

5:12-12 and 5:12-92

LEGISLATIVE HISTORY CHECKLIST

(Slot machines-permit  
manufacture and sale)

NJSA 5:12-12 and 5:12-92

LAWS 1982 CHAPTER 57

Bill No. A632

Sponsor(s) Pellicchia and Girgenti

Date Introduced Feb. 1, 1982

Committee: Assembly Independent Authorities and Commissions

Senate Judiciary

Amended during passage Yes ~~No~~ Amendments during passage denoted by asterisks

Date of Passage: Assembly March 1, 1982

Senate May 20, 1982

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Following statements are attached if available:

Sponsor statement Yes ~~No~~

Committee Statement: Assembly Yes ~~No~~

Senate Yes ~~No~~

Fiscal Note ~~Yes~~ No

Veto Message ~~Yes~~ No

Message on signing ~~Yes~~ No

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Reports ~~Yes~~ No

Hearings ~~Yes~~ No

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ASSEMBLY, No. 632

STATE OF NEW JERSEY

INTRODUCED FEBRUARY 1, 1982

By Assemblymen PELLECCCHIA and GIRGENTI

Referred to Committee on Independent Authorities and Commissions

AN ACT concerning \***[the sale and manufacture of]**\* slot machines\***[,]**\* *and*\* amending \*\***[N. J. S. 2C:37-7 and]**\*\* \***[supplementing the "Casino Control Act" (]**\* P. L. 1977, c. 110\***[; C. 5:12-1 et seq.)]**\*.

1 BE IT ENACTED *by the Senate and General Assembly of the State*  
2 *of New Jersey:*

1 \*\***[1. N. J. S. 2C:37-7 is amended to read as follows:**

2 2C:37-7. Possession of a Gambling Device. *a.* A person except  
3 a player is guilty of possession of a gambling device when, with  
4 knowledge of the character thereof, he manufactures, sells, trans-  
5 ports, places or possesses, or conducts or negotiates any transaction  
6 affecting or designed to affect ownership, custody or use of:

7 **[a.]** (1) A slot machine; or

8 **[b.]** (2) Any other gambling device, believing that the same is  
9 to be used in the advancement of unlawful gambling activity.

10 *b.* Possession of a gambling device other than under such cir-  
11 cumstances as would constitute a violation of section 116 of **[the**  
12 "Casino Control Act" (**]** P. L. 1977, c. 110**[; C. 5:12-1 et seq.)]**  
13 (*C. 5:12-116*) is a disorderly persons offense.

14 *c.* (1) **[; provided, however, that possession]** *Possession* of not  
15 more than one gambling device other than a slot machine for social  
16 use within the home shall not be an offense under this section**[;**  
17 and provided further, however that possession**]**.

18 (2) *Possession* of one or more antique slot machines shall not  
19 be an offense under this section or under section 116 of **[the "Casino**  
20 Control Act" (**]** P. L. 1977, c. 110**[; C. 5:12-1 et seq.)]** (*C. 5:12-116*).

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 printed in italics *thus* is new matter.

Matter enclosed in asterisks or stars has been adopted as follows:

\*—Assembly committee amendments adopted February 25, 1982.

\*\*—Senate committee amendments adopted March 29, 1982.

21 As used in this [section] subsection, "antique slot machine" means  
 22 a slot machine which [was manufactured prior to 1941] is 30 years  
 23 old or older. Nothing herein contained shall be construed to au-  
 24 thorize the use of an antique slot machine for any unlawful purpose  
 25 or for gaming.】\*\*

26 \*[(3) Nothing contained in subsection a. shall be construed to  
 27 prohibit the manufacture, sale or transport of slot machines or any  
 28 possession incident thereto, to persons authorized to possess slot  
 29 machines under the provisions of the "Casino Control Act" (P. L.  
 30 1977, c. 110; C. 5:12-1 et seq.) or authorized to possess slot ma-  
 31 chines by the laws of another state or foreign country.]\*

1 \*[(2. (New section) The commission is authorized to adopt, amend  
 2 or repeal regulations and standards as it may deem necessary or  
 3 desirable to govern the manufacture, sale or transportation of slot  
 4 machines within the State.]\*

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

3 12. "Casino Service Industry"—Any form of enterprise which  
 4 provides casinos with goods or services on a regular or continuing  
 5 basis, including, without limitation, security businesses, gaming  
 6 schools, manufacturers, distributors and servicers of gaming de-  
 7 vices or equipment, garbage haulers, maintenance companies, food  
 8 purveyors, or any other enterprise which does business with  
 9 licensed casinos on a regular or continuing basis. *Notwithstanding*  
 10 *the foregoing, any form of enterprise engaged in the manufacture,*  
 11 *sale, distribution or repair of slot machines within New Jersey,*  
 12 *other than antique slot machines as defined in N. J. S. 2C:37-7,*  
 13 *shall be considered a casino service industry for the purposes of*  
 14 *this act regardless of the nature of its business relationship, if any,*  
 15 *with licensed casinos in this State.*

1 \*\*[(3.)\*\* \*2.\*\* Section 92 of P. L. 1977, c. 110 (C. 5:12-92) is  
 2 amended to read as follows:

3 92. Licensing and Registration of Casino Service Industries.

4 a. (1) All casino service industries offering goods or services  
 5 [on a regular basis] which directly relate to casino or gaming  
 6 activity, including gaming equipment manufacturers, suppliers  
 7 and repairers, schools teaching gaming and either playing or deal-  
 8 ing techniques, and casino security services, shall be licensed in  
 9 accordance with the provisions of this act prior to conducting any  
 10 business whatsoever with a casino licensee, its employees or agents,  
 11 and in the case of a school, prior to enrollment of any students or  
 12 offering of any courses to the public whether for compensation or  
 13 not; provided however, that upon a showing of good cause by a

14 casino licensee for each business transaction, the commission may  
15 permit an applicant for a casino service industry license to conduct  
16 business transactions with such casino licensee prior to the licensure  
17 of that applicant under this subsection.

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

35 b. Each casino service industry in subsection a. of this section,  
36 as well as its owners, management and supervisory personnel and  
37 other principal employees must qualify under the standards, except  
38 residency, established for qualification of a casino key employee  
39 under this act. In addition, if the business or enterprise is a school  
40 teaching gaming and either playing or dealing techniques, each  
41 resident director, instructor, principal employee, and sales repre-  
42 sentative employed thereby shall be licensed under the standards  
43 established for qualification of a casino employee under this act;  
44 provided, however, that nothing in this subsection shall be deemed  
45 to require, in the case of a public school district or a public insti-  
46 tution of higher education, the licensure or qualification of any  
47 individuals except those instructors and other principal employees  
48 responsible for the teaching of playing or dealing techniques. The  
49 commission, in its discretion, may issue a temporary license to an  
50 applicant for an instructor's license upon a finding that the appli-  
51 cant meets the educational and experiential requirements for such  
52 license, that the issuance of a permanent license will be restricted  
53 by necessary investigations, and that temporary licensing is nec-  
54 essary for the operation of the gaming school. Unless otherwise  
55 terminated pursuant to this act, a temporary license issued pur-  
56 suant to this subsection shall expire 6 months from the date of its

57 issuance and be renewable, at the discretion of the commission,  
58 for one additional 6-month period.

59 c. All casino service industries not included in subsection a. of  
60 this section shall be licensed in accordance with rules of the com-  
61 mission prior to commencement or continuation of any business  
62 with a casino license or its agents. Such casino service industries,  
63 whether or not directly related to gaming operations, shall include  
64 suppliers of alcoholic beverages, food and nonalcoholic beverages;  
65 garbage handlers; vending machine providers; linen suppliers;  
66 maintenance companies; shopkeepers located within the approved  
67 hotel; and limousine services contracting with casino licensees. The  
68 commission may exempt any person or field of commerce from the  
69 licensing requirements of this subsection if the person or field  
70 of commerce demonstrates (1) that it is regulated by a public  
71 agency or that it will provide goods or services in insubstantial  
72 or insignificant amounts or quantities, and (2) that licensing is  
73 not deemed necessary in order to protect the public interest or to  
74 accomplish the policies established by this act. Upon granting an  
75 exemption or at any time thereafter, the commission may limit  
76 or place such restrictions thereupon as it may deem necessary in  
77 the public interest, and shall require the exempted person to co-  
78 operate with the commission and the division and, upon request, to  
79 provide information in the same manner as required of a casino  
80 service industry licensed pursuant to this subsection provided,  
81 however, that no exemption shall be granted unless the casino ser-  
82 vice industry complies with the requirements of sections 134 and  
83 135 of this act.

84 d. Licensure pursuant to subsection c. of this section of any  
85 casino service industry may be denied to any applicant disqualified  
86 in accordance with the criteria contained in section 86 of this act.\*

1 \***[3.]**\* \*\***[\*4.\*]**\*\* \*\*3.\*\* This act shall take effect immediately.

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26 (3) *Nothing contained in subsection a. shall be construed to pro-*  
27 *hibit the manufacture, sale or transport of slot machines or any*  
28 *possession incident thereto, to persons authorized to possess slot*  
29 *machines under the provisions of the "Casino Control Act" (P. L.*  
30 *1977, c. 110; C. 5:12-1 et seq.) or authorized to possess slot ma-*  
31 *chines by the laws of another state or foreign country.*

1 2. (New section) The commission is authorized to adopt, amend  
2 or repeal regulations and standards as it may deem necessary or  
3 desirable to govern the manufacture, sale or transportation of slot  
4 machines within the State.

1 3. This act shall take effect immediately.

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#### STATEMENT

Presently, it is illegal in New Jersey to manufacture or sell slot machines. The purpose of this bill is to permit the manufacture and sale of slot machines to persons legally authorized to possess slot machines. The bill also authorizes the Casino Control Commission to promulgate any regulations it deems necessary to govern the manufacture and sale of slot machines in New Jersey. Moreover, the definition of "antique slot machine" is changed to mean any slot machine 30 years old or older rather than one manufactured prior to 1941.

A632(1982)

ASSEMBLY INDEPENDENT AUTHORITIES AND  
COMMISSIONS COMMITTEE

STATEMENT TO

**ASSEMBLY, No. 632**

with Assembly committee amendments

**STATE OF NEW JERSEY**

DATED: FEBRUARY 23, 1982

This bill clarifies the circumstances under which slot machines may be manufactured and sold in New Jersey. As amended, it classifies any form of enterprise engaged in the manufacture, sale, distribution, or repair of slot machines in New Jersey (other than antique slot machines) as a casino service industry, whether the slot machines are sold to casinos in Atlantic City or outside the State. As a casino service industry, such an enterprise would fall under the jurisdiction of the Casino Control Commission and could operate only after being licensed by the commission.

At present, under Title 2C of the New Jersey Statutes (the Criminal Justice Code), the manufacture and sale of slot machines in New Jersey is illegal. However, Title 2C also exempts from the prohibitions of the criminal code any gambling activity authorized by the "Casino Control Act." As interpreted by the Casino Control Commission, the "Casino Control Act" authorizes the commission to permit the manufacture and sale of slot machines in New Jersey, both for sale to casinos in Atlantic City and to casinos outside the State. The commission's authority, however, especially with respect to sale outside the State, is more implicit than explicit. This bill removes any ambiguity or doubt about the commission's authority.

The bill also changes the definition of "antique slot machine" to mean any slot machine 30 years old or older, rather than any slot machine manufactured prior to 1941.

This bill is a reintroduction of Assembly Bill No. 3151 of 1981, which passed both Houses of the Legislature but was pocket-vetoed by Governor Byrne.

COMMITTEE AMENDMENTS

As originally drafted, this bill amended Title 2C to legalize the manufacture, sale, and transportation of slot machines in New Jersey to persons authorized to possess them under the "Casino Control Act" or under the laws of another State or country. The original bill also

supplemented the "Casino Control Act" to give the Casino Control Commission the authority to regulate the manufacture, sale, or transportation of slot machines in the State.

On the recommendation of the Casino Control Commission and with the concurrence of the sponsor, the committee amended the bill to clarify the role of the commission and establish standards for the implementation of the provisions of the bill. The position of the commission is that, rather than amending the New Jersey Criminal Code to legalize the manufacture, sale, or transportation of slot machines in New Jersey, it is more appropriate to amend the "Casino Control Act" to define specifically as a casino service industry any enterprise engaged in such activities and thus to exempt the enterprise from the prohibitions of Title 2C.

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SENATE JUDICIARY COMMITTEE

STATEMENT TO

**ASSEMBLY, No. 632**

with Senate committee amendments

**STATE OF NEW JERSEY**

DATED: MARCH 25, 1982

This bill clarifies the circumstances under which slot machines may be manufactured and sold in New Jersey. It classifies any form of enterprise engaged in the manufacture, sale, distribution, or repair of slot machines in New Jersey (other than antique slot machines) as a casino service industry, whether the slot machines are sold to casinos in Atlantic City or outside the State. As a casino service industry, such an enterprise would fall under the jurisdiction of the Casino Control Commission and could operate only after being licensed by the commission.

At present, under Title 2C of the New Jersey Statutes (the Criminal Justice Code), the manufacture and sale of slot machines in New Jersey is illegal. However, Title 2C also exempts from the prohibitions of the criminal code any gambling activity authorized by the "Casino Control Act." As interpreted by the Casino Control Commission, the "Casino Control Act" authorizes the commission to permit the manufacture and sale of slot machines in New Jersey, both for sale to casinos in Atlantic City and to casinos outside the State. The commission's authority, however, especially with respect to sale outside the State, is more implicit than explicit. This bill removes any ambiguity or doubt about the commission's authority.

By amendment, the committee deleted a section of Assembly Bill No. 632 which would have changed the definition of "antique slot machine" from any slot machine manufactured prior to 1941 to any slot machine 30 or more years old. It was felt that this change would have unduly broadened the definition of "antique slot machine" and create difficulties in enforcement.