

5:12-82

LEGISLATIVE HISTORY CHECKLIST
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(Casino simulcasting--conditions for contracts
between licensees and industries)

NJSA: 5:12-82

LAWS OF: 1993 **CHAPTER:** 121

BILL NO: A2126

SPONSOR(S) Gaffney and others

DATE INTRODUCED: December 17, 1992

COMMITTEE: **ASSEMBLY:** Financial Institutions
SENATE: Judiciary

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

DATE OF PASSAGE: **ASSEMBLY:** February 8, 1993
SENATE: May 13, 1992

DATE OF APPROVAL: May 27, 1993

FOLLOWING STATEMENTS ARE ATTACHED IF AVAILABLE:

SPONSOR STATEMENT: Yes

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

FISCAL NOTE: No

VETO MESSAGE: No

MESSAGE ON SIGNING: No

FOLLOWING WERE PRINTED:

REPORTS: No

HEARINGS: No

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(over)

See newspaper clippings--attached:

"Senate oks simulcasting of horse races," 5-14-93 Asbury Park Press.

"Florio signs law setting horse-betting guidelines," 5-28-93 Asbury Park Press.

Hearing on proposed Constitutional amendment:

974.90 New Jersey. Legislature. Senate. Industituions, Health and

H817 Welfare Committee.

1990 Public hearing on SCR 112, held 6-11-90. Trenton, 1990.

KBG:pp

[FOURTH REPRINT]
ASSEMBLY, No. 2126

STATE OF NEW JERSEY

INTRODUCED DECEMBER 17, 1992

By Assemblymen GAFFNEY, NICKLES and Zangari

1 AN ACT concerning certain contracts of casino licensees
2 involving casino simulcasting and certain employees in casino
3 simulcasting facilities and amending P.L.1977, c.110 and
4 P.L.1992, c.19.

5

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

8 ¹1. Section 82 of P.L.1977, c.110 (C.5:12-82) is amended to
9 read as follows:

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

13 b. Only the following persons shall be eligible to hold a casino
14 license; and, unless otherwise determined by the commission with
15 the concurrence of the Attorney General which may not be
16 unreasonably withheld in accordance with subsection c. of this
17 section, each of the following persons shall be required to hold a
18 casino license prior to the operation of a casino in the hotel with
19 respect to which the casino license has been applied for:

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

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

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

35 (4) Any other person who has any control over either an
36 approved hotel building or the land thereunder or the operation of
37 a casino.

38 c. Prior to the operation of the casino, every agreement to
39 lease an approved hotel building or the land thereunder and every
40 agreement for the management of the casino shall be in writing
41 and filed with the commission. No such agreement shall be
42 effective unless expressly approved by the commission. The

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 AFI committee amendments adopted January 14, 1993.

² Assembly floor amendments adopted February 1, 1993.

³ Senate committee amendments adopted February 18, 1993.

⁴ Senate floor amendments adopted March 22, 1993.

1 commission may require that any such agreement include within
2 its terms any provision reasonably necessary to best accomplish
3 the policies of this act. Consistent with the policies of this act:

4 (1) The commission, with the concurrence of the Attorney
5 General which may not be unreasonably withheld, may determine
6 that any person who does not have the ability to exercise any
7 significant control over either the approved hotel building or the
8 operation of the casino contained therein shall not be eligible to
9 hold or required to hold a casino license;

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

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

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

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

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

51 (7) As to agreements for the management of a casino, the
52 commission shall require that each party thereto hold a casino
53 license, that the party thereto who is to manage the casino own
54 at least 10% of all outstanding equity securities of any casino

1 licensee or of any eligible applicant for a casino license if the
2 said licensee or applicant is a corporation and the ownership of an
3 equivalent interest in any casino licensee or in any eligible
4 applicant for a casino license if same is not a corporation, and
5 that such an agreement be for the complete management of the
6 casino, provide for the sole and unrestricted power to direct the
7 casino operations of the casino which is the subject of the
8 agreement, and be for such a durational term as to assure
9 reasonable continuity, stability and independence in the
10 management of the casino;

11 (8) The commission may permit an agreement for the
12 management of a casino to provide for the payment to the
13 managing party of an interest, percentage or share of money
14 gambled at the casino or derived from casino gaming activity or
15 of revenues or profits of the casino; [and]

16 (9) The commission may permit an agreement between a
17 casino licensee and a casino service industry licensed pursuant to
18 the provisions of subsection a. of section 92 of P.L.1977, c.110
19 (C.5:12-92) for the ²[management of a simulcast wagering area]
20 conduct of casino simulcasting in a simulcasting facility² to
21 provide for the payment to the ²[managing party] casino service
22 industry² of an interest, percentage or share of the money
23 derived from the casino licensee's share of proceeds from
24 simulcast wagering activity; and

25 (10) As to agreements to lease an approved hotel building or
26 the land thereunder, agreements to jointly own an approved hotel
27 building or the land thereunder and agreements for the
28 management of a casino or ²[simulcast wagering area] for the
29 conduct of casino simulcasting in a simulcasting facility², the
30 commission shall require that each party thereto shall be jointly
31 and severally liable for all acts, omissions and violations of this
32 act by any party thereto regardless of actual knowledge of such
33 act, omission or violation and notwithstanding any provision in
34 such 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;

55 (6) The corporation shall include among the purposes stated in

1 its certificate of incorporation the conduct of casino gaming and
2 provide that the certificate of incorporation includes all
3 provisions required by this act;

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

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

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

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

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

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

47 e. No person shall be issued or be the holder of more than
48 three casino licenses. For the purpose of this subsection a person
49 shall be considered the holder of a casino license if such license is
50 issued to such person or if such license is held by any holding,
51 intermediary or subsidiary company thereof, or by any officer,
52 director, casino key employee or principal employee of such
53 person, or of any holding, intermediary or subsidiary company
54 thereof.¹

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

1 ¹[1.] 2.¹ Section 104 of P.L.1977, c.110 (C.5:12-104) is
2 amended to read as follows:

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

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

21 (3) Agreements between a casino licensee and its employees
22 which provide for casino employee or casino key employee profit
23 sharing and which are in writing and have been filed with the
24 commission shall be lawful and effective only if expressly
25 approved as to their terms by the commission.

26 (4) Agreements to lease an approved hotel building or the land
27 thereunder and agreements for the complete management of a
28 casino shall not be subject to the provisions of this subsection but
29 shall rather be subject to the provisions of subsections b. and c.
30 of section 82 of this act.

31 (5) Agreements which provide for percentage charges between
32 the casino licensee and a holding company or intermediary
33 company of the casino licensee shall be in writing and filed with
34 the commission but shall not be subject to the provisions of this
35 subsection.

36 (6) Agreements ¹relating to simulcast racing and wagering¹
37 between a casino licensee and an in-State or out-of-State
38 sending track licensed or exempt from licensure in accordance
39 with subsection c. of section 92 of P.L.1977, c.110 (C.5:12-92)
40 shall be in writing, be filed with the commission, and be ¹[subject
41 to the terms of this section] lawful and effective only if expressly
42 approved as to their terms by the commission and the New Jersey
43 Racing Commission¹, except that any such agreements which
44 provide for a percentage of the parimutuel pool wagered at a
45 simulcasting facility to be paid to the sending track shall not be
46 subject to the provisions of paragraph (1) of this subsection.

47 (7) Agreements ¹relating to simulcast racing and wagering¹
48 between a casino licensee and a casino service industry licensed
49 pursuant to the provisions of subsection a. of section 92 of
50 P.L.1977, c.110 (C.5:12-92) as a hub facility, as defined in joint
51 regulations of the Casino Control Commission and the New
52 Jersey Racing Commission. shall be in writing, be filed with the
53 commission, and be ¹[subject to the terms of this section] lawful
54 and effective only if expressly approved as to their terms by the

1 commission and the New Jersey Racing Commission¹, except that
2 any such agreements which provide for a percentage of the casino
3 licensee's share of the parimutuel pool wagered at a simulcasting
4 facility to be paid to the hub facility shall not be subject to the
5 provisions of paragraph (1) of this subsection.

6 (8) Agreements¹ relating to simulcast racing and wagering¹
7 between a casino licensee and a casino service industry licensed
8 pursuant to the provisions of subsection a. of section 92 of
9 P.L.1977, c.110 (C.5:12-92) to conduct casino simulcasting in a
10 simulcasting facility shall be in writing, be filed with the
11 commission, and be ¹[subject to the terms of this section] lawful
12 and effective only if expressly approved as to their terms by the
13 commission¹, except that any such agreements which provide for
14 a percentage of the casino licensee's share of the parimutuel
15 pool wagered at a simulcasting facility to be paid to the casino
16 service industry shall not be subject to the provisions of
17 paragraph (1) of this subsection.

18 b. Each casino applicant or licensee shall maintain, in
19 accordance with the rules of the commission, a record of each
20 written or unwritten agreement regarding the realty,
21 construction, maintenance, or business of a proposed or existing
22 casino hotel or related facility. The foregoing obligation shall
23 apply regardless of whether the casino applicant or licensee is a
24 party to the agreement. Any such agreement may be reviewed by
25 the commission on the basis of the reasonableness of its terms,
26 including the terms of compensation, and of the qualifications of
27 the owners, officers, and directors of any enterprise involved in
28 the agreement, which qualifications shall be reviewed according
29 to the standards enumerated in section 86 of this act. If the
30 commission disapproves such an agreement or the owners,
31 officers, or directors of any enterprise involved therein, the
32 commission may require its termination.

33 Every agreement required to be maintained, and every related
34 agreement the performance of which is dependent upon the
35 performance of any such agreement, shall be deemed to include a
36 provision to the effect that, if the commission shall require
37 termination of an agreement pursuant to this subsection, such
38 termination shall occur without liability on the part of the casino
39 applicant or licensee or any qualified party to the agreement or
40 any related agreement. Failure expressly to include such a
41 provision in the agreement shall not constitute a defense in any
42 action brought to terminate the agreement. If the agreement is
43 not maintained or presented to the commission in accordance
44 with commission regulations, or the disapproved agreement is not
45 terminated, the commission may pursue any remedy or
46 combination of remedies provided in this act.

47 For the purposes of this subsection, "casino applicant" includes
48 any person required to hold a casino license pursuant to section
49 82 of P.L.1977, c.110 (C.5:12-82) who has applied to the
50 commission for a casino license or any approval required under
51 P.L.1977, c.110 (C.5:12-1 et seq.).

52 c. Nothing in this act shall be deemed to permit the transfer
53 of any license, or any interest in any license, or any certificate of
54 compliance or any commitment or reservation.

55 (cf: P.L.1992, c.19, s.35)

1 ¹[2.] 3.¹ Section 4 of P.L.1992, c.19 (C.5:12-194) is amended
2 to read as follows:

3 4. a. (1) A casino which wishes to conduct casino simulcasting
4 shall establish a simulcasting facility as part of the casino hotel.
5 The simulcasting facility may be adjacent to, but shall not be
6 part of, the room in which casino gaming is conducted pursuant to
7 the provisions of P.L.1977, c.110 (C.5:12-1 et seq.). The
8 simulcasting facility shall conform to all requirements concerning
9 square footage, equipment, security measures and related
10 matters which the Casino Control Commission shall by regulation
11 prescribe. The space required for the establishment of a
12 simulcasting facility shall not reduce the space authorized for
13 casino gaming activities as specified in section 83 of P.L.1977,
14 c.110 (C.5:12-83). The cost of establishing, maintaining and
15 operating a simulcasting facility shall be the sole responsibility of
16 the casino.

17 (2) Wagering on simulcast horse races shall be conducted only
18 in the simulcasting facility, which shall be open and operated
19 whenever simulcast horse races are being transmitted to the
20 casino during permitted hours of casino operation.

21 (3) Any authorized game, as defined in section 5 of P.L.1977,
22 c.110 (C.5:12-5), other than slot machines may be conducted in a
23 simulcasting facility subject to the rules and regulations of the
24 Casino Control Commission.

25 (4) The security measures for a simulcasting facility shall
26 include the installation by the casino of a closed circuit television
27 system according to specifications approved by the Casino
28 Control Commission. The Casino Control Commission and the
29 Division of Gaming Enforcement shall have access to the system
30 or its signal in accordance with regulations of the commission.

31 b. All persons engaged directly in wagering-related activities
32 conducted by a casino in a simulcasting facility [shall be
33 employees of the casino and], whether employed by the casino or
34 by a person or entity conducting casino simulcasting in the
35 simulcasting facility pursuant to an agreement with the casino,
36 shall be licensed as casino employees or casino key employees, as
37 appropriate. All other employees [of] ³[working in] of³ ⁴the
38 casino or of the person or entity conducting casino simulcasting
39 who are working in⁴ the simulcasting facility shall be licensed or
40 registered in accordance with regulations of the Casino Control
41 Commission.

42 Any employee at the Atlantic City ¹[Racetrack] Race Course
43 or Garden State Park¹ on or after ¹[the effective date of this
44 act] June 12, 1992,¹ who loses employment with that racetrack as
45 a direct result of the implementation of casino simulcasting and
46 who has been licensed by the New Jersey Racing Commission for
47 five consecutive years immediately preceding the loss of
48 employment shall be given first preference for employment
49 whenever any comparable position becomes available in any
50 casino simulcasting facility, provided the person is qualified
51 pursuant to this subsection. If a casino enters into an agreement
52 with a person or entity for the conduct of casino simulcasting in
53 its simulcasting facility, the agreement shall include the
54 requirement that such first preference in employment

1 shall be given by the person or entity with respect to employment
2 in the simulcasting facility.

3 c. A casino which establishes a simulcasting facility and
4 conducts casino simulcasting shall, as a condition of continued
5 operation of casino simulcasting, receive all live races which are
6 transmitted by in-State sending tracks.

7 d. Agreements between a casino and an in-State or
8 out-of-State sending track for casino simulcasting shall be in
9 writing and shall be filed with the New Jersey Racing
10 Commission and with the Casino Control Commission in
11 accordance with section 104 of P.L.1977, c.110 (C.5:12-104).

12 e. If wagering at casinos on sports events is authorized by the
13 voters of this State and by enabling legislation enacted by the
14 Legislature, and if a casino conducts such wagering and casino
15 simulcasting, the two activities shall be conducted in the same
16 area, in accordance with such regulations as the Casino Control
17 Commission shall prescribe with respect to wagering on sports
18 events and in accordance with this act and such regulations as
19 may be adopted pursuant to section 3 of this act with respect to
20 casino simulcasting.

21 (cf: P.L.1992, c.19, s.4)

22 ¹[3.] 4.¹ This act shall take effect immediately.

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27 _____
28 Establishes conditions governing contracts between casino
29 licensees and casino service industries providing services in
30 connection with casino simulcasting; makes certain changes
regarding employees at casino simulcasting facilities.

1 racetrack as a direct result of the implementation of casino
2 simulcasting and who has been licensed by the New Jersey Racing
3 Commission for five consecutive years immediately preceding the
4 loss of employment shall be given first preference for
5 employment whenever any comparable position becomes available
6 in any casino simulcasting facility, provided the person is
7 qualified pursuant to this subsection. If a casino enters into an
8 agreement with a person or entity for the conduct of casino
9 simulcasting in its simulcasting facility, the agreement shall
10 include the requirement that such first preference in employment
11 shall be given by the person or entity with respect to employment
12 in the simulcasting facility.

13 c. A casino which establishes a simulcasting facility and
14 conducts casino simulcasting shall, as a condition of continued
15 operation of casino simulcasting, receive all live races which are
16 transmitted by in-State sending tracks.

17 d. Agreements between a casino and an in-State or
18 out-of-State sending track for casino simulcasting shall be in
19 writing and shall be filed with the New Jersey Racing
20 Commission and with the Casino Control Commission in
21 accordance with section 104 of P.L.1977, c.110 (C.5:12-104).

22 e. If wagering at casinos on sports events is authorized by the
23 voters of this State and by enabling legislation enacted by the
24 Legislature, and if a casino conducts such wagering and casino
25 simulcasting, the two activities shall be conducted in the same
26 area, in accordance with such regulations as the Casino Control
27 Commission shall prescribe with respect to wagering on sports
28 events and in accordance with this act and such regulations as
29 may be adopted pursuant to section 3 of this act with respect to
30 casino simulcasting.

31 (cf: P.L.1992,c.19,s.4)

32 3. This act shall take effect immediately.

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STATEMENT

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37 This bill requires the following contracts of a casino licensee to
38 be in writing and to be filed with the Casino Control Commission:
39 (1) contracts between a casino licensee and a casino service
40 industry which operates as a "hub" facility for the transmission
41 of pictures of horse races at race tracks to simulcasting facilities
42 in casinos or the transmission of parimutuel wagering at
43 simulcasting facilities in casinos to race tracks, and (2) contracts
44 between a casino licensee and a casino service industry which
45 conducts casino simulcasting in a simulcasting facility in a casino
46 under an agreement with the casino licensee. The bill also makes
47 those contracts subject to the provisions of the "Casino Control
48 Act," P.L.1977, c.110 (C.5:12-1 et seq.) governing the contracts
49 of a casino licensee but permits those contracts to provide for
50 the payment of a percentage of the casino licensee's share of the
51 parimutuel pool wagered at a simulcasting facility to be paid to
52 the casino service industry. (With a few exceptions, at present
53 contracts for the payment of a percentage of money gambled at a
54 casino are unlawful.)

1 The bill also removes the present requirement that employees
2 engaged directly in simulcast wagering-related activities in a
3 simulcasting facility in a casino must be employees of the casino
4 but makes clear that those employees, whether employed by the
5 casino or by a person or entity conducting casino simulcasting in
6 the simulcasting facility under an agreement with the casino,
7 must be licensed as casino employees or casino key employees, as
8 appropriate. The bill specifies that if a casino enters into an
9 agreement with a person or entity to conduct casino simulcasting
10 in its simulcasting facility, the agreement shall include the
11 present requirement applicable to casinos that whenever any
12 comparable position becomes available in any casino simulcasting
13 facility, first preference in employment shall be given to Atlantic
14 City Racetrack employees who on or after the effective date of
15 the "Casino Simulcasting Act," P.L.1992, c.19, (June 12, 1992)
16 lose employment with the racetrack as a direct result of the
17 implementation of casino simulcasting and who have been
18 licensed by the New Jersey Racing Commission for five
19 consecutive years immediately preceding the loss of employment,
20 provided that the employee is appropriately licensed or registered.

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25 Establishes conditions governing contracts between casino
26 licensees and casino service industries providing services in
27 connection with casino simulcasting; makes certain changes
28 regarding employees at casino simulcasting facilities.

ASSEMBLY FINANCIAL INSTITUTIONS COMMITTEE

STATEMENT TO

ASSEMBLY, No. 2126

with committee amendments

STATE OF NEW JERSEY

DATED: JANUARY 14, 1993

The Assembly Financial Institutions Committee favorably reports, with committee amendments, Assembly, No. 2126.

This bill requires the following contracts of a casino licensee to be in writing and to be filed with the Casino Control Commission: (1) contracts between a casino licensee and a casino service industry which operates as a "hub" facility for the transmission of pictures of horse races at race tracks to simulcasting facilities in casinos or the transmission of parimutuel wagering at simulcasting facilities in casinos to race tracks, and (2) contracts between a casino licensee and a casino service industry which conducts casino simulcasting in a simulcasting facility in a casino under an agreement with the casino licensee. The bill also makes those contracts subject to the provisions of the "Casino Control Act," P.L.1977, c.110 (C.5:12-1 et seq.) governing the contracts of a casino licensee but permits those contracts to provide for the payment of a percentage of the casino licensee's share of the parimutuel pool wagered at a simulcasting facility to be paid to the casino service industry. (With a few exceptions, at present contracts for the payment of a percentage of money gambled at a casino are unlawful.)

The bill also removes the present requirement that employees engaged directly in simulcast wagering-related activities in a simulcasting facility in a casino must be employees of the casino but makes clear that those employees, whether employed by the casino or by a person or entity conducting casino simulcasting in the simulcasting facility under an agreement with the casino, must be licensed as casino employees or casino key employees, as appropriate. The bill specifies that if a casino enters into an agreement with a person or entity to conduct casino simulcasting in its simulcasting facility, the agreement shall include the present requirement applicable to casinos that any Atlantic City Racetrack employee who on or after June 12, 1992 (the effective date of the "Casino Simulcasting Act," P.L.1992, c.19), loses employment with that racetrack as a direct result of the implementation of casino simulcasting and who has been licensed by the New Jersey Racing Commission for five consecutive years immediately preceding the loss of employment is to be given first preference for employment whenever any comparable position becomes available in any casino simulcasting facility, provided also that the person is licensed under the "Casino Control Act," P.L.1977, c.110 (C.5:12-1 et seq.).

The amendments to the bill clarify that: the agreements between a casino licensee and a in-State or out-of-State sending track or between a casino licensee and a casino service industry licensed as a hub facility are those agreements relating to simulcast racing and wagering and require that the terms of such agreements be expressly approved by the Casino Control Commission and the

New Jersey Racing Commission to be lawful and effective; and the agreements between a casino licensee and a casino service industry licensed to conduct casino simulcasting in a simulcasting facility are those agreements relating to simulcast racing and wagering and require that the terms of such agreements be expressly approved by the Casino Control Commission.

In addition the amendments provide the Casino Control Commission with the authority to permit and regulate operating agreements between a casino licensee and a casino service industry licensed to provide management for a simulcast wagering area that provide for the payment to the managing party of an interest, percentage or share of the money derived from the casino licensee's share of proceeds from simulcast wagering activity.

SENATE JUDICIARY COMMITTEE

STATEMENT TO

ASSEMBLY, No. 2126

with Senate committee amendments

STATE OF NEW JERSEY

DATED: FEBRUARY 18, 1993

The Senate Judiciary Committee reports favorably and with committee amendments Assembly Bill No. 2126.

The bill is intended to facilitate contracts between casinos and other entities with regard to the operation of simulcasting facilities. This bill would require that the following contracts of a casino licensee to be in writing and to be filed with the Casino Control Commission: (1) contracts between a casino licensee and a casino service industry which operates as a "hub" facility for the transmission of pictures of horse races at race tracks to simulcasting facilities in casinos or the transmission of parimutuel wagering at simulcasting facilities in casinos to race tracks, and (2) contracts between a casino licensee and a casino service industry which conducts casino simulcasting in a simulcasting facility in a casino under an agreement with the casino licensee. The bill also makes those contracts subject to the provision of the "Casino Control Act," P.L.1977, c.110 (C.5:12-1 et seq.) governing the contracts of a casino licensee but permits those contracts to provide for the payment of a percentage of the casino licensee's share of the parimutuel pool wagered at a simulcasting facility to be paid to the casino service industry. (With a few exceptions, at present contracts for the payment of a percentage of money gambled at a casino are unlawful.)

The bills also remove the present requirement that employees engaged directly in simulcast wagering-related activities in a simulcasting facility in a casino must be employees of the casino but makes clear that those employees, whether employed by the casino or by a person or entity conducting casino simulcasting in the simulcasting facility under an agreement with the casino, must be licensed as casino employees or casino key employees, as appropriate. The bills specify that if a casino enters into an agreement with a person or entity to conduct casino simulcasting in its simulcasting facility, the agreement shall include the present requirement applicable to casinos that any Atlantic City Racetrack employee who on or after June 12, 1992 (the effective date of the "Casino Simulcasting Act," P.L.1992, c.19), loses employment with that racetrack as a direct result of the implementation of casino simulcasting and who has been licensed by the New Jersey Racing Commission for five consecutive years immediately preceding the loss of employment is to be given first preference for employment whenever any comparable position becomes available in any casino simulcasting facility, provided also that the person is licensed under the "Casino Control Act." P.L.1977, c.1110 (C. 5:12-1 et seq.).

The committee amended the wording of section 3 of the bill to insure that the Casino Control Commission has the power when appropriate to license any employee of an entity operating a simulcasting facility.

These amendments make this bill identical to Senate Bill No. 1413 (1R).