

SENATE, No. 12

STATE OF NEW JERSEY 214th LEGISLATURE

INTRODUCED NOVEMBER 15, 2010

Sponsored by:

Senator JIM WHELAN

District 2 (Atlantic)

Senator RAYMOND J. LESNIAK

District 20 (Union)

SYNOPSIS

Revises various aspects of casino industry regulation.

CURRENT VERSION OF TEXT

As introduced.



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

4
5 **BE IT ENACTED** *by the Senate and General Assembly of the State of New*
6 *Jersey:*

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

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

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

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

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

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

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

35 (4) Legalized casino gaming has been approved by the citizens of New
36 Jersey as a unique tool of urban redevelopment for Atlantic City. In this
37 regard, the introduction of a limited number of casino rooms in major hotel
38 convention complexes, permitted as an additional element in the hospitality
39 industry of Atlantic City, will facilitate the redevelopment of existing
40 blighted areas and the refurbishing and expansion of existing hotel,
41 convention, tourist, and entertainment facilities; encourage the replacement
42 of lost hospitality-oriented facilities; provide for judicious use of open
43 space for leisure time and recreational activities; and attract new investment
44 capital to New Jersey in general and to Atlantic City in particular.

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

Matter underlined thus is new matter.

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

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

19 (7) Legalized casino gaming in New Jersey can attain, maintain and
20 retain integrity, public confidence and trust, and remain compatible with
21 the general public interest only under such a system of control and
22 regulation as insures, so far as practicable, the exclusion from participation
23 therein of persons with known criminal records, habits or associations, and
24 the exclusion or removal from any positions of authority or responsibility
25 within casino gaming operations and establishments of any persons known
26 to be so deficient in business probity, either generally or with specific
27 reference to gaming, as to create or enhance the dangers of unsound, unfair
28 or illegal practices, methods and activities in the conduct of gaming or the
29 carrying on of the business and financial arrangements incident thereto.

30 (8) Since the public has a vital interest in casino operations in Atlantic
31 City and has established an exception to the general policy of the State
32 concerning gaming for private gain, participation in casino operations as a
33 licensee or registrant under this act shall be deemed a revocable privilege
34 conditioned upon the proper and continued qualification of the individual
35 licensee or registrant and upon the discharge of the affirmative
36 responsibility of each such licensee or registrant to provide to the
37 regulatory and investigatory authorities established by this act any
38 assistance and information necessary to assure that the policies declared by
39 this act are achieved. Consistent with this policy, it is the intent of this act
40 to preclude the creation of any property right in any license, registration,
41 certificate or reservation permitted by this act, the accrual of any value to
42 the privilege of participation in gaming operations, or the transfer of any
43 license, registration, certificate, or reservation, and to require that
44 participation in gaming be solely conditioned upon the individual
45 qualifications of the person seeking such privilege.

46 (9) Since casino operations are especially sensitive and in need of public
47 control and supervision, and since it is vital to the interests of the State to
48 prevent entry, directly or indirectly, into such operations or the ancillary

1 industries regulated by this act of persons who have pursued economic
2 gains in an occupational manner or context which are in violation of the
3 criminal or civil public policies of this State, the regulatory and
4 investigatory powers and duties shall be exercised to the fullest extent
5 consistent with law to avoid entry of such persons into the casino
6 operations or the ancillary industries regulated by this act.

7 (10) (Deleted by amendment, P.L.1995, c.18.)

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

13 (12) Since the economic stability of casino operations is in the public
14 interest and competition in the casino operations in Atlantic City is
15 desirable and necessary to assure the residents of Atlantic City and of this
16 State and other visitors to Atlantic City varied attractions and exceptional
17 facilities, the regulatory and investigatory powers and duties conferred by
18 this act shall include the power and duty to regulate, control and prevent
19 economic concentration in the casino operations and the ancillary industries
20 regulated by this act, and to encourage and preserve competition.

21 (13) It is in the public interest that the institution of licensed casino
22 establishments in New Jersey be strictly regulated and controlled pursuant
23 to the above findings and pursuant to the provisions of this act, which
24 provisions are designed to engender and maintain public confidence and
25 trust in the regulation of the licensed enterprises, to provide an effective
26 method of rebuilding and redeveloping existing facilities and of
27 encouraging new capital investment in Atlantic City, and to provide a
28 meaningful and permanent contribution to the economic viability of the
29 resort, convention, and tourist industry of New Jersey.

30 (14) Confidence in casino gaming operations is eroded to the extent the
31 State of New Jersey does not provide a regulatory framework for casino
32 gaming that permits and promotes stability and continuity in casino gaming
33 operations.

34 (15) Continuity and stability in casino gaming operations cannot be
35 achieved at the risk of permitting persons with unacceptable backgrounds
36 and records of behavior to control casino gaming operations contrary to the
37 vital law enforcement interest of the State.

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

45 (17) A system whereby the suspension or revocation of casino
46 operations under certain appropriate circumstances causes the imposition of
47 a conservatorship upon the suspended or revoked casino operation serves

1 both the economic and law enforcement interests involved in casino gaming
2 operations.

3 (18) As recognized in the July 2010 Report of the Governor's Advisory
4 Commission on New Jersey Gaming, Sports, and Entertainment, and as
5 confirmed in subsequent legislative hearings held throughout the State,
6 legalized casino gaming in New Jersey presently stands at a crossroads,
7 facing critical challenges that jeopardize its important role in the State
8 economy, and it is in the public interest to modernize and streamline the
9 current outdated casino regulatory structure in order to achieve efficiencies
10 and cost savings that are more appropriately directed to marketing and
11 infrastructure improvement efforts while, at the same time, maintaining
12 strict integrity in the regulation of casino operations.

13 (19) The ability of the legalized casino gaming industry in New Jersey
14 to compete in an ever-expanding national gaming market requires a
15 regulatory system that is sufficiently flexible to encourage persons and
16 entities holding casino gaming licenses outside of New Jersey to participate
17 in casino gaming in Atlantic City, to allow licensees to take full and timely
18 advantage of advancements in technology, particularly in information
19 technology, and business management, and to encourage the efficient
20 utilization of resources between and among affiliated New Jersey licensees
21 operating casinos located in Atlantic City and between and among a New
22 Jersey affiliate and its licensed affiliates in other jurisdictions.

23 (cf: P.L.1995, c.18, s.1)

24

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

27 2. As used in this act, the words and terms have the meanings ascribed
28 to them in **[sections 3 through 48 of this act]** P.L.1977, c.110 (C.5:12-1 et
29 seq.), unless a different meaning clearly appears in the context.

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

31

32 3. Section 3 of P.L.1995, c.18 (C.5:12-2.2) is amended to read as
33 follows:

34 3. "Annuity jackpot guarantee" -- A financial arrangement established
35 in accordance with the rules of the **[commission]** division to assure that all
36 payments that are due to the winner of an annuity jackpot are actually paid
37 when due regardless of the future financial stability of the slot system
38 operator that is responsible for making such payments.

39 (cf: P.L.2005, c.46, s.2)

40

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

43 5. "Authorized Game" or "Authorized Gambling Game"-- Roulette,
44 baccarat, blackjack, craps, big six wheel, slot machines, minibaccarat, red
45 dog, pai gow, and sic bo; any variations or composites of such games,
46 provided that such variations or composites are found by the **[commission]**
47 division suitable for use after an appropriate test or experimental period
48 under such terms and conditions as the **[commission]** division may deem

1 appropriate; and any other game which is determined by the **【commission】**
2 division to be compatible with the public interest and to be suitable for
3 casino use after such appropriate test or experimental period as the
4 **【commission】** division may deem appropriate. "Authorized game" or
5 "authorized gambling game" includes gaming tournaments in which players
6 compete against one another in one or more of the games authorized herein
7 or by the **【commission】** division or in approved variations or composites
8 thereof if the tournaments are authorized by the **【commission】** division.
9 (cf: P.L.1993, c.292, s.1)

10

11 5. Section 2 of P.L.2002, c.65 (C.5:12-5.2) is amended to read as
12 follows:

13 2. "Cash equivalent value" The monetary value that a casino licensee
14 shall assign to a jackpot or payout that consists of merchandise or any thing
15 of value other than cash, tokens, chips or plaques. The **【commission】**
16 division shall promulgate rules defining "cash equivalent value" in order to
17 assure fairness, uniformity and comparability of valuation of jackpots and
18 payoffs that include merchandise or any thing of value.
19 (cf: P.L.2002, c.65, s.2)

20

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

23 6. "Casino" or "casino room" or "licensed casino" -- One or more
24 locations or rooms in a casino hotel facility that have been approved by the
25 **【commission】** division for the conduct of casino gaming in accordance
26 with the provisions of this act. "Casino " or "casino room" or "licensed
27 casino" shall not include any casino simulcasting facility authorized
28 pursuant to the "Casino Simulcasting Act," P.L.1992, c.19 (C.5:12-191 et
29 seq.).
30 (cf: P.L.1996, c.84, s.1)

31

32 7. (New section) "Casino bankroll" – Cash maintained in the casino,
33 excluding any funds necessary for the normal operation of the casino, such
34 as change banks, slot hopper fills, slot booths, cashier imprest funds and
35 redemption area funds.

36

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

39 7. "Casino Employee"--Any natural person, not otherwise included in
40 the definition of casino key employee, who is employed by a casino
41 licensee, or a holding or intermediary company of a casino licensee, and is
42 involved in the operation of a licensed casino or a simulcasting facility or
43 performs services or duties in a casino, simulcasting facility or a restricted
44 casino area, including, without limitation, boxmen; dealers or croupiers;
45 floormen; machine mechanics; casino security employees; count room
46 personnel; cage personnel; slot machine and slot booth personnel;
47 collection personnel; casino surveillance personnel; simulcasting facility

1 personnel involved in wagering-related activities in a simulcasting facility;
2 **[and]** data processing personnel; and information technology employees;
3 or any other natural person whose employment duties predominantly
4 involve the maintenance or operation of gaming activity or equipment and
5 assets associated therewith or who, in the judgment of the commission, is
6 so regularly required to work in a restricted casino area that **[licensure]**
7 registration as a casino employee is appropriate.

8 (cf: P.L.1992, c.19, s.23)

9

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

12 9. "Casino Key Employee"--Any natural person employed **[in the**
13 **operation of]** by a casino licensee or holding or intermediary company of a
14 casino licensee, and involved in the operation of a licensed casino or a
15 simulcasting facility in a supervisory capacity or empowered to make
16 discretionary decisions which regulate casino or simulcasting facility
17 operations, including, without limitation, pit bosses; shift bosses; credit
18 executives; casino cashier supervisors; casino or simulcasting facility
19 managers and **[assistant managers]** managers and supervisors of
20 information technology employees; junket supervisors; marketing directors;
21 and managers or supervisors of casino security employees; or any other
22 natural person empowered to make discretionary decisions which regulate
23 the management of an approved hotel, including, without limitation, hotel
24 managers; entertainment directors; and food and beverage directors; or any
25 other employee so designated by the Casino Control Commission for
26 reasons consistent with the policies of this act.

27 (cf: P.L.1992, c.19, s.24)

28

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

31 12. "Casino Service Industry Enterprise" -- Any vendor **[which]**
32 offering goods or services which directly relate to casino or gaming
33 activity, including gaming equipment and simulcast wagering equipment
34 manufacturers, suppliers, repairers and independent testing laboratories,
35 junket enterprises and junket representatives, that provides casino
36 applicants or licensees with goods or services **[regarding the realty,**
37 construction, maintenance, or business of a proposed or existing casino
38 hotel or related facility or which purchases goods or services from, or
39 which does any other business with, casino applicants or licensees on a
40 regular or continuing basis, including, without limitation, junket
41 enterprises, security businesses, gaming schools, manufacturers,
42 distributors and servicers of gaming and casino simulcasting devices or
43 equipment, in-State and out-of-State sending tracks as defined in section 2
44 of the "Casino Simulcasting Act," P.L.1992, c.19 (C.5:12-192), garbage
45 haulers, maintenance companies, food purveyors, and construction
46 companies**]**. Notwithstanding the foregoing, any form of enterprise
47 engaged in the manufacture, sale, distribution, testing or repair of slot

1 machines within New Jersey, other than antique slot machines as defined in
2 N.J.S.2C:37-7, shall be considered a casino service industry enterprise for
3 the purposes of this act regardless of the nature of its business relationship,
4 if any, with casino applicants and licensees in this State.

5 For the purposes of this section, "casino applicant" includes any person
6 required to hold a casino license pursuant to section 82 of P.L.1977, c.110
7 (C.5:12-82) who has applied to the **[commission]** division for a casino
8 license or any approval required under P.L.1977, c.110 (C.5:12-1 et seq.).
9 (cf: P.L.2009, c.36, s.1)

10

11 11. (New section) "Corporate Officer" – The chief executive officer,
12 chief financial officer, chief operating officer, chief information officer and
13 chief legal officer of a corporation, or their equivalents in any
14 unincorporated entity.

15

16 12. Section 2 of P.L.1983, c.41 (C.5:12-14a) is amended to read as
17 follows:

18 2. "Complimentary service or item" - A service or item provided at no
19 cost or at a reduced price. The furnishing of a complimentary service or
20 item by a casino licensee shall be deemed to constitute the indirect
21 payment for the service or item by the casino licensee, and shall be valued
22 in an amount based upon the retail price normally charged by the casino
23 licensee for the service or item. The value of a complimentary service or
24 item not normally offered for sale by a casino licensee or provided by a
25 third party on behalf of a casino licensee shall be the cost to the casino
26 licensee of providing the service or item, as determined in accordance with
27 the rules of the **[commission]** division.

28 (cf: P.L.1983, c.41, s.2)

29

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

32 20. "Family" - Spouse, domestic partner, partner in a civil union,
33 parents, grandparents, children, grandchildren, siblings, uncles, aunts,
34 nephews, nieces, fathers-in-law, mothers-in-law, daughters-in-law, sons-in-
35 law, brothers-in-law and sisters-in-law, whether by the whole or half blood,
36 by marriage, adoption or natural relationship.

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

38

39 14. Section 24 of P.L.1977, c.110 (C.5:12-24) is amended to read as
40 follows:

41 24. "Gross Revenue" - The total of all sums actually received by a
42 casino licensee from gaming operations, less only the total of all sums
43 actually paid out as winnings to patrons; provided, however, that the cash
44 equivalent value of any merchandise or thing of value included in a jackpot
45 or payout shall not be included in the total of all sums paid out as winnings
46 to patrons for purposes of determining gross revenue. Non-cashable credits
47 in any form, including coupons, electronic credits and vouchers, shall not
48 be considered sums actually received by a casino licensee from gaming

1 operations for purposes of determining gross revenue. "Gross Revenue"
2 shall not include any amount received by a casino from casino simulcasting
3 pursuant to the "Casino Simulcasting Act," P.L.1992, c.19 (C.5:12-191 et
4 al.).

5 (cf: P.L.2009, c.36, s.2)

6
7 15. Section 25 of P.L.1977, c.110 (C.5:12-25) is amended to read as
8 follows:

9 25. "Hearing examiner" - **[A]** The director, a commissioner or other
10 person authorized by the director or the commission to conduct hearings.

11 (cf: P.L.1977, c.110, s.25)

12

13 16. Section 11 of P.L.1991, c.182 (C.5:12-27.1) is amended to read as
14 follows:

15 11. "Institutional investor" - Any retirement fund administered by a
16 public agency for the exclusive benefit of federal, State, or local public
17 employees; investment company registered under the Investment Company
18 Act of 1940 (15 U.S.C. s.80a-1 et seq.); collective investment trust
19 organized by banks under Part Nine of the Rules of the Comptroller of the
20 Currency; closed end investment trust; chartered or licensed life insurance
21 company or property and casualty insurance company; banking and other
22 chartered or licensed lending institution; investment advisor registered
23 under The Investment Advisors Act of 1940 (15 U.S.C. s.80b-1 et seq.);
24 and such other persons as the **[commission]** division may determine for
25 reasons consistent with the policies of the "Casino Control Act," P.L.1977,
26 c.110 (C.5:12-1 et seq.).

27 (cf: P.L.1991, c.182, s.11)

28

29 17. (New section) "Multi-casino employee" – Any registered casino
30 employee or licensed casino key employee who, upon the petition of two or
31 more affiliated casino licensees, is endorsed by the commission or division,
32 as applicable, to perform any compatible functions for any of the
33 petitioning casino licensees.

34

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

37 35. "Operation certificate" - A certificate issued by the **[commission]**
38 division which certifies that operation of a casino and, if applicable, a
39 simulcasting facility conforms to the requirements of this act and applicable
40 regulations and that its personnel and procedures are efficient and prepared
41 to entertain the public.

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

43

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

46 36. "Party" --The **[commission, the]** division, or any licensee,
47 registrant, or applicant, or any person appearing of record for any licensee,
48 registrant, or applicant in any proceeding before the division or the

1 commission or in any proceeding for judicial review of any action, decision
2 or order of the division or commission.

3 (cf: P.L.2002, c.65, s.7)

4

5 20. Section 1 of P.L.2008, c.12 (C.5:12-38a) is amended to read as
6 follows:

7 1. "Promotional gaming credit" - A slot machine credit or other item
8 approved by the **【commission】** division that is issued by a licensee to a
9 patron for the purpose of enabling the placement of a wager at a slot
10 machine in the licensee's casino. No such credit shall be reported as a
11 promotional gaming credit unless the casino licensee can establish that the
12 credit was issued by the casino licensee and received from a patron as a
13 wager at a slot machine in the licensee's casino.

14 (cf: P.L.2008, c.12, s.1)

15

16 21. Section 39 of P.L.1977, c.110 (C.5:12-39) is amended to read as
17 follows:

18 39. "Publicly traded corporation" --Any corporation or other legal
19 entity, except a natural person, which:

20 a. Has one or more classes of security registered pursuant to section 12
21 of the Securities Exchange Act of 1934, as amended (15 U.S.C. s. 78l.), or

22 b. Is an issuer subject to section 15(d) of the Securities Exchange Act of
23 1934, as amended (15 U.S.C. s. 78o.), or

24 c. Has one or more classes of securities traded in any open market in
25 any foreign jurisdiction or regulated pursuant to a statute of any foreign
26 jurisdiction which the **【commission】** division determines to be substantially
27 similar to either or both of the aforementioned statutes.

28 (cf: P.L.1992, c.9, s.7)

29

30 22. Section 3 of P.L.1987, c.353 (C.5:12-43.1) is amended to read as
31 follows:

32 3. "Restricted Casino Areas"--The cashier's cage, the soft count room,
33 the hard count room, the slot cage booths and runway areas, the interior of
34 table game pits, the surveillance room and catwalk areas, the slot machine
35 repair room and any other area specifically designated by the
36 **【commission】** division as restricted in a licensee's operation certificate.

37 (cf: P.L.1987, c.353, s.3)

38

39 23. Section 4 of P.L.2004, c.184 (C.5:12-45.1) is amended to read as
40 follows:

41 4. "Slot system agreement" - A written agreement governing the
42 operation and administration of a multi-casino progressive slot machine
43 system that is approved by the **【commission】** division and executed by the
44 participating casino licensees and any slot system operator.

45 (cf: P.L.2004, c.184, s.4)

1 24. (New section) "State of emergency" – Any emergency situation,
2 including the failure to enact a general appropriation law by the deadline
3 prescribed by Article VIII, Section II, paragraph 2 of the New Jersey
4 Constitution, a state of emergency declared by the President of the United
5 States or the Governor of the State of New Jersey and a State ordered State
6 employee furlough, during which division and commission employees are
7 unable to perform the duties and responsibilities required of them under this
8 act.

9
10 25. Section 46 of P.L.1977, c.110 (C.5:12-46) is amended to read as
11 follows:

12 46. "Statement of compliance" --A statement by the commission, upon
13 the input of the division, which may be issued to an applicant for a casino
14 license or any person who must be qualified pursuant to this act in order to
15 hold the securities of a casino licensee or any holding or intermediary
16 company of a casino licensee, indicating satisfactory completion of a
17 particular stage or stages of the license consideration process, and which
18 states that unless there is a change of any material circumstance pertaining
19 to such particular stage or stages of license consideration involved in the
20 statement, such applicant has complied with requirements mandated by this
21 act **[and by the commission]** and is therefore approved for license
22 qualification to the stage or stages for which the statement has been issued.
23 (cf: P.L.1977, c.110, s.46)

24
25 26. Section 69 of P.L.1977, c.110 (C.5:12-69) is amended to read as
26 follows:

27 69. Regulations. a. The **[commission]** division shall be authorized to
28 adopt, amend, or repeal such regulations, consistent with the policy and
29 objectives of this act, as amended and supplemented, as it may deem
30 necessary to protect the public interest in carrying out the provisions of this
31 act. The commission shall be authorized to adopt, amend or repeal such
32 regulations as may be necessary for the conduct of hearings before the
33 commission under subsections a. and b. of section 63 of P.L.1977, c.110
34 (C.5:12-63) and for the matters within all other responsibilities and duties
35 of the commission imposed by P.L.1977, c.110 (C.5:12-1 et seq.).

36 b. Such regulations of the division and the commission authorized by
37 this section shall be adopted, amended, and repealed in accordance with the
38 provisions of the "Administrative Procedure Act," P.L.1968, c.410
39 (C.52:14B-1 et seq.), unless otherwise specified by this act.

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

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

47 e. Notwithstanding any other provision of this act or the
48 "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.) to

1 the contrary, the **[commission]** division may, after notice provided in
2 accordance with this subsection, authorize the temporary adoption,
3 amendment or repeal of any rule concerning the conduct of gaming or
4 simulcast wagering, or the use or design of gaming or simulcast wagering
5 equipment, or the internal procedures and administrative and accounting
6 controls required by section 99 of P.L.1977, c.110 (C.5:12-99) for a period
7 not to exceed 270 days for the purpose of determining whether such rules
8 should be adopted on a permanent basis in accordance with the
9 requirements of this section. Any temporary rulemaking authorized by this
10 subsection shall be subject to such terms and conditions as the
11 **[commission]** division may deem appropriate. Notice of any temporary
12 rulemaking action taken by the **[commission]** division pursuant to this
13 subsection shall be published in the New Jersey Register, and provided to
14 the newspapers designated by the **[commission]** division pursuant to
15 subsection d. of section 3 of P.L.1975, c.231 (C.10:4-8), at least seven days
16 prior to the implementation of the temporary rules. Nothing herein shall be
17 deemed to require the publication of the text of any temporary rule adopted
18 by the **[commission]** division or notice of any modification of any
19 temporary rulemaking initiated in accordance with this subsection. The text
20 of any temporary rule adopted by the **[commission]** division shall be
21 available in each casino or simulcasting facility participating in the
22 temporary rulemaking and shall be available upon request from the
23 **[commission]** division.

24 f. Orders, rules and regulations concerning implementation of
25 P.L.1977, c.110 (C.5:12-1 et seq.) issued or promulgated by the
26 commission prior to the effective date of P.L. , c. (C.)(pending before
27 the Legislature as this bill), shall continue with full force and effect until
28 amended or repealed by the division or commission pursuant to law;
29 provided, however, that any references to the commission in such orders,
30 rules and regulations shall be deemed to refer to the division unless the
31 context indicates otherwise.

32 g. Notwithstanding any other provision of this act or the
33 “Administrative Procedure Act,” P.L.1968, c.410 (C.52:14B-1 et seq.) to
34 the contrary, during the 90-day period following the effective date of
35 P.L. , c. (C.)(pending before the Legislature as this bill) the division
36 may, after notice provided in accordance with this subsection, summarily
37 adopt, amend or repeal any order, rule or regulation issued or promulgated
38 by the commission prior to the effective date of P.L. , c. (C.)(pending
39 before the Legislature as this bill), for a period not to exceed 270 days for
40 the purpose of determining whether such rules should be adopted on a
41 permanent basis in accordance with the requirements of this section. Any
42 summary rulemaking authorized by this subsection shall be subject to such
43 terms and conditions as the division may deem appropriate. Notice of any
44 temporary rulemaking action taken by the division pursuant to this
45 subsection shall be published in the New Jersey Register, and provided to
46 the newspapers designated by the division pursuant to subsection d. of
47 section 3 of P.L.1975, c.231 (C.10:4-8), at least seven days prior to the

1 implementation of the temporary rules. Nothing herein shall be deemed to
2 require the publication of the text of any temporary rule adopted by the
3 division or notice of any modification of any temporary rulemaking
4 initiated in accordance with this subsection. The text of any temporary rule
5 adopted by the division shall be available in each casino or simulcasting
6 facility participating in the temporary rulemaking and shall be available
7 upon request from the division.

8 (cf: P.L.2002, c.65, s.10)

9

10 27. Section 70 of P.L.1977, c.110 (C.5:12-70) is amended to read as
11 follows:

12 70. Required Regulations. a. The **[commission]** division shall, without
13 limitation **[on the powers conferred in the preceding section,]** include
14 **[within its regulations]** the following specific provisions in its regulations
15 in accordance with the provisions of this act:

16 **[a.]** (1) Prescribing the methods and forms of application and
17 registration which any applicant or registrant shall follow and complete
18 **[prior to consideration of his application by the commission];**

19 **[b.]** (2) Prescribing the methods, procedures and form for delivery of
20 information concerning any person's family, habits, character, associates,
21 criminal record, business activities and financial affairs;

22 **[c.]** (3) Prescribing such procedures for the fingerprinting of an
23 applicant, employee of a licensee, or registrant, **[or other]** and methods of
24 identification which may be necessary **[in the judgment of the commission]**
25 to accomplish effective enforcement of restrictions on access to the casino
26 floor, the simulcasting facility, and other restricted areas of the casino hotel
27 complex;

28 (4) Prescribing the method of notice to an applicant, registrant or
29 licensee concerning the release of any information or data provided to the
30 commission or division by such applicant, registrant or licensee;

31 **[d.]** (5) Prescribing the manner and procedure of all hearings conducted
32 by the **[commission]** division or any hearing examiner, including special
33 rules of evidence applicable thereto and notices thereof;

34 **[e.]** (6) Prescribing the manner and method of collection of payments of
35 taxes, fees, and penalties;

36 **[f.]** (7) Defining and limiting the areas of operation, the rules of
37 authorized games, odds, and devices permitted, and the method of operation
38 of such games and devices;

39 **[g.]** (8) Regulating the practice and procedures for negotiable
40 transactions involving patrons, including limitations on the circumstances
41 and amounts of such transactions, and the establishment of forms and
42 procedures for negotiable instrument transactions, redemptions, and
43 consolidations;

44 **[h.]** (9) Prescribing grounds and procedures for the revocation or
45 suspension of operating certificates, **[and]** licenses and registrations;

- 1 **[i.] (10)** Governing the manufacture, distribution, sale, deployment, and
2 servicing of gaming devices and equipment;
- 3 **[j.] (11)** Prescribing for gaming operations the procedures, forms and
4 methods of management controls, including employee and supervisory
5 tables of organization and responsibility, and minimum security and
6 surveillance standards, including security personnel structure, alarm and
7 other electrical or visual security measures; provided, however, that the
8 **[commission] division** shall grant an applicant for a casino license or a
9 casino licensee broad discretion concerning the organization and
10 responsibilities of management personnel who are not directly involved in
11 the supervision of gaming or simulcast wagering operations;
- 12 **[k.] (12)** Prescribing the qualifications of, and the conditions pursuant
13 to which, engineers, accountants, and others shall be permitted to practice
14 before the **[commission] division** or to submit materials on behalf of any
15 applicant or licensee; provided, however, that no member of the
16 Legislature, nor any firm with which said member is associated, shall be
17 permitted to appear or practice or act in any capacity whatsoever before the
18 commission or division regarding any matter whatsoever, nor shall any
19 member of the family of the Governor or of a member of the Legislature be
20 permitted to so practice or appear in any capacity whatsoever before the
21 commission or division regarding any matter whatsoever;
- 22 **[l.] (13)** Prescribing minimum procedures for the exercise of effective
23 control over the internal fiscal affairs of a licensee, including provisions for
24 the safeguarding of assets and revenues, the recording of cash and evidence
25 of indebtedness, and the maintenance of reliable records, accounts, and
26 reports of transactions, operations and events, including reports to the
27 **[commission] division**;
- 28 **[m.] (14)** Providing for a minimum uniform standard of accountancy
29 methods, procedures and forms; a uniform code of accounts and accounting
30 classifications; and such other standard operating procedures, including
31 those controls listed in **[section 99a. hereof] subsection a. of section 99 of**
32 **P.L.1977, c.110 (C.5:12-99)**, as may be necessary to assure consistency,
33 comparability, and effective disclosure of all financial information,
34 including calculations of percentages of profit by games, tables, gaming
35 devices and slot machines;
- 36 **[n.] (15)** Requiring quarterly financial reports and the form thereof,
37 and an annual audit prepared by a certified public accountant licensed to do
38 business in this State, attesting to the financial condition of a licensee and
39 disclosing whether the accounts, records and control procedures examined
40 are maintained by the licensee as required by this act and the regulations
41 promulgated hereunder;
- 42 **[o.] (16)** Governing the gaming-related advertising of casino
43 licensees, their employees and agents, with the view toward assuring that
44 such advertisements are in no way deceptive; provided, however, that such
45 regulations shall require the words "Bet with your head, not over it," or
46 some comparable language approved by the **[commission] division**, to
47 appear on all billboards, signs, and other on-site advertising of a casino

1 operation and shall require the words "If you or someone you know has a
2 gambling problem and wants help, call 1-800 GAMBLER," or some
3 comparable language approved by the **[commission]** division, which
4 language shall include the words "gambling problem" and "call 1-800
5 GAMBLER," to appear legibly on all print, billboard, and sign advertising
6 of a casino operation; and

7 **[p.] (17)** (Deleted by amendment, P.L.1991, c.182).

8 **[q.] (18)** Concerning the distribution and consumption of alcoholic
9 beverages on the premises of the licensee, which regulations shall be
10 insofar as possible consistent with Title 33 of the Revised Statutes, and
11 shall deviate only insofar as necessary because of the unique character of
12 the hotel casino premises and operations;

13 **[r.] (19)** (Deleted by amendment, P.L.1991, c.182).

14 **b.** The commission shall, in its regulations, prescribe the manner and
15 procedure of all hearings conducted by the commission, including special
16 rules of evidence applicable thereto and notices thereof.

17 (cf: P.L.2002, c.65, s.11)

18

19 28. Section 52 of P.L.1977, c.110 (C.5:12-52) is amended to read as
20 follows:

21 52. a. **[Initial appointments to the commission made pursuant to this**
22 **amendatory and supplementary act shall be for terms as follows:**

23 (1) One member for 2 years;

24 (2) One member for 3 years;

25 (3) One member for 4 years; and

26 (4) One member for 5 years.] (Deleted by amendment, P.L. , c.)

27 (pending before the Legislature as this bill)

28 **b.** **[The term of each of the members first appointed pursuant to this**
29 **amendatory and supplementary act shall be designated by the Governor.]**
30 (Deleted by amendment, P.L. , c.)(pending before the Legislature as this
31 bill)

32 **c.** **[After the initial appointments, all]** The commission shall consist of
33 five members who shall be appointed for terms of 5 years; provided,
34 however, that no member shall serve more than two terms of 5 years each.

35 **d.** Appointments to the commission **[and designation of the chairman]**
36 shall be made by the Governor with the advice and consent of the Senate.
37 Prior to nomination, the Governor shall cause an inquiry to be conducted by
38 the Attorney General into the nominee's background, with particular regard
39 to the nominee's financial stability, integrity, and responsibility and his
40 reputation for good character, honesty, and integrity.

41 **e.** Appointments to fill vacancies on the commission shall be for the
42 unexpired term of the member to be replaced.

43 **f.** **[The member designated by the Governor to serve as chairman]**
44 Commencing after the expiration of the term of the chair who is serving on
45 the effective date of P.L. , c. (pending before the Legislature as this bill),
46 the members of the commission shall elect a chairman from among the
47 members, who shall serve in such capacity throughout such member's entire

1 term and until his successor shall have been duly **[appointed]** elected and
2 qualified. The member who is serving as the chair of the commission on
3 the effective date of P.L. , c. (pending before the Legislature as this bill)
4 shall continue to serve in such capacity throughout such member's entire
5 term and until the successor is duly elected and qualified. No such
6 member, however, shall serve in such capacity for more than 10 years. The
7 chairman shall be the chief executive officer of the commission. All
8 members shall devote full time to their duties of office and shall not pursue
9 or engage in any other business, occupation or other gainful employment.

10 g. A commissioner may be removed from office for misconduct in
11 office, willful neglect of duty, or other conduct evidencing unfitness for his
12 office, or for incompetence. A proceeding for removal may be instituted by
13 the Attorney General in the Superior Court. Notwithstanding any provision
14 of this or any other act, any commissioner or employee of the commission
15 shall automatically forfeit his office or position upon conviction of any
16 crime. Any commissioner or employee of the commission shall be subject
17 to the duty to appear and testify and to removal from his office, position or
18 employment in accordance with the provisions of P.L.1970, c.72 (C.2A:81-
19 17.2a et seq.).

20 h. Each member of the commission shall serve for the duration of his
21 term and until his successor shall be duly appointed and qualified, **[subject**
22 **to]** notwithstanding the limitations in subsections c. and f. of this section**;**
23 provided, however, that in the event that a successor is not duly appointed
24 and qualified within 120 days after the expiration of the member's term, a
25 vacancy shall be deemed to exist**].**

26 (cf: P.L.1980, c.138, s.1)

27

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

30 54. Organization and Employees. a. The commission may establish, and
31 from time to time alter, such plan of organization as it may deem expedient,
32 and may incur expenses within the limits of funds available to it.

33 b. The commission shall elect annually by a majority of the full
34 commission one of its members, other than the chairman, to serve as vice-
35 chairman for the ensuing year. The vice-chairman shall be empowered to
36 carry out all of the responsibilities of the chairman as prescribed in this act
37 during his absence, disqualification, or inability to serve.

38 c. The commission shall appoint an executive secretary who shall
39 serve at its pleasure and shall be responsible for the conduct of its
40 administrative affairs. No person shall be eligible for such appointment
41 unless he shall have at least 5 years of responsible experience in public or
42 business administration or possesses broad management skills. The
43 position of executive secretary shall be in the unclassified service of the
44 civil service.

45 d. The commission may employ such other personnel as it deems
46 necessary. All employees of the commission, except for secretarial and
47 clerical personnel, shall be in the unclassified service of the Civil Service.
48 All employees of the commission shall be deemed confidential employees

1 for the purposes of the "New Jersey Employer-Employee Relations Act"
2 (P.L.1941, c.100; C.34:13A-1 et seq.), as amended. [Notwithstanding the
3 provisions of any other law to the contrary, the commission may employ
4 legal counsel who shall represent the commission in any proceeding to
5 which it is a party, and who shall render legal advice to the commission
6 upon its request.] The commission may contract for the services of [other]
7 professional, technical and operational personnel and consultants, and of
8 legal counsel, as may be necessary to the performance of its responsibilities
9 under this act.

10 e. Members and employees of the commission shall be enrolled in the
11 Public Employees' Retirement System of New Jersey (P.L.1954, c.84;
12 C.43:15A-1 et seq.).
13 (cf: P.L.1987, c.354, s.1)

14

15 30. Section 58 of P.L.1977, c.110 (C.5:12-58) is amended to read as
16 follows:

17 58. Restrictions on Pre-Employment by Commissioners, Commission
18 Employees and Division Employees and Agents.

19 a. Deleted by amendment.

20 b. No person shall be appointed to or employed by the commission or
21 division if, during the period commencing three years prior to appointment
22 or employment, said person held any direct or indirect interest in, or any
23 employment by, any person which is licensed as a casino licensee pursuant
24 to section 87 of P.L.1977, c.110 (C.5:12-87) or as a casino service industry
25 enterprise pursuant to subsection a. of section 92 of P.L.1977, c.110
26 (C.5:12-92) or has an application [for such a license] pending [before the
27 commission]; provided, however, that notwithstanding any other provision
28 of this act to the contrary, any such person may be appointed to or
29 employed by the commission or division if his interest in any such casino
30 licensee or casino service industry enterprise which is publicly traded
31 would not, in the opinion of the employing agency, interfere with the
32 objective discharge of such person's employment obligations, but in no
33 instance shall any person be appointed to or employed by the commission
34 or division if his interest in such a casino licensee or casino service industry
35 enterprise which is publicly traded constituted a controlling interest in that
36 casino licensee or casino service industry enterprise; and provided further,
37 however, that notwithstanding any other provision of this act to the
38 contrary, any such person may be employed by the commission or division
39 in a secretarial or clerical position if, in the opinion of the employing
40 agency, his previous employment by, or interest in, any such casino
41 licensee or casino service industry enterprise would not interfere with the
42 objective discharge of such person's employment obligations.

43 c. Prior to appointment or employment, each member of the
44 commission, each employee of the commission, the director of the Division
45 of Gaming Enforcement and each employee and agent of the division shall
46 swear or affirm that he possesses no interest in any business or organization
47 licensed by or registered with the commission.

1 d. Each member of the commission and the director of the division
2 shall file with the State Ethics Commission a financial disclosure statement
3 listing all assets and liabilities, property and business interests, and sources
4 of income of said member or director and said member's or director's
5 spouse, domestic partner or partner in a civil union, as the case may be, and
6 shall provide to the State Ethics Commission a financial disclosure
7 statement listing all assets and liabilities, property and business interests,
8 and sources of income of the parents, brothers, sisters, and children of said
9 member or director. Such statement shall be under oath and shall be filed
10 at the time of appointment and annually thereafter.

11 e. Each employee of the commission, except for secretarial and clerical
12 personnel, and each employee and agent of the division, except for
13 secretarial and clerical personnel, shall file with the State Ethics
14 Commission a financial disclosure statement listing all assets and liabilities,
15 property and business interests, and sources of income of said employee or
16 agent and said employee's or agent's spouse, domestic partner or partner in
17 a civil union, as the case may be. Such statement shall be under oath and
18 shall be filed at the time of employment and annually thereafter.
19 Notwithstanding the provisions of subsection (n) of section 10 of P.L.1971,
20 c.182 (C.52:13D-21), only financial disclosure statements filed by a
21 commission or division employee or agent who is in a policy-making
22 management position shall be posted on the Internet site of the State Ethics
23 Commission.

24 (cf: P.L.2009, c.36, s.4)

25

26 31. Section 59 of P.L.1977, c.110 (C.5:12-59) is amended to read as
27 follows:

28 59. Employment Restrictions on Commissioners, Commission
29 Employees and Division Employees.

30 a. The "New Jersey Conflicts of Interest Law," P.L.1971, c.182
31 (C.52:13D-12 et seq.) shall apply to members of the commission, **[and]** to
32 all employees of the commission, to the director and to all employees of the
33 division, except as herein specifically provided.

34 b. The commission shall **[, no later than January 1, 1981,]** promulgate
35 and maintain a Code of Ethics that is modeled upon the Code of Judicial
36 Conduct of the American Bar Association, as amended and adopted by the
37 Supreme Court of New Jersey. **[This Code of Ethics shall include, but not**
38 **be limited to, provisions that address the propriety of relationships and**
39 **dealings between the commission and its staff, and licensees and applicants**
40 **for licensure under this act.]**

41 c. The division shall promulgate and maintain a Code of Ethics
42 governing its specific needs.

43 d. The Codes of Ethics promulgated and maintained by the commission
44 and the division shall not be in conflict with the laws of this State, except,
45 however, that said Codes of Ethics may be more restrictive than any law of
46 this State.

47 e. The Codes of Ethics promulgated and maintained by the commission
48 and the division, and any amendments or restatements thereof, shall be

1 submitted to the State Ethics Commission for approval. The Codes of
2 Ethics shall include, but not be limited to provisions that:

3 (1) No commission member or employee or division director, employee
4 or agent shall be permitted to gamble in any establishment licensed by the
5 commission except in the course of his duties.

6 (2) No commission member or employee or division director, employee
7 or agent shall solicit or accept employment from any person licensed by or
8 registered with the commission or from any applicant for a period of four
9 years after termination of service with the commission or division, except
10 as otherwise provided in section 60 of this act.

11 (3) No commission member or employee or **[any]** division director,
12 employee or agent shall act in his official capacity in any matter wherein he
13 or his spouse, domestic partner or partner in a civil union, child, parent or
14 sibling has a direct or indirect personal financial interest that might
15 reasonably be expected to impair his objectivity or independence of
16 judgment.

17 (4) No commission member or employee or **[any]** division director,
18 employee or agent shall act in his official capacity in a matter concerning
19 an applicant for licensure or a licensee who is the employer of a spouse,
20 domestic partner or partner in a civil union, child, parent or sibling of said
21 commission or division employee or agent when the fact of the employment
22 of such spouse, domestic partner or partner in a civil union, child, parent or
23 sibling might reasonably be expected to impair the objectivity and
24 independence of judgment of said commission employee or division
25 employee or agent.

26 (5) No spouse, domestic partner or partner in a civil union, child, parent
27 or sibling of a commission member or the division director shall be
28 employed in any capacity by an applicant for a casino license or a casino
29 licensee nor by any holding, intermediary or subsidiary company thereof.

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

42 f. No commission member or employee or division director, employee
43 or agent shall have any interest, direct or indirect, in any applicant or in any
44 person licensed by or registered with the commission during his term of
45 office or employment.

46 g. Each commission member and employee of the commission,
47 **[including legal counsel,]** the division director and each employee and
48 agent of the division shall devote his entire time and attention to his duties

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

10 h. No member of the commission, employee of the commission, or
11 director, employee or agent of the division shall:

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

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

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

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

29 (cf: P.L.2005, c.382, s.6)

30

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

33 60. Post-employment restrictions.

34 a. No member of the commission nor the division director shall hold
35 any direct or indirect interest in, or be employed by, any applicant or by
36 any person licensed by or registered **[with the commission]** under this act
37 for a period of 4 years commencing on the date his membership on the
38 commission or directorship, as the case may be, terminates.

39 b. (1) No employee of the commission or employee or agent of the
40 division may acquire any direct or indirect interest in, or accept
41 employment with, any applicant or any person licensed by or registered
42 with the commission, for a period of two years commencing at the
43 termination of employment with the commission or division, except that a
44 secretarial or clerical employee of the commission or the division may
45 accept such employment at any time after the termination of employment
46 with the commission or division. At the end of two years and for a period
47 of two years thereafter, a former employee or agent who held a policy-
48 making management position at any time during the five years prior to

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

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

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

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

36 e. Notwithstanding any post-employment restriction imposed by this
37 section, nothing herein shall prohibit a former commission member or
38 employee or former division director, employee or agent, at any time after
39 termination of such membership or employment, from acquiring an interest
40 in, or soliciting or obtaining employment with, any person **[licensed]**
41 registered as a casino service industry enterprise under subsection c. of
42 section 92 of **[this act or any applicant for such licensure]** P.L.1977, c.110
43 (C.5:12-92).

44 (cf: P.L.2009, c.36, s.5)

45
46 33. Section 61 of P.L.1977, c.110 (C.5:12-61) is amended to read as
47 follows:

1 61. a. No applicant or person or organization licensed by or registered
2 ~~【with the commission】~~ under this act shall employ or offer to employ, or
3 provide, transfer or sell, or offer to provide, transfer or sell any interest,
4 direct or indirect, in any person licensed by or registered ~~【with the~~
5 ~~commission】~~ under this act to any person restricted from such transactions
6 by the provisions of sections 58, 59, and 60 of ~~【this act】~~ P.L.1977, c.110
7 (C.5:12-58, 5:12-59 and 5:12-60).

8 b. The ~~【commission】~~ division shall impose such sanctions upon an
9 applicant or a licensed or registered person for violations of this section as
10 authorized by Article 9 of this act.

11 (cf: P.L.1977, c.110, s.61)

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

15 63. Duties of the Commission. (1) The Casino Control Commission
16 shall have ~~【general responsibility for the implementation of this act, as~~
17 ~~hereinafter provided, including, without limitation, the responsibility】~~ the
18 following responsibilities under this act:

19 a. To hear and decide promptly and in reasonable order (1) all
20 applications for a casino license, 【registration, certificate, and permit
21 applications and causes affecting the granting, suspension, revocation, or
22 renewal thereof】 including applications filed by all persons required
23 individually to qualify in connection therewith; (2) all applications for
24 interim casino authorization, including but not limited to applications filed
25 by persons required individually to qualify in connection therewith; (3)
26 statements of compliance issued pursuant to section 81 of P.L.1977, c.110
27 (C.5:12-81); and (4) all applications for a casino key employee license;

28 b. To ~~【conduct all hearings pertaining to civil violations of this act or~~
29 ~~regulations promulgated hereunder】~~ review and decide any appeal from: (1)
30 a notice of violation and penalty assessment issued by the director upon any
31 applicant, qualifier, licensee or registrant under this act; (2) any
32 determination made by the director regarding: (i) any ruling on an
33 application for a casino service industry enterprise license; (ii) any ruling
34 on an application for any other license or qualification under this act; (iii) a
35 revocation of a license or registration; (iv) any ruling on a request for
36 statement of compliance; or (v) placement on an exclusion list;

37 c. To promulgate such regulations as ~~【in its judgment】~~ may be
38 necessary to ~~【fulfill the policies of this act】~~ conduct hearings under
39 subsections a. and b. of this section;

40 d. ~~【To collect all license and registration fees and taxes imposed by~~
41 ~~this act and the regulations issued pursuant hereto;】~~ (Deleted by
42 amendment, P.L. , c.)(pending before the Legislature as this bill)

43 e. ~~【To levy and collect penalties for the violation of provisions of this~~
44 ~~act and the regulations promulgated hereunder;】~~ (Deleted by amendment,
45 P.L. , c.)(pending before the Legislature as this bill)

1 f. **【To be present through its inspectors and agents at all times, except**
2 **as provided by section 4 of P.L.2008, c.23 (C.5:12-211), during the**
3 **operation of any casino or simulcasting facility for the purpose of certifying**
4 **the revenue thereof, receiving complaints from the public relating to the**
5 **conduct of gaming and simulcast wagering operations, examining records**
6 **of revenues and procedures, and conducting periodic reviews of operations**
7 **and facilities for the purpose of evaluating current or suggested provisions**
8 **of P.L.1977, c.110 (C.5:12-1 et seq.) and the regulations promulgated**
9 **thereunder;】** (Deleted by amendment, P.L. , c.) (pending before the
10 Legislature as this bill)

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

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

23 i. **【To ensure that there is no duplication of duties and responsibilities**
24 **between it and the division】** (Deleted by amendment, P.L. , c.)(pending
25 before the Legislature as this bill)

26 j. To refer to the division for investigative hearing matters concerning
27 the conduct of gaming and gaming operations as well as the enforcement of
28 the provisions of P.L.1977, c.110 (C.5:12-1 et seq.).

29 (2) The Casino Control Commission shall proceed promptly, along with
30 the division, to take all actions as may be deemed necessary and
31 appropriate, including the promulgation of regulations, for the expeditious
32 implementation of Internet wagering when such wagering is permitted by
33 State and federal law.

34 (cf: P.L.2008, c.23, s.1)

35

36 35. Section 66 of P.L.1977, c.110 (C.5:12-66) is amended to read as
37 follows:

38 66. Investigative hearings. The **【commission】** division shall have the
39 authority to conduct investigative hearings concerning the conduct of
40 gaming and gaming operations as well as the enforcement of the provisions
41 of P.L.1977, c.110 (C.5:12-1 et seq.), as amended and supplemented, in
42 accordance with the procedures set forth in the act and any applicable
43 implementing regulations.

44 (cf: P.L.1995, c.18, s.15)

45

46 36. Section 68 of P.L.1977, c.110 (C.5:12-68) is amended to read as
47 follows:

1 68. Collection of Fees, Penalties or Tax. At any time within five years
2 after any amount of fees, interest, penalties or tax required to be collected
3 pursuant to the provisions of this act shall become due and payable, the
4 **【commission】** division may bring a civil action in the courts of this State or
5 any other state or of the United States, in the name of the State of New
6 Jersey, to collect the amount delinquent, together with penalties and
7 interest. An action may be brought whether or not the person owing the
8 amount is at such time an applicant, licensee or registrant pursuant to the
9 provisions of this act. If such action is brought in this State, a writ of
10 attachment may be issued and no bond or affidavit prior to the issuance
11 thereof shall be required. In all actions in this State, the records of the
12 commission and the division shall be prima facie evidence of the
13 determination of the fee or tax or the amount of the delinquency.

14 Each debt that is due and payable as a result of fees, interest, penalties,
15 or taxes required to be collected pursuant to the provisions of P.L.1977,
16 c.110 (C.5:12-1 et seq.) or the regulations promulgated thereunder,
17 including any compensation authorized pursuant to section 33 of P.L.1978,
18 c.7 (C.5:12-130.3), and each regulatory obligation imposed as a condition
19 upon the issuance or renewal of a casino license which requires the licensee
20 to maintain, as a fiduciary, a fund for a specific regulatory purpose, shall
21 constitute a lien on the real property in this State owned or hereafter
22 acquired by the applicant, licensee, or registrant owing such a debt or on
23 whom such an obligation has been imposed. Except as otherwise provided
24 in R.S.54:5-9, such a lien shall be a first lien paramount to all prior or
25 subsequent liens, claims, or encumbrances on that property.
26 (cf: P.L.1991, c.182, s.14)

27

28 37. Section 71 of P.L.1977, c.110 (C.5:12-71) is amended to read as
29 follows:

30 71. Regulation Requiring Exclusion of Certain Persons. a. The
31 **【commission】** division shall, by regulation, provide for the establishment
32 of a list of persons who are to be excluded or ejected from any licensed
33 casino establishment. Such provisions shall define the standards for
34 exclusion, and shall include standards relating to persons:

35 (1) Who are career or professional offenders as defined by regulations
36 **【of the commission】** promulgated hereunder;

37 (2) Who have been convicted of a criminal offense under the laws of
38 any state or of the United States, which is punishable by more than six
39 months in prison, or any crime or offense involving moral turpitude; or

40 (3) Whose presence in a licensed casino hotel would, in the opinion of
41 the **【commission】** director, be inimical to the interest of the State of New
42 Jersey or of licensed gaming therein, or both.

43 The **【commission】** division shall promulgate definitions establishing
44 those categories of persons who shall be excluded pursuant to this section,
45 including cheats and persons whose privileges for licensure or registration
46 have been revoked.

- 1 b. Race, color, creed, national origin or ancestry, or sex shall not be a
2 reason for placing the name of any person upon such list.
- 3 c. The **【commission】** division may impose sanctions upon a licensed
4 casino or individual licensee or registrant in accordance with the provisions
5 of this act if such casino or individual licensee or registrant knowingly fails
6 to exclude or eject from the premises of any licensed casino any person
7 placed by the **【commission】** division on the list of persons to be excluded
8 or ejected.
- 9 d. Any list compiled by the **【commission】** division of persons to be
10 excluded or ejected shall not be deemed an all-inclusive list, and licensed
11 casino establishments shall have a duty to keep from their premises persons
12 known to them to be within the classifications declared in paragraphs (1)
13 and (2) of subsection a. of this section and the regulations promulgated
14 thereunder, or known to them to be persons whose presence in a licensed
15 casino hotel would be inimical to the interest of the State of New Jersey or
16 of licensed gaming therein, or both, as defined in standards established by
17 the **【commission】** division.
- 18 e. **【Whenever the division petitions the commission to place】** Prior to
19 placing the name of any person on a list pursuant to this section, the
20 **【commission】** division shall serve notice of such fact to such person by
21 personal service, by certified mail at the last known address of such person,
22 or by publication daily for one week in a newspaper of general circulation
23 in Atlantic City.
- 24 f. Within 30 days after service of the petition in accordance with
25 subsection e. of this section, the person named for exclusion or ejection
26 may demand a hearing before the **【commission】** director or the director's
27 designee, at which hearing the **【division】** director or the director's designee
28 shall have the affirmative obligation to demonstrate by a preponderance of
29 the evidence that the person named for exclusion or ejection satisfies the
30 criteria for exclusion established by this section and the **【commission's】**
31 applicable regulations. Failure to demand such a hearing within 30 days
32 after service shall be deemed an admission of all matters and facts alleged
33 in the **【division's】** director's petition and shall preclude a person from
34 having an administrative hearing, but shall in no way affect his or her right
35 to judicial review as provided herein.
- 36 g. The division may **【file an application with the commission**
37 **requesting】** make a preliminary placement on the list of a person named in
38 a petition for exclusion or ejection pending completion of a hearing on the
39 petition. The hearing on the application for preliminary placement shall be
40 a limited proceeding at which the division shall have the affirmative
41 obligation to demonstrate that there is a reasonable possibility that the
42 person satisfies the criteria for exclusion established by this section and the
43 **【commission's】** applicable regulations. If a person has been placed on the
44 list as a result of an application for preliminary placement, unless otherwise
45 agreed by the **【commission】** director and the named person, a hearing on
46 the petition for exclusion or ejection shall be initiated within 30 days after

1 the receipt of a demand for such hearing or the date of preliminary
2 placement on the list, whichever is later.

3 h. If, upon completion of the hearing on the petition for exclusion or
4 ejection, the **【commission】** director determines that the person named
5 therein does not satisfy the criteria for exclusion established by this section
6 and the **【commission's】** applicable regulations, the **【commission】** director
7 shall issue an order denying the petition. If the person named in the
8 petition for exclusion or ejection had been placed on the list as a result of
9 an application for preliminary placement, the **【commission】** director shall
10 notify all casino licensees of **【his or her】** the person's removal from the
11 list.

12 i. If, upon completion of a hearing on the petition for exclusion or
13 ejection, the **【commission】** director determines that placement of the name
14 of the person on the exclusion list is appropriate, the **【commission】** director
15 shall make and enter an order to that effect, which order shall be served on
16 all casino licensees. Such order shall be subject to review by the
17 commission in accordance with regulations promulgated thereunder, which
18 final decision shall be subject to review by the Superior Court in
19 accordance with the rules of court.

20 (cf: P.L.1993, c.292, s.9)

21

22 38. Section 1 of P.L.2001, c.39 (C.5:12-71.2) is amended to read as
23 follows:

24 1. a. The **【commission】** division shall provide by regulation for the
25 establishment of a list of persons self-excluded from gaming activities at all
26 licensed casinos and simulcasting facilities. Any person may request
27 placement on the list of self-excluded persons by acknowledging in a
28 manner to be established by the **【commission】** division that the person is a
29 problem gambler and by agreeing that, during any period of voluntary
30 exclusion, the person may not collect any winnings or recover any losses
31 resulting from any gaming activity at such casinos and facilities.

32 b. The regulations of the **【commission】** division shall establish
33 procedures for placements on, and removals from, the list of self-excluded
34 persons. Such regulations shall establish procedures for the transmittal to
35 licensed casinos and simulcasting facilities of identifying information
36 concerning self-excluded persons, and shall require licensed casinos and
37 simulcasting facilities to establish procedures designed, at a minimum, to
38 remove self-excluded persons from targeted mailings or other forms of
39 advertising or promotions and deny self-excluded persons access to credit,
40 **【complementaries】** complimentaries, check cashing privileges club
41 programs, and other similar benefits.

42 c. A licensed casino or simulcasting facility or employee thereof shall
43 not be liable to any self-excluded person or to any other party in any
44 judicial proceeding for any harm, monetary or otherwise, which may arise
45 as a result of:

1 (1) the failure of a licensed casino or simulcasting facility to withhold
2 gaming privileges from, or restore gaming privileges to, a self-excluded
3 person; or

4 (2) otherwise permitting a self-excluded person to engage in gaming
5 activity in such licensed casino or simulcasting facility while on the list of
6 self-excluded persons.

7 d. Notwithstanding the provisions of P.L.1977, c.110 (C.5:12-1 et seq.)
8 or any other law to the contrary, the **commission's** division's list of self-
9 excluded persons shall not be open to public inspection. Nothing herein,
10 however, shall be construed to prohibit a casino licensee from disclosing
11 the identity of persons self-excluded pursuant to this section to affiliated
12 gaming entities in this State or other jurisdictions for the limited purpose of
13 assisting in the proper administration of responsible gaming programs
14 operated by such gaming affiliated entities.

15 e. A licensed casino or simulcasting facility or employee thereof shall
16 not be liable to any self-excluded person or to any other party in any
17 judicial proceeding for any harm, monetary or otherwise, which may arise
18 as a result of disclosure or publication in any manner, other than a willfully
19 unlawful disclosure or publication, of the identity of any self-excluded
20 person.

21 (cf: P.L.2002, c.65, s.12)

22

23 39. Section 2 of P.L.2001, c.39 (C.5:12-71.3) is amended to read as
24 follows:

25 2. a. A person who is prohibited from gaming in a licensed casino or
26 simulcasting facility by any provision of P.L.1977, c.110 (C.5:12-1 et seq.)
27 or any order of the director, commission, or court of competent jurisdiction,
28 including any person on the self-exclusion list pursuant to section 1 of
29 P.L.2001, c.39 (C.5:12-71.2), shall not collect, in any manner or
30 proceeding, any winnings or recover any losses arising as a result of any
31 prohibited gaming activity.

32 b. For the purposes of P.L.1977, c.110 (C.5:12-1 et seq.), any gaming
33 activity in a licensed casino or simulcasting facility which results in a
34 prohibited person obtaining any money or thing of value from, or being
35 owed any money or thing of value by, the casino or simulcasting facility
36 shall be considered, solely for purposes of this section, to be a fully
37 executed gambling transaction.

38 c. In addition to any other penalty provided by law, any money or
39 thing or value which has been obtained by, or is owed to, any prohibited
40 person by a licensed casino or simulcasting facility as a result of wagers
41 made by a prohibited person shall be subject to forfeiture **by order of the**
42 **commission, on complaint of the division,** following notice to the
43 prohibited person and opportunity to be heard. A licensed casino or
44 simulcasting facility shall inform a prohibited person of the availability of
45 such notice on the division's Internet website when ejecting the prohibited
46 person and seizing any chips, vouchers or other representative of money
47 owed by a casino to the prohibited person as authorized by this subsection.

1 Of any forfeited amount under \$100,000, one-half shall be deposited into
2 the State General Fund for appropriation by the Legislature to the
3 Department of Health and Senior Services to provide funds for compulsive
4 gambling treatment and prevention programs in the State and the remaining
5 one-half shall be deposited into the Casino Revenue Fund. Of any forfeited
6 amount of \$100,000 or more, \$50,000 shall be deposited into the State
7 General Fund for appropriation by the Legislature to the Department of
8 Health and Senior Services to provide funds for compulsive gambling
9 treatment and prevention programs and the remainder shall be deposited
10 into the Casino Revenue Fund.

11 d. In any proceeding brought by the division against a licensee or
12 registrant pursuant to section 108 of P.L.1977, c.110 (C.5:12-108) for a
13 willful violation of the commission's self-exclusion regulations, the
14 **[commission]** division may order, in addition to any other sanction
15 authorized by section 129 of P.L.1977, c.110 (C.5:12-129), the forfeiture of
16 any money or thing of value obtained by the licensee or registrant from any
17 self-excluded person. Any money or thing of value so forfeited shall be
18 disposed of in the same manner as any money or thing of value forfeited
19 pursuant to subsection c. of this section.

20 (cf: P.L.2001, c.39, s.2)

21

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

24 72. Commission reports and recommendations. The commission, in
25 consultation with the division, shall carry on a continuous study of the
26 operation and administration of casino control laws which may be in effect
27 in other jurisdictions, literature on this subject which may from time to time
28 become available, federal laws which may affect the operation of casino
29 gaming in this State, and the reaction of New Jersey citizens to existing and
30 potential features of casino gaming under this act. It shall be responsible for
31 ascertaining any defects in this act or in the rules and regulations issued
32 thereunder, formulating recommendations for changes in this act to prevent
33 abuses thereof, guarding against the use of this act as a cloak for the
34 carrying on of illegal gambling or other criminal activities, and insuring
35 that this act and the rules and regulations shall be in such form and be so
36 administered as to serve the true purposes of this act. The commission, after
37 consultation with the division, shall make to the Governor and the
38 Legislature an annual report of all revenues, expenses and disbursements,
39 and shall include therein such recommendations for changes in this act as
40 the commission or division deems necessary or desirable. The commission,
41 after consultation with the division, shall also report recommendations that
42 promote more efficient operations of the division and the commission. The
43 commission, after consultation with the division, shall report immediately
44 to the Governor and the Legislature any matters which in its judgment
45 require immediate changes in the laws of this State in order to prevent
46 abuses and evasions of this act or of rules and regulations promulgated
47 hereunder, or to rectify undesirable conditions in connection with the

1 operation and regulation of casino gaming.
2 (cf: P.L.1995, c.18, s.19)

3

4 41. Section 74 of P.L.1977, c.110 (C.5:12-74) is amended to read as
5 follows:

6 74. Minutes and Records. a. The Executive Secretary of the commission
7 shall cause to be made and kept a record and verbatim transcripts of all
8 proceedings held at public meetings of the commission. [A verbatim
9 transcript of those proceedings shall be prepared by the commission upon
10 the request of any commissioner or upon the request of any other person
11 and the payment by that person of the costs of preparation.] A copy of [a]
12 any such verbatim transcript shall be made available to any person upon
13 request and payment of the costs of preparing the copy.

14 A true copy of the minutes of every meeting of the commission and of
15 any regulations finally adopted by the commission shall be forthwith
16 delivered, by and under the certification of the executive secretary, to the
17 Governor, the Secretary of the Senate, and the Clerk of the General
18 Assembly.

19 b. The division or the commission, as appropriate, shall keep and
20 maintain a list of all applicants for licenses and registrations under this act
21 together with a record of all actions taken with respect to such applicants,
22 which file and record shall be open to public inspection; provided,
23 however, that the foregoing information regarding any applicant whose
24 license or registration has been denied[,] or revoked[, or not renewed]
25 shall be removed from such list after five years from the date of such
26 action.

27 c. The Executive Secretary of the commission shall maintain such
28 other files and records as may be deemed desirable.

29 d. [Except as provided in subsection h. of this section, all information
30 and data required by the commission to be furnished hereunder, or which
31 may otherwise be obtained, relative to the internal controls specified in
32 section 99a. of this act or to the earnings or revenue of any applicant,
33 registrant, or licensee shall be considered to be confidential and shall not be
34 revealed in whole or in part except in the course of the necessary
35 administration of this act, or upon the lawful order of a court of competent
36 jurisdiction, or, with the approval of the Attorney General, to a duly
37 authorized law enforcement agency.] (Deleted by amendment, P.L. , c.)
38 (pending before the Legislature as this bill)

39 e. [All information and data pertaining to an applicant's criminal record,
40 family, and background furnished to or obtained by the commission from
41 any source shall be considered confidential and shall be withheld in whole
42 or in part, except that any information shall be released upon the lawful
43 order of a court of competent jurisdiction or, with the approval of the
44 Attorney General, to a duly authorized law enforcement agency.] (Deleted
45 by amendment, P.L. , c.)(pending before the Legislature as this bill)

46 f. [Notice of the contents of any information or data released, except
47 to a duly authorized law enforcement agency pursuant to subsection d. or e.

1 of this section, shall be given to any applicant, registrant, or licensee in a
2 manner prescribed by the rules and regulations adopted by the
3 commission.】 (Deleted by amendment, P.L. , c.)(pending before the
4 Legislature as this bill)

5 g. Files, records, reports and other information in the possession of the
6 New Jersey Division of Taxation pertaining to licensees shall be made
7 available to the commission and the division as may be necessary to the
8 effective administration of this act.

9 h. 【The following information to be reported periodically to the
10 commission by a casino licensee shall not be considered confidential and
11 shall be made available for public inspection:

12 (1) A licensee's gross revenue from all authorized games as herein
13 defined, and its gross revenue from simulcast wagering;

14 (2) (a) The dollar amount of patron checks initially accepted by a
15 licensee, (b) the dollar amount of patron checks deposited to the licensee's
16 bank account, (c) the dollar amount of such checks initially dishonored by
17 the bank and returned to the licensee as "uncollected," and (d) the dollar
18 amount ultimately uncollected after all reasonable efforts;

19 (3) The amount of gross revenue tax or investment alternative tax
20 actually paid and the amount of investment, if any, required and allowed,
21 pursuant to section 144 of P.L.1977, c.110 (C.5:12-144) and section 3 of
22 P.L.1984, c.218 (C.5:12-144.1);

23 (4) A list of the premises and the nature of improvements, costs thereof
24 and the payees for all such improvements, which were the subject of an
25 investment required and allowed pursuant to section 144 of P.L.1977, c.110
26 (C.5:12-144) and section 3 of P.L.1984, c.218 (C.5:12-144.1);

27 (5) The amount, if any, of tax in lieu of full local real property tax paid
28 pursuant to section 146, and the amount of profits, if any, recaptured
29 pursuant to section 147;

30 (6) A list of the premises, nature of improvements and costs thereof
31 which constitute the cumulative investments by which a licensee has
32 recaptured profits pursuant to section 147; and

33 (7) All quarterly and annual financial statements presenting historical
34 data which are submitted to the commission, including all annual financial
35 statements which have been audited by an independent certified public
36 accountant licensed to practice in the State of New Jersey.

37 Nothing in this subsection shall be construed to limit access by the
38 public to those forms and documents required to be filed pursuant to Article
39 11 of this act.】 (Deleted by amendment, P.L. , c.)(pending before the
40 Legislature as this bill)

41 i. The division shall keep and maintain records in accordance with the
42 division's regulations promulgated hereunder.

43 (cf: P.L.1993, c.292, s.10)

44

45 42. Section 75 of P.L.1977, c.110 (C.5:12-75) is amended to read as
46 follows:

47 75. The commission and the division may exercise any proper power or
48 authority necessary to perform the duties assigned to **【it】** each entity by

1 law, and no specific enumeration of powers in this act shall be read to limit
2 the authority of the **commission** division to administer this act.

3 (cf: P.L.1977, c.110, s.75)

4

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

7 76. General Duties and Powers.

8 **[a.]** The Division of Gaming Enforcement shall have the general
9 responsibility for the implementation of P.L.1977, c.110, (C.5:12-1 et seq.),
10 and to issue any approvals necessary as hereinafter provided, including
11 without limitation, the responsibility to:

12 a. Enforce the provisions of this act and any regulations promulgated
13 hereunder;

14 b. **[(1) promptly]** Promptly and in reasonable order investigate all
15 applications~~],~~ enforce the provisions of this act and any regulations
16 promulgated hereunder, and prosecute before the commission all
17 proceedings for violations of this act or any regulations promulgated
18 hereunder] for licensure and all registrations under this act;

19 c. Issue reports and recommendations to the commission with respect to
20 all entities and natural persons required to qualify for a casino license, an
21 application for interim casino authorization or a petition for a statement of
22 compliance;

23 d. Promptly and in reasonable order review and approve or deny all
24 casino service industry enterprise license applications;

25 e. Accept and maintain registrations for all casino employee and vendor
26 registrants;

27 f. Revoke any registration or casino service industry enterprise license
28 upon findings pursuant to the disqualification criteria in section 86 of
29 P.L.1977, c.110 (C.5:12-86);

30 g. Promulgate such regulations as may be necessary to fulfill the policies
31 of this act;

32 h. Initiate and decide any actions against licensees or registrants for
33 violation of this act or regulations promulgated hereunder, and impose
34 sanctions and levy and collect penalties upon finding violations;

35 **[(2) provide]** i. Provide the commission with all information that the
36 director deems necessary for **[all]** any action to be taken by the
37 commission under Article 6 of **[this act]** P.L.1977, c.110 (C.5:12-80
38 through 95); **[and for all proceedings involving enforcement of the**
39 provisions of this act or any regulations promulgated hereunder; and

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

42 b. The division shall:

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

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

- 1 (3) Investigate violations of this act and regulations promulgated
2 hereunder;
- 3 (4) j. Initiate, prosecute and defend [such proceedings before the
4 commission, or] appeals [therefrom], as the [division] director may deem
5 appropriate;
- 6 [(5) Provide assistance upon request by the commission in the
7 consideration and promulgation of rules and regulations;
- 8 (6) k. Conduct continuing reviews of casino operations through on-site
9 observation and other reasonable means to assure compliance with this act
10 and regulations promulgated hereunder, subject to subsection h. of section
11 63 of [this act] P.L.1977, c.110 (C.5:12-63);
- 12 [(7) l. Receive and take appropriate action on any referral from the
13 commission relating to any evidence of a violation of P.L.1977, c.110
14 (C.5:12-1 et seq.) or the regulations promulgated thereunder;
- 15 [(8) m. Exchange fingerprint data with, and receive criminal history
16 record information from, the Federal Bureau of Investigation for use in
17 considering applicants for any license or registration issued pursuant to the
18 provisions of P.L.1977, c.110 (C.5:12-1 et seq.);
- 19 [(9) n. Conduct audits of casino operations at such times, under such
20 circumstances, and to such extent as the director shall determine, including
21 reviews of accounting, administrative and financial records, and
22 management control systems, procedures and records utilized by a casino
23 licensee;
- 24 [(10) Be entitled to request] o. Request and receive information,
25 materials and any other data from any licensee or registrant, or applicant for
26 a license or registration under this act; and
- 27 [(11) p. Report to the Attorney General recommendations that promote
28 more efficient operations of the division.
- 29 q. Receive complaints from the public relating to the conduct of gaming
30 and simulcasting operations, examine records and procedures, and conduct
31 periodic reviews of operations and facilities for the purpose of evaluating
32 current or suggested provisions of P.L.1977, c.110 (C.5:12-1 et. seq.) and
33 the regulations promulgated thereunder, as the director deems appropriate;
- 34 r. Certify the revenue of any casino or simulcasting facility in such
35 manner as the director deems appropriate;
- 36 s. Create and maintain a list of all excluded patrons;
- 37 t. Initiate and decide all actions for involuntary exclusion of patrons
38 pursuant to section 71 of P.L.1977, c.110 (C.5:12-71);
- 39 u. Issue an operation certificate upon the commission's grant of an
40 application for a casino license;
- 41 v. Recommend that the commission issue or revoke statements of
42 compliance pursuant to section 81 of P.L.1977, c.110 (C.5:12-81) and the
43 regulations promulgated thereunder;
- 44 w. Accept impact statements submitted by an applicant for a casino
45 license pursuant to section 84 of P.L.1977, c.110 (C.5:12-84); and
- 46 x. Utilize, in its discretion, the services of a private entity for the
47 purpose of expediting criminal history record background checks required

1 to be performed by the division pursuant to the provisions of P.L.1977,
2 c.110 (C.5:12-1 et seq.), provided that the private entity has been awarded a
3 contract in accordance with the public contracting laws of this State.

4 (cf: P.L.1995, c.18, s.20)

5
6 44. (New section) a. Except as otherwise provided in this act, all
7 information and data required by the division or commission to be
8 furnished pursuant to the act or the regulations promulgated hereunder, or
9 which may otherwise be obtained, relative to the internal controls specified
10 in subsection a. of section 99 of P.L.1977, c.110 (C.5:12-99) or to the
11 earnings or revenue of any applicant, registrant, or licensee shall be
12 considered to be confidential and shall not be revealed in whole or in part
13 except in the course of the necessary administration of this act, or upon the
14 lawful order of a court of competent jurisdiction, or, with the approval of
15 the Attorney General, to a duly authorized law enforcement agency.

16 b. All information and data pertaining to an applicant's criminal record,
17 family, and background furnished to or obtained by the division or the
18 commission from any source shall be considered confidential and shall be
19 withheld in whole or in part, except that any information shall be released
20 upon the lawful order of a court of competent jurisdiction or, with the
21 approval of the Attorney General, to a duly authorized law enforcement
22 agency.

23 c. Notice of the contents of any information or data released, except to a
24 duly authorized law enforcement agency pursuant to subsection a. or b. of
25 this section, shall be given to any applicant, registrant, or licensee in a
26 manner prescribed by the rules and regulations adopted by the division.

27 d. The following information to be reported periodically to the division
28 by a casino licensee shall not be considered confidential and shall be made
29 available for public inspection:

30 (1) A licensee's gross revenue from all authorized games as defined
31 herein, and the licensee's gross revenue from simulcast wagering;

32 (2) (i) The dollar amount of patron checks initially accepted by a
33 licensee, (ii) the dollar amount of patron checks deposited to the licensee's
34 bank account, (iii) the dollar amount of such checks initially dishonored by
35 the bank and returned to the licensee as uncollected, and (iv) the dollar
36 amount ultimately uncollected after all reasonable efforts;

37 (3) The amount of gross revenue tax or investment alternative tax
38 actually paid and the amount of investment, if any, required and allowed,
39 pursuant to section 144 of P.L.1977, c.110 (C.5:12-144) and section 3 of
40 P.L.1984, c.218 (C.5:12-144.1);

41 (4) A list of the premises and the nature of improvements, costs thereof
42 and the payees for all such improvements, which were the subject of an
43 investment required and allowed pursuant to section 144 of P.L.1977, c.110
44 (C.5:12-144) and section 3 of P.L.1984, c.218 (C.5:12-144.1);

45 (5) The amount, if any, of tax in lieu of full local real property tax paid
46 pursuant to section 146 of P.L.1977, c.110 (C.5:12-146), and the amount of
47 profits, if any, recaptured pursuant to section 147 of P.L.1977, c.110
48 (C.5:12-147);

1 (6) A list of the premises, nature of improvements and costs thereof
2 which constitute the cumulative investments by which a licensee has
3 recaptured profits pursuant to section 147 of P.L.1977, c.110 (C.5:12-147);
4 and

5 (7) All quarterly and annual financial statements presenting historical
6 data which are submitted to the division, including all annual financial
7 statements which have been audited by an independent certified public
8 accountant licensed to practice in the State of New Jersey.

9 Nothing in this subsection shall be construed to limit access by the
10 public to those forms and documents required to be filed pursuant to Article
11 11 of this act.

12
13 45. Section 80 of P.L.1977, c.110 (C.5:12-80) is amended to read as
14 follows:

15 80. General Provisions. a. It shall be the affirmative responsibility of
16 each applicant and licensee to establish by clear and convincing evidence
17 his individual qualifications, and for a casino license the qualifications of
18 each person who is required to be qualified under this act as well as the
19 qualifications of the facility in which the casino is to be located.

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

29 c. All applicants, licensees, registrants, intermediary companies, and
30 holding companies shall consent to inspections, searches and seizures and
31 the supplying of handwriting exemplars as authorized by this act and
32 regulations promulgated hereunder.

33 d. All applicants, licensees, registrants, and any other person who shall
34 be qualified pursuant to this act shall have the continuing duty to provide
35 any assistance or information required by the **commission or** division,
36 and to cooperate in any inquiry **or** , investigation or hearing conducted by
37 the division and any **inquiry, investigation, or** hearing conducted by the
38 commission. If, upon issuance of a formal request to answer or produce
39 information, evidence or testimony, any applicant, licensee, registrant, or
40 any other person who shall be qualified pursuant to this act refuses to
41 comply, the application, license, registration or qualification of such person
42 may be denied or revoked **by the commission**.

43 e. No applicant or licensee shall give or provide, offer to give or
44 provide, directly or indirectly, any compensation or reward or any
45 percentage or share of the money or property played or received through
46 gaming or simulcast wagering activities, except as authorized by this act, in
47 consideration for obtaining any license, authorization, permission or

1 privilege to participate in any way in gaming or simulcast wagering
2 operations.

3 f. Each applicant or person who must be qualified under this act shall
4 be photographed and fingerprinted for identification and investigation
5 purposes in accordance with procedures **[established by the commission]**
6 set forth by regulation.

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

15 h. (Deleted by amendment, P.L.1995, c.18.)
16 (cf: P.L.2009, c.36, s.6)

17

18 46. Section 81 to P.L.1977, c.110 (C.5:12-81) is amended to read as
19 follows:

20 81. Statement of compliance.

21 a. (1) **[The]** Upon consideration of a report and recommendation of the
22 division, the commission may, in its discretion, issue a statement of
23 compliance to an applicant for **[any]** a casino license or **[for qualification**
24 status under this act at any time the commission is satisfied that**]** to any
25 person required to qualify in conjunction with a casino license or casino
26 license applicant if the applicant or person, as the case may be, has
27 established by clear and convincing evidence that one or more particular
28 eligibility criteria have been satisfied **[by an applicant]**. A request for the
29 issuance of a statement of compliance pursuant to this paragraph shall be
30 initiated by the applicant filing a petition with the **[commission]** division.
31 Before the **[commission refers any such petition to the]** division **[for]**
32 initiates any investigation on such a petition, the **[commission]** director
33 may require the applicant to establish to the satisfaction of the
34 **[commission]** director that the applicant actually intends, if found
35 qualified, to engage in the business or activity that would require the
36 issuance of the license or the determination of qualification status.

37 (2) Any person who must be qualified pursuant to the "Casino Control
38 Act," P.L.1977, c.110 (C.5:12-1 et seq.) in order to hold the securities of a
39 casino licensee or any holding or intermediary company of a casino
40 licensee may, prior to the acquisition of any such securities, request the
41 issuance of a statement of compliance by the commission that the person is
42 qualified to hold such securities. Any request for the issuance of a
43 statement of compliance pursuant to this paragraph shall be initiated by the
44 person filing a petition with the **[commission]** division in which the person
45 shall be required to establish that there is a reasonable likelihood that, if
46 qualified, the person will obtain and hold the securities of a casino licensee
47 or any holding or intermediary company thereof to such extent as to require

1 the qualification of the person. If [the commission finds that this
2 reasonable likelihood exists, and if the commission is satisfied], after an
3 investigation by the division, the director finds that this reasonable
4 likelihood exists and that the qualifications of the person have been
5 established by clear and convincing evidence, the [commission] director
6 may, in [its] the director's discretion, recommend to the commission that it
7 issue a statement of compliance that the person is qualified to hold such
8 securities. Any person who requests a statement of compliance pursuant to
9 this paragraph shall be subject to the provisions of section 80 of P.L.1977,
10 c.110 (C.5:12-80) and shall pay for the costs of all investigations and
11 proceedings in relation to the request unless the person provides [to the
12 commission] an agreement with one or more casino licensees which states
13 that the licensee or licensees will pay those costs.

14 (3) A statement of compliance shall not be issued indicating that an
15 applicant or any other person required to qualify in conjunction with a
16 casino license or casino license applicant that is a corporation or other form
17 of business organization has established by clear and convincing evidence
18 its good character, honesty and integrity unless the [Chief Executive
19 Officer, Chief Operating Officer and Chief Financial Officer, or the
20 functional equivalent thereof] corporate officers; each director; each person
21 who directly or indirectly holds any beneficial [interest] or ownership
22 interest in the applicant of 5% or greater, to the extent such person would
23 be required to qualify under section 85 of P.L.1977, c.110 (C.5:12-85) [if
24 the applicant were a holding company or intermediary company of a casino
25 licensee]; and any other person whom the commission may consider
26 appropriate for approval or qualification, would, but for residence,
27 individually be qualified for approval as a casino key employee pursuant to
28 the provisions of section 89 of P.L.1977, c.110 (C.5:12-89).

29 b. Any statement of compliance issued under P.L.1977, c.110 (C.5:12-
30 1 et seq.) shall specify:

31 (1) the particular eligibility criterion satisfied by the applicant or
32 person;

33 (2) the date as of which such satisfaction was determined by the
34 commission;

35 (3) the continuing obligation of the applicant or person to file any
36 information required by the [commission or] division as part of any
37 application for a license or qualification status, including information
38 related to the eligibility criterion for which the statement of compliance was
39 issued; and

40 (4) the obligation of the applicant or person to reestablish its
41 satisfaction of the eligibility criterion should there be a change in any
42 material fact or circumstance that is relevant to the eligibility criterion for
43 which the statement of compliance was issued.

44 c. [A statement of compliance certifying satisfaction of all of the
45 requirements of subsection e. of section 84 of this act with respect to a
46 specific casino hotel proposal submitted by an eligible applicant may be
47 accompanied by a written commitment from the commission that a casino

1 license shall be reserved for a period not to exceed 30 months or within
2 such additional time period as the commission may, upon a showing of
3 good cause therefor, establish and shall be issued to such eligible applicant
4 with respect to such proposal provided that such applicant (1) complies in
5 all respects with the provisions of this act, (2) qualifies for a casino license
6 within a period not to exceed 30 months of the date of such commitment or
7 within such additional time period as the commission may, upon a showing
8 of good cause therefor, establish, and (3) complies with such other
9 conditions as the commission shall impose. The commission may revoke
10 such reservation at any time it finds that the applicant is disqualified from
11 receiving or holding a casino license or has failed to comply with any
12 conditions imposed by the commission. Such reservation shall be
13 automatically revoked if the applicant does not qualify for a casino license
14 within the period of such commitment. No license other than a casino
15 license shall be reserved by the commission.】 (Deleted by amendment,
16 P.L. , c.)(pending before the Legislature as this bill)

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

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

21 (2) the applicant or person fails to comply with any condition imposed
22 **【by the commission】**; or

23 (3) the commission finds, on recommendation of the division, cause to
24 revoke the statement of compliance for any other reason.

25 e. Notwithstanding any other provision of this section, unless
26 otherwise extended by the commission upon application by the recipient
27 and for good cause shown, any statement of compliance issued by the
28 commission pursuant to this section shall expire 48 months after its date of
29 issuance**【, unless the recipient also has received a commitment for the**
30 **reservation of a casino license, in which case the statement of compliance**
31 **shall expire on the same date as the commitment】.**

32 f. **【Any statement of compliance issued by the commission prior to the**
33 **effective date of this amendatory and supplementary act, P.L.2002, c.65,**
34 **shall expire in accordance with the provisions of subsection e. of this**
35 **section as if the statement had been issued on such effective date, unless the**
36 **statement is otherwise extended, withdrawn or revoked prior to such date in**
37 **accordance with the provisions of this section.】** (Deleted by amendment,
38 P.L. , c.)(pending before the Legislature as this bill)
39 (cf: P.L.2002, c.65, s.13)

40

41 47. Section 82 of P.L.1977, c.110 (C.5:12-82) is amended to read as
42 follows:

43 82. a. No casino shall operate unless all necessary licenses and approvals
44 therefor have been obtained in accordance with law.

45 b. Only the following persons shall be eligible to hold a casino license;
46 and, unless otherwise determined by the commission with the concurrence
47 of the Attorney General which may not be unreasonably withheld in

1 accordance with subsection c. of this section, each of the following persons
2 shall be required to hold a casino license prior to the operation of a casino
3 in the casino hotel with respect to which the casino license has been applied
4 for:

5 (1) Any person who either owns an approved casino hotel or owns or
6 has a contract to purchase or construct a casino hotel which in the judgment
7 of the commission can become an approved casino hotel within 30 months
8 or within such additional time period as the commission may, upon a
9 showing of good cause therefor, establish;

10 (2) Any person who, whether as lessor or lessee, either leases an
11 approved casino hotel or leases or has an agreement to lease a casino hotel
12 which in the judgment of the commission can become an approved casino
13 hotel within 30 months or within such additional time period as the
14 commission may, upon a showing of good cause therefor, establish;

15 (3) Any person who has a written agreement with a casino licensee or
16 with an eligible applicant for a casino license for the complete management
17 of a casino and, if applicable, any authorized games in a casino
18 simulcasting facility; and

19 (4) Any other person who has control over either an approved casino
20 hotel or the land thereunder or the operation of a casino.

21 c. Prior to the operation of a casino and, if applicable, a casino
22 simulcasting facility, every agreement to lease an approved casino hotel or
23 the land thereunder and every agreement for the management of the casino
24 and, if applicable, any authorized games in a casino simulcasting facility,
25 shall be in writing and filed with the commission and the division. No such
26 agreement shall be effective unless expressly approved by the commission.
27 The commission may require that any such agreement include within its
28 terms any provision reasonably necessary to best accomplish the policies of
29 this act. Consistent with the policies of this act:

30 (1) The commission, with the concurrence of the Attorney General
31 which may not be unreasonably withheld, may determine that any person
32 who does not have the ability to exercise any significant control over either
33 the approved casino hotel or the operation of the casino contained therein
34 shall not be eligible to hold or required to hold a casino license;

35 (2) The commission, with the concurrence of the Attorney General
36 which may not be unreasonably withheld, may determine that any owner,
37 lessor or lessee of an approved casino hotel or the land thereunder who
38 does not own or lease **[the entire]** a significant portion of an approved
39 casino hotel shall not be eligible to hold or required to hold a casino
40 license;

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

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

47 (5) As to agreements to lease an approved casino hotel or the land
48 thereunder, unless it expressly and by formal vote for good cause

1 determines otherwise, the commission shall require that each party thereto
2 hold either a casino license or casino service industry enterprise license and
3 that such an agreement **[**be for a durational term exceeding 30 years,
4 concern 100% of the entire approved casino hotel or of the land upon which
5 same is located, and**]** shall include within its terms a buy-out provision
6 conferring upon the casino licensee-lessee who controls the operation of the
7 approved casino hotel the absolute right to purchase for an expressly set
8 forth fixed sum the entire interest of the lessor or any person associated
9 with the lessor in the approved casino hotel or the land thereunder in the
10 event that said lessor or said person associated with the lessor is found by
11 the commission or director, as the case may be, to be unsuitable to be
12 associated with a casino enterprise;

13 (6) The commission shall not permit an agreement for the leasing of an
14 approved casino hotel or the land thereunder to provide for the payment of
15 an interest, percentage or share of money gambled at the casino or derived
16 from casino gaming activity or of revenues or profits of the casino unless
17 the party receiving payment of such interest, percentage or share is a party
18 to the approved lease agreement; unless each party to the lease agreement
19 holds either a casino license or casino service industry enterprise license
20 **[**and unless the agreement is for a durational term exceeding 30 years,
21 concerns a significant portion of the entire approved casino hotel or of the
22 land upon which same is located**]**, and includes within its terms a buy-out
23 provision conforming to that described in paragraph (5) above;

24 (7) As to agreements for the management of a casino and, if applicable,
25 the authorized games in a casino simulcasting facility, the commission shall
26 require that each party thereto hold a casino license or a casino service
27 industry enterprise license pursuant to subsection a. of section 92 of
28 P.L.1977, c.110 (C.5:12-92), that the party thereto who is to manage the
29 casino gaming operations own at least 10% of all outstanding equity
30 securities of any casino licensee or of any eligible applicant for a casino
31 license if the said licensee or applicant is a corporation and the ownership
32 of an equivalent interest in any casino licensee or in any eligible applicant
33 for a casino license if same is not a corporation, and that such an agreement
34 be for the complete management of all casino space in the casino hotel and,
35 if applicable, all authorized games in a casino simulcasting facility, provide
36 for the sole and unrestricted power to direct the casino gaming operations
37 of the casino hotel which is the subject of the agreement, and be for such a
38 durational term as to assure reasonable continuity, stability and
39 independence in the management of the casino gaming operations, provided
40 that the provisions of this paragraph shall not apply to a slot system
41 agreement between a group of casino licensees and a casino service
42 industry enterprise licensed pursuant to subsection a. of section 92 of
43 P.L.1977, c.110 (C.5:12-92), or an eligible applicant for such license, and
44 that, with regard to such agreements, the casino service industry enterprise
45 licensee or applicant may operate and administer the multi-casino
46 progressive slot machine system, including, but not limited to, the operation
47 of a monitor room or the payment of progressive **[jackpots]**, including

1 annuity jackpots, or both, and further provided that the obligation to pay a
2 progressive jackpot or establish an annuity jackpot guarantee shall be the
3 sole responsibility of the casino licensee or casino service industry
4 enterprise licensee or applicant designated in the slot system agreement and
5 that no other party shall be jointly or severally liable for the payment or
6 funding of such jackpots or guarantees unless such liability is specifically
7 established in the slot system agreement;

8 (8) The commission may permit an agreement for the management of a
9 casino and, if applicable, the authorized games in a casino simulcasting
10 facility to provide for the payment to the managing party of an interest,
11 percentage or share of money gambled at all authorized games or derived
12 from casino gaming activity or of revenues or profits of casino gaming
13 operations;

14 (9) Notwithstanding any other provision of P.L.1977, c.110 (C.5:12-1 et
15 seq.) to the contrary, the commission may permit an agreement between a
16 casino licensee and a casino service industry enterprise licensed pursuant to
17 the provisions of subsection a. of section 92 of P.L.1977, c.110 (C.5:12-92)
18 for the conduct of casino simulcasting in a simulcasting facility or for the
19 operation of a multi-casino progressive slot machine system, to provide for
20 the payment to the casino service industry enterprise of an interest,
21 percentage or share of the money derived from the casino licensee's share
22 of proceeds from simulcast wagering activity or the operation of a multi-
23 casino progressive slot machine system; and

24 (10) As to agreements to lease an approved casino hotel or the land
25 thereunder, agreements to jointly own an approved casino hotel or the land
26 thereunder and agreements for the management of casino gaming
27 operations or for the conduct of casino simulcasting in a simulcasting
28 facility, the commission shall require that each party thereto, except for a
29 banking or other chartered or licensed lending institution or any subsidiary
30 thereof, or any chartered or licensed life insurance company or property and
31 casualty insurance company, or the State of New Jersey or any political
32 subdivision thereof or any agency or instrumentality of the State or any
33 political subdivision thereof, shall be jointly and severally liable for all
34 acts, omissions and violations of this act by any party thereto regardless of
35 actual knowledge of such act, omission or violation and notwithstanding
36 any provision in such agreement to the contrary. Notwithstanding the
37 foregoing, nothing in this paragraph shall require a casino licensee to be
38 jointly and severally liable for any acts, omissions or violations of this act,
39 P.L.1977, c.110 (C.5:12-1 et seq.), committed by any casino service
40 industry enterprise licensee or applicant performing as a slot system
41 operator pursuant to a slot system agreement.

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

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

47 (2) The corporation shall maintain an office of the corporation in the
48 casino hotel licensed or to be licensed;

- 1 (3) The corporation shall comply with all the requirements of the laws
2 of the State of New Jersey pertaining to corporations;
- 3 (4) The corporation shall maintain a ledger in the principal office of the
4 corporation in New Jersey which shall at all times reflect the current
5 ownership of every class of security issued by the corporation and shall be
6 available for inspection by the commission or the division and authorized
7 agents of the commission and the division at all reasonable times without
8 notice;
- 9 (5) The corporation shall maintain all operating accounts required by
10 the commission in a bank in New Jersey, except that a casino licensee may
11 establish deposit-only accounts in any jurisdiction in order to obtain
12 payment of any check described in section 101 of P.L.1977, c.110 (C.5:12-
13 101);
- 14 (6) The corporation shall include among the purposes stated in its
15 certificate of incorporation the conduct of casino gaming and provide that
16 the certificate of incorporation includes all provisions required by this act;
- 17 (7) The corporation, if it is not a publicly traded corporation, shall file
18 with the **【commission】** division such adopted corporate charter provisions
19 as may be necessary to establish the right of prior approval by the
20 commission with regard to transfers of securities, shares, and other interests
21 in the applicant corporation; and, if it is a publicly traded corporation,
22 provide in its corporate charter that any securities of such corporation are
23 held subject to the condition that if a holder thereof is found to be
24 disqualified **【by the commission】** pursuant to the provisions of this act,
25 such holder shall dispose of his interest in the corporation; provided,
26 however, that, notwithstanding the provisions of N.J.S.14A:7-12 and
27 N.J.S.12A:8-101 et seq., nothing herein shall be deemed to require that any
28 security of such corporation bear any legend to this effect;
- 29 (8) The corporation, if it is not a publicly traded corporation, shall
30 establish to the satisfaction of the **【commission】** division that appropriate
31 charter provisions create the absolute right of such non-publicly traded
32 corporations and companies to repurchase at the market price or the
33 purchase price, whichever is the lesser, any security, share or other interest
34 in the corporation in the event that the commission disapproves a transfer in
35 accordance with the provisions of this act;
- 36 (9) Any publicly traded holding, intermediary, or subsidiary company
37 of the corporation, whether the corporation is publicly traded or not, shall
38 contain in its corporate charter the same provisions required under
39 paragraph (7) for a publicly traded corporation to be eligible to apply for a
40 casino license; and
- 41 (10) Any non-publicly traded holding, intermediary or subsidiary
42 company of the corporation, whether the corporation is publicly traded or
43 not, shall establish to the satisfaction of the commission that its charter
44 provisions are the same as those required under paragraphs (7) and (8) for a
45 non-publicly traded corporation to be eligible to apply for a casino license.
- 46 **【Notwithstanding the foregoing, any corporation or company which had**
47 **bylaw provisions approved by the commission prior to the effective date of**
48 **this 1987 amendatory act shall have one year from the effective date of this**

1 1987 amendatory act to adopt appropriate charter provisions in accordance
2 with the requirements of this subsection.]

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

7 e. No person shall be issued or be the holder of a casino license if the
8 issuance or the holding results in undue economic concentration in Atlantic
9 City casino operations by that person. The commission shall, after
10 conducting public hearings thereon, promulgate rules and regulations in
11 accordance with the "Administrative Procedure Act," P.L.1968, c.410
12 (C.52:14B-1 et seq.) defining the criteria the commission will use in
13 determining what constitutes undue economic concentration.

14 For the purpose of this subsection a person shall be considered the
15 holder of a casino license if such license is issued to such person or if such
16 license is held by any holding, intermediary or subsidiary company thereof,
17 or by any [officer, director, casino key employee or principal employee of
18 such person, or of any holding, intermediary or subsidiary company
19 thereof] person required to be qualified in conjunction with such casino
20 license.

21 (cf: P.L.2009, c.36, s.7)

22

23 48. Section 83 of P.L.1977, c.110 (C.5:12-83) is amended to read as
24 follows:

25 83. a. An approved hotel for purposes of this act shall be a hotel
26 providing facilities in accordance with this section. Nothing in this section
27 shall be construed to limit the authority of the commission to determine the
28 suitability of facilities as provided in this act, and nothing in this section
29 shall be construed to require a casino to be smaller than the maximum size
30 herein provided.

31 Nothing in this section shall be construed as authorizing the commission,
32 based on the provisions of this section, to determine the suitability of
33 facilities, or to deny a license, for a small-scale casino facility or a staged
34 casino facility that is permitted by law supplementing P.L.1977, c.110
35 (C.5:12-1 et seq.).

36 b. (Deleted by amendment, P.L.2002, c.65).

37 c. A casino hotel shall include an approved hotel containing at least
38 500 qualifying sleeping units, as defined in section 27 of the "Casino
39 Control Act," P.L.1977, c.110 (C.5:12-27), and a casino, the total square
40 footage of which shall not exceed 60,000 square feet, except that for each
41 additional 100 qualifying sleeping units above 500, the maximum amount
42 of the casino space may be increased by 10,000 square feet, up to a
43 maximum of 200,000 square feet of casino space. For the purpose of
44 increasing casino space, an agreement approved by the commission for the
45 addition of qualifying sleeping units within two years after the
46 commencement of gaming operations in the additional casino space shall be
47 deemed an addition of those sleeping units, but if the agreement is not
48 fulfilled due to conditions within the control of the casino licensee, the

1 casino licensee shall close the additional casino space or any portion
2 thereof as directed by the commission.

3 d. Once a hotel is initially approved, the commission and the division
4 shall thereafter rely on the certification of the casino licensee with regard to
5 the number of qualifying sleeping units and shall permit replacement,
6 rehabilitation, renovation and alteration of any part of the approved hotel
7 even if the replacement, rehabilitation, renovation, or alteration will mean
8 that the casino licensee does not temporarily meet the requirements of
9 subsection c. so long as the licensee certifies that the replacement,
10 rehabilitation, renovation, or alteration shall be completed within one year
11 or such other reasonable period of time as the commission may approve.

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

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

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

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

16 I. The **【commission】** division shall not impose any criteria or
17 requirements regarding the contents of the approved hotel in addition to the
18 criteria and requirements expressly specified in the "Casino Control Act,"
19 P.L.1977, c.110 (C.5:12-1 et seq.) and the regulations promulgated
20 thereunder; provided, however, that the **【commission】** division shall **【be**
21 **authorized to】** require each casino licensee to establish and maintain an
22 approved hotel which is in all respects a superior, first-class facility of
23 exceptional quality which will help restore Atlantic City as a resort, tourist
24 and convention destination.

25 (cf: P.L.2002, c.65, s.14)

26

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

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

32 a. Each applicant shall produce such information, documentation and
33 assurances concerning financial background and resources as may be
34 required to establish by clear and convincing evidence the financial
35 stability, integrity and responsibility of the applicant, including but not
36 limited to bank references, business and personal income and disbursement
37 schedules, tax returns and other reports filed with governmental agencies,
38 and business and personal accounting and check records and ledgers. In
39 addition, each applicant shall, in writing, authorize the examination of all
40 bank accounts and records as may be deemed necessary by the commission
41 or the division. The commission or the division may consider any relevant
42 evidence of financial stability; provided, however, it is presumed that a
43 casino licensee or applicant is financially stable if it establishes by clear
44 and convincing evidence that it meets each of the following standards:

45 (1) The ability to assure the financial integrity of casino operations by
46 the maintenance of a casino bankroll or equivalent provisions adequate to
47 pay winning wagers to casino patrons when due. A casino licensee or
48 applicant shall be presumed to have met this standard if it maintains, on a

1 daily basis, a casino bankroll, or a casino bankroll and equivalent
2 provisions, in an amount which is at least equal to the average daily
3 minimum casino bankroll or equivalent provisions, calculated on a monthly
4 basis, for the corresponding month in the previous year. For any casino
5 licensee or applicant which has been in operation for less than a year, such
6 amount shall be determined by the division based upon levels maintained
7 by a comparable casino licensee;

8 (2) The ability to meet ongoing operating expenses which are essential to
9 the maintenance of continuous and stable casino operations. A casino
10 licensee or applicant shall be presumed to have met this standard if it
11 demonstrates the ability to achieve positive gross operating profit,
12 measured on an annual basis;

13 (3) The ability to pay, as and when due, all local, state and federal taxes,
14 including the tax on gross revenues imposed by subsection a. of section 144
15 of P.L.1977, c.110 (C.5:12-144), the investment alternative tax obligations
16 imposed by subsection b. of section 144 of P.L.1977, c.110 (C.5:12-144)
17 and section 3 of P.L.1984, c.218 (C.5:12-144.1), and any fees imposed by
18 the act or the regulations promulgated pursuant thereto;

19 (4) The ability to make necessary capital and maintenance expenditures
20 in a timely manner which are adequate to ensure maintenance of a superior,
21 first-class facility of exceptional quality pursuant to subsection i. of section
22 83 of P.L.1977, c.110 (C.5:12-83). A casino licensee or applicant shall be
23 presumed to have met this standard if it demonstrates that its capital and
24 maintenance expenditures, over the five-year period which includes the
25 three most recent calendar years and the upcoming two calendar years,
26 average at least five percent of net revenue per annum, except that any
27 casino licensee or applicant which has been in operation for less than three
28 years shall be required to otherwise establish compliance with this
29 standard; and

30 (5) The ability to pay, exchange, refinance or extend debts, including
31 long-term and short-term principal and interest and capital lease
32 obligations, which will mature or otherwise come due and payable during
33 the license term, or to otherwise manage such debts and any default with
34 respect to such debts. The division also may require that a casino licensee
35 or applicant advise as to its plans to meet this standard with respect to any
36 material debts coming due and payable within 12 months after the end of
37 the license term.

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

1 P.L.1977, c.110 (C.5:12-85). Any such banking or licensed lending
2 institution or institutional investor shall, however, produce for the
3 commission or the division upon request any document or information
4 which bears any relation to the casino proposal submitted by the applicant
5 or applicants. The integrity of financial sources shall be judged upon the
6 same standards as the applicant. In addition, the applicant shall produce
7 whatever information, documentation or assurances as may be required to
8 establish by clear and convincing evidence the adequacy of financial
9 resources both as to the completion of the casino proposal and the operation
10 of the casino.] (Deleted by amendment, P.L. , c.)(pending before the
11 Legislature as this bill)

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

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

47 e. Each applicant shall produce such information, documentation and
48 assurances to establish [to the satisfaction of the commission] the

1 suitability of the casino and related facilities subject to subsection i. of
2 section 83 of P.L.1977, c.110 (C.5:12-83) and that its proposed location
3 will not adversely affect casino operations. Each applicant shall submit to
4 the division an impact statement which shall include, without limitation,
5 architectural and site plans which establish that the proposed facilities
6 comply in all respects with the requirements of this act and the
7 requirements of the master plan and zoning and planning ordinances of
8 Atlantic City, without any use variance from the provisions thereof; a
9 market impact study which analyzes the adequacy of the patron market and
10 the effect of the proposal on such market and on the existing casino
11 facilities licensed under this act; and an analysis of the effect of the
12 proposal on the overall economic and competitive conditions of Atlantic
13 City and the State of New Jersey.

14 f. For the purposes of this section, each applicant shall **[submit]** be
15 responsible for the submission to the division of the **[applicant's]** name,
16 address, fingerprints and written consent for a criminal history record
17 background check to be performed for each person who must individually
18 qualify in conjunction with the casino license application. The division is
19 hereby authorized to exchange fingerprint data with and receive criminal
20 history record information from the State Bureau of Identification in the
21 Division of State Police and the Federal Bureau of Investigation consistent
22 with applicable State and federal laws, rules and regulations. The applicant
23 shall bear the cost for the criminal history record background check,
24 including all costs of administering and processing the check. The Division
25 of State Police shall promptly notify the division in the event a current or
26 prospective licensee, who was the subject of a criminal history record
27 background check pursuant to this section, is arrested for a crime or offense
28 in this State after the date the background check was performed.

29 (cf: P.L.2009, c.36, s.8)

30

31 50. Section 85 of P.L.1997, c.110 (C.5:12-85) is amended to read as
32 follows:

33 85. Additional Requirements.

34 a. In addition to other information required by this act, a corporation or
35 other form of business organization applying for a casino license shall
36 provide the following information, in such form as may be established by
37 regulation:

38 (1) The organization, financial structure and nature of all businesses
39 operated by the **[corporation]** applicant; the names and personal
40 employment and criminal histories of all officers, directors and **[principal]**
41 such other employees of the **[corporation]** applicant as the division may
42 require; the names of all holding, intermediary and subsidiary companies of
43 the **[corporation]** applicant; and the organization, financial structure and
44 nature of all businesses operated by such of its holding, intermediary and
45 subsidiary companies as the **[commission]** division may require, including
46 the names and personal employment and criminal histories of such
47 corporate officers, directors and **[principal]** other employees of such

- 1 holding, intermediary and subsidiary **【corporations and】** companies as the
2 **【commission】** division may require;
- 3 (2) The rights and privileges acquired by the holders of different classes
4 of authorized securities of **【such corporations】** the applicant and such
5 companies as the **【commission】** division may require, including the names,
6 addresses and amounts held by all holders of such securities;
- 7 (3) The terms upon which securities have been or are to be offered;
- 8 (4) The terms and conditions of all outstanding loans, mortgages, trust
9 deeds, pledges or any other indebtedness or security devices utilized by the
10 **【corporation】** applicant;
- 11 (5) The extent of the equity security holding in the **【corporation】**
12 applicant of all officers, directors and underwriters, and their remuneration
13 in the form of salary, wages, fees or otherwise;
- 14 (6) Names of persons other than directors and officers who occupy
15 positions specified by the **【commission】** division or whose compensation
16 exceeds an amount determined by the **【commission】** division, and the
17 amount of their compensation;
- 18 (7) A description of all bonus and profit-sharing arrangements;
- 19 (8) Copies of all management and service contracts; **【and】**
- 20 (9) A listing of stock options existing or to be created; and
- 21 (10) Documentation establishing that it is qualified to do business in the
22 State of New Jersey.
- 23 b. **【If a corporation or other form of business organization applying for**
24 **a casino license is, or if a corporation or other form of business**
25 **organization holding a casino license is to become, a subsidiary, each**
26 **holding company, intermediary company, and other entity required to be**
27 **qualified with respect thereto must, as a condition of the said subsidiary**
28 **acquiring or retaining such license, as the case may be:**
- 29 (1) Establish by clear and convincing evidence that it meets the
30 standards set forth in subsections a., c., and d. of section 84 of P.L.1977,
31 c.110 (C.5:12-84) as if it were itself applying for a casino license, and the
32 standards, but for residence, required for approval as a casino key employee
33 pursuant to the provisions of this act in accordance with subsections c., d.
34 and e. of this section, as applicable; and
- 35 (2) **Qualify】** Each holding, intermediary and subsidiary company of an
36 applicant for or holder of a casino license shall be required to qualify to do
37 business in the State of New Jersey; and
- 38 **【(3)】** (1) If it is a corporation, register with the **【commission】** division
39 and furnish the **【commission】** division with all the information required of
40 a corporate licensee as specified in subsection a. (1), (2) and (3) of this
41 section and such other information as the **【commission】** division may
42 require; or
- 43 **【(4)】** (2) If it is not a corporation, register with the **【commission】**
44 division and furnish the **【commission】** division with such information as
45 the **【commission】** division may prescribe.

1 c. [No corporation shall be eligible to hold a casino license unless
2 each officer; each director; each person who directly or indirectly holds any
3 beneficial interest or ownership of the securities issued by the corporation;
4 any person who in the opinion of the commission has the ability to control
5 the corporation or elect a majority of the board of directors of that
6 corporation, other than a banking or other licensed lending institution
7 which makes a loan or holds a mortgage or other lien acquired in the
8 ordinary course of business; each principal employee; and any lender,
9 underwriter, agent, employee of the corporation, or other person whom the
10 commission may consider appropriate for approval or qualification would,
11 but for residence, individually be qualified for approval as a casino key
12 employee pursuant to the provisions of this act.] (Deleted by amendment,
13 P.L. , c.)(pending before the Legislature as this bill)

14 d. [No corporation or other form of business organization which is a
15 subsidiary shall be eligible to receive or hold a casino license unless each
16 holding and intermediary company with respect thereto:

17 (1) If it is a corporation, shall comply with the provisions of subsection
18 c. of this section as if said holding or intermediary company were itself
19 applying for a casino license; provided, however, that the commission with
20 the concurrence of the director may waive compliance with the provisions
21 of subsection c. hereof on the part of a holding company as to any officer,
22 director, lender, underwriter, agent or employee thereof, or person directly
23 or indirectly holding a beneficial interest or ownership of the securities of
24 such corporation, where the commission and the director are satisfied that
25 such officer, director, lender, underwriter, agent or employee is not
26 significantly involved in the activities of the corporate licensee, and in the
27 case of security holders, does not have the ability to control the holding
28 company or elect one or more directors thereof; or

29 (2) If it is not a corporation, shall comply with the provisions of
30 subsection e. of this section as if said company were itself applying for a
31 casino license; provided, however, that the commission with the
32 concurrence of the director may waive compliance with the provisions of
33 subsection e. of this section on the part of a noncorporate business
34 organization which is a holding company as to any person who directly or
35 indirectly holds any beneficial interest or ownership in such company,
36 when the commission and the director are satisfied that such person does
37 not have the ability to control the company.] (Deleted by amendment,
38 P.L. , c.)(pending before the Legislature as this bill)

39 e. [Any noncorporate applicant for a casino license shall provide the
40 information required in subsection a. of this section in such form as may be
41 required by the commission. No such applicant shall be eligible to hold a
42 casino license unless each person who directly or indirectly holds any
43 beneficial interest or ownership in the applicant, or who in the opinion of
44 the commission has the ability to control the applicant, or whom the
45 commission may consider appropriate for approval or qualification, would,
46 but for residence, individually be qualified for approval as a casino key

1 employee pursuant to the provisions of this act.】 (Deleted by amendment,
2 P.L. , c.) (pending before the Legislature as this bill)

3 f. 【Notwithstanding the provisions of subsections c. and d. of this
4 section, and in the absence of a prima facie showing by the director that
5 there is any cause to believe that the institutional investor may be found
6 unqualified, an institutional investor holding either (1) under 10% of the
7 equity securities of a casino licensee's holding or intermediary companies,
8 or (2) debt securities of a casino licensee's holding or intermediary
9 companies, or another subsidiary company of a casino licensee's holding or
10 intermediary companies which is related in any way to the financing of the
11 casino licensee, where the securities represent a percentage of the
12 outstanding debt of the company not exceeding 20%, or a percentage of any
13 issue of the outstanding debt of the company not exceeding 50%, shall be
14 granted a waiver of qualification if such securities are those of a publicly
15 traded corporation and its holdings of such securities were purchased for
16 investment purposes only and upon request by the commission it files with
17 the commission a certified statement to the effect that it has no intention of
18 influencing or affecting the affairs of the issuer, the casino licensee or its
19 holding or intermediary companies; provided, however, that it shall be
20 permitted to vote on matters put to the vote of the outstanding security
21 holders. The commission may grant a waiver of qualification to an
22 institutional investor holding a higher percentage of such securities upon a
23 showing of good cause and if the conditions specified above are met. Any
24 institutional investor granted a waiver under this subsection which
25 subsequently determines to influence or affect the affairs of the issuer shall
26 provide not less than 30 days' notice of such intent and shall file with the
27 commission an application for qualification before taking any action that
28 may influence or affect the affairs of the issuer; provided, however, that it
29 shall be permitted to vote on matters put to the vote of the outstanding
30 security holders. If an institutional investor changes its investment intent,
31 or if the commission finds reasonable cause to believe that the institutional
32 investor may be found unqualified, no action other than divestiture shall be
33 taken by such investor with respect to its security holdings until there has
34 been compliance with the provisions of P.L.1987, c.409 (C.5:12-95.12 et
35 al.), including the execution of a trust agreement. The casino licensee and
36 its relevant holding, intermediary or subsidiary company shall immediately
37 notify the commission and the division of any information about, or actions
38 of, an institutional investor holding its equity or debt securities where such
39 information or action may impact upon the eligibility of such institutional
40 investor for a waiver pursuant to this subsection.】 (Deleted by amendment,
41 P.L. , c.)(pending before the Legislature as this bill)

42 g. 【If at any time the commission finds that an institutional investor
43 holding any security of a holding or intermediary company of a casino
44 licensee, or, where relevant, of another subsidiary company of a holding or
45 intermediary company of a casino licensee which is related in any way to
46 the financing of the casino licensee, fails to comply with the terms of
47 subsection f. of this section, or if at any time the commission finds that, by
48 reason of the extent or nature of its holdings, an institutional investor is in a

1 position to exercise such a substantial impact upon the controlling interests
2 of a licensee that qualification of the institutional investor is necessary to
3 protect the public interest, the commission may, in accordance with the
4 provisions of subsections a. through e. of this section or subsections d. and
5 e. of section 105 of P.L.1977, c.110 (C.5:12-105), take any necessary action
6 to protect the public interest, including requiring such an institutional
7 investor to be qualified pursuant to the provisions of the "Casino Control
8 Act," P.L.1977, c.110 (C.5:12-1 et seq.). 】 (Deleted by amendment, P.L. ,
9 c.) (pending before the Legislature as this bill)
10 (cf: P.L.2009, c.36, s.9)
11

12 51. (New section) a. No casino license shall be issued to any applicant or
13 retained by any holder unless the commission determines that all persons
14 designated by the division as persons who must qualify in conjunction with
15 such license meet all applicable qualification criteria and are not
16 unqualified by reason of any disqualification criteria set forth in section 86
17 of P.L.1977, c.110 (C.5:12-86).

18 b. Corporate applicants for and holders of casino licenses shall be
19 required to establish and maintain the qualifications of the following: (1)
20 each officer of the corporation; (2) each director of the corporation; (3)
21 each person who directly or indirectly holds any beneficial interest or
22 ownership of the securities issued by such applicant or holder; (4) any
23 holder who in the opinion of the director has the ability to control the
24 applicant for or holder of a casino license or to elect a majority of the board
25 of directors of such applicant or holder; and (5) each holding, intermediary
26 or subsidiary company of an applicant for or holder of a casino license.

27 c. As to each holding, intermediary and subsidiary company of an
28 applicant for or holder of a casino license, such applicants and holders shall
29 be required to establish and maintain the qualifications of the following:
30 (1) each Corporate Officer; (2) each director of the corporation; (3) each
31 person who directly or indirectly holds a beneficial interest or ownership
32 interest of 5% or more in such holding, intermediary or subsidiary
33 company; (4) any person who in the opinion of the director has the ability
34 to control or elect a majority of the board of directors of such holding,
35 intermediary or subsidiary company; and (5) any other person who the
36 director may consider appropriate for qualification.

37 d. The director shall have the authority to waive any or all of the
38 qualification requirements for any person listed in paragraph (1), (2) or (3)
39 of subsection c. of this section.

40 e. Applicants for and holders of casino licenses shall be required to
41 establish and maintain the qualifications of any financial backer, investor,
42 mortgagee, bondholder, or holders of indentures, notes or other evidences
43 of indebtedness, either in effect or proposed which bears relation to the
44 casino operation or casino hotel premises who holds 25% or more of such
45 financial instruments or evidences of indebtedness; provided however in
46 circumstances of default, any person holding 10% of such financial
47 instruments or evidences of indebtedness shall be required to establish and
48 maintain his qualifications as required pursuant to subsection c. of this

1 section. The director may, in his discretion, require that any other financial
2 backer, investor, mortgagee, bondholder, or holder of indentures, notes or
3 other evidences of indebtedness who does not meet the threshold set forth
4 herein to establish and maintain his qualifications as required pursuant to
5 subsection c. of this section.

6 f. Banks and licensed lending institutions shall be exempt from any
7 qualification requirements under this act if such bank or licensed lending
8 institution is acting in the ordinary course of business.

9 g. An institutional investor holding either (1) under 25% of the equity
10 securities of a casino licensee's holding or intermediary companies, or (2)
11 debt securities of a casino licensee's holding or intermediary companies, or
12 another subsidiary company of a casino licensee's holding or intermediary
13 companies which is related in any way to the financing of the casino
14 licensee, where the securities represent a percentage of the outstanding debt
15 of the company not exceeding 25%, or a percentage of any issue of the
16 outstanding debt of the company not exceeding 50%, shall be granted a
17 waiver of qualification if such securities are those of a publicly traded
18 corporation and its holdings of such securities were purchased for
19 investment purposes only and it files a certified statement to the effect that
20 it has no intention of influencing or affecting the affairs of the issuer, the
21 casino licensee or its holding or intermediary companies; provided,
22 however, that it shall be permitted to vote on matters put to the vote of the
23 outstanding security holders. The director may grant a waiver of
24 qualification to an institutional investor holding a higher percentage of such
25 securities upon a showing of good cause and if the conditions specified
26 above are met. Any institutional investor granted a waiver under this
27 subsection which subsequently determines to influence or affect the affairs
28 of the issuer shall provide not less than 30 days' notice of such intent and
29 shall file with the division an application for qualification before taking any
30 action that may influence or affect the affairs of the issuer; provided,
31 however, that it shall be permitted to vote on matters put to the vote of the
32 outstanding security holders. If an institutional investor changes its
33 investment intent, or if the director finds reasonable cause to believe that
34 the institutional investor may be found unqualified, no action other than
35 divestiture shall be taken by such investor with respect to its security
36 holdings until there has been compliance with the provisions of P.L.1987,
37 c.409 (C.5:12-95.12 et seq.), including the execution of a trust agreement.
38 The casino licensee and its relevant holding, intermediary or subsidiary
39 company shall immediately notify the division of any information about, or
40 actions of, an institutional investor holding its equity or debt securities
41 where such information or action may impact upon the eligibility of such
42 institutional investor for a waiver pursuant to this subsection.

43 h. If at any time the director finds that an institutional investor holding
44 any security of a holding or intermediary company of a casino licensee, or,
45 where relevant, of another subsidiary company of a holding or intermediary
46 company of a casino licensee which is related in any way to the financing
47 of the casino licensee, fails to comply with the terms of subsection f. of this
48 section, or if at any time the director finds that, by reason of the extent or

1 nature of its holdings, an institutional investor is in a position to exercise
2 such a substantial impact upon the controlling interests of a licensee that
3 qualification of the institutional investor is necessary to protect the public
4 interest, the director may, in accordance with the provisions of subsections
5 a. through e. of this section or subsections d. and e. of section 105 of
6 P.L.1977, c.110 (C.5:12-105), take any necessary action to protect the
7 public interest, including requiring such an institutional investor to be
8 qualified pursuant to the provisions of the "Casino Control Act," P.L.1977,
9 c.110 (C.5:12-1 et seq.).

10 i. Any company required to qualify pursuant to subsection b. of this
11 section shall establish by clear and convincing evidence that it meets that
12 standards set forth in section 84 of P.L.1977, c.110 (C.5:12-84).

13 j. As to each company required to qualify pursuant to subsection c. of
14 this section, the applicant for or holder of the casino license shall establish
15 by clear and convincing evidence that each such company meets the
16 standards set forth in subsections a., c., and d. of section 84 of P.L.1977,
17 c.110 (C.5:12-84).

18 k. Any natural person required to qualify pursuant to subsections b. and
19 c. of this section shall be required to establish his qualifications in
20 accordance with the standards applicable to casino key employees in
21 section 89 of this act; provided, however that persons required to qualify
22 pursuant to subsection c. of this section shall not be required to establish
23 residency.

24
25 52. (New section) The provisions of this act shall apply to the extent
26 appropriate with the same force and effect with regard to casino license
27 applicants and casino licensees that have a legal existence that is other than
28 corporate.

29
30 53. Section 86 of P.L.1977, c.110 (C.5:12-86) is amended to read as
31 follows:

32 86. Casino License--Disqualification Criteria. The commission shall
33 deny a casino license to any applicant who is disqualified on the basis of
34 any of the following criteria:

35 a. Failure of the applicant to prove by clear and convincing evidence
36 that the applicant is qualified in accordance with the provisions of this act;

37 b. Failure of the applicant to provide information, documentation and
38 assurances required by the act or requested by the commission or the
39 division, or failure of the applicant to reveal any fact material to
40 qualification, or the supplying of information which is untrue or misleading
41 as to a material fact pertaining to the qualification criteria;

42 c. The conviction of the applicant, or of any person required to be
43 qualified under this act as a condition of a casino license, of any offense in
44 any jurisdiction which would be:

45 (1) Any of the following offenses under the "New Jersey Code of
46 Criminal Justice," P.L.1978, c.95 (Title 2C of the New Jersey Statutes) as
47 amended and supplemented:

48 all crimes of the first degree;

1 N.J.S.2C:5-1 (attempt to commit an offense which is listed in this
2 subsection);
3 N.J.S.2C:5-2 (conspiracy to commit an offense which is listed in this
4 subsection);
5 Subsection b. of N.J.S.2C:11-4 (manslaughter);
6 N.J.S.2C:11-5 (vehicular homicide which constitutes a crime of the
7 second degree);
8 Subsection b. of N.J.S.2C:12-1 (aggravated assault which constitutes a
9 crime of the second or third degree);
10 N.J.S.2C:13-1 (kidnapping);
11 N.J.S.2C:14-1 et seq. (sexual offenses which constitute crimes of the
12 second or third degree);
13 N.J.S.2C:15-1 (robberies);
14 Subsections a. and b. of N.J.S.2C:17-1 (crimes involving arson and
15 related offenses);
16 Subsections a. and b. of N.J.S.2C:17-2 (causing or risking widespread
17 injury or damage);
18 N.J.S.2C:18-2 (burglary which constitutes a crime of the second or third
19 degree);
20 N.J.S.2C:20-1 et seq. (theft and related offenses which constitute crimes
21 of the second or third degree);
22 N.J.S.2C:21-1 et seq. (forgery and fraudulent practices which constitute
23 crimes of the second or third degree);
24 N.J.S. 2C:24-4 (endangering the welfare of a child);
25 N.J.S.2C:27-1 et seq. (bribery and corrupt influence);
26 N.J.S.2C:28-1 et seq. (perjury and other falsification in official matters
27 which constitute crimes of the second, third or fourth degree);
28 N.J.S.2C:30-2 and N.J.S.2C:30-3 (misconduct in office and abuse in
29 office which constitutes a crime of the second degree);
30 N.J.S.2C:35-5 (manufacturing, distributing or dispensing a controlled
31 dangerous substance or a controlled dangerous substance analog which
32 constitutes a crime of the second or third degree);
33 N.J.S.2C:35-6 (employing a juvenile in a drug distribution scheme);
34 N.J.S.2C:35-7 (distributing, dispensing or possessing a controlled
35 dangerous substance or a controlled substance analog on or within 1,000
36 feet of school property or bus);
37 N.J.S.2C:35-7.1 (distributing, dispensing or possessing a controlled
38 dangerous substance or a controlled substance analog in proximity to public
39 housing facilities, parks or buildings);
40 N.J.S.2C:35-11 (distribution, possession or manufacture of imitation
41 controlled dangerous substances);
42 N.J.S.2C:35-13 (acquisition of controlled dangerous substances by
43 fraud);
44 N.J.S.2C:37-1 et seq. (gambling offenses which constitute crimes of the
45 third or fourth degree);
46 N.J.S.2C:37-7 (possession of a gambling device);
47 Any second degree racketeering crime under Chapter 41 of Title 2C of
48 the New Jersey Statutes; or

1 (2) Any of the following offenses under the “Casino Control Act,”
2 P.L.1977, c.110 (C.5:12-1 et seq.):
3 P.L.1977, c.110, s.113 (C.5:12-113) (swindling and cheating);
4 P.L.1991, c.182, s.46 (C.5:12-113.1) (use of device to gain advantage at
5 casino game);
6 P.L.1977, c.110, s.114 (C.5:12-114) (unlawful use of bogus chips or
7 gaming billets, marked cards, dice, cheating devices, unlawful coins);
8 P.L.1977, c.110, s.115 (C.5:12-115) (cheating games and devices in a
9 licensed casino); or
10 P.L.1977, c.110, s.116 (C.5:12-116) (unlawful possession of device,
11 equipment or other material illegally manufactured, distributed, sold or
12 delivered; or

13 **[(2)] (3)** Any other offense under present New Jersey or federal law
14 which indicates that licensure of the applicant would be inimical to the
15 policy of this act and to casino operations; provided, however, that the
16 automatic disqualification provisions of this subsection shall not apply with
17 regard to any conviction which did not occur within the 10-year period
18 immediately preceding application for licensure and which the applicant
19 demonstrates by clear and convincing evidence does not justify automatic
20 disqualification pursuant to this subsection and any conviction which has
21 been the subject of a judicial order of expungement or sealing;

22 d. Current prosecution or pending charges in any jurisdiction of the
23 applicant or of any person who is required to be qualified under this act as a
24 condition of a casino license, for any of the offenses enumerated in
25 subsection c. of this section; provided, however, that at the request of the
26 applicant or the person charged, the commission shall defer decision upon
27 such application during the pendency of such charge;

28 e. The pursuit by the applicant or any person who is required to be
29 qualified under this act as a condition of a casino license of economic gain
30 in an occupational manner or context which is in violation of the criminal
31 or civil public policies of this State, if such pursuit creates a reasonable
32 belief that the participation of such person in casino operations would be
33 inimical to the policies of this act or to legalized gaming in this State. For
34 purposes of this section, occupational manner or context shall be defined as
35 the systematic planning, administration, management, or execution of an
36 activity for financial gain;

37 f. The identification of the applicant or any person who is required to
38 be qualified under this act as a condition of a casino license as a career
39 offender or a member of a career offender cartel or an associate of a career
40 offender or career offender cartel in such a manner which creates a
41 reasonable belief that the association is of such a nature as to be inimical to
42 the policy of this act and to gaming operations. For purposes of this
43 section, career offender shall be defined as any person whose behavior is
44 pursued in an occupational manner or context for the purpose of economic
45 gain, utilizing such methods as are deemed criminal violations of the public
46 policy of this State. A career offender cartel shall be defined as any group
47 of persons who operate together as career offenders;

1 g. The commission by the applicant or any person who is required to
2 be qualified under this act as a condition of a casino license of any act or
3 acts which would constitute any offense under subsection c. of this section,
4 even if such conduct has not been or may not be prosecuted under the
5 criminal laws of this State or any other jurisdiction or has been prosecuted
6 under the criminal laws of this State or any other jurisdiction and such
7 prosecution has been terminated in a manner other than with a conviction;
8 **[and]**

9 h. Contumacious defiance by the applicant or any person who is
10 required to be qualified under this act of any legislative investigatory body
11 or other official investigatory body of any state or of the United States
12 when such body is engaged in the investigation of crimes relating to
13 gaming, official corruption, or organized crime activity; and

14 i. Failure by the applicant or any person required to be qualified under
15 this act as a condition of a casino license to (i) make required payments in
16 accordance with a child support order; (ii) repay an overpayment for food
17 stamp benefits or low income home energy assistance benefits incurred as a
18 former recipient of Capital Aid to Families with Dependent Children or
19 Work First New Jersey; or (iii) repay any other debt owed to the State;
20 unless such applicant provides proof to the director's satisfaction of
21 payment of or arrangement to pay any such debts prior to licensure.

22 (cf: P.L.1991, c.182, s.27)

23
24 54. Section 87 of P.L.1977, c.110 (C.5:12-87) is amended to read as
25 follows:

26 87. a. Upon the filing of an application for a casino license and such
27 supplemental information as the commission or division may require, **[the**
28 **commission shall request]** and upon the filing of such information as may
29 be required by section 88 of P.L.1977, c.110 (C.5:12-88), the division [to]
30 shall conduct [such] an investigation into the qualification of the applicant,
31 and [the commission shall conduct a hearing thereon concerning the
32 qualification of the applicant in accordance with its regulations] submit a
33 report and recommendation to the commission.

34 b. Upon the submission of a report and recommendation by the
35 division, the commission shall conduct a hearing thereon concerning the
36 qualification of the applicant. After such **[investigation and]** hearing, the
37 commission may either deny the application or grant a casino license to an
38 applicant whom it determines to be qualified to hold such license, which
39 final action shall be taken within 90 days after completion of the hearing.

40 c. The commission shall have the authority to deny any application
41 pursuant to the provisions of this act. When an application is denied, the
42 commission shall prepare and file an order **[denying such application with]**
43 stating the general reasons therefor, and if requested by the applicant, shall
44 further prepare and file a statement of the reasons for the denial, including
45 the specific findings of facts.

46 d. **[After an application is submitted to the commission, final action of**
47 **the commission shall be taken within 90 days after completion of all**

1 hearings and investigations and the receipt of all information required by
2 the commission.] (Deleted by amendment, P.L. , c.)(pending before
3 the Legislature as this bill)

4 e. **[If satisfied that an applicant is qualified to receive a casino**
5 **license] When an application is granted, and upon tender of all required**
6 **license fees and taxes [as required by law and regulations of the**
7 **commission], and such bonds as the commission may require for the**
8 **faithful performance of all requirements imposed by law or regulations, the**
9 **commission shall issue a casino license [for the term of 1 year].**

10 f. The commission shall fix the amount of the bond or bonds to be
11 required under this section in such amounts as it may deem appropriate, by
12 rules of uniform application. The bonds so furnished may be applied by
13 the commission to the payment of any unpaid liability of the licensee under
14 this act. The bond shall be furnished in cash or negotiable securities, by a
15 surety bond guaranteed by a satisfactory guarantor, or by an irrevocable
16 letter of credit issued by a banking institution of this State acceptable to
17 the commission. If furnished in cash or negotiable securities, the principal
18 shall be placed without restriction at the disposal of the commission, but
19 any income shall inure to the benefit of the licensee.

20 (cf: P.L.1979, c.282, s.23)

21

22 55. (New section) No later than five years after the date of the issuance
23 of a license pursuant to section 87 of P.L.1977, c.110 (C.5:12-87) and every
24 five years thereafter or within such lesser periods as the division may
25 direct, a casino licensee and the qualifying entities and individuals thereof
26 shall submit to the division such documentation or information as the
27 division may by regulation require, to demonstrate to the satisfaction of the
28 director that they continue to meet the requirements of sections 84 and 85
29 of P.L.1977, c.110 (C.5:12-84 and C.5:12-85), and section 51 of P.L. , c.
30 (C.)(pending before the Legislature as this bill). If, upon review, the
31 director determines that no information sufficient to warrant revocation,
32 suspension, limitation, or conditioning of such license exists, the director
33 shall issue a summary report so advising the commission, and the license
34 shall remain in full force and effect. If the director determines that a
35 hearing on any issue is required, the division shall issue a report and
36 recommendation to the commission in accordance with section 87 of
37 P.L.1977, c.110 (C.5:12-87), which shall initiate a hearing pursuant to
38 subsection b. of that section. In addition, the director may reopen licensing
39 hearings at any time.

40

41 56. Section 89 of P.L.1977, c.110 (C.5:12-89) is amended to read as
42 follows:

43 89. Licensing of Casino Key Employees. a. No casino licensee or a
44 holding or intermediary company of a casino licensee may employ any
45 person [may be employed] as a casino key employee unless [he] the
46 person is the holder of a valid casino key employee license issued by the
47 commission.

1 b. Each applicant for a casino key employee license must, prior to the
2 issuance of any casino key employee license, produce information,
3 documentation and assurances concerning the following qualification
4 criteria:

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

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

43 (3) (Deleted by amendment, P.L.1995, c.18.)

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

1 the State; and provided further that no applicant employed by a holding or
2 intermediary company of a casino licensee shall be required to establish
3 residency in this State.

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

12 (5) For the purposes of this section, each applicant shall submit to the
13 division the applicant's name, address, fingerprints and written consent for
14 a criminal history record background check to be performed. The division
15 is hereby authorized to exchange fingerprint data with and receive criminal
16 history record information from the State Bureau of Identification in the
17 Division of State Police and the Federal Bureau of Investigation consistent
18 with applicable State and federal laws, rules and regulations. The applicant
19 shall bear the cost for the criminal history record background check,
20 including all costs of administering and processing the check. The Division
21 of State Police shall promptly notify the division in the event a current or
22 prospective licensee, who was the subject of a criminal history record
23 background check pursuant to this section, is arrested for a crime or offense
24 in this State after the date the background check was performed.

25 c. (Deleted by amendment, P.L.1995, c.18.)

26 d. The commission shall deny a casino key employee license to any
27 applicant who is disqualified on the basis of the criteria contained in section
28 86 of this act.

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

32 (1) The applicant for the casino key employee license has filed a
33 **【complete】** completed application as required by the commission;

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

39 (3) (Deleted by amendment, P.L.1995, c.18.)

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

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

3 **[In the event that an applicant for a casino key employee license is the**
4 **holder of a valid casino employee license issued pursuant to section 90 of**
5 **this act, and if the provisions of paragraphs (1), (2), and (5) of this**
6 **subsection are satisfied, the commission may issue a temporary casino key**
7 **employee license upon petition by the holder of a casino license, if the**
8 **commission finds the issuance of a casino key employee license will be**
9 **delayed by necessary investigations and the said temporary casino key**
10 **employee license is necessary for the operation of the casino].**

11 Unless otherwise terminated pursuant to this act, any temporary casino
12 key employee license issued pursuant to this subsection shall expire nine
13 months from the date of its issuance.

14 (cf: P.L.2009, c.36, s.10)

15

16 57. Section 91 of P.L.1977, c.110 (C.5:12-91) is amended to read as
17 follows:

18 91. Registration of Casino **[Service]** Employees. a. No person may
19 commence employment as a casino **[service]** employee unless **[the person**
20 **has been registered with the commission, which registration shall be in**
21 **accordance with subsection f. of this section]** such person has a valid
22 registration on file with the division, which registration shall be prepared
23 and filed in accordance with the regulations promulgated hereunder.

24 b. **[Any applicant for casino service]** A casino employee
25 **[registration]** registrant shall produce such information as the
26 **[commission]** division by regulation may require. Subsequent to the
27 registration of a casino **[service]** employee, the **[commission]** director
28 may revoke, suspend, limit, or otherwise restrict the registration upon a
29 finding that the registrant is disqualified on the basis of the criteria
30 contained in section 86 of P.L.1977, c.110 (C.5:12-86). If a casino
31 **[service]** employee registrant has not been employed in any position within
32 a casino hotel facility for a period of three years, the registration of that
33 casino **[service]** employee shall lapse.

34 c. **[The commission may, by regulation, require that all applicants for**
35 **casino service employee registration be residents of this State for a period**
36 **not to exceed three months immediately prior to such registration, but**
37 **application may be made prior to the expiration of the required period of**
38 **residency. The commission shall waive the required residency period for**
39 **an applicant upon a showing that the residency period would cause undue**
40 **hardship upon the casino licensee which intends to employ said applicant,**
41 **or upon a showing of other good cause.]** (Deleted by amendment, P.L. __,
42 c.)(pending before the Legislature as this bill)

43 d. Notwithstanding the provisions of subsection b. of this section, no
44 casino **[service]** employee registration shall be revoked on the basis of a
45 conviction of any of the offenses enumerated in this act as disqualification
46 criteria or the commission of any act or acts which would constitute any
47 offense under subsection c. of section 86 of P.L.1977, c.110 (C.5:12-86), as

1 specified in subsection g. of that section, provided that the registrant has
2 affirmatively demonstrated the registrant's rehabilitation. In determining
3 whether the registrant has affirmatively demonstrated the registrant's
4 rehabilitation the **commission** director shall consider the following
5 factors:

- 6 (1) The nature and duties of the registrant's position;
- 7 (2) The nature and seriousness of the offense or conduct;
- 8 (3) The circumstances under which the offense or conduct occurred;
- 9 (4) The date of the offense or conduct;
- 10 (5) The age of the registrant when the offense or conduct was
11 committed;
- 12 (6) Whether the offense or conduct was an isolated or repeated incident;
- 13 (7) Any social conditions which may have contributed to the offense or
14 conduct;
- 15 (8) Any evidence of rehabilitation, including good conduct in prison or
16 in the community, counseling or psychiatric treatment received, acquisition
17 of additional academic or vocational schooling, successful participation in
18 correctional work-release programs, or the recommendation of persons who
19 have or have had the registrant under their supervision.

20 e. **【The commission may waive any disqualification criterion for a**
21 **casino service employee consistent with the public policy of this act and**
22 **upon a finding that the interests of justice so require.】** (Deleted by
23 amendment, P.L. , c.) (pending before the Legislature as this bill)

24 f. **【Upon petition by the holder of a casino license, casino service**
25 **employee registration shall be granted to each applicant for such**
26 **registration named therein, provided that the petition certifies that each**
27 **such applicant has filed a completed application for casino service**
28 **employee registration as required by the commission.**

29 All casino hotel employee registrations shall expire 120 days after the
30 effective date of this amendatory and supplementary act, P.L.2002, c.65.
31 Any holder of a casino hotel employee registration may until that date
32 convert that registration to a casino service employee registration without
33 fee.】 (Deleted by amendment, P.L. , c.)(pending before the Legislature
34 as this bill)

35 g. For the purposes of this section, each **applicant** registrant shall
36 submit to the division the **applicant's** registrant's name, address,
37 fingerprints and written consent for a criminal history record background
38 check to be performed. The division is hereby authorized to exchange
39 fingerprint data with and receive criminal history record information from
40 the State Bureau of Identification in the Division of State Police and the
41 Federal Bureau of Investigation consistent with applicable State and federal
42 laws, rules and regulations. The **applicant** registrant shall bear the cost
43 for the criminal history record background check, including all costs of
44 administering and processing the check. The Division of State Police shall
45 promptly notify the division in the event a current or prospective licensee,
46 who was the subject of a criminal history record background check

1 pursuant to this section, is arrested for a crime or offense in this State after
2 the date the background check was performed.

3 (cf: P.L.2009, c.36, s.12)

4

5 58. (New section) Upon the joint petition of two or more affiliated
6 casino licensees, a registered casino employee or licensed casino key
7 employee who is employed by any affiliated casino licensee may be
8 endorsed by the commission or division, as applicable, as a multi-casino
9 employee of each of the petitioners; provided, however, that no such multi-
10 casino employee shall be permitted to engage in any incompatible
11 functions, as determined by the division.

12

13 59. Section 92 of P.L.1977, c.110 (C.5:12-92) is amended to read as
14 follows:

15 92. Licensing of casino service industry enterprises. a. (1) Any business
16 to be conducted with a casino applicant or licensee by a vendor offering
17 goods or services which directly relate to casino or gaming activity,
18 including gaming equipment and simulcast wagering equipment
19 manufacturers, suppliers, repairers **[and]** independent testing laboratories,
20 **[shall be considered regular or continuing and] junket enterprises and**
21 **junket representatives, and any person employed by a junket enterprise or**
22 **junket representative in a managerial or supervisory position,** shall require
23 **[that the vendor be licensed] licensure** as a casino service industry
24 enterprise in accordance with the provisions of this act prior to conducting
25 any business whatsoever with a casino applicant or licensee, its employees
26 or agents; provided, however, that upon a showing of good cause by a
27 casino applicant or licensee for each business transaction, the
28 **[commission] director** may permit an applicant for a casino service
29 industry enterprise license to conduct business transactions with such
30 casino applicant or licensee prior to the licensure of that casino service
31 industry enterprise applicant under this subsection.

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

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

3 b. Each casino service industry enterprise **[included in subsection a. of**
4 **this section]**, as well as its owners; management and supervisory personnel;
5 and **[principal]** employees if such **[principal]** employees have
6 responsibility for services to a casino applicant or licensee, must qualify
7 under the standards, except residency, established for qualification of a
8 casino key employee under this act.

9 c. (1) Any vendor that offers goods or services to a casino applicant or
10 licensee that **[are]** is not included in subsection a. of this section including,
11 **[without limitation, construction companies, vending machine providers,**
12 **linen suppliers, junket enterprises, garbage handlers, maintenance**
13 **companies, limousine services, food purveyors and suppliers of alcoholic**
14 **beverages]** but not limited to casino site contractors and subcontractors,
15 shopkeepers located within the approved hotels, and gaming schools that
16 possess slot machines for the purpose of instruction, and any non-
17 supervisory employee of a junket enterprise licensed under subsection a. of
18 this section, shall be required to **[apply for a casino service industry**
19 **enterprise license when, based upon the dollar amount of business being**
20 **conducted with casino applicants or licensees or other factors established**
21 **by the rules of the commission, licensure is deemed necessary to protect the**
22 **public interest and the policies of]** register with the division in accordance
23 with the regulations promulgated under this act, P.L.1977, c.110 (C.5:12-1
24 et seq.).

25 **[The rules of the commission shall require that each casino service**
26 **industry enterprise required to be licensed pursuant to this subsection, as**
27 **well as such of its owners, management, supervisory personnel, and**
28 **principal employees with responsibility for services to a casino applicant or**
29 **licensee as the commission may direct, shall establish by clear and**
30 **convincing evidence their good character, honesty and integrity.]**

31 (2) Notwithstanding the provisions of paragraph (1) of this subsection,
32 the **[commission]** director may, consistent with the public interest and the
33 policies of this act, direct **[by regulation]** that vendors engaging in certain
34 types of business with a casino applicant or licensee not included in
35 subsection a. of this section be required to apply for a casino service
36 industry enterprise license pursuant to this subsection **[regardless of the**
37 **dollar amount of that business]**, including, without limitation, non-casino
38 applicants or licensees required to hold a Casino Hotel Alcoholic Beverage
39 license pursuant to section 103 of P.L.1977, c.110 (C.5:12-103); in-State
40 and out-of-State sending tracks as defined in section 2 of the "Casino
41 Simulcasting Act," P.L.1992, c.19 (C.5:12-192); shopkeepers located
42 within the approved hotels; and gaming schools that possess slot machines
43 for the purpose of instruction.

44 (3) **[The commission may exempt any person or field of commerce**
45 **from the licensing requirements of this subsection if the person or field of**
46 **commerce demonstrates (i) that it is regulated by a public agency that**

1 determines whether a person subject to its jurisdiction possesses good
2 character, honesty and integrity; or (ii) that it is a publicly traded
3 corporation or a wholly owned subsidiary, either directly or indirectly, of a
4 publicly traded corporation, and that the amount of revenue received by the
5 person from all casino applicants and licensees within the 12-month period
6 in which the greatest amount of casino business was conducted by the
7 person seeking exemption is less than one-tenth of one percent of all
8 revenues received by the person and its holding and intermediary
9 companies during the same 12-month period, and that licensing is not
10 deemed necessary in order to protect the public interest or to accomplish
11 the policies established by this act. The commission shall periodically
12 review this threshold to determine whether it should be adjusted for
13 inflation or any other relevant factor consistent with the policies of
14 P.L.1977, c.110 (C.5:12-1 et seq.).

15 Upon granting an exemption or at any time thereafter, the commission
16 may limit or place such restrictions thereupon as it may deem necessary in
17 the public interest, and shall require the exempted person to cooperate with
18 the commission and the division and, upon request, to provide information
19 in the same manner as required of a casino service industry enterprise
20 licensed pursuant to this subsection; provided, however, that no exemption
21 be granted unless the casino service industry enterprise complies with the
22 requirements of sections 134 and 135 of this act.](Deleted by amendment,
23 P.L. , c.)(pending before the Legislature as this bill)

24 d.](Licensure pursuant to subsection c. of this section of any casino
25 service industry enterprise may be denied to any applicant or qualifier
26 thereof] Any applicant, licensee or qualifier of a casino service industry
27 enterprise license under subsection a. or b. of this section, and any vendor
28 registrant under subsection c. of this section shall be disqualified in
29 accordance with the criteria contained in section 86 of this act, except that
30](licensure or qualification shall not be denied if such disqualified applicant
31 or qualifier] no such vendor registration under subsection c. of this section
32 shall be denied or revoked if such vendor registrant can affirmatively
33 demonstrate rehabilitation as provided in subsection [h] d. of section [90]
34 91 of P.L.1977, c.110 [(C.5:12-90)] (C.5:12-91).

35 e. No casino service industry enterprise license shall be issued
36 pursuant to subsection a.](or subsection c.) of this section to any person
37 unless that person shall provide proof of valid business registration with the
38 Division of Revenue in the Department of the Treasury.

39 f.](A casino service industry enterprise licensed pursuant to subsection
40 a. or subsection c. of this section shall require proof, from a subcontractor
41 to a casino service industry enterprise contract with a casino applicant or
42 casino licensee, of valid business registration with the Division of Revenue;
43 verification information shall be forwarded by the casino service industry
44 enterprise to the Division of Taxation in the Department of the Treasury.
45 No subcontract to a casino service industry enterprise contract with a casino
46 applicant or casino licensee shall be entered into by any casino service
47 industry enterprise contractor unless the subcontractor first provides proof

1 of valid business registration.】 (Deleted by amendment, P.L. _____, c. _____)
2 (pending before the Legislature as this bill)

3 g. For the purposes of this section, each applicant shall submit to the
4 division the name, address, fingerprints and a written consent for a criminal
5 history record background check to be performed, for each person required
6 to qualify as part of the application. The division is hereby authorized to
7 exchange fingerprint data with and receive criminal history record
8 information from the State Bureau of Identification in the Division of State
9 Police and the Federal Bureau of Investigation consistent with applicable
10 State and federal laws, rules and regulations. The applicant shall bear the
11 cost for the criminal history record background check, including all costs of
12 administering and processing the check. The Division of State Police shall
13 promptly notify the division in the event a current or prospective qualifier,
14 who was the subject of a criminal history record background check
15 pursuant to this section, is arrested for a crime or offense in this State after
16 the date the background check was performed.
17 (cf: P.L.2009, c.36, s.13)

18

19 60. Section 93 of P.L.1977, c.110 (C.5:12-93) is amended to read as
20 follows:

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

42 b. No person may act as an officer, agent or principal employee of a
43 labor organization, union or affiliate registered or required to be registered
44 pursuant to this section if the person has been found disqualified by the
45 **【commission】** division in accordance with the criteria contained in section
46 86 of that act. The **【commission】** division may, for purposes of this

1 subsection, waive any disqualification criterion consistent with the public
2 policy of this act and upon a finding that the interests of justice so require.

3 c. Neither a labor organization, union or affiliate nor its officers and
4 agents not otherwise individually licensed or registered under this act and
5 employed by a casino licensee may hold any financial interest whatsoever
6 in the casino hotel, casino, casino simulcasting facility or casino licensee
7 whose employees they represent.

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

11 e. The [commission or the] division may maintain a civil action and
12 proceed in a summary manner, without posting bond, against any person,
13 including any labor organization, union or affiliate, to compel compliance
14 with this section, or to prevent any violations, the aiding and abetting
15 thereof, or any attempt or conspiracy to violate this section.

16 f. In addition to any other remedies provided in this section, a labor
17 organization, union or affiliate registered or required to be registered
18 pursuant to this section may be prohibited by the [commission] division
19 from receiving any dues from any employee licensed or registered under
20 that act and employed by a casino licensee or its agent, if any officer, agent
21 or principal employee of the labor organization, union or affiliate has been
22 found disqualified and if such disqualification has not been waived by the
23 [commission] division in accordance with subsection b. of this section.
24 The [commission or the] division may proceed in the manner provided by
25 subsection e. of this section to enforce an order of the [commission]
26 director prohibiting the receipt of dues.

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

30 (cf: P.L.2002, c.65, s.18)

31

32 61. Section 94 of P.L.1977, c.110 (C.5:12-94) is amended to read as
33 follows:

34 94. a. Upon the filing of an application for [any] a casino key employee
35 license [or registration] required by this act, other than a casino license,
36 and after submission of such supplemental information as the commission
37 may require, the commission shall request the division to conduct such
38 investigation into the qualification of the applicant, and the commission
39 shall conduct such hearings concerning the qualification of the applicant, in
40 accordance with its regulations, as may be necessary to determine
41 qualification for such license[or registration].

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

45 c. The commission shall have the authority to deny any application
46 pursuant to the provisions of this act. When an application for a casino key
47 employee license is denied, the commission shall prepare and file its order

1 denying such application with the general reasons therefor, and if requested
2 by the applicant, shall further prepare and file a statement of the reasons for
3 the denial, including the specific findings of fact.

4 d. When the commission grants an application, the commission may
5 limit or place such restrictions thereupon as it may deem necessary in the
6 public interest.

7 e. Casino **[service]** employee registration and vendor registration shall
8 **[,]** be effective upon issuance, and shall remain in effect unless revoked,
9 suspended, limited, or otherwise restricted by the **[commission]** division.
10 Notwithstanding the foregoing, if a casino **[service]** employee registrant
11 has not been employed in any position within a casino hotel facility or a
12 vendor registrant has not conducted business with a casino hotel facility for
13 a period of three years, the registration of that casino **[service]** employee
14 or vendor registrant shall lapse. **[Licenses may be granted and renewed as**
15 **follows:**

16 (1) All casino employee licenses, casino service industry enterprise
17 licenses issued pursuant to subsection c. of section 92 of P.L.1977, c.110
18 (C.5:12-92), and junket representative and junket enterprise licenses issued
19 pursuant to section 102 of P.L.1977, c.110 (C.5:12-102) shall be issued for
20 an initial term of four years, and may be renewed for subsequent terms of
21 five years each; and

22 (2) All casino key employee licenses and casino service industry
23 enterprise licenses required pursuant to subsection a. of section 92 of
24 P.L.1977, c.110 (C.5:12-92) shall be issued for an initial term of three
25 years, and may be renewed for subsequent terms of five years each. **]**

26 f. Notwithstanding the foregoing, the commission shall reconsider the
27 granting of any casino key employee license **[or the approval of any**
28 **registration]** at any time at the request of the division. Notwithstanding the
29 foregoing, the division may reconsider the granting of any license or may
30 revoke any registration at any time.

31 **[e.]** g. After an application for a casino key employee license is
32 submitted to the commission, final action of the commission shall be taken
33 within 90 days after completion of all hearings and investigations and the
34 receipt of all information required by the commission.

35 **[f.** A complete application for the renewal of a casino employee or
36 casino key employee license shall be filed with the commission no later
37 than the last day of the fifth month prior to the month in which the current
38 license term expires. **]**

39 h. (1) Not later than five years after obtaining a casino key employee
40 license pursuant to section 89 of P.L.1977, c.110 (C.5:12-89) or a casino
41 service industry enterprise license issued pursuant to subsection a. of
42 section 92 of P.L.1977, c.110 (C.5:12-92), and every five years thereafter,
43 the licensee shall submit such information and documentation as the
44 commission or division, as applicable, may by regulation require, to
45 demonstrate to the satisfaction of the commission or director, as applicable,
46 that it continues to meet the requirements, respectively, of section 89 or
47 subsection a. of section 92 of P.L.1977, c.110 (C.5:12-89 and C.5:12-92).

1 Upon receipt of such information, the commission or division, as
2 applicable, may take such action on the license, including suspension or
3 revocation, as it deems appropriate.

4 (2) Registrations for casino employees issued pursuant to section 91 of
5 P.L.1977, c.110 (C.5:12-91), and vendor registration issued pursuant to
6 subsection c. of section 92 of P.L.1977, c.110 (C.5:12-92), shall remain
7 valid unless suspended or revoked or unless such registration expires or is
8 voided pursuant to law.

9 i. (1) The division shall establish by regulation appropriate fees to be
10 paid upon the filing of the informational filings required by paragraph (1)
11 of subsection h. of this section. Such fees shall be deposited into the
12 Casino Control Fund established by section 143 of P.L.1977, c.110 (C.5:12-
13 143).

14 (2) The division shall establish by regulation appropriate fees to be
15 imposed on each casino licensee and the method for the collection of such
16 fees for each casino registrant employed by an operating casino and for
17 each vendor registrant which provides goods or services to a casino,
18 regardless of the nature of any contractual relationship between the vendor
19 registrant and casino, if any. Such fees shall be deposited into the Casino
20 Control Fund established by section 143 of P.L.1977, c.110 (C.5:12-143).

21 (cf: P.L.2009, c.36, s.14.)

22

23 62. Section 96 of P.L.1977,c.110 (C.5:12-96) is amended to read:

24 96. Operation Certificate. a. Notwithstanding the issuance of a license
25 therefor, no casino or simulcasting facility may be opened or remain open
26 to the public, and no gaming or simulcast wagering activity, except for test
27 purposes, may be conducted therein, unless and until a valid operation
28 certificate has been issued to the casino licensee by the **[commission]**
29 division. Such certificate shall be issued by the **[commission]** director
30 upon a **[finding]** determination that a casino and, if applicable, a
31 simulcasting facility each complies in all respects with the requirements of
32 this act and regulations promulgated hereunder, **[that the casino licensee**
33 **has implemented necessary management controls and security precautions**
34 **for the efficient operation of the casino and, if applicable, the simulcasting**
35 **facility, that casino and simulcasting facility personnel are licensed for the**
36 **performance of their respective responsibilities,]** and that the casino and
37 any applicable simulcasting facility are prepared in all respects to receive
38 and entertain the public. The director shall consult with the commission as
39 to form and content before the director makes a determination.

40 b. **[The operation certificate shall include an itemized list by category**
41 **and number of the authorized games permitted in the particular casino**
42 **establishment and any applicable simulcasting facility.]** (Deleted by
43 amendment, P.L. , c.)(pending before the Legislature as this bill)

44 c. **[A casino licensee shall, in accordance with regulations**
45 **promulgated by the commission, file any changes in the number of**
46 **authorized games to be played in its casino or simulcasting facility, and any**
47 **changes in the configuration of the casino or simulcasting facility, with the**

1 commission and the division, which shall review the changes for
2 compliance with the "Casino Control Act," P.L.1977, c.110 (C.5:12-1 et
3 seq.) or regulations promulgated thereunder.] (Deleted by amendment,
4 P.L. , c.)(pending before the Legislature as this bill)

5 d. An operation certificate shall remain in force and effect unless
6 **[altered in accordance with subsection c. of this section, or]** revoked,
7 suspended, limited, or otherwise altered by the **[commission]** division in
8 accordance with this act.

9 e. It shall be an express condition of continued operation under this act
10 that a casino licensee shall maintain either electronically or in hard copy at
11 the discretion of the casino licensee, copies of all books, records, and
12 documents pertaining to the licensee's operations, including casino
13 simulcasting, and approved hotel in a manner and location [within this
14 State] approved by the [commission] division, provided, however, that the
15 originals of such books, records and documents, whether in electronic or
16 hard copy form, may be maintained at the offices or electronic system of an
17 affiliate of the casino licensee, at the discretion of the casino licensee. All
18 such books, records and documents shall be immediately available for
19 inspection during all hours of operation in accordance with the rules of the
20 **[commission]** division and shall be maintained for such period of time as
21 the **[commission]** division shall require.

22 (cf: P.L.1995, c.18, s.34)

23

24 63. Section 97 of P.L.1977, c.110 (C.5:12-97) is amended to read as
25 follows:

26 97. Hours of Operation. a. Each casino licensed pursuant to this act
27 shall be permitted to operate 24 hours a day unless otherwise directed by
28 the **[commission]** division in accordance with its authority under P.L.1977,
29 c.110 (C.5:12-1 et seq.).

30 b. A casino licensee shall file with the **[commission]** division a
31 schedule of hours prior to the issuance of an initial operation certificate. If
32 the casino licensee proposes any change in scheduled hours, such change
33 may not be effected until such licensee files a notice of the new schedule of
34 hours with the **[commission]** division. Such filing must be made 30 days
35 prior to the effective date of the proposed change in hours.

36 c. Nothing herein shall be construed to limit a casino licensee in
37 opening its casino later than, or closing its casino earlier than, the times
38 stated in its schedule of operating hours; provided, however, that any such
39 alterations in its hours shall comply with the provisions of subsection a. of
40 this section and with regulations of the **[commission]** division pertaining to
41 such alterations.

42 d. For purposes of this section, the division shall consult with the
43 commission.

44 (cf: P.L.2002, c.65, s.20)

45

46 64. Section 98 of P.L.1977, c.110 (C.5:12-98) is amended to read as
47 follows.

1 98. a. Each casino licensee shall arrange the facilities of its casino and, if
2 appropriate, its simulcasting facility in such a manner as to promote
3 optimum security for the casino and simulcasting facility operations, and
4 shall comply in all respects with regulations of the **[commission]** division
5 pertaining thereto.

6 b. Each casino hotel shall include:

7 (1) A closed circuit television system according to specifications
8 approved by the **[commission]** division, with access on the licensed
9 premises to the system or its signal provided to the **[commission or]** the
10 division, in accordance with regulations pertaining thereto;

11 (2) One or more rooms or locations approved by the **[commission]**
12 division as casino space; and

13 (3) Design specifications that insure that visibility in a casino or in the
14 simulcasting facility is not obstructed in any way that might interfere with
15 the ability of the **[commission or]** the division to supervise casino or
16 simulcasting facility operations.

17 (cf: P.L.1996, c.84, s.5)

18
19 65. Section 99 of P.L.1977, c.110 (C.5:12-99) is amended to read as
20 follows:

21 99. Internal Controls. a Each applicant for a casino license shall
22 **[submit to the commission]** create, maintain, and file with the division a
23 description of its **[initial system of]** internal procedures and administrative
24 and accounting controls for gaming and simulcast wagering operations
25 **[accompanied by a certification by its Chief Legal Officer or equivalent**
26 **that the submitted procedures]** that conform to the requirements of
27 P.L.1977, c.110 (C.5:12-1 et seq.), and the regulations promulgated
28 thereunder, and **[a certification by its Chief Financial Officer or equivalent**
29 **that the submitted procedures]** provide adequate and effective controls,
30 establish a consistent overall system of internal procedures and
31 administrative and accounting controls and conform to generally accepted
32 accounting principles, **[except an additional standard may be required by**
33 **the commission for gross revenue tax purposes.** Each applicant shall make
34 its initial submission at least 30 business days before such operations are to
35 commence unless otherwise directed by the commission. Except as
36 otherwise provided in subsection b. of this section, a casino licensee, upon
37 submission to the commission of a narrative description of a change in its
38 system of internal procedures and controls and the two certifications
39 described above, may, following the 15th business day after submission,
40 **implement the change]** and ensure that casino procedures are carried out
41 and supervised by personnel who do not have incompatible functions.
42 **[Each initial internal control submission]** A casino licensee's internal
43 controls shall contain a narrative description of the internal control system
44 to be utilized by the casino, including, but not limited to:

45 (1) Accounting controls, including the standardization of forms and
46 definition of terms to be utilized in the gaming and simulcast wagering
47 operations;

- 1 (2) Procedures, forms, and, where appropriate, formulas covering the
2 calculation of hold percentages; revenue drop; expense and overhead
3 schedules; complimentary services, except as provided in paragraph (3) of
4 subsection m. of section 102 of P.L.1977, c.110 (C.5:12-102); junkets; and
5 cash equivalent transactions;
- 6 (3) **【**Job descriptions and the system of personnel and chain-of-
7 command, establishing a diversity of responsibility among employees
8 engaged in casino or simulcasting facility operations and identifying
9 primary and secondary supervisory positions for areas of responsibility,
10 which areas shall not be so extensive as to be impractical for an individual
11 to monitor; salary structure; and personnel practices;**】** (Deleted by
12 amendment, P.L. , c.) (pending before the Legislature as this bill)
- 13 (4) Procedures within the cashier's cage and simulcast facility for the
14 receipt, storage and disbursal of chips, cash, and other cash equivalents
15 used in gaming and simulcast wagering; the cashing of checks; the
16 redemption of chips and other cash equivalents used in gaming and
17 simulcast wagering; the pay-off of jackpots and simulcast wagers; and the
18 recording of transactions pertaining to gaming and simulcast wagering
19 operations;
- 20 (5) Procedures for the collection and security of moneys at the gaming
21 tables and in the simulcasting facility;
- 22 (6) Procedures for the transfer and recordation of chips between the
23 gaming tables and the cashier's cage and the transfer and recordation of
24 moneys within the simulcasting facility;
- 25 (7) Procedures for the transfer of moneys from the gaming tables to the
26 counting process and the transfer of moneys within the simulcasting facility
27 for the counting process;
- 28 (8) Procedures and security for the counting and recordation of revenue;
- 29 (9) Procedures for the security, storage and recordation of cash, chips
30 and other cash equivalents utilized in the gaming and simulcast wagering
31 operations;
- 32 (10) Procedures for the transfer of moneys or chips from and to the slot
33 machines;
- 34 (11) Procedures and standards for the opening and security of slot
35 machines;
- 36 (12) Procedures for the payment and recordation of slot machine
37 jackpots;
- 38 (13) Procedures for the cashing and recordation of checks exchanged by
39 casino and simulcasting facility patrons;
- 40 (14) Procedures governing the utilization of the private security force
41 within the casino and simulcasting facility;
- 42 (15) Procedures and security standards for the handling and storage of
43 gaming apparatus including cards, dice, machines, wheels and all other
44 gaming equipment;
- 45 (16) Procedures and rules governing the conduct of particular games and
46 simulcast wagering and the responsibility of casino personnel in respect
47 thereto;

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

8 (18) Procedures for the orderly shutdown of casino operations in the
9 event that a state of emergency **[that]** is declared **[due to the failure to**
10 **enact a general appropriation law by the deadline prescribed by Article**
11 **VIII, Section II, paragraph 2 of the New Jersey Constitution extends for**
12 **more than seven days, as provided in section 4 of P.L.2008, c.23 (C.5:12-**
13 **211), or the casino licensee is not eligible to]** and the casino licensee is
14 unable or ineligible to continue to conduct casino operations during such a
15 state of emergency in accordance with section 5 of P.L.2008, c.23 (C.5:12-
16 212), which procedures shall include, without limitation, the securing of all
17 keys and gaming assets.

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

38 c. **[Notwithstanding the provisions of subsections a. and b. hereof, the**
39 **commission shall, by regulation, permit changes to those internal controls**
40 **required by subsection a. hereof that cannot have a material impact upon**
41 **the integrity of gaming or simulcast wagering operations or the control and**
42 **reporting of gross revenue, including those internal controls described in**
43 **paragraph (3) of subsection a. hereof, to be implemented by a casino**
44 **licensee immediately upon the preparation and internal filing of such**
45 **internal controls.]** No minimum staffing requirements shall be included in
46 the internal controls created in accordance with subsection a. of this
47 section.

1 d. [Each casino licensee and applicant shall submit a narrative
2 description of its system of internal procedures and administrative and
3 accounting controls for the recording and reporting of all business
4 transactions and agreements governed by sections 92 and 104 of P.L.1977,
5 c.110 (C.5:12-92 and 5:12-104, as amended) no later than five business
6 days after those operations commence or after any change in those
7 procedures or controls takes effect.] (Deleted by amendment, P.L. , c.)
8 (pending before the Legislature as this bill)
9 (cf: P.L.2009, c.36, s.15)

10
11 66. Section 100 of P.L.1977, c.110 (C.5:12-100) is amended to read as
12 follows:

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

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

45 Notwithstanding any other provision of this section, computer equipment
46 used by the slot system operator of a multi-casino progressive slot system
47 to link and communicate with the slot machines of two or more casino

1 licensees for the purpose of calculating and displaying the amount of a
2 progressive jackpot, monitoring the operation of the system, and any other
3 purpose that the [commission] division deems necessary and appropriate
4 to the operation or maintenance of the multi-casino progressive slot
5 machine system may, with the prior approval of the [commission]
6 division, be possessed, maintained and operated by the slot system operator
7 either in a restricted area on the premises of a casino hotel or in a secure
8 facility inaccessible to the public and specifically designed for that purpose
9 off the premises of a casino hotel but within the territorial limits of Atlantic
10 County, New Jersey.

11 Notwithstanding the foregoing, a person may, with the prior approval of
12 the [commission] division and under such terms and conditions as may be
13 required by the [commission] division, possess, maintain or exhibit
14 gaming equipment in any other area of the casino hotel, provided that such
15 equipment is used for nongaming purposes.

16 c. Each casino hotel shall contain a count room and such other secure
17 facilities as may be required by the [commission] division for the counting
18 and storage of cash, coins, tokens, checks, plaques, gaming vouchers,
19 coupons, and other devices or items of value used in wagering and
20 approved by the [commission] division that are received in the conduct of
21 gaming and for the inspection, counting and storage of dice, cards, chips
22 and other representatives of value. All drop boxes and other devices in
23 which the foregoing items are deposited at the gaming tables or in slot
24 machines, and all areas wherein such boxes and devices are kept while in
25 use, shall be equipped with two locking devices, one key to which shall be
26 under the exclusive control of the [commission] division and the other
27 under the exclusive control of the casino licensee, and said drop boxes and
28 other devices shall not be brought into or removed from a casino room or
29 simulcasting facility, or locked or unlocked, except at such times, in such
30 places, and according to such procedures as the [commission] division
31 may require. In the event that a state of emergency is declared due to the
32 failure to enact a general appropriation law by the deadline prescribed by
33 Article VIII, Section II, paragraph 2 of the New Jersey Constitution, the
34 [commission] division, in accordance with section 4 of P.L.2008, c.23
35 (C.5:12-211), may, at its discretion, and as may be necessary to ensure the
36 continuity of casino operations and the collection and counting of gross
37 revenue, give temporary custody of its key to a certified public accountant
38 approved by the [commission] division, who shall act in the capacity of
39 the [commission] division with respect to the use, control and security of
40 the key in accordance with the licensee's internal controls [approved by the
41 commission] in accordance with section 5 of P.L.2008, c.23 (C.5:12-212).

42 d. All chips used in gaming shall be of such size and uniform color by
43 denomination as the [commission] division shall require by regulation.

44 e. All gaming shall be conducted according to rules promulgated by
45 the [commission] division. All wagers and pay-offs of winning wagers
46 shall be made according to rules promulgated by the [commission]

1 division, which shall establish such limitations as may be necessary to
2 assure the vitality of casino operations and fair odds to patrons. Each slot
3 machine shall have a minimum payout of 83%.

4 f. Each casino licensee shall make available in printed form to any
5 patron upon request the complete text of the rules of the **[commission]**
6 division regarding games and the conduct of gaming, pay-offs of winning
7 wagers, an approximation of the odds of winning for each wager, and such
8 other advice to the player as the commission shall require. Each casino
9 licensee shall prominently post within a casino room and simulcasting
10 facility, as appropriate, according to regulations of the **[commission]**
11 division such information about gaming rules, pay-offs of winning wagers,
12 the odds of winning for each wager, and such other advice to the player as
13 the **[commission]** division shall require.

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

20 h. (1) Except as herein provided, no slot machine shall be used to
21 conduct gaming unless it is identical in all electrical, mechanical and other
22 aspects to a model thereof which has been specifically tested and licensed
23 for use by the division **[and licensed for use by the commission. At the**
24 **request of the commission, the]**. The division shall also test any other
25 gaming device, gaming equipment, gaming-related device or gross-revenue
26 related device, such as a slot management system, electronic transfer credit
27 system or gaming voucher system as it deems appropriate. In its discretion
28 and for the purpose of expediting the approval process, the division may
29 utilize the services of a private testing laboratory that has obtained a
30 plenary license as a casino service industry enterprise pursuant to
31 subsection a. of section 92 of P.L.1977, c.110 (C.5:12-92) to perform the
32 testing, and may also utilize applicable data from any such private testing
33 laboratory or from a governmental agency of a state other than New Jersey
34 authorized to regulate slot machines and other gaming devices, gaming
35 equipment, gaming-related devices and gross-revenue related devices used
36 in casino gaming, if the private testing laboratory or governmental agency
37 uses a testing methodology substantially similar to the methodology
38 utilized by the division. **[Notwithstanding the provisions of this paragraph,**
39 **the]** The division **[shall in all instances use]**, in its discretion, may rely
40 upon the data provided by the private testing laboratory or governmental
41 agency **[to conduct its own independent evaluation, and shall form its own**
42 **independent conclusions]** and adopt the conclusions of such private testing
43 laboratory or governmental agency regarding any submitted device.

44 (2) **[The]** Except as otherwise provided in paragraph (5) of subsection
45 h. of this section, the division shall, within 60 days of its receipt of a
46 complete application for the testing of a slot machine or other gaming
47 equipment model, **[recommend the approval]** approve or **[rejection of]**

1 reject the slot machine or other gaming equipment model [to the
2 commission]. In [its report to the commission regarding its
3 recommendation] so doing, the division shall specify whether and to what
4 extent any data from a private testing laboratory or governmental agency of
5 a state other than New Jersey was used in reaching its conclusions and
6 recommendation. If the division is unable to complete the testing of a slot
7 machine or other gaming equipment model within this 60-day period, the
8 division may [recommend that the commission] conditionally approve the
9 slot machine or other gaming equipment model for test use by a casino
10 licensee provided that the division represents that the use of the slot
11 machine or other gaming equipment model will not have a direct and
12 materially adverse impact on the integrity of gaming or the control of gross
13 revenue. The division shall give priority to the testing of slot machines or
14 other gaming equipment which a casino licensee has certified it will use in
15 its casino in this State.

16 (3) The [commission] division shall, by regulation, establish such
17 technical standards for licensure of slot machines, including mechanical
18 and electrical reliability, security against tampering, the comprehensibility
19 of wagering, and noise and light levels, as it may deem necessary to protect
20 the player from fraud or deception and to insure the integrity of gaming.
21 The denominations of such machines shall be set by the licensee; the
22 licensee shall simultaneously notify the [commission] division of the
23 settings.

24 (4) The [commission] division shall, by regulation, determine the
25 permissible number and density of slot machines in a licensed casino so as
26 to:

- 27 (a) promote optimum security for casino operations;
28 (b) avoid deception or frequent distraction to players at gaming tables;
29 (c) promote the comfort of patrons;
30 (d) create and maintain a gracious playing environment in the casino;
31 and
32 (e) encourage and preserve competition in casino operations by assuring
33 that a variety of gaming opportunities is offered to the public.

34 Any such regulation promulgated by the [commission] division which
35 determines the permissible number and density of slot machines in a
36 licensed casino shall provide that all casino floor space and all space within
37 a casino licensee's casino simulcasting facility shall be included in any
38 calculation of the permissible number and density of slot machines in a
39 licensed casino.

40 (5) Any new gaming equipment or simulcast wagering equipment that is
41 submitted for testing to the division or to an independent testing laboratory
42 licensed pursuant to subsection a. of section 92 of P.L.1977, c.110 (C.5:12-
43 92) prior to or simultaneously with submission of such new equipment for
44 testing in a jurisdiction other than New Jersey, may, consistent with
45 regulations promulgated by the division, be deployed by a casino licensee
46 on the casino floor 14 days after submission of such equipment for testing.
47 If the casino or casino service industry enterprise licensee has not received

1 approval for the equipment 14 days after submission for testing, any
2 interested casino licensee may, consistent with division regulations, deploy
3 the equipment on a field test basis, unless otherwise directed by the
4 director.

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

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

7 k. It shall be unlawful for any person to exchange or redeem chips for
8 anything whatsoever, except for currency, negotiable personal checks,
9 negotiable counter checks, other chips, coupons, slot vouchers or
10 complimentary vouchers distributed by the casino licensee, or, if authorized
11 by regulation of the **[commission]** division, a valid charge to a credit or
12 debit card account. A casino licensee shall, upon the request of any person,
13 redeem that licensee's gaming chips surrendered by that person in any
14 amount over \$100 with a check drawn upon the licensee's account at any
15 banking institution in this State and made payable to that person.

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

20 m. It shall be unlawful for a dealer in any authorized game in which
21 cards are dealt to deal cards by hand or other than from a device
22 specifically designed for that purpose, unless otherwise permitted by the
23 rules of the **[commission]** division.

24 n. (1) It shall be unlawful for any casino key employee, licensee or any
25 person who is required to hold a casino key employee license as a condition
26 of employment or qualification to wager in any casino or simulcasting
27 facility in this State, or any casino.

28 (2) It shall be unlawful for any other employee**[**, other than a junket
29 representative, bartender, waiter, waitress, or other casino employee**]** of a
30 casino licensee who, in the judgment of the **[commission]** division, is
31 **[not]** directly involved with the conduct of gaming operations, including
32 but not limited to dealers, floor persons, box persons, security and
33 surveillance employees, to wager in **[a]** any casino or simulcasting facility
34 in the casino hotel in which the employee is employed or in any other
35 casino or simulcasting facility in this State which is owned or operated by
36 the **[same casino]** an affiliated licensee. **[Any casino employee, other than**
37 **a junket representative, bartender, waiter, waitress, or other casino**
38 **employee who, in the judgment of the commission, is not directly involved**
39 **with the conduct of gaming operations, must wait at least 30 days**
40 **following]**

41 (3) The prohibition against wagering set forth in paragraphs (1) and (2)
42 of this subsection shall continue for a period of 30 days commencing upon
43 the date that the employee either leaves employment with a casino licensee
44 or is terminated from employment with a casino licensee **[before the**
45 **employee may gamble in a casino or simulcasting facility in the casino**
46 **hotel in which the employee was formerly employed or in any other casino**

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

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

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

19 (3) Notwithstanding the provisions of paragraph (1) of this subsection, a
20 casino licensee may require that a percentage of the prize pool offered to
21 participants pursuant to an authorized poker tournament be withheld for
22 distribution to the tournament dealers as tips or gratuities [in accordance
23 with procedures approved by] as the [commission] division by regulation
24 may approve.

25 p. Any slot system operator that offers an annuity jackpot shall secure
26 the payment of such jackpot by establishing an annuity jackpot guarantee in
27 accordance with the requirements of P.L.1977, c.110 (C.5:12-1 et seq.), and
28 the rules of the [commission] division.

29 (cf: P.L.2009, c.36, s.16)

30

31 67. Section 4 of P.L.2005, c.46 (C.5:12-100.1) is amended to read as
32 follows:

33 4. a. The right of any annuity jackpot winner to receive annuity jackpot
34 payments from a slot system operator shall not be assignable, except as
35 permitted by this section. The provisions of this section shall prevail over
36 the provisions of the "Uniform Commercial Code Secured Transactions,"
37 N.J.S.12A:9-101 et seq., including N.J.S.12A:9-406, or any other law to the
38 contrary.

39 b. Notwithstanding any other provision of this section, annuity jackpot
40 payments may be paid to the estate of a deceased jackpot winner, in the
41 same manner as they were paid to the winner, upon receipt by the slot
42 system operator of a certified copy of an order appointing an executor or an
43 administrator.

44 c. A person may be assigned and paid the annuity jackpot payments to
45 which an annuity jackpot winner is entitled pursuant to a judicial order of
46 the New Jersey Superior Court or any other court having jurisdiction over
47 property located in this State provided that the order pertains to claims of

- 1 ownership in the annuity jackpot payments, division of marital property in
2 divorce actions, bankruptcy, child support, appointment of a guardian or
3 conservator, or distribution of an estate.
- 4 d. A person may be assigned and paid the annuity jackpot payments to
5 which an annuity jackpot winner is entitled pursuant to a judicial order of
6 the New Jersey Superior Court or any other court having jurisdiction over
7 property located in this State. The annuity jackpot winner and the proposed
8 assignee shall prepare a proposed form of order and submit such proposed
9 order to the court for its consideration. The proposed form of order shall
10 contain the following information:
- 11 (1) the full legal name, address, social security number or taxpayer
12 identification number and, if applicable, resident alien number of the
13 winner;
- 14 (2) the full legal name, address, social security number or taxpayer
15 identification number and, if applicable, resident alien number of the
16 assignee;
- 17 (3) the date on which and the casino where the annuity jackpot was
18 won;
- 19 (4) the slot machine game on which the annuity jackpot was won;
- 20 (5) the slot system operator primarily responsible for making the
21 annuity jackpot payments;
- 22 (6) the gross amount of the annuity jackpot won before application of
23 withholding taxes;
- 24 (7) the gross amount of each payment to be made to the winner by the
25 slot system operator before application of withholding taxes;
- 26 (8) the dates of the payments to be assigned and the amount of the
27 specific payments to be assigned on each date;
- 28 (9) the identity of the winner's spouse, domestic partner or partner in a
29 civil union, if any, and the interest of **【the spouse】** that person, if any, in
30 the annuity jackpot payments;
- 31 (10) the identity of any other co-owner, claimant or lienholder and the
32 amount of the interests, liens, security interests, prior assignments or offsets
33 asserted by each such party;
- 34 (11) that the interest rate or discount rate, as applicable, and all fees and
35 costs and other material terms relating to the assignment are expressly and
36 clearly included in all material documents and in all documents that include
37 any obligations of the annuity jackpot winner;
- 38 (12) that the interest rate or discount rate, as applicable, and any other
39 fees or charges associated with the assignment do not indicate overreaching
40 or exploitation, do not exceed current usury rates, and does not violate any
41 laws of usury of this State;
- 42 (13) that the winner has reviewed and understands the terms of the
43 assignment;
- 44 (14) that the winner understands that the winner will not receive the
45 annuity jackpot payments, or portions thereof, for the years assigned;
- 46 (15) that the winner has agreed to the assignment of the winner's own
47 free will without undue influence or duress;

1 (16) that the winner has retained and consulted with independent legal
2 counsel who has advised the winner of the winner's legal rights and
3 obligations;

4 (17) that the winner has retained and consulted with an independent tax
5 advisor concerning the tax consequences of the assignment;

6 (18) that the winner has disclosed all existing debts, liens and child
7 support obligations and does not seek assignment for purposes of evading
8 creditors, judgments or obligations for child support; and

9 (19) that the winner has certified that: the winner is not obligated to
10 repay any public assistance benefits; and the winner does not have a child
11 support obligation, or if the winner does have a child support obligation,
12 that no arrearage is due.

13 The annuity jackpot winner and the proposed assignee shall provide a
14 copy of the proposed form of order to the slot system operator at least 10
15 days before the court is scheduled to act on the proposed order to allow the
16 slot system operator the opportunity to ensure that the proposed order is
17 complete and correct in all respects prior to the court's approval.

18 e. Before a winner is legally bound, by agreement, contract or
19 otherwise, and prior to the issuance of an order pursuant to subsection d. of
20 this section, the assignee shall provide the winner with all material
21 documents which shall be binding on the assignor, including documents
22 evidencing obligations of the winner, and a written notice recommending
23 that the winner obtain independent counsel before signing any document
24 which shall be binding on the assignor. All documents shall include a
25 notice of the assignor's right to cancel the agreement which shall be located
26 in immediate proximity to all spaces reserved for the signature of the
27 winner in bold-faced type of at least 10 points and which shall provide as
28 follows:

29 "You have the right to cancel this assignment without any cost to you
30 until midnight three business days after the day on which you have signed
31 an agreement to assign all or a portion of your annuity jackpot.

32 Cancellation occurs when you give notice by regular first class mail,
33 postage prepaid, to the assignee at the address listed at the top of the first
34 page of this document that you wish to cancel the assignment. Notice is
35 deemed given when deposited in a mailbox."

36 f. The slot system operator shall, not later than 10 days after receiving
37 a true and correct copy of the filed judicial order, send the winner and the
38 assignee written confirmation of receipt of the court-ordered assignment
39 and of the slot system operator's intent to rely thereon in making future
40 payments to the assignee named in the order. The slot system operator
41 shall, thereafter, make all payments in accordance with the judicial order.
42 No change in the terms of any assignment shall be effective unless made
43 pursuant to a subsequent judicial order pursuant to this section.

44 g. The slot system operator may impose a reasonable fee on an
45 assignor to defray any direct or indirect administrative expenses associated
46 with an assignment.

1 h. The division, the commission and the State are not parties to
2 assignment proceedings, except that the State may intervene as necessary to
3 protect the State's interest in monies owed to the State.

4 i. The slot system operator and the State shall comply with, and rely
5 upon, a judicial order in distributing payments subject to that order.

6 j. A winner may pledge or grant a security interest in all or part of an
7 annuity jackpot as collateral for repayment of a loan pursuant to a judicial
8 order containing the information required by subsection d. of this section
9 which the court deems relevant to the pledge or grant.

10 k. Except where inconsistent with the provisions of this section, the
11 New Jersey consumer fraud act, P.L.1960, c.39 (C.56:8-1 et seq.), shall
12 apply to all transactions under this section.

13 l. The provisions of subsections d., e. and j. of this section shall be
14 invalid if:

15 (1) the United States Internal Revenue Service issues a technical rule
16 letter, revenue ruling, or other public ruling in which it is determined that
17 because of the right of assignment provided by subsection d. of this section,
18 annuity jackpot winners who do not exercise the right to assign annuity
19 jackpot payments would be subject to an immediate income tax liability for
20 the value of the entire annuity jackpot rather than annual income tax
21 liability for each installment when received; or

22 (2) a court of competent jurisdiction issues a published decision holding
23 that because of the right of assignment provided by subsection d. of this
24 section, annuity jackpot winners who do not exercise the right to assign
25 annuity jackpot payments would be subject to an immediate income tax
26 liability for the value of the entire annuity jackpot rather than annual
27 income tax liability for each installment when received.

28 m. Upon receipt, the **[commission]** division shall immediately file a
29 copy of a letter or ruling of the United States Internal Revenue Service or a
30 published decision of a court of competent jurisdiction, described in
31 subsection l. of this section, with the Secretary of State. No assignment
32 shall be approved pursuant to subsection d. of this section after the date of
33 such filing.

34 n. A voluntary assignment shall not include or cover payments, or
35 portions of payments, that are subject to the offset pursuant to section 5 of
36 this amendatory and supplementary act, P.L.2005, c.46 (C.5:12-100.2), or
37 any other law, unless appropriate provisions are made to satisfy the
38 obligations giving rise to the offset.

39 o. No assignee shall directly or indirectly recommend or facilitate the
40 hiring of any lawyer or accountant to assist the assignor in determining the
41 appropriateness of the proposed assignment. Further, the assignee shall not
42 offer, prior to the closing, tax or investment advice.

43 (cf: P.L.2005, c.46, s.4)

44

45 68. Section 5 of P.L.2005, c.46 (C.5:12-100.2) is amended to read as
46 follows:

47 5. a. Each slot system operator that awards an annuity jackpot shall
48 provide prompt notice to the **[commission]** division of the name, address

1 and social security number of each annuity jackpot winner and the amount
2 of the pending payments. The **[commission]** division shall forward such
3 information to the Office of Information Technology in but not of the
4 Department of the Treasury.

5 b. The Office of Information Technology shall cross check the annuity
6 jackpot winner list with the data supplied by the Commissioner of Human
7 Services pursuant to section 2 of P.L.1991, c.384 (C.5:9-13.2) for a social
8 security number match. If a match is made, the Office of Information
9 Technology shall notify the Commissioner of Human Services.

10 c. If an annuity jackpot winner is in arrears of a child support order, or
11 is a former recipient of Aid to Families with Dependent Children or Work
12 First New Jersey, food stamp benefits or low-income home energy
13 assistance benefits who has incurred an overpayment which has not been
14 repaid, the Probation Division of the Superior Court or the Department of
15 Human Services, as appropriate, shall promptly notify the slot system
16 operator of the name, address, social security number and amount due on an
17 arrears child support order or the amount due on an overpayment. The slot
18 system operator shall withhold this amount from the pending annuity
19 jackpot payment and transmit same to the Probation Division of the
20 Superior Court or the Department of Human Services, as appropriate, in
21 accordance with regulations promulgated by the State Treasurer.

22 d. The Probation Division of the Superior Court, acting as agent for the
23 child support payee or the county welfare agency that provided the public
24 assistance benefits, as appropriate, shall have a lien on the proceeds of the
25 annuity jackpot payment in an amount equal to the amount of child support
26 arrearage or the amount of overpayment incurred, as appropriate. The lien
27 imposed by this section shall be enforceable in the Superior Court. Any of
28 the annuity jackpot winner's funds remaining after withholding pursuant to
29 the lien established pursuant to this section shall be paid to the winner in
30 accordance with the rules of the **[commission]** division.

31 e. The Commissioner of Human Services shall promulgate such
32 regulations as may be necessary to effectuate the purposes of this section
33 including, but not limited to, regulations providing for prompt notice to any
34 annuity jackpot winner, from whose payments the Probation Division of the
35 Superior Court or the Department of Human Services seeks to withhold
36 funds, of the amount to be withheld and the reason therefor and providing
37 the annuity jackpot winner with the opportunity for a hearing upon request
38 prior to the disposition of any funds.

39 f. The State Treasurer shall also provide, by regulation, safeguards
40 against the disclosure or inappropriate use of any personally identifiable
41 information regarding any person obtained pursuant to this section.

42 g. For the purposes of this section, "prompt notice" shall mean notice
43 within 14 days or less.

44 (cf: P.L.2007, c.56, s.17)

45
46 69. Section 101 of P.L.1977, c.110 (C.5:12-101) is amended as follows:

47 101. a. Except as otherwise provided in this section, no casino licensee
48 or any person licensed under this act, and no person acting on behalf of or

1 under any arrangement with a casino licensee or other person licensed
2 under this act, shall:

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

7 (2) Release or discharge any debt, either in whole or in part, or make
8 any loan which represents any losses incurred by any player in gaming or
9 simulcast wagering activity, without maintaining a written record thereof in
10 accordance with the rules of the [commission] division.

11 b. No casino licensee or any person licensed under this act, and no
12 person acting on behalf of or under any arrangement with a casino licensee
13 or other person licensed under this act, may accept a check, other than a
14 recognized traveler's check or other cash equivalent from any person to
15 enable such person to take part in gaming or simulcast wagering activity as
16 a player, or may give cash or cash equivalents in exchange for such check
17 unless:

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

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

20 (3) The check is presented to the cashier or the cashier's representative
21 at a location in the casino approved by the [commission] division and is
22 exchanged for cash or slot tokens which total an amount equal to the
23 amount for which the check is drawn, or the check is presented to the
24 cashier's representative at a gaming table in exchange for chips which total
25 an amount equal to the amount for which the check is drawn; and

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

28 Nothing in this subsection shall be deemed to preclude the establishment
29 of an account by any person with a casino licensee by a deposit of cash,
30 recognized traveler's check or other cash equivalent, or a check which
31 meets the requirements of subsection g. of this section, or to preclude the
32 withdrawal, either in whole or in part, of any amount contained in such
33 account.

34 c. When a casino licensee or other person licensed under this act, or
35 any person acting on behalf of or under any arrangement with a casino
36 licensee or other person licensed under this act, cashes a check in
37 conformity with the requirements of subsection b. of this section, the casino
38 licensee shall cause the deposit of such check in a bank for collection or
39 payment, or shall require an attorney or casino key employee with no
40 incompatible functions to present such check to the drawer's bank for
41 payment, within (1) seven calendar days of the date of the transaction for a
42 check in an amount of \$1,000.00 or less; (2) 14 calendar days of the date of
43 the transaction for a check in an amount greater than \$1,000.00 but less
44 than or equal to \$5,000.00; or (3) 45 calendar days of the date of the
45 transaction for a check in an amount greater than \$5,000.00.
46 Notwithstanding the foregoing, the drawer of the check may redeem the
47 check by exchanging cash, cash equivalents, chips, or a check which meets
48 the requirements of subsection g. of this section in an amount equal to the

1 amount for which the check is drawn; or he may redeem the check in part
2 by exchanging cash, cash equivalents, chips, or a check which meets the
3 requirements of subsection g. of this section and another check which meets
4 the requirements of subsection b. of this section for the difference between
5 the original check and the cash, cash equivalents, chips, or check tendered;
6 or he may issue one check which meets the requirements of subsection b. of
7 this section in an amount sufficient to redeem two or more checks drawn to
8 the order of the casino licensee. If there has been a partial redemption or a
9 consolidation in conformity with the provisions of this subsection, the
10 newly issued check shall be delivered to a bank for collection or payment
11 or presented to the drawer's bank for payment by an attorney or casino key
12 employee with no incompatible functions within the period herein
13 specified. No casino licensee or any person licensed or registered under this
14 act, and no person acting on behalf of or under any arrangement with a
15 casino licensee or other person licensed under this act, shall accept any
16 check or series of checks in redemption or consolidation of another check
17 or checks in accordance with this subsection for the purpose of avoiding or
18 delaying the deposit of a check in a bank for collection or payment or the
19 presentment of the check to the drawer's bank within the time period
20 prescribed by this subsection.

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

25 d. No casino licensee or any other person licensed or registered under
26 this act, or any other person acting on behalf of or under any arrangement
27 with a casino licensee or other person licensed or registered under this act,
28 shall transfer, convey, or give, with or without consideration, a check
29 cashed in conformity with the requirements of this section to any person
30 other than:

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

33 (2) A bank for collection or payment of the check;

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

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

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

40 e. No person other than **[one]** a casino key employee licensed **[as a**
41 **casino key employee or as a casino employee]** under this act or a casino
42 employee registered under this act may engage in efforts to collect upon
43 checks that have been returned by banks without full and final payment,
44 except that an attorney-at-law representing a casino licensee may bring
45 action for such collection.

46 f. Notwithstanding the provisions of any law to the contrary, checks
47 cashed in conformity with the requirements of this act shall be valid
48 instruments, enforceable at law in the courts of this State. Any check

1 cashed, transferred, conveyed or given in violation of this act shall be
2 invalid and unenforceable for the purposes of collection but shall be
3 included in the calculation of gross revenue pursuant to section 24 of
4 P.L.1977, c.110 (C.5:12-24).

5 g. Notwithstanding the provisions of subsection b. of this section to the
6 contrary, a casino licensee may accept a check from a person to enable the
7 person to take part in gaming or simulcast wagering activity as a player,
8 may give cash or cash equivalents in exchange for such a check, or may
9 accept a check in redemption or partial redemption of a check issued in
10 accordance with subsection b., provided that:

11 (1) (a) The check is issued by a casino licensee, is made payable to the
12 person presenting the check, and is issued for a purpose other than
13 employment compensation or as payment for goods or services rendered;

14 (b) The check is issued by a banking institution which is chartered in a
15 country other than the United States on its account at a federally chartered
16 or state-chartered bank and is made payable to "cash," "bearer," a casino
17 licensee, or the person presenting the check;

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

22 (d) The check is issued by a slot system operator or pursuant to an
23 annuity jackpot guarantee as payment for winnings from a multi-casino
24 progressive slot machine system jackpot; or

25 (e) The check is issued by an affiliate of a casino licensee that holds a
26 gaming license in any jurisdiction, is made payable to the person presenting
27 the check, and is issued for a purpose other than employment compensation
28 or as payment for goods or services rendered;

29 (2) The check is identifiable in a manner approved by the **[commission]**
30 division as a check authorized for acceptance pursuant to paragraph (1) of
31 this subsection;

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

33 (4) The check is presented to the cashier or the cashier's representative
34 by the original payee and its validity is verified by the drawer in the case of
35 a check drawn pursuant to subparagraph (a) of paragraph (1) of this
36 subsection, or the check is verified in accordance with regulations
37 promulgated **[by the commission]** under this act in the case of a check
38 issued pursuant to subparagraph (b), (c), (d) or (e) of paragraph (1) of this
39 subsection; and

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

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

46 h. Notwithstanding the provisions of subsection b. and subsection c. of
47 this section to the contrary, a casino licensee may, at a location outside the
48 casino, accept a personal check or checks from a person for up to \$5,000 in

1 exchange for cash or cash equivalents, and may, at such locations within
2 the casino or casino simulcasting facility as may be permitted by the
3 **【commission】** division, accept a personal check or checks for up to \$5,000
4 in exchange for cash, cash equivalents, tokens, chips, or plaques to enable
5 the person to take part in gaming or simulcast wagering activity as a player,
6 provided that:

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

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

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

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

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

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

19 (g) The total amount of personal checks accepted by any one licensee
20 pursuant to this subsection that are outstanding at any time, including the
21 current check being submitted, does not exceed \$5,000;

22 (h) The casino licensee has **【an approved】** a system of internal controls
23 in place that will enable it to determine the amount of outstanding personal
24 checks received from any patron pursuant to this subsection at any given
25 point in time; and

26 (i) The casino licensee maintains a record of each such transaction in
27 accordance with regulations established by the **【commission】** division.

28 i. (Deleted by amendment, P.L.2004, c.128).

29 j. A person may request the **【commission】** division to put that person's
30 name on a list of persons to whom the extension of credit by a casino as
31 provided in this section would be prohibited by submitting to the
32 **【commission】** division the person's name, address, and date of birth. The
33 person does not need to provide a reason for this request. The
34 **【commission】** division shall provide this list to the credit department of
35 each casino; neither the **【commission】** division nor the credit department of
36 a casino shall divulge the names on this list to any person or entity other
37 than those provided for in this subsection. If such a person wishes to have
38 that person's name removed from the list, the person shall submit this
39 request to the **【commission】** division, which shall so inform the credit
40 departments of casinos no later than three days after the submission of the
41 request.

42 k. (Deleted by amendment, P.L.2004, c.128).

43 (cf: P.L.2009, c.36, s.17)

44

45 70. Section 2 of P.L.1987, c.419 (C.5:12-101.2) is amended to read as
46 follows:

1 2. No casino licensee or any person licensed or registered under
2 P.L.1977, c.110 (C.5:12-1 et seq.), and no person acting on behalf of or
3 under any arrangement with a casino licensee or other person licensed or
4 registered under P.L.1977, c.110, shall, in a single transaction during a
5 gaming day, redeem for cash or credit any chips or markers in an amount of
6 \$10,000.00 or more or exchange chips for cash in an amount of \$10,000.00
7 or more, from any one person, unless the person seeking to redeem the
8 chips or markers presents proof of his identity and passport identification
9 number if he is not a United States citizen.

10 Multiple currency transactions shall be treated as a single transaction if
11 the casino licensee, person licensed or registered under P.L.1977, c.110 or
12 person acting on behalf of or under any arrangement with a casino licensee
13 or other person licensed or registered under P.L.1977, c.110 has knowledge
14 that the transactions are by or on behalf of one person and result in either
15 cash in or cash out **【totalling】** totaling more than \$10,000.00 during a
16 gaming day.

17 (cf: P.L.1987, c.419, s.2)

18

19 71. Section 3 of P.L.1987, c.419 (C.5:12-101.3) is amended to read as
20 follows:

21 3. Casino licensees, persons licensed or registered under P.L.1977,
22 c.110 (C.5:12-1 et seq.) and persons acting on behalf of or under any
23 arrangement with casino licensees or other persons licensed or registered
24 under P.L.1977, c.110, who accept cash or redeem chips or markers
25 **【totalling】** totaling \$10,000.00 or more in a gaming day for which
26 identification is required pursuant to sections 1 and 2 of this 1987
27 supplementary act, shall at least once every 30 days report the identities and
28 passport numbers of the persons offering the cash, chips or markers, to the
29 Division of Gaming Enforcement.

30 (cf: P.L.1987, c.419, s.3)

31

32 72. Section 102 of P.L.1977, c.110 (C.5:12-102) is amended to read as
33 follows:

34 102. Junkets and Complimentary Services.

35 a. No junkets may be organized or permitted except in accordance with
36 the provisions of this act. No person may act as a junket representative or
37 junket enterprise except in accordance with this section.

38 b. A junket enterprise or a junket representative employed by a casino
39 licensee, an applicant for a casino license or an affiliate of a casino licensee
40 shall be licensed as a casino key employee in accordance with the
41 provisions of P.L.1977, c.110 (C.5:12-1 et seq.); provided, however, that
42 said licensee need not be a resident of this State. **【Any person who holds a**
43 **current and valid casino employee license may act as a junket**
44 **representative while employed by a casino licensee or an affiliate.】** No
45 casino licensee or applicant for a casino license may employ or otherwise
46 engage a junket representative who is not so licensed.

1 c. Junket enterprises **【which】** that, and junket representatives not
2 employed by a casino licensee or an applicant for a casino license or by a
3 junket enterprise who, **【are engaged】** engage in activities governed by this
4 section shall be **【subject to the provisions of subsection c. of section 92 and**
5 **subsection b. of section 104 of P.L.1977, c.110 (C.5:12-92 and 5:12-104)**
6 **with regard to those activities, unless otherwise directed by the commission**
7 **pursuant to subsection k. of this section. Such of the owners, management**
8 **and supervisory personnel, and other principal employees of a junket**
9 **enterprise as the commission may consider appropriate for qualification**
10 **shall qualify under the standards, except for residency, established for**
11 **qualification of a casino key employee under P.L.1977, c.110 (C.5:12-1 et**
12 **seq.)】** licensed as a casino service industry enterprise in accordance with
13 subsection a. of section 92 of P.L.1977, c.110 (C.5:12-92), unless otherwise
14 directed by the division. Any non-supervisory employee of a junket
15 enterprise or junket representative licensed under this subsection shall be
16 registered in accordance with subsection c. of section 92 of P.L.1977, c.110
17 (C.5:12-92).

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

25 e. Upon petition by the holder of a casino license, an applicant for
26 junket representative or junket enterprise applying for licensure may be
27 issued a temporary license by the **【commission】** division in accordance
28 with regulations promulgated by the division, provided that:

- 29 (1) the applicant for licensure is employed by a casino licensee;
- 30 (2) the applicant for licensure has filed a completed application as
31 required by the commission;
- 32 (3) the division either certifies to the commission that the completed
33 application for licensure as specified in paragraph (2) of this subsection has
34 been in the possession of the division for at least 60 days or agrees to allow
35 the commission to consider the application in some lesser time; and
- 36 (4) the division does not object to the temporary licensure of the
37 applicant; provided, however, that failure of the division to object prior to
38 the temporary licensure of the applicant shall not be construed to reflect in
39 any manner upon the qualifications of the applicant for licensure.

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

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

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

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

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

27 i. The **【commission】** division shall, by regulation, prescribe methods,
28 procedures and forms for the delivery and retention of information
29 concerning the conduct of junkets by casino licensees. Without limitation
30 of the foregoing, each casino licensee, in accordance with the rules of the
31 **【commission】** division, shall:

32 (1) Maintain on file a report describing the operation of any junket
33 engaged in on its premises;

34 (2) (Deleted by amendment, P.L.1995, c.18.).

35 (3) Submit to the **【commission and】** division a list of all its employees
36 who are acting as junket representatives.

37 j. Each casino licensee, junket representative or junket enterprise
38 shall, in accordance with the rules of the **【commission】** division, file a
39 report with the division with respect to each list of junket patrons or
40 potential junket patrons purchased directly or indirectly by the casino
41 licensee, junket representative or enterprise.

42 k. The **【commission】** division shall have the authority to determine,
43 either by regulation, or upon petition by the holder of a casino license, that
44 a type of arrangement otherwise included within the definition of "junket"
45 established by section 29 of P.L.1977, c.110 (C.5:12-29) shall not require
46 compliance with any or all of the requirements of this section. **【The**
47 commission shall seek the opinion of the division prior to granting any

1 exemption.] In granting exemptions, the [commission] division shall
2 consider such factors as the nature, volume and significance of the
3 particular type of arrangement, and whether the exemption would be
4 consistent with the public policies established by this act. In applying the
5 provisions of this subsection, the [commission] division may condition,
6 limit, or restrict any exemption as the commission may deem appropriate.

7 l. No junket enterprise or junket representative or person acting as a
8 junket representative may:

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

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

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

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

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

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

23 (1) The complimentary consists of room, food, beverage, transportation,
24 or entertainment expenses provided directly to the patron and his guests by
25 the licensee or indirectly to the patron and his guests on behalf of a licensee
26 by a third party; or

27 (2) (Deleted by amendment, P.L.2009, c.36); or

28 (3) The complimentary consists of coins, tokens, cash or other
29 complimentary items or services provided through a bus coupon or other
30 complimentary distribution program which, notwithstanding the
31 requirements of section 99 of P.L.1977, c.110 (C.5:12-99), shall be [filed
32 with the commission upon the implementation of the program or
33 maintained pursuant to commission regulation] maintained pursuant to
34 regulation and made available for inspection by the division.

35 Notwithstanding the foregoing, a casino licensee may offer and provide
36 complimentary cash or noncash gifts which are not otherwise included in
37 paragraphs (1) and (3) of this subsection to any person, provided that any
38 such gifts in excess of \$2,000.00, or such greater amount as the
39 [commission] division may establish by regulation, are supported by
40 documentation regarding the reason the gift was provided to the patron and
41 his guests, including where applicable, a patron's player rating, which
42 documentation shall be maintained by the casino licensee.

43 Each casino licensee shall maintain a regulated complimentary service
44 account, for those complimentaries which are permitted pursuant to this
45 section, and shall submit a quarterly report to the [commission] division
46 based upon such account and covering all complimentary services offered
47 or engaged in by the licensee during the immediately preceding quarter.

1 Such reports shall include identification of the regulated complimentary
2 services and their respective costs, the number of persons by category of
3 service who received the same, and such other information as the
4 **【commission】** division may require.

5 n. As used in this subsection, "person" means any State officer or
6 employee subject to financial disclosure by law or executive order and any
7 other State officer or employee with responsibility for matters affecting
8 casino activity; any special State officer or employee with responsibility for
9 matters affecting casino activity; the Governor; any member of the
10 Legislature or full-time member of the Judiciary; any full-time professional
11 employee of the Office of the Governor, or the Legislature; members of the
12 Casino Reinvestment Development Authority; the head of a principal
13 department; the assistant or deputy heads of a principal department,
14 including all assistant and deputy commissioners; the head of any division
15 of a principal department; any member of the governing body, or the
16 municipal judge or the municipal attorney of a municipality wherein a
17 casino is located; any member of or attorney for the planning board or
18 zoning board of adjustment of a municipality wherein a casino is located, or
19 any professional planner or consultant regularly employed or retained by
20 such planning board or zoning board of adjustment.

21 No casino applicant or licensee shall provide directly or indirectly to any
22 person any complimentary service or discount which is other than such
23 service or discount that is offered to members of the general public in like
24 circumstance.

25 o. **【Any person who, on the effective date of this 1992 amendatory act,**
26 **P.L.1992, c.9, holds a current and valid plenary junket representative**
27 **license, a junket representative license with a sole owner-operator**
28 **endorsement, or a junket enterprise license authorizing the conduct of**
29 **junket activities, shall be considered licensed in accordance with the**
30 **provisions of this section and subsection c. of section 92 of P.L.1977, c.110**
31 **(C.5:12-92) for the remaining term of his current license.】** (Deleted by
32 amendment, P.L. , c.) (pending before the Legislature as this bill)
33 (cf: PL.2009, c.36, s.18)
34

35 73. Section 103 of P.L.1977, c.110 (C.5:12-103) is amended as follows:

36 103. Alcoholic Beverages in Casino Hotel Facilities. a.

37 Notwithstanding any law to the contrary, the authority to grant any
38 license for, or to permit or prohibit the presence of, alcoholic beverages in,
39 on, or about any premises licensed as part of a casino hotel shall
40 exclusively be vested in the **【commission】** division.

41 b. Unless otherwise stated, and except where inconsistent with the
42 purpose or intent of this act or the common understanding of usage thereof,
43 definitions contained in Title 33 of the Revised Statutes shall apply to this
44 section. Any definition contained therein shall apply to the same word in
45 any form.

46 c. Notwithstanding any provision of Title 33 of the Revised Statutes,
47 the rules, regulations and bulletins promulgated by the director of the
48 Division of Alcoholic Beverage Control, or any provision promulgated by

1 any local authority, the authority to issue, renew, transfer, revoke or
2 suspend a Casino Hotel Alcoholic Beverage License or any portion,
3 location, privilege or condition thereof; to fine or penalize a Casino Hotel
4 Alcoholic Beverage Licensee; to enforce all statutes, laws, rulings, or
5 regulations relating to such license; and to collect license fees and establish
6 application standards therefor, shall be, consistent with this act, exclusively
7 vested in the [commission or the] division.

8 d. Except as otherwise provided in this section, the provisions of Title
9 33 of the Revised Statutes and the rules, regulations and bulletins
10 promulgated by the Director of the Division of Alcoholic Beverage Control
11 shall apply to a Casino Hotel and Casino Hotel Alcoholic Beverage
12 Licensee licensed under this act.

13 e. Notwithstanding any provision to the contrary, the [commission]
14 division may promulgate any regulations and special rulings and findings as
15 may be necessary for the proper enforcement, regulation, and control of
16 alcoholic beverages in casino hotels when the [commission] division finds
17 that the uniqueness of casino operations and the public interest require that
18 such regulations, rulings, and findings are appropriate. Regulations of the
19 [commission] division may include but are not limited to: designation and
20 duties of enforcement personnel; all forms necessary or convenient in the
21 administration of this section; inspections, investigations, searches,
22 seizures; licensing and disciplinary standards; requirements and standards
23 for any hearings or disciplinary or other proceedings that may be required
24 from time to time; the assessment of fines or penalties for violations; hours
25 of sale; sales in original containers; sales on credit; out-of-door sales;
26 limitations on sales; gifts and promotional materials; locations or places for
27 sale; control of signs and other displays; identification of licensees and
28 their employees; employment of aliens and minors; storage, transportation
29 and sanitary requirements; records to be kept by the Casino Hotel Alcoholic
30 Beverage Licensees and availability thereof; practices unduly designed to
31 increase consumption of alcoholic beverages; and such other matters
32 whatsoever as are or may become necessary and consistent with the
33 administration of this act.

34 f. (1) It shall be unlawful for any person, including any casino licensee
35 or any of its lessees, agents or employees, to expose for sale, solicit or
36 promote the sale of, possess with intent to sell, sell, give, dispense, or
37 otherwise transfer or dispose of alcoholic beverages in, on or about any
38 portion of the premises of a casino hotel, unless said person possesses a
39 Casino Hotel Alcoholic Beverage License. Nothing herein or in any other
40 law to the contrary, however, shall prohibit a casino beverage server in the
41 course of his or her employment from inquiring of a casino patron whether
42 such patron desires a beverage, whether or not such inquiry is phrased in
43 terms of any word which may connote that the beverage is an alcoholic
44 beverage.

45 (2) It shall be unlawful for any person issued a Casino Hotel Alcoholic
46 Beverage License to expose, possess, sell, give, dispense, transfer, or
47 otherwise dispose of alcoholic beverages, other than within the terms and
48 conditions of the Casino Hotel Alcoholic Beverage License issued, the

1 provisions of Title 33 of the Revised Statutes, the rules and regulations
2 promulgated by the Director of the Division of Alcoholic Beverage Control,
3 and, when applicable, the regulations promulgated pursuant to this act.

4 (3) Notwithstanding any other law to the contrary, a manufacturer,
5 wholesaler, or other person licensed to sell alcoholic beverages to retailers,
6 or third parties at their discretion, may, in addition to the activities
7 permitted by section 10 of P.L.2005, c.243 (C.33:1-43.2), jointly sponsor
8 with the Casino Hotel Alcoholic Beverage Licensee musical or theatrical
9 performances or concerts, sporting events and such similar events and
10 festivals, with an anticipated overall audience attendance of at least one
11 thousand patrons, as may be approved by the division.

12 g. In issuing a Casino Hotel Alcoholic Beverage License the
13 **【commission】** division shall describe the scope of the particular license and
14 the restrictions and limitations thereon as it deems necessary and
15 reasonable. The **【commission】** division may, in a single Casino Hotel
16 Alcoholic Beverage License, permit the holder of such a license to perform
17 any or all of the following activities, subject to applicable laws, rules and
18 regulations:

19 (1) To sell any alcoholic beverage by the glass or other open receptacle
20 including, but not limited to, an original container, for on-premise
21 consumption within a casino or simulcasting facility; provided, however,
22 that no alcoholic beverage shall be sold or given for consumption; delivered
23 or otherwise brought to a patron; or consumed at a gaming table unless so
24 requested by the patron.

25 (2) To sell any alcoholic beverage by the glass or other open receptacle
26 for on-premise consumption within a casino hotel, but not in a casino or
27 simulcasting facility, or from a fixed location outside a building or structure
28 containing a casino but on a casino hotel premises.

29 (3) To sell any alcoholic beverage in original containers for
30 consumption outside the licensed area from an enclosed package room not
31 in a casino or simulcasting facility.

32 (4) To sell any alcoholic beverage by the glass or other open receptacle
33 or in original containers from a room service location within an enclosed
34 room not in a casino or simulcasting facility; provided, however, that any
35 sale of alcoholic beverages is delivered only to a guest room or to any other
36 room in the casino hotel authorized by the **【commission】** division, other
37 than any room authorized by the **【commission】** division pursuant to
38 paragraph (1), (3), or (5) of this subsection.

39 (5) To possess or to store alcoholic beverages in original containers
40 intended but not actually exposed for sale at a fixed location on a casino
41 hotel premises, not in a casino or simulcasting facility; and to transfer or
42 deliver such alcoholic beverages only to a location approved pursuant to
43 this section; provided, however, that no access to or from a storage location
44 shall be permitted except during the normal course of business by
45 employees or agents of the licensee, or by licensed employees or agents of
46 wholesalers or distributors licensed pursuant to Title 33 of the Revised
47 Statutes and any applicable rules and regulations; and provided further,
48 however, that no provision of this section shall be construed to prohibit a

1 Casino Hotel Alcoholic Beverage Licensee from obtaining an off-site
2 storage license from the Division of Alcoholic Beverage Control.

3 h. [(1) No Casino Hotel Alcoholic Beverage License which authorizes
4 the sale of alcoholic beverages within a casino pursuant to subsection g.(1)
5 of this section shall issue to any applicant who does not hold a casino
6 license issued pursuant to this act.

7 (2) No Casino Hotel Alcoholic Beverage License which authorizes the
8 possession, sale or storage of alcoholic beverages pursuant to subsection
9 g.(2), (3), (4), or (5) of this section shall issue to any applicant who would
10 not qualify under the standards for licensure of a casino service industry
11 enterprise pursuant to subsection c. of section 92 of P.L.1977, c.110
12 (C.5:12-92).

13 (3) No Casino Hotel Alcoholic Beverage License which authorizes the
14 possession or storage of alcoholic beverages pursuant to subsection g. of
15 this section shall issue to any applicant who does not hold a Casino Hotel
16 Alcoholic Beverage License, permitting any activity pursuant to subsection
17 g.(1), (2), (3), or (4) of this section.] Deleted by amendment, P.L. , c.
18 (pending before the Legislature as this bill)

19 i. The [commission] division may revoke, suspend, refuse to renew or
20 refuse to transfer any Casino Hotel Alcoholic Beverage License, or fine or
21 penalize any Casino Hotel Alcoholic Beverage Licensee for violations of
22 any provision of Title 33 of the Revised Statutes, the rules and regulations
23 promulgated by the Director of the Division of Alcoholic Beverage Control,
24 and the regulations promulgated by the [commission] division.

25 j. Jurisdiction over all alcoholic beverage licenses previously issued
26 with respect to the casino hotel facility is hereby vested in the
27 [commission] division, which in its discretion may by regulation provide
28 for the conversion thereof into a Casino Hotel Alcoholic Beverage License
29 as provided in this section.

30 (cf: P.L.2009, c.36, s.19)

31

32 74. Section 104 of P.L.1977, c.110 (C.5:12-104) is amended to read as
33 follows:

34 104. a. Unless otherwise provided in this subsection, no agreement shall
35 be lawful which provides for the payment, however defined, of any direct
36 or indirect interest, percentage or share of: any money or property gambled
37 at a casino or simulcasting facility; any money or property derived from
38 casino gaming activity or wagering at a simulcasting facility; or any
39 revenues, profits or earnings of a casino or simulcasting facility.
40 Notwithstanding the foregoing:

41 (1) Agreements which provide only for the payment of a fixed sum
42 which is in no way affected by the amount of any such money, property,
43 revenues, profits or earnings shall not be subject to the provisions of this
44 subsection; and receipts, rentals or charges for real property, personal
45 property or services shall not lose their character as payments of a fixed
46 sum because of contract, lease, or license provisions for adjustments in
47 charges, rentals or fees on account of changes in taxes or assessments, cost-

1 of-living index escalations, expansion or improvement of facilities, or
2 changes in services supplied.

3 **[(2) Agreements between a casino licensee and a junket enterprise or**
4 **junket representative licensed, qualified or registered in accordance with**
5 **the provisions of P.L.1977, c.110 (C.5:12-1 et seq.) and the regulations of**
6 **the commission which provide for the compensation of the junket**
7 **enterprise or junket representative by the casino licensee based upon the**
8 **actual casino gaming or simulcast wagering activities of a patron procured**
9 **or referred by the junket enterprise or junket representative shall be lawful**
10 **if filed with the division prior to the conduct of any junket that is governed**
11 **by the agreement.]** (Deleted by amendment, P.L. , c.) (pending before
12 the Legislature as this bill)

13 (3) Agreements between a casino licensee and its employees which
14 provide for casino employee or casino key employee profit sharing shall be
15 lawful if the agreement is in writing and filed with the **[commission]**
16 division prior to its effective date. Such agreements may be reviewed by
17 the **[commission]** division under any relevant provision of P.L.1977, c.110
18 (C.5:12-1 et seq.).

19 (4) Agreements to lease an approved casino hotel or the land thereunder
20 and agreements for the complete management of all casino gaming
21 operations in a casino hotel shall not be subject to the provisions of this
22 subsection but shall rather be subject to the provisions of subsections b. and
23 c. of section 82 of this act.

24 (5) Agreements which provide for percentage charges between the
25 casino licensee and a holding company or intermediary company of the
26 casino licensee shall be in writing and filed with the **[commission]** division
27 but shall not be subject to the provisions of this subsection.

28 (6) Agreements relating to simulcast racing and wagering between a
29 casino licensee and an in-State or out-of-State sending track licensed or
30 exempt from licensure in accordance with **[subsection c. of]** section 92 of
31 P.L.1977, c.110 (C.5:12-92) shall be in writing, be filed with the
32 **[commission]** division, and be lawful and effective only if expressly
33 approved as to their terms by the **[commission]** division and the New
34 Jersey Racing Commission, except that any such agreements which provide
35 for a percentage of the parimutuel pool wagered at a simulcasting facility to
36 be paid to the sending track shall not be subject to the provisions of this
37 subsection.

38 (7) Agreements relating to simulcast racing and wagering between a
39 casino licensee and a casino service industry enterprise licensed pursuant to
40 the provisions of subsection a. of section 92 of P.L.1977, c.110 (C.5:12-92)
41 as a hub facility, as defined in joint regulations of the **[Casino Control**
42 **Commission]** Division of Gaming Enforcement and the New Jersey Racing
43 Commission, shall be in writing, be filed with the commission, and be
44 lawful and effective only if expressly approved as to their terms by the
45 commission and the New Jersey Racing Commission, except that any such
46 agreements which provide for a percentage of the casino licensee's share of

1 the parimutuel pool wagered at a simulcasting facility to be paid to the hub
2 facility shall not be subject to the provisions of this subsection.

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

13 (9) Written agreements relating to the operation of multi-casino
14 progressive slot machine systems between one or more casino licensees and
15 a casino service industry enterprise licensed pursuant to the provisions of
16 subsection a. of section 92 of P.L.1977, c.110 (C.5:12-92), or an eligible
17 applicant for such license, which provide for an interest, percentage or
18 share of the casino licensee's revenues, profits or earnings from the
19 operation of such multi-casino progressive slot machines to be paid to the
20 casino service industry enterprise licensee or applicant shall not be subject
21 to the provisions of this subsection if the agreements are filed with and
22 approved by the **【commission】** division.

23 (10) A written agreement between a casino licensee and a casino service
24 industry enterprise licensed pursuant to subsection a. of section 92 of
25 P.L.1977, c.110 (C.5:12-92), or an eligible applicant for such license,
26 relating to the construction, renovation or operation of qualifying sleeping
27 units, as defined in section 27 of P.L.1977, c.110 (C.5:12-27), or of non-
28 gaming amenities, as defined by the **【commission】** division, within the
29 limits of the city of Atlantic City, regardless of whether such qualifying
30 sleeping units or non-gaming amenities are connected to a casino hotel
31 facility, which provides for an interest, percentage or share of the casino
32 licensee's revenues, profits or earnings, not to exceed 5% of the casino
33 licensee's revenues, to be paid to the casino service industry enterprise
34 licensee or applicant in return for the construction, renovation or operation
35 of such qualifying sleeping units or non-gaming amenities shall not be
36 subject to the provisions of this subsection provided that: (i) the agreement
37 requires a capital investment, at least 10% of which shall be made by the
38 casino service industry enterprise licensee or applicant over the term of the
39 agreement, of not less than \$30 million, which minimum amount shall be
40 adjusted periodically by the **【commission】** division for inflation; (ii) the
41 **【commission】** division finds that the total amount of casino revenues,
42 profits or earnings that can be paid to the casino service industry enterprise
43 licensee or applicant pursuant to this agreement is commercially reasonable
44 under the circumstances; and (iii) the agreement is filed with and approved
45 by the **【commission】** division.

46 b. Each casino applicant or licensee shall maintain, in accordance with
47 the rules of the **【commission】** division, a record of each written or

1 unwritten agreement regarding the realty, construction, maintenance, or
2 business of a proposed or existing casino hotel or related facility. The
3 foregoing obligation shall apply regardless of whether the casino applicant
4 or licensee is a party to the agreement. Any such agreement may be
5 reviewed by the [commission] division on the basis of the reasonableness
6 of its terms, including the terms of compensation, and of the qualifications
7 of the owners, officers, employees, and directors of any enterprise involved
8 in the agreement, which qualifications shall be reviewed according to the
9 standards enumerated in section 86 of P.L.1977, c.110 (C.5:12-86). If the
10 [commission] division disapproves such an agreement or the owners,
11 officers, employees, or directors of any enterprise involved therein, the
12 [commission] division may require its termination.

13 Every agreement required to be maintained, and every related agreement
14 the performance of which is dependent upon the performance of any such
15 agreement, shall be deemed to include a provision to the effect that, if the
16 commission shall require termination of an agreement pursuant to its
17 authority under P.L.1977, c.110 (C.5:12-1 et seq.), such termination shall
18 occur without liability on the part of the casino applicant or licensee or any
19 qualified party to the agreement or any related agreement. Failure expressly
20 to include such a provision in the agreement shall not constitute a defense
21 in any action brought to terminate the agreement. If the agreement is not
22 maintained or presented to the commission in accordance with
23 [commission] division regulations, or the disapproved agreement is not
24 terminated, the [commission] division may pursue any remedy or
25 combination of remedies provided in this act.

26 For the purposes of this subsection, "casino applicant" includes any
27 person required to hold a casino license pursuant to section 82 of P.L.1977,
28 c.110 (C.5:12-82) who has applied to the [commission] division for a
29 casino license or any approval required under P.L.1977, c.110 (C.5:12-1 et
30 seq.).

31 c. Nothing in this act shall be deemed to permit the transfer of any
32 license, or any interest in any license, or any certificate of compliance or
33 any commitment or reservation.

34 (cf: P.L.2009, c.36, s.20)

35
36 75. Section 105 of P.L.1977, c.110 (C.5:12-105) is amended as follows:

37 105. Disposition of Securities by Corporate Licensee. a. The sale,
38 assignment, transfer, pledge or other disposition of any security issued by a
39 corporation which holds a casino license [is conditional and shall be
40 ineffective if disapproved by the commission] shall be effective five
41 business days after the commission receives notice from the licensee of
42 such sale, assignment, transfer, pledge or other disposition, in the form
43 required by regulation, unless within the five business day period, the
44 commission disapprove of such sale, assignment, transfer, pledge or other
45 disposition.

46 b. Every security issued by a corporation which holds a casino license
47 shall bear, on both sides of the certificate evidencing such security, a

1 statement of the restrictions imposed by this section, except that in the case
2 of a publicly traded corporation incorporated prior to the effective date of
3 this act, a statement of restriction shall be necessary only insofar as
4 certificates are issued by such corporation after the effective date of this
5 act.

6 c. The Secretary of State shall not accept for filing any articles of
7 incorporation of any corporation which includes as a stated purpose the
8 conduct of casino gaming, or any amendment which adds such purpose to
9 articles of incorporation already filed, unless such articles or amendments
10 have been approved by the commission and a copy of such approval is
11 annexed thereto upon presentation for filing with the Secretary of State.

12 d. If at any time the division reports to the commission **[finds]** that an
13 individual owner or holder of any security of a corporate licensee or of a
14 holding or intermediary company with respect thereto is not qualified under
15 this act, and if as a result the corporate licensee is no longer qualified to
16 continue as a casino licensee in this State, the commission shall, pursuant to
17 the provisions of this act, and upon the report and input of the division, take
18 any necessary action to protect the public interest, including the suspension
19 or revocation of the casino license of the corporation; provided, however,
20 that if the holding or intermediary company is a publicly traded corporation
21 and the commission finds disqualified any holder of any security thereof
22 who is required to be qualified under section 85d. of this act, and the
23 commission also finds that: (1) the holding or intermediary company has
24 complied with the provisions of section 82d.(7) of this act; (2) the holding
25 or intermediary company has made a good faith effort, including the
26 prosecution of all legal remedies, to comply with any order of the
27 commission or the division requiring the divestiture of the security interest
28 held by the disqualified holder; and (3) such disqualified holder does not
29 have the ability to control the corporate licensee or any holding or
30 intermediary company with respect thereto, or to elect one or more
31 members of the board of directors of such corporation or company, the
32 commission shall not take action against the casino licensee or the holding
33 or intermediary company with respect to the continued ownership of the
34 security interest by the disqualified holder. For purposes of this act, a
35 security holder shall be presumed to have the ability to control a publicly
36 traded corporation, or to elect one or more members of its board of
37 directors, if such holder owns or beneficially holds 5% or more of the
38 equity securities of such corporation, unless such presumption of control or
39 ability to elect is rebutted by clear and convincing evidence.

40 e. Commencing on the date the commission serves notice upon a
41 corporation of the determination of disqualification under subsection d. of
42 this section, it shall be unlawful for the named individual:

- 43 (1) To receive any dividends or interest upon any such securities;
- 44 (2) To exercise, directly or through any trustee or nominee, any right
45 conferred by such securities; or
- 46 (3) To receive any remuneration in any form from the corporate licensee
47 for services rendered or otherwise.

1 f. After a nonpublicly traded corporation has been issued a casino
2 license pursuant to the provisions of this act, but prior to the issuance or
3 transfer of any security to any person required to be but not yet qualified in
4 accordance with the provisions of this act, such corporation shall file a
5 report of its proposed action with the commission and the division, and
6 shall request the approval of the commission for the transaction. If the
7 commission shall deny the request, the corporation shall not issue or
8 transfer such security. After a publicly traded corporation has been issued a
9 casino license, such corporation shall file a report quarterly with the
10 commission and the division, which report shall list all owners and holders
11 of any security issued by such corporate casino licensee.

12 g. Each corporation which has been issued a casino license pursuant to
13 the provisions of this act shall file a report of any change of its corporate
14 officers or members of its board of directors with the commission and the
15 division. No officer or director shall be entitled to exercise any powers of
16 the office to which he was so elected or appointed until qualified by the
17 commission in accordance with the provisions of this act.

18 (cf: P.L.1991, c.182, s.42)

19

20 76. Section 106 of P.L.1977, c.110 (C.5:12-106) is amended to read as
21 follows:

22 106. Casino Employment. a. A casino licensee shall not appoint or
23 employ in a position requiring a casino key employee license[,] or a casino
24 employee [license, or a casino service employee] registration any person
25 not possessing a current and valid license or registration permitting such
26 appointment or employment.

27 b. A casino licensee shall, within 24 hours of receipt of written or
28 electronically transferred notice thereof, terminate the appointment or
29 employment of any person whose license or registration has been revoked
30 or has expired. A casino licensee may, in its discretion, suspend rather than
31 terminate the appointment or employment of any person whose license or
32 registration has expired until such time as the person is again licensed or
33 registered. A casino licensee shall comply in all respects with any order of
34 the [commission] division imposing limitations or restrictions upon the
35 terms of employment or appointment in the course of any investigation or
36 hearing.

37 c. An applicant for or a holder of a casino key employee license or a
38 holder of a casino employee [license] registration whose application is
39 denied or whose licensure or registration is revoked, as the case may be,
40 shall not, in addition to any restrictions imposed by the regulations of the
41 commission or division, as applicable, on a reapplication for licensure, be
42 employed by a casino licensee in a position that does not require a license
43 or registration until five years have elapsed from the date of the denial or
44 revocation, except that the commission or division may permit such
45 employment upon good cause shown.

46 d. [A holder of a casino service employee registration whose
47 registration is revoked, in addition to any restrictions imposed by the

1 regulations of the commission on a reapplication for licensure or
2 registration, shall not be employed by a casino licensee in a position that
3 does not require a license or registration until five years have elapsed from
4 the date of revocation, except that the commission may permit such
5 employment upon good cause shown. 】 (Deleted by amendment, P.L. , c.)
6 (pending before the Legislature as this bill)
7 (cf: P.L.2009, c.36, s.21)
8

9 77. Section 107 of P.L.1977, c.110 (C.5:12-107) is amended as follows:

10 107. Conduct of Hearings; Rules of Evidence; Punishment of Contempts
11 **【; Rehearing】**. a. **【At all hearings of the commission in contested cases, as**
12 **defined in section 2 of P.L.1968, c.410 (C.52:14B-2):】** The commission
13 shall promulgate regulations for the conduct of hearings it is authorized to
14 conduct under subsection a. of section 63 of P.L.1977, c.110 (C.5:12-63).
15 which regulations shall include the following:

16 (1) Unless the commission hears the matter directly, the chairman shall
17 refer the matter to the Office of Administrative Law in accordance with
18 P.L.1978, c.67 (C.52:14F-1 et al.); provided, however, that the chairman
19 may, in his discretion, designate a member of the commission, or other
20 qualified person other than an employee of the commission, to serve as
21 hearing examiner in a particular matter;

22 (2) The proceedings at the hearing shall be recorded or transcribed;

23 (3) Oral evidence shall be taken only upon oath or affirmation;

24 (4) Each party to a hearing shall have the right to call and examine
25 witnesses; to introduce exhibits relevant to the issues of the case, including
26 the transcript of testimony at any investigative hearing conducted by or on
27 behalf of the commission; to cross-examine opposing witnesses in any
28 matters relevant to the issue of the case; to impeach any witness, regardless
29 of which party called him to testify; and to offer rebuttal evidence;

30 (5) If an applicant, licensee, registrant or person who shall be qualified
31 pursuant to this act is a party and if such party shall not testify in his own
32 behalf, he may be called and examined as if under cross-examination;

33 (6) The hearing shall not be conducted according to rules relating to the
34 admissibility of evidence in courts of law. Any relevant evidence may be
35 admitted and shall be sufficient in itself to support a finding if it is the sort
36 of evidence upon which responsible persons are accustomed to rely in the
37 conduct of serious affairs, regardless of the existence of any common law
38 or statutory rule which might make improper the admission of such
39 evidence over objection in a civil action; and

40 (7) The parties or their counsel may, by written stipulation, agree that
41 certain specified evidence may be admitted, although such evidence may be
42 otherwise subject to objection.

43 b. The commission may take official notice of any generally accepted
44 information or technical or scientific matter in the field of gaming and of
45 any other fact which may be judicially noticed by the courts of this State.
46 The parties shall be informed of any information, matters or facts so
47 noticed and shall be given a reasonable opportunity, on request, to refute
48 such information, matters or facts by evidence or by written or oral

1 presentation of authorities, the manner of such refutation to be determined
2 by the commission. The commission may, in its discretion, before
3 rendering its decision, permit the filing of amended or supplemental
4 pleadings and shall notify all parties thereof and provide a reasonable
5 opportunity for objections thereto.

6 c. If any person in proceedings before the commission or the division
7 disobeys or resists any lawful order, refuses to respond to a subpoena,
8 refuses to take the oath or affirmation as a witness or thereafter refuses to
9 be examined, or is guilty of misconduct at the hearing or so near the place
10 thereof as to obstruct the proceeding, the person may be punished for
11 contempt in accordance with the Rules of Court if the commission or
12 division certifies the facts underlying the contumacious behavior to the
13 Superior Court. Thereafter, the courts shall have jurisdiction in the matter,
14 and the same proceeding shall be had, the same penalties may be imposed,
15 and the person charged may purge himself of the contempt in the same way
16 as in the case of a person who has committed contempt in the trial of a civil
17 action before the Superior Court.

18 d. [(1) The commission may, upon motion therefor made within 10
19 days after the service of the decision and order, order a rehearing before the
20 commission upon such terms and conditions as it may deem just and proper
21 when the commission finds cause to believe that the decision and order
22 should be reconsidered in view of the legal, policy or factual matters
23 advanced by the moving party or raised by the commission on its own
24 motion.

25 (2) Upon motion made within a reasonable time, but in no event later
26 than one year from the service of the decision and order, the commission
27 may relieve a party from the decision and order upon a showing that there
28 is additional evidence which is material and necessary and which would be
29 reasonably likely to change the decision of the commission, and that
30 sufficient reason existed for failure to present such evidence at the hearing
31 of the commission or on a motion under paragraph (1) of this subsection.
32 The motion shall be supported by an affidavit of the moving party or his
33 counsel showing with particularity the materiality and necessity of the
34 additional evidence and the reason why it was not presented at the hearing
35 or on a motion under paragraph (1) of this subsection. Upon rehearing,
36 rebuttal evidence to the additional evidence shall be admitted. After
37 rehearing, the commission may modify its decision and order as the
38 additional evidence may warrant.

39 (3) A motion for relief from a decision and order which is based on any
40 ground other than the presentation of newly discovered evidence shall be
41 governed as to both timeliness and sufficiency by the regulations of the
42 commission which shall be modeled, to the extent practical, upon the rules
43 then governing similar motions before the courts of this State.] (Deleted by
44 amendment, P.L. , c.) (pending before the Legislature as this bill)

45 e. The division shall promulgate rules governing the conduct of
46 hearings and other procedures as are necessary for it to fulfill its duties and
47 exercise its powers consistent with section 76 of P.L.1977, c.110 (C.5:12-
48 76).

1 f. The commission and division shall have the power and authority to
2 issue subpoenas and to compel the attendance of witnesses at any place
3 within this State, to administer oaths and to require testimony under oath
4 before the commission or division in the course of any investigation or
5 hearing conducted under this act. The commission and division may
6 appoint hearing examiners, to whom may be delegated the power and
7 authority to administer oaths, issue subpoenas, and require testimony under
8 oath.

9 g. The commission and division shall have the authority to order any
10 person to answer a question or questions or produce evidence of any kind
11 and confer immunity as provided in this section. If, in the course of any
12 investigation or hearing conducted under this act, a person refuses to
13 answer a question or produce evidence on the ground that he will be
14 exposed to criminal prosecution thereby, then in addition to any other
15 remedies or sanctions provided for by this act, the division or the
16 commission with the written approval of the Attorney General, may issue
17 an order to answer or to produce evidence with immunity.

18 If, upon issuance of such an order, the person complies therewith, he
19 shall be immune from having such responsive answer given by him or such
20 responsive evidence produced by him, or evidence derived therefrom, used
21 to expose him to criminal prosecution, except that such person may
22 nevertheless be prosecuted for any perjury committed in such answer or in
23 producing such evidence, or for contempt for failing to give an answer or
24 produce evidence in accordance with the order of the commission or the
25 division; provided, however, that no period of incarceration for contempt
26 shall exceed 18 months in duration pursuant to this section. Any such
27 answer given or evidence produced shall be admissible against him upon
28 any criminal investigation, proceeding or trial against him for such perjury;
29 upon any investigation, proceeding or trial against him for such contempt;
30 or in any manner consonant with State and constitutional provisions.

31 h. Any licensee, applicant for a license or a registrant who is aggrieved
32 by a final decision by the division shall have the right of appeal to the
33 commission. Notwithstanding the foregoing, no decision by the division
34 shall constitute a final agency action for purposes of establishing
35 jurisdiction on appeal in the New Jersey Superior Court.

36 i. All appeals from final decisions of the division shall be heard by the
37 commission in accordance with subsection b. of section 63 of P.L.1977,
38 c.110 (C.5:12-63), which procedure may include the opportunity for the
39 matter to be heard as a contested case in accordance with the
40 “Administrative Procedure Act,” P.L.1968, c.410 (C.5:14B-1 et. seq.).
41 Final orders of the commission shall constitute final agency action for
42 purposes of establishing jurisdiction on appeal in the New Jersey Superior
43 Court.

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

45
46 78. Section 109 of P.L.1977, c.110 (C.5:12-109) is amended to read as
47 follows:

1 109. Notwithstanding any provisions of this article, the [commission]
2 director may issue an emergency order for the suspension, limitation or
3 conditioning of any operation certificate or any license, other than a casino
4 license, or any registration, or may issue an emergency order requiring the
5 licensed casino to keep an individual from the premises of such licensed
6 casino or not to pay such individual any remuneration for services or any
7 profits, income or accruals on his investment in such casino, in the
8 following manner:

9 a. An emergency order shall be issued only when the [commission]
10 director finds that:

11 (1) There has been charged a violation of any of the criminal laws of this
12 State by a licensee or registrant, or

13 (2) Such action is necessary to prevent a violation of any such provision,
14 or

15 (3) Such action is necessary immediately for the preservation of the
16 public peace, health, safety, morals, good order and general welfare or to
17 preserve the public policies declared by this act.

18 b. An emergency order shall set forth the grounds upon which it is
19 issued, including the statement of facts constituting the alleged emergency
20 necessitating such action.

21 c. The emergency order shall be effective immediately upon issuance
22 and service upon the licensee, registrant, or resident agent of the licensee.
23 The emergency order may suspend, limit, condition or take other action in
24 relation to the approval of one or more individuals who were required to be
25 approved in any operation, without necessarily affecting any other
26 individuals or the licensed casino establishment. The emergency order
27 shall remain effective until further order of the [commission or final
28 disposition of the case] director.

29 d. Within 5 days after issuance of an emergency order, the
30 [commission] division shall cause a complaint to be filed and served upon
31 the person or entity involved in accordance with the provisions of this act.

32 e. Thereafter, the person or entity against whom the emergency order
33 has been issued and served shall [be entitled to a hearing before the
34 commission in accordance with the provisions of this act] show cause
35 before the director why the emergency order should not remain in effect in
36 accordance with the provisions of this act and the regulations promulgated
37 hereunder.

38 (cf: P.L.1981, c.503, s.18)

39

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

42 110. a. The division or any person aggrieved by a final decision or
43 order of the commission made after hearing or rehearing by the
44 commission, whether or not a petition for hearing was filed, may obtain
45 judicial review thereof by appeal to the Superior Court in accordance with
46 the Rules of Court.

1 b. Filing of an appeal shall not stay enforcement of the decision or
2 order of the commission unless the stay is obtained from the court upon
3 application in accordance with the Rules of Court or from the commission
4 upon such terms and conditions as it deems proper.

5 c. The reviewing court may affirm the decision and order of the
6 commission, may remand the case for further proceedings, or may reverse
7 the decision if the substantive rights of the petitioner have been prejudiced
8 because the decision is:

9 (1) In violation of constitutional provisions;

10 (2) In excess of the statutory authority and jurisdiction of the
11 commission; or

12 (3) Arbitrary or capricious or otherwise not in accordance with law.

13 d. In order to protect the public interest and the regulatory authority of
14 the commission, any action by the commission taken pursuant to the
15 provisions of sections 64, 69 d. or 71 of this act shall not be subject to the
16 injunctive authority of the Superior Court prior to the exhaustion of the
17 administrative procedures herein specified, unless it shall appear evident to
18 the court, by clear and convincing evidence, that a manifest denial of
19 justice would be effectuated by the refusal to enjoin the contemplated
20 action **[of the commission]**.

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

22

23 80. Section 111 of P.L.1977, c.110 (C.5:12-111) is amended to read as
24 follows:

25 111. Penalties for Willful Evasion of Payment of License Fees, Other
26 Acts and Omissions. Any person who willfully fails to report, pay or
27 truthfully account for and pay over any license fee or tax imposed by the
28 provisions of this act, or willfully attempts in any manner to evade or defeat
29 any such license fee, tax, or payment thereof is guilty of a crime of the
30 fourth degree and subject to the penalties therefor, except that the amount
31 of a fine may be up to **[\$25,000.00]** \$50,000, and in the case of a person
32 other than a natural person, the amount of a fine may be up to
33 **[\$100,000.00]** \$200,000, and shall in addition be liable for a penalty of
34 three times the amount of the license fee evaded and not paid, collected or
35 paid over, which penalty shall be assessed by the **[commission]** division
36 and collected in accordance with the provisions of this act.

37 (cf: P.L.1991, c.182, s.44)

38

39 81. Section 112 of P.L.1977, c.110 (C.5:12-112) is amended to read as
40 follows:

41 112. Unlicensed Casino Gambling Games Unlawful; Penalties.

42 a. Any person who violates the provisions of sections 80 or 82 or of
43 Article 7 of this act, or permits any gambling game, slot machine or device
44 to be conducted, operated, dealt or carried on in any casino or simulcasting
45 facility by a person other than a person licensed for such purposes pursuant
46 to this act is guilty of a crime of the fourth degree and subject to the
47 penalties therefor, except that the amount of a fine may be up to

1 ~~【\$25,000.00】~~ \$50,000, and in the case of a person other than a natural
2 person, the amount of a fine may be up to ~~【\$100,000.00】~~ \$200,000.

3 b. Any licensee who places games or slot machines into play or
4 displays such games or slot machines in a casino or simulcasting facility
5 without authority of the ~~【commission】~~ division to do so is guilty of a crime
6 of the fourth degree and subject to the penalties therefor, except that the
7 amount of a fine may be up to ~~【\$25,000.00】~~ \$50,000, and in the case of a
8 person other than a natural person, the amount of a fine may be up to
9 ~~【\$100,000.00】~~ \$200,000.

10 c. Any person who operates, carries on or exposes for play any
11 gambling game, gaming device or slot machine after his license has expired
12 and prior to the actual renewal thereof is guilty of a crime of the fourth
13 degree and subject to the penalties therefor, except that the amount of a fine
14 may be up to ~~【\$25,000.00】~~ \$50,000, and in the case of a person other than
15 a natural person, the amount of a fine may be up to ~~【\$100,000.00】~~
16 \$200,000.

17 (cf: P.L.1993, c.292, s.26)

18

19 82. Section 46 of P.L.1991, c.182 (C5:12-113.1) is amended to read as
20 follows:

21 46. a. A person commits a third degree offense if, in playing a game in a
22 licensed casino or simulcasting facility, the person uses, or assists another
23 in the use of, a computerized, electronic, electrical or mechanical device
24 which is designed, constructed, or programmed specifically for use in
25 obtaining an advantage at playing any game in a licensed casino or
26 simulcasting facility, unless the advantage obtained can be assessed a
27 monetary value or loss of \$75,000 or greater in which case the offense is a
28 crime of the second degree.

29 b. Any computerized, electronic, electrical or mechanical device used
30 in violation of subsection a. of this section shall be considered prima facie
31 contraband and shall be subject to the provisions of N.J.S. 2C:64-2. A
32 device used by any person in violation of this section shall be subject to
33 forfeiture pursuant to the provisions of N.J.S.2C:64-1 et seq.

34 c. Each casino licensee shall post notice of this prohibition and the
35 penalties of this section in a manner determined by the ~~【commission】~~
36 division.

37 (cf: P.L.2002, c.65, s.28)

38

39 83. Section 114 of P.L.1977, c.110 (C.5:12-114) is amended to read as
40 follows:

41 114. Unlawful Use of Bogus Chips or Gaming Billets, Marked Cards,
42 Dice, Cheating Devices, Unlawful Coins; Penalty. a. It shall be unlawful
43 for any person playing any licensed gambling game:

44 (1) Knowingly to use bogus or counterfeit chips or gaming billets, or
45 knowingly to substitute and use in any such game cards or dice that have
46 been marked, loaded or tampered with; or

1 (2) Knowingly to use or possess any cheating device with intent to cheat
2 or defraud.

3 b. It shall be unlawful for any person, playing or using any slot machine
4 in a licensed casino:

5 (1) Knowingly to use other than a lawful coin or legal tender of the
6 United States of America, or to use coin not of the same denomination as
7 the coin intended to be used in such slot machine, except that in the playing
8 of any slot machine or similar gaming device, it shall be lawful for any
9 person to use gaming billets, tokens or similar objects therein which are
10 approved by the **[commission]** division; or

11 (2) To use any cheating or thieving device, including but not limited to
12 tools, drills, wires, coins or tokens attached to strings or wires, or electronic
13 or magnetic devices, to facilitate the alignment of any winning combination
14 or removing from any slot machine any money or other contents thereof.

15 c. It shall be unlawful for any person knowingly to possess or use
16 while on the premises of a licensed casino, any cheating or thieving device,
17 including but not limited to tools, wires, drills, coins attached to strings or
18 wires or electronic or magnetic devices to facilitate removing from any slot
19 machine any money or contents thereof, except that a duly authorized
20 employee of a licensed casino may possess and use any of the foregoing
21 only in furtherance of his employment in the casino.

22 d. It shall be unlawful for any person knowingly to possess or use while
23 on the premises of any licensed casino or simulcasting facility any key or
24 device designed for the purpose of or suitable for opening or entering any
25 slot machine or similar gaming device or drop box, except that a duly
26 authorized employee of a licensed casino, of a company authorized to
27 conduct casino simulcasting, or of the **[commission]** division may possess
28 and use any of the foregoing only in furtherance of his employment.

29 e. Any person who violates this section is guilty of a crime of the fourth
30 degree and notwithstanding the provisions of N.J.S.2C:43-3 shall be subject
31 to a fine of not more than **[\$25,000.00]** \$50,000, and in the case of a
32 person other than a natural person, to a fine of not more than
33 **[\$100,000.00]** \$200,000 and any other appropriate disposition authorized
34 by subsection b. of N.J.S.2C:43-2.

35 (cf: P.L.1993, c.292, s.29)

36

37 84. Section 5 of P.L.1980, c.69 (C.5:12-117.1) is amended to read as
38 follows:

39 5. a. No applicant or person or organization licensed by or registered
40 with the commission or division shall employ or offer to employ any person
41 who is prohibited from accepting employment from a licensee or applicant
42 or any holding or intermediary company under section 4 of P.L. 1981, c.
43 142 (C. 52:13D-17.2).

44 b. An applicant or person or organization who violates the provisions of
45 this section is guilty of a crime of the fourth degree.

46 (cf: P.L.1987,c.410, s.11)

1 85. Section 118 of P.L.1977, c.110 (C.5:12-118) is amended to read as
2 follows:

3 118. Regulations Requiring Exclusion or Rejection of Certain Persons
4 from Licensed Casinos; Unlawful Entry by Person Whose Name Has Been
5 Placed on List; Penalty. Any person whose name is on the list of persons
6 promulgated by the **[commission]** division pursuant to the provisions of
7 section 71 of this act, P.L.1977, c.110 (C.5:12-71), who knowingly enters
8 the premises of a licensed casino is guilty of a crime of the fourth degree.
9 (cf: P.L.2002, c.65, s.29)

10

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

13 121. Authority of Gaming Licensee and Agents to Detain or Question
14 Persons; Immunity from Liability; Posted Notice Required.

15 a. Any licensee or its officers, employees or agents may question any
16 individual in the casino or simulcasting facility or elsewhere in the
17 establishment who is reasonably suspected of violating any of the
18 provisions of sections 113 through 116 of P.L.1977, c.110 (C.5:12-113
19 through 116), section 46 of P.L.1991, c.182 (C.5:12-113.1), section 118 of
20 P.L.1977, c.110 (C.5:12-118), section 119 of P.L.1977, c.110 (C.5:12-119)
21 or R.S.33:1-81 pursuant to subsection d. of section 103 of P.L.1977, c.110
22 (C.5:12-103). No licensee or its officers, employees or agents shall be
23 criminally or civilly liable by reason of any such questioning.

24 b. Any licensee or its officers, employees or agents who shall have
25 probable cause for believing there has been a violation of sections 113
26 through 116 of P.L.1977, c.110 (C.5:12-113 through 116), section 46 of
27 P.L.1991, c.182 (C.5:12-113.1), section 118 of P.L.1977, c.110 (C.5:12-
28 118), section 119 of P.L.1977, c.110 (C.5:12-119) or R.S.33:1-81 pursuant
29 to subsection d. of section 103 of P.L.1977, c.110 (C.5:12-103) in the
30 casino or simulcasting facility by any person may refuse to permit such
31 person to continue gaming or wagering or may take such person into
32 custody and detain him in the establishment in a reasonable manner for a
33 reasonable length of time, for the purpose of notifying law enforcement **[or**
34 **commission]** authorities. Such refusal or taking into custody and detention
35 shall not render such licensee or its officers, employees or agents criminally
36 or civilly liable for false arrest, false imprisonment, slander or unlawful
37 detention, unless such refusal or such taking into custody or detention is
38 unreasonable under all of the circumstances.

39 c. No licensee or its officers, employees or agents shall be entitled to
40 any immunity from civil or criminal liability provided in this section unless
41 there is displayed in a conspicuous manner in the casino and, if applicable,
42 the simulcasting facility a notice in bold face type clearly legible and in
43 substantially this form:

44 "Any gaming licensee or officer, employee or agent thereof who has
45 probable cause for believing that any person is violating any of the
46 provisions of the Casino Control Act prohibiting cheating or swindling in
47 gaming or simulcast wagering, underage gambling, underage drinking, the
48 unauthorized presence on the casino floor or simulcasting facility by an

1 underage person, or the presence in the casino establishment of a person
2 excluded pursuant to the provisions of section 71 of P.L.1977, c.110
3 (C.5:12-71), may detain such person in the establishment for the purpose of
4 notifying law enforcement **【or Casino Control Commission】** authorities."
5 (cf: P.L.2009, c.36, s.22)

6
7 87. Section129 of P.L.1977, c.110 (C.5:12-129) is amended to read as
8 follows:

9 129. Supplemental Sanctions.

10 a. In addition to any penalty, fine or term of imprisonment authorized
11 by law, the **【commission】** division shall, after appropriate hearings and
12 factual determinations, have the authority to impose the following sanctions
13 upon any person licensed or registered pursuant to this act:

14 (1) Revoke the license or registration of any person for the conviction of
15 any criminal offense under this act or for the commission of any other
16 offense or violation of this act which would disqualify such person from
17 holding his license or registration;

18 (2) Revoke the license or registration of any person for willfully and
19 knowingly violating an order of the **【commission】** division directed to such
20 person;

21 (3) Suspend the license or registration of any person pending hearing
22 and determination, in any case in which license or registration revocation
23 could result;

24 (4) Suspend the operation certificate of any casino licensee for violation
25 of any provisions of this act or regulations promulgated hereunder relating
26 to the operation of its casino or, if applicable, its simulcasting facility, or
27 both, including games, internal and accountancy controls and security;

28 (5) Assess such civil penalties as may be necessary to punish
29 misconduct and to deter future violations, which penalties may not exceed
30 **【\$10,000.00】** \$20,000 in the case of any individual licensee or registrant,
31 except that in the case of a casino licensee the penalty may not exceed
32 **【\$50,000.00】** \$100,000;

33 (6) Order restitution of any moneys or property unlawfully obtained or
34 retained by a licensee or registrant;

35 (7) Enter a cease and desist order which specifies the conduct which is
36 to be discontinued, altered or implemented by the licensee or registrant;

37 (8) Issue letters of reprimand or censure, which letters shall be made a
38 permanent part of the file of each licensee or registrant so sanctioned; or

39 (9) Impose any or all of the foregoing sanctions in combination with
40 each other.

41 b. The division's imposition of any fine, penalty, or sanction pursuant to
42 this section shall be appealable to the commission, except that in no case
43 shall the division's decision to enter into a settlement agreement which
44 results in the imposition of a fine, penalty, sanction or any combination
45 thereof be subject to review by the commission.

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

1 88. Section 130 of P.L.1977, c.110 (C.5:12-130) is amended to read as
2 follows:

3 130. In considering appropriate sanctions in a particular case, the
4 **【commission】** division shall consider:

5 a. The risk to the public and to the integrity of gaming operations
6 created by the conduct of the licensee or registrant;

7 b. The seriousness of the conduct of the licensee or registrant, and
8 whether the conduct was purposeful and with knowledge that it was in
9 contravention of the provisions of this act or regulations promulgated
10 hereunder;

11 c. Any justification or excuse for such conduct by the licensee or
12 registrant;

13 d. The prior history of the particular license or registrant involved with
14 respect to gaming activity;

15 e. The corrective action taken by the licensee or registrant to prevent
16 future misconduct of a like nature from occurring; and

17 f. In the case of a monetary penalty, the amount of the penalty in
18 relation to the severity of the misconduct and the financial means of the
19 licensee or registrant. The **【commission】** division may impose any
20 schedule or terms of payment of such penalty as it may deem appropriate.

21 g. It shall be no defense to disciplinary action before the **【commission】**
22 division that an applicant, licensee, registrant, intermediary company, or
23 holding company inadvertently, unintentionally, or unknowingly violated a
24 provision of this act. Such factors shall only go to the degree of the penalty
25 to be imposed by the **【commission】** division, and not to a finding of a
26 violation itself.

27 (cf: P.L.1981, c.503, s.21)

28

29 89. Section 31 of P.L.1978, c.7 (C.5:12-130.1) is amended to read as
30 follows:

31 31. Institution of Conservatorship and Appointment of Conservators.

32 a. Notwithstanding any other provision of the Casino Control Act, (1)
33 upon the revocation or denial of a casino license, or (2) upon, in the
34 discretion of the commission, the suspension of a casino license or the
35 suspension of an operation certificate for a period of in excess of 120 days,
36 **【or (3) upon the failure or refusal to renew a casino license,】** and
37 notwithstanding the pendency of any appeal therefrom, the commission
38 may appoint and constitute a conservator to, among other things, take over
39 and into his possession and control all the property and business of the
40 licensee relating to the casino and the approved hotel; provided, however,
41 that this subsection shall not apply in any instance in which the casino in
42 the casino hotel facility for which the casino license had been issued has
43 not been, in fact, in operation and open to the public, and provided further
44 that no person shall be appointed as conservator unless the commission is
45 satisfied that he is individually qualified according to the standard
46 applicable to casino key employees, except that casino experience shall not
47 be necessary for qualification.

1 b. (Deleted by amendment, P.L.1987, c.410).

2 c. The commission may proceed in a conservatorship action in a
3 summary manner or otherwise and shall have the power to appoint and
4 remove one or more conservators and to enjoin the former or suspended
5 licensee from exercising any of its privileges and franchises, from
6 collecting or receiving any debts and from paying out, selling, assigning or
7 transferring any of its property to other than a conservator, except as the
8 commission may otherwise order. The commission shall have such further
9 powers as shall be appropriate for the fulfillment of the purposes of this act.

10 d. Every conservator shall, before assuming his duties, execute and file
11 a bond for the faithful performance of his duties payable to the commission
12 in the office of the commission with such surety or sureties and in such
13 form as the commission shall approve and in such amount as the
14 commission shall prescribe.

15 e. When more than one conservator is appointed pursuant to this
16 section, the provisions of this article applicable to one conservator shall be
17 applicable to all; the debts and property of the former or suspended licensee
18 may be collected and received by any of them; and the powers and rights
19 conferred upon them shall be exercised by a majority of them.

20 f. The commission shall require that the former or suspended licensee
21 purchase liability insurance, in an amount determined by the commission,
22 to protect a conservator from liability for any acts or omissions of the
23 conservator occurring during the duration of the conservatorship which are
24 reasonably related to, and within the scope of, the conservator's duties.

25 (cf: P.L.1991, c.182, s.54)

26

27 90. Section 133 of P.L.1977, c.110 (C.5:12-133) is amended to read as
28 follows:

29 133. a. If any clause, sentence, subparagraph, paragraph, subsection,
30 section, article or other portion of this act or the application thereof to any
31 person or circumstances shall be held to be invalid, such holding shall not
32 affect, impair or invalidate the remainder of this act or the application of
33 such portion held invalid to any other person or circumstances, but shall be
34 confined in its operation to the clause, sentence, paragraph, subparagraph,
35 subsection, section, article or other portion thereof directly involved in such
36 holding or to the person or circumstance therein involved.

37 b. If any provision of this act is inconsistent with, in conflict with, or
38 contrary to any other provision of law, such provision of this act shall
39 prevail over such other provision and such other provision shall be deemed
40 to be amended, superseded or repealed to the extent of such inconsistency
41 or conflict. Notwithstanding the provisions of any other law to the
42 contrary, no local government unit of this State may enact or enforce any
43 ordinance or resolution conflicting with any provision of this act or with
44 any policy of this State expressed or implied herein, whether by exclusion
45 or inclusion. The commission shall have exclusive jurisdiction over all
46 matters delegated to it or within the scope of its powers under the
47 provisions of this act, and the division shall have exclusive jurisdiction over

1 all matters delegated to it or within the scope of its powers under the
2 provisions of this act.

3 (cf: P.L.1977, c.110, s.133)

4

5 91. Section 134 of P.L.1977, c.110 (C.5:12-134) is amended to read as
6 follows:

7 134. a. Each applicant at the time of submitting architectural plans or
8 site plans to the **【commission】** division for approval of proposed
9 construction, renovation or reconstruction of any structure or facility to be
10 used as an approved hotel or casino shall accompany same with a written
11 guaranty that all contracts and subcontracts to be awarded in connection
12 therewith shall contain appropriate provisions by which contractors and
13 subcontractors or their assignees agree to afford an equal employment
14 opportunity to all prospective employees and to all actual employees to be
15 employed by the contractor or subcontractor in accordance with an
16 affirmative action program approved by the **【commission】** division and
17 consonant with the provisions of the "Law Against Discrimination,"
18 P.L.1945, c.169 (C.10:5-1 et seq.). On and after the effective date of this
19 amendatory act an applicant shall also be required to demonstrate that equal
20 employment opportunities in accordance with the aforesaid affirmative-
21 action program in compliance with P.L.1945, c.169 have been afforded to
22 all prospective employees and to all actual employees employed by a
23 contractor or subcontractor in connection with the actual construction,
24 renovation or reconstruction of any structure or facility to be used as an
25 approved hotel or casino prior to submission of architectural plans or site
26 plans to the commission.

27 b. No license shall be issued by the commission to any applicant,
28 including a casino service industry enterprise as defined in section 12 of
29 this act, who has not agreed to afford an equal employment opportunity to
30 all prospective employees in accordance with an affirmative-action
31 program approved by the commission and consonant with the provisions of
32 the "Law Against Discrimination," P.L.1945, c.169 (C.10:5-1 et seq.).

33 c. Each applicant shall formulate for **【commission】** division approval
34 and abide by an affirmative-action program of equal opportunity whereby
35 the applicant guarantees to provide equal employment opportunity to
36 rehabilitated offenders eligible under sections 90 and 91 of this act and
37 members of minority groups qualified for licensure in all employment
38 categories, including a person with a disability, in accordance with the
39 provisions of the "Law Against Discrimination," P.L.1945, c.169 (C.10:5-1
40 et seq.), except in the case of the mentally handicapped, if it can be clearly
41 shown that such disability would prevent such person from performing a
42 particular job.

43 d. Any license issued by the commission in violation of this section
44 shall be null and void.

45 (cf: P.L.2009, c.36, s.23)

46

47 92. Section 135 of P.L.1977, c.110 (C.5:12-135) is amended to read as
48 follows:

1 135. The **【commission】** division, in addition to and without limitation
2 of other powers which it may have by law, shall have the following
3 powers:

4 a. To investigate and determine the percentage of population of
5 minority groups in the State or in areas thereof from which the work force
6 for the licensee is or may be drawn;

7 b. To establish and promulgate such percentages as guidelines in
8 determining the adequacy of affirmative-action programs submitted for
9 approval pursuant to the provisions of section 134 of this act;

10 c. To impose such sanctions as may be necessary to accomplish the
11 objectives of section 134;

12 d. To refer to the Attorney General or his designee circumstances
13 which may constitute violation of the "Law Against Discrimination,"
14 P.L.1945, c.169 (C.10:5-1 et seq.);

15 e. To enforce in a court of law the provisions of section 134 or to join
16 in or assist any enforcement proceeding initiated by any aggrieved person;
17 and

18 f. To require the designation by a licensee of an equal employment
19 officer to enforce the provisions of section 134 and this section and the
20 regulations promulgated hereunder.

21 (cf: P.L.1977, c.110, s.135)

22

23 93. Section 136 of P.L.1977, c.110 (C.5:12-136) is amended to read as
24 follows:

25 136. All hotels and other facilities of a casino licensee, which are public
26 accommodations and are subject to the regulatory powers of the
27 **【commission】** division under this act, shall be constructed or renovated to
28 conform with the provisions of P.L.1971, c.269, as amended and
29 supplemented (C.52:32-4 et seq.) relating to barrier-free design for
30 providing facilities for the physically handicapped in public buildings, and
31 the rules, regulations and codes thereunder promulgated.

32 (cf: P.L.1977, c.110, s.136)

33

34 94. Section 139 of P.L.1977, c.110 (C.5:12-139) is amended to read as
35 follows:

36 139. Casino License Fees.

37 a. The **【commission】** division shall, by regulation, establish **【annual】**
38 fees for the issuance **【or renewal】** of casino licenses. The issuance fee shall
39 be based upon the cost of investigation and consideration of the license
40 application and shall be not less than \$200,000.00. **【The renewal fee shall**
41 **be based upon the cost of maintaining control and regulatory activities**
42 **contemplated by this act and shall be not less than \$100,000.00 for a one-**
43 **year casino license and \$200,000.00 for a four-year casino license.】**

44 b. The Attorney General shall certify **【to the commission】** actual and
45 prospective costs of the investigative and enforcement functions of the
46 division, which costs shall be the basis, together with the operating

1 expenses of the commission, for the establishment of annual license
2 issuance and renewal fees.

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

6 (cf: P.L.1995, c.18, s.41)

7

8 95. Section 141 of P.L.1977, c.110 (C.5:12-141) is amended to read as
9 follows:

10 141. Fees for Other Than Casino Licenses. The **[commission]** division
11 shall, by regulation, establish fees for the investigation and consideration of
12 applications for the issuance and renewal of registrations and licenses other
13 than casino licenses, which fees shall be payable by the applicant, licensee
14 or registrant.

15 (cf: P.L.1987, c.354, s.20)

16

17 96. Section 31 of P.L.2002, c.65 (C.5:12-141.1) is amended to read as
18 follows:

19 31. Fees to Recoup Costs of the Division or Commission. The
20 **[commission]** division may, by regulation, establish fees to recoup the
21 costs of services, equipment or other expenses that are rendered, utilized or
22 incurred by the division or commission, including any unusual or out of
23 pocket expenses directly related thereto, in response to requests arising
24 under P.L.1977, c.110 (C.5:12-1 et seq.) that are unrelated to the
25 investigation or consideration of the issuance or renewal of a registration or
26 license.

27 (cf: P.L.2002, c.65, s.31)

28

29 97. Section 24 of P.L.2009, c.36 (C.5:12-141.2) is amended as follows:

30 24. Expiration of gaming-related obligations owed to patrons; date of
31 expiration; payment to Casino Revenue Fund.

32 a. Whenever a casino licensee owes a patron a specific amount of
33 money as the result of a gaming transaction which remains unpaid due to
34 the failure of the patron to claim the money or redeem a representation of
35 the debt issued in a form approved by the commission, regardless of
36 whether the identity of the patron is known, the casino licensee shall
37 maintain a record of the obligation in accordance with the rules of the
38 **[commission]** division.

39 b. If the patron does not claim the money or redeem the representation
40 of debt within one year of the date of the transaction, which date shall be
41 established in accordance with the rules of the **[commission]** division, the
42 obligation of the casino licensee to pay the patron shall expire, and 25% of
43 the money or the value of the debt shall be paid to the Casino Revenue
44 Fund by the casino licensee, and the remaining 75% shall be retained by the
45 casino licensee, provided the licensee uses the full amount for marketing
46 purposes. Notwithstanding the foregoing, if the obligation was incurred or
47 the representation of debt was issued prior to the effective date of this act,
48 P.L.2009, c.36, the obligation of the casino licensee to pay the patron shall

1 expire one year after such effective date, at which time 50% of the money
2 or the value of the debt shall be paid to the Casino Revenue Fund, subject
3 to a credit for the payment required to be made to that fund on or before
4 June 30, 2009 by the casino licensee pursuant to subsection c. of this
5 section, and 50% shall be retained by the casino licensee.

6 c. Each casino licensee shall, on or before June 30, 2009, make a
7 payment to the Casino Revenue Fund in an amount equal to 25% of the
8 value of the money or debt owed to its patrons as a result of gaming
9 transactions that occurred more than one year prior to the effective date of
10 this act, P.L.2009, c.36. This payment shall be credited towards the total
11 obligation of the casino licensee to make payments to the Casino Revenue
12 Fund in an amount equal to 50% of the value of expired gaming related
13 obligations pursuant to subsection b. of this section.

14 (cf: P.L.2009, c.36, s.24)

15
16 98. Section 143 of P.L.1977, c.110 (C.5:12-143) is amended to read as
17 follows:

18 143. a. There is hereby created and established in the Department of the
19 Treasury a separate special account to be known as the "Casino Control
20 Fund," into which shall be deposited all license fee revenues imposed by
21 sections 94, 139, 140, 141, and 142 of this act.

22 b. Moneys in the Casino Control Fund shall be appropriated,
23 notwithstanding the provisions of P.L.1976, c.67 (C.52:9H-5 et seq.),
24 exclusively for the operating expenses of the commission and the division.

25 (cf: P.L.1977, c.110, s.143)

26
27 99. Section 144 of P.L.1977, c.110 (C.5:12-144) is amended to read as
28 follows:

29 144. a. There is hereby imposed an annual tax on gross revenues as
30 defined in section 24 of this act in the amount of 8% of such gross
31 revenues.

32 b. Commencing with the first annual tax return of a licensee for any
33 calendar year beginning after December 31, 1978, and ending before
34 January 1, 1984 and based upon a determination that in said return or any
35 annual return for a calendar year during that period the gross revenue of a
36 licensee in the calendar year upon which the tax is based exceeds the
37 cumulative investments in this State of said licensee as of that year, such
38 licensee shall make investments in an amount not less than 2% of the gross
39 revenue for said calendar year within a period of five years from the end of
40 said calendar year. Fifty percent of the investments required by this
41 subsection as a result of any of the three annual tax returns commencing
42 with the first annual tax return for any calendar year beginning after
43 December 31, 1978 shall be made in the municipality in which the licensed
44 premises are located, and 50% of such investments shall be made in any
45 other municipality of this State. Twenty-five percent of the investments
46 required by this subsection as a result of any annual tax return subsequent
47 to the third such return in a series of returns the first of which is for a
48 calendar year beginning after December 31, 1978 shall be made in the

1 municipality in which the licensed premises are located, and 75% shall be
2 made in any other municipality of this State.

3 All investments and cumulative investments made pursuant to this
4 subsection shall be subject to a determination by the **[commission]** division
5 as to the eligibility of such investments. In determining eligibility, the
6 **[commission]** division shall consider the public interest, including the
7 social and economic benefits to be derived from such investments for the
8 people of this State.

9 c. For the purposes of this section, "investments" means equity
10 investments in land and real property on which improvements are made and
11 in real property improvements. For the purposes of this section,
12 "cumulative investments" means investments in and debt financing of the
13 licensed premises, plus other investments in and debt financing of land and
14 real property on which improvements are made and real property
15 improvements; provided, however, that the investments and debt financing
16 not associated with the licensed premises have been subsequent to July 6,
17 1976. Real property and real property improvements sold or otherwise
18 disposed of by the licensee shall not be included for the purposes of
19 determining cumulative investments.

20 d. For the purposes of satisfying the amount of investments in any given
21 year and of determining cumulative investments as of any given year,
22 pursuant to subsection b., contributions of money or realty shall be included
23 if the **[commission]** division determines that such contributions best serve
24 the public interest and either (1) directly relate to the improvement,
25 furtherance, and promotion of the tourist industry in this State through the
26 planning, acquisition, construction, improvement, maintenance and
27 operation of recreational, entertainment, and other facilities for the public,
28 including, without limitation, a performing arts center, the beaches and
29 shorefront of this State, and transportation facilities providing or
30 enhancing service in resort areas of this State, or (2) directly relate to the
31 improvement, furtherance, and promotion of the health and wellbeing of
32 the people of this State through the planning, acquisition, construction,
33 improvement, maintenance, and operation of a facility, project or program
34 approved by the **[commission]** division.

35 e. In the event that the investments required in subsection b. of this
36 section are not made within the time set forth herein, there shall be imposed
37 an investment alternative tax in an amount equivalent to 2% of gross
38 revenue, which tax shall be added to the tax determined under subsection a.
39 of this section and shall be due and payable in accordance with section 148
40 of P.L.1977, c.110 (C.5:12-148). For the purposes of determining whether
41 the investment alternative tax shall be paid, the State Treasurer shall
42 certify, under such rules and regulations as he shall promulgate consistent
43 with the provisions of this article, the amount of cumulative investments
44 made by each licensee. In the event of the sale or other disposition of the
45 licensed premises, any investment obligation imposed by subsection b.
46 which is not satisfied shall be immediately deemed due and payable as
47 investment alternative tax, and said amount shall constitute a lien upon the
48 licensed premises until paid, together with interest at the rate specified in

1 the "State Tax Uniform Procedure Law," Subtitle 9 of Title 54 of the
2 Revised Statutes; provided, however, that the appointment of a conservator
3 under section 31 of P.L.1978, c.7, shall not constitute a sale or other
4 disposition of the licensed premises within the meaning of this subsection,
5 and provided further, that if, in the judgment of the **[commission]** division,
6 a sale or other disposition does not significantly affect the operations of a
7 casino licensee with respect to such premises, the **[commission]** division
8 may permit the investment obligation imposed on such licensee to continue
9 under such conditions as the **[commission]** division may deem appropriate.

10 f. The **[commission]** division shall promulgate rules and regulations
11 consistent with the provisions of this article as to the eligibility of the
12 investments and cumulative investments required by this section.

13 g. The Casino Reinvestment Development Authority shall,
14 simultaneous with the initial exercise of its general powers and
15 responsibilities pursuant to section 39 of P.L.1984, c.218, assume and
16 exercise all powers and responsibilities and make all determinations
17 necessary to the administration of subsections b. through f. of section 144
18 of P.L.1977, c.110 (C.5:12-144) theretofore exercised or made by the
19 **[commission]** division, including the resolution of all matters then pending
20 before the **[commission]** division. Subsequent to the initial exercise of its
21 general powers and responsibilities by the Casino Reinvestment
22 Development Authority, the **[commission]** division shall make no further
23 determinations of eligibility under this section except as may be necessary
24 to enable a licensee to satisfy an investment obligation which is due in
25 calendar year 1984, and shall have no further responsibility for planning or
26 redevelopment activity with regard to the use of reinvestment funds
27 generated by either subsections b. through f. of section 144 of P.L.1977,
28 c.110 (C.5:12-144) or subsection b. of section 3 of P.L.1984, c.218 (C.5:12-
29 144.1). All determinations **[of the commission]** made in accordance with
30 this section shall be final and subject only to alteration by a decision of a
31 court.

32 h. Notwithstanding any other provision of this section to the contrary,
33 any investment required by this section which has not been commenced by
34 a licensee as of the effective date of this 1984 amendatory and
35 supplementary act, other than an investment which is necessary to enable a
36 licensee to satisfy an investment obligation which is due in calendar year
37 1984, may only be satisfied through the purchase of bonds of the Casino
38 Reinvestment Development Authority issued pursuant to sections 14 and
39 15 of P.L.1984, c.218 (C.5:12-162, 5:12-163), except that the date by which
40 the investment shall be made, and the amount of the investment or
41 investment alternative tax obligation, shall be that set forth in subsections
42 b. and e. of this section.

43 Notwithstanding the provisions of subsections b. and c. of this section,
44 any investment obligation which is due in calendar year 1984 which has
45 not been commenced or satisfied by December 31, 1984 may, at the option
46 of the licensee and with the approval of the **[Casino Control Commission]**
47 division, and in lieu of or in addition to making any other investment or

1 contribution authorized by this section, be satisfied subsequent thereto by
2 the purchase, or the agreement to make a purchase, of bonds of the Casino
3 Reinvestment Development Authority. Any licensee desiring to exercise
4 this option, with the approval of the **【Casino Control Commission】**
5 division, shall transfer and entrust the necessary amount to the State
6 Treasurer, who shall maintain the funds until the initial exercise by the
7 Casino Reinvestment Development Authority of its general powers and
8 responsibilities pursuant to section 39 of P.L.1984, c.218. Immediately
9 subsequent to the initial exercise of its general powers and responsibilities
10 by the Casino Reinvestment Development Authority, the State Treasurer
11 shall transfer any such entrusted funds to the Casino Reinvestment
12 Development Authority for the purchase of bonds by the licensee in
13 amounts equivalent to the amount of the funds deposited by the licensee
14 with the State Treasurer. Until he transfers the funds to the Casino
15 Reinvestment Development Authority, the State Treasurer shall be
16 authorized to invest and reinvest such funds through the Director of the
17 Division of Investment, who shall make such investments in accordance
18 with written directions of the State Treasurer, without regard to any other
19 law relating to investments by the Director of the Division of Investment.
20 Any interest earned on the funds while they are entrusted to the State
21 Treasurer shall accrue to the licensee and the Casino Reinvestment
22 Development Authority in the same proportion as if the funds were held
23 and invested by the Casino Reinvestment Development Authority pursuant
24 to subsection m. of section 13 of P.L.1984, c.218 (C.5:12-161).

25 The proceeds of all bond purchases made pursuant to this subsection
26 shall be used exclusively to finance the rehabilitation, development, or
27 construction of housing facilities in the city of Atlantic City for persons or
28 families of low through middle income in accordance with the provisions
29 of subsection f. of section 3 of P.L.1984, c.218 (C.5:12-144.1).

30 i. If a licensee has incurred an investment obligation which requires
31 bonds to be purchased pursuant to the provisions of subsection h. of this
32 section and the licensee purchases bonds of the Casino Reinvestment
33 Development Authority issued pursuant to sections 14 and 15 of P.L.1984,
34 c.218 (C.5:12-162, 5:12-163) in satisfaction of that obligation no later than
35 six months after the adoption by the Casino Reinvestment Development
36 Authority of rules and regulations pursuant to subsection j. of section 3 of
37 P.L.1984, c.218 (C.5:12-144.1), the licensee shall be entitled to a reduction
38 of its investment obligation in an amount determined by the Casino
39 Reinvestment Development Authority, taking into account a current market
40 discount rate from the date of the purchase to the date the purchase would
41 have been required to be made. Any purchase of bonds made pursuant to
42 this subsection shall first be used to satisfy the licensee's most recently
43 incurred investment obligation. That purchase of bonds shall not constitute
44 a credit against the tax provided for in subsection a. of section 3 of this
45 1984 amendatory and supplementary act.

46 (cf: P.L.1984, c.218, s.2)

1 100. Section 3 of P.L.1984, c.218 (C.5:12-144.1) is amended to read as
2 follows:

3 3. a. (1) Commencing with the first annual tax return of a licensee for
4 any calendar year beginning after December 31, 1983, there is imposed an
5 investment alternative tax on the gross revenues as defined in section 24 of
6 P.L.1977, c.110 (C.5:12-24) of the licensee in the amount of 2.5% of those
7 gross revenues. The tax imposed with respect to each calendar year shall
8 be due and payable on the last day of April next following the end of the
9 calendar year. The State Treasurer shall have a lien against the property
10 constituting the casino of a licensee for the amount of any tax not paid
11 when due. No tax shall be imposed, however, on the gross revenues
12 received by a licensee during the first 12 months of the operation of any
13 casino that commences operation after January 1, 1984, but prior to the
14 effective date of this act, P.L.1996, c.118 (C.5:12-173.3a et al.).

15 (2) A licensee shall pay to the State Treasurer on or before the 15th day
16 of the first, fourth, seventh, and 10th months of each year as partial
17 payment of the investment alternative tax imposed pursuant to paragraph
18 (1) of this subsection an amount equal to 1.25% of the estimated gross
19 revenues for the three-month period immediately preceding the first day of
20 those months. The moneys received shall be placed in an escrow account
21 and shall be held until the licensee directs that the moneys be transferred to
22 the Casino Reinvestment Development Authority for the purchase of bonds
23 issued by or offered through the Casino Reinvestment Development
24 Authority or pursuant to a contract for such a purchase, be made available
25 to the licensee for a direct investment approved by the authority, or be
26 transferred to the Casino Revenue Fund as partial payment of the
27 investment alternative tax imposed pursuant to paragraph (1) of this
28 subsection. Any interest derived from the moneys in the escrow account
29 shall be paid or made available to the Casino Revenue Fund. If a licensee
30 fails to pay the amount due or underpays by an unjustifiable amount, the
31 **【Casino Control Commission】** division shall impose a fine of 5% of the
32 amount due or of the underpayment, as the case may be, for each month or
33 portion thereof the licensee is in default of payment, up to 25% of the
34 amount in default. Any fine imposed shall be paid to the Casino
35 Reinvestment Development Authority and shall be used for the purposes of
36 this 1984 amendatory and supplementary act.

37 b. Each licensee shall be entitled to an investment tax credit against the
38 tax imposed by subsection a. of this section, provided the licensee shall pay
39 over the moneys required pursuant to section 5 of P.L.1993, c.159 (C.5:12-
40 173.5): (1) for the first 10 years of a licensee's tax obligation, in an amount
41 equal to twice the purchase price of bonds issued by the Casino
42 Reinvestment Development Authority pursuant to sections 14 and 15 of this
43 1984 amendatory and supplementary act, purchased by the licensee, or
44 twice the amount of the investments authorized in lieu thereof, and (2) for
45 the remainder of a licensee's tax obligation, in an amount equal to twice the
46 purchase price of bonds issued by the Casino Reinvestment Development
47 Authority pursuant to sections 14 and 15 of this 1984 amendatory and
48 supplementary act, purchased by the licensee, or twice the amount of the

1 investments authorized in lieu thereof, and twice the amount of investments
2 made by a licensee in other approved eligible investments made pursuant to
3 section 25 of this act. The Casino Reinvestment Development Authority
4 shall have the power to enter into a contract or contracts with a licensee
5 pursuant to which the Casino Reinvestment Development Authority agrees
6 to issue and sell bonds to the licensee, and the licensee agrees to purchase
7 the bonds issued by or offered through the Casino Reinvestment
8 Development Authority, in annual purchase price amounts as will constitute
9 a credit against at least 50% of the tax to become due in any future year or
10 years. The contract may contain those terms and conditions relating to the
11 terms of the bonds and to the issuance and sale of the bonds to the licensee
12 as the Casino Reinvestment Development Authority shall deem necessary
13 or desirable. The contract shall not be deemed to be in violation of section
14 104 of P.L.1977, c.110 (C.5:12-104). After the first 10 years of a licensee's
15 investment alternative tax obligation, a licensee will have the option of
16 entering into a contract with the Casino Reinvestment Development
17 Authority to have its tax credit comprised of direct investments in approved
18 eligible projects. These direct investments shall not comprise more than
19 50% of a licensee's eligible tax credit in any one year.

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

22 c. A contract entered into between a licensee and the Casino
23 Reinvestment Development Authority may provide for a deferral of
24 payment for and delivery of bonds required to be purchased and for a
25 deferral from making approved eligible investments in any year, but no
26 deferral shall occur more than two years consecutively. A deferral of
27 payment for any bonds required to be purchased by a licensee and a deferral
28 from making approved eligible investments may be granted by the Casino
29 Reinvestment Development Authority only upon a determination by the
30 **【Casino Control Commission】** Division of Gaming Enforcement that
31 purchase of these bonds or making approved eligible investments would
32 cause extreme financial hardship to the licensee and a determination by the
33 Casino Reinvestment Development Authority that the deferral of the
34 payment would not violate any covenant or agreement or impair any
35 financial obligation of the Casino Reinvestment Development Authority.
36 The contract may establish a late payment charge to be paid in the event of
37 deferral or other late payment at a rate as shall be agreed to by the Casino
38 Reinvestment Development Authority. If a deferral of purchase or
39 investment is granted, the licensee shall be deemed to have made the
40 purchase or investment at the time required by the contract, except that if
41 the purchase is not made at the time to which the purchase or investment
42 was deferred, then the licensee shall be deemed not to have made the
43 purchase or investment. The **【Casino Control Commission】** Division of
44 Gaming Enforcement shall adopt regulations establishing a uniform
45 definition of extreme financial hardship applicable to all these contracts. If
46 a licensee petitions the Casino Reinvestment Development Authority for a
47 deferral, the Casino Reinvestment Development Authority shall give notice
48 of that petition to the **【Casino Control Commission and to the】** Division of

1 Gaming Enforcement within three days of the filing of the petition. The
2 **【Casino Control Commission】** Division of Gaming Enforcement shall
3 render a decision within 60 days of notice as to whether the licensee has
4 established extreme financial hardship**【**, after consultation with the
5 Division of Gaming Enforcement**】**. The Casino Reinvestment Development
6 Authority shall render a decision as to the availability of the deferral within
7 10 days of the receipt by it of the decision of the **【Casino Control**
8 **Commission】** Division of Gaming Enforcement and shall notify the
9 Division of Gaming Enforcement **【and the Casino Control Commission】** of
10 that decision. If a deferral is granted, the Casino Reinvestment
11 Development Authority may determine whether the purchases or
12 investments shall be made in a lump sum, made over a period of years, or
13 whether the period of obligation shall be extended an additional period of
14 time equivalent to the period of time deferred.

15 d. The license of any licensee which has defaulted in its obligation to
16 make any purchase of bonds or investment in any approved eligible project
17 under a contract entered into pursuant to subsection b. of this section for a
18 period of 90 days may be suspended by the Casino Control Commission
19 upon report and recommendation of the division until that purchase is made
20 or deferred in accordance with subsection b. of this section, or a fine or
21 other penalty may be imposed upon the licensee by the commission. If the
22 Casino Control Commission elects not to suspend the license of a licensee
23 after the licensee has first defaulted in its obligation **【but】** the division may
24 instead 【imposes】 impose some lesser penalty **【and】**. In such event, if the
25 licensee continues to be in default of its obligation after a period of 30
26 additional days and after any additional 30-day period, the 【commission】
27 division may impose another fine or penalty upon the licensee, 【which】
28 and may 【include suspension of】 again recommend that the commission
29 suspend that licensee's license. The fine shall be 5% of the amount of the
30 obligation owed for each month or portion thereof a licensee is in default,
31 up to 25% of that obligation; shall be paid to the Casino Reinvestment
32 Development Authority; and shall be used for the purposes of this 1984
33 amendatory and supplementary act.

34 e. A contract entered into by a licensee and the Casino Reinvestment
35 Development Authority pursuant to subsection b. of this section may
36 provide that after the first 10 years of a licensee's investment alternative tax
37 obligation imposed by subsection a. of this section, the Casino
38 Reinvestment Development Authority may repurchase bonds previously
39 sold to the licensee, which were issued after the 10th year of a licensee's
40 investment alternative tax obligation, by the Casino Reinvestment
41 Development Authority, if the Casino Reinvestment Development
42 Authority determines that the repurchase will not violate any agreement or
43 covenant or impair any financial obligation of the Casino Reinvestment
44 Development Authority and that the licensee will reinvest the proceeds of
45 the resale in an eligible project approved by the Casino Reinvestment
46 Development Authority.

1 f. (1) During the 50 years a licensee is obligated to pay an investment
 2 alternative tax pursuant to subsection k. of this section, the total of (a) the
 3 proceeds of all bonds purchased by a licensee from or through the Casino
 4 Reinvestment Development Authority and (b) all approved investments in
 5 eligible projects by a licensee shall be devoted to the financing of projects
 6 in the following areas and amounts:

7 Areas	Yrs.	Yrs.	Yrs.	Yrs.	Yrs.	Yrs.	Yrs.	Yrs.	Yrs.
	1-3	4-5	6-10	11-15	16-20	21-25	26-30	31-35	36-50
9 a) Atlantic City	100%	90%	80%	50%	30%	20%			
10 b) South Jersey		8%	12%	28%	43%	45%		25%	50%
11 c) North Jersey		2%	8%	22%	27%	35%	35%	50%	50%
12 d) Atlantic City 13 through the Atlantic 14 City Fund							65%	25%	

15 except that, with respect to the obligations for calendar years 1994 through
 16 1998, the amount allocated for the financing of projects in North Jersey
 17 from each casino licensee's obligation shall be the amount allocated for
 18 calendar year 1993, and the difference between that amount and the amount
 19 to be allocated to North Jersey, on the basis of the above schedule, from
 20 each casino licensee's obligations for calendar years 1994 through 1998
 21 shall be paid into or credited to the Atlantic City Fund established by
 22 section 44 of P.L.1995, c.18 (C.5:12-161.1) and be devoted to the financing
 23 of projects in Atlantic City through that fund. For the purposes of this
 24 paragraph, "South Jersey" means the counties of Atlantic, Burlington,
 25 Camden, Cape May, Cumberland, Gloucester, Mercer, Ocean, and Salem,
 26 except that "South Jersey" shall not include the City of Atlantic City; and
 27 "North Jersey" means the remaining 12 counties of the State. For the
 28 purposes of this 1984 amendatory and supplementary act, bond "proceeds"
 29 means all funds received from the sale of bonds and any funds generated or
 30 derived therefrom.

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

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

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

25 Within 36 months from the effective date of this 1984 amendatory and
26 supplementary act, the Casino Reinvestment Development Authority shall
27 determine the allocation of projected available moneys to municipalities in
28 North Jersey for the first five years of their receipt of funds, giving priority
29 to the revitalization of the urban areas of the region. Municipalities
30 receiving such an allocation shall present to the Casino Reinvestment
31 Development Authority for its approval comprehensive plans or projects for
32 which the allocations shall be used. Any such comprehensive plan or
33 project may be submitted to the Casino Reinvestment Development
34 Authority for a determination of eligibility at any time prior to the year for
35 which the funds are allocated, and the Casino Reinvestment Development
36 Authority shall make a determination of eligibility of the plan or project
37 within a reasonable amount of time. If the Casino Reinvestment
38 Development Authority makes a positive determination of eligibility for
39 any comprehensive plan or project, or combination of comprehensive plans
40 or projects, for any municipality whose total cost exceeds the amount
41 allocated to that municipality for the first five years of the receipt of funds
42 by North Jersey municipalities, the Casino Reinvestment Development
43 Authority shall make available sufficient funds in subsequent years
44 necessary to complete those plans or projects, or to complete that portion of
45 the plan or project originally agreed to be funded through the Casino
46 Reinvestment Development Authority, from funds received by the Casino
47 Reinvestment Development Authority in the years following the fifth year
48 of the receipt of funds by North Jersey municipalities. If the

1 comprehensive plan or project is determined by the Casino Reinvestment
2 Development Authority not to be an eligible plan or project, the
3 municipality may submit any other comprehensive plan or project for a
4 determination of eligibility. If, however, the municipality fails to receive a
5 positive determination of eligibility for any comprehensive plan or project,
6 or combination of comprehensive plans or projects, sufficient to exhaust the
7 total allocation to that municipality for any year prior to April 30 of the
8 following year for which the allocation was made, the allocation to that
9 municipality for that year shall cease, and the Casino Reinvestment
10 Development Authority may apply those excess funds to any other
11 comprehensive plan or project in any other municipality in the region
12 whose comprehensive plan or project has received a positive determination
13 of eligibility by the Casino Reinvestment Development Authority.

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

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

1 Reinvestment Development Authority shall give priority to the housing
2 needs of the persons and their families residing in the city of Atlantic City
3 in 1983 and continuing such residency through the effective date of this
4 1984 amendatory and supplementary act. The actual percentage of the
5 proceeds of bonds and investments in approved eligible projects
6 commenced by a licensee in the city of Atlantic City, which shall be used
7 exclusively to finance the rehabilitation, development, or construction of,
8 or to provide mortgage financing of, housing facilities in the city of
9 Atlantic City for persons or families of low through middle income, shall
10 be based upon the authority's determination of the need for housing in the
11 city of Atlantic City conducted pursuant to this subsection. Once the
12 housing needs of the persons residing in the city of Atlantic City in 1983
13 and continuing such residency through the effective date of this 1984
14 amendatory and supplementary act have been met, as determined by the
15 Casino Reinvestment Development Authority pursuant to this subsection,
16 any required percentages for such housing in the city of Atlantic City may,
17 in its sole discretion, be waived by the Casino Reinvestment Development
18 Authority. To aid the Casino Reinvestment Development Authority in
19 making these determinations, the Casino Reinvestment Development
20 Authority shall review the proposal for a housing redevelopment program
21 and strategy for the city of Atlantic City approved and adopted by the
22 Casino Control Commission and shall give priority to same and any other
23 plan or project which is consistent with the standards of this subsection and
24 is acceptable to the Casino Reinvestment Development Authority, pursuant
25 to section 25 of this 1984 amendatory and supplementary act. The Casino
26 Reinvestment Development Authority may determine whether the funds
27 used to finance housing facilities in the city of Atlantic City for persons or
28 families of low, moderate, median range, and middle income are derived
29 from the proceeds of bonds purchased by a licensee from the Casino
30 Reinvestment Development Authority to be devoted to the financing of
31 projects in the city of Atlantic City, investments in approved eligible
32 projects commenced by a licensee in the city of Atlantic City, or a
33 combination of both. Any investment made by a licensee in excess of
34 100% of its eligible investment tax credit during the first three years and in
35 excess of 50% thereafter in either the purchase of bonds or direct
36 investments in approved eligible projects for low, moderate, median range,
37 and middle income family housing facilities in the city of Atlantic City may
38 be carried forward and credited against the licensee's obligation to make a
39 100% investment during the first three years and 50% thereafter in low,
40 moderate, median range, and middle income family housing in any future
41 year, with the approval of the Casino Reinvestment Development
42 Authority. For the purposes of this act, "low income families" means
43 families whose income does not exceed 50% of the median income of the
44 area, with adjustments for smaller and larger families. "Moderate income
45 families" means families whose income does not exceed 80% and is not
46 less than 50% of the median income for the area, with adjustments for
47 smaller and larger families. "Median range income families" means
48 families whose income does not exceed 120% and is not less than 80% of

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

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

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

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

47 h. Each casino licensee shall prepare and file, in a form prescribed by
48 the Casino Reinvestment Development Authority, an annual return

1 reporting that financial information as shall be deemed necessary by the
2 Casino Reinvestment Development Authority to carry out the provisions of
3 this act. This return shall be filed with the Casino Reinvestment
4 Development Authority and the **【Casino Control Commission】** Division of
5 Gaming Enforcement on or before April 30 following the calendar year on
6 which the return is based. The **【Casino Control Commission】** Division of
7 Gaming Enforcement shall verify to the Casino Reinvestment Development
8 Authority the information contained in the report, to the fullest extent
9 possible. Nothing in this subsection shall be deemed to affect the due dates
10 for making any investment or paying any tax under this section.

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

1 their option, for those bonds or the investments, made by or through the
2 Casino Reinvestment Development Authority with the proceeds of those
3 bonds, to be insured. The cost of any such insurance purchased by a
4 licensee or licensees shall be paid by the licensee or licensees desiring such
5 insurance.

6 j. The Casino Reinvestment Development Authority shall promulgate
7 rules and regulations deemed necessary to carry out the purposes of this
8 section.

9 k. The obligation of a licensee to pay an investment alternative tax
10 pursuant to subsection a. of this section, including a casino licensee subject
11 to the provisions of section 13 of P.L.2001, c.221 (C.5:12-173.21), shall
12 end for each licensed facility operated by the licensee 50 years after any
13 investment alternative tax obligation is first incurred in connection with
14 each licensed facility operated by the licensee, unless extended in
15 connection with a deferral granted by the Casino Reinvestment
16 Development Authority pursuant to subsection c. of this section.

17 l. Within 90 days of the effective date of this act, P.L.2004, c.129, the
18 State Treasurer shall certify the amounts that were invested pursuant to this
19 section in South Jersey, as defined in subsection f. of this section, for
20 projects located in the City of Atlantic City. Notwithstanding subsection f.
21 of this section, beginning in State fiscal year 2005, the amount of (a)
22 proceeds of all bonds purchased by a licensee from or through the Casino
23 Reinvestment Development Authority and (b) all approved investments in
24 eligible projects by a licensee devoted pursuant to subsection f., shall not
25 exceed the amount devoted for those purposes in State fiscal year 2004.
26 Any amounts in excess of the amounts devoted in State fiscal year 2004,
27 after fulfilling all fund reservations, bonding and contractual obligations,
28 shall be devoted to the financing of projects in South Jersey. For the
29 purpose of this section, "South Jersey" means the counties of Atlantic,
30 Burlington, Camden, Cape May, Cumberland, Gloucester, Mercer, Ocean,
31 and Salem, except that the term shall not include the City of Atlantic City.
32 The provisions of this subsection shall terminate when excess amounts
33 devoted to the financing of projects in South Jersey equal the amount
34 certified by the State Treasurer.

35 (cf: P.L.2004, c.129, s.1)

36

37 101. Section 2 of P.L.2008, c.12 (C.5:12-144.2) is amended to read as
38 follows:

39 2. a. A casino licensee shall receive an annual deduction from the gross
40 revenue taxed pursuant to subsection a. of section 144 of P.L.1977, c.110
41 (C.5:12-144) in an amount equal to either (1) the promotional gaming
42 credits reported by that licensee in its annual tax return or (2) such other
43 portion of the promotional gaming credits reported by all casino licensees
44 as the **[commission]** division may allocate to a particular licensee to reflect
45 that licensee's pro rata share of the costs of the 2008 agreement executed
46 between the New Jersey Sports and Exposition Authority and the Casino
47 Association of New Jersey for the benefit of the horse racing industry.

1 b. Casino licensees shall be allowed a deduction from gross revenues
2 for a tax year pursuant to subsection a. of this section for the total value of
3 promotional gaming credits redeemed by patrons at all licensed casinos for
4 that tax year in excess of \$90,000,000. For the first tax year in which this
5 act becomes operative pursuant to section 3 of this act, P.L.2008, c.12, the
6 commission shall reduce the \$90,000,000 deduction threshold for that tax
7 year in proportion to the part of the tax year that has elapsed prior to that
8 operative date.

9 c. The **commission** division shall establish, by regulation,
10 procedures and standards for allocating the deduction established pursuant
11 to this section to reflect each licensee's pro rata share of the costs of the
12 2008 agreement executed between the New Jersey Sports and Exposition
13 Authority and the Casino Association of New Jersey for the benefit of the
14 horse racing industry and procedures and standards for each licensee to take
15 the deduction established pursuant to this section to reflect those deductions
16 that exceed the costs of the 2008 agreement. Such regulations shall include
17 standards for the allocation of the \$90,000,000 deduction threshold
18 established in subsection b. of this section, the timing of the application of
19 deductions, and all other matters related to the provisions of this section.

20 d. (1) The **commission** division shall establish, by regulation,
21 procedures to ensure that the promotional gaming credit deduction
22 established pursuant to this section does not result in a negative fiscal
23 impact to the Casino Revenue Fund. If necessary, the **commission**
24 division may reduce the value of the available deduction to eliminate any
25 negative fiscal impact to the Casino Revenue Fund attributable solely to the
26 deduction and not to other economic or other factors that cause a negative
27 fiscal impact to the Casino Revenue Fund.

28 (2) For the purposes of this subsection, "negative fiscal impact to the
29 Casino Revenue Fund" shall mean that the amount generated from taxation
30 of promotional gaming credits falls below the level generated in calendar
31 year 2007.

32 (cf: P.L.2008, c.12, s.2)

33
34 102. Section 145 of P.L.1977, c.110 (C.5:12-145) is amended as
35 follows:

36 145. a. There is hereby created and established in the Department of the
37 Treasury a separate special account to be known as the "Casino Revenue
38 Fund," into which shall be deposited all revenues from the tax imposed by
39 section 144 of this act; the investment alternative tax imposed by section 3
40 of P.L.1984, c.218 (C.5:12-144.1); the taxes and fees imposed by sections
41 3, 4 and 6 of P.L.2003, c.116 (C.5:12-148.1, C.5:12-148.2 and C.5:12-
42 145.8) and any interest and penalties imposed by the **commission**
43 division relating to those taxes; the percentage of the value of expired
44 gaming related obligations pursuant to section 24 of P.L.2009, c.36
45 (C.5:12-141.2); and all penalties levied and collected by the **commission**
46 division pursuant to P.L.1977, c.110 (C.5:12-1 et seq.) and the regulations
47 promulgated thereunder, except that the first \$600,000 in penalties

1 collected each fiscal year shall be paid into the General Fund for
2 appropriation by the Legislature to the Department of Health and Senior
3 Services, \$500,000 of which is to provide funds to the Council on
4 Compulsive Gambling of New Jersey and \$100,000 of which is to provide
5 funds for compulsive gambling treatment programs in the State. In the
6 event that less than \$600,000 in penalties are collected, the Department of
7 Health and Senior Services shall determine the allocation of funds between
8 the Council and the treatment programs eligible under the criteria
9 developed pursuant to section 2 of P.L.1993, c.229 (C.26:2-169).

10 b. The **commission** division shall require at least monthly deposits
11 by the licensee of the tax established pursuant to subsection a. of section
12 144 of P.L.1977, c.110 (C.5:12-144), at such times, under such conditions,
13 and in such depositories as shall be prescribed by the State Treasurer. The
14 deposits shall be deposited to the credit of the Casino Revenue Fund. The
15 **commission** division may require a monthly report and reconciliation
16 statement to be filed with it on or before the 10th day of each month, with
17 respect to gross revenues and deposits received and made, respectively,
18 during the preceding month.

19 c. Moneys in the Casino Revenue Fund shall be appropriated
20 exclusively for reductions in property taxes, rentals, telephone, gas,
21 electric, and municipal utilities charges of eligible senior citizens and
22 disabled residents of the State, and for additional or expanded health
23 services or benefits or transportation services or benefits to eligible senior
24 citizens and disabled residents, as shall be provided by law. On or about
25 March 15 and September 15 of each year, the State Treasurer shall publish
26 in at least 10 newspapers circulating generally in the State a report
27 accounting for the total revenues received in the Casino Revenue Fund and
28 the specific amounts of money appropriated therefrom for specific
29 expenditures during the preceding six months ending December 31 and
30 June 30.

31 (cf: P.L.2009, c.36, s.25)

32

33 103. Section 6 of P.L.2003, c.116 (C.5:12-145.8) is amended to read as
34 follows:

35 6. Notwithstanding the provisions of any other law to the contrary and
36 in addition to any other tax or fee imposed by law, there is imposed a fee of
37 \$3.00 per day on each hotel room in a casino hotel facility that is occupied
38 by a guest, for consideration or as a complimentary item. This section shall
39 be administered by the **commission** Casino Revenue Fund Advisory
40 Commission and the amounts generated by this section shall be paid to the
41 State Treasurer for deposit in the Casino Revenue Fund established
42 pursuant to section 145 of P.L.1977, c.110 (C.5:12-145) in State fiscal
43 years 2004 through 2006. Beginning in State fiscal year 2007 and
44 thereafter, \$1.00 of the fee shall be deposited by the State Treasurer into a
45 special fund established and held by the State Treasurer and made available
46 for the exclusive use of the Casino Reinvestment Development Authority
47 established pursuant to section 5 of P.L.1984, c.218 (C.5:12-153) for its
48 purposes pursuant to law, as approved by the membership of the authority,

1 subject to the provisions of subsection e. of section 5 of P.L.2004, c.129
2 (C.5:12-173.22a). Beginning in State fiscal year 2007 and thereafter, the
3 portion of the proceeds of \$2.00 of the fee necessary to carry out the
4 purpose of subsections a. through c. of section 5 of P.L.2004, c.129
5 (C.5:12-173.22a) shall be deposited by the State Treasurer into a special
6 fund established and held by the State Treasurer and made available for the
7 exclusive use of the authority to carry out that purpose, and the remaining
8 proceeds of the \$2.00 fee shall be deposited by the State Treasurer into the
9 Casino Revenue Fund.
10 (cf: P.L.2004, c.129, s.2)

11

12 104. Section 146 of P.L.1977, c.110 (C.5:12-146) is amended to read as
13 follows:

14 146. a. Any casino licensee whose licensed premises are located in an
15 area which has been declared, by the Department of Community Affairs
16 and the [commission] division, to be a blighted area, or an area
17 endangered by blight, may, for a period of not more than 25 years, enter
18 into a written agreement with the Department of the Treasury, which
19 agreement shall, with respect to real property held for use as a licensed
20 casino hotel, provide for the payment of taxes to the tax collector of the
21 municipality, in lieu of full local real property tax payments, in an amount
22 to be computed by the sum of the following amounts, payable at the time
23 specified by law for the payment of local property taxes;

24 (1) An annual amount equal to 2% of the cost of the real property
25 investment. For the purposes of this section, "cost of the real property
26 investment" means only the actual cost or fair market value of direct labor
27 and all materials used in the construction, expansion, or rehabilitation of all
28 buildings, structures, and facilities at the project site, including the costs, if
29 any, of land acquisition and land preparation, provision of access roads,
30 utilities, drainage facilities, and parking facilities, together with
31 architectural, engineering, legal, surveying, testing, and contractors' fees
32 associated with the project; provided, however, that the applicant shall
33 cause such costs to be certified and verified to the Department of the
34 Treasury by an independent certified public accountant, following the
35 completion of the investment in the project; and provided further,
36 however, that upon execution of an agreement pursuant to this section,
37 only real property improvements made after July 6, 1976 shall be subject
38 to the provisions herein; plus

39 (2) An amount equivalent to the difference between an amount that
40 would have been payable as property taxes under the full local property tax
41 rate and the amount calculated pursuant to subsection a.(1) of this section,
42 which shall be payable from such profits, if any, as hereinafter defined in
43 section 147, as shall remain after deducting therefrom interest and
44 principal paid on mortgage loans applicable to the real property held for
45 use as a licensed casino hotel. The total payments provided by this section
46 shall not exceed the full local property taxes normally payable for the year.

47 b. At the time an applicant applies for a license under this act, he shall
48 determine whether to exercise the option to pay in lieu taxes under this

1 section or whether the property of the applicant shall be subject to the
2 normal real property taxes of the municipality. This determination having
3 been made and approved, the method selected may not be changed or
4 altered during the term of the agreement.

5 c. Upon the filing of a certification by the State Treasurer in any year
6 that an agreement has been entered into pursuant to this section, the in lieu
7 tax provisions of this section shall be applicable with respect to the ensuing
8 tax years.

9 (cf: P.L.1977, c.110, s.146)

10

11 105. Section 147 of P.L.1977, c.110 (C.5:12-147) is amended to read as
12 follows:

13 147. a. For the purposes of the application of the provisions of section
14 146 of this act, "profits" referred to in section 146 a.(2) for any year
15 means total profits from cumulative investments in Atlantic City. In
16 computing profits under this section, a licensee shall deduct from the gross
17 income of cumulative investments in Atlantic City all operating expenses in
18 accordance with generally accepted accounting principles. There shall be
19 included in said operating expenses (1) all annual payments pursuant to
20 section 146 a.(1) of this act; (2) property taxes in said municipality not
21 subject to section 146; and (3) an annual amount sufficient to amortize in
22 equal annual installments the total cost of the investment over the life of
23 the improvements, which in no case shall be less than 25 years in the case
24 of real property. There shall not be included in said operating expenses or
25 in any other account (1) depreciation or obsolescence; (2) interest on debt;
26 (3) taxes on income; (4) losses on bad debt instruments from gaming
27 operations in excess of the lesser of such instruments actually uncollected
28 or 4% of gross revenues; or (5) salaries, bonuses and other compensation
29 paid, directly or indirectly, to directors, partners, officers, stockholders or
30 other persons having any proprietary or ownership interest in the licensee.

31 b. In any year during which gross income exceeds cumulative
32 investments as defined in section 144 d. hereof, 50% of the profits, as
33 herein defined, which exceed the amount equivalent to 20% of the
34 cumulative investments in the municipality of a licensee who shall have
35 entered into an agreement pursuant to the provisions of section 146 hereof
36 for such year shall be retained in a separate interest-bearing account
37 maintained by the Treasurer, which account shall be designated "Special
38 Casino Retention Account." All amounts retained in such account with
39 respect to a licensee for any year may be recaptured by the licensee,
40 provided that (1) the average annual gross income for the tax year and the
41 two immediately preceding years is less than the cumulative investments of
42 the licensee in casino, hotel, or other facilities in the municipality or State;
43 or (2) the licensee, within 5 years of the date its annual tax return under
44 this act is due, shall make cumulative investments in such municipality
45 which shall cause the total of such investments to exceed the average
46 annual gross income for the tax year and the 2 immediately preceding
47 years, and which are equal to or greater than the amount of profits, as
48 herein defined, retained in such account for the tax year.

1 c. In the event such licensee fails to make cumulative investments
2 within the time specified as required for recapture of profits under this
3 section, the profits retained in the Special Casino Retention Account shall
4 be remitted to the Treasurer for deposit to the credit of the Casino Revenue
5 Fund.

6 d. For the purposes of this section, each annual return of such licensee
7 shall reflect the profits, if appropriate, determined on the basis of the
8 immediately preceding calendar year. The **[commission]** division shall
9 make rules and regulations for the determination of profits under the
10 provisions of this section.

11 (cf: P.L.1977, c.110, s.147)

12
13 106. Section 148 of P.L.1977, c.110 (C.5:12-148) is amended to read as
14 follows:

15 148. a. The tax imposed under section 144 hereof shall be due and
16 payable annually on or before the 15th day of March and shall be based
17 upon gross revenues derived during the previous calendar year. A licensee
18 shall file its first return and shall report gross revenues from the time it
19 commenced operations and ending on the last day of said calendar year.
20 Such report shall be filed with the **[commission]** Director of the Division
21 of Taxation in the Department of the Treasury on or before the following
22 March 15.

23 b. Any other law to the contrary notwithstanding, any business
24 conducted by an individual, partnership, or corporation or any other entity,
25 or any combination thereof, holding a license pursuant to this act shall, in
26 addition to all other taxes imposed by this act, file a consolidated
27 corporation business tax return pursuant to P.L.1945, c.162 (C.54:10A-1 et
28 seq.) and pay the taxes indicated thereon. The director of the Division of
29 Taxation shall issue such rules and regulations and design such tax forms as
30 shall be necessary to carry into effect the provisions of this act.

31 (cf: P.L.1977, c.110, s.148)

32
33 107. Section 4 of P.L.2003, c.116 (C.5:12-148.2) is amended to read as
34 follows:

35 4. a. A tax at the rate of 8% is imposed on casino service industry
36 multi-casino progressive slot machine revenue. The tax shall not be
37 considered a tax collectable under the "Sales and Use Tax Act," P.L.1966,
38 c.30 (C.54:32B-1 et seq.).

39 b. As used in this section, "casino service industry multi-casino
40 progressive slot machine revenue" means sums received by a casino service
41 industry enterprise, licensed pursuant to the provisions of subsection a. of
42 section 92 of P.L.1977, c.110 (C.5:12-92), or an eligible applicant for such
43 license, net of any money accrued for return to patrons in the form of
44 jackpots, that are directly or indirectly related to: (1) the conduct of multi-
45 casino progressive slot machine system operations in a casino; or (2) the
46 sale, lease, servicing or management of a multi-casino progressive slot
47 machine system. Notwithstanding the foregoing, "casino service industry
48 multi-casino progressive slot machine revenue" shall not be construed to

1 apply to revenue derived from transactions between a casino licensee and
2 its holding company or intermediary companies or their affiliates.

3 c. The **[commission]** Director of the Division of Taxation in the
4 Department of the Treasury, in consultation with the Division of Gaming
5 Enforcement, shall administer the tax imposed pursuant to this section. The
6 tax imposed by this section, and any interest or penalties imposed by the
7 **[commission]** Director of the Division of Taxation relating to that tax,
8 shall be deposited by the State Treasurer into the Casino Revenue Fund
9 established pursuant to section 145 of P.L.1977, c.110 (C.5:12-145).

10 d. A casino service industry enterprise licensee or applicant required to
11 pay the tax imposed pursuant to this section shall, on or before the 28th day
12 of the month, forward to the State Treasurer the tax owed on casino service
13 industry multi-casino progressive slot machine revenue received by the
14 casino service industry enterprise licensee or applicant in the preceding
15 month and make and file a return for the preceding month with the
16 commission on any form and containing any information as the commission
17 shall prescribe by rule or regulation as necessary to determine liability for
18 the tax in the preceding month during which the person was required to pay
19 the tax.

20 e. The **[commission]** Director of the Division of Taxation may permit
21 or require returns to be made covering other periods and upon any dates as
22 the **[commission]** Director of the Division of Taxation may specify. In
23 addition, the **[commission]** Director of the Division of Taxation may
24 require payments of tax liability to the State Treasurer at any intervals and
25 based upon any classifications as the **[commission]** Director of the
26 Division of Taxation may designate. In prescribing any other periods to be
27 covered by the return or intervals or classifications for payment of tax
28 liability, the **[commission]** Director of the Division of Taxation may take
29 into account the dollar volume of tax involved as well as the need for
30 ensuring the prompt and orderly collection of the tax imposed.

31 f. The **[commission]** Director of the Division of Taxation may require
32 amended returns to be filed within 20 days after notice and to contain the
33 information specified in the notice.

34 g. (Deleted by amendment, P.L.2004, c.128).

35 (cf: P.L.2009, c.36, s.26)

36

37 108. Section 5 of P.L.2003, c.116 (C.5:12-148.3) is amended to read as
38 follows:

39 5. a. In State fiscal years 2004 through 2006, a tax at the rate of 7.5% is
40 imposed on the adjusted net income of a casino licensee in calendar year
41 2002, determined pursuant to information provided by casino licensees to
42 the commission pursuant to regulations promulgated in accordance with
43 subsection n. of section 70 of P.L.1977, c.110 (C.5:12-70) and published on
44 April 2, 2003 in the commission's statement of casino licensee income for
45 the twelve-month period ending on December 31, 2002, without regard to
46 subsequent adjustment to such filing. For a casino licensee that was not in
47 operation in calendar year 2002, the amount of the tax shall be 7.5% of its

1 adjusted net income in State fiscal year 2004, as filed by the licensee with
2 the commission pursuant to regulations promulgated in accordance with
3 subsection n. of section 70 of P.L.1977, c.110 (C.5:12-70). As used in this
4 section, "adjusted net income" means annual net income plus management
5 fees.

6 The aggregate amount of tax imposed by this section shall not exceed
7 \$10 million annually for a holder of more than one casino license, and for
8 each casino licensee the tax imposed by this section shall not be less than
9 \$350,000 annually.

10 b. The **commission** Director of the Division of Taxation in the
11 Department of the Treasury shall collect and administer the tax imposed
12 pursuant to this section. In carrying out the provisions of this section, the
13 Director of the Division of Taxation shall have all of the powers granted in
14 P.L.1945, c.162 (C.54:10A-1 et seq.). For a casino licensee that was in
15 operation in calendar year 2002, the tax shall be due and payable to the
16 State Treasurer in four equal payments on September 15, December 15,
17 March 15, and June 15 of each State fiscal year. For a casino licensee that
18 was not in operation in calendar year 2002, the tax in State fiscal year 2004
19 shall be due and payable to the State Treasurer in four quarterly estimated
20 payments on the basis of adjusted net income in the current quarter, and the
21 licensee shall file an annual return for State fiscal year 2004 no later than
22 October 15, 2004. In State fiscal years 2005 and 2006 for such casino
23 licensee, the tax shall be due and payable to the State Treasurer in four
24 equal payments on September 15, December 15, March 15 and June 15.

25 c. The tax imposed by this section, and any interest or penalties
26 **imposed by the commission** collected by the Director of the Division of
27 Taxation in the Department of Treasury relating to that tax, shall be
28 deposited by the State Treasurer into the Casino Revenue Fund established
29 pursuant to section 145 of P.L.1977, c.110 (C.5:12-145).

30 d. The **commission** Director of the Division of Taxation in the
31 Department of Treasury shall certify annually on September 30~~],~~ 2003 and
32 annually thereafter **of each year** the amount of tax required to be paid
33 pursuant to this section. The **commission** Director of the Division of
34 Taxation may promulgate such rules and regulations as the **commission**
35 Director of the Division of Taxation determines are necessary to effectuate
36 the provisions of this section.

37 e. (Deleted by amendment, P.L.2004, c.128).

38 f. The tax imposed under this section shall be governed by the
39 provisions of the "State Uniform Tax Procedure Law," R.S.54:48-1 et seq.
40 (cf: P.L.2004, c.128, s.6)

41
42 109. Section 149 of P.L.1977, c.110 (C.5:12-149) is amended to read as
43 follows:

44 149. Determination of Tax Liability. The **commission** Division of
45 Taxation may perform audits of the books and records of a casino licensee,
46 at such times and intervals as it deems appropriate, for the purpose of
47 determining the sufficiency of tax payments. If a return or deposit required

1 by section 145 with regard to obligations imposed by subsection a. of
2 section 144 of P.L.1977, c.110 (C.5:12-144) is not filed or paid, or if a
3 return or deposit when filed or paid is determined by the [commission]
4 Division of Taxation to be incorrect or insufficient with or without an audit,
5 the amount of tax or deposit due shall be determined by the [commission]
6 Division of Taxation. Notice of such determination shall be given to the
7 licensee liable for the payment of the tax or deposit. Such determination
8 shall finally and irrevocably fix the tax unless the person against whom it is
9 assessed, within 30 days after receiving notice of such determination, shall
10 apply to the [commission] Division of Taxation for a hearing[, or unless
11 the commission on its own motion shall redetermine the same. After such
12 hearing the commission shall give notice of its determination to the person
13 against whom the tax is assessed] in accordance with the regulations of the
14 Division of Taxation.

15 (cf: P.L.1993, c.292, s.34)

16

17 110. Section 150 of P.L.1977, c.110 (C.5:12-150) is amended to read as
18 follows:

19 150. Penalties. a. Any licensee who shall fail to file his return when
20 due or to pay any tax or deposit when the same becomes due, as herein
21 provided, shall be subject to such penalties and interest as provided in the
22 "State Tax Uniform Procedure Law," Subtitle 9 of Title 54 of the Revised
23 Statutes. If the [commission] Division of Taxation determines that the
24 failure to comply with any provision of this Article was excusable under the
25 circumstances, the [commission] Division of Taxation may remit such part
26 or all of the penalty as shall be appropriate under such circumstances.

27 b. Any person failing to file a return, failing to pay the tax or deposit, or
28 filing or causing to be filed, or making or causing to be made, or giving or
29 causing to be given any return, certificate, affidavit, representation,
30 information, testimony or statement required or authorized by this act, or
31 rules or regulations adopted hereunder which is willfully false, or failing to
32 keep any records required by this act or rules and regulations adopted
33 hereunder, shall, in addition to any other penalties herein or elsewhere
34 prescribed, be guilty of a crime of the fourth degree and subject to the
35 penalties therefor, except that the amount of a fine may be up to
36 \$100,000.00.

37 c. Except as to those determinations required to be made by the
38 [commission] Division of Taxation pursuant to section 149 of P.L.1977,
39 c.110 (C.5:12-149), the certificate of the State Treasurer to the effect that a
40 tax or deposit has not been paid, that a return has not been filed, that
41 information has not been supplied, or that inaccurate information has been
42 supplied pursuant to the provisions of this act or rules or regulations
43 adopted hereunder, shall be presumptive evidence thereof.

44 d. If any part of any underpayment of tax required to be shown on a
45 return is due to fraud, there shall be added to the tax an amount equal to
46 50% of the underpayment.

47 (cf: P.L.1993, c.292, s.35)

1 111. Section 151 of P.L.1977, c.110 (C.5:12-151) is amended as
2 follows:

3 151. In addition to the other powers granted by this act, the
4 **【commission】** Division of Taxation is hereby authorized and empowered to
5 promulgate and distribute all forms and returns necessary to the
6 implementation of this act.
7 (cf: P.L.1977, c.110, s.151)
8

9 112. Section 4 of P.L.1985, c.539 (C.5:12-186) is amended to read as
10 follows:

11 4. a. Notwithstanding the provisions of any law, rule or regulation to
12 the contrary, every casino licensee shall establish goals of expending at
13 least 5% of the dollar value of its contracts for goods and services with
14 minority and women's business enterprises **【by the end of the third year**
15 **following the operative date of this 1985 amendatory and supplementary**
16 **act or】** by the end of third year following the receipt of a casino license,
17 **【whichever is later】** and 10% of the dollar value of its contracts for goods
18 and services with minority and women's business enterprises **【by the end of**
19 **the sixth year following the operative date of this 1985 amendatory and**
20 **supplementary act or】** by the end of the sixth year following the receipt of a
21 casino license**【, whichever is later】**; and each such licensee shall have a
22 goal of expending 15% of the dollar value of its contracts for goods and
23 services with minority and women's business enterprises **【by the end of the**
24 **10th year following that operative date or】** by the end of the 10th year
25 following the receipt of a casino license**【, whichever is later】**. Each casino
26 licensee shall be required to demonstrate annually **【to the commission】** that
27 the requirements of this act have been met by submitting a report which
28 shall include the total dollar value of contracts awarded for goods or
29 services and the percentage thereof awarded to minority and women's
30 business enterprises.

31 As used in this section, "goods and services" shall not include (1)
32 utilities and taxes; (2) financing costs, such as mortgages, loans or any
33 other type of debt; (3) medical insurance; (4) dues and fees to the Atlantic
34 City Casino Association; (5) fees and payments to a parent or affiliated
35 company of the casino licensee other than those that represent fees and
36 payments for goods and services supplied by non-affiliated persons through
37 an affiliated company for the use or benefit of the casino licensee; and (6)
38 rents paid for real property and any payments constituting the price of an
39 interest in real property as a result of a real estate transaction.

40 b. A casino licensee shall make a good faith effort to meet the
41 requirements of this section and shall annually demonstrate to the
42 **【commission】** division that such an effort was made.

43 c. A casino licensee may fulfill no more than 70% of its obligation or
44 part of it under this act by requiring a vendor to set aside a portion of his
45 contract for minority or women's business enterprises. Upon request, the
46 licensee shall provide the **【commission】** division with proof of the amount

1 of the set-aside.
2 (cf: P.L.1987, c.137, s.3)

3
4 113. Section 5 of P.L.1985, c.539 (C.5:12-187) is amended to read as
5 follows:

6 5. a. Every casino licensee shall establish goals of expending at least
7 5% of the dollar value of its bus business with minority and women's
8 business enterprises **【by the end of the third year following the operative**
9 **date of this 1985 amendatory and supplementary act or】** by the end of the
10 third year following the receipt of a casino license, **【whichever is later】** and
11 10% of the dollar value of its bus business with minority and women's
12 business enterprises **【by the end of the sixth year following the operative**
13 **date of this 1985 amendatory and supplementary act or】** by the end of the
14 sixth year following the receipt of a casino license**【, whichever is later】**;
15 and each such licensee shall have a goal of expending 15% of the dollar
16 value of its bus business with minority and women's business enterprises by
17 the end of the 10th year following **【that operative date or】** by the end of the
18 10th year following the receipt of a casino license**【, whichever is later】**.
19 Each casino licensee shall be required to demonstrate annually **【to the**
20 **commission】** that the requirements of this act have been met by submitting
21 a report which shall include the total bus business expended and the
22 percentage thereof awarded to minority and women's business enterprises.

23 b. A casino licensee shall make a good faith effort to meet the
24 requirements of this section **【and shall annually demonstrate to the**
25 **commission that such an effort was made】**.

26 (cf: P.L.1987, c.137, s.4)

27

28 114. Section 7 of P.L.1987, c.137 (C.5:12-187.1) is amended to read as
29 follows:

30 7. If the **【commission】** division determines that the provisions of
31 sections 4 and 5 of P.L.1985, c.539 (C.5:12-186 and C.5:12-187) relating to
32 expenditures and assignments to minority and women's business enterprises
33 have not been met by a licensee, the **【commission】** division may **【suspend**
34 **or revoke】** recommend to the commission the suspension or revocation of
35 the casino license, and the commission may, in its discretion, revoke or
36 suspend the license, or the division may fine or impose appropriate
37 conditions on the licensee, to ensure that the goals for expenditures and
38 assignments to minority and women's business enterprises are met; except
39 that if a determination is made that a casino licensee has failed to
40 demonstrate compliance with the provisions of sections 4 and 5 of
41 P.L.1985, c.539 (C.5:12-186 and C.5:12-187), a casino licensee will have
42 90 days from the date of the determination of noncompliance within which
43 to comply with the provisions of those sections.

44 (cf: P.L.1987, c.137, s.7)

1 115. Section 8 of P.L.1985, c.539 (C.5:12-190) is amended to read as
2 follows:

3 8. The Division of Development for Small Businesses and Women's and
4 Minority Businesses and the **【Casino Control Commission】** Division of
5 Gaming Enforcement shall develop such other regulations as may be
6 necessary to interpret and implement the provisions of this act.
7 (cf: P.L.1985, c.539, s.8)

8
9 116. Section 193 of P.L.1992, c.19 (C.5:12-193) is amended to read as
10 follows:

11 193. It shall be lawful for a casino to conduct casino simulcasting with
12 any in-State sending track and with any out-of-State sending track in
13 accordance with the provisions of this act, the applicable regulations of the
14 New Jersey Racing Commission and the **【New Jersey Casino Control**
15 **Commission】** Division of Gaming Enforcement and any joint regulations of
16 these commissions promulgated pursuant to this act.
17 (cf: P.L.1992, c.19, s.3)

18
19 117. Section 194 of P.L.1992, c.19 (C.5:12-194) is amended to read as
20 follows:

21 194. a. (1) A casino licensee which wishes to conduct casino
22 simulcasting shall establish a simulcasting facility as part of the casino
23 hotel. The simulcasting facility may be adjacent to, but shall not be part of,
24 any room or location in which casino gaming is conducted pursuant to the
25 provisions of P.L.1977, c.110 (C.5:12-1 et seq.). The simulcasting facility
26 shall conform to all requirements concerning square footage, equipment,
27 security measures and related matters which the **【Casino Control**
28 **Commission】** Division of Gaming Enforcement shall by regulation
29 prescribe. The space required for the establishment of a simulcasting
30 facility shall not reduce the space authorized for casino gaming activities as
31 specified in section 83 of P.L.1977, c.110 (C.5:12-83). The cost of
32 establishing, maintaining and operating a simulcasting facility shall be the
33 sole responsibility of the casino licensee.

34 (2) Wagering on simulcast horse races shall be conducted only in the
35 simulcasting facility, which shall be open and operated whenever simulcast
36 horse races are being transmitted to the casino hotel during permitted hours
37 of casino operation.

38 (3) Any authorized game, as defined in section 5 of P.L.1977, c.110
39 (C.5:12-5), other than slot machines may be conducted in a simulcasting
40 facility subject to the rules and regulations of the **【Casino Control**
41 **Commission】** Division of Gaming Enforcement.

42 (4) The security measures for a simulcasting facility shall include the
43 installation by the casino licensee of a closed circuit television system
44 according to specifications approved by the **【Casino Control Commission】**
45 Division of Gaming Enforcement. The Casino Control Commission and the
46 Division of Gaming Enforcement shall have access to the system or its
47 signal in accordance with regulations of the commission.

1 b. All persons engaged directly in wagering-related activities
2 conducted by a casino licensee in a simulcasting facility, whether employed
3 by the casino licensee or by a person or entity conducting casino
4 simulcasting in the simulcasting facility pursuant to an agreement with the
5 casino licensee[, shall be licensed as casino employees or casino key
6 employees, as appropriate. All] and all other employees of the casino
7 licensee or of the person or entity conducting casino simulcasting who are
8 working in the simulcasting facility, shall be licensed or registered in
9 accordance with regulations of the Casino Control Commission or the
10 Division of Gaming Enforcement.

11 Any employee at the Atlantic City Race Course or Garden State Park on
12 or after June 12, 1992, who loses employment with that racetrack as a
13 direct result of the implementation of casino simulcasting and who has been
14 licensed by the New Jersey Racing Commission for five consecutive years
15 immediately preceding the loss of employment shall be given first
16 preference for employment whenever any comparable position becomes
17 available in any casino simulcasting facility, provided the person is
18 qualified pursuant to this subsection. If a casino licensee enters into an
19 agreement with a person or entity for the conduct of casino simulcasting in
20 its simulcasting facility, the agreement shall include the requirement that
21 such first preference in employment shall be given by the person or entity
22 with respect to employment in the simulcasting facility.

23 c. A casino licensee which establishes a simulcasting facility and
24 conducts casino simulcasting shall, as a condition of continued operation of
25 casino simulcasting, receive all live races which are transmitted by in-State
26 sending tracks.

27 d. Agreements between a casino licensee and an in-State or out-of-
28 State sending track for casino simulcasting shall be in writing and shall be
29 filed with the New Jersey Racing Commission and with the [Casino
30 Control Commission] Division of Gaming Enforcement in accordance with
31 section 104 of P.L.1977, c.110 (C.5:12-104).

32 e. If wagering at casinos on sports events is authorized by the voters of
33 this State and by enabling legislation enacted by the Legislature, and if a
34 casino licensee conducts such wagering and casino simulcasting, the two
35 activities shall be conducted in the same area, in accordance with such
36 regulations as the [Casino Control Commission] Division of Gaming
37 Enforcement shall prescribe with respect to wagering on sports events and
38 in accordance with this act and such regulations as may be adopted
39 pursuant to section 3 of this act with respect to casino simulcasting.
40 (cf: P.L.1996, c.84, s.8)

41

42 118. Section 199 of P.L.1992, c.19 (C.5:12-199) is amended to read as
43 follows:

44 199. A casino which chooses to conduct casino simulcasting and which
45 operates a simulcasting facility may, with the approval of both the New
46 Jersey Racing Commission and the New Jersey [Casino Control
47 Commission] Division of Gaming Enforcement, also receive simulcast

1 horse races conducted at out-of-State sending tracks in accordance with the
2 provisions of this act and any applicable regulations of these commissions
3 and joint regulations of these commissions promulgated pursuant to this
4 act.

5 In order to be eligible to participate in casino simulcasting, an out-of-
6 State sending track shall be approved by the New Jersey Racing
7 Commission and be subject to licensure by the **【Casino Control**
8 **Commission】** Division of Gaming Enforcement as a casino service industry
9 enterprise pursuant to subsection c. of section 92 of P.L.1977, c.110
10 (C.5:12-92). The approval of the New Jersey Racing Commission shall
11 only be granted when that commission, in its discretion and after
12 consideration of the interests of the casino making application, determines
13 that approval is in the best interest of the public and the racing industry in
14 New Jersey.

15 (cf: P.L.2009, c.36, s.27)

16

17 119. Section 20 of P.L.1992, c.19 (C.5:12-210) is amended to read as
18 follows:

19 20. The **【Casino Control Commission】** Division of Gaming
20 Enforcement and the New Jersey Racing Commission shall individually and
21 jointly promulgate and adopt any rules and regulations, pursuant to the
22 "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.),
23 which are necessary to effectuate the purposes of **【this act】** P.L.1992, c.19
24 (C.5:12-191 et seq.).

25 (cf: P.L.1992, c.19, s.20)

26

27 120. Section 4 of P.L.2008, c.23 (C.5:12-211) is amended to read as
28 follows:

29 4. In the event **【that】** of a state of emergency **【is declared due to the**
30 **failure to enact a general appropriation law by the deadline prescribed by**
31 **Article VIII, Section II, paragraph 2 of the New Jersey Constitution, that**
32 **prevents inspectors, agents, or other employees of the commission and the**
33 **division from performing their normal duties】**, a casino licensee may
34 continue to conduct casino and simulcast operations for a period not to
35 exceed seven calendar days, notwithstanding that **【the inspectors, agents or**
36 **other】** employees of the commission and the division are unable to perform
37 their functions, provided that the casino licensee has complied with section
38 5 of P.L.2008, c.23 (C.5:12-212), and that the casino licensee and its
39 employees shall continue to comply with all relevant provisions of the New
40 Jersey Constitution and all relevant State statutes and regulations and shall
41 maintain detailed records of that compliance.

42 If, during any period of time that casino and simulcasting facilities
43 remain open pursuant to the provisions of this section, the Governor
44 determines that the holder of a casino license, or any licensed employee
45 thereof, may be engaged in what the Governor believes to be a violation of
46 any State statute or regulation governing the operation of those facilities
47 that would ordinarily subject a licensee to a possible suspension or

1 revocation of its license, the Governor shall have the authority to
2 summarily suspend the license of that casino or employee until such time as
3 it is rescinded by the Governor, or the state of emergency ceases and the
4 commission or the division, as appropriate, is able to address the matter.

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

14 (cf: P.L.2008, c.23, s.4)

15

16 121. Section 5 of P.L.2008, c.23 (C.5:12-212) is amended to read as
17 follows:

18 5. In order for a casino licensee to conduct casino and simulcast
19 operations during a state of emergency as authorized in section 4 of
20 P.L.2008, c.23 (C.5:12-211), it shall **[obtain commission approval]** create,
21 maintain, and file with the division of internal controls prior to the state of
22 emergency, which shall become effective only during the state of
23 emergency, that contain, without limitation:

24 a. Procedures for the casino licensee and its employees to report any
25 violation of a statute or regulation to the casino licensee's chief legal officer
26 and audit committee executive, who shall report any such violations to the
27 Governor immediately and to the commission and division when the state
28 of emergency ceases.

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

37 (1) Act in the capacity of the **[commission]** division whenever the
38 presence of an **[inspector, agent or]** employee of the **[commission]**
39 division is normally required to perform an activity **[including, without**
40 **limitation, the collection and counting of gross revenue];**

41 (2) Perform any other functions in accordance with instructions issued
42 by the **[commission]** division prior to the state of emergency; and

43 (3) Maintain a written record of all activity performed.

44 c. Procedures for the surveillance department of the casino licensee to
45 record any activity that involves the participation of the certified public
46 accountant and to provide the recordings to the **[commission]** division
47 when the state of emergency ceases.

1 d. Procedures for providing any evidence of tampering or cheating that
2 occurs during the state of emergency to the certified public accountant, who
3 shall preserve such evidence for the **[commission and] division**.

4 e. Procedures to ensure that a designee of the casino licensee's chief
5 legal officer is available at all times to receive any complaint from the
6 public relating to the conduct of casino operations. Any such patron
7 complaint shall be forwarded to the chief legal officer, who shall promptly
8 file it with the **[commission] division** when the state of emergency ceases.

9 f. Procedures for withholding the payment of slot machine jackpots
10 greater than \$75,000 during the state of emergency, which shall be posted
11 in the casino advising patrons of the temporary jackpot payout procedures.
12 Such procedures shall include, without limitation, issuance of a written
13 receipt to the winning patron and withholding payment of the jackpot until
14 the state of emergency ceases and the division has had the opportunity to
15 inspect the slot machine on which the jackpot was won.

16 g. Procedures for staffing both the surveillance and casino security
17 departments with at least one additional officer at all times during the state
18 of emergency.

19 (cf: P.L.2008, c.23, s.5)

20
21 122. Section 6 of P.L.2008, c.23 (C.5:12-213) is amended to read as
22 follows:

23 6. During any **[period of operations authorized by section 4 of**
24 **P.L.2008, c.23 (C.5:12-211)] state of emergency, as defined in section 24**
25 **of P.L. c. (C.) (pending before the Legislature as this bill)**, a casino
26 licensee shall not:

27 a. Amend or seek permission to amend: (1) any submission required by
28 section 99 of P.L.1977, c.110 (C.5:12-99); or (2) its operation certificate.

29 b. **[Modify the configuration of its gaming floor or the gaming assets**
30 **located thereon in any manner whatsoever.] (Deleted by amendment,**
31 **P.L. , c.) (pending before the Legislature as this bill)**

32 c. **[Perform any activity that requires a pre-inspection by the**
33 **commission to ensure that surveillance camera coverage is adequate.]**
34 **(Deleted by amendment, P.L. , c.) (pending before the Legislature as this**
35 **bill)**

36 d. Perform any modification to any casino computer system or multi-
37 casino progressive slot system, except in the event of an emergency that, in
38 the opinion of its chief gaming executive and the director of its
39 Management Information Systems department, could affect the integrity of
40 casino or simulcasting operations or the collection and certification of gross
41 revenue.

42 e. Perform an adjustment to the amount on the progressive meter of
43 any slot machine; provided, however, notwithstanding any **[commission]**
44 **division** regulation to the contrary, if a casino licensee reasonably believes
45 a progressive meter is displaying an incorrect amount, it may take the
46 progressive slot machine out of service until the state of emergency ceases.

1 f. Conduct any gaming tournament or other activity that requires
2 **[commission]** division approval, unless the tournament or activity has been
3 approved by the **[commission]** division prior to the commencement of the
4 state of emergency.

5 (cf: P.L.2008, c.23, s.6)

6
7 123. Section 7 of P.L.2008, c.23 (C.5:12-214) is amended to read as
8 follows:

9 7. During any **[period of operations authorized by section 4 of**
10 **P.L.2008, c.23 (C.5:12-211)]** state of emergency, no transfer of property
11 shall occur that would otherwise require the issuance of interim casino
12 authorization pursuant to section 3 of P.L.1987, c.409 (C.5:12-95.12) prior
13 to such transfer.

14 (cf: P.L.2008, c.23, s.7)

15
16 124. Section 8 of P.L.2008, c.23 (C.5:12-215) is amended to read as
17 follows:

18 8. In the event a state of emergency is declared **[due to the failure to**
19 **enact a general appropriation law by the deadline prescribed by Article**
20 **VIII, Section II, paragraph 2 of the New Jersey Constitution]** that prevents
21 employees of the commission and the division from performing their
22 normal duties, the duration of the state of emergency shall not be included
23 in the calculation of the time period required by any law, rule or regulation
24 for:

25 a. Action by the Casino Control Commission or the Division of
26 Gaming Enforcement on any pending application **[or submission]**; and

27 b. The filing of any application or other required submission with the
28 Casino Control Commission or the Division of Gaming Enforcement by
29 any person.

30 (cf: P.L.2008, c.23, s.8)

31
32 125. Section 55 of P.L.1977, c.110 (C.5:12-55) is amended to read as
33 follows:

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

44 The director and any employee or agent of the division shall be subject
45 to the duty to appear and testify and to removal from his office, position or
46 employment in accordance with the provisions of P.L.1970, c.72 (C.2A:81-

1 17.2a et seq.). The Attorney General shall be responsible for the exercise
2 of the duties and powers assigned to the division.

3 The division shall be **[principally]** located in Atlantic City, except that
4 the division may maintain a secondary satellite office in Trenton, which
5 shall not be the primary office, if deemed necessary for the effective
6 performance of its duties and responsibilities.

7 If, as a result of the transfer of duties and responsibilities from the
8 Casino Control Commission to the division in accordance with P.L. , c.
9 (C.) (pending before the Legislature as this bill), the division needs to
10 employ an individual to fill a position, former employees of the
11 commission who performed the duties of the position to be filled shall be
12 given a one-time right of first refusal offer of employment with the
13 division, notwithstanding any other provision of law to the contrary.
14 (cf: P.L.1995, c.18, s.11)

15
16 126. (New section) A member of the Casino Control Commission and
17 any employee of the commission holding a supervisory or policy-making
18 management position, and the Director of the Division of Gaming
19 Enforcement and any employee of the division holding a supervisory or
20 policy-making management position, shall not make any contribution as
21 that term is defined in the "The New Jersey Campaign Contributions and
22 Expenditures Reporting Act," P.L.1973, c.83 (C.19:44A-1 et seq.).

23
24 127. Section 115 of P.L.1977, c.110 (C.5:12-115) is amended to read as
25 follows:

26 115. Cheating Games and Devices in a Licensed Casino; Penalty. a. It
27 shall be unlawful:

28 (1) Knowingly to conduct, carry on, operate, deal or allow to be
29 conducted, carried on, operated or dealt any cheating or thieving game or
30 device; or

31 (2) Knowingly to deal, conduct, carry on, operate or expose for play any
32 game or games played with cards, dice or any mechanical device, or any
33 combination of games or devices, which have in any manner been marked
34 or tampered with, or placed in a condition, or operated in a manner, the
35 result of which tends to deceive the public or tends to alter the normal
36 random selection of characteristics or the normal chance of the game which
37 could determine or alter the result of the game.

38 b. It shall be unlawful knowingly to use or possess any marked cards,
39 loaded dice, plugged or tampered with machines or devices.

40 c. Any person who violates this section is guilty of a crime of the fourth
41 degree and subject to the penalties therefor, except that the amount of a fine
42 may be up to **[\$25,000.00] \$50,000**, and in the case of a person other than
43 a natural person, the amount of a fine may be up to **[\$100,000.00]**
44 **\$200,000.**

45 (cf: P.L.1991, c.182, s.47)

46

47 128. Section 116 of P.L.1977, c.110 (C.5:12-116) is amended to read as
48 follows:

1 116. Unlawful possession of device, equipment or other material
2 illegally manufactured, distributed, sold or serviced. Any person who
3 possesses any device, equipment or material which he knows has been
4 manufactured, distributed, sold, tampered with or serviced in violation of
5 the provisions of this act is guilty of a crime of the fourth degree and
6 subject to the penalties therefor, except that the amount of a fine may be up
7 to ~~【\$25,000.00】~~ \$50,000, and in the case of a person other than a natural
8 person, the amount of a fine may be up to ~~【\$100,000.00】~~ \$200,000.
9 (cf: P.L.1991, c.182, s.48)

10
11 129. Section 117 of P.L.1977, c.110 (C.5:12-117) is amended to read as
12 follows:

13 117. Employment Without License or Registration; Penalty. a. Any
14 person who, without obtaining the requisite license or registration as
15 provided in this act, works or is employed in a position whose duties would
16 require licensing or registration under the provisions of this act is guilty of
17 a crime of the fourth degree and subject to the penalties therefor, except
18 that the amount of a fine may be up to ~~【\$10,000.00】~~ \$20,000, and in the
19 case of a person other than a natural person, the amount of a fine may be up
20 to ~~【\$50,000.00】~~ \$100,000.

21 b. Any person who employs or continues to employ an individual not
22 duly licensed or registered under the provisions of this act in a position
23 whose duties require a license or registration under the provisions of this
24 act is guilty of a crime of the fourth degree and subject to the penalties
25 therefor, except that the amount of a fine may be up to ~~【\$10,000.00】~~
26 \$20,000, and in the case of a person other than a natural person, the amount
27 of a fine may be up to ~~【\$50,000.00】~~ \$100,000.

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

29 d. Any person violating the provisions of subsection 101e. of this act
30 shall be guilty of a crime of the third degree, and shall be subject to the
31 penalties therefor, except that the amount of a fine may be up to
32 ~~【\$25,000.00】~~ \$50,000. Any licensee permitting or allowing such a
33 violation shall also be punishable under this subsection, in addition to any
34 other sanctions the commission may impose.

35 (cf: P.L.1991, c.182, s.49)

36
37 130. Section 120 of P.L.1977, c.110 (C.5:12-120) is amended to read as
38 follows:

39 120. Prohibited Political Contributions; Penalty. Any person who
40 makes or causes to be made a political contribution prohibited by the
41 provisions of this act is guilty of a crime of the fourth degree and subject to
42 the penalties therefor, except that the amount of a fine may be up to
43 ~~【\$100,000.00】~~ \$200,000, and in the case of a person other than a natural
44 person, the amount of a fine may be up to ~~【\$250,000.00】~~ \$500,000.

45 (cf: P.L.1991, c.182, s.52)

1 131. Section 126 of P.L.1977, c.110 (C.5:12-126) is amended to read as
2 follows:

3 126. a. It shall be unlawful for any person who has received any income
4 derived, directly or indirectly, from pattern of racketeering activity or
5 through collection of an unlawful debt in which such person has
6 participated as a principal within the meaning of N.J.S.2A:85-14 to use or
7 invest, directly or indirectly, any part of such income, or the proceeds of
8 such income, in acquisition of any interest in, or the establishment or
9 operation of, any enterprise which is engaged in or the activities of which
10 affect casino gaming operations or ancillary industries which do business
11 with any casino licensee. A purchase of securities on the open market for
12 purposes of investment, and without the intention of controlling or
13 participating in the control of the issuer or of assisting another to do so,
14 shall not be unlawful under this subsection, provided that the sum total of
15 the securities of the issuer held by the purchaser, the members of his
16 family, and his or their accomplices in any pattern of racketeering activity
17 or in the collection of an unlawful debt does not amount in the aggregate to
18 one percent of the outstanding securities of any one class, or does not,
19 either in law or in fact, empower the holders thereof to elect one or more
20 directors of the issuer.

21 b. It shall be unlawful for any person through a pattern of racketeering
22 activity or through collection of an unlawful debt to acquire or maintain,
23 directly or indirectly, any interest in or control of any enterprise which is
24 engaged in, or the activities of which affect, casino gaming operations or
25 ancillary industries which do business with any casino licensee.

26 c. It shall be unlawful for any person employed by or associated with
27 any enterprise engaged in, or the activities of which affect, casino gaming
28 operations or ancillary industries which do business with any casino
29 licensee, to conduct or participate, directly or indirectly, in the conduct of
30 such enterprise's affairs through a pattern of racketeering activity or
31 collection of unlawful debt.

32 d. It shall be unlawful for any person to conspire to violate any of the
33 provisions of subsections a., b., or c. of this section.

34 e. Any person who violates any provision of this section shall be fined
35 not more than ~~[\$50,000.00]~~ \$100,000 or imprisoned not more than twenty
36 years or both and shall forfeit to the State (1) any interest he has acquired
37 or maintained in violation of this section and (2) any interest in, security of,
38 claim against, or property or contractual right of any kind affording a
39 source of influence over any enterprise which he has established, operated,
40 controlled, conducted, or participated in the conduct of, in violation of this
41 section.

42 f. In any action brought by the Attorney General under this section, the
43 Superior Court shall have jurisdiction to enter such restraining orders or
44 prohibitions, or to take such other actions, including, but not limited to, the
45 acceptance of satisfactory performance bonds, in connection with any
46 property or other interest subject to forfeiture under this section, as it shall
47 deem proper.

1 g. Upon conviction of a person under this section, the court shall
2 authorize the Attorney General to seize all property or other interest
3 declared forfeited under this section upon such terms and conditions as the
4 court shall deem proper. If a property right or other interest is not
5 exercisable or transferable for value by the State, it shall expire and shall
6 not revert to the convicted person.

7 (cf: P.L.1977, c.110, s.126)

8

9 132. The following sections are repealed:

10 Section 6 of P.L.1995, c.18 (C.5:12-11.1);

11 Section 38 of P.L.1977, c.110 (C.5:12-38);

12 Section 64 of P.L.1977, c.110 (C.5:12-64);

13 Section 65 of P.L.1977, c.110 (C.5:12-65);

14 Section 67 of P.L.1977, c.110 (C.5:12-67);

15 Section 88 of P.L.1977, c.110 (C.5:12-88);

16 Section 90 of P.L.1977, c.110 (C.5:12-90); and

17 Section 3 of P.L.2003, c.116 (C.5:12-148.1).

18

19 133. This act shall take effect immediately, provided, however, that the
20 division and commission may take such anticipatory action as is necessary
21 to effectuate the provisions of this act. Any completed applications
22 properly filed with or submitted to the commission which are pending on
23 the effective date of this act over which the division is accorded authority
24 pursuant to the provisions of this act shall be deemed to have been properly
25 filed with or submitted to the division, provided that any application for a
26 license, which license by effect of this act is no longer required, shall be
27 treated as a registration.

28

29

30 STATEMENT

31

32 This bill revises the Casino Control Act, P.L.1977, c.110 (C.5:12-1 et
33 seq.), the law that regulates the licensing of casinos and casino gaming in
34 this State.

35 Under the bill, various regulatory matters currently with the Casino
36 Control Commission would become the responsibility of the Division of
37 Gaming Enforcement in the Department of Law and Public Safety. The
38 division's responsibilities would include:

39 conducting investigative hearings on the conduct of gaming and gaming
40 operations and the enforcement of the casino control act;

41 issuing reports and recommendations to the commission on entities or
42 persons required to qualify for a casino license, on applications for interim
43 casino authorization, or on petitions for a statement of compliance;

44 examining records and procedures, and conducting periodic reviews of
45 operations and facilities, to evaluate provisions of law;

46 collecting certain fees and assessments;

47 issuing operation certificates to casino licensees;

48 accepting impact statements submitted by casino license applicants;

1 issuing emergency orders;
2 taking action against licensees or registrants for violations of the act;
3 imposing sanctions and collecting penalties;
4 accepting and maintaining registrations for casino employees and certain
5 vendors;
6 receiving complaints from the public;
7 certifying the revenue of a casino or simulcasting facility;
8 creating and maintaining the list of excluded patrons;
9 and
10 using private contractors to process criminal history record background
11 checks.

12 With regard to the Casino Control Commission, the responsibilities of
13 the commission would include the areas of casino licensing; licensing of
14 casino key employees; and hearing appeals on actions taken by the division.
15 The commission would retain responsibility over the institution of a
16 conservatorship and appointment of conservators, and over interim
17 authorizations. The bill removes the requirement that the commission be
18 present through inspectors and agents at all times during the operation of a
19 casino. The bill would also require the commission to expeditiously
20 implement Internet wagering when it is permitted under State and federal
21 law.

22 With regard to the membership of the commission, the bill would
23 remove the provision that prohibits members of the commission from
24 continuing in holdover status for more than 120 days after the expiration of
25 their term, so that the members may remain in holdover status until a
26 successor is appointed. Also, the bill would provide for the election of the
27 chairperson by the commission members; currently, the chairperson is
28 designated by the Governor. The election of the chairperson would
29 commence after the expiration of the term of the current chair.

30 The commission would no longer be authorized to employ legal counsel
31 but may award a contract for professional legal services.

32 Under the bill, the commission would continue to have responsibility for
33 issuing casino licenses and casino key employee licenses. The division
34 would have jurisdiction over the licensing of casino service industry
35 enterprises, and the registration of those vendors that are not within the
36 definition of such an enterprise. The division would also have jurisdiction
37 over the registration of casino employees.

38 The definition of casino service industry enterprise would be revised to
39 mean any vendor offering goods or services which directly relate to casino
40 or gaming activity, including gaming equipment and simulcast wagering
41 equipment manufacturers, suppliers, repairers and independent testing
42 laboratories, junket enterprises, and junket representatives. The definition
43 of casino employee would be revised to mean a person, who is not within
44 the definition of casino key employee, but who is employed by a casino
45 licensee, or a holding or intermediary company of a casino licensee, and is
46 involved in the operation of a licensed casino or a simulcasting facility, or
47 performs services or duties in a casino, simulcasting facility or a restricted
48 casino area.

1 The bill would remove license renewal requirements, but would add a
2 requirement for certain information to be provided to the commission and
3 division every five years by licensees in order to verify continued
4 compliance with the law.

5 The bill would remove certain restrictions concerning a Casino Hotel
6 Alcoholic Beverage License, and would permit a manufacturer, wholesaler,
7 or other person licensed to sell alcoholic beverages to retailers, or third
8 parties at their discretion, to jointly sponsor with the Casino Hotel
9 Alcoholic Beverage Licensee musical or theatrical performances or
10 concerts, sporting events and such similar events and festivals, with an
11 anticipated overall audience attendance of at least one thousand patrons, as
12 may be approved by the division.

13 The administration of the tax on casino service industry multi-casino
14 progressive slot machine revenue would be transferred to the Department of
15 the Treasury, and administration of the \$3.00 per day fee on each casino
16 hotel room occupied by a guest would be transferred to the Casino Revenue
17 Fund Advisory Commission. The definition of "gross revenue" would be
18 revised to exclude non-cashable credits in any form, including coupons,
19 electronic credits and vouchers.

20 Other provisions of the bill would:

21 add certain criminal violations to the current list that would disqualify an
22 applicant for a casino license;

23 revise various casino licensing requirements;

24 add a presumption that a casino licensee is financially stable under
25 described conditions;

26 revise procedures for the conduct of hearings by the commission and the
27 division;

28 permit the division to adopt the conclusions of a private testing
29 laboratory or governmental agency with regard to the testing of gaming
30 equipment;

31 permit the deployment, within 14 days after submission for testing, of
32 new gaming equipment or simulcast wagering equipment that is submitted
33 for testing to the division or to an independent testing laboratory;

34 require the division to give a one-time right of first refusal offer of
35 employment to certain former commission employees;

36 prohibit a member of the commission and any employee of the
37 commission holding a supervisory or policy-making management position,
38 and the director of the division and any employee of the division holding a
39 supervisory or policy-making management position, from making any
40 political contribution;

41 add the director of the division to the current four-year post-employment
42 restriction applicable to commission members;

43 require the division to be located in Atlantic City, except that the
44 division may maintain a secondary office in Trenton; and

45 double all monetary fines for violations of the casino control act.

46 The bill would repeal:

47 the definition of "casino service employee" and "principal employee;"

1 the provision authorizing the commission to exclude unqualified or
2 disqualified persons from licensing or casino operations;
3 the provision describing the powers and authority of the commission;
4 the provisions that permit the commission to issue subpoenas, administer
5 oaths, appoint hearing examiners, order persons to answer questions or
6 produce evidence, and confer immunity, which are being replaced by new
7 sections in the bill;
8 the provisions concerning the renewal of casino licenses, and the
9 licensing of casino employees; and
10 the provision that imposed a tax on casino complimentaries until June
11 30, 2009.