 documentation and assurances to meet the qualification criteria,
11 including New Jersey residency, contained in subsection b. of
12 section 89 of this act and any additional residency requirement
13 imposed under subsection c. of this section[; except that the
14 standards for business ability and casino experience may be
15 satisfied by a showing of casino job experience and knowledge of
16 the provisions of this act and regulations pertaining to the
17 particular position involved, or by successful completion of a
18 course of study at a licensed school in an approved curriculum].

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

28 d. [The commission shall endorse upon any license issued
29 hereunder the particular positions as defined by regulation which
30 the licensee is qualified to hold.] [Deleted by amendment, P.L. ,
31 c. (now pending before the Legislature as this bill).]

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

35 f. For the purposes of this section, casino security employees
36 shall be considered casino employees and must, in addition to any
37 requirements under other laws, be licensed in accordance with
38 the provisions of this act.

39 g. [A] Upon petition by the holder of a casino license, a
40 temporary license may be issued by the commission to an
41 applicant for a casino [employees for positions not directly
42 related to gaming or simulcast wagering activity if, in its
43 judgment, the issuance of a plenary license will be restricted by
44 necessary investigations and said temporary licensing of the
45 applicant is necessary for the operation of the casino. In
46 addition, a temporary license may be issued by the commission to
47 a casino employee for the position of slot changeperson if the
48 division has not responded to the application for licensure within
49 15 days of the filing of the application and if the employee's
50 position involves working with an impressment of \$3,000 or less
51 and no access to any other funds] employee license provided that:

52 (1) the applicant for the casino employee license has filed a
53 complete application as required by the commission;

54 (2) the division either certifies to the commission that the

1 completed casino employee license application as specified in
2 paragraph (1) of this subsection has been in the possession of the
3 division for at least 15 days or agrees to allow the commission to
4 consider the application in some lesser time;

5 (3) the petition for a temporary casino employee license
6 certifies, and the commission finds, that the issuance of a plenary
7 license will be restricted by necessary investigations, and the
8 temporary licensing of the applicant is necessary for the
9 operation of the casino and is not designed to circumvent the
10 normal licensing procedures of the "Casino Control Act"; and

11 (4) the division does not object to the issuance of the
12 temporary casino employee license.

13 Unless otherwise terminated pursuant to this act, a temporary
14 license issued pursuant to this subsection shall expire six months
15 from the date of its issuance and be renewable, at the discretion
16 of the commission, for one additional six-month period. [Positions
17 "directly related to gaming or simulcast wagering activity" shall
18 include, but not be limited to, boxmen, floormen, dealers or
19 croupiers, cage personnel, count room personnel, slot and slot
20 booth personnel, simulcast wagering personnel, credit and
21 collection personnel, casino surveillance personnel, and casino
22 security employees whose employment duties require or authorize
23 access to the casino or simulcasting facility.]

24 h. Notwithstanding the provisions of subsection e. of this
25 section, no applicant shall be denied a casino employee license on
26 the basis of a conviction of any of the offenses enumerated in
27 this act as disqualification criteria or the commission of any act
28 or acts which would constitute any offense under subsection c. of
29 section 86 of P.L.1977, c.110 (C.5:12-86), as specified in
30 subsection g. of that section; provided that the applicant has
31 affirmatively demonstrated his rehabilitation. In determining
32 whether the applicant has affirmatively demonstrated his
33 rehabilitation the commission shall consider the following factors:

34 (1) The nature and duties of the position applied for;

35 (2) The nature and seriousness of the offense or conduct;

36 (3) The circumstances under which the offense or conduct
37 occurred;

38 (4) The date of the offense or conduct;

39 (5) The age of the applicant when the offense or conduct was
40 committed;

41 (6) Whether the offense or conduct was an isolated or repeated
42 incident;

43 (7) Any social conditions which may have contributed to the
44 offense or conduct;

45 (8) Any evidence of rehabilitation, including good conduct in
46 prison or in the community, counseling or psychiatric treatment
47 received, acquisition of additional academic or vocational
48 schooling, successful participation in correctional work-release
49 programs, or the recommendation of persons who have or have
50 had the applicant under their supervision.

51 (cf: P.L.1993, c.292, s.15)

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

54 91. Registration of Casino [Hotel and Casino Hotel Security]
55 Service Employees. a. No person may commence employment as

1 a casino [hotel employee or a casino hotel security] service
2 employee unless [he] the person has been registered with the
3 commission, which registration shall be in accordance with
4 subsection f. of this section.

5 b. Any applicant for casino [hotel employee or casino hotel
6 security] service employee registration shall produce such
7 information as the commission may require. Subsequent to the
8 registration of a casino [hotel employee or a casino hotel
9 security] service employee, the commission may revoke, suspend,
10 limit, or otherwise restrict the registration upon a finding that
11 the registrant is disqualified on the basis of the criteria contained
12 in section 86 of P.L.1977, c.110 (C.5:12-86).

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

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

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

52 e. The commission may waive any disqualification criterion for
53 a casino [hotel employee or a casino hotel security] service
54 employee consistent with the public policy of this act and upon a

1 finding that the interests of justice so require.

2 f. Upon petition by the holder of a casino license, casino [hotel
3 employee or casino hotel security] service employee registration
4 shall be granted to each applicant for such registration named
5 therein, provided that the petition certifies that each such
6 applicant has filed a completed application for casino [hotel
7 employee or casino hotel security] service employee registration
8 as required by the commission.

9 Any person who, on the effective date of [this amendatory and
10 supplementary act, P.L.1991, c.182] P.L. , c. (C.) (now
11 pending before the Legislature as this bill), possesses a current
12 and valid casino hotel employee [license and serves solely as a
13 casino hotel security employee, or has a completed application
14 for such licensure pending before the commission in order to
15 serve as a casino hotel security employee,] registration shall be
16 considered registered in accordance with the provisions of this
17 section.¹

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

19 ¹[24.] 30.¹ Section 92 of P.L.1977, c.110 (C.5:12-92) is
20 amended to read as follows:

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

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

1 licensee, its employees or agents, prior to the licensure of that
2 service industry applicant under this subsection.

3 b. Each casino service industry in subsection a. of this section,
4 as well as its owners[,]; management and supervisory personnel;
5 and [other] principal employees if such principal employees have
6 responsibility for services to a casino licensee, must qualify under
7 the standards, except residency, established for qualification of a
8 casino key employee under this act. [In addition, if the business or
9 enterprise is a school teaching gaming and either playing or
10 dealing techniques, each resident director, instructor, principal
11 employee, and sales representative employed thereby shall be
12 licensed under the standards established for qualification of a
13 casino employee under this act; provided, however, that nothing
14 in this subsection shall be deemed to require, in the case of a
15 public school district or a public institution of higher education,
16 the licensure or qualification of any individuals except those
17 instructors and other principal employees responsible for the
18 teaching of playing or dealing techniques. The commission, in its
19 discretion, may issue a temporary license to an applicant for an
20 instructor's license upon a finding that the applicant meets the
21 educational and experiential requirements for such license, that
22 the issuance of a permanent license will be restricted by
23 necessary investigations, and that temporary licensing is
24 necessary for the operation of the gaming school. Unless
25 otherwise terminated pursuant to this act, a temporary license
26 issued pursuant to this subsection shall expire six months from
27 the date of its issuance and be renewable, at the discretion of the
28 commission, for one additional six-month period.]

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

50 Upon granting an exemption or at any time thereafter, the
51 commission may limit or place such restrictions thereupon as it
52 may deem necessary in the public interest, and shall require the
53 exempted person to cooperate with the commission and the
54 division and, upon request, to provide information in the same

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

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

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

10 ¹[25.] 31.1 Section 93 of P.L.1977, c.110 (C.5:12-93) is
11 amended to read as follows:

12 93. Registration of Labor Organizations. a. Each labor
13 organization, union or affiliate seeking to represent employees
14 [licensed or registered under this act and] who are employed [by]
15 in a casino hotel, casino or casino simulcasting facility by a
16 casino licensee shall register with the commission annually, and
17 shall disclose such information to the commission as the
18 commission may require, including the names of all affiliated
19 organizations, pension and welfare systems and all officers and
20 agents of such organizations and systems; provided, however, that
21 no labor organization, union, or affiliate shall be required to
22 furnish such information to the extent such information is
23 included in a report filed by any labor organization, union, or
24 affiliate with the Secretary of Labor pursuant to 29 U.S.C. § 431
25 et seq. or § 1001 et seq. if a copy of such report, or of the portion
26 thereof, containing such information, is furnished to the
27 commission pursuant to the aforesaid federal provisions. The
28 commission may in its discretion exempt any labor organization,
29 union, or affiliate from the registration requirements of this
30 subsection where the commission finds that such organization,
31 union or affiliate is not the certified bargaining representative of
32 any employee [licensed or registered under this act] who is
33 employed in a casino hotel, casino or casino simulcasting facility
34 by a casino licensee, is not involved actively, directly or
35 substantially in the control or direction of the representation of
36 any such employee, and is not seeking to do so.

37 b. No person may act as an officer, agent or principal
38 employee of a labor organization, union or affiliate registered or
39 required to be registered pursuant to this section [and
40 representing or seeking to represent employees licensed or
41 registered under P.L.1977, c.110 (C.5:12-1 et seq.)] if the person
42 has been found disqualified by the commission in accordance with
43 the criteria contained in section 86 of that act. The commission
44 may, for purposes of this subsection, waive any disqualification
45 criterion consistent with the public policy of this act and upon a
46 finding that the interests of justice so require.

47 c. Neither a labor organization, union or affiliate nor its
48 officers and agents not otherwise individually licensed or
49 registered under this act and employed by a casino licensee may
50 hold any financial interest whatsoever in the casino hotel, casino,
51 casino simulcasting facility or casino licensee whose employees
52 they represent.

53 d. Any person, including any labor organization, union or
54 affiliate, who shall violate, aid and abet the violation, or conspire

1 or attempt to violate this section is guilty of a crime of the
2 fourth degree.

3 e. The commission or the division may maintain a civil action
4 and proceed in a summary manner, without posting bond, against
5 any person, including any labor organization, union or affiliate, to
6 compel compliance with this section, or to prevent any violations,
7 the aiding and abetting thereof, or any attempt or conspiracy to
8 violate this section.

9 f. In addition to any other remedies provided in this section, a
10 labor organization, union or affiliate registered or required to be
11 registered pursuant to this section [and representing or seeking to
12 represent employees licensed or registered under P.L.1977, c.110
13 (C.5:12-1 et seq.)] may be prohibited by the commission from
14 receiving any dues from any employee licensed or registered
15 under that act and employed by a casino licensee or its agent, if
16 any officer, agent or principal employee of the labor
17 organization, union or affiliate has been found disqualified and if
18 such disqualification has not been waived by the commission in
19 accordance with subsection b. of this section. The commission or
20 the division may proceed in the manner provided by subsection e.
21 of this section to enforce an order of the commission prohibiting
22 the receipt of dues.

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

26 (cf: P.L.1987, c.355, s.6) ,

27 ¹[26.] 32.1 Section 94 of P.L.1977, c.110 (C.5:12-94) is
28 amended to read as follows:

29 94. Approval and Denial of Registrations and Licenses Other
30 Than Casino Licenses. a. Upon the filing of an application for
31 any license or registration required by this act, other than a
32 casino license, and after submission of such supplemental
33 information as the commission may require, the commission shall
34 request the division to conduct such investigation into the
35 qualification of the applicant, and the commission shall conduct
36 such hearings concerning the qualification of the applicant, in
37 accordance with its regulations, as may be necessary to
38 determine qualification for such license or registration.

39 b. After such investigation, the commission may either deny
40 the application or grant a license to or accept the registration of
41 an applicant whom it determines to be qualified to hold such
42 license or registration.

43 c. The commission shall have the authority to deny any
44 application pursuant to the provisions of this act. When an
45 application is denied, the commission shall prepare and file its
46 order denying such application with the general reasons therefor,
47 and if requested by the applicant, shall further prepare and file a
48 statement of the reasons for the denial, including the specific
49 findings of fact.

50 d. When the commission grants an application, the commission
51 may limit or place such restrictions thereupon as it may deem
52 necessary in the public interest. [A casino hotel employee
53 registration shall, upon issuance, remain in effect unless revoked,
54 suspended, limited, or otherwise restricted by the commission.]

1 ¹Casino service employee registration shall, upon issuance,
2 remain in effect unless revoked, suspended, limited, or otherwise
3 restricted by the commission.¹ Licenses may be granted and
4 renewed as follows:

5 (1) All casino employee licenses, [gaming school resident
6 director, instructor, principal employee and sales representative
7 licenses,] casino service industry licenses issued pursuant to
8 subsection c. of section 92 of P.L.1977, c.110 (C.5:12-92), and
9 junket representative and junket enterprise licenses issued
10 pursuant to section 102 of P.L.1977, c.110 (C.5:12-102) shall be
11 issued for an initial term of three years, and may be renewed for
12 subsequent terms of four years each; and

13 (2) All casino key employee licenses and casino service
14 industry licenses required pursuant to subsection a. of section 92
15 of P.L.1977, c.110 (C.5:12-92) shall be issued for an initial term
16 of two years, and may be renewed for subsequent terms of [two]
17 four years each.

18 Notwithstanding the foregoing, the commission shall reconsider
19 the granting of any license or the approval of any registration at
20 any time at the request of the division.

21 e. After an application is submitted to the commission, final
22 action of the commission shall be taken within 90 days after
23 completion of all hearings and investigations and the receipt of
24 all information required by the commission.

25 (cf: P.L.1993, c.292, s.16)

26 ¹[27.] 33.¹ Section 4 of P.L.1987, c.409 (C.5:12-95.13) is
27 amended to read as follows:

28 4. Commission Consideration of Request for Interim Casino
29 Authorization. a. The commission may grant interim
30 authorization where it finds by clear and convincing evidence (1)
31 that statements of compliance have been issued pursuant to
32 sections 81, 82c., 82d., 82e., 84e., and 134 of the "Casino Control
33 Act," P.L.1977, c.110 (C.5:12-81, 5:12-82, 5:12-84, and
34 5:12-134); (2) that the casino hotel facility is an approved hotel in
35 accordance with the requirements of section 83 of the "Casino
36 Control Act," P.L.1977, c.110 (C.5:12-83); (3) that the trustee or
37 trustees required by section 5 of this 1987 amendatory and
38 supplementary act have satisfied the qualification criteria
39 applicable to a casino key employee, except for residency [and
40 casino experience]; and (4) that interim operation will best serve
41 the interests of the public with particular reference to the
42 policies and purposes enumerated in section 1 of the "Casino
43 Control Act," P.L.1977, c.110 (C.5:12-1).

44 b. The commission's consideration of a request for interim
45 authorization shall include, but not be limited to, consideration of
46 such relevant information as may be presented to it by the
47 division. In responding to the request and in determining whether
48 to concur, the division shall not be required to disclose any
49 information the disclosure of which, in its judgment, may
50 prejudice or otherwise compromise any continuing investigation.

51 (cf: P.L.1987, c.409, s.4)

52 ¹[28.] 34.¹ Section 96 of P.L.1977, c.110 (C.5:12-96) is
53 amended to read as follows:

54 96. Operation Certificate. a. Notwithstanding the issuance of

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

17 b. The operation certificate shall include [a statement of
18 compliance with subsection a. of this section and] an itemized list
19 by category and number of the authorized games permitted in the
20 particular casino establishment and any applicable simulcasting
21 facility.

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

30 d. An operation certificate shall remain in force and effect
31 unless altered in accordance with subsection c. of this section, or
32 revoked, suspended, limited, or otherwise altered by the
33 commission in accordance with this act.

34 e. It shall be an express condition of continued operation under
35 this act that a casino licensee shall maintain all books, records,
36 and documents pertaining to the licensee's operations, including
37 casino simulcasting, and approved hotel in a manner and location
38 within this State approved by the commission. All such books,
39 records and documents shall be immediately available for
40 inspection during all hours of operation in accordance with the
41 rules of the commission and shall be maintained for such period
42 of time as the commission shall require.

43 (cf: P.L.1993, c.292, s.17)

44 ¹[29.] 35.1 Section 98 of P.L.1977, c.110 (C.5:12-98) is
45 amended to read as follows:

46 98. Casino Facility Requirements. a. Each casino licensee
47 shall arrange the facilities of its casino and, if appropriate, its
48 simulcasting facility in such a manner as to promote [maximum
49 comfort for the patrons and] optimum security for the casino and
50 simulcasting facility operations, and shall comply in all respects
51 with regulations of the commission pertaining thereto.

52 b. Each casino licensee shall:

53 (1) Install a closed circuit television system according to
54 specifications approved by the commission, and provide access on

1 the licensed premises to the system or its signal by the
2 commission or the division, in accordance with regulations
3 pertaining thereto;

4 (2) Establish a single room as its casino; and

5 (3) Provide that visibility between any two areas, whether or
6 not contiguous, in the casino or in the simulcasting facility may
7 not be obstructed by partitions of any kind which interfere with
8 the ability of the commission or the division to supervise casino
9 or simulcasting facility operations; provided, however, that
10 multi-level casinos otherwise complying with this subsection shall
11 be permitted.

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

13 ¹[30.] 36.¹ Section 99 of P.L.1977, c.110 (C.5:12-99) is
14 amended to read as follows:

15 99. Internal Controls. a. Each casino licensee shall submit to
16 the commission a description of its system of internal procedures
17 and administrative and accounting controls for gaming and
18 simulcast wagering operations and a description of any changes
19 thereof. Such submission shall be made at least [60] 30 days
20 before such operations are to commence or at least [60] 30 days
21 before any change in those procedures or controls is to take
22 effect, unless otherwise directed by the commission.
23 Notwithstanding the foregoing, the internal controls described in
24 paragraph (3) of this subsection may be implemented by a casino
25 licensee upon the filing of such internal controls with the
26 commission. Each [such] internal control submission shall contain
27 both narrative and diagrammatic representations of the internal
28 control system to be utilized by the casino, including, but not
29 limited to:

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

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

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

46 (4) Procedures within the cashier's cage and simulcast facility
47 for the receipt, storage and disbursal of chips, cash, and other
48 cash equivalents used in gaming and simulcast wagering; the
49 cashing of checks; the redemption of chips and other cash
50 equivalents used in gaming and simulcast wagering; the pay-off
51 of jackpots and simulcast wagers; and the recording of
52 transactions pertaining to gaming and simulcast wagering
53 operations;

54 (5) Procedures for the collection and security of moneys at the

1 gaming tables and in the simulcasting facility;

2 (6) Procedures for the transfer and recordation of chips
3 between the gaming tables and the cashier's cage and the
4 transfer and recordation of moneys within the simulcasting
5 facility;

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

9 (8) Procedures and security for the counting and recordation of
10 revenue;

11 (9) Procedures for the security, storage and recordation of
12 cash, chips and other cash equivalents utilized in the gaming and
13 simulcast wagering operations;

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

16 (11) Procedures and standards for the opening and security of
17 slot machines;

18 (12) Procedures for the payment and recordation of slot
19 machine jackpots;

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

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

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

27 (16) Procedures and rules governing the conduct of particular
28 games and simulcast wagering and the responsibility of casino
29 personnel in respect thereto; and

30 (17) Procedures for separately recording all transactions
31 pursuant to section 101 of this act involving the Governor, any
32 State officer or employee, or any special State officer or
33 employee, any member of the Judiciary, any member of the
34 Legislature, any officer of a municipality or county in which
35 casino gaming is authorized, or any gaming related casino
36 employee, and for the quarterly filing with the Attorney General
37 of a list reporting all such transactions.

38 If required by regulation of the commission, each casino
39 licensee shall also submit a description of its system of internal
40 procedures and administrative and accounting controls for
41 non-gaming operations and a description of any changes thereto
42 no later than five days after those operations commence or after
43 any change in those procedures or controls takes effect.

44 b. The commission shall review each submission required by
45 subsection a. hereof, and shall determine whether it conforms to
46 the requirements of this act and to the regulations promulgated
47 thereunder and whether the system submitted provides adequate
48 and effective controls for the operations of the particular casino
49 hotel submitting it. If the commission finds any insufficiencies, it
50 shall specify same in writing to the casino licensee, who shall
51 make appropriate alterations. When the commission determines a
52 submission to be adequate in all respects, it shall notify the
53 casino licensee of same. [No] Except as otherwise provided in
54 subsection a. of this section, no casino licensee shall commence

1 or alter gaming operations unless and until such system of
2 controls is approved by the commission.

3 (cf: P.L.1993, c.292, s.19)

4 ¹[31.] 37.¹ Section 100 of P.L.1977, c.110 (C.5:12-100) is
5 amended to read as follows:

6 100. Games and Gaming Equipment. a. This act shall not be
7 construed to permit any gaming except the conduct of authorized
8 games in a casino room in accordance with this act and the
9 regulations promulgated hereunder and in a simulcasting facility
10 to the extent provided by the "Casino Simulcasting Act,"
11 P.L.1992, c.19 (C.5:12-191 et al.).

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

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

40 c. Each casino hotel shall contain a count room and such other
41 secure facilities as may be required by the commission for the
42 counting and storage of cash, coins, tokens and checks received in
43 the conduct of gaming and for the inspection, counting and
44 storage of dice, cards, chips and other representatives of value.
45 All drop boxes and other devices wherein cash, coins, or tokens
46 are deposited at the gaming tables or in slot machines, and all
47 areas wherein such boxes and devices are kept while in use, shall
48 be equipped with two locking devices, one key to which shall be
49 under the exclusive control of the commission and the other
50 under the exclusive control of the casino licensee, and said drop
51 boxes and other devices shall not be brought into or removed
52 from the casino room or simulcasting facility, or locked or
53 unlocked, except at such times, in such places, and according to
54 such procedures as the commission may require.

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

4 e. All gaming shall be conducted according to rules
5 promulgated by the commission. All wagers and pay-offs of
6 winning wagers shall be made according to rules promulgated by
7 the commission, which shall establish such limitations as may be
8 necessary to assure the vitality of casino operations and fair odds
9 to [and maximum participation by] patrons. Each slot machine
10 shall have a minimum payout of 83%.

11 f. Each casino licensee shall make available in printed form to
12 any patron upon request the complete text of the rules of the
13 commission regarding games and the conduct of gaming, pay-offs
14 of winning wagers, an approximation of the odds of winning for
15 each wager, and such other advice to the player as the
16 commission shall require. Each casino licensee shall prominently
17 post within the casino room and simulcasting facility, as
18 appropriate, according to regulations of the commission such
19 information about gaming rules, pay-offs of winning wagers, the
20 odds of winning for each wager, and such other advice to the
21 player as the commission shall require.

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

29 h. (1) No slot machine shall be used to conduct gaming unless
30 it is identical in all electrical, mechanical and other aspects to a
31 model thereof which has been specifically tested by the division
32 and licensed for use by the commission. The division may, in its
33 discretion, and for the purpose of expediting the approval
34 process, refer testing to any testing laboratory with a plenary
35 license as a casino service industry pursuant to subsection a. of
36 section 92 of P.L.1977, c.110 (C.5:12-92). The division shall give
37 priority to the testing of slot machines which a casino licensee
38 has certified it will use in its casino in this State. The
39 commission shall, by regulation, establish such technical
40 standards for licensure of slot machines, including mechanical
41 and electrical reliability, security against tampering, the
42 comprehensibility of wagering, and noise and light levels, as it
43 may deem necessary to protect the player from fraud or
44 deception and to insure the integrity of gaming. The
45 denominations of such machines shall be set by the licensee[,
46 subject to the prior approval of the commission]; the licensee
47 shall simultaneously notify the commission of the settings.

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

- 51 (a) promote optimum security for casino operations;
52 (b) avoid deception or frequent distraction to players at
53 gaming tables;
54 (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
8 in a licensed casino shall provide that all casino floor space and
9 all space within a casino licensee's casino simulcasting facility
10 shall be included in any calculation of the permissible number and
11 density 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
17 or [similar] complimentary vouchers distributed [pursuant to a
18 program approved by the commission or maintained pursuant to
19 commission regulation] by the casino licensee, or, if authorized
20 by regulation of the commission, a valid charge to a credit or
21 debit card account. A casino licensee shall, upon the request of
22 any person, redeem that licensee's gaming chips surrendered by
23 that person in any amount over [\$25.00] \$100 with a check drawn
24 upon the licensee's account at any banking institution in this
25 State and made payable to that person.

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

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

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

1 by the same casino licensee.

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

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

14 (cf: P.L.1993, c.292, s.20)

15 ¹[32.] 38.¹ Section 101 of P.L.1977, c.110 (C.5:12-101) is
16 amended to read as follows:

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

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

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

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

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

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

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

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

48 Nothing in this subsection shall be deemed to preclude the
49 establishment of an account by any person with a casino licensee
50 by a deposit of cash, recognized traveler's check or other cash
51 equivalent, or a check which meets the requirements of
52 subsection g. of this section, or to preclude the withdrawal,
53 either in whole or in part, of any amount contained in such
54 account.

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

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

45 d. No casino licensee or any other person licensed under this
46 act, or any other person acting on behalf of or under any
47 arrangement with a casino licensee or other person licensed under
48 this act, shall transfer, convey, or give, with or without
49 consideration, a check cashed in conformity with the
50 requirements of this section to any person other than:

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

53 (2) A bank for collection or payment of the check; [or]

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

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

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

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

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

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

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

33 (b) The check is issued by a banking institution which is
34 chartered in a country other than the United States on its
35 account at a federally chartered or state-chartered bank and is
36 made payable to "cash," "bearer," a casino licensee, or the
37 person presenting the check; [or]

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

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

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

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

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

50 (4) The check is presented to the cashier or the cashier's
51 representative by the original payee and its validity is verified by
52 the drawer in the case of a check drawn pursuant to subparagraph
53 (a) of paragraph (1) of this subsection, or the check is verified in
54 accordance with regulations promulgated by the commission in

1 the case of a check issued pursuant to subparagraph (b) [or
2 subparagraph], (c), (d) or (e) of paragraph (1) of this subsection;
3 and

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

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

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

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

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

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

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

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

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

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

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

42 (a) The patron so certifies;

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

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

49 (d) The casino licensee maintains full documentation of the
50 transaction in accordance with regulations established by the
51 commission.

52 i. Checks cashed pursuant to the provisions of paragraph (1) of
53 subsection h. of this section which are subsequently uncollectable
54 may not be deducted from the total of all sums received in

1 calculating gross revenue pursuant to section 24 of P.L.1977,
2 c.110 (C.5:12-24).

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

16 k. Notwithstanding the provisions of paragraph (4) of
17 subsection b. of this section to the contrary, a casino licensee
18 may, prior to the completion of the verifications that are
19 otherwise required by the rules of the commission for a casino
20 licensee to issue credit, accept a check from a person to enable
21 such person to take part in gaming or simulcast wagering as a
22 player, or may give cash or cash equivalents in exchange for such
23 check, provided that:

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

25 (a) the efforts that were made to complete the required
26 verifications and the reasons why the verifications could not be
27 completed; and

28 (b) a description of the criteria that were relied upon in
29 determining to issue credit to the person prior to the completion
30 of the required verifications;

31 (2) the check otherwise complies with the requirements of
32 subsection b. of this section and is processed by the casino
33 licensee in accordance with all other provisions of this section
34 and the regulations of the commission; and

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

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

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

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

45 ¹[33.] ¹39.1 Section 102 of P.L.1977, c.110 (C.5:12-102) is
46 amended to read as follows:

47 102. Junkets and Complimentary Services. a. No junkets may
48 be organized or permitted except in accordance with the
49 provisions of this act. No person may act as a junket
50 representative or junket enterprise except in accordance with
51 this section.

52 b. A junket representative employed by a casino licensee [or],
53 an applicant for a casino license or an affiliate of a casino
54 licensee shall be licensed as a casino [key] employee in

1 accordance with the provisions of P.L.1977, c.110 (C.5:12-1 et
2 seq.); provided, however, that said licensee need not be a resident
3 of this State. Any person who holds a current and valid casino
4 [key] employee license may act as a junket representative while
5 employed by a casino licensee [without further endorsement of
6 his license] or an affiliate. No casino licensee or applicant for a
7 casino license may employ or otherwise engage a junket
8 representative who is not so licensed.

9 c. Junket enterprises which, and junket representatives not
10 employed by a casino licensee or an applicant for a casino license
11 or by a junket enterprise who, are engaged in activities governed
12 by this section shall be subject to the provisions of subsection c.
13 of section 92 and subsection b. of section 104 of P.L.1977, c.110
14 (C.5:12-92 and 5:12-104) with regard to those activities, unless
15 otherwise directed by the commission pursuant to subsection k. of
16 this section. Such of the owners, management and supervisory
17 personnel, and other principal employees of a junket enterprise as
18 the commission may consider appropriate for qualification shall
19 qualify under the standards, except for residency, established for
20 qualification of a casino key employee under P.L.1977, c.110
21 (C.5:12-1 et seq.).

22 d. Prior to the issuance of any license required by this section,
23 an applicant for licensure shall submit to the jurisdiction of the
24 State of New Jersey and shall demonstrate to the satisfaction of
25 the commission that he is amenable to service of process within
26 this State. Failure to establish or maintain compliance with the
27 requirements of this subsection shall constitute sufficient cause
28 for the denial, suspension or revocation of any license issued
29 pursuant to this section.

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

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

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

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

41 (4) the division does not object to the temporary licensure of
42 the applicant; provided, however, that failure of the division to
43 object prior to the temporary licensure of the applicant shall not
44 be construed to reflect in any manner upon the qualifications of
45 the applicant for licensure.

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

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

7 f. Every agreement concerning junkets entered into by a
8 casino licensee and a junket representative or junket enterprise
9 shall be deemed to include a provision for its termination without
10 liability on the part of the casino licensee, if the commission
11 orders the termination upon the suspension, limitation,
12 conditioning, denial or revocation of the licensure of the junket
13 representative or junket enterprise, in accordance with the
14 provisions of P.L.1977, c.110 (C.5:12-1 et seq.). Failure to
15 expressly include such a condition in the agreement shall not
16 constitute a defense in any action brought to terminate the
17 agreement.

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

23 h. A casino licensee shall be responsible for any violation or
24 deviation from the terms of a junket. Notwithstanding any other
25 provisions of this act, the commission may, after hearings in
26 accordance with this act, order restitution to junket participants,
27 assess penalties for such violations or deviations, prohibit future
28 junkets by the casino licensee, junket enterprise or junket
29 representative, and order such further relief as it deems
30 appropriate.

31 i. The commission shall, by regulation, prescribe methods,
32 procedures and forms for the delivery and retention of
33 information concerning the conduct of junkets by casino
34 licensees. Without limitation of the foregoing, each casino
35 licensee, in accordance with the rules of the commission, shall:

36 (1) Maintain on file a report describing the operation of any
37 junket engaged in on its premises[, which report may include
38 acknowledgments by the participants, signed on the date of
39 arrival, that they understand the terms of the particular junket];

40 (2) [Submit to the commission and division a report on those
41 arrangements which would be junkets but for the fact that those
42 arrangements do not include a selection or approval of
43 participants in accordance with the terms of section 29 of
44 P.L.1977, c.110 (C.5:12-29)] [Deleted by amendment, P.L. , c.
45 (now pending before the Legislature as this bill).]; and

46 (3) Submit to the commission and division a list of all its
47 employees who are acting as junket representatives [but whose
48 licenses are not endorsed as such].

49 j. Each casino licensee, junket representative or junket
50 enterprise shall, in accordance with the rules of the commission,
51 file a report with the division with respect to each list of junket
52 patrons or potential junket patrons purchased directly or
53 indirectly by the casino licensee, junket representative or
54 enterprise.

1 k. The commission shall have the authority to determine,
2 either by regulation, or upon petition by the holder of a casino
3 license, that a type of arrangement otherwise included within the
4 definition of "junket" established by section 29 of P.L.1977, c.110
5 (C.5:12-29) shall not require compliance with any or all of the
6 requirements of this section. The commission shall seek the
7 opinion of the division prior to granting any exemption. In
8 granting exemptions, the commission shall consider such factors
9 as the nature, volume and significance of the particular type of
10 arrangement, and whether the exemption would be consistent
11 with the public policies established by this act. In applying the
12 provisions of this subsection, the commission may condition,
13 limit, or restrict any exemption as the commission may deem
14 appropriate.

15 l. No junket enterprise or junket representative or person
16 acting as a junket representative may:

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

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

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

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

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

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

35 (1) The complimentary consists of room, food, beverage or
36 entertainment expenses provided directly to the patron and his
37 guests by the licensee or indirectly to the patron and his guests
38 on behalf of a licensee by a third party; or

39 (2) The complimentary consists of documented transportation
40 expenses provided directly to the patron and his guests by the
41 licensee or indirectly to the patron and his guests on behalf of a
42 licensee by a third party, provided that the licensee complies
43 with regulations promulgated by the commission to ensure that a
44 patron's and his guests' documented transportation expenses are
45 paid for or reimbursed only once; or

46 (3) The complimentary consists of coins, tokens, cash or other
47 complimentary items or services provided through a bus coupon
48 or other complimentary distribution program [approved by the
49 commission] which, notwithstanding the requirements of section
50 99 of P.L.1977, c.110 (C.5:12-99), shall be filed with the
51 commission upon the implementation of the program or
52 maintained pursuant to commission regulation.

53 Notwithstanding the foregoing, a casino licensee may offer and
54 provide complimentary cash or noncash gifts which are not

1 otherwise included in paragraphs (1) through (3) of this subsection
2 to any person, provided that any such gifts in excess of \$2,000.00
3 per trip, or such greater amount as the commission may establish
4 by regulation, are supported by documentation regarding the
5 reason the gift was provided to the patron and his guests,
6 including where applicable, a patron's player rating, which
7 documentation shall be maintained by the casino licensee. For the
8 purposes of this paragraph, all gifts presented to a patron and the
9 patron's guests directly by the licensee or indirectly on behalf of
10 the licensee by a third party within any five-day period shall be
11 considered to have been made during a single trip. In the case of
12 cash gifts, the commission shall establish by regulation the total
13 amount of such gifts that a licensee may provide to a patron each
14 year.

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

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

44 No casino applicant or licensee shall provide directly or
45 indirectly to any person any complimentary service or discount
46 which is other than such service or discount that is offered to
47 members of the general public in like circumstance.

48 o. Any person who, on the effective date of this 1992
49 amendatory act, P.L.1992, c.9, holds a current and valid plenary
50 junket representative license, a junket representative license
51 with a sole owner-operator endorsement, or a junket enterprise
52 license authorizing the conduct of junket activities, shall be
53 considered licensed in accordance with the provisions of this
54 section and subsection c. of section 92 of P.L.1977, c.110

1 (C.5:12-92) for the remaining term of his current license.
2 (cf: P.L.1992, c.9, s.12)

3 ¹[34.] 40.¹ Section 106 of P.L.1977, c.110 (C.5:12-106) is
4 amended to read as follows:

5 106. Casino Employment. a. A casino licensee shall not
6 appoint or employ in a position requiring a casino key employee
7 license ¹[or], ¹a casino employee license¹, or a casino service
8 employee registration¹ any person [not registered or] not
9 possessing a current and valid license ¹[or registration]¹ permitting
10 such appointment or employment.

11 b. A casino licensee shall, within 24 hours of receipt of written
12 or electronically transferred notice thereof, terminate the
13 appointment or employment of any person whose license [or
14 registration] ¹[or registration]¹ has been revoked or has expired. A
15 casino licensee shall comply in all respects with any order of the
16 commission imposing limitations or restrictions upon the terms of
17 employment or appointment in the course of any investigation or
18 hearing.

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

28 (cf: P.L.1993, c.292, s.24)

29 ¹[35.] 41.¹ Section 139 of P.L.1977, c.110 (C.5:12-139) is
30 amended to read as follows:

31 139. Casino License Fees. a. The commission shall, by
32 regulation, establish annual fees for the issuance or renewal of
33 casino licenses. The issuance fee shall be based upon the cost of
34 investigation and consideration of the license application and
35 shall be not less than \$200,000.00. The renewal fee shall be based
36 upon the cost of maintaining control and regulatory activities
37 contemplated by this act and shall be not less than \$100,000.00
38 for a one-year casino license and \$200,000.00 for a [two-year]
39 four-year casino license.

40 b. The Attorney General shall certify to the commission actual
41 and prospective costs of the investigative and enforcement
42 functions of the division, which costs shall be the basis, together
43 with the operating expenses of the commission, for the
44 establishment of annual license issuance and renewal fees.

45 c. A nonrefundable deposit of at least \$100,000.00 shall be
46 required to be posted with each application for a casino license
47 and shall be applied to the initial license fee if the application is
48 approved.

49 (cf: P.L.1987, c.348, s.2)

50 ¹[36.] 42.¹ Section 7 of P.L.1984, c.218 (C.5:12-155) is
51 amended to read as follows:

52 7. The Governor shall designate from among the appointed and
53 voting public members, a chairman and a vice chairman of the
54 Casino Reinvestment Development Authority, who shall serve in

1 those capacities at the pleasure of the Governor. The powers of
2 the Casino Reinvestment Development Authority shall be vested
3 in the members thereof in office from time to time and [six]
4 seven voting members of the Casino Reinvestment Development
5 Authority shall constitute a quorum at any meeting thereof.
6 Action may be taken by motions and resolutions adopted by the
7 Casino Reinvestment Development Authority at any meeting
8 thereof by the affirmative vote of at least [six] seven members of
9 the Casino Reinvestment Development Authority. No vacancy in
10 the membership of the Casino Reinvestment Development
11 Authority shall impair the right of a quorum of the members to
12 exercise all the powers and perform all the duties of the Casino
13 Reinvestment Development Authority.

14 (cf: P.L.1991, c.219, s.2)

15 ¹[37.] 43.1 Section 4 of P.L.1981, c.142 (C.52:13D-17.2) is
16 amended to read as follows:

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

36 b. No State officer or employee, nor any person, nor any
37 member of the immediate family of any State officer or
38 employee, or person, nor any partnership, firm or corporation
39 with which any such State officer or employee or person is
40 associated or in which he has an interest, nor any partner,
41 officer, director or employee while he is associated with such
42 partnership, firm, or corporation, shall hold, directly or
43 indirectly, an interest in, or hold employment with, or represent,
44 appear for, or negotiate on behalf of, any holder of, or applicant
45 for, a casino license, or any holding or intermediary company
46 with respect thereto, in connection with any cause, application,
47 or matter, except that (1) a State officer or employee other than
48 a State officer or employee included in the definition of person,
49 and (2) a member of the immediate family of a State officer or
50 employee, or of a person, may hold employment with the holder
51 of, or applicant for, a casino license if, in the judgment of the
52 Executive Commission on Ethical Standards, the Joint Legislative
53 Committee on Ethical Standards, or the Supreme Court, as
54 appropriate, such employment will not interfere with the

1 responsibilities of the State officer or employee, or person, and
2 will not create a conflict of interest, or reasonable risk of the
3 public perception of a conflict of interest, on the part of the
4 State officer or employee, or person. No special State officer or
5 employee without responsibility for matters affecting casino
6 activity, excluding those serving in the Departments of
7 Education, Health, [Higher Education] and Human Services and
8 the Commission on Higher Education, shall hold, directly or
9 indirectly, an interest in, or represent, appear for, or negotiate
10 on behalf of, any holder of, or applicant for, a casino license, or
11 any holding or intermediary company with respect thereto, in
12 connection with any cause, application, or matter. However, a
13 special State officer or employee without responsibility for
14 matters affecting casino activity may hold employment directly
15 with any holder of or applicant for a casino license or any holding
16 or intermediary company thereof and if so employed may hold,
17 directly or indirectly, an interest in, or represent, appear for, or
18 negotiate on behalf of, his employer, except as otherwise
19 prohibited by law.

20 c. No person or any member of his immediate family, nor any
21 partnership, firm or corporation with which such person is
22 associated or in which he has an interest, nor any partner,
23 officer, director or employee while he is associated with such
24 partnership, firm or corporation, shall, within two years next
25 subsequent to the termination of the office or employment of
26 such person, hold, directly or indirectly, an interest in, or hold
27 employment with, or represent, appear for or negotiate on behalf
28 of, any holder of, or applicant for, a casino license in connection
29 with any cause, application or matter, or any holding or
30 intermediary company with respect to such holder of, or
31 applicant for, a casino license in connection with any phase of
32 casino development, permitting, licensure or any other matter
33 whatsoever related to casino activity, except that:

34 (1) a member of the immediate family of a person may hold
35 employment with the holder of, or applicant for, a casino license
36 if, in the judgment of the Executive Commission on Ethical
37 Standards, the Joint Legislative Committee on Ethical Standards,
38 or the Supreme Court, as appropriate, such employment will not
39 interfere with the responsibilities of the person and will not
40 create a conflict of interest, or reasonable risk of the public
41 perception of a conflict of interest, on the part of the person; and

42 (2) an employee who is terminated as a result of a reduction in
43 the workforce at the agency where employed, other than an
44 employee who held a ¹[managerial or supervisory] policy-making
45 management¹ position at any time during the five years prior to
46 termination of employment, may, at any time prior to the end of
47 the two-year period, accept employment with the holder of, or
48 applicant for, a casino license if, in the judgment of the
49 Executive Commission on Ethical Standards, the Joint Legislative
50 Committee on Ethical Standards, or the Supreme Court, as
51 appropriate, such employment will not create a conflict of
52 interest, or reasonable risk of the public perception of a conflict
53 of interest, on the part of the employee. In no case shall the
54 restrictions of this subsection apply to a secretarial or clerical
55 employee. Nothing herein contained shall alter or amend the

1 post-employment restrictions applicable to members and
2 employees of the Casino Control Commission and employees and
3 agents of the Division of Gaming Enforcement pursuant to
4 subsection b. (2) of section 59 and to section 60 of P.L.1977,
5 c.110 (C.5:12-59 and C.5:12-60).

6 d. This section shall not apply to the spouse of a State officer
7 or employee, which State officer or employee is without
8 responsibility for matters affecting casino activity, who becomes
9 the spouse subsequent to the State officer's or employee's
10 appointment or employment as a State officer or employee and
11 who is not individually or directly employed by a holder of, or
12 applicant for, a casino license, or any holding or intermediary
13 company.

14 e. The Joint Legislative Committee on Ethical Standards and
15 the Executive Commission on Ethical Standards, as appropriate,
16 shall forthwith determine and publish, and periodically update, a
17 list of those positions in State government with responsibility for
18 matters affecting casino activity.

19 f. No person shall solicit or accept, directly or indirectly, any
20 complimentary service or discount from any casino applicant or
21 licensee which he knows or has reason to know is other than a
22 service or discount that is offered to members of the general
23 public in like circumstance.

24 g. No person shall influence, or attempt to influence, by use of
25 his official authority, the decision of the commission or the
26 investigation of the division in any application for licensure or in
27 any proceeding to enforce the provisions of this act or the
28 regulations of the commission. Any such attempt shall be
29 promptly reported to the Attorney General; provided, however,
30 that nothing in this section shall be deemed to proscribe a request
31 for information by any person concerning the status of any
32 application for licensure or any proceeding to enforce the
33 provisions of this act or the regulations of the commission.

34 h. Any person who willfully violates the provisions of this
35 section is a disorderly person and shall be subject to a fine not to
36 exceed \$500.00 or imprisonment not to exceed six months, or
37 both.

38 (cf: P.L.1993, c.292, s.38)

39 ¹[38.] 44.¹ (New section) There is created and established in
40 the Casino Reinvestment Development Authority a special
41 account to be known as the "Atlantic City Fund," into which shall
42 be deposited or credited the moneys specified in section ¹[39] 45¹
43 of this amendatory and supplementary act, P.L. , c. (C.),
44 and the moneys specified in subsection f. of section 3 of
45 P.L.1984, c.218 (C.5:12-144.1). The moneys in the fund shall be
46 expended by the authority for economic development projects of
47 a revenue-producing nature that foster the redevelopment of
48 Atlantic City¹, other than the construction or renovation of
49 casino hotels¹. The moneys may also be expended for appropriate
50 and reasonable administrative expenses incurred in the
51 administration of the fund by the authority. ¹At least 30 days
52 before the authority votes on an application for funding for a
53 project, the authority shall provide to the Chairpersons of the
54 Senate Budget and Appropriations Committee and the Assembly

1 Appropriations Committee, or their successor committees, all
2 relevant information concerning the project.¹

3 ¹[39.] 45.1 (New section) a. Beginning with Fiscal Year
4 1995-1996 and for the following three fiscal years, if the amount
5 of money expended as operating expenses by the Casino Control
6 Commission and the Division of Gaming Enforcement in each of
7 those fiscal years is less than \$57,300,000, the amount of the
8 difference shall be due and payable to the Atlantic City Fund,
9 created by section ¹[38] 44¹ of this amendatory and
10 supplementary act, P.L. , c. (C.), by all casino licensees on
11 the last day of October following the end of each of those fiscal
12 years. Beginning with Fiscal Year 1999-2000 and for the
13 following three fiscal years, an amount equal to the average of
14 the amounts paid to the Atlantic City Fund for Fiscal Years
15 1995-1996 through 1998-1999 shall be due and payable to the
16 Atlantic City Fund by all casino licensees on the last day of
17 October following the end of each of those fiscal years. Any
18 amount expended by the commission or the division in connection
19 with the investigation of an application for a statement of
20 compliance, interim casino authorization, or a casino license
21 other than a casino license existing on the effective date of this
22 act shall not be included in the calculation of the commission and
23 division expenditures for the purposes of this subsection.

24 b. Each casino licensee shall pay to the authority for deposit in
25 the fund as the licensee's share of the amount required pursuant
26 to subsection a. of this section an amount equal to its percentage
27 of the total gross revenue of the relevant fiscal year. The
28 amount of the gross revenue and the amount due from each
29 licensee shall be determined and certified by the Casino Control
30 Commission. If a licensee fails to pay the amount due or
31 underpays by an unjustifiable amount, the commission shall
32 impose a fine of 5% for the amount due or of the underpayment
33 for each month or portion thereof the licensee is in default of
34 payment, up to 25% of the amount in default; any fines imposed
35 shall be paid to the authority for deposit in the fund.

36 ¹[40.] 46.1 Section 3 of P.L.1984, c.218 (C.5:12-144.1) is
37 amended to read as follows:

38 3. a. (1) Commencing with the first annual tax return of a
39 licensee for any calendar year beginning after December 31,
40 1983, there is imposed an investment alternative tax on the gross
41 revenues as defined in section 24 of P.L.1977, c.110 (C.5:12-24)
42 of the licensee in the amount of 2.5% of those gross revenues.
43 The tax imposed with respect to each calendar year shall be due
44 and payable on the last day of April next following the end of the
45 calendar year. The State Treasurer shall have a lien against the
46 property constituting the casino of a licensee for the amount of
47 any tax not paid when due. No tax shall be imposed, however, on
48 the gross revenues received by a licensee during the first 12
49 months of the operation of any casino that commences operation
50 after January 1, 1984.

51 (2) A licensee shall pay to the State Treasurer on or before the
52 15th day of the first, fourth, seventh, and 10th months of each
53 year as partial payment of the investment alternative tax
54 imposed pursuant to paragraph (1) of this subsection an amount

1 equal to 1.25% of the estimated gross revenues for the
2 three-month period immediately preceding the first day of those
3 months. The moneys received shall be placed in an escrow
4 account and shall be held until the licensee directs that the
5 moneys be transferred to the Casino Reinvestment Development
6 Authority for the purchase of bonds issued by or offered through
7 the Casino Reinvestment Development Authority or pursuant to a
8 contract for such a purchase, be made available to the licensee
9 for a direct investment approved by the authority, or be
10 transferred to the Casino Revenue Fund as partial payment of the
11 investment alternative tax imposed pursuant to paragraph (1) of
12 this subsection. Any interest derived from the moneys in the
13 escrow account shall be paid or made available to the Casino
14 Revenue Fund. If a licensee fails to pay the amount due or
15 underpays by an unjustifiable amount, the Casino Control
16 Commission shall impose a fine of 5% of the amount due or of the
17 underpayment, as the case may be, for each month or portion
18 thereof the licensee is in default of payment, up to 25% of the
19 amount in default. Any fine imposed shall be paid to the Casino
20 Reinvestment Development Authority and shall be used for the
21 purposes of this 1984 amendatory and supplementary act.

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

1 Reinvestment Development Authority to have its tax credit
2 comprised of direct investments in approved eligible projects.
3 These direct investments shall not comprise more than 50% of a
4 licensee's eligible tax credit in any one year.

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

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

52 d. The license of any licensee which has defaulted in its
53 obligation to make any purchase of bonds or investment in any

1 1[except that beginning with the effective date of this
2 amendatory and supplementary act, P.L. , c. (C.) (now
3 pending before the Legislature as this bill) and for five years
4 thereafter, the amount devoted to the financing of projects in
5 North Jersey shall instead be paid into or credited to the Atlantic
6 City Fund established by section 38 of that act and be devoted to
7 the financing of projects in Atlantic City through that fund]
8 except that, with respect to the obligations for calendar years
9 1994 through 1998, the amount allocated for the financing of
10 projects in North Jersey from each casino licensee's obligation
11 shall be the amount allocated for calendar year 1993, and the
12 difference between that amount and the amount to be allocated
13 to North Jersey, on the basis of the above schedule, from each
14 casino licensee's obligations for calendar years 1994 through
15 1998 shall be paid into or credited to the Atlantic City Fund
16 established by section 44 of P.L. , c. (C.) (now pending
17 before the Legislature as this bill) and be devoted to the
18 financing of projects in Atlantic City through that fund¹. For the
19 purposes of this paragraph, "South Jersey" means the counties of
20 Atlantic, Burlington, Camden, Cape May, Cumberland,
21 Gloucester, Mercer, Ocean, and Salem; and "North Jersey" means
22 the remaining 12 counties of the State. For the purposes of this
23 1984 amendatory and supplementary act, bond "proceeds" means
24 all funds received from the sale of bonds and any funds generated
25 or derived therefrom.

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

33 Within nine months from the effective date of this 1984
34 amendatory and supplementary act, the Casino Reinvestment
35 Development Authority shall determine the allocation of
36 projected available moneys to municipalities in South Jersey for
37 the first seven years of their receipt of funds, giving priority to
38 the revitalization of the urban areas of the region. Municipalities
39 receiving such an allocation shall present to the Casino
40 Reinvestment Development Authority for its approval
41 comprehensive plans or projects for which the allocations shall be
42 used. Any such comprehensive plan or project may be submitted
43 to the Casino Reinvestment Development Authority for a
44 determination of eligibility at any time prior to the year for
45 which the funds are allocated, and the Casino Reinvestment
46 Development Authority shall make a determination of eligibility
47 of the plan or project within a reasonable amount of time. If the
48 Casino Reinvestment Development Authority makes a positive
49 determination of eligibility for any comprehensive plan or
50 project, or combination of comprehensive plans or projects, for
51 any municipality whose total cost exceeds the amount allocated
52 to that municipality for the first seven years of the receipt of
53 funds by South Jersey municipalities, the Casino Reinvestment
54 Development Authority shall make available sufficient funds in

1 subsequent years necessary to complete those plans or projects,
2 or to complete that portion of the plan or project originally
3 agreed to be funded through the Casino Reinvestment
4 Development Authority, from funds received by the Casino
5 Reinvestment Development Authority in the years following the
6 seventh year of the receipt of funds by South Jersey
7 municipalities. If the comprehensive plan or project is
8 determined by the Casino Reinvestment Development Authority
9 not to be an eligible plan or project, the municipality may submit
10 any other comprehensive plan or project for a determination of
11 eligibility. If, however, the municipality fails to receive a
12 positive determination of eligibility for any comprehensive plan
13 or project, or combination of comprehensive plans or projects,
14 sufficient to exhaust the total allocation to that municipality for
15 any year prior to April 30 of the following year for which the
16 allocation was made, the allocation to that municipality for that
17 year shall cease, and the Casino Reinvestment Development
18 Authority may apply those excess funds to any other
19 comprehensive plan or project in any other municipality in the
20 region whose comprehensive plan or project has received a
21 positive determination of eligibility by the Casino Reinvestment
22 Development Authority.

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

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

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

45 (3) The Legislature finds that it is necessary to provide for a
46 balanced community and develop a comprehensive housing
47 program. The Casino Reinvestment Development Authority shall
48 determine the need for housing in the city of Atlantic City, in
49 consultation with the city of Atlantic City and specifically its
50 zoning and planning boards. This shall include determining the
51 types and classes of housing to be constructed and the number of
52 units of each type and class of housing to be built. The Casino
53 Reinvestment Development Authority shall give priority to the

1 housing needs of the persons and their families residing in the
2 city of Atlantic City in 1983 and continuing such residency
3 through the effective date of this 1984 amendatory and
4 supplementary act. The actual percentage of the proceeds of
5 bonds and investments in approved eligible projects commenced
6 by a licensee in the city of Atlantic City, which shall be used
7 exclusively to finance the rehabilitation, development, or
8 construction of, or to provide mortgage financing of, housing
9 facilities in the city of Atlantic City for persons or families of
10 low through middle income, shall be based upon the authority's
11 determination of the need for housing in the city of Atlantic City
12 conducted pursuant to this subsection. Once the housing needs of
13 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
16 by the Casino Reinvestment Development Authority pursuant to
17 this subsection, any required percentages for such housing in the
18 city of Atlantic City may, in its sole discretion, be waived by the
19 Casino Reinvestment Development Authority. To aid the Casino
20 Reinvestment Development Authority in making these
21 determinations, the Casino Reinvestment Development Authority
22 shall review the proposal for a housing redevelopment program
23 and strategy for the city of Atlantic City approved and adopted
24 by the Casino Control Commission and shall give priority to same
25 and any other plan or project which is consistent with the
26 standards of this subsection and is acceptable to the Casino
27 Reinvestment Development Authority, pursuant to section 25 of
28 this 1984 amendatory and supplementary act. The Casino
29 Reinvestment Development Authority may determine whether
30 the funds used to finance housing facilities in the city of Atlantic
31 City for persons or families of low, moderate, median range, and
32 middle income are derived from the proceeds of bonds purchased
33 by a licensee from the Casino Reinvestment Development
34 Authority to be devoted to the financing of projects in the city of
35 Atlantic City, investments in approved eligible projects
36 commenced by a licensee in the city of Atlantic City, or a
37 combination of both. Any investment made by a licensee in
38 excess of 100% of its eligible investment tax credit during the
39 first three years and in excess of 50% thereafter in either the
40 purchase of bonds or direct investments in approved eligible
41 projects for low, moderate, median range, and middle income
42 family housing facilities in the city of Atlantic City may be
43 carried forward and credited against the licensee's obligation to
44 make a 100% investment during the first three years and 50%
45 thereafter in low, moderate, median range, and middle income
46 family housing in any future year, with the approval of the Casino
47 Reinvestment Development Authority. For the purposes of this
48 act, "low income families" means families whose income does not
49 exceed 50% of the median income of the area, with adjustments
50 for smaller and larger families. "Moderate income families"
51 means families whose income does not exceed 80% and is not less
52 than 50% of the median income for the area, with adjustments
53 for smaller and larger families. "Median range income families"

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

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

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

26 g. If a person is a licensee with regard to more than one
27 approved hotel pursuant to section 82 of P.L.1977, c.110
28 (C.5:12-82), the person shall separately account for the gross
29 revenues, the investment alternative tax obligations, and the
30 investments for a tax credit against the investment alternative
31 tax for each approved hotel, and the tax obligations of the
32 licensee under this section shall be determined separately for
33 each approved hotel. The licensee may apportion investments
34 between its approved hotels; provided that no amount of
35 investment shall be credited more than once. If a licensee
36 receives the prior approval of the Casino Reinvestment
37 Development Authority, the licensee may make eligible
38 investments in excess of the investments necessary to receive a
39 tax credit against the investment alternative tax for a given
40 calendar year, and the licensee may carry forward this excess
41 investment and have it credited to its next investment
42 alternative tax obligation. If the Casino Reinvestment
43 Development Authority approves of such excess investment and
44 approves the carry forward of this excess investment, and a
45 licensee elects to purchase bonds of the Casino Reinvestment
46 Development Authority or makes direct investments in approved
47 eligible projects in excess of the investments necessary to
48 receive a tax credit against the investment alternative tax for its
49 current obligation, the licensee shall be entitled to a reduction of
50 the amount of investments necessary in future years, which
51 amount shall be determined annually by the Casino Reinvestment
52 Development Authority, taking into account a current market
53 discount rate from the date of the purchase or investment to the
54 date the purchase or investment would have been required to be
55 made.

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

14 i. Any purchase by a licensee of bonds issued by or offered
15 through the Casino Reinvestment Development Authority
16 pursuant to sections 14 and 15 of this act and subsection b. of this
17 section and all approved eligible investments made by a licensee
18 pursuant to section 25 of this act and subsection b. of this section
19 are to be considered investments and not taxes owed or grants to
20 the State or any political subdivision thereof. As such, a licensee
21 shall have the possibility of the return of principal and a return
22 on the capital invested as with other investments. Investors in
23 the bonds issued by or offered through the Casino Reinvestment
24 Development Authority shall be provided with an opinion from a
25 recognized financial rating agency or a financial advisory firm
26 with national standing that each loan of bond proceeds by the
27 Casino Reinvestment Development Authority has the minimum
28 characteristics of an investment, in that a degree of assurance
29 exists that interest and principal payments can be made and other
30 terms of the proposed investment be maintained over the period
31 of the investment, and that the loan of the bond proceeds would
32 qualify for a bond rating of "C" or better. If an opinion cannot be
33 obtained from a recognized financial rating agency or a financial
34 advisory firm with national standing, an opinion shall be obtained
35 from an expert financial analyst with national standing, selected
36 and hired by the Casino Reinvestment Development Authority. In
37 order to achieve a balanced portfolio, assure the viability of the
38 authority and the projects, facilities and programs undertaken
39 pursuant to this 1984 amendatory and supplementary act, no more
40 than 25% of the total investments made by or through the Casino
41 Reinvestment Development Authority with the proceeds of bonds
42 generated in each year shall be investments which would qualify
43 for a bond rating of "C," unless all holders of obligations in each
44 year agree to waive the 25% limit for that year. Nothing herein
45 shall be interpreted as limiting the Casino Reinvestment
46 Development Authority from taking any steps it deems
47 appropriate to protect the characteristics of its investment in
48 projects or any other investments from not being real
49 investments with a prospect for the return of principal and a
50 return on the capital invested. Anything contained in this section
51 shall not be considered a guarantee by the State or any political
52 subdivision thereof of any return of principal or interest, but any
53 purchase by a licensee of bonds or approved eligible investments
54 made by a licensee pursuant to this act shall be at the

1 risk of the licensee. A licensee or the licensees purchasing an
2 issue of bonds issued by the Casino Reinvestment Development
3 Authority in any given year may arrange, at their option, for
4 those bonds or the investments, made by or through the Casino
5 Reinvestment Development Authority with the proceeds of those
6 bonds, to be insured. The cost of any such insurance purchased by
7 a licensee or licensees shall be paid by the licensee or licensees
8 desiring such insurance.

9 j. The Casino Reinvestment Development Authority shall
10 promulgate rules and regulations deemed necessary to carry out
11 the purposes of this section.

12 k. The obligation of a licensee to pay an investment
13 alternative tax pursuant to subsection a. of this section shall end
14 for each licensed facility operated by the licensee [25] 30 years
15 after any investment alternative tax obligation is first incurred in
16 connection with each licensed facility operated by the licensee,
17 unless extended in connection with a deferral granted by the
18 Casino Reinvestment Development Authority pursuant to
19 subsection c. of this section.

20 (cf: P.L.1993,c.159,s.9)

21 ¹47. (New section) No later than the end of the 15th calendar
22 month after the effective date of this act, the Casino Control
23 Commission and the Division of Gaming Enforcement shall jointly
24 report to the Legislature and the Governor on the impact, during
25 the 12 months following the effective date, of the changes in the
26 regulation and operation of casinos effectuated by this act,
27 including but not limited to the effect of the elimination of the
28 registration requirement for casino hotel employees and the
29 elimination or reduction of various regulatory requirements.¹

30 ¹[41. Sections 8 and 91 of P.L.1977, c.110 (C.5:12-8 and 91)
31 and section 6 of P.L.1991, c.182 (C.5:12-8.1) are repealed.]¹

32 ¹48. Section 8 of P.L.1977, c.110 (C.5:12-8) and section 6 of
33 P.L.1991, c.182 (C.5:12-8.1) are repealed.¹

34 ¹[42.] 49.¹ This act shall take effect immediately.

35

36

37

38

39 Makes various changes concerning the regulation and operation of
40 casinos.

ASSEMBLY, No. 61
STATE OF NEW JERSEY

INTRODUCED OCTOBER 20, 1994

By Assemblymen HAYTAIAN, DORIA, Gaffney,
DiGaetano and Foley

1 AN ACT concerning the regulation and operation of casinos,
2 amending various parts of the statutory law, and supplementing
3 P.L.1977, c.110.

4

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

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

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

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

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

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

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

25 (3) The rehabilitation and redevelopment of existing tourist
26 and convention facilities in Atlantic City, and the fostering and
27 encouragement of new construction and the replacement of lost
28 convention, tourist, entertainment and cultural centers in
29 Atlantic City will offer a unique opportunity for the inhabitants
30 of the entire State to make maximum use of the natural
31 resources available in Atlantic City for the expansion and
32 encouragement of New Jersey's hospitality industry, and to that
33 end, the restoration of Atlantic City as the Playground of the
34 World and the major hospitality center of the Eastern United
35 States is found to be a program of critical concern and
36 importance to the inhabitants of the State of New Jersey.

37 (4) Legalized casino gaming has been approved by the citizens
38 of New Jersey as a unique tool of urban redevelopment for
39 Atlantic City. In this regard, the introduction of a limited number
40 of casino rooms in major hotel convention complexes, permitted
41 as an additional element in the hospitality industry of Atlantic
42 City, will facilitate the redevelopment of existing blighted

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 areas and the refurbishing and expansion of existing hotel,
2 convention, tourist, and entertainment facilities; encourage the
3 replacement of lost hospitality-oriented facilities; provide for
4 judicious use of open space for leisure time and recreational
5 activities; and attract new investment capital to New Jersey in
6 general and to Atlantic City in particular.

7 (5) Restricting the issuance of casino licenses to major hotel
8 and convention facilities is designed to assure that the existing
9 nature and tone of the hospitality industry in New Jersey and in
10 Atlantic City is preserved, and that the casino rooms licensed
11 pursuant to the provisions of this act are always offered and
12 maintained as an integral element of such hospitality facilities,
13 rather than as the industry unto themselves that they have
14 become in other jurisdictions.

15 (6) An integral and essential element of the regulation and
16 control of such casino facilities by the State rests in the public
17 confidence and trust in the credibility and integrity of the
18 regulatory process and of casino operations. To further such
19 public confidence and trust, the regulatory provisions of this act
20 are designed to extend strict State regulation to all persons,
21 locations, practices and associations related to the operation of
22 licensed casino enterprises and all related service industries as
23 herein provided. In addition, licensure of a limited number of
24 casino establishments, with the comprehensive law enforcement
25 supervision attendant thereto, is further designed to contribute to
26 the public confidence and trust in the efficacy and integrity of
27 the regulatory process.

28 (7) Legalized casino gaming in New Jersey can attain,
29 maintain and retain integrity, public confidence and trust, and
30 remain compatible with the general public interest only under
31 such a system of control and regulation as insures, so far as
32 practicable, the exclusion from participation therein of persons
33 with known criminal records, habits or associations, and the
34 exclusion or removal from any positions of authority or
35 responsibility within casino gaming operations and establishments
36 of any persons known to be so deficient in business probity,
37 [ability or experience,] either generally or with specific reference
38 to gaming, as to create or enhance the dangers of unsound, unfair
39 or illegal practices, methods and activities in the conduct of
40 gaming or the carrying on of the business and financial
41 arrangements incident thereto.

42 (8) Since the public has a vital interest in casino operations in
43 Atlantic City and has established an exception to the general
44 policy of the State concerning gaming for private gain,
45 participation in casino operations as a licensee or registrant
46 under this act shall be deemed a revocable privilege conditioned
47 upon the proper and continued qualification of the individual
48 licensee or registrant and upon the discharge of the affirmative
49 responsibility of each such licensee or registrant to provide to the
50 regulatory and investigatory authorities established by this act
51 any assistance and information necessary to assure that the
52 policies declared by this act are achieved. Consistent with this
53 policy, it is the intent of this act to preclude the creation of any
54 property right in any license, registration, certificate

1 or reservation permitted by this act, the accrual of any value to
2 the privilege of participation in gaming operations, or the
3 transfer of any license, registration, certificate, or reservation,
4 and to require that participation in gaming be solely conditioned
5 upon the individual qualifications of the person seeking such
6 privilege.

7 (9) Since casino operations are especially sensitive and in need
8 of public control and supervision, and since it is vital to the
9 interests of the State to prevent entry, directly or indirectly, into
10 such operations or the ancillary industries regulated by this act of
11 persons who have pursued economic gains in an occupational
12 manner or context which are in violation of the criminal or civil
13 public policies of this State, the regulatory and investigatory
14 powers and duties shall be exercised to the fullest extent
15 consistent with law to avoid entry of such persons into the casino
16 operations or the ancillary industries regulated by this act.

17 (10) [Since the development of casino gaming operations in
18 Atlantic City will substantially alter the environment of New
19 Jersey's coastal areas, and since it is necessary to insure that
20 this substantial alteration be beneficial to the overall ecology of
21 the coastal areas, the regulatory and investigatory powers and
22 duties conferred by this act shall include, in cooperation with
23 other public agencies, the power and the duty to monitor and
24 regulate casinos and the growth of casino operations to respond
25 to the needs of the coastal areas.] [Deleted by amendment,
26 P.L. , c. (now pending before the Legislature as this bill).]

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

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

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

53 (14) Confidence in casino gaming operations is eroded to the
54 extent the State of New Jersey does not provide a regulatory

1 framework for casino gaming that permits and promotes stability
2 and continuity in casino gaming operations.

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

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

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

22 (cf: P.L.1991, c.182, s.1)

23 2. (New section) "Affiliate"--A person that directly or
24 indirectly, through one or more intermediaries, controls or is
25 controlled by, or is under common control with, the affiliated
26 person.

27 3. (New section) "Annuity jackpot trust"--A trust that is
28 formed by one or more casino licensees, in accordance with rules
29 established by the commission, to assure that all payments that
30 are due to the winner of a slot machine jackpot that is to be paid
31 in installments at specified intervals in the future are actually
32 paid when due.

33 4. (New section) "Attorney"--Any attorney licensed to
34 practice law in this State or any other jurisdiction, including an
35 employee of a casino licensee.

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

38 11. "Casino security employee" -- Any natural person
39 employed by a casino licensee or its agent to provide physical
40 security in a casino, simulcasting facility, or restricted casino
41 area. "Casino security employee" shall not include any person
42 who provides physical security in any other part of the casino
43 hotel.

44 (cf: P.L.1993, c.292, s.2)

45 6. Section 4 of P.L.1983, c.41 (C.5:12-29.2) is amended to read
46 as follows:

47 4. "Junket representative"--Any natural person who
48 negotiates the terms of, or engages in the referral, procurement
49 or selection of persons who may participate in, [or accompanies
50 for purposes of monitoring or evaluating the participants in,] any
51 junket to a licensed casino, regardless of whether or not those
52 activities occur within the State of New Jersey.

53 (cf: P.L.1987, c.426, s.3)

54 7. Section 45 of P.L.1977, c.110 (C.5:12-45) is amended to

1 read as follows:

2 45. "Slot machine"--Any mechanical, electrical or other
3 device, contrivance or machine which, upon insertion of a coin,
4 token or similar object therein, or upon payment of any
5 consideration whatsoever, is available to play or operate, the play
6 or operation of which, whether by reason of the skill of the
7 operator or application of the element of chance, or both, may
8 deliver or entitle the person playing or operating the machine to
9 receive cash or tokens to be exchanged for cash, or to receive
10 merchandise or any thing of value whatsoever, whether the
11 payoff is made automatically from the machine or in any other
12 manner whatsoever, except that: a. no merchandise or thing of
13 value shall be offered as part of a payoff of any slot machine
14 unless such merchandise or thing of value has a cash equivalent
15 value of at least \$5,000.00, and b.] the cash equivalent value of
16 any merchandise or other thing of value shall not be included in
17 the total of all sums paid out as winnings to patrons for purposes
18 of determining gross revenues as defined by section 24 of
19 P.L.1977, c. 110 (C.5:12-24) or be included in determining the
20 payout percentage of any slot machine. The commission shall
21 promulgate rules defining "cash equivalent value" in order to
22 assure fairness, uniformity and comparability of valuation of slot
23 machine payoffs.

24 (cf: P.L.1987, c.355, s.3)

25 8. Section 50 of P.L.1977, c.110 (C.5:12-50) is amended to
26 read as follows:

27 50. Creation of Casino Control Commission; number of
28 members. The New Jersey Casino Control Commission,
29 consisting of five members, is hereby created in but not of the
30 Department of the Treasury. The commission shall be principally
31 located in Atlantic City.

32 (cf: P.L.1977, c.110, s.50)

33 9. Section 55 of P.L.1977, c.110 (C.5:12-55) is amended to
34 read as follows:

35 55. Division of gaming enforcement. There is hereby
36 established in the Department of Law and Public Safety the
37 Division of Gaming Enforcement. The division shall be under the
38 immediate supervision of a director who shall also be sworn as an
39 Assistant Attorney General and who shall administer the work of
40 the division under the direction and supervision of the Attorney
41 General. The director shall be appointed by the Governor, with
42 the advice and consent of the Senate, and shall serve during the
43 term of office of the Governor, except that the first director
44 shall be appointed for a term of 2 years. The director may be
45 removed from office by the Attorney General for cause upon
46 notice and opportunity to be heard.

47 The director and any employee or agent of the division shall be
48 subject to the duty to appear and testify and to removal from his
49 office, position or employment in accordance with the provisions
50 of P.L.1970, c.72 (C.2A:81-17.2a et seq.). The Attorney General
51 shall be responsible for the exercise of the duties and powers
52 assigned to the division.

53 The division shall be principally located in Atlantic City.

54 (cf: P.L.1980, c.69, s.1)

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

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

9 b. The commission shall, no later than January 1, 1981,
10 promulgate a Code of Ethics that is modeled upon the Code of
11 Judicial Conduct of the American Bar Association, as amended
12 and adopted by the Supreme Court of New Jersey. This Code of
13 Ethics shall include, but not be limited to, provisions that address
14 the propriety of relationships and dealings between the
15 commission and its staff, and licensees and applicants for
16 licensure under this act.

17 c. The division shall promulgate a Code of Ethics governing its
18 specific needs.

19 d. The Codes of Ethics promulgated by the commission and the
20 division shall not be in conflict with the laws of this State,
21 except, however, that said Codes of Ethics may be more
22 restrictive than any law of this State.

23 e. The Codes of Ethics promulgated by the commission and the
24 division shall be submitted to the Executive Commission on
25 Ethical Standards for approval. The Codes of Ethics shall
26 include, but not be limited to provisions that:

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

30 (2) No commission member or employee or division employee
31 or agent shall solicit or accept employment from any person
32 licensed by or registered with the commission or from any
33 applicant for a period of four years after termination of service
34 with the commission or division, [unless subject to] except as
35 otherwise provided in section 60 of this act.

36 (3) No commission member or employee or any division
37 employee or agent shall act in his official capacity in any matter
38 wherein he or his spouse, child, parent or sibling has a direct or
39 indirect personal financial interest that might reasonably be
40 expected to impair his objectivity or independence of judgment.

41 (4) No commission employee or any division employee or agent
42 shall act in his official capacity in a matter concerning an
43 applicant for licensure or a licensee who is the employer of a
44 spouse, child, parent or sibling of said commission or division
45 employee or agent when the fact of the employment of such
46 spouse, child, parent or sibling might reasonably be expected to
47 impair the objectivity and independence of judgment of said
48 commission employee or division employee or agent.

49 (5) No spouse, child, parent or sibling of a commission member
50 shall be employed in any capacity by an applicant for a casino
51 license or a casino licensee nor by any holding, intermediary or
52 subsidiary company thereof.

53 (6) No commission member shall meet with any person, except
54 for any other member of the commission or employee of the

1 commission, or discuss any issues involving any pending or
2 proposed application or any matter whatsoever which may
3 reasonably be expected to come before the commission, or any
4 member thereof, for determination unless the meeting or
5 discussion takes place on the business premises of the
6 commission, provided, however, that commission members may
7 meet to consider matters requiring the physical inspection of
8 equipment or premises at the location of the equipment or
9 premises. All meetings or discussions subject to this paragraph
10 shall be noted in a log maintained for this purpose and available
11 for inspection pursuant to the provisions of P.L.1963, c.73
12 (C.47:1A-1 et seq.).

13 f. No commission member or employee or division employee or
14 agent shall have any interest, direct or indirect, in any applicant
15 or in any person licensed by or registered with the commission
16 during his term of office or employment.

17 g. Each commission member and employee of the commission,
18 including legal counsel, and each employee and agent of the
19 division shall devote his entire time and attention to his duties
20 and shall not pursue any other business or occupation or other
21 gainful employment; provided, however, that secretarial and
22 clerical personnel may engage in such other gainful employment
23 as shall not interfere with their duties to the commission or
24 division, unless otherwise directed; and provided further,
25 however, that other employees of the commission and division
26 and agents of the division may engage in such other gainful
27 employment as shall not interfere or be in conflict with their
28 duties to the commission or division, upon approval by the
29 commission or the director of the division, as the case may be.

30 h. No member of the commission, employee of the
31 commission, or employee or agent of the division shall:

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

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

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

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

52 (cf: P.L.1989, c.150, s.1)

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

- 1 60. Post-employment restrictions. a. No member of the
2 commission shall hold any direct or indirect interest in, or be
3 employed by, any applicant or by any person licensed by or
4 registered with the commission for a period of 4 years
5 commencing on the date his membership on the commission
6 terminates.
- 7 b. No employee of the commission or employee or agent of the
8 division may acquire any direct or indirect interest in, or accept
9 employment with, any applicant or any person licensed by or
10 registered with the commission, for a period of 2 years
11 commencing at the termination of employment with the
12 commission or division, except that a secretarial or clerical
13 employee of the commission or the division may accept such
14 employment at any time after the termination of employment
15 with the commission or division. At the end of 2 years[, the] and
16 for a period of 2 years thereafter, a former employee or agent
17 who held a managerial or supervisory position at any time during
18 the five years prior to termination of employment may acquire an
19 interest in, or accept employment with, any applicant or person
20 licensed by or registered with the commission upon application to
21 and the approval of the commission upon a finding that the
22 interest to be acquired or the employment will not create the
23 appearance of a conflict of interest and does not evidence a
24 conflict of interest in fact. Notwithstanding the provisions of
25 this subsection, if the employment of a commission employee or a
26 division employee or agent, other than an employee or agent who
27 held a managerial or supervisory position at any time during the
28 five years prior to termination of employment, is terminated as a
29 result of a reduction in the workforce at the commission or
30 division, the employee or agent may, at any time prior to the end
31 of the 2-year period, accept employment with any applicant or
32 person licensed by or registered with the commission upon
33 application to and the approval of the commission upon a finding
34 that the employment will not create the appearance of a conflict
35 of interest and does not evidence a conflict of interest in fact.
- 36 c. No commission member or person employed by the
37 commission or division shall represent any person or party other
38 than the State before or against the commission for a period of 2
39 years from the termination of his office or employment with the
40 commission or division.
- 41 d. No partnership, firm or corporation in which a former
42 commission member or employee or former division employee or
43 agent has an interest, nor any partner, officer or employee of any
44 such partnership, firm or corporation shall make any appearance
45 or representation which is prohibited to said former member,
46 employee, or agent; provided, however, that nothing herein shall
47 prohibit such partnership, firm or corporation from making such
48 appearance or representation on behalf of a casino service
49 industry licensed under subsection c. of section 92 of P.L.1977,
50 c.110 (C.5:12-92c.).
- 51 e. Notwithstanding any post-employment restriction imposed
52 by this section, nothing herein shall prohibit a former commission
53 member or employee or former division employee or agent, at
54 any time after termination of such membership or employment,

1 from acquiring an interest in, or soliciting or obtaining
2 employment with, any person licensed as a casino service industry
3 under section 92c. of this act or any applicant for such licensure.
4 (cf: P.L.1979, c.282, s.13)

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

7 63. Duties of the Commission. The Casino Control
8 Commission shall have general responsibility for the
9 implementation of this act, as hereinafter provided, including,
10 without limitation, the responsibility:

11 a. To hear and decide promptly and in reasonable order all
12 license, registration, certificate, and permit applications and
13 causes affecting the granting, suspension, revocation, or renewal
14 thereof;

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

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

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

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

23 f. To be present through its inspectors and agents at all times
24 during the operation of any casino or simulcasting facility for the
25 purpose of certifying the revenue thereof, receiving complaints
26 from the public relating to the conduct of gaming and simulcast
27 wagering operations, examining records of revenues and
28 procedures, and conducting periodic reviews of operations and
29 facilities for the purpose of evaluating current or suggested
30 provisions of P.L.1977, c.110 (C.5:12-1 et seq.) and the
31 regulations promulgated thereunder;

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

35 h. To review and rule upon any complaint by a casino licensee
36 regarding any investigative procedures of the division which are
37 unnecessarily disruptive of casino or simulcasting facility
38 operations. The need to inspect and investigate shall be
39 presumed at all times. The disruption of a licensee's operations
40 shall be proved by clear and convincing evidence, which evidence
41 shall establish that: (1) the procedures had no reasonable law
42 enforcement purpose, and (2) the procedures were so disruptive as
43 to inhibit unreasonably casino or simulcasting facility operations;
44 and

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

47 (cf: P.L.1993, c.292, s.6)

48 13. Section 66 of P.L.1977, c.110 (C.5:12-66) is amended to
49 read as follows:

50 66. Investigative hearings. The commission shall have the
51 authority to conduct investigative hearings concerning the
52 conduct of gaming and gaming operations as well as the
53 [development and well-being of the industries controlled by this
54 act] enforcement of the provisions of P.L.1977, c.110 (C.5:12-1

1 et seq.), as amended and supplemented.

2 (cf: P.L.1977, c.110, s.66)

3 14. Section 69 of P.L.1977, c.110 (C.5:12-69) is amended to
4 read as follows:

5 69. Regulations. a. The commission shall be authorized to
6 adopt, amend, or repeal such regulations, consistent with the
7 policy and objectives of this act, as amended, as it may deem
8 necessary [or desirable for] to protect the public interest in
9 carrying out the provisions of this act.

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

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

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

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

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

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

1 70. Required Regulations. The commission shall, without
2 limitation on the powers conferred in the preceding section,
3 include within its regulations the following specific provisions in
4 accordance with the provisions of this act:

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

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

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

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

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

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

26 g. Regulating the practice and procedures for negotiable
27 transactions involving patrons, including limitations on the
28 circumstances and amounts of such transactions, and the
29 establishment of forms and procedures for negotiable instrument
30 transactions, redemptions, and consolidations;

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

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

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

40 k. Prescribing the qualifications of, and the conditions
41 pursuant to which, engineers, accountants, and others shall be
42 permitted to practice before the commission or to submit
43 materials on behalf of any applicant or licensee; provided,
44 however, that no member of the Legislature, nor any firm with
45 which said member is associated, shall be permitted to appear or
46 practice or act in any capacity whatsoever before the commission
47 or division regarding any matter whatsoever, nor shall any
48 member of the family of the Governor or of a member of the
49 Legislature be permitted to so practice or appear in any capacity
50 whatsoever before the commission or division regarding any
51 matter whatsoever;

52 l. Prescribing minimum procedures for the exercise of
53 effective control over the internal fiscal affairs of a licensee,

1 including provisions for the safeguarding of assets and revenues,
2 the recording of cash and evidence of indebtedness, and the
3 maintenance of reliable records, accounts, and reports of
4 transactions, operations and events, including reports to the
5 commission;

6 m. Providing for a minimum uniform standard of accountancy
7 methods, procedures and forms; a uniform code of accounts and
8 accounting classifications; and such other standard operating
9 procedures, including those controls listed in section 99a. hereof,
10 as may be necessary to assure consistency, comparability, and
11 effective disclosure of all financial information, including
12 calculations of percentages of profit by games, tables, gaming
13 devices and slot machines;

14 n. Requiring [periodic] quarterly financial reports and the form
15 thereof, [including] and an annual audit prepared by a certified
16 public accountant licensed to do business in this State, attesting
17 to the financial condition of a licensee and disclosing whether the
18 accounts, records and control procedures examined are
19 maintained by the licensee as required by this act and the
20 regulations promulgated hereunder;

21 o. Governing the gaming-related advertising of casino
22 licensees, their employees and agents, with the view toward
23 assuring that such advertisements are in no way deceptive;
24 provided, however, that such regulations: (1) shall not prohibit the
25 advertisement of casino location, hours of operation, or types of
26 games and other amenities offered; (2) shall prohibit the
27 advertisement of information about odds, the number of games,
28 and the size of the casino or simulcasting facility; and (3) shall
29 require the words "Bet with your head, not over it," or some
30 comparable language approved by the commission, to appear on
31 all billboards, signs, and other on-site advertising of a casino
32 operation and shall require the words "If you or someone you
33 know has a gambling problem and wants help, call 1-800
34 GAMBLER," or some comparable language approved by the
35 commission, which language shall include the words "gambling
36 problem" and "call 1-800 GAMBLER," to appear legibly on all
37 print, billboard, and sign advertising of a casino operation; and

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

39 q. Concerning the distribution and consumption of alcoholic
40 beverages on the premises of the licensee, which regulations shall
41 be insofar as possible consistent with Title 33 of the Revised
42 Statutes, and shall deviate only insofar as necessary because of
43 the unique character of the hotel casino premises and operations;

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

45 (cf: P.L.1993, c.292, s.8)

46 16. Section 40 of P.L.1993, c.292 (C.5:12-71.1) is amended to
47 read as follows:

48 40. A casino licensee may exclude or eject from its casino
49 hotel any person who is known to it to have been convicted[, on at
50 least three occasions,] of a crime, disorderly persons offense, or
51 petty disorderly persons offense committed in or on the premises
52 of any casino hotel. Nothing in this section or in any other law of
53 this State shall limit the right of a casino licensee to exercise its
54 common law right to exclude or eject permanently from its

1 casino hotel any person who disrupts the operations of its
2 premises, threatens the security of its premises or its occupants,
3 or is disorderly or intoxicated.

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

5 17. Section 72 of P.L.1977, c.110 (C.5:12-72) is amended to
6 read as follows:

7 72. Commission reports and recommendations. The
8 commission shall carry on a continuous study of the operation and
9 administration of casino control laws which may be in effect in
10 other jurisdictions, literature on this subject which may from
11 time to time become available, federal laws which may affect
12 the operation of casino gaming in this State, and the reaction of
13 New Jersey citizens to existing and potential features of casino
14 gaming under this act. It shall be responsible for ascertaining any
15 defects in this act or in the rules and regulations issued
16 thereunder, formulating recommendations for changes in this act
17 to prevent abuses thereof, guarding against the use of this act as
18 a cloak for the carrying on of illegal gambling or other criminal
19 activities, and insuring that this act and the rules and regulations
20 shall be in such form and be so administered as to serve the true
21 purposes of this act. The commission shall make to the Governor
22 and the Legislature an annual report of all revenues, expenses and
23 disbursements, and shall include therein such recommendations
24 for changes in this act as the commission deems necessary or
25 desirable. The commission shall also report recommendations
26 that promote more efficient operations of the commission. The
27 commission shall report immediately to the Governor and the
28 Legislature any matters which in its judgment require immediate
29 changes in the laws of this State in order to prevent abuses and
30 evasions of this act or of rules and regulations promulgated
31 hereunder, or to rectify undesirable conditions in connection with
32 the operation and regulation of casino gaming.

33 (cf: P.L.1977, c.110, s.72)

34 18. Section 76 of P.L.1977, c.110 (C.5:12-76) is amended to
35 read as follows:

36 76. General Duties and Powers. a. The Division of Gaming
37 Enforcement shall:

38 (1) promptly and in reasonable order investigate all
39 applications, enforce the provisions of this act and any regulations
40 promulgated hereunder, and prosecute before the commission all
41 proceedings for violations of this act or any regulations
42 promulgated hereunder[. The division shall];

43 (2) provide the commission with all information necessary for
44 all action under Article 6 of this act and for all proceedings
45 involving enforcement of the provisions of this act or any
46 regulations promulgated hereunder; and

47 (3) ensure that there is no duplication of duties and
48 responsibilities between it and the commission.

49 b. The division shall:

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

53 (2) Investigate the circumstances surrounding any act or
54 transaction for which commission approval is required;

1 (3) Investigate violations of this act and regulations
2 promulgated hereunder;

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

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

8 (6) Conduct continuing reviews of casino operations through
9 on-site observation and other reasonable means to assure
10 compliance with this act and regulations promulgated hereunder,
11 subject to subsection h. of section 63 of this act;

12 (7) Receive and take appropriate action on any referral from
13 the commission relating to any evidence of a violation of
14 P.L.1977, c.110 (C.5:12-1 et seq.) or the regulations promulgated
15 thereunder;

16 (8) Exchange fingerprint data with, and receive criminal
17 history record information from, the Federal Bureau of
18 Investigation for use in considering applicants for any license or
19 registration issued pursuant to the provisions of P.L.1977, c.110
20 (C.5:12-1 et seq.);

21 (9) Conduct audits of casino operations at such times, under
22 such circumstances, and to such extent as the director shall
23 determine, including reviews of accounting, administrative and
24 financial records, and management control systems, procedures
25 and records utilized by a casino licensee; [and]

26 (10) Be entitled to request and receive information, materials
27 and any other data from any licensee or registrant, or applicant
28 for a license or registration under this act; and

29 (11) Report to the Attorney General recommendations that
30 promote more efficient operations of the division.

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

32 19. Section 82 of P.L.1977, c.110 (C.5:12-82) is amended to
33 read as follows:

34 82. Casino License--Applicant Eligibility. a. No casino shall
35 operate unless all necessary licenses and approvals therefor have
36 been obtained in accordance with law.

37 b. Only the following persons shall be eligible to hold a casino
38 license; and, unless otherwise determined by the commission with
39 the concurrence of the Attorney General which may not be
40 unreasonably withheld in accordance with subsection c. of this
41 section, each of the following persons shall be required to hold a
42 casino license prior to the operation of a casino in the hotel with
43 respect to which the casino license has been applied for:

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

50 (2) Any person who, whether as lessor or lessee, either leases
51 an approved hotel building or leases or has an agreement to lease
52 a hotel which in the judgment of the commission can become an
53 approved hotel building within 30 months or within such
54 additional time period as the commission may, upon a showing of

1 good cause therefor, establish;

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

5 (4) Any other person who has [any] control over either an
6 approved hotel building or the land thereunder or the operation of
7 a casino.

8 c. Prior to the operation of the casino, every agreement to
9 lease an approved hotel building or the land thereunder and every
10 agreement for the management of the casino shall be in writing
11 and filed with the commission. No such agreement shall be
12 effective unless expressly approved by the commission. The
13 commission may require that any such agreement include within
14 its terms any provision reasonably necessary to best accomplish
15 the policies of this act. Consistent with the policies of this act:

16 (1) The commission, with the concurrence of the Attorney
17 General which may not be unreasonably withheld, may determine
18 that any person who does not have the ability to exercise any
19 significant control over either the approved hotel building or the
20 operation of the casino contained therein shall not be eligible to
21 hold or required to hold a casino license;

22 (2) The commission, with the concurrence of the Attorney
23 General which may not be unreasonably withheld, may determine
24 that any owner, lessor or lessee of an approved hotel building or
25 the land thereunder who does not own or lease the entire
26 approved hotel building shall not be eligible to hold or required to
27 hold a casino license;

28 (3) The commission shall require that any person or persons
29 eligible to apply for a casino license organize itself or themselves
30 into such form or forms of business association as the commission
31 shall deem necessary or desirable in the circumstances to carry
32 out the policies of this act;

33 (4) The commission may issue separate casino licenses to any
34 persons eligible to apply therefor;

35 (5) As to agreements to lease an approved hotel building or the
36 land thereunder, unless it expressly and by formal vote for good
37 cause determines otherwise, the commission shall require that
38 each party thereto hold either a casino license or casino service
39 industry license and that such an agreement be for a durational
40 term exceeding 30 years, concern 100% of the entire approved
41 hotel building or of the land upon which same is located, and
42 include within its terms a buy-out provision conferring upon the
43 casino licensee-lessee who controls the operation of the approved
44 hotel the absolute right to purchase for an expressly set forth
45 fixed sum the entire interest of the lessor or any person
46 associated with the lessor in the approved hotel building or the
47 land thereunder in the event that said lessor or said person
48 associated with the lessor is found by the commission to be
49 unsuitable to be associated with a casino enterprise;

50 (6) The commission shall not permit an agreement for the
51 leasing of an approved hotel building or the land thereunder to
52 provide for the payment of an interest, percentage or share of
53 money gambled at the casino or derived from casino gaming
54 activity or of revenues or profits of the casino unless the party

1 receiving payment of such interest, percentage or share is a party
2 to the approved lease agreement; unless each party to the lease
3 agreement holds either a casino license or casino service industry
4 license and unless the agreement is for a durational term
5 exceeding 30 years, concerns a significant portion of the entire
6 approved hotel building or of the land upon which same is located,
7 and includes within its terms a buy-out provision conforming to
8 that described in paragraph (5) above;

9 (7) As to agreements for the management of a casino, the
10 commission shall require that each party thereto hold a casino
11 license, that the party thereto who is to manage the casino own
12 at least 10% of all outstanding equity securities of any casino
13 licensee or of any eligible applicant for a casino license if the
14 said licensee or applicant is a corporation and the ownership of an
15 equivalent interest in any casino licensee or in any eligible
16 applicant for a casino license if same is not a corporation, and
17 that such an agreement be for the complete management of the
18 casino, provide for the sole and unrestricted power to direct the
19 casino operations of the casino which is the subject of the
20 agreement, and be for such a durational term as to assure
21 reasonable continuity, stability and independence in the
22 management of the casino;

23 (8) The commission may permit an agreement for the
24 management of a casino to provide for the payment to the
25 managing party of an interest, percentage or share of money
26 gambled at the casino or derived from casino gaming activity or
27 of revenues or profits of the casino;

28 (9) The commission may permit an agreement between a
29 casino licensee and a casino service industry licensed pursuant to
30 the provisions of subsection a. of section 92 of P.L.1977, c.110
31 (C.5:12-92) for the conduct of casino simulcasting in a
32 simulcasting facility to provide for the payment to the casino
33 service industry of an interest, percentage or share of the money
34 derived from the casino licensee's share of proceeds from
35 simulcast wagering activity; and

36 (10) As to agreements to lease an approved hotel building or
37 the land thereunder, agreements to jointly own an approved hotel
38 building or the land thereunder and agreements for the
39 management of a casino or for the conduct of casino simulcasting
40 in a simulcasting facility, the commission shall require that each
41 party thereto, except for a banking or other chartered or licensed
42 lending institution or any subsidiary thereof or any chartered or
43 licensed life insurance company or property and casualty
44 insurance company, shall be jointly and severally liable for all
45 acts, omissions and violations of this act by any party thereto
46 regardless of actual knowledge of such act, omission or violation
47 and notwithstanding any provision in such agreement to the
48 contrary.

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

51 (1) The corporation shall be incorporated in the State of New
52 Jersey, although such corporation may be a wholly or partially
53 owned subsidiary of a corporation which is organized pursuant to
54 the laws of another state of the United States or of a

1 foreign country;

2 (2) The corporation shall maintain an office of the corporation
3 in the premises licensed or to be licensed;

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

6 (4) The corporation shall maintain a ledger in the principal
7 office of the corporation in New Jersey which shall at all times
8 reflect the current ownership of every class of security issued by
9 the corporation and shall be available for inspection by the
10 commission or the division and authorized agents of the
11 commission and the division at all reasonable times without
12 notice;

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

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

22 (7) The corporation, if it is not a publicly traded corporation,
23 shall file with the commission such adopted corporate charter
24 provisions as may be necessary to establish the right of prior
25 approval by the commission with regard to transfers of securities,
26 shares, and other interests in the applicant corporation; and, if it
27 is a publicly traded corporation, provide in its corporate charter
28 that any securities of such corporation are held subject to the
29 condition that if a holder thereof is found to be disqualified by
30 the commission pursuant to the provisions of this act, such holder
31 shall dispose of his interest in the corporation; provided, however,
32 that, notwithstanding the provisions of N.J.S.14A:7-12 and
33 N.J.S.12A:8-101 et seq., nothing herein shall be deemed to
34 require that any security of such corporation bear any legend to
35 this effect;

36 (8) The corporation, if it is not a publicly traded corporation,
37 shall establish to the satisfaction of the commission that
38 appropriate charter provisions create the absolute right of such
39 non-publicly traded corporations and companies to repurchase at
40 the market price or the purchase price, whichever is the lesser,
41 any security, share or other interest in the corporation in the
42 event that the commission disapproves a transfer in accordance
43 with the provisions of this act;

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

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

1 Notwithstanding the foregoing, any corporation or company
2 which had bylaw provisions approved by the commission prior to
3 the effective date of this 1987 amendatory act shall have one
4 year from the effective date of this 1987 amendatory act to
5 adopt appropriate charter provisions in accordance with the
6 requirements of this subsection.

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

11 e. No person shall be issued or be the holder of more than
12 three casino licenses. For the purpose of this subsection a person
13 shall be considered the holder of a casino license if such license is
14 issued to such person or if such license is held by any holding,
15 intermediary or subsidiary company thereof, or by any officer,
16 director, casino key employee or principal employee of such
17 person, or of any holding, intermediary or subsidiary company
18 thereof.

19 (cf: P.L.1993, c.121, s.1)

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

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

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

36 b. Each applicant shall produce such information,
37 documentation and assurances as may be necessary to establish
38 by clear and convincing evidence the integrity of all financial
39 backers, investors, mortgagees, bondholders, and holders of
40 indentures, notes or other evidences of indebtedness, either in
41 effect or proposed, which bears any relation to the casino
42 proposal submitted by the applicant or applicants; provided,
43 however, that this section shall not apply to banking or other
44 licensed lending institutions exempted from the qualification
45 requirements of subsections c. and d. of section 85 of P.L.1977,
46 c.110 (C.5:12-85) and institutional investors waived from the
47 qualification requirements of those subsections pursuant to the
48 provisions of subsection f. of section 85 of P.L.1977, c.110
49 (C.5:12-85). Any such banking or licensed lending institution or
50 institutional investor shall, however, produce for the commission
51 or the division upon request any document or information which
52 bears any relation to the casino proposal submitted by the
53 applicant or applicants. The integrity of financial sources shall

1 be judged upon the same standards as the applicant. In addition,
2 the applicant shall produce whatever information, documentation
3 or assurances as may be required to establish by clear and
4 convincing evidence the adequacy of financial resources both as
5 to the completion of the casino proposal and the operation of the
6 casino.

7 c. Each applicant shall produce such information,
8 documentation and assurances as may be required to establish by
9 clear and convincing evidence the applicant's good character,
10 honesty and integrity. Such information shall include, without
11 limitation, information pertaining to family, habits, character,
12 reputation, criminal and arrest record, business activities,
13 financial affairs, and business, professional and personal
14 associates, covering at least the 10-year period immediately
15 preceding the filing of the application. Each applicant shall
16 notify the commission of any civil judgments obtained against any
17 such applicant pertaining to antitrust or security regulation laws
18 of the federal government, of this State or of any other state,
19 jurisdiction, province or country. In addition, each applicant shall
20 produce letters of reference from law enforcement agencies
21 having jurisdiction in the applicant's place of residence and
22 principal place of business, which letters of reference shall
23 indicate that such law enforcement agencies do not have any
24 pertinent information concerning the applicant, or if such law
25 enforcement agency does have information pertaining to the
26 applicant, shall specify what the information is. If the applicant
27 has conducted gaming operations in a jurisdiction which permits
28 such activity, the applicant shall produce letters of reference
29 from the gaming or casino enforcement or control agency which
30 shall specify the experiences of such agency with the applicant,
31 his associates, and his gaming operation; provided, however, that
32 if no such letters are received within 60 days of request therefor,
33 the applicant may submit a statement under oath that he is or
34 was during the period such activities were conducted in good
35 standing with such gaming or casino enforcement or control
36 agency.

37 d. Each applicant shall produce such information,
38 documentation and assurances as may be required to establish by
39 clear and convincing evidence that the applicant has sufficient
40 business ability and casino experience as to establish the
41 likelihood of creation and maintenance of a successful, efficient
42 casino operation. The applicant shall produce the names of all
43 proposed casino key employees as they become known and a
44 description of their respective or proposed responsibilities, and a
45 full description of security systems and management controls
46 proposed for the casino and related facilities.

47 e. Each applicant shall produce such information,
48 documentation and assurances to establish to the satisfaction of
49 the commission the suitability of the casino and related facilities
50 subject to subsection i. of section 83 of P.L.1977, c.110
51 (C.5:12-83) and its proposed location will not adversely affect
52 casino operations [or overall environmental conditions]. Each
53 applicant shall submit an impact statement which shall include,
54 without limitation, architectural and site plans which establish

1 that the proposed facilities comply in all respects with the
2 requirements of this act[,] and the requirements of the master
3 plan and zoning and planning ordinances of Atlantic City, without
4 any use variance from the provisions thereof[, and the
5 requirements of the "Coastal Area Facility Review Act,"
6 P.L.1973, c.185 (C.13:19-1 et seq.)]; a market impact study
7 which analyzes the adequacy of the patron market and the effect
8 of the proposal on such market and on the existing casino
9 facilities licensed under this act; and an analysis of the effect of
10 the proposal on the overall [environment, including, without
11 limitation,] economic[, social, demographic] and competitive
12 conditions [as well as the natural resources] of Atlantic City and
13 the State of New Jersey.

14 (cf: P.L.1991, c.182, s.25)

15 21. Section 88 of P.L.1977, c.110 (C.5:12-88) is amended to
16 read as follows:

17 88. Renewal of Casino Licenses. a. Subject to the power of
18 the commission to deny, revoke, or suspend licenses, any casino
19 license in force shall be renewed by the commission for the next
20 succeeding license period upon proper application for renewal and
21 payment of license fees and taxes as required by law and the
22 regulations of the commission. The license period for a renewed
23 casino license shall be up to one year for each of the first two
24 renewal periods succeeding the initial issuance of a casino license
25 pursuant to section 87 of P.L.1977, c.110 (C.5:12-87).
26 Thereafter, [a casino license may be renewed for a period of up
27 to two years] the renewal periods shall be four years each, but
28 the commission may reopen licensing hearings at any time. In
29 addition, the commission shall reopen licensing hearings at any
30 time at the request of the [Division of Gaming Enforcement in
31 the Department of Law and Public Safety] division.
32 Notwithstanding the foregoing, the commission may, for the
33 purpose of facilitating its administration of this act, renew the
34 casino license of the holders of licenses initially opening after
35 January 1, 1981 for a period of one year; provided, however, the
36 renewal period for those particular casino licenses may not be
37 adjusted more than once pursuant to this provision. The
38 commission shall act upon any such application prior to the date
39 of expiration of the current license.

40 b. Application for renewal shall be filed with the commission
41 no later than 90 days prior to the expiration of the current
42 license, and all license fees and taxes as required by law shall be
43 paid to the commission on or before the date of expiration of the
44 current license.

45 c. Upon renewal of any license the commission shall issue an
46 appropriate renewal certificate or validating device or sticker
47 which shall be attached to each casino license.

48 (cf: P.L.1991, c.182, s.28)

49 22. Section 89 of P.L.1977, c.110 (C.5:12-89) is amended to
50 read as follows:

51 89. Licensing of Casino Key Employees. a. No person may be
52 employed as a casino key employee unless he is the holder of a
53 valid casino key employee license issued by the commission.

54 b. Each applicant must, prior to the issuance of any casino key

1 employee license, produce information, documentation and
2 assurances concerning the following qualification criteria:

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

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

48 (3) [Each applicant shall produce such information,
49 documentation and assurances as may be required to establish by
50 clear and convincing evidence that the applicant has sufficient
51 business ability and casino experience as to establish the
52 reasonable likelihood of success and efficiency in the particular
53 position involved.] (Deleted by amendment, P.L. , c. (now
54 pending before the Legislature as this bill).)

1 (4) Each applicant shall be a resident of the State of New
2 Jersey prior to the issuance of a casino key employee license;
3 provided, however, that upon petition by the holder of a casino
4 license, the commission may waive this residency requirement for
5 any applicant whose particular position will require him to be
6 employed outside the State.

7 The commission may also, by regulation, require that all
8 applicants for casino key employee licenses be residents of this
9 State for a period not to exceed six months immediately prior to
10 the issuance of such license, but application may be made prior to
11 the expiration of the required period of residency. The
12 commission shall, by resolution, waive the required residency
13 period for an applicant upon a showing that the residency period
14 would cause undue hardship upon the casino licensee which
15 intends to employ said applicant, or upon a showing of other good
16 cause.

17 c. [The commission shall endorse upon any license issued
18 hereunder the particular positions as defined by this act or by
19 regulation which the licensee is qualified to hold.] (Deleted by
20 amendment, P.L. , c. (now pending before the Legislature as
21 this bill).)

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

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

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

30 (2) The division either certifies to the commission that the
31 completed casino key employee license application as specified in
32 paragraph (1) of this subsection has been in the possession of the
33 division for at least [30] 15 days or agrees to allow the
34 commission to consider the application in some lesser time;

35 (3) [The information provided by the applicant indicates that
36 the applicant meets the requirements of subsection b. (3) of this
37 section;] (Deleted by amendment, P.L. , c. (now pending
38 before the Legislature as this bill).)

39 (4) The petition for a temporary casino key employee license
40 certifies, and the commission finds, that an existing casino key
41 employee position of the petitioner is vacant or will become
42 vacant within 60 days of the date of the petition and that the
43 issuance of a temporary key employee license is necessary to fill
44 the said vacancy on an emergency basis to continue the efficient
45 operation of the casino, and that such circumstances are
46 extraordinary and not designed to circumvent the normal
47 licensing procedures of this act;

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

50 In the event that an applicant for a casino key employee
51 license is the holder of a valid casino employee license issued
52 pursuant to section 90 of this act, and if the provisions of
53 paragraphs (1), (2), [(3),] and (5) of this subsection are satisfied,
54 the commission may issue a temporary casino key employee

1 license upon petition by the holder of a casino license, if the
2 commission finds the issuance of a casino key employee license
3 will be delayed by necessary investigations and the said
4 temporary casino key employee license is necessary for the
5 operation of the casino.

6 Unless otherwise terminated pursuant to this act, any
7 temporary casino key employee license issued pursuant to this
8 subsection shall expire nine months from the date of its issuance.
9 (cf: P.L.1993, c.292, s.14)

10 23. Section 90 of P.L.1977, c.110 (C.5:12-90) is amended to
11 read as follows:

12 90. Licensing of Casino Employees. a. No person may
13 commence employment as a casino employee unless he is the
14 holder of a valid casino employee license.

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

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

35 d. [The commission shall endorse upon any license issued
36 hereunder the particular positions as defined by regulation which
37 the licensee is qualified to hold.] (~~Deleted by amendment, P.L. ,~~
38 ~~c. (now pending before the Legislature as this bill).~~)

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

42 f. For the purposes of this section, casino security employees
43 shall be considered casino employees and must, in addition to any
44 requirements under other laws, be licensed in accordance with
45 the provisions of this act.

46 g. [A] Upon petition by the holder of a casino license, a
47 temporary license may be issued by the commission to an
48 applicant for a casino [employees for positions not directly
49 related to gaming or simulcast wagering activity if, in its
50 judgment, the issuance of a plenary license will be restricted by
51 necessary investigations and said temporary licensing of the
52 applicant is necessary for the operation of the casino. In
53 addition, a temporary license may be issued by the commission to

1 a casino employee for the position of slot changeperson if the
2 division has not responded to the application for licensure within
3 15 days of the filing of the application and if the employee's
4 position involves working with an impressment of \$3,000 or less
5 and no access to any other funds] employee license provided that:

6 (1) the applicant for the casino employee license has filed a
7 complete application as required by the commission;

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

13 (3) the petition for a temporary casino employee license
14 certifies, and the commission finds, that the issuance of a plenary
15 license will be restricted by necessary investigations, and the
16 temporary licensing of the applicant is necessary for the
17 operation of the casino and is not designed to circumvent the
18 normal licensing procedures of the "Casino Control Act"; and

19 (4) the division does not object to the issuance of the
20 temporary casino employee license.

21 Unless otherwise terminated pursuant to this act, a temporary
22 license issued pursuant to this subsection shall expire six months
23 from the date of its issuance and be renewable, at the discretion
24 of the commission, for one additional six-month period. [Positions
25 "directly related to gaming or simulcast wagering activity" shall
26 include, but not be limited to, boxmen, floormen, dealers or
27 croupiers, cage personnel, count room personnel, slot and slot
28 booth personnel, simulcast wagering personnel, credit and
29 collection personnel, casino surveillance personnel, and casino
30 security employees whose employment duties require or authorize
31 access to the casino or simulcasting facility.]

32 h. Notwithstanding the provisions of subsection e. of this
33 section, no applicant shall be denied a casino employee license on
34 the basis of a conviction of any of the offenses enumerated in
35 this act as disqualification criteria or the commission of any act
36 or acts which would constitute any offense under subsection c. of
37 section 86 of P.L.1977, c.110 (C.5:12-86), as specified in
38 subsection g. of that section; provided that the applicant has
39 affirmatively demonstrated his rehabilitation. In determining
40 whether the applicant has affirmatively demonstrated his
41 rehabilitation the commission shall consider the following factors:

42 (1) The nature and duties of the position applied for;

43 (2) The nature and seriousness of the offense or conduct;

44 (3) The circumstances under which the offense or conduct
45 occurred;

46 (4) The date of the offense or conduct;

47 (5) The age of the applicant when the offense or conduct was
48 committed;

49 (6) Whether the offense or conduct was an isolated or repeated
50 incident;

51 (7) Any social conditions which may have contributed to the
52 offense or conduct;

53 (8) Any evidence of rehabilitation, including good conduct in
54 prison or in the community, counseling or psychiatric treatment

1 received, acquisition of additional academic or vocational
2 schooling, successful participation in correctional work-release
3 programs, or the recommendation of persons who have or have
4 had the applicant under their supervision.

5 (cf: P.L.1993, c.292, s.15)

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

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

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

44 b. Each casino service industry in subsection a. of this section,
45 as well as its owners[,]; management and supervisory personnel;
46 and [other] principal employees if such principal employees have
47 responsibility for services to a casino licensee, must qualify under
48 the standards, except residency, established for qualification of a
49 casino key employee under this act. [In addition, if the business or
50 enterprise is a school teaching gaming and either playing or
51 dealing techniques, each resident director, instructor, principal
52 employee, and sales representative employed thereby shall be
53 licensed under the standards established for qualification of a
54 casino employee under this act; provided, however, that nothing

1 in this subsection shall be deemed to require, in the case of a
2 public school district or a public institution of higher education,
3 the licensure or qualification of any individuals except those
4 instructors and other principal employees responsible for the
5 teaching of playing or dealing techniques. The commission, in its
6 discretion, may issue a temporary license to an applicant for an
7 instructor's license upon a finding that the applicant meets the
8 educational and experiential requirements for such license, that
9 the issuance of a permanent license will be restricted by
10 necessary investigations, and that temporary licensing is
11 necessary for the operation of the gaming school. Unless
12 otherwise terminated pursuant to this act, a temporary license
13 issued pursuant to this subsection shall expire six months from
14 the date of its issuance and be renewable, at the discretion of the
15 commission, for one additional six-month period.]

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

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

46 d. Licensure pursuant to subsection c. of this section of any
47 casino service industry may be denied to any applicant
48 disqualified in accordance with the criteria contained in section
49 86 of this act.

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

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

53 93. Registration of Labor Organizations. a. Each labor
54 organization, union or affiliate seeking to represent employees

1 [licensed or registered under this act and] who are employed [by]
2 in a casino hotel, casino or casino simulcasting facility by a
3 casino licensee shall register with the commission annually, and
4 shall disclose such information to the commission as the
5 commission may require, including the names of all affiliated
6 organizations, pension and welfare systems and all officers and
7 agents of such organizations and systems; provided, however, that
8 no labor organization, union, or affiliate shall be required to
9 furnish such information to the extent such information is
10 included in a report filed by any labor organization, union, or
11 affiliate with the Secretary of Labor pursuant to 29 U.S.C. § 431
12 et seq. or § 1001 et seq. if a copy of such report, or of the portion
13 thereof containing such information, is furnished to the
14 commission pursuant to the aforesaid federal provisions. The
15 commission may in its discretion exempt any labor organization,
16 union, or affiliate from the registration requirements of this
17 subsection where the commission finds that such organization,
18 union or affiliate is not the certified bargaining representative of
19 any employee [licensed or registered under this act] who is
20 employed in a casino hotel, casino or casino simulcasting facility
21 by a casino licensee, is not involved actively, directly or
22 substantially in the control or direction of the representation of
23 any such employee, and is not seeking to do so.

24 b. No person may act as an officer, agent or principal
25 employee of a labor organization, union or affiliate registered or
26 required to be registered pursuant to this section [and
27 representing or seeking to represent employees licensed or
28 registered under P.L.1977, c.110 (C.5:12-1 et seq.)] if the person
29 has been found disqualified by the commission in accordance with
30 the criteria contained in section 86 of that act. The commission
31 may, for purposes of this subsection, waive any disqualification
32 criterion consistent with the public policy of this act and upon a
33 finding that the interests of justice so require.

34 c. Neither a labor organization, union or affiliate nor its
35 officers and agents not otherwise individually licensed or
36 registered under this act and employed by a casino licensee may
37 hold any financial interest whatsoever in the casino hotel, casino,
38 casino simulcasting facility or casino licensee whose employees
39 they represent.

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

44 e. The commission or the division may maintain a civil action
45 and proceed in a summary manner, without posting bond, against
46 any person, including any labor organization, union or affiliate, to
47 compel compliance with this section, or to prevent any violations,
48 the aiding and abetting thereof, or any attempt or conspiracy to
49 violate this section.

50 f. In addition to any other remedies provided in this section, a
51 labor organization, union or affiliate registered or required to be
52 registered pursuant to this section [and representing or seeking to
53 represent employees licensed or registered under P.L.1977, c.110

1 (C.5:12-1 et seq.)) may be prohibited by the commission from
2 receiving any dues from any employee licensed or registered
3 under that act and employed by a casino licensee or its agent, if
4 any officer, agent or principal employee of the labor
5 organization, union or affiliate has been found disqualified and if
6 such disqualification has not been waived by the commission in
7 accordance with subsection b. of this section. The commission or
8 the division may proceed in the manner provided by subsection e.
9 of this section to enforce an order of the commission prohibiting
10 the receipt of dues.

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

14 (cf: P.L.1987, c.355, s.6)

15 26. Section 94 of P.L.1977, c.110 (C.5:12-94) is amended to
16 read as follows:

17 94. Approval and Denial of Registrations and Licenses Other
18 Than Casino Licenses. a. Upon the filing of an application for
19 any license or registration required by this act, other than a
20 casino license, and after submission of such supplemental
21 information as the commission may require, the commission shall
22 request the division to conduct such investigation into the
23 qualification of the applicant, and the commission shall conduct
24 such hearings concerning the qualification of the applicant, in
25 accordance with its regulations, as may be necessary to
26 determine qualification for such license or registration.

27 b. After such investigation, the commission may either deny
28 the application or grant a license to or accept the registration of
29 an applicant whom it determines to be qualified to hold such
30 license or registration.

31 c. The commission shall have the authority to deny any
32 application pursuant to the provisions of this act. When an
33 application is denied, the commission shall prepare and file its
34 order denying such application with the general reasons therefor,
35 and if requested by the applicant, shall further prepare and file a
36 statement of the reasons for the denial, including the specific
37 findings of fact.

38 d. When the commission grants an application, the commission
39 may limit or place such restrictions thereupon as it may deem
40 necessary in the public interest. [A casino hotel employee
41 registration shall, upon issuance, remain in effect unless revoked,
42 suspended, limited, or otherwise restricted by the commission.]
43 Licenses may be granted and renewed as follows:

44 (1) All casino employee licenses, [gaming school resident
45 director, instructor, principal employee and sales representative
46 licenses,] casino service industry licenses issued pursuant to
47 subsection c. of section 92 of P.L.1977, c.110 (C.5:12-92), and
48 junket representative and junket enterprise licenses issued
49 pursuant to section 102 of P.L.1977, c.110 (C.5:12-102) shall be
50 issued for an initial term of three years, and may be renewed for
51 subsequent terms of four years each; and

52 (2) All casino key employee licenses and casino service
53 industry licenses required pursuant to subsection a. of section 92
54 of P.L.1977, c.110 (C.5:12-92) shall be issued for an initial term

1 of two years, and may be renewed for subsequent terms of [two]
2 four years each.

3 Notwithstanding the foregoing, the commission shall reconsider
4 the granting of any license or the approval of any registration at
5 any time at the request of the division.

6 e. After an application is submitted to the commission, final
7 action of the commission shall be taken within 90 days after
8 completion of all hearings and investigations and the receipt of
9 all information required by the commission.

10 (cf: P.L.1993, c.292, s.16)

11 27. Section 4 of P.L.1987, c.409 (C.5:12-95.13) is amended to
12 read as follows:

13 4. Commission Consideration of Request for Interim Casino
14 Authorization. a. The commission may grant interim
15 authorization where it finds by clear and convincing evidence (1)
16 that statements of compliance have been issued pursuant to
17 sections 81, 82c., 82d., 82e., 84e., and 134 of the "Casino Control
18 Act," P.L.1977, c.110 (C.5:12-81, 5:12-82, 5:12-84, and
19 5:12-134); (2) that the casino hotel facility is an approved hotel in
20 accordance with the requirements of section 83 of the "Casino
21 Control Act," P.L.1977, c.110 (C.5:12-83); (3) that the trustee or
22 trustees required by section 5 of this 1987 amendatory and
23 supplementary act have satisfied the qualification criteria
24 applicable to a casino key employee, except for residency [and
25 casino experience]; and (4) that interim operation will best serve
26 the interests of the public with particular reference to the
27 policies and purposes enumerated in section 1 of the "Casino
28 Control Act," P.L.1977, c.110 (C.5:12-1).

29 b. The commission's consideration of a request for interim
30 authorization shall include, but not be limited to, consideration of
31 such relevant information as may be presented to it by the
32 division. In responding to the request and in determining whether
33 to concur, the division shall not be required to disclose any
34 information the disclosure of which, in its judgment, may
35 prejudice or otherwise compromise any continuing investigation.

36 (cf: P.L.1987, c.409, s.4)

37 28. Section 96 of P.L.1977, c.110 (C.5:12-96) is amended to
38 read as follows:

39 96. Operation Certificate. a. Notwithstanding the issuance of
40 a license therefor, no casino or simulcasting facility may be
41 opened or remain open to the public, and no gaming or simulcast
42 wagering activity, except for test purposes, may be conducted
43 therein, unless and until a valid operation certificate has been
44 issued to the casino licensee by the commission. Such certificate
45 shall be issued by the commission upon a finding that a casino
46 and, if applicable, a simulcasting facility each complies in all
47 respects with the requirements of this act and regulations
48 promulgated hereunder, that the casino licensee has implemented
49 necessary management controls and security precautions for the
50 efficient operation of the casino and, if applicable, the
51 simulcasting facility, that casino and simulcasting facility
52 personnel are [properly trained and] licensed for the [efficient]
53 performance of their respective responsibilities, and that the
54 casino and any applicable simulcasting facility are prepared in all

1 respects to receive and entertain the public.

2 b. The operation certificate shall include [a statement of
3 compliance with subsection a. of this section and] an itemized list
4 by category and number of the authorized games permitted in the
5 particular casino establishment and any applicable simulcasting
6 facility.

7 c. A casino licensee shall, in accordance with regulations
8 promulgated by the commission, file any changes in the number
9 of authorized games to be played in its casino or simulcasting
10 facility, and any changes in the configuration of the casino or
11 simulcasting facility, with the commission and the division, which
12 shall review the changes for compliance with the "Casino Control
13 Act," P.L.1977, c.110 (C.5:12-1 et seq.) or regulations
14 promulgated thereunder.

15 d. An operation certificate shall remain in force and effect
16 unless altered in accordance with subsection c. of this section, or
17 revoked, suspended, limited, or otherwise altered by the
18 commission in accordance with this act.

19 e. It shall be an express condition of continued operation under
20 this act that a casino licensee shall maintain all books, records,
21 and documents pertaining to the licensee's operations, including
22 casino simulcasting, and approved hotel in a manner and location
23 within this State approved by the commission. All such books,
24 records and documents shall be immediately available for
25 inspection during all hours of operation in accordance with the
26 rules of the commission and shall be maintained for such period
27 of time as the commission shall require.

28 (cf: P.L.1993, c.292, s.17)

29 29. Section 98 of P.L.1977, c.110 (C.5:12-98) is amended to
30 read as follows:

31 98. Casino Facility Requirements. a. Each casino licensee
32 shall arrange the facilities of its casino and, if appropriate, its
33 simulcasting facility in such a manner as to promote [maximum
34 comfort for the patrons and] optimum security for the casino and
35 simulcasting facility operations, and shall comply in all respects
36 with regulations of the commission pertaining thereto.

37 b. Each casino licensee shall:

38 (1) Install a closed circuit television system according to
39 specifications approved by the commission, and provide access on
40 the licensed premises to the system or its signal by the
41 commission or the division, in accordance with regulations
42 pertaining thereto;

43 (2) Establish a single room as its casino; and

44 (3) Provide that visibility between any two areas, whether or
45 not contiguous, in the casino or in the simulcasting facility may
46 not be obstructed by partitions of any kind which interfere with
47 the ability of the commission or the division to supervise casino
48 or simulcasting facility operations; provided, however, that
49 multi-level casinos otherwise complying with this subsection shall
50 be permitted.

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

52 30. Section 99 of P.L.1977, c.110 (C.5:12-99) is amended to
53 read as follows:

54 99. Internal Controls. a. Each casino licensee shall submit to

1 the commission a description of its system of internal procedures
2 and administrative and accounting controls for gaming and
3 simulcast wagering operations and a description of any changes
4 thereof. Such submission shall be made at least [60] 30 days
5 before such operations are to commence or at least [60] 30 days
6 before any change in those procedures or controls is to take
7 effect, unless otherwise directed by the commission.
8 Notwithstanding the foregoing, the internal controls described in
9 paragraph (3) of this subsection may be implemented by a casino
10 licensee upon the filing of such internal controls with the
11 commission. Each [such] internal control submission shall contain
12 both narrative and diagrammatic representations of the internal
13 control system to be utilized by the casino, including, but not
14 limited to:

15 (1) Accounting controls, including the standardization of forms
16 and definition of terms to be utilized in the gaming and simulcast
17 wagering operations;

18 (2) Procedures, forms, and, where appropriate, formulas
19 covering the calculation of hold percentages[,]; revenue drop[,];
20 expense and overhead schedules[,]; complimentary services,
21 except as provided in paragraph (3) of subsection m. of section
22 102 of P.L.1977, c.110 (C.5:12-102); junkets[,]; and cash
23 equivalent transactions[, salary structure and personnel practices];

24 (3) Job descriptions and the system of personnel and
25 chain-of-command, establishing a diversity of responsibility
26 among employees engaged in casino or simulcasting facility
27 operations and identifying primary and secondary supervisory
28 positions for areas of responsibility, which areas shall not be so
29 extensive as to be impractical for an individual to monitor; salary
30 structure; and personnel practices;

31 (4) Procedures within the cashier's cage and simulcast facility
32 for the receipt, storage and disbursal of chips, cash, and other
33 cash equivalents used in gaming and simulcast wagering; the
34 cashing of checks; the redemption of chips and other cash
35 equivalents used in gaming and simulcast wagering; the pay-off
36 of jackpots and simulcast wagers; and the recording of
37 transactions pertaining to gaming and simulcast wagering
38 operations;

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

41 (6) Procedures for the transfer and recordation of chips
42 between the gaming tables and the cashier's cage and the
43 transfer and recordation of moneys within the simulcasting
44 facility;

45 (7) Procedures for the transfer of moneys from the gaming
46 tables to the counting process and the transfer of moneys within
47 the simulcasting facility for the counting process;

48 (8) Procedures and security for the counting and recordation of
49 revenue;

50 (9) Procedures for the security, storage and recordation of
51 cash, chips and other cash equivalents utilized in the gaming and
52 simulcast wagering operations;

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

1 (11) Procedures and standards for the opening and security of
2 slot machines;

3 (12) Procedures for the payment and recordation of slot
4 machine jackpots;

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

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

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

12 (16) Procedures and rules governing the conduct of particular
13 games and simulcast wagering and the responsibility of casino
14 personnel in respect thereto; and

15 (17) Procedures for separately recording all transactions
16 pursuant to section 101 of this act involving the Governor, any
17 State officer or employee, or any special State officer or
18 employee, any member of the Judiciary, any member of the
19 Legislature, any officer of a municipality or county in which
20 casino gaming is authorized, or any gaming related casino
21 employee, and for the quarterly filing with the Attorney General
22 of a list reporting all such transactions.

23 If required by regulation of the commission, each casino
24 licensee shall also submit a description of its system of internal
25 procedures and administrative and accounting controls for
26 non-gaming operations and a description of any changes thereto
27 no later than five days after those operations commence or after
28 any change in those procedures or controls takes effect.

29 b. The commission shall review each submission required by
30 subsection a. hereof, and shall determine whether it conforms to
31 the requirements of this act and to the regulations promulgated
32 thereunder and whether the system submitted provides adequate
33 and effective controls for the operations of the particular casino
34 hotel submitting it. If the commission finds any insufficiencies, it
35 shall specify same in writing to the casino licensee, who shall
36 make appropriate alterations. When the commission determines a
37 submission to be adequate in all respects, it shall notify the
38 casino licensee of same. [No] Except as otherwise provided in
39 subsection a. of this section, no casino licensee shall commence
40 or alter gaming operations unless and until such system of
41 controls is approved by the commission.

42 (cf: P.L.1993, c.292, s.19)

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

45 100. Games and Gaming Equipment. a. This act shall not be
46 construed to permit any gaming except the conduct of authorized
47 games in a casino room in accordance with this act and the
48 regulations promulgated hereunder and in a simulcasting facility
49 to the extent provided by the "Casino Simulcasting Act,"
50 P.L.1992, c.19 (C.5:12-191 et al.).

51 b. Gaming equipment shall not be possessed, maintained or
52 exhibited by any person on the premises of a casino hotel complex
53 except in the casino room, in the simulcasting facility, or in
54 restricted casino areas used for the inspection, repair or storage

1 of such equipment and specifically designated for that purpose by
2 the casino licensee with the approval of the commission. Gaming
3 equipment which supports the conduct of gaming in the casino or
4 simulcasting facility but does not permit or require patron
5 access, such as computers, may be possessed and maintained by a
6 casino licensee in restricted casino areas specifically designated
7 for that purpose by the casino licensee with the approval of the
8 commission. No gaming equipment shall be possessed,
9 maintained, exhibited, brought into or removed from a casino
10 room or simulcasting facility by any person unless such equipment
11 is necessary to the conduct of an authorized game, has
12 permanently affixed, imprinted, impressed or engraved thereon
13 an identification number or symbol authorized by the commission,
14 is under the exclusive control of a casino licensee or his
15 employees, and is brought into or removed from the casino room
16 or simulcasting facility [at times authorized for that purpose by
17 the commission or at other times when prior notice has been]
18 following 24-hour prior notice given to [and written approval
19 granted by] an authorized agent of the commission.

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

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

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

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

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

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

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

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

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

36 (a) promote optimum security for casino operations;

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

39 (c) promote the comfort of patrons;

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

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

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

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

47 k. It shall be unlawful for any person to exchange or redeem
48 chips for anything whatsoever, except for currency, negotiable
49 personal checks, negotiable counter checks, other chips, coupons
50 or [similar] complimentary vouchers distributed [pursuant to a
51 program approved by the commission or maintained pursuant to
52 commission regulation] by the casino licensee, or, if authorized
53 by regulation of the commission, a valid charge to a credit or
54 debit card account. A casino licensee shall, upon the request of

1 any person, redeem that licensee's gaming chips surrendered by
2 that person in any amount over [\$25.00] \$100 with a check drawn
3 upon the licensee's account at any banking institution in this
4 State and made payable to that person.

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

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

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

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

40 (2) A dealer may accept tips or gratuities from a patron at the
41 table at which such dealer is conducting play, subject to the
42 provisions of this subsection. All such tips or gratuities shall be
43 immediately deposited in a lockbox reserved for that purpose,
44 accounted for, and placed in a pool for distribution pro rata
45 among the dealers, with the distribution based upon the number
46 of hours each dealer has worked.

47 (cf: P.L.1993, c.292, s.20)

48 32. Section 101 of P.L.1977, c.110 (C.5:12-101) is amended to
49 read as follows:

50 101. Credit. a. Except as otherwise provided in this section,
51 no casino licensee or any person licensed under this act, and no
52 person acting on behalf of or under any arrangement with a
53 casino licensee or other person licensed under this act, shall:

54 (1) Cash any check, make any loan, or otherwise provide or

1 allow to any person any credit or advance of anything of value or
2 which represents value to enable any person to take part in
3 gaming or simulcast wagering activity as a player; or

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

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

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

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

18 (3) The check is presented to the cashier or the cashier's
19 representative at a location in the casino approved by the
20 commission and is exchanged for cash or slot tokens which total
21 an amount equal to the amount for which the check is drawn, or
22 the check is presented to the cashier's representative at a
23 gaming table in exchange for chips which total an amount equal
24 to the amount for which the check is drawn; and

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

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

34 c. When a casino licensee or other person licensed under this
35 act, or any person acting on behalf of or under any arrangement
36 with a casino licensee or other person licensed under this act,
37 cashes a check in conformity with the requirements of subsection
38 b. of this section, the casino licensee shall cause the deposit of
39 such check in a bank for collection or payment, or shall require
40 an attorney or casino key employee with no incompatible
41 functions to present such check to the drawer's bank for
42 payment, within (1) seven calendar days of the date of the
43 transaction for a check in an amount of \$1,000.00 or less; (2) 14
44 calendar days of the date of the transaction for a check in an
45 amount greater than \$1,000.00 but less than or equal to
46 \$5,000.00; or (3) 45 calendar days of the date of the transaction
47 for a check in an amount greater than \$5,000.00. Notwithstanding
48 the foregoing, the drawer of the check may redeem the check by
49 exchanging cash, cash equivalents, chips, or a check which meets
50 the requirements of subsection g. of this section in an amount
51 equal to the amount for which the check is drawn; or he may
52 redeem the check in part by exchanging cash, cash equivalents,
53 chips, or a check which meets the requirements of subsection g.
54 of this section and another check which meets the requirements

1 of subsection b. of this section for the difference between the
2 original check and the cash, cash equivalents, chips, or check
3 tendered; or he may issue one check which meets the
4 requirements of subsection b. of this section in an amount
5 sufficient to redeem two or more checks drawn to the order of
6 the casino licensee. If there has been a partial redemption or a
7 consolidation in conformity with the provisions of this subsection,
8 the newly issued check shall be delivered to a bank for collection
9 or payment or presented to the drawer's bank for payment by an
10 attorney or casino key employee with no incompatible functions
11 within the period herein specified. No casino licensee or any
12 person licensed under this act, and no person acting on behalf of
13 or under any arrangement with a casino licensee or other person
14 licensed under this act, shall accept any check or series of checks
15 in redemption or consolidation of another check or checks in
16 accordance with this subsection for the purpose of avoiding or
17 delaying the deposit of a check in a bank for collection or
18 payment or the presentment of the check to the drawer's bank
19 within the time period prescribed by this subsection.

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

24 d. No casino licensee or any other person licensed under this
25 act, or any other person acting on behalf of or under any
26 arrangement with a casino licensee or other person licensed under
27 this act, shall transfer, convey, or give, with or without
28 consideration, a check cashed in conformity with the
29 requirements of this section to any person other than:

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

32 (2) A bank for collection or payment of the check; [or]

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

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

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

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

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

53 g. Notwithstanding the provisions of subsection b. of this
54 section to the contrary, a casino licensee may accept a check

1 from a person to enable the person to take part in gaming or
2 simulcast wagering activity as a player, may give cash or cash
3 equivalents in exchange for such a check, or may accept a check
4 in redemption or partial redemption of a check issued in
5 accordance with subsection b., provided that:

6 (1) (a) The check is drawn by a casino licensee pursuant to the
7 provisions of subsection k. of section 100 of P.L.1977, c.110
8 (C.5:12-100) or upon a withdrawal of funds from an account
9 established in accordance with the provisions of subsection b. of
10 this section or is drawn by a casino licensee as payment for
11 winnings from [slot machine payoffs] an authorized game or
12 simulcast wagers;

13 (b) The check is issued by a banking institution which is
14 chartered in a country other than the United States on its
15 account at a federally chartered or state-chartered bank and is
16 made payable to "cash," "bearer," a casino licensee, or the
17 person presenting the check; [or]

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

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

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

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

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

30 (4) The check is presented to the cashier or the cashier's
31 representative by the original payee and its validity is verified by
32 the drawer in the case of a check drawn pursuant to subparagraph
33 (a) of paragraph (1) of this subsection, or the check is verified in
34 accordance with regulations promulgated by the commission in
35 the case of a check issued pursuant to subparagraph (b) [or
36 subparagraph], (c), (d) or (e) of paragraph (1) of this subsection;
37 and

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

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

44 h. (1) Notwithstanding the provisions of subsection b. and
45 subsection c. of this section to the contrary, a casino licensee
46 may, at a location outside the casino, accept a personal check or
47 checks from a person for up to \$1,500 in exchange for cash or
48 cash equivalents, and may, at such locations within the casino as
49 may be permitted by the commission, accept a personal check or
50 checks for up to \$1,500 in exchange for cash, cash equivalents,
51 tokens, chips, or plaques to enable the person to take part in
52 gaming or simulcast wagering activity as a player, provided that:

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

- 1 (b) The check is for a specific amount;
- 2 (c) The check is made payable to the casino licensee;
- 3 (d) The check is dated but not post-dated;
- 4 (e) The patron's identity is established by examination of one
5 of the following:
- 6 valid credit card, driver's license, passport, or other form of
7 identification credential which contains, at a minimum, the
8 patron's signature;
- 9 (f) The check is restrictively endorsed "For Deposit Only" to
10 the casino licensee's bank account and deposited on the next
11 banking day following the date of the transaction; and
- 12 (g) The total amount of personal checks accepted by any one
13 licensee pursuant to this subsection that are outstanding at any
14 time, including the current check being submitted, does not
15 exceed \$1,500.
- 16 (2) Nothing in paragraph (1) of this subsection shall be
17 construed to limit the authority of a casino licensee to accept,
18 and exchange for cash or cash equivalents other than tokens,
19 chips, or plaques, a check from a patron that is not offered or
20 exchanged in order to enable the patron or anyone else to take
21 part in gaming or simulcast wagering activity as a player,
22 provided that:
- 23 (a) The patron so certifies;
- 24 (b) The casino licensee has no reason to believe that the cash
25 or cash equivalents will be used to enable the patron or anyone
26 else to take part in gaming or simulcast wagering activity as a
27 player;
- 28 (c) The check is not accepted or exchanged in the casino or
29 simulcasting facility; and
- 30 (d) The casino licensee maintains full documentation of the
31 transaction in accordance with regulations established by the
32 commission.
- 33 i. Checks cashed pursuant to the provisions of paragraph (1) of
34 subsection h. of this section which are subsequently uncollectable
35 may not be deducted from the total of all sums received in
36 calculating gross revenue pursuant to section 24 of P.L.1977,
37 c.110 (C.5:12-24).
- 38 j. A person may request the commission to put that person's
39 name on a list of persons to whom the extension of credit by a
40 casino as provided in this section would be prohibited by
41 submitting to the commission the person's name, address, and
42 date of birth. The person does not need to provide a reason for
43 this request. The commission shall provide this list to the credit
44 department of each casino; neither the commission nor the credit
45 department of a casino shall divulge the names on this list to any
46 person or entity other than those provided for in this subsection.
47 If such a person wishes to have that person's name removed from
48 the list, the person shall submit this request to the commission,
49 which shall so inform the credit departments of casinos no later
50 than three days after the submission of the request.
- 51 k. Notwithstanding the provisions of paragraph (4) of
52 subsection b. of this section to the contrary, a casino licensee
53 may, prior to the completion of the verifications that are
54 otherwise required by the rules of the commission for a casino

1 licensee to issue credit, accept a check from a person to enable
2 such person to take part in gaming or simulcast wagering as a
3 player, or may give cash or cash equivalents in exchange for such
4 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
11 of the required verifications;

12 (2) the check otherwise complies with the requirements of
13 subsection b. of this section and is processed by the casino
14 licensee in accordance with all other provisions of this section
15 and the regulations 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,
22 c.110 (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.1993, c.292, s.21)

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

28 102. Junkets and Complimentary Services. a. No junkets may
29 be organized or permitted except in accordance with the
30 provisions of this act. No person may act as a junket
31 representative or junket enterprise except in accordance with
32 this section.

33 b. A junket representative employed by a casino licensee or an
34 applicant for a casino license shall be licensed as a casino [key]
35 employee in accordance with the provisions of P.L.1977, c.110
36 (C.5:12-1 et seq.); provided, however, that said licensee need not
37 be a resident of this State. Any person who holds a current and
38 valid casino [key] employee license may act as a junket
39 representative while employed by a casino licensee [without
40 further endorsement of his license]. No casino licensee or
41 applicant for a casino license may employ or otherwise engage a
42 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
45 or by a junket enterprise who, are engaged in activities governed
46 by this section shall be subject to the provisions of subsection c.
47 of section 92 and subsection b. of section 104 of P.L.1977, c.110
48 (C.5:12-92 and 5:12-104) with regard to those activities, unless
49 otherwise directed by the commission pursuant to subsection k. of
50 this section. Such of the owners, management and supervisory
51 personnel, and other principal employees of a junket enterprise as
52 the commission may consider appropriate for qualification shall
53 qualify under the standards, except for residency, established for
54 qualification of a casino key employee under P.L.1977, c.110
55 (C.5:12-1 et seq.).

1 d. Prior to the issuance of any license required by this section,
2 an applicant for licensure shall submit to the jurisdiction of the
3 State of New Jersey and shall demonstrate to the satisfaction of
4 the commission that he is amenable to service of process within
5 this State. Failure to establish or maintain compliance with the
6 requirements of this subsection shall constitute sufficient cause
7 for the denial, suspension or revocation of any license issued
8 pursuant to this section.

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

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

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

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

20 (4) the division does not object to the temporary licensure of
21 the applicant; provided, however, that failure of the division to
22 object prior to the temporary licensure of the applicant shall not
23 be construed to reflect in any manner upon the qualifications of
24 the applicant for licensure.

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

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

40 f. Every agreement concerning junkets entered into by a
41 casino licensee and a junket representative or junket enterprise
42 shall be deemed to include a provision for its termination without
43 liability on the part of the casino licensee, if the commission
44 orders the termination upon the suspension, limitation,
45 conditioning, denial or revocation of the licensure of the junket
46 representative or junket enterprise, in accordance with the
47 provisions of P.L.1977, c.110 (C.5:12-1 et seq.). Failure to
48 expressly include such a condition in the agreement shall not
49 constitute a defense in any action brought to terminate the
50 agreement.

51 g. A casino licensee shall be responsible for the conduct of any
52 junket representative or junket enterprise associated with it and
53 for the terms and conditions of any junket engaged in on its
54 premises, regardless of the fact that the junket may involve

1 persons not employed by such a casino licensee.

2 h. A casino licensee shall be responsible for any violation or
3 deviation from the terms of a junket. Notwithstanding any other
4 provisions of this act, the commission may, after hearings in
5 accordance with this act, order restitution to junket participants,
6 assess penalties for such violations or deviations, prohibit future
7 junkets by the casino licensee, junket enterprise or junket
8 representative, and order such further relief as it deems
9 appropriate.

10 i. The commission shall, by regulation, prescribe methods,
11 procedures and forms for the delivery and retention of
12 information concerning the conduct of junkets by casino
13 licensees. Without limitation of the foregoing, each casino
14 licensee, in accordance with the rules of the commission, shall:

15 (1) Maintain on file a report describing the operation of any
16 junket engaged in on its premises[, which report may include
17 acknowledgments by the participants, signed on the date of
18 arrival, that they understand the terms of the particular junket];

19 (2) [Submit to the commission and division a report on those
20 arrangements which would be junkets but for the fact that those
21 arrangements do not include a selection or approval of
22 participants in accordance with the terms of section 29 of
23 P.L.1977, c.110 (C.5:12-29)] [Deleted by amendment, P.L. , c.]
24 [now pending before the Legislature as this bill].; and

25 (3) Submit to the commission and division a list of all its
26 employees who are acting as junket representatives [but whose
27 licenses are not endorsed as such].

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

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

48 l. No junket enterprise or junket representative or person
49 acting as a junket representative may:

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

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

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

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

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

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

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

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

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

32 Notwithstanding the foregoing, a casino licensee may offer and
33 provide complimentary cash or noncash gifts which are not
34 otherwise included in paragraphs (1) through (3) of this subsection
35 to any person, provided that any such gifts in excess of \$2,000.00
36 [per trip], or such greater amount as the commission may
37 establish by regulation, are supported by documentation regarding
38 the reason the gift was provided to the patron and his guests,
39 including where applicable, a patron's player rating, which
40 documentation shall be maintained by the casino licensee. [For
41 the purposes of this paragraph, all gifts presented to a patron and
42 the patron's guests directly by the licensee or indirectly on
43 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 regulation
46 the total amount of such gifts that a licensee may provide to a
47 patron each year].

48 Each casino licensee shall maintain a regulated complimentary
49 service account, for those complimentaries which are permitted
50 pursuant to this section, and shall submit a quarterly report to
51 the commission based upon such account and covering all
52 complimentary services offered or engaged in by the licensee
53 during the immediately preceding quarter. Such reports shall
54 include identification of the regulated complimentary services

1 and their respective costs, the number of persons by category of
2 service who received the same, and such other information as the
3 commission may require.

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

23 No casino applicant or licensee shall provide directly or
24 indirectly to any person any complimentary service or discount
25 which is other than such service or discount that is offered to
26 members of the general public in like circumstance.

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

36 34. Section 106 of P.L.1977, c.110 (C.5:12-106) is amended to
37 read as follows:

38 106. Casino Employment. a. A casino licensee shall not
39 appoint or employ any person in a position requiring a casino key
40 employee license or a casino employee license [not registered or]
41 not possessing a current and valid license permitting such
42 appointment or employment.

43 b. A casino licensee shall, within 24 hours of receipt of written
44 or electronically transferred notice thereof, terminate the
45 appointment or employment of any person whose license [or
46 registration] has been revoked or has expired. A casino licensee
47 shall comply in all respects with any order of the commission
48 imposing limitations or restrictions upon the terms of
49 employment or appointment in the course of any investigation or
50 hearing.

51 c. An applicant for or a holder of a casino key employee
52 license or a casino employee licensee whose application is denied
53 or whose licensure is revoked, as the case may be, shall not, in
54 addition to any restrictions imposed by the regulations of the

1 commission on a reapplication for licensure, be employed by a
2 casino licensee in a position that does not require a license until
3 five years have elapsed from the date of the denial or revocation,
4 except that the commission may permit such employment upon
5 good cause shown.

6 (cf: P.L.1993, c.292, s.24)

7 35. Section 139 of P.L.1977, c.110 (C.5:12-139) is amended to
8 read as follows:

9 139. Casino License Fees. a. The commission shall, by
10 regulation, establish annual fees for the issuance or renewal of
11 casino licenses. The issuance fee shall be based upon the cost of
12 investigation and consideration of the license application and
13 shall be not less than \$200,000.00. The renewal fee shall be based
14 upon the cost of maintaining control and regulatory activities
15 contemplated by this act and shall be not less than \$100,000.00
16 for a one-year casino license and \$200,000.00 for a [two-year]
17 four-year casino license.

18 b. The Attorney General shall certify to the commission actual
19 and prospective costs of the investigative and enforcement
20 functions of the division, which costs shall be the basis, together
21 with the operating expenses of the commission, for the
22 establishment of annual license issuance and renewal fees.

23 c. A nonrefundable deposit of at least \$100,000.00 shall be
24 required to be posted with each application for a casino license
25 and shall be applied to the initial license fee if the application is
26 approved.

27 (cf: P.L.1987, c.348, s.2)

28 36. Section 7 of P.L.1984, c.218 (C.5:12-155) is amended to
29 read as follows:

30 7. The Governor shall designate from among the appointed and
31 voting public members, a chairman and a vice chairman of the
32 Casino Reinvestment Development Authority, who shall serve in
33 those capacities at the pleasure of the Governor. The powers of
34 the Casino Reinvestment Development Authority shall be vested
35 in the members thereof in office from time to time and [six]
36 seven voting members of the Casino Reinvestment Development
37 Authority shall constitute a quorum at any meeting thereof.
38 Action may be taken by motions and resolutions adopted by the
39 Casino Reinvestment Development Authority at any meeting
40 thereof by the affirmative vote of at least [six] seven members of
41 the Casino Reinvestment Development Authority. No vacancy in
42 the membership of the Casino Reinvestment Development
43 Authority shall impair the right of a quorum of the members to
44 exercise all the powers and perform all the duties of the Casino
45 Reinvestment Development Authority.

46 (cf: P.L.1991, c.219, s.2)

47 37. Section 4 of P.L.1981, c.142 (C.52:13D-17.2) is amended to
48 read as follows:

49 4. a. As used in this section "person" means any State officer
50 or employee subject to financial disclosure by law or executive
51 order and any other State officer or employee with responsibility
52 for matters affecting casino activity; any special State officer or
53 employee with responsibility for matters affecting casino
54 activity; the Governor; any member of the Legislature or any

1 full-time member of the Judiciary; any full-time professional
2 employee of the Office of the Governor, or the Legislature;
3 members of the Casino Reinvestment Development Authority;
4 the head of a principal department; the assistant or deputy heads
5 of a principal department, including all assistant and deputy
6 commissioners; the head of any division of a principal
7 department; any member of the governing body, or the municipal
8 judge or the municipal attorney of a municipality wherein a
9 casino is located; any member of or attorney for the planning
10 board or zoning board of adjustment of a municipality wherein a
11 casino is located, or any professional planner, or consultant
12 regularly employed or retained by such planning board or zoning
13 board of adjustment.

14 b. No State officer or employee, nor any person, nor any
15 member of the immediate family of any State officer or
16 employee, or person, nor any partnership, firm or corporation
17 with which any such State officer or employee or person is
18 associated or in which he has an interest, nor any partner,
19 officer, director or employee while he is associated with such
20 partnership, firm, or corporation, shall hold, directly or
21 indirectly, an interest in, or hold employment with, or represent,
22 appear for, or negotiate on behalf of, any holder of, or applicant
23 for, a casino license, or any holding or intermediary company
24 with respect thereto, in connection with any cause, application,
25 or matter, except that (1) a State officer or employee other than
26 a State officer or employee included in the definition of person,
27 and (2) a member of the immediate family of a State officer or
28 employee, or of a person, may hold employment with the holder
29 of, or applicant for, a casino license if, in the judgment of the
30 Executive Commission on Ethical Standards, the Joint Legislative
31 Committee on Ethical Standards, or the Supreme Court, as
32 appropriate, such employment will not interfere with the
33 responsibilities of the State officer or employee, or person, and
34 will not create a conflict of interest, or reasonable risk of the
35 public perception of a conflict of interest, on the part of the
36 State officer or employee, or person. No special State officer or
37 employee without responsibility for matters affecting casino
38 activity, excluding those serving in the Departments of
39 Education, Health, Higher Education and Human Services, shall
40 hold, directly or indirectly, an interest in, or represent, appear
41 for, or negotiate on behalf of, any holder of, or applicant for, a
42 casino license, or any holding or intermediary company with
43 respect thereto, in connection with any cause, application, or
44 matter. However, a special State officer or employee without
45 responsibility for matters affecting casino activity may hold
46 employment directly with any holder of or applicant for a casino
47 license or any holding or intermediary company thereof and if so
48 employed may hold, directly or indirectly, an interest in, or
49 represent, appear for, or negotiate on behalf of, his employer,
50 except as otherwise prohibited by law.

51 c. No person or any member of his immediate family, nor any
52 partnership, firm or corporation with which such person is
53 associated or in which he has an interest, nor any partner,
54 officer, director or employee while he is associated with such

1 partnership, firm or corporation, shall, within two years next
2 subsequent to the termination of the office or employment of
3 such person, hold, directly or indirectly, an interest in, or hold
4 employment with, or represent, appear for or negotiate on behalf
5 of, any holder of, or applicant for, a casino license in connection
6 with any cause, application or matter, or any holding or
7 intermediary company with respect to such holder of, or
8 applicant for, a casino license in connection with any phase of
9 casino development, permitting, licensure or any other matter
10 whatsoever related to casino activity, except that:

11 (1) a member of the immediate family of a person may hold
12 employment with the holder of, or applicant for, a casino license
13 if, in the judgment of the Executive Commission on Ethical
14 Standards, the Joint Legislative Committee on Ethical Standards,
15 or the Supreme Court, as appropriate, such employment will not
16 interfere with the responsibilities of the person and will not
17 create a conflict of interest, or reasonable risk of the public
18 perception of a conflict of interest, on the part of the person; and

19 (2) an employee who is terminated as a result of a reduction in
20 the workforce at the agency where employed, other than an
21 employee who held a managerial or supervisory position at any
22 time during the five years prior to termination of employment,
23 may, at any time prior to the end of the two-year period, accept
24 employment with the holder of, or applicant for, a casino license
25 if, in the judgment of the Executive Commission on Ethical
26 Standards, the Joint Legislative Committee on Ethical Standards,
27 or the Supreme Court, as appropriate, such employment will not
28 create a conflict of interest, or reasonable risk of the public
29 perception of a conflict of interest, on the part of the employee.
30 In no case shall the restrictions of this subsection apply to a
31 secretarial or clerical employee. Nothing herein contained shall
32 alter or amend the post-employment restrictions applicable to
33 members and employees of the Casino Control Commission and
34 employees and agents of the Division of Gaming Enforcement
35 pursuant to subsection b. (2) of section 59 and to section 60 of
36 P.L.1977, c.110 (C.5:12-59 and C.5:12-60).

37 d. This section shall not apply to the spouse of a State officer
38 or employee, which State officer or employee is without
39 responsibility for matters affecting casino activity, who becomes
40 the spouse subsequent to the State officer's or employee's
41 appointment or employment as a State officer or employee and
42 who is not individually or directly employed by a holder of, or
43 applicant for, a casino license, or any holding or intermediary
44 company.

45 e. The Joint Legislative Committee on Ethical Standards and
46 the Executive Commission on Ethical Standards, as appropriate,
47 shall forthwith determine and publish, and periodically update, a
48 list of those positions in State government with responsibility for
49 matters affecting casino activity.

50 f. No person shall solicit or accept, directly or indirectly, any
51 complimentary service or discount from any casino applicant or
52 licensee which he knows or has reason to know is other than a
53 service or discount that is offered to members of the general
54 public in like circumstance.

1 g. No person shall influence, or attempt to influence, by use of
2 his official authority, the decision of the commission or the
3 investigation of the division in any application for licensure or in
4 any proceeding to enforce the provisions of this act or the
5 regulations of the commission. Any such attempt shall be
6 promptly reported to the Attorney General; provided, however,
7 that nothing in this section shall be deemed to proscribe a request
8 for information by any person concerning the status of any
9 application for licensure or any proceeding to enforce the
10 provisions of this act or the regulations of the commission.

11 h. Any person who willfully violates the provisions of this
12 section is a disorderly person and shall be subject to a fine not to
13 exceed \$500.00 or imprisonment not to exceed six months, or
14 both.

15 (cf: P.L.1993, c.292, s.38)

16 38. (New section) a. There is created and established in the
17 Casino Reinvestment Development Authority a special account to
18 be known as the "Atlantic City Fund." Beginning with Fiscal
19 Year 1994-1995, if the amount of money expended as operating
20 expenses by the Casino Control Commission and the Division of
21 Gaming Enforcement in each fiscal year is less than 1.7% of the
22 gross revenue in that fiscal year, the amount of the difference
23 shall be due and payable to the fund by all casino licensees on the
24 last day of October following the end of that fiscal year, except
25 that in the case of Fiscal Year 1994-1995, the amounts shall be
26 determined on a pro rata basis for the remainder of that fiscal
27 year following the effective date of this act, P.L. , c.
28 (C.). Any amount expended by the commission or the division
29 in connection with the investigation of an application for a casino
30 license other than a casino license existing on the effective date
31 of this act, P.L. , c. (now pending before the Legislature as
32 this bill), shall not be included in the calculation of the
33 commission and division expenditures for the purposes of this
34 subsection.

35 b. Each casino licensee shall pay to the authority for deposit in
36 the fund as the licensee's share of the amount required pursuant
37 to subsection a. of this section an amount equal to its percentage
38 of the total gross revenue of the relevant fiscal year. The
39 amount of the gross revenue and the amount due from each
40 licensee shall be determined and certified by the Casino Control
41 Commission. If a licensee fails to pay the amount due or
42 underpays by an unjustifiable amount, the commission shall
43 impose a fine of 5% for the amount due or of the underpayment
44 for each month or portion thereof the licensee is in default of
45 payment, up to 25% of the amount in default; any fines imposed
46 shall be paid to the authority for deposit in the fund. A casino
47 licensee's obligation to make the payments required by this
48 subsection shall terminate at the end of the 15th year following
49 the commencement of the obligation.

50 c. The moneys in the fund shall be expended by the authority
51 for economic development projects of a revenue-producing
52 nature that foster the redevelopment of Atlantic City, except for
53 moneys paid by casino licensees that are members of a nonprofit
54 corporation which is established pursuant to section 39 of this

1 act. If, however, such a corporation fails to expend moneys in
2 the fund within two years after such moneys are available in the
3 fund, then the authority shall expend the moneys as herein
4 provided.

5 The moneys may also be expended for appropriate and
6 reasonable administrative expenses incurred in the administration
7 of the fund by the authority or the corporation, as the case may
8 be.

9 39. (New section) a. A nonprofit corporation may be
10 established by the casino licensees in operation on the effective
11 date of this act, P.L. , c. (C.) (now pending before the
12 Legislature as this bill) in accordance with the provisions of Title
13 15A of the New Jersey Statutes, the "New Jersey Nonprofit
14 Corporation Act," provided that:

15 (1) the purpose of the corporation shall be to undertake
16 economic development projects of a revenue-producing nature
17 that foster the redevelopment of Atlantic City;

18 (2) the board of trustees shall consist of seven members, one of
19 whom shall be the Chairman of the Casino Reinvestment
20 Development Authority and one of whom shall be the Executive
21 Director of the Casino Reinvestment Development Authority as
22 ex officio and voting members;

23 (3) a casino licensee licensed after the effective date of this
24 act may become a member of the corporation; and

25 (4) the corporation shall report annually to the Governor and
26 the Legislature on the activities of the corporation.

27 b. Upon the establishment of a corporation pursuant to
28 subsection a. of this section, the amount of the moneys in the
29 Atlantic City Fund created pursuant to subsection a. of section
30 38 of P.L. , c. (C.) which were paid by the casino licensees
31 which are members of the corporation shall be made available to
32 the corporation upon certification by the corporation of the
33 project for which the moneys are to be expended and
34 certification of the administrative expenses of the corporation,
35 which shall be in accordance with the provisions of subsection c.
36 of section 38 of that act.

37 40. Sections 8 and 91 of P.L.1977, c.110 (C.5:12-8 and 91) and
38 section 6 of P.L.1991, c.182 (C.5:12-8.1) are repealed.

39 41. This act shall take effect immediately.

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42 *SPONSORS'* STATEMENT

43

44 The purpose of this bill is to refine the regulation and operation
45 of casinos in New Jersey on the basis of over 16 years of casino
46 experience. This is especially appropriate and important in light
47 of the proliferation of casino gambling in other jurisdictions
48 across the United States. The bill accomplishes these goals by
49 streamlining the regulatory process and further delineating the
50 role and function of the regulators and the role and function of
51 the casinos as privately-owned business enterprises in New Jersey
52 entitled to make business decisions as free as possible from
53 governmental intervention. And underlying this streamlining and
54 delineation is the principle that has guided the casino experience

1 since its beginning in 1977--maintaining the integrity of casino
2 operations in this State so as to ensure public confidence and
3 trust in the industry.

4 One of the key provisions of this bill is the elimination of the
5 registration requirement for casino hotel employees and the
6 treatment of those employees like other non-casino employees in
7 this State. This not only saves money and time for the employees
8 and the casino hotels but also enables the regulatory agencies to
9 focus on their primary purpose--regulating casino operations.

10 A second key provision of the bill is to require the Casino
11 Control Commission and the Division of Gaming Enforcement to
12 be "principally located" in Atlantic City. This ensures that the
13 regulators are aware on a daily basis of the realities of the casino
14 industry, that they are immediately available to carry out their
15 regulatory functions, and that they are readily available to those
16 they regulate.

17 A third feature of this bill is the removal insofar as possible of
18 the involvement of the regulatory agencies in purely business
19 decisions of the casinos and the elimination insofar as possible of
20 the duplication of efforts by the Casino Control Commission and
21 the Division of Gaming Enforcement. This will enable
22 appropriate business decisions to be made without delay and will
23 contribute to reducing regulatory costs. Any savings that result
24 from the reduction of regulatory costs will be treated in a unique
25 way--instead of simply going back to the casinos, those moneys
26 will go into a fund for financing projects in Atlantic City to
27 improve its appearance and safety and thus make it a more
28 attractive, and therefore more competitive, destination resort.

29 Among the substantive provisions of the bill are the following:

30 1) remove the involvement of the Casino Control Commission
31 and the Division of Gaming Enforcement from those matters
32 which already fall under the jurisdiction of some other agency
33 (for example, the Department of Community Affairs and local
34 fire officials presently must approve all floor plan changes;
35 therefore, no role is necessary for the commission);

36 2) eliminate the responsibility of the Casino Control
37 Commission to determine the business ability and experience of
38 casino key employees and casino employees, so that its focus is
39 on the integrity of the person;

40 3) remove the authority of the commission to have
41 investigative hearings concerning the "development and
42 well-being" of industries controlled by the Casino Control Act;

43 4) require the commission and the division to make
44 recommendations that promote more efficient operations;

45 5) eliminate pre-approval by the commission of marketing
46 programs of the casinos and of internal controls concerning job
47 descriptions of casino employees;

48 6) eliminate prior approval by the commission of the setting of
49 the denominations of slot machines;

50 7) require 24-hour prior notice, rather than an unspecified
51 prior notice and written approval by the commission, for the
52 movement of gaming equipment into and out of casinos or
53 simulcasting facilities;

54 8) allow the Division of Gaming Enforcement, which presently

- 1 tests all slot machines to be used in the casinos, to utilize testing
2 laboratories licensed by the commission in order to expedite the
3 approval process if necessary;
- 4 9) eliminate the requirement that gaming schools be licensed
5 as gaming-related casino service industries;
- 6 10) require that, rather than all principal employees of
7 gaming-related casino service industries, only those principal
8 employees who have responsibility for services to a casino
9 licensee must meet the qualifications of a casino key employee
10 (the present requirement that the owners and management and
11 supervisory personnel must meet such qualifications remains);
- 12 11) make junket representatives casino employees rather than
13 casino key employees, and eliminate from the definition of junket
14 representative a person who accompanies a junket in order to
15 monitor or evaluate its participants;
- 16 12) provide for temporary licensure for all casino employees,
17 not just those in positions not directly related to gaming activity.
- 18 13) standardize all renewal periods, including casino licenses,
19 at four years for each period;
- 20 14) exempt lending institutions and insurance companies from
21 the joint and several liability provisions of the Casino Control
22 Act;
- 23 15) make clear that labor organizations which represent casino
24 hotel employees must still be registered with the Casino Control
25 Commission (even though registration of hotel employees is
26 eliminated) and that the commission retains jurisdiction over
27 those unions;
- 28 16) make certain changes to facilitate the handling and
29 collection of patron's checks;
- 30 17) provide for the issuance of credit by a casino under
31 circumstances where it is impossible to complete verification
32 (however, any uncollectible checks resulting from the extension
33 of this credit will not be deducted in the calculation of gross
34 revenue of that casino licensee, upon which revenue the State tax
35 is based);
- 36 18) allow casinos to establish deposit-only accounts in other
37 jurisdictions to collect payment of checks;
- 38 19) allow casinos to exclude or eject any person who is known
39 to have been convicted at least once of a crime, disorderly
40 persons offense, or petty disorderly persons offense committed in
41 or on the premises of a casino hotel (presently there must be a
42 minimum of three such convictions), and make clear that casinos
43 can exclude or eject permanently persons who are disruptive,
44 threatening, disorderly, or intoxicated;
- 45 20) permit merchandise of less than \$5,000 in value to be
46 offered as part of a payoff of a slot machine (it is presently
47 allowed only for merchandise of more than \$5,000 in value);
- 48 21) eliminate certain junket reports that presently have to be
49 made to the commission;
- 50 22) prohibit a casino key employee or a casino employee, or an
51 applicant for a license as such an employee, from being employed
52 elsewhere in a casino hotel for five years if the applicant is
53 denied licensure or the employee's license is revoked;
- 54 23) make the \$200,000 renewal fee for a casino license

1 applicable to the new, four-year license;

2 24) establish in the Casino Redevelopment Development
3 Authority the "Atlantic City Fund" which shall be used for
4 economic development projects of a revenue-producing nature
5 which foster the redevelopment of Atlantic City, and specify that
6 all casino licensees will pay into the fund if there are regulatory
7 savings;

8 25) establish as the threshold for determining whether
9 regulatory savings have been made the amount of 1.7% of gross
10 revenue in each fiscal year (if the actual amount expended by the
11 Casino Control Commission and the Division of Gaming
12 Enforcement is less than that amount, the difference is the
13 amount that goes into the Atlantic City Fund);

14 26) permit the establishment of a nonprofit corporation by the
15 casinos to direct the investment of the moneys in the fund, and
16 provide for the CRDA to expend the moneys if such a corporation
17 is not created or those moneys paid to the fund by casinos that
18 are not members of the corporation;

19 27) reduce from four years to two years, and in the case of
20 secretarial and clerical employees eliminate entirely, the
21 post-employment restrictions applicable to commission and
22 division employees other than managers and supervisors (there is
23 no reduction, however, for members of the commission); permit
24 the reduction or elimination of that period if there has been a
25 reduction in force and the Casino Control Commission finds no
26 conflict of interest or appearance of conflict; and permit the
27 reduction or elimination of the post-employment restriction on
28 employment applicable to other State employees, other than
29 managers and supervisors, if there has been a reduction in the
30 workforce of a State agency and if the appropriate ethical
31 standards review body finds no conflict of interest or appearance
32 of conflict;

33 28) permit State officers and employees, other than high-level
34 officers and those officers and employees with responsibility for
35 matters affecting casino activity, to be employed by casinos if
36 the appropriate ethical standards review body determines such
37 employment will not interfere with the person's responsibilities.

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42 Makes various changes concerning the regulation and operation of
43 casinos.

ASSEMBLY POLICY AND RULES COMMITTEE

STATEMENT TO

ASSEMBLY COMMITTEE SUBSTITUTE FOR
ASSEMBLY, No. 61

STATE OF NEW JERSEY

DATED: NOVEMBER 21, 1994

The Assembly Policy and Rules Committee reports favorably an Assembly Committee Substitute for Assembly, No. 61.

The purpose of this bill is to refine the regulation and operation of casinos in New Jersey on the basis of over 16 years of casino experience. The bill accomplishes these goals by streamlining the regulatory process and further delineating the role and function of the regulators and the role and function of the casinos as privately-owned business enterprises in New Jersey entitled to make business decisions as free as possible from governmental intervention. And underlying this streamlining and delineation is the principle that has guided the casino experience since its beginning in 1977--maintaining the integrity of casino operations in this State so as to ensure public confidence and trust in the industry.

One of the key provisions of this bill is the removal insofar as possible of the involvement of the regulatory agencies in purely business decisions of the casinos and the elimination insofar as possible of the duplication of efforts by the Casino Control Commission and the Division of Gaming Enforcement. This will enable appropriate business decisions to be made without delay and will contribute to reducing regulatory costs. For an eight-year period, any savings that result from the reduction of regulatory costs or an amount based on those savings will, instead of being kept by the casinos, go into a fund for financing economic development projects of a revenue-producing nature which foster the redevelopment of Atlantic City.

A second key provision of the bill is the elimination of the registration requirement for casino hotel employees and the treatment of those employees like other non-casino employees in this State. This not only saves money and time for the employees and the casino hotels but also enables the regulatory agencies to focus on their primary purpose--regulating casino operations.

A third feature of this bill is to require the Casino Control Commission and the Division of Gaming Enforcement to be "principally located" in Atlantic City. This ensures that the regulators are aware on a daily basis of the realities of the casino industry, that they are immediately available to carry out their regulatory functions, and that they are readily available to those they regulate. In the case of the division, it is the understanding and intent of the committee that the director of the division shall have the discretion to implement this goal of being "principally located" in Atlantic City in accordance with the operational needs of the division.

Among the substantive provisions of the bill are the following:

- 1) remove the involvement of the Casino Control Commission and the Division of Gaming Enforcement from those matters which already fall under the jurisdiction of some other agency (for example, the Department of Community Affairs and local fire officials presently must approve all floor plan changes; therefore, no role is necessary for the commission);
- 2) eliminate the responsibility of the Casino Control Commission to determine the business ability and experience of casino key employees and casino employees, so that its focus is on the integrity of the person;
- 3) remove the authority of the commission to have investigative hearings concerning the "development and well-being" of industries controlled by the Casino Control Act;
- 4) require the commission and the division to make recommendations that promote more efficient operations;
- 5) eliminate pre-approval by the commission of marketing programs of the casinos and of internal controls concerning job descriptions of casino personnel;
- 6) eliminate prior approval by the commission of the setting of the denominations of slot machines;
- 7) require 24-hour prior notice, rather than an unspecified prior notice and written approval by the commission, for the movement of gaming equipment into and out of casinos or simulcasting facilities;
- 8) allow the Division of Gaming Enforcement, which presently tests all slot machines to be used in the casinos, to utilize testing laboratories licensed by the commission in order to expedite the approval process if necessary;
- 9) require that, rather than all principal employees of gaming-related casino service industries, only those principal employees who have responsibility for services to a casino licensee must meet the qualifications of a casino key employee (the present requirement that the owners and management and supervisory personnel must meet such qualifications remains);
- 10) eliminate the requirement that the director, instructors, and principal employees of gaming schools be licensed under the standards for qualification as casino employees (however, owners, management and supervisory personnel, and principal employees who have responsibility for services to a casino licensee must qualify under the standards for casino key employees);
- 11) make junket representatives casino employees rather than casino key employees, and eliminate from the definition of junket representative a person who accompanies a junket in order to monitor or evaluate its participants;
- 12) provide for temporary licensure for all casino employees, not just those in positions not directly related to gaming activity;
- 13) standardize the renewal periods for licenses at four years for each period, except for casino licenses, which shall be up to four years;
- 14) exempt lending institutions, insurance companies, and State and local government from the joint and several liability provisions of the Casino Control Act;

15) make clear that labor organizations which represent casino hotel employees must still be registered with the Casino Control Commission (even though registration of hotel employees is eliminated) and that the commission retains jurisdiction over those unions;

16) make certain changes to facilitate the handling and collection of patron's checks;

17) provide for the issuance of credit by a casino under circumstances where it is impossible to complete verification (however, any uncollectible checks resulting from the extension of this credit will not be deducted in the calculation of gross revenue of that casino licensee, upon which revenue the State tax is based);

18) allow casinos to establish deposit-only accounts in other jurisdictions to collect payment of checks;

19) allow casinos to exclude or eject any person who is known to have been convicted at least once of a crime, disorderly persons offense, or petty disorderly persons offense committed in or on the premises of a casino hotel (presently there must be a minimum of three such convictions), and make clear that casinos can exclude or eject permanently persons who are disruptive, threatening, disorderly, or intoxicated;

20) permit merchandise of less than \$5,000 in value to be offered as part of a payoff of a slot machine (it is presently allowed only for merchandise of more than \$5,000 in value);

21) eliminate certain junket reports that presently have to be made to the commission;

22) prohibit a casino key employee or a casino employee, or an applicant for a license as such an employee, from being employed elsewhere in a casino hotel for five years if the applicant is denied licensure or the employee's license is revoked;

23) make the \$200,000 renewal fee for a casino license applicable to a four-year casino license;

24) eliminate the limit of three casino licenses per person and, instead, prohibit the issuance of a casino license to a person if the commission determines that the issuance results in "undue economic concentration in Atlantic City operations by that person";

25) permit certain hotel rooms in existence on June 29, 1991 to be used in the calculation to determine permissible casino space in certain casino hotels;

26) permit a casino hotel to have 60,000 square feet of casino space for its first 500 hotel rooms, rather than 50,000 square feet (the maximum casino space remains at 200,000 square feet);

27) establish in the Casino Reinvestment Development Authority the "Atlantic City Fund" which shall be used for economic development projects of a revenue-producing nature which foster the redevelopment of Atlantic City;

28) require that any regulatory savings realized in funding the commission and division in the four fiscal years beginning with Fiscal Year 1995-1996 be paid into the fund and that the average amount of the savings in those four years be paid into the fund for each of the four fiscal years beginning with FY 1999-2000 (the amount of the regulatory savings will be the difference

between \$57,300,000 and the amount expended by the commission and division in operating expenses);

29) extend the present 25-year obligation of a casino licensee to pay the investment alternative tax to 30 years; re-allocate for the next five years the moneys allocated to North Jersey into the Atlantic City Fund; provide that North Jersey receive 35% of all proceeds in years 26-30 of a licensee's obligation; and provide that the remaining amount in years 26-30 go into the fund;

30) reduce from four years to two years, and in the case of secretarial and clerical employees eliminate entirely, the post-employment restrictions applicable to commission and division employees other than managers and supervisors (there is no reduction, however, for members of the commission); permit the reduction or elimination of that period if there has been a reduction in force and the Casino Control Commission finds no conflict of interest or appearance of conflict; and permit the reduction or elimination of the post-employment restriction on employment applicable to other State employees, other than managers and supervisors, if there has been a reduction in the workforce of a State agency and if the appropriate ethical standards review body finds no conflict of interest or appearance of conflict;

31) permit State officers and employees, other than high-level officers and those officers and employees with responsibility for matters affecting casino activity, to be employed by casinos if the appropriate ethical standards review body determines such employment will not interfere with the person's responsibilities.

ASSEMBLY APPROPRIATIONS COMMITTEE

STATEMENT TO

ASSEMBLY COMMITTEE SUBSTITUTE

ASSEMBLY, No. 61

with Assembly committee amendments

STATE OF NEW JERSEY

DATED: DECEMBER 8, 1994

The Assembly Appropriations Committee reports favorably Assembly Bill No. 61 ACS, with committee amendments.

Assembly Bill No. 61 ACS, as amended, reduces the scope of State regulation of the casino industry, accelerates or eliminates State approval of casino processes and streamlines the regulation of casino licensees by eliminating multiple oversight of the same processes and operations by the Casino Control Commission (CCC), the Division of Gaming Enforcement (DGE) in the Department of Law and Public Safety, and other State agencies.

The bill ends requirements of agency prior approval for certain routine operations, eliminates agency determination of the business qualifications of casino employees, narrows the categories of employees who must meet the high licensing standards of casino key employees and the categories of casino service industry employees who must meet the qualifications of casino employees, allows for the privatization of some gaming testing that must now be done by agency employees, and reduces some of the casino employment and post-employment restrictions.

The bill eliminates the three casino-per-person ownership limit and instead limits this based on an undue concentration of ownership standard, and permits a casino to have 60,000 square feet of casino space for its first 500 rooms rather than the current 50,000.

The bill establishes the "Atlantic City Fund" in the Casino Reinvestment Development Authority (CRDA). The fund shall be used for economic development projects of a revenue-producing nature which foster the redevelopment of Atlantic City.

This bill as amended is identical to S-1553 SCS(1R).

FISCAL IMPACT:

The bill provides two sources of revenue for the Atlantic City Fund: 1) savings from the reductions in regulatory costs that will result from the elimination or streamlining of regulatory process and 2) an extension and reallocation of the investment alternative tax.

For the eight fiscal years following enactment of the bill, any savings that result from the reduction of regulatory costs below a fiscal year 1995 anticipated baseline amount, or an amount based on those savings, will be deposited to the fund. The casino industry finances its own regulation through agency fees and, absent the deposit of the regulatory savings into the fund, the saving would be retained by the casinos. Projected savings to be deposited in the three fiscal years following enactment, assuming that no new casinos are opened, are: \$5.9 million—the first year, \$4.0 million—the second year and \$1.8 million—the third year and thereafter.

The bill also extends the obligation of a casino licensee to pay the investment alternative tax from 25 to 30 years. For the five years following enactment of the bill, part of the moneys that are currently allocated to urban areas in North Jersey are reallocated to the Atlantic City Fund. North Jersey would continue to receive the amount it received for calendar year 1993, and the difference between that amount and the amount currently allocated to North Jersey for calendar years 1994 through 1998 would go to the Atlantic City fund. The North Jersey areas will recoup the funds during the five year extension when 35% of the proceeds will be allocated to North Jersey and 65% of the funds will be allocated to the Atlantic City Fund. Projected investment alternative tax allocations to the Atlantic City Fund in the five years after enactment of the bill, assuming no increase in casino gross revenues over the period, are in the range of \$17.5 to \$22.5 million.

Combined deposits to the Atlantic City Fund over the eight years following enactment of the bill are \$39.5 to \$44.5 million. There will be additional allocations of investment alternative tax revenue to the Atlantic city fund in years 26 through 30 of the tax.

COMMITTEE AMENDMENTS:

The committee amendments:

(1) provide that instead of all CRDA money for North Jersey being reallocated to the Atlantic City Fund for five years, North Jersey would continue to receive the amount it received for calendar year 1993;

(2) clarify that the moneys in the Atlantic City Fund cannot be used for the construction or renovation of casino hotels;

(3) require that the CRDA provide the chairs of the Senate Budget and Appropriations Committee and the Assembly Appropriations Committee at least 30 days before the authority votes on an application for funding the project from the Atlantic City Fund all relevant information concerning a project;

(4) retain the registration requirement for casino hotel employees whose work requires access to the casino, the casino simulcasting facility, or the restricted casino area;

(5) make certain changes regarding the commission's issuance of statements of compliance with respect to a person meeting eligibility criteria for licensure or qualification status to clarify that the commission may require requests for such a statement to be supported by a petition demonstrating that the applicant intends, if found qualified, to actually engage in the business or activity which would require licensure or qualification, that the reestablishment of qualification is necessary if there are changes in any material facts, that there is a continuing obligation to provide additional information required while the compliance statement is in effect, and that the commission may refuse to issue a statement of compliance;

(6) require the CCC and the DGE to report to the Legislature and the Governor, on the basis of the first year's experience after the effective date of this act, on the impact of the changes in the regulation and operation of casinos; and

(7) change certain post-employment restrictions to commission and division employees, and other State employees, who held "managerial or supervisory" positions to make those certain restrictions apply only to employees who held "policy-making management" positions.