

LEGISLATIVE HISTORY CHECKLIST
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*INCREASE POWERS OF COMMAND. -
 VARIOUS AMENDMENTS*

NJSA: 5:8-21.1

LAWS OF: 1994 **CHAPTER:** 63

BILL NO: A1384

SPONSOR(S): Bagger and others

DATE INTRODUCED: February 28, 1994

COMMITTEE: **ASSEMBLY:** Veterans
SENATE: Budget

AMENDED DURING PASSAGE: Yes **Amendments during passage**
 First reprint enacted **denoted by superscript**
numbers

DATE OF PASSAGE: **ASSEMBLY:** May 16, 1994
SENATE: June 13, 1994

DATE OF APPROVAL: June 30, 1994

FOLLOWING STATEMENTS ARE ATTACHED IF AVAILABLE:

SPONSOR STATEMENT: Yes

COMMITTEE STATEMENT: **ASSEMBLY:** Yes
SENATE: Yes

FISCAL NOTE: Yes

VETO MESSAGE: No

MESSAGE ON SIGNING: Yes

FOLLOWING WERE PRINTED:

REPORTS: No

HEARINGS: No

KBG:pp

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[FIRST REPRINT]
ASSEMBLY, No. 1384

STATE OF NEW JERSEY

INTRODUCED FEBRUARY 28, 1994

By Assemblymen BAGGER, KRAMER, Romano, Doria,
Augustine and Green

1 AN ACT concerning the Legalized Games of Chance Control
2 Commission and certain legalized games of chance, amending
3 various parts of the statutory law and supplementing P.L.1954,
4 c.7 (C.5:8-1 et seq.), P.L.1954, c.6 (C.5:8-24 et seq.) and
5 P.L.1954, c.5 (C.5:8-50 et seq.).
6

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

9 1. Section 6 of P.L.1954, c.7 (C.5:8-6) is amended to read as
10 follows:

11 6. It shall be the duty of the commission to supervise the
12 administration of the Bingo Licensing Law and the Raffles
13 Licensing Law and to adopt, amend and repeal rules and
14 regulations governing the issuance and amendment of licenses
15 thereunder and the holding, operating and conducting of games of
16 chance under such licenses [and], establishing schedules of rentals
17 or charges which may be paid for the leasing, sale or providing of
18 equipment for use in or in connection with the holding, operating
19 or conducting of any game or games of chance authorized to be
20 held, operated or conducted under the Bingo Licensing Law or the
21 Raffles Licensing Law, and prescribing fees for registrations,
22 licenses and other services provided pursuant to P.L.1954, c.7
23 (C.5:8-1 et seq.), as amended and supplemented, which shall have
24 the force of law and shall be binding upon all municipalities
25 issuing licenses under either or both of said laws and upon all
26 licensees thereunder and lessors, sellers or providers of
27 equipment to licensees, to the end that such licenses shall be
28 issued to qualified licensees only and that said games of chance
29 shall be fairly and properly conducted for the purposes and in the
30 manner in said laws prescribed and to prevent the games of
31 chance authorized to be conducted by said laws from being
32 conducted for commercial purposes instead of for the purposes
33 authorized in said laws, and in order to provide uniformity in the
34 administration of said laws throughout the State, the commission
35 shall prescribe forms of applications for licenses, licenses,
36 amendment of licenses, reports of the conduct of games and
37 other matters incident to the administration of said laws. The
38 commission shall receive and investigate applications from
39 organizations wishing to hold, operate or conduct any game or
40 games of chance pursuant to the Bingo Licensing Law or the
41 Raffles Licensing Law, as amended and supplemented. If the
42 commission determines that the applicant is a bona fide

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 AVM committee amendments adopted May 5, 1994.

1 organization or association of veterans of any war in which the
2 United States has been engaged or a church or a religious
3 congregation or a religious organization or a charitable,
4 educational or fraternal organization, or a civic or service club,
5 or a senior citizen association or club, or an officially recognized
6 volunteer fire company or an officially recognized volunteer first
7 aid or rescue squad, the commission shall issue to it a registration
8 certificate as proof of such a determination. The certificate
9 shall be sufficient proof to a municipal governing body that the
10 organization holding it is eligible to apply for a license to hold,
11 operate and conduct games of chance in accordance with the
12 provisions of the Bingo Licensing Law or the Raffles Licensing
13 Law, as the case may be. The commission shall have power also
14 to approve any person, persons or corporation, applying to it for
15 approval, to lease, sell or provide any equipment for use in or in
16 connection with the holding, operating or conducting of any game
17 or games of chance authorized to be held, operated or conducted
18 under the Bingo Licensing Law or the Raffles Licensing Law as to
19 such person's or persons' good moral character and freedom
20 from conviction of crime or, if a corporation, as to the good
21 moral character and freedom from conviction of crime of all of
22 its officers and each of its stockholders who hold 10% or more of
23 its stock issued and outstanding, and any such application may be
24 disapproved by the commission after hearing and due notice
25 thereof if it shall find that the applicant is not of good moral
26 character and free from conviction of crime as hereinbefore
27 prescribed.

28 (cf: P.L.1955, c.162, s.1)

29 2. Section 21 of P.L.1954, c.7 (C.5:8-21) is amended to read as
30 follows:

31 21. The commission is authorized to incur such necessary
32 expenses, and engage and appoint an executive officer and such
33 competent and expert advisors, and clerical and stenographic
34 assistants and investigators, as it may deem necessary to the
35 proper performance of the purpose of this act, and may fix their
36 compensation and that of its secretary, if he is not a member of
37 the commission, within the limits of any sums appropriated or
38 made available to it for such purposes.

39 Fees shall be established, prescribed or changed by regulation
40 promulgated by the commission to the extent necessary to defray
41 all proper expenses incurred by the commission and any staff
42 employed to administer the Bingo Licensing Law or the Raffles
43 Licensing Law, except that no fee shall be set at a level that will
44 raise funds in excess of the amount necessary for these purposes.
45 All fees payable to the commission and the proceeds of any civil
46 penalties imposed by the commission or any court shall be
47 deposited in the Legalized Games of Chance Control Commission
48 Fund created pursuant to section 3 of P.L. , c. (C.)(now
49 pending before the Legislature as this bill).

50 In addition to the fees to be paid to the commission, licensed
51 organizations shall pay a licensing fee, as established by the
52 commission, to the municipality in which any game or games of
53 chance are conducted.

54 No investigator employed by the commission need be employed

1 in accordance with the provisions of, or shall be in any manner
2 subject to, the provisions of Title [11] 11A, Civil Service, of the
3 [Revised] New Jersey Statutes.

4 (cf: P.L.1954, c.7, s.21)

5 3. (New section) There is created in the Department of the
6 Treasury a special nonlapsing fund, to be known as the Legalized
7 Games of Chance Control Commission Fund. Except as otherwise
8 provided by law, all monies from fees, penalties or fines collected
9 by the Legalized Games of Chance Control Commission pursuant
10 to the "Bingo Licensing Law" (P.L.1954, c.6; C.5:8-24 et seq.)
11 and the "Raffles Licensing Law" (P.L.1954, c.5; C.5:8-50 et seq.)
12 on and after the effective date of this section shall be deposited
13 in the fund. The money in the fund shall be administered by the
14 State Treasurer and all interest on moneys in the fund shall be
15 credited to the fund. At the end of each fiscal year there shall
16 be appropriated from the fund to the Department of Law and
17 Public Safety, or its successor, such sums as may be necessary for
18 the Legalized Games of Chance Control Commission to
19 implement and enforce the provisions of the "Bingo Licensing
20 Law" and the "Raffles Licensing Law," as amended and
21 supplemented.

22 4. Section 4 of P.L.1954, c.6 (C.5:8-27) is amended to read as
23 follows:

24 4. The governing body of the municipality shall make an
25 investigation of the qualifications of each applicant and the
26 merits of each application, with due expedition after the filing of
27 the application, and if it shall determine that the applicant is
28 duly qualified to be licensed under this act to hold, operate and
29 conduct games of chance under the provisions of this act and the
30 rules and regulations governing the holding, operation and
31 conduct thereof in the municipality; that the member or members
32 of the applicant designated in the application to hold, operate or
33 conduct the games of chance[, to hold, operate and conduct]
34 which the license is applied for[,] are bona fide active members
35 of the applicant and are persons of good moral character and
36 have never been convicted of crime; that such games of chance
37 are to be held, operated and conducted in accordance with the
38 provisions of this act and in accordance with the rules and
39 regulations governing the holding, operation and conduct thereof
40 and that the proceeds thereof are to be disposed of as provided by
41 this act, and if the governing body is satisfied that no
42 commission, salary, compensation, reward or recompense
43 whatever will be paid or given to any person holding, operating or
44 conducting or assisting in the holding, operation or conduct of any
45 such game of chance except as in this act otherwise provided; and
46 that no prize will be offered and given in excess of the sum or
47 value of \$250.00 in any single game of chance, and that the
48 aggregate of all prizes offered and given in all such games of
49 chance, held, operated and conducted on a single occasion, under
50 said license shall not exceed the sum or value of \$1,000.00, it
51 shall issue a license to the applicant for the holding, operation
52 and conduct of the specific kind of games of chance applied for,
53 accordingly, upon payment of a license fee or fees [of \$10.00]
54 prescribed by regulation promulgated by the control commission

1 for each occasion upon which any game or games are to be
2 conducted under such license[, of which fee \$5.00 for each
3 occasion upon which any game or games are to be conducted
4 under such license shall be remitted to the municipality in which
5 the application is filed and the remaining \$5.00 for each such
6 occasion shall be remitted to the Treasurer of the State of New
7 Jersey].

8 The \$250.00 limitation on single game prizes and the \$1,000.00
9 aggregate prize limitation established in this section shall not
10 apply to games in which the prize is determined based upon a
11 percentage of the gross receipts from the sale of cards to
12 participate in the game. The control commission shall, by
13 regulation, prescribe the method of play and set the minimum and
14 maximum percentage to be awarded in any such game.

15 No license for the holding, operation and conduct of any game
16 or games of chance shall be issued under this act which shall be
17 effective for a period of more than 1 year.

18 (cf: P.L.1969, c.206, s.1)

19 5. Section 7 of P.L.1954, c.6 (C.5:8-30) is amended to read as
20 follows:

21 7. The governing body of any municipality issuing any license
22 under this act shall have and exercise control and supervision
23 over all games of chance held, operated or conducted under such
24 license, to the end that the same are fairly held, operated and
25 conducted in accordance with the provisions of such license, the
26 rules and regulations promulgated by the control commission and
27 the provisions of this act governing the holding, operation and
28 conduct of the same and such governing body and the control
29 commission shall have power and authority to suspend any license
30 issued by such governing body and to revoke the same, after
31 hearing, for any violation of any such provision, and shall have
32 the right of entry, by their respective officers and agents at all
33 times into any premises where any such game of chance is being
34 held, operated and conducted or where it is intended that any
35 such game of chance shall be held, operated and conducted, or
36 where any equipment being used or intended to be used in the
37 conduct thereof is found, for the purpose of inspecting the same.

38 In addition to or in lieu of revoking or suspending or refusing to
39 renew any license or registration certificate issued by it or any
40 municipality, the control commission may, after providing a
41 licensee the opportunity to be heard:

42 a. issue a letter of warning, reprimand or censure with regard
43 to any action, conduct or practice which, in the judgement of the
44 control commission upon consideration of all relevant facts and
45 circumstances, does not warrant the initiation of formal action;

46 b. assess civil penalties in accordance with the provisions of
47 section 7 of P.L. , c. (C.)(now pending before the
48 Legislature as this bill);

49 c. order any person found to have violated any provision of a
50 law, rule or regulation administered by the control commission to
51 desist from future violations thereof or to take such affirmative
52 corrective action as may be necessary with regard to any action
53 found to be unlawful by the control commission;

54 d. order any person found to have violated any provision of a

1 law, rule or regulation administered by the control commission to
2 restore to any person aggrieved by an unlawful actor practice,
3 any monies or property, real or personal, acquired by means of
4 such action or practice, except that the control commission shall
5 not order restoration of a dollar amount greater than those
6 monies received by a licensee or the agent or a licensee or any
7 other person violating the law, rule or regulation administered by
8 the control commission; and

9 e. order any person, as a condition for continued, reinstated or
10 renewed licensure, to secure medical or other professional
11 treatment as may be necessary to properly discharge licensee
12 functions.

13 (cf: P.L.1955, c.160, s.4)

14 6. (New section) Whenever it shall appear to the control
15 commission that a violation of a law, including the unlicensed
16 conduct or practice of a regulated activity, or regulation
17 administered by the control commission has occurred, is
18 occurring, or will occur, the control commission, in addition to
19 any other proceeding authorized by law, may seek and obtain in a
20 summary proceeding in Superior Court an injunction prohibiting
21 such action, conduct or practice. In any such proceeding the
22 court may assess a civil penalty in accordance with the provisions
23 of section 7 of P.L. , c. (C.)(now pending before the
24 Legislature as this bill), may order restoration to any person in
25 interest of any monies or property, real or personal, acquired by
26 means of an unlawful action, conduct or practice and may enter
27 such orders as may be necessary to prevent the performance of
28 an unlawful action, conduct or practice in the future and to
29 remedy any past unlawful activity. In any action brought
30 pursuant to this section, the court shall not suspend or revoke any
31 license or registration certificate issued by the control
32 commission.

33 7. (New section) Any person violating any provision of a law or
34 regulation administered by the control commission shall, in
35 addition to any other sanctions provided in section 7 of P.L.1954,
36 c.6 (C.5:8-30), be liable to a civil penalty of not more than \$7,500
37 for the first offense and not more than \$15,000 for the second
38 and each subsequent offense. For the purpose of construing this
39 section, each statutory violation shall constitute a separate
40 offense, except that a second and subsequent offense shall not be
41 deemed to exist unless an administrative or court order has been
42 entered in a prior, separate and independent proceeding. In lieu
43 of an administrative proceeding or an action in the Superior
44 Court, the Attorney General may bring an action in the name of
45 the control commission for the collection or enforcement of civil
46 penalties for the violation of any provision of a law or regulation
47 administered by the control commission. Such action may be
48 brought in summary manner pursuant to "the penalty
49 enforcement act" (N.J.S.2A:58-1 et seq.) and the rules of court
50 governing actions for the collection of civil penalties in the
51 municipal ¹[or county district]¹ court ¹or Superior Court¹ where
52 the offense occurred. Process in such action may be a summons
53 or warrant and in the event that the defendant in such action
54 fails to answer such action, the court shall, upon finding an

1 unlawful action, conduct or practice to have been committed by
2 the defendant, issue a warrant for the defendant's arrest in order
3 to bring such person before the court to satisfy the civil penalties
4 imposed. In any action commenced pursuant to this section, the
5 court may order restored to any person in interest any monies or
6 property, real or personal, acquired by means of an unlawful
7 action, conduct or practice. Any action alleging the unlicensed
8 conduct or practice of an activity regulated by any law or
9 regulation administered by the control commission shall be
10 brought pursuant to this section, or where injunctive relief is
11 sought, by an action commenced in Superior Court. In any action
12 brought pursuant to P.L.1954, c.6 (C.5:8-24 et seq.), as amended
13 and supplemented, the control commission or the court may order
14 the payment of costs to the State.

15 Organizations registered with the control commission, holding
16 a valid identification number, and not suspended or revoked at
17 the time of any such action, conduct or practice shall not be
18 subject to the provisions of this section.

19 8. Section 11 of P.L.1954, c.6 (C.5:8-34) is amended to read as
20 follows:

21 11. No person shall hold, operate or conduct any game or games
22 of chance under any license issued under this act except an active
23 member of the organization, association, church, congregation,
24 society, club, fire company, first aid or rescue squad, or senior
25 citizen association or club to which the license is issued, and no
26 person shall assist in the holding, operating or conducting of any
27 game or games of chance under such license except such an
28 active member or a member of an organization or association
29 which is an auxiliary to the licensee or a member of an
30 organization or association of which such licensee is an auxiliary
31 or a member of an organization or association which is affiliated
32 with the licensee by being, with it, auxiliary to another
33 organization or association and except bookkeepers or
34 accountants as hereinafter provided, and no such game of chance
35 shall be conducted with any equipment [except such as shall be
36 owned absolutely or used without payment of any compensation
37 therefor by the licensee] that is not purchased or leased from or
38 provided by a person approved by the control commission, and no
39 item of expense shall be incurred or paid in connection with the
40 holding, operating or conducting of any game of chance[,] held,
41 operated or conducted pursuant to any license issued under this
42 act, except such as are bona fide items of reasonable amount for
43 goods, wares and merchandise furnished or services rendered,
44 which are reasonably necessary to be purchased or furnished for
45 the holding, operating or conducting thereof, under any
46 circumstances whatever; no rental shall be paid for the use of any
47 premises for holding, operating or conducting any such game of
48 chance thereon or for any other purpose in connection with the
49 holding, operating or conducting thereof unless the amount of
50 such rental is stated in a statement annexed to the application
51 for the license as provided in section 3 of this act or which is in
52 excess of the sum stated as the rental to be charged therefor in
53 such a statement; and no commission, salary, compensation,
54 reward or recompense whatever shall be paid or given, directly or

1 indirectly, to any person holding, operating or conducting, or
2 assisting in the holding, operation or conduct of, any game of
3 chance so held, operated or conducted, except that reasonable
4 compensation may be paid to bookkeepers or accountants for
5 bookkeeping or accounting services rendered according to a
6 schedule of compensation prescribed by rule of the Legalized
7 Games of Chance Control Commission.

8 (cf: P.L.1973, c.127, s.3)

9 9. Section 12 of P.L.1954, c.6 (C.5:8-35) is amended to read as
10 follows:

11 12. [No more than \$1.00] No amount in excess of the amount
12 prescribed by regulation promulgated by the control commission
13 shall be charged by any licensee for admission to any room or
14 place in which any game or games of chance are to be held,
15 operated and conducted under any license issued under this act,
16 which admission fee, upon payment thereof, shall entitle the
17 person paying the same to a card entitling him to participate
18 without additional charge in all regular games of chance to be
19 played under such license on such occasion, and no charge in
20 excess ¹[of]¹ [\$1.00] of the amount prescribed by regulation
21 promulgated by the control commission shall be made for a single
22 opportunity to participate in all special games to be played under
23 such license on such occasion. No prize greater in amount or
24 value than \$250.00 shall be offered or given in any single game
25 conducted under any such license and the aggregate amount or
26 value of all prizes offered and given in all games played on a
27 single occasion shall not exceed \$1,000.00, except as otherwise
28 provided for by P.L.1954, c.6 (C.5:8-24 et seq.), and all winners
29 shall be determined and all prizes shall be awarded in any game
30 played on any occasion within the same calendar day as that upon
31 which the [game is played] winner is determined.

32 (cf: P.L.1954, c.6, s.12)

33 10. Section 14 of P.L.1954, c.6 (C.5:8-37) is amended to read as
34 follows:

35 14. [Within 15 days after the conclusion of the holding,
36 operating and conducting of] No later than the 15th day of the
37 calendar month immediately following a calendar month in which
38 any such game of chance was held, operated or conducted, the
39 organization, association, church, congregation, society, club,
40 fire company, or first-aid or rescue squad which held, operated or
41 conducted the same, and its members who were in charge
42 thereof, shall furnish to the [clerk of the municipality] control
43 commission a duly verified statement showing the amount of the
44 gross receipts derived from each game of chance held, operated
45 or conducted during the preceding calendar month, which shall
46 include receipts from the sale of shares, tickets or rights in any
47 manner connected with participation in said game or the right to
48 participate therein, each item of expense incurred, or paid, and
49 each item of expenditure made or to be made, name and address
50 of each person to whom each such item has been, or is to be paid,
51 with a detailed description of the merchandise purchased or the
52 services rendered therefor, the net profit derived from each such
53 game of chance, and the uses to which such net profit has been or
54 is to be applied and a list of prizes offered and given, with the

1 respective values thereof and it shall be the duty of each licensee
2 to maintain and keep such books and records as may be necessary
3 to substantiate the particulars of each such report.

4 (cf: P.L.1955, c.160, s.7)

5 11. Section 6 of P.L.1957, c.57 (C.5:8-49.7) is amended to read
6 as follows:

7 6. When the application shall have been examined and such
8 further inquiry and investigation made as the commission shall
9 deem proper and when the commission shall be satisfied
10 therefrom that the persons named in section 5(b) hereof possess
11 the qualifications prescribed in this act, the commission shall
12 issue and deliver a license to such applicant as an approved rentor
13 for the premises stated in the application upon payment by the
14 applicant of a license fee ¹[of]¹ [\$100.00,] as prescribed by
15 regulation promulgated by the control commission and the
16 approved rentor shall pay a fee [of \$5.00] as prescribed by
17 regulation promulgated by the control commission for each
18 occasion on which bingo games are held in the licensed premises.
19 Said license shall be valid until revoked, suspended or modified by
20 the commission. The commission may issue a temporary permit
21 to any applicant for such license pending final action on the
22 application. Any such temporary permit shall be valid for a period
23 not in excess of [30] 180 days.

24 (cf: P.L.1969, c.207, s.1)

25 12. Section 4 of P.L.1954, c.5 (C.5:8-53) is amended to read as
26 follows:

27 4. The governing body of the municipality shall make an
28 investigation of the qualifications of each applicant and the
29 merits of the application, with due expedition after the filing of
30 the application, and if it shall determine that the applicant is
31 duly qualified to be licensed under this act to hold, operate and
32 conduct games of chance under the provisions of this act and the
33 rules and regulations governing the holding, operation and
34 conduct thereof in the municipality; that the member or members
35 of the applicant designated in the application to hold, operate or
36 conduct the game or games of chance[, to hold, operate and
37 conduct] which the license is applied for[,] are bona fide active
38 members of the applicant and persons of good moral character
39 and have never been convicted of crime; that such game or games
40 of chance are to be held, operated and conducted in accordance
41 with the provisions of this act and in accordance with the rules
42 and regulations governing the holding, operation and conduct
43 thereof and that the proceeds thereof are to be disposed of as
44 provided by this act, and if the governing body is satisfied that no
45 commission, salary, compensation, reward or recompense
46 whatever will be paid or given to any person holding, operating or
47 conducting or assisting in the holding, operation or conduct of any
48 such game of chance except as in this act otherwise provided;
49 that any rental to be paid for any equipment to be used in or in
50 connection with the holding, operation and conduct of such game
51 or games of chance conforms to the schedule of authorized
52 rentals prescribed by rules of the Legalized Games of Chance
53 Control Commission and that such lessor or lessors have been
54 approved as to good moral character and freedom from

1 conviction of crime by said commission; that no prize will be
2 offered or given in cash except as [otherwise provided in this act]
3 authorized by regulation promulgated by the control commission
4 or of greater value than is provided in this act in any game or
5 games of chance held, operated and conducted under the license,
6 it shall issue a license to the applicant for the holding, operation
7 and conduct of the specific kind, or one or more of the specific
8 kinds, of games of chance applied for accordingly, upon the
9 payment of a license fee [of \$5.00 per day for all raffles held
10 with a drawing, a license fee of \$5.00 for all raffles concurrently
11 held, without a drawing, at one location on any 1 day or any
12 series of consecutive days not exceeding 6 in any 1 week, and
13 unless the prizes are in cash \$10.00 for each \$1,000.00 of the
14 value of the prizes above the original \$1,000.00 value of prizes
15 awarded in each raffle with respect to which tickets or rights to
16 participate may be sold in advance of the occasion of the drawing
17 or allotment of prizes. Five dollars of the aforesaid \$10.00 fee
18 for each \$1,000.00 of the value of the prizes above the original
19 \$1,000.00 value of prizes awarded in each raffle with respect to
20 which tickets or rights to participate may be sold in advance of
21 the occasion of the drawing or allotment of prizes shall be
22 payable to the Treasurer of the State of New Jersey] as
23 prescribed by regulation promulgated by the control commission.
24 (cf: P.L.1982, c.110, s.1)

25 13. Section 8 of P.L.1954, c.5 (C.5:8-57) is amended to read as
26 follows:

27 8. The governing body of any municipality issuing any license
28 under this act shall have and exercise control and supervision
29 over all games of chance held, operated or conducted under such
30 license, to the end that the same are fairly held, operated and
31 conducted in accordance with the provisions of such license, the
32 rules and regulations promulgated by the control commission and
33 the provisions of this act governing the holding, operation and
34 conduct of the same, and such governing body and the control
35 commission shall have power and authority to suspend any license
36 issued by such governing body and to revoke the same, after
37 hearing, for any violation of any such provision, and shall by their
38 respective officers and agents have the right of entry at all times
39 into any premises where any such game of chance is being held,
40 operated and conducted or where it is intended that any such
41 game of chance shall be held, operated and conducted, or where
42 any equipment being used or intended to be used in the conduct
43 thereof is found, for the purpose of inspecting the same.

44 In addition to or in lieu of revoking or suspending or refusing to
45 renew any license or registration certificate issued by it or any
46 municipality, the control commission may, after providing a
47 licensee the opportunity to be heard:

48 a. issue a letter of warning, reprimand or censure with regard
49 to any action, conduct or practice which, in the judgement of the
50 control commission upon consideration of all relevant facts and
51 circumstances, does not warrant the initiation of formal action;

52 b. assess civil penalties in accordance with the provisions of
53 section 15 of P.L. , c. (C.)(now pending before the
54 Legislature as this bill);

1 c. order any person found to have violated any provision of a
2 law, rule or regulation administered by the control commission to
3 desist from future violations thereof or to take such affirmative
4 corrective action as may be necessary with regard to any action
5 found to be unlawful by the control commission;

6 d. order any person found to have violated any provision of a
7 law, rule or regulation administered by the control commission to
8 restore to any person aggrieved by an unlawful actor practice,
9 any monies or property, real or personal, acquired by means of
10 such action or practice, except that the control commission shall
11 not order restoration of a dollar amount greater than those
12 monies received by a licensee or the agent of a licensee or any
13 other person violating the law, rule or regulation administered by
14 the control commission; and

15 e. order any person, as a condition for continued, reinstated or
16 renewed licensure, to secure medical or other professional
17 treatment as may be necessary to properly discharge licensee
18 functions.

19 (cf: P.L.1955, c.161, s.4)

20 14. (New section) Whenever it shall appear to the control
21 commission that a violation of a law, including the unlicensed
22 conduct or practice of a regulated activity, or regulation
23 administered by the control commission has occurred, is
24 occurring, or will occur, the control commission in addition to
25 any other proceeding authorized by law, may seek and obtain in a
26 summary proceeding in Superior Court an injunction prohibiting
27 such action, conduct or practice. In any such proceeding the
28 court may assess a civil penalty in accordance with the provisions
29 of section 15 of P.L. , c. (C.)(now pending before the
30 Legislature as this bill), may order restoration to any person in
31 interest of any monies or property, real or personal, acquired by
32 means of an unlawful action, conduct or practice and may enter
33 such orders as may be necessary to prevent the performance of
34 an unlawful action, conduct or practice in the future and to
35 remedy any past unlawful activity. In any action brought
36 pursuant to this section, the court shall not suspend or revoke any
37 license or registration certificate issued by the control
38 commission.

39 15. (New section) Any person violating any provision of a law or
40 regulation administered by the control commission shall, in
41 addition to any other sanctions provided in section 8 of P.L.1954,
42 c.5 (C.5:8-57), be liable to a civil penalty of not more than \$7,500
43 for the first offense and not more than \$15,000 for the second
44 and each subsequent offense. For the purpose of construing this
45 section, each statutory violation shall constitute a separate
46 offense, except that a second and subsequent offense shall not be
47 deemed to exist unless an administrative or court order has been
48 entered in a prior, separate and independent proceeding. In lieu
49 of an administrative proceeding or an action in the Superior
50 Court, the Attorney General may bring an action in the name of
51 the control commission for the collection or enforcement of civil
52 penalties for the violation of any provision of a law or regulation
53 administered by the control commission. Such action may be
54 brought in summary manner pursuant to "the penalty

1 enforcement act" (N.J.S.2A:58-1 et seq.) and the rules of court
2 governing actions for the collection of civil penalties in the
3 municipal ¹[or county district]¹ court ¹or Superior Court¹ where
4 the offense occurred. Process in such action may be a summons
5 or warrant and in the event that the defendant in such action
6 fails to answer such action, the court shall, upon finding an
7 unlawful action, conduct or practice to have been committed by
8 the defendant, issue a warrant for the defendant's arrest in order
9 to bring such person before the court to satisfy the civil penalties
10 imposed. In any action commenced pursuant to this section, the
11 court may order restored to any person in interest any monies or
12 property, real or personal, acquired by means of an unlawful
13 action, conduct or practice. Any action alleging the unlicensed
14 conduct or practice of an activity regulated by any law or
15 regulation administered by the control commission shall be
16 brought pursuant to this section, or where injunctive relief is
17 sought, by an action commenced in Superior Court. In any action
18 brought pursuant to P.L.1954, c.5 (C.5:8-50 et seq.), as amended
19 and supplemented, the control commission or the court may order
20 the payment of costs to the State.

21 Organizations registered with the control commission, holding
22 a valid identification number, and not suspended or revoked at
23 the time of any such action, conduct or practice shall not be
24 subject to the provisions of this section.

25 16. Section 10 of P.L.1954, c.5 (C.5:8-59) is amended to read as
26 follows:

27 10. No person under the age of 18 years shall be permitted to
28 participate in any manner in any game or games of chance not
29 conducted by a drawing, [or to] except that a person under the
30 age of 18 years shall be permitted to play a game of chance when
31 the prize offered and awarded consists of merchandise only and
32 does not include cash or money. No person under the age of 18
33 years shall be permitted to participate in [the holding, operating
34 or conducting of] any manner in any game or games of chance
35 conducted by a drawing, held, operated or conducted pursuant to
36 any license issued under this act.

37 (cf: P.L. 1955, c.161, s.5)

38 17. Section 11 of P.L.1954, c.5 (C.5:8-60) is amended to read as
39 follows:

40 11. No game or games of chance shall be held, operated or
41 conducted under any license issued under this act [oftener] more
42 often than [on 6 days in any one calendar month] authorized by
43 regulation promulgated by the control commission.

44 (¹cf: ¹P.L.1954, c.5, s.11)

45 18. Section 12 of P.L.1954, c.5 (C.5:8-61) is amended to read as
46 follows:

47 12. No person shall hold, operate or conduct any game or games
48 of chance under any license issued under this act except an active
49 member of the organization, association, church, congregation,
50 society, club, fire company, first-aid or rescue squad or senior
51 citizen association or club to which the license is issued, and no
52 person shall assist in the holding, operating or conducting of any
53 game or games of chance under such license except such an
54 active member or a member of an organization or association

1 which is an auxiliary to the licensee or a member of an
2 organization or association of which such licensee is an auxiliary
3 or a member of any organization or association which is affiliated
4 with the licensee by being, with it, auxiliary to another
5 organization or association and except bookkeepers or
6 accountants as hereinafter provided, and no such game of chance
7 shall be conducted with any equipment except such as shall be
8 owned absolutely or used without payment of any compensation
9 therefor by the licensee or shall be leased for a rental, the
10 amount of which is stated in a statement annexed to the
11 application for the license as provided in section 3 of this act and
12 conforms to the schedule of authorized rentals prescribed by
13 rules of the Legalized Games of Chance Control Commission and
14 the lessor or lessors of which have been approved as to good
15 moral character and freedom from conviction of crime by said
16 commission and no other item of expense shall be incurred or paid
17 in connection with the holding, operating or conducting of any
18 game of chance, held, operated or conducted pursuant to any
19 license issued under this act, except such as are bona fide items
20 of reasonable amount for goods, wares and merchandise furnished
21 or services rendered, which are reasonably necessary to be
22 purchased or furnished for the holding, operating or conducting
23 thereof, under any circumstances whatever, and no commission,
24 salary, compensation, reward or recompense whatever shall be
25 paid or given, directly or indirectly, to any person holding,
26 operating or conducting, or assisting in the holding, operation or
27 conduct of, any game of chance so held, operated or conducted,
28 except that reasonable compensation may be paid to bookkeepers
29 or accountants for bookkeeping or accounting services rendered
30 according to a schedule of compensation prescribed by rule of the
31 Legalized Games of Chance Control Commission, and no prize
32 shall be given in cash in any such game of chance except as
33 [otherwise provided in this act] authorized by regulation
34 promulgated by the control commission.

35 (cf: P.L.1985, c.299, s.3)

36 19. Section 13 of P.L.1954, c.5 (C.5:8-62) is amended to read as
37 follows:

38 13. No prize shall be offered and given in cash except as
39 [hereinafter provided] authorized by regulation promulgated by
40 the control commission.

41 The aggregate retail value of all prizes to be offered and given
42 by raffles held, operated and conducted under any license issued
43 under P.L.1954, c.5 (C.5:8-50 et seq.) in any calendar year shall
44 not exceed [\$50,000.00, except that in the case of licensees
45 having one or more organizations which are auxiliary to it, said
46 licensees shall not exceed \$25,000.00 for the principal licensee,
47 and \$25,000.00 for each auxiliary organization thereto, but in lieu
48 thereof there may be offered and given as a prize or award one
49 article of merchandise having a retail value in excess of
50 \$50,000.00, and in the case of licensees having one or more
51 organizations which are auxiliary to it, there may be given one
52 article of merchandise having a retail value in excess of
53 \$25,000.00 for the principal licensee and \$25,000.00 for each
54 auxiliary organization thereto] \$500,000.00, but the [limits] limit

1 so fixed shall not apply to any raffle [conducted by a drawing]
2 with respect to which all tickets, shares or rights to participate
3 are sold only to persons present [at the place of the drawing], the
4 winners determined, and the prizes awarded, on the same
5 occasion [of the drawing,] or if the prizes are wholly donated. [a.
6 Cash prizes may be offered or given in a raffle with respect to
7 which all tickets are sold only to persons present at the place of
8 the drawing, the winners determined, and the prizes awarded, on
9 the occasion of the drawing, if the prizes equal 50% of the total
10 received for the tickets or rights to participate in the drawing;
11 and b. Cash prizes may also be offered or given in a raffle in
12 which tickets may be sold in advance of the occasion and at
13 which the winner need not be present when the winner is
14 determined, if the prizes equal 50% of the total received for the
15 tickets or rights to participate in the drawing, provided that no
16 such raffle authorized by this subsection shall be held, operated
17 or conducted under any license issued under P.L.1954, c.5
18 (C.5:8-50 et seq.) more than once in any one calendar month. The
19 monetary limits prescribed above shall not apply to subsection a.
20 of this section.]

21 No prize having a retail value greater than [\$250.00] that
22 prescribed by regulation promulgated by the control commission
23 shall be awarded in any raffle[, not] conducted by a drawing, or
24 for each spin of the wheel or other allotment by chance.
25 (cf: P.L.1986, c.154, s.1)

26 20. Section 15 of P.L.1954, c.5 (C.5:8-64) is amended to read as
27 follows:

28 15. [Within 15 days after the conclusion of the holding,
29 operating and conducting of] No later than the 15th day of the
30 calendar month immediately following a calendar month in which
31 any such game of chance was held, operated or conducted, the
32 organization, association, church, congregation, society, club,
33 fire company, first-aid or rescue squad, or senior citizen
34 association or club which held, operated or conducted the same
35 and its member or members who were in charge thereof shall
36 furnish to the [clerk of the municipality] control commission a
37 duly verified statement showing the amount of the gross receipts
38 derived from each such game of chance held, operated or
39 conducted in the preceding month, which shall include receipts
40 from the sale of shares, tickets or rights in any manner connected
41 with participation in said game or the right to participate
42 therein, each item of expense incurred or paid, and each item of
43 expenditure made or to be made, name and address of each
44 person to whom each such item has been or is to be paid, with a
45 detailed description of the merchandise purchased or the services
46 rendered therefor, the net profit derived from each such game of
47 chance, and the uses to which such net profit has been or is to be
48 applied and a list of prizes offered or given, with the respective
49 values thereof and it shall be the duty of each licensee to
50 maintain and keep such books and records as may be necessary to
51 substantiate the particulars of each such report.

52 (cf: P.L.1985, c.299, s.4)

53 21. This act shall take effect immediately.

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3 Expands authority of Legalized Games of Chance Control
4 Commission; makes prize limits in raffles and certain bingo
5 games subject to commission prescription; raises prize limit for
6 aggregate value of raffle prizes.

1 SPONSORS' STATEMENT

2

3 This bill expands the administrative powers and responsibilities
4 of the Legalized Games of Chance Control Commission, as well
5 as the enforcement authority of the commission. It also
6 eliminates the prize limits in certain bingo games and raises the
7 aggregate value of prizes that may be offered in raffles.

8 Specifically, the bill:

9 1) gives the commission the authority to maintain a
10 registration file of all organizations qualified to make application
11 to a municipality for a license to hold, operate and conduct
12 games of chance in accordance with the "Bingo Licensing Law"
13 and the "Raffles Licensing Law";

14 2) provides that all fees and penalties collected by the
15 commission shall be placed in a special nonlapsing fund and that
16 the money therein shall be appropriated annually to the
17 commission;

18 3) gives the commission the authority to set fees for licenses
19 and other services in such a way as to defray all proper expenses
20 incurred by the commission;

21 4) provides for the establishment of bingo games where the
22 prize amount is determined based upon a percentage of the gross
23 receipts from the sale of cards to participate in the game;

24 5) increases the limit on the aggregate value of all prizes
25 offered by raffles in any calendar year to \$500,000 and removes
26 the current \$250 limit on the retail value of any prize awarded by
27 a raffle, not conducted by a drawing;

28 6) strengthens the commission's ability to exercise
29 enforcement authority over licensees by allowing it to monitor
30 their activities more closely and obtain in a summary proceeding
31 in Superior Court an injunction prohibiting any action in violation
32 of the "Bingo Licensing Law" or the "Raffles Licensing Law";

33 7) establishes civil penalties of not more than \$7,500 for the
34 first offense and not more than \$15,000 for the second and each
35 subsequent offense; and

36 8) continues to prohibit a person under the age of 18 years from
37 participating in a draw raffle, but now allows such a person to
38 play non-draw raffle games (carnival games) which award
39 merchandise only.

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44 Expands authority of Legalized Games of Chance Control
45 Commission; makes prize limits in raffles and certain bingo
46 games subject to commission prescription; raises prize limit for
47 aggregate value of raffle prizes.

ASSEMBLY VETERANS, MILITARY AFFAIRS
AND GAMING COMMITTEE

STATEMENT TO

ASSEMBLY, No. 1384

with committee amendments

STATE OF NEW JERSEY

DATED: MAY 5, 1984

The Assembly Veterans, Military Affairs and Gaming Committee reports favorably and with committee amendments Assembly Bill No. 1384.

This bill expands the administrative powers and responsibilities of the Legalized Games of Chance Control Commission, as well as the enforcement authority of the commission. It also eliminates the prize limits in certain bingo games and raises the aggregate value of prizes that may be offered in raffles.

Specifically, the bill:

1) gives the commission the authority to maintain a registration file of all organizations qualified to make application to a municipality for a license to hold, operate and conduct games of chance in accordance with the "Bingo Licensing Law" and the "Raffles Licensing Law";

2) provides that all fees and penalties collected by the commission shall be placed in a special nonlapsing fund and that the money therein shall be appropriated annually to the commission;

3) gives the commission the authority to set fees for licenses and other services in such a way as to defray all proper expenses incurred by the commission;

4) provides for the establishment of bingo games where the prize amount is determined based upon a percentage of the gross receipts from the sale of cards to participate in the game;

5) increases the limit on the aggregate value of all prizes offered by raffles in any calendar year to \$600,000 and removes the current \$250 limit on the retail value of any prize awarded by a raffle, not conducted by a drawing;

6) strengthens the commission's ability to exercise enforcement authority over licensees by allowing it to monitor their activities more closely and obtain in a summary proceeding in Superior Court an injunction prohibiting any action in violation of the "Bingo Licensing Law" or the "Raffles Licensing Law";

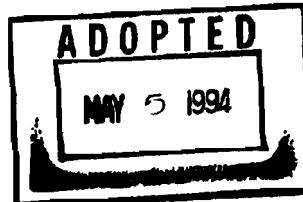
7) establishes civil penalties of not more than \$7,500 for the first offense and not more than \$15,000 for the second and each subsequent offense; and

8) continues to prohibit a person under the age of 18 years from participating in a draw raffle, but now allows such a person to play non-draw raffle games (carnival games) which award merchandise only.

COMMITTEE AMENDMENTS

The committee amended the bill to delete some duplicate or superfluous words and to substitute, as appropriate, the Superior Court for the county district court, no longer existent, in Sections 7 and 15.

AVM COMMITTEE
AMENDMENTS



to

ASSEMBLY, No. 1384

(Sponsored by Assemblymen BAGGER and KRAMER)

REPLACE SECTION 7 TO READ:

7. (New section) Any person violating any provision of a law or regulation administered by the control commission shall, in addition to any other sanctions provided in section 7 of P.L.1954, c.6 (C.5:8-30), be liable to a civil penalty of not more than \$7,500 for the first offense and not more than \$15,000 for the second and each subsequent offense. For the purpose of construing this section, each statutory violation shall constitute a separate offense, except that a second and subsequent offense shall not be deemed to exist unless an administrative or court order has been entered in a prior, separate and independent proceeding. In lieu of an administrative proceeding or an action in the Superior Court, the Attorney General may bring an action in the name of the control commission for the collection or enforcement of civil penalties for the violation of any provision of a law or regulation administered by the control commission. Such action may be brought in summary manner pursuant to "the penalty enforcement act" (N.J.S.2A:58-1 et seq.) and the rules of court governing actions for the collection of civil penalties in the municipal ¹[or county district]¹ court ¹or Superior Court¹ where the offense occurred. Process in such action may be a summons or warrant and in the event that the defendant in such action fails to answer such action, the court shall, upon finding an unlawful action, conduct or practice to have been committed by the defendant, issue a warrant for the defendant's arrest in order to bring such person before the court to satisfy the civil penalties imposed. In any action commenced pursuant to this section, the court may order restored to any person in interest any monies or property, real or personal, acquired by means of an unlawful action, conduct or practice. Any action alleging the unlicensed conduct or practice of an activity regulated by any law or regulation administered by the control commission shall be brought pursuant to this section, or where injunctive relief is sought, by an action commenced in Superior Court. In any action brought pursuant to P.L.1954, c.6 (C.5:8-24 et seq.), as amended and supplemented, the control commission or the court may order the payment of costs to the State.

Organizations registered with the control commission, holding a valid identification number, and not suspended or revoked at the time of any such action, conduct or practice shall not be subject to the provisions of this section.

REPLACE SECTION 9 TO READ:

9. Section 12 of P.L.1954, c.6 (C.5:8-35) is amended to read as follows:

12. [No more than \$1.00] No amount in excess of the amount prescribed by regulation promulgated by the control commission shall be charged by any licensee for admission to any room or place in which any game or games of chance are to be held, operated and conducted under any license issued under this act, which admission fee, upon payment thereof, shall entitle the person paying the same to a card entitling him to participate without additional charge in all regular games of chance to be played under such license on such occasion, and no charge in excess ^{1[of]1} [\$1.00] of the amount prescribed by regulation promulgated by the control commission shall be made for a single opportunity to participate in all special games to be played under such license on such occasion. No prize greater in amount or value than \$250.00 shall be offered or given in any single game conducted under any such license and the aggregate amount or value of all prizes offered and given in all games played on a single occasion shall not exceed \$1,000.00, except as otherwise provided for by P.L.1954, c.6 (C.5:8-24 et seq.), and all winners shall be determined and all prizes shall be awarded in any game played on any occasion within the same calendar day as that upon which the [game is played] winner is determined.

(cf: P.L.1954, c.6, s.12)

REPLACE SECTION 11 TO READ:

11. Section 6 of P.L.1957, c.57 (C.5:8-49.7) is amended to read as follows:

6. When the application shall have been examined and such further inquiry and investigation made as the commission shall deem proper and when the commission shall be satisfied therefrom that the persons named in section 5(b) hereof possess the qualifications prescribed in this act, the commission shall issue and deliver a license to such applicant as an approved rentor for the premises stated in the application upon payment by the applicant of a license fee ^{1[of]1} [\$100.00,] as prescribed by regulation promulgated by the control commission and the approved rentor shall pay a fee [of \$5.00] as prescribed by regulation promulgated by the control commission for each occasion on which bingo games are held in the licensed premises. Said license shall be valid until revoked, suspended or modified by the commission. The commission may issue a temporary permit to any applicant for such license pending final action on the application. Any such temporary permit shall be valid for a period not in excess of [30] 180 days.

(cf: P.L.1969, c.207, s.1)

REPLACE SECTION 15 TO READ:

15. (New section) Any person violating any provision of a law or regulation administered by the control commission shall, in addition to any other sanctions provided in section 8 of P.L.1954, c.5 (C.5:8-57), be liable to a civil penalty of not more than \$7,500 for the first offense and not more than \$15,000 for the second and each subsequent offense. For the purpose of construing this section, each statutory violation shall constitute a separate offense, except that a second and subsequent offense shall not be deemed to exist unless an administrative or court order has been entered in a prior, separate and independent proceeding. In lieu of an administrative proceeding or an action in the Superior Court, the Attorney General may bring an action in the name of the control commission for the collection or enforcement of civil penalties for the violation of any provision of a law or regulation administered by the control commission. Such action may be brought in summary manner pursuant to "the penalty enforcement act" (N.J.S.2A:58-1 et seq.) and the rules of court governing actions for the collection of civil penalties in the municipal ¹[or county district]¹ court ¹or Superior Court¹ where the offense occurred. Process in such action may be a summons or warrant and in the event that the defendant in such action fails to answer such action, the court shall, upon finding an unlawful action, conduct or practice to have been committed by the defendant, issue a warrant for the defendant's arrest in order to bring such person before the court to satisfy the civil penalties imposed. In any action commenced pursuant to this section, the court may order restored to any person in interest any monies or property, real or personal, acquired by means of an unlawful action, conduct or practice. Any action alleging the unlicensed conduct or practice of an activity regulated by any law or regulation administered by the control commission shall be brought pursuant to this section, or where injunctive relief is sought, by an action commenced in Superior Court. In any action brought pursuant to P.L.1954, c.5 (C.5:8-50 et seq.), as amended and supplemented, the control commission or the court may order the payment of costs to the State.

Organizations registered with the control commission, holding a valid identification number, and not suspended or revoked at the time of any such action, conduct or practice shall not be subject to the provisions of this section.

REPLACE SECTION 17 TO READ:

17. Section 11 of P.L.1954, c.5 (C.5:8-60) is amended to read as follows:

11. No game or games of chance shall be held, operated or conducted under any license issued under this act [oftener] more often than [on 6 days in any one calendar month] authorized by regulation promulgated by the control commission.

(¹cf: ¹P.L.1954, c.5, s.11)

SENATE BUDGET AND APPROPRIATIONS COMMITTEE

STATEMENT TO

[FIRST REPRINT]

ASSEMBLY, No. 1384

STATE OF NEW JERSEY

DATED: JUNE 6, 1994

The Senate Budget and Appropriations Committee reports favorably Assembly Bill No. 1384 [1R].

Assembly Bill No. 1384 [1R] expands the administrative powers and responsibilities of the Legalized Games of Chance Control Commission, as well as the enforcement authority of the commission. It also eliminates the prize limits in certain bingo games and raises the aggregate value of prizes that may be offered in raffles.

Specifically, the bill:

1) gives the commission the authority to maintain a registration file of all organizations qualified to make application to a municipality for a license to hold, operate and conduct games of chance in accordance with the "Bingo Licensing Law" and the "Raffles Licensing Law";

2) requires that all fees and penalties collected by the commission be placed in a special nonlapsing fund and that the money in the fund be appropriated annually to the commission;

3) gives the commission the authority to set fees for licenses and other services in such a way as to defray all proper expenses incurred by the commission;

4) provides for the establishment of bingo games where the prize amount is determined based upon a percentage of the gross receipts from the sale of cards to participate in the game;

5) increases the limit on the aggregate value of all prizes offered by raffles in any calendar year to \$500,000 and removes the current \$250 limit on the retail value of any prize awarded by a raffle, not conducted by a drawing;

6) strengthens the commission's ability to exercise enforcement authority over licensees by allowing it to monitor their activities more closely and obtain in a summary proceeding in Superior Court an injunction prohibiting any action in violation of the "Bingo Licensing Law" or the "Raffles Licensing Law";

7) establishes civil penalties of not more than \$7,500 for the first offense and not more than \$15,000 for the second and each subsequent offense; and

8) continues to prohibit a person under the age of 18 years from participating in a draw raffle, but will allow such a person to play non-draw raffle games (carnival games) which award merchandise only.

As reported, this bill is identical to Senate Bill No. 688 of 1994.

FISCAL IMPACT

According to the Department of Law and Public Safety, it is anticipated that \$1.77 million in additional fee and penalty revenues will be generated as a result of the expanded authority granted in this bill to the Legalized Games of Chance Control Commission. The Governor's Fiscal Year 1995 Recommended Budget currently

anticipates that the commission will generate revenue of \$525,000 and would appropriate any excess over anticipated revenues to the commission to offset operational costs.

The bill creates a special non-lapsing fund into which all the fees and penalties collected by the commission under the bingo and raffle licensing laws are to be deposited. The monies in the fund are to be appropriated to the commission annually to implement and enforce the bingo and raffles licensing law.

According to the department, a portion of the revenue will be used by the commission to hire additional enforcement personnel.

LEGISLATIVE FISCAL ESTIMATE TO

[FIRST REPRINT]

ASSEMBLY, No. 1384

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DATED: June 24, 1994

Assembly Bill No. 1384 (1R) of 1994 expands the administrative powers, responsibilities and enforcement authority of the Legalized Games of Chance Control Commission. It also eliminates the prize limits in certain bingo games and raises the aggregate value of prizes that may be offered in raffles. In addition, the bill strengthens the commission's ability to exercise enforcement authority over licensees by allowing it to monitor their activities more closely and obtain in a summary proceeding in Superior Court an injunction prohibiting any action in violation of the "Bingo Licensing Law" or "Raffles Licensing Law." The bill requires the commission to maintain a registration file of all organizations qualified to make application to a municipality for a license to conduct games of chance.

The bill authorizes the commission to set fees for licenses and other services to defray all proper expenses incurred by the commission. The bill also establishes civil penalties of not more than \$7,500 for the first offense and not more than \$15,000 for the second and each subsequent offense. Lastly, the bill establishes a non-lapsing fund for the deposit of penalties, which are to be used for expenses of the commission.

Information provided informally by the Division of Consumer Affairs in the Department of Law and Public Safety estimates the cost of administering this bill at \$2,291,000 in the first year following enactment. Included in this estimate are salary and fringe benefit costs of \$1,463,000 for an executive director, 29 investigators and 10 clerical personnel; \$50,000 for printing and office supplies; \$40,000 for travel; \$35,000 for telephone; \$41,000 for postage; \$20,000 for data processing; \$36,000 for professional and other services; \$260,000 for administrative overhead; \$167,000 for rent; \$10,000 for maintenance of equipment; \$84,000 for vehicular leases; and \$85,000 for equipment and furniture.

The division estimates that \$2,291,000 in fee and penalty revenue will be derived under this bill. However, this amount includes approximately \$525,000 in revenues collected under the current regulatory program which would be replaced by the program established by this bill. Therefore, the net revenue gain under this bill would be \$1,766,000.

The Office of Legislative Services (OLS) concurs with the division's revenue estimate but not with its cost estimate. OLS finds the division's estimate of administrative overhead costs at 15 percent of its overall administrative budget overstated in relation to overhead amounts assessed for other programs. After adjusting the overhead rate to 7.5 percent and applying a 5 percent inflation rate for salaries, OLS estimates the cost of implementing this bill at \$2,161,000, \$2,124,000 and \$2,201,000, in the first three years,

respectively, following enactment. Therefore, after deducting these costs from the estimated fee and penalty revenues, this bill would result in State surpluses of \$130,000, \$167,000 and \$90,000 in the first three years, respectively, after enactment.

This legislative fiscal estimate has been produced by the Office of Legislative Services due to the failure of the Executive Branch to respond to our request for a fiscal note.

This fiscal estimate has been prepared pursuant to P.L.1980, c.67.

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OFFICE OF THE GOVERNOR NEWS RELEASE

CN-001
Contact:

CARL GOLDEN
609-777-2205

TRENTON, N.J. 08625

Release: IMMEDIATE
JULY 1, 1994

Gov. Christie Whitman yesterday signed legislation to strengthen the authority of the Legalized Games of Chance Commission to regulate bingo games and raffles.

The bill gives the Commission more clearly defined regulatory responsibility over the games, the equipment used, and the law enforcement powers. It also authorizes the Commission to establish limits on gambling and prizes and to set licensing fees.

The bill, S-688, was sponsored in the Senate by Sen. Peter Inverso, R-Mercer, while the Assembly bill, A-1384, was sponsored by Assemblymen Paul Kramer, R-Mercer, and Richard Bagger, R-Middlesex.

Whitman also signed legislation to give the Division of Motor Vehicles increased authority to collect driver surcharges, including the authority to deduct surcharges owed from income tax refunds and homestead rebates.

The legislation also increases from 10 months to 12 months the permissible installment payment for surcharges and allows the use of credit cards to satisfy the surcharge debt.

The bill, S-1148, was sponsored in the Senate by Sen. Joseph Kyrillos, R-Middlesex, while the Assembly version, A-1845, was sponsored by Assemblyman Scott Garrett, R-Morris.

Legislation to revise the period of ineligibility for Medicaid payment of long-term care services was also signed by the Governor.

The bill prohibits an individual from transferring assets or income for the purpose of qualifying for Medicaid within 36 months of applying for long-term care services, or within 60 months in the case of funds transferred into trusts.

The bill, A-1846, was sponsored by Assemblyman Richard Bagger, R-Middlesex.