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before

SUBCOMMITTEE ON ACR-99

(Amending the Constitution of the State of New Jersey to permit the Legislature to authorize by law and to regulate, control and license the conduct, operation and play of amusement games.)

of

ASSEMBLY JUDICIARY, LAW, PUBLIC SAFETY AND DEFENSE COMMITTEE

Held:  
May 8, 1980  
Seaside Heights Municipal Building  
Seaside Heights, New Jersey

MEMBER OF SUBCOMMITTEE PRESENT:

Assemblyman John Paul Doyle

ALSO:

Burton D. Weltman, Research Assistant  
Office of Legislative Services  
Aide, Subcommittee on ACR-99

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ASSEMBLY CONCURRENT RESOLUTION No. 99

STATE OF NEW JERSEY

INTRODUCED FEBRUARY 25, 1980

By Assemblymen DOYLE, HURLEY, MATTHEWS and  
VAN WAGNER

Referred to Committee on Judiciary, Law, Public Safety  
and Defense

A CONCURRENT RESOLUTION proposing to amend Article IV, Section  
VII, paragraph 2, of the Constitution of the State of New Jersey.

1 BE IT RESOLVED *by the General Assembly of the State of New*  
2 *Jersey (the Senate concurring):*

1 1. The following proposed amendment to the Constitution of the  
2 State of New Jersey is hereby agreed to:

PROPOSED AMENDMENT

3 Amend Article IV, Section VII, paragraph 2, to read as follows:

4 2. No gambling of any kind shall be authorized by the Legislature  
5 unless the specific kind, restrictions and control thereof have been  
6 heretofore submitted to, and authorized by a majority of the votes  
7 cast by, the people at a special election or shall hereafter be sub-  
8 mitted to, and authorized by a majority of the votes cast thereon by,  
9 the legally qualified voters of the State voting at a general election,  
10 except that, without any such submission or authorization;

11 A. It shall be lawful for bona fide veterans, charitable, educa-  
12 tional, religious or fraternal organizations, civic and service clubs,  
13 senior citizen associations or clubs, volunteer fire companies and  
14 first-aid or rescue squads to conduct, under such restrictions and  
15 control as shall from time to time be prescribed by the Legislature  
16 by law, games of chance of, and restricted to, the selling of rights to  
17 participate, the awarding of prizes, in the specific kind of game of  
18 chance sometimes known as bingo or lotto, played with cards bear-  
19 ing numbers or other designations, 5 or more in one line, the holder  
20 covering numbers as objects, similarly numbered, are drawn from a  
21 receptacle and the game being won by the person who first covers a  
22 previously designated arrangement of numbers on such a card,  
23 when the entire net proceeds of such games of chance are to be  
24 devoted to educational, charitable, patriotic, religious or public-

25 spirited uses, and in the case of senior citizen associations or clubs  
26 to the support of such organizations, in any municipality, in which  
27 a majority of the qualified voters, voting thereon, at a general or  
28 special election as the submission thereof shall be prescribed by the  
29 Legislature by law, shall authorize the conduct of such games of  
30 chance therein.

31 B. It shall be lawful for the Legislature to authorize, by law,  
32 bona fide veterans, charitable, educational, religious or fraternal  
33 organizations, civic and service clubs, volunteer fire companies  
34 and first-aid or rescue squads to conduct games of chance of, and  
35 restricted to, the selling of rights to participate, and the award-  
36 ing of prizes, in the specific kinds of games of chance sometimes  
37 known as raffles, conducted by the drawing for prizes or by the  
38 allotment of prizes by chance, when the entire net proceeds of such  
39 games of chance are to be devoted to educational, charitable, patri-  
40 otic, religious or public-spirited uses, in any municipality, in which  
41 such law shall be adopted by a majority of the qualified voters,  
42 voting thereon, at a general or special election as the submission  
43 thereof shall be prescribed by law and for the Legislature, from  
44 time to time, to restrict and control, by law, the conduct of such  
45 games of chance and

46 C. It shall be lawful for the Legislature to authorize the conduct  
47 of State lotteries restricted to the selling of rights to participate  
48 therein and the awarding of prizes by drawings when the entire net  
49 proceeds of any such lottery shall be for State institutions, State  
50 aid for education.

51 D. It shall be lawful for the Legislature to authorize by law the  
52 establishment and operation, under regulation and control by the  
53 State, of gambling houses or casinos within the boundaries, as here-  
54 tofore established, of the city of Atlantic City, county of Atlantic,  
55 and to license and tax such operations and equipment used in con-  
56 nection therewith. Any law authorizing the establishment and oper-  
57 ation of such gambling establishments shall provide for the State  
58 revenues derived therefrom to be applied solely for the purpose of  
59 providing reductions in property taxes, rentals, telephone, gas,  
60 electric, and municipal utilities charges of eligible senior citizens  
61 and disabled residents of the State, in accordance with such for-  
62 mulae as the Legislature shall by law provide. The type and number  
63 of such casinos or gambling houses and of the gambling games  
64 which may be conducted in any such establishment shall be deter-  
65 mined by or pursuant to the terms of the law authorizing the  
66 establishment and operation thereof.

67 *It shall be lawful for the Legislature to authorize by law*  
68 *the conduct, operation and play of certain amusement games,*  
69 *whether of chance or skill, where the prizes or awards to be given*  
70 *shall be of merchandise; and to provide for the licensing, regulation*  
71 *and control of all aspects of the conduct, operation and play of*  
72 *such games by the State.*

1 2. When this proposed amendment to the Constitution is finally  
2 agreed to, pursuant to Article IX, paragraph 1 of the Constitution,  
3 it shall be submitted to the people at the next general election occur-  
4 ring more than 3 months after such final agreement and be pub-  
5 lished at least once in at least one newspaper of each county  
6 designated by the President of the Senate and the Speaker of the  
7 General Assembly and the Secretary of State, not less than 3  
8 months prior to said general election.

1 3. This proposed amendment to the Constitution shall be sub-  
2 mitted to the people at said election in the following manner and  
3 forms:

4 There shall be printed on each official ballot to be used at such  
5 general election, the following:

6 a. In every municipality in which voting machines are not used,  
7 the following legend shall immediately precede the question:

8 If you favor the proposition printed below, make a cross (×),  
9 plus (+) or check (✓) in the square opposite the word "Yes."

10 If you are opposed thereto, make a cross (×), plus (+) or check  
11 (✓) in the square opposite the word "No."

12 b. In every municipality the following question:

	Yes.	AUTHORIZATION AND REGULATION BY THE LEGISLATURE OF AMUSEMENT GAMES OF SKILL OR CHANCE FOR AWARDS OR PRIZES OF MERCHANDISE
	No.	Shall the amendment of Article IV, Section VII, paragraph 2 of the Consti- tution of the State of New Jersey to per- mit the Legislature to authorize by law and to regulate, control and license the conduct, operation and play of amuse- ment games, whether of chance or skill, where the prizes or awards to be given shall be of merchandise, be approved?

STATEMENT

“Amusement games” are those games of chance and skill which have been a traditional feature of New Jersey’s resort economy. They were recognized in 1959 with passage of the Amusement Games Licensing Law which regulated the activity in which only merchandise can be offered as a prize. The law, approved by the voters in the same year, required that the games be conducted only at a “recognized amusement park or at a seashore or other resort” which has an established amusement or entertainment area.

Unlike bingo, raffles, the State Lottery and casinos, amusement games were not legalized by a specific constitutional amendment. This resolution proposes such an amendment.

While almost every other factor in the life of the State and the nation has changed immensely since 1959, the basic conditions of the amusement game industry have remained at the no-longer-relevant levels of more than 20 years ago. This is because any substantial change requires a Statewide referendum. As a result, the health of this industry—a major New Jersey resort attraction—has suffered.

This resolution is designed to follow the pattern that has worked so well for the other legal gambling undertakings by authorizing boardwalk and amusement park games under a constitutional amendment with the details of regulation established by the Legislature and Governor. In this manner, the State will be able to adapt the law to changing circumstances as is now done with casinos, the lottery, bingo and raffles.

The amendment continues to require that only merchandise be given as prizes.

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ASSEMBLYMAN JOHN PAUL DOYLE (Chairman): My name is John Paul Doyle; I am an Assemblyman representing the Ninth Legislative District, which includes this municipality, and for the most part Ocean County. We are here today as required by the Constitution which tells us that any time there is to be a proposed constitutional amendment, there must be a public hearing. This will then serve as that public hearing.

More specifically, I am here as a subcommittee, as far of one, appointed by Chairman Martin Herman who is the Chairman of the Judiciary, Law, Public Safety and Defense Committee of the General Assembly of the State of New Jersey. We are conducting a hearing today on ACR-99, which was introduced by myself, as well as Assemblyman Hurley from Cape May and Cumberland County, District One; Assemblyman Matthews, Atlantic County, District Two; and Assemblyman Van Wagner, the Twelfth Legislative District, which is in Monmouth County.

I will ask that a copy of ACR-99 be included in the record of the Committee. We will now hear from the public, and at the end, I, as the sponsor, may well make some conclusory statements. At this time, we have been given the name of Mr. Kenneth Goich as our first witness. Will you please take a seat, Mr. Goich.

K E N N E T H G O I C H: My name is Ken Goich. I am the Past President of the New Jersey Amusement Association, and I am pleased to participate in this hearing, because it is an important step in helping to free our segment of New Jersey's tourist industry from a bind in which we have been held for more than twenty years.

I represent the amusement industry, which has brought so much to millions from New Jersey and the whole world at our boardwalks and amusement parks, and which has been a tremendous factor in the State's multi-billion dollar tourist industry. Our association consists of the operators of amusement parks, piers, rides, games at boardwalks all along the shore from Keansburg to Cape May, and a number of inland amusement parks.

A vital element of our business is the familiar "boardwalk" game where the patron, for a modest fee, either tries to toss a ring around a bottle, guess right on the spin of a wheel, hit a target with a dart, or meet some other familiar challenge, so he can take home a prize, such as a teddy bear, a record album, or some other item of merchandise, but never cash. Individually, this exercise in skill or chance is of modest proportions; it does not compare with casinos and it has long been the source of considerable family fun.

But, unlike any other business activity in this State or probably anywhere else in the world, our industry must operate in 1980 by the economics of 1959. This is because our industry made a mistake in 1959. That year the games were legalized not by Constitutional Amendment, as was done with the lottery, casinos, bingo and raffles, but by a referendum under Article IV of the Constitution. That referendum fixed our vital regulations, particularly maximum prizes and charges, at levels that were appropriate 21 years ago.

For example, we are permitted to give as a top prize merchandise worth \$15 at retail. In 1959, you could buy a pretty good teddy bear for that amount. Today it is more like a rabbit. For example, in 1959, this is a teddy bear that you could buy for \$5.

ASSEMBLYMAN DOYLE: Mr. Goich, for the record, would you identify the size of that? Would you say it was about three feet high?

MR. GOICH: It is about three feet high; that is the way the manufacturers would sell it, from the tip of the ear. It is about three feet high; it is a pretty big size.

This was a \$5 teddy bear in 1959. Today this same piece is costing us \$12.50. I don't have to tell you people about inflation. You know what has been happening. For that same \$5 here is the piece we are getting today. For that \$5, do you see the difference?

ASSEMBLYMAN DOYLE: The second piece you are holding is about nine or ten inches high.

MR. GOICH: Right. This is \$4.75 to \$5.00 depending upon the manufacturer, but this is the general range.

Now, with the current rate of inflation, the way things are going - and I understand that for the first quarter of this year they are projecting 16% to 20% - this is where we are going to be soon. (Laughter) This is what has been happening to our industry with no help.

As of last December, the \$15 of 1959 was worth \$5.77. The 25-cent maximum charge per game is still appropriate for many games. However, the 1980 equivalent of twenty-five 1959 cents is not permitted today. And with our costs today we frankly can't live under what are effectively 1959 wage and price controls.

For example, rents have increased ten-fold since 1959. Everyone knows what has happened to utilities, electric - it has gone beyond this planet. If you want to take a look at plush, which we call stuffed animals, or plush toys, in 1972, the freight rate per 100 pounds was \$4.40. In 1979 it was \$14.40 a hundred pounds. I just received a recent bill. By the way, I operate games in the City of Wildwood and in North Wildwood, and this inflation and high costs have been detrimental to me financially. In 1980, the freight rate, just as recently as last week, was \$18.35 and that does not include fuel surcharge which is another item that has just come about due to the energy problem. Here for 23 cartons the rate is \$18.35, and \$45.88 is the charge, and the fuel surcharge is \$5.96 on top of that, so we are talking about 23 cartons at \$51.84. That is unbelievable. But, this is what is happening to us, and this is why we are here today.

ACR-99 follows the lead of the lottery, bingo, raffles, and casino amendments and authorizes the legislature to pass a law to regulate amusement games in a responsible manner that recognizes changing economic and social realities. In other words, we should not be required to go back to the voters by referendum every time a basic regulatory change becomes essential.

Let me give you some figures which I think dramatize the situation. In 1959 the Consumer Price Index for North Jersey stood at 85.6 based on the 1967 dollar. Last December, the CPI was 222.4 and we all know what has happened since December. In 1959, the minimum wage was \$1; today it is \$3.10.

Despite these economic problems, we have been able to develop a 50 million dollar industry giving employment, mainly seasonal jobs, to 20,000 mostly young people. There are 821 boardwalk games licensed in 22 municipalities, each of which approved their operation by local referendum. Basically, the operators are "mom and pop" entrepreneurs.

The vitality of our games has some direct financial implications. The State alone derives more than \$123,000 annually from its license charge. And, the State also derives from sales of use tax over one million dollars a year from the gaming business.

The municipalities, through their local licensing authority, reap an even larger fee harvest.

Under the 1959 law, the games are regulated by the Division of Alcoholic Beverage Control. We have enjoyed a harmonious relationship and no real problems appear to exist. It may be, however, that the Governor and the Legislature will desire to shift this regulation to a new agency or to another existing unit. We would be prepared to work for the passage of whatever legislation the Legislature, Governor, and Attorney General feel is needed to best implement the constitutional amendment.

In the years since we were legalized, I am proud to say that our games contributed significantly to the entire amusement fund package for families vacationing in New Jersey. We are asking for your help now and in November for the support of the people of New Jersey in order that our businesses, our communities, and New Jersey's tourist industry can continue to flourish.

ASSEMBLYMAN DOYLE: Thank you very much, Mr. Goich. I might just ask you a few questions.

The Association which you represent, and of which you are the past president, how many members does that consist of?

MR. GOICH: Approximately 600 members.

ASSEMBLYMAN DOYLE: And, it is the single trade organization for people dealing in your business; is that correct?

MR. GOICH: That is correct.

ASSEMBLYMAN DOYLE: And, of course, needless to say, the Association supports this effort.

MR. GOICH: That is true.

ASSEMBLYMAN DOYLE: Now, you have mentioned at times how much money is put in by just the amusement operation. Of course, the amusement industry is a part of the overall tourism industry; is it not?

MR. GOICH: That is correct.

ASSEMBLYMAN DOYLE: In the sense that you are an integral part of the motels, the hotels, the restaurants and everything else that goes with it?

MR. GOICH: Yes, that is right.

ASSEMBLYMAN DOYLE: And would you see yourself as basically a family industry?

MR. GOICH: Definitely, that is what we are.

ASSEMBLYMAN DOYLE: Now, from what you have heard from your membership, is there a desire on the part of the customers to be able to wager, say, more than a quarter?

MR. GOICH: Yes, because we have been hearing from our people and from the tourists who vacation in New Jersey that they felt that the downward trend of the prizes that were offered were getting to the point where we will be down to offering simply junk as prizes. We don't want to get to that point. This is good, clean, family fun, and we still ought to be able to give the people what they would like. We are simply getting shrunk out of existence by the economics of today.

ASSEMBLYMAN DOYLE: It might be suggested by some that were you to raise the price that could be wagered from a quarter to, say, a half dollar, that is, children might lose money or waste money, do you find, and do your operators find children coming to your stands unattended by adults, or is it a family thing?

MR. GOICH: No; this is entirely a family affair. The young children who are there are there with mom and pop and they say they like that teddy bear up there,

and the mom will give the child the money and say, "Okay, honey, you bet on it." Their little hands will come up and put a quarter on a number. But, they are always with mom and pop. The kids don't make a habit of playing the games at all. We have never had any problems in twenty-some years of being in the business of any complaint of that nature.

ASSEMBLYMAN DOYLE: In fact, I have lived in this area since 1957 and I don't know of any long-range scandals or long-term problems operating with the amusement games. I know you have been with it as long. Do you know of any?

MR. GOICH: We have never had a problem in the amusement industry per se. The only complaint there has ever been - and I am sure the Alcoholic Beverage Control, and the Division of Amusement Games would verify this - is simply a woman saying she won, and the operator saying, "No, you didn't win." Either she didn't understand the game, or whatever. But, that has always been settled. We have never had any major problems. It is just a matter of opinion.

ASSEMBLYMAN DOYLE: If I understand the thrust of your testimony it is that you seek, in effect, uniformity with those other forms of gambling that are allowed in this State, the lottery, bingo, raffles, and casinos, all of which we, in the Legislature, regulate.

MR. GOICH: That is correct.

ASSEMBLYMAN DOYLE: Now, there had been an effort a few years ago by constitutional amendment to raise the price that could be wagered from a quarter to a half dollar and the price of the prize. And, that was defeated. Why would you think this is a better effort or a better proposal.

MR. GOICH: Well, we feel this is a better proposal due to the fact that it is not totally price and prize. There are possibly other areas, such as new games coming out, the world of electronics and lasers and everything, so we need flexibility in the law. We are too locked in, the way it stands right now.

ASSEMBLYMAN DOYLE: When you say you are locked in you mean, for any change to be made, that has to go back to the people with the bill, and then a referendum and then enabling legislation.

MR. GOICH: Basically the economic end of it. I would say this: We are the only industry whereby we are locked in this particular way, where we must go to the people of the State in order to seek relief on an economic end. This is our problem. Just to show you, the trucking industry arbitrarily gets an increase. I don't see the trucking industry having to go to a national election if they want an increase in rates. I don't see the utility companies going to the voters of the State of New Jersey for relief. This is what we are saying. It doesn't make sense. This is why we are saying there was an error committed twenty years ago, and I am sure no one foresaw what would happen to the dollar twenty years ago. This is the bind we are in. We are simply asking for relief and help.

ASSEMBLYMAN DOYLE: You had mentioned in your statement that yours is a \$50 million industry. Might I ask how that figure was arrived at?

MR. GOICH: Well, the figure was arrived at basically from the grosses that are reported to the State of New Jersey.

ASSEMBLYMAN DOYLE: And, of course, there is a certain spill over effect; I think it is called the trickle down effect by which the dollar spent in the

amusement game brings people down here, and money is spent elsewhere at other amusements, and restaurants, and other facilities on the boardwalk.

MR. GOICH: Definitely.

ASSEMBLYMAN DOYLE: You mentioned also that there is one million dollars in sales tax revenues derived.

MR. GOICH: Well, we have to pay. We don't charge taxes as it goes over the counter, so the other end of it is the fact that we pay our sales tax based upon the amount of use on our inventory. In other words, if someone wins a prize, somebody has to pay the tax on it. We do. So, we are saying here that the State would derive - and we estimate right now - about one million dollars a year.

ASSEMBLYMAN DOYLE: You mentioned also that the operators are basically mom and pop entrepreneurs. You don't find in and around the boardwalk people owning facilities in twenty or thirty municipalities. Aren't they, for the most part, in one municipality, and basically a family operation?

MR. GOICH: That is true. In fact, surprisingly enough we were talking about it this morning, we have more ex school teachers in this business, including myself, who evidently needed a summer income, and they wound up here trying to supplement their basic income through the years. It is a surprising thing. These are the type people you have in this industry, and they are both basically more mom and pop.

ASSEMBLYMAN DOYLE: And, in fact aren't a lot of the employees kids who are trying to work their way through school?

MR. GOICH: That's right. We cater to the young. We want to afford them the opportunity of a summer vacation, in order to help them economically.

ASSEMBLYMAN DOYLE: These efforts to help the young, as well as to derive a fair profit and combat inflation, do you think that if this referendum were not put on the ballot, were not passed, that in the long-run the amusement game industry would be damaged?

MR. GOICH: I would go further than saying damaged. I would go so far as to say that within the next five to seven to ten years, unless we get relief immediately, the amusement game business will be out of business. We can't afford to pay the costs and fight inflation and continue to pay the help, with the minimum wage going up and everything, and come out of there with any money at the end of the year. It is impossible. We fill our warehouses every year. We have made quite a few millions of people happy by the amount of prizes that go out of this boardwalk, and on all the boardwalks along the Jersey shore. But, unless we get help, we cannot stay in this business much longer. This is why we are here. We are seeking to rectify an error that was committed twenty years ago.

ASSEMBLYMAN DOYLE: Thank you very much. I appreciate your testimony.

MR. GOICH: Thank you for giving me the opportunity.

ASSEMBLYMAN DOYLE: Yes, Mr. Katz.

J O S E P H K A T Z: I am Joseph Katz, and I am Public Affairs Counsel for the Association. I just want to make one point. In 1976 there was a referendum, but it was not a constitutional amendment. It, in effect, was repeating the error of 1959, and it was just establishing new, fixed regulations and locking

the industry in. Again, that is the significant difference between now and then. I just wanted to get that on the record.

ASSEMBLYMAN DOYLE: Thank you, Mr. Katz. Before moving on, let me say that I appreciate very much the hospitality of our host, the Borough of Seaside Heights. I have seen Mayor George Tompkins here before working; I have seen Councilman Robert D'Annizio, and Councilwoman Christine Corbo, and I appreciate your presence, your cooperation and your help.

Mr. Dominic Chirichillo, please.

D O M I N I C C H I R I C H I L L O: I am the President of Aqua View Realty in Seaside Heights. I am a real estate expert. Really, I am not familiar with the laws that are governing right now with this particular problem.

The only thing I am here to say is, I do lease on the boardwalk, and over the years the increases have been, I guess, keeping up with inflation. It has been a hardship on the tenant. We notice a tremendous turnover in the tenants on these wheels, stands, restaurants. Basically, I am just here to say that I would like to see whatever changes are necessary to increase the chance and give an opportunity to the tenants to make money and in turn help the towns.

ASSEMBLYMAN DOYLE: If I understand you, Mr. Chirichillo, what you are saying is that they are faced with a lot of fixed prices they can't combat. They can't raise their own prices, yet they are paying increased rents.

MR. CHIRICHILLO: Right, hot dogs and hamburgers have been increasing over the years, and why not a chance?

ASSEMBLYMAN DOYLE: As a result, you have found, as a realtor in the area, that there has been some movement, and there are some people getting out of the amusement games operations because of problems with rising prices?

MR. CHIRICHILLO: Yes, we are having a problem keeping the same clients year after year. They seem to come up with the initial rents, get into business and find that at the end of the summer they just didn't make ends meet and have to either reach their leases or go bankrupt.

ASSEMBLYMAN DOYLE: Thank you very much. I appreciate you coming forward. Mr. Wayne Cimorelli has given us his name as wanting to testify. Mr. Cimorelli.

W A Y N E C I M O R E L L I: I didn't know what Ken Goich was going to say. He had a lot to say and some of the things I had planned to say, I think he has already done a good job bringing up.

I just want to say that I am twenty-seven years of age, and I am married to a woman who is twenty-five years of age, and there are many of us working on the boardwalk in the State of New Jersey who - and in my case, I was just made a partner in my business two years ago - not even living half their life, look ahead, and see what has happened with inflation, and to use Kenny's expression, we feel locked in. It is a little scary, especially with the opening of Atlantic City, with their promotions, such as giving dinners, and money and cash prizes. I would like to think that it has not hurt our business too much as of yet, but I am sure it is going to as time goes by, because it seems that the more casinos, the more competition and the more they are giving. As they give more, we give less.

I am one of the principal buyers for Mr. Bennett over the years, and he operates many merchandise stands in Seaside Heights, and these merchandise

stands, or general merchandise stands, are general merchandise stands using mostly household appliances catering mostly to other moms and pops, and this has been a very popular medium on the boardwalk over the last ten years.

Items like fry pans and toaster ovens, Waring blenders, Sunbeam vacuum cleaners, which were staples in these games for years, when I ask salesmen if they have any \$15 retailers, they laugh at me, and we are so out of touch with what is going on in the appliance industry and the radio industry, that salesmen that sell mostly retail in this country, they look at me like I have to be kidding. What has happened is---I don't want to say that the items on the boardwalk have degenerated to junk shops yet, because they have not. We work very hard, and we go to the Chicago housewares show, and we are forced to go to every show and really shop.

The problems that we are going to be faced with, I think, have just begun. I also think that we are faced with a lot of increases, such as the minimum wage, which is constantly going up as the State feels fit. Also, insurance rates are climbing at a phenomenal rate. The price of utilities and electric is tremendous. These are all increases that we experience in our business. An AM-FM radio is no longer available to the \$15 retailer. These are all big items that the public always wanted, and I really feel, and I have a lot of contact with my customers over the years because I have spent a lot of time in the games industry trying hard to build clientele. We guarantee our merchandise. Basically, what a game is is a retail program through a game. We have customers, and the customers are beginning to say, how many blenders do I need, how many toasters, how many mixers. Their appetite is not being satisfied. They want more of a selection. They had better prizes years ago, so it isn't like they didn't have these prizes. They used to be able to win some very nice prizes on the boardwalk that you just can't win anymore.

I would say as far as my experience dealing with the people, they basically enjoy the game so much they play anyway, but they are giving away all their prizes. They are giving them away to family members, aunts, uncles. In other words, they are playing because they enjoy playing, but they don't really enjoy the prize, and I have some women who come in with 40 or 50 choice tickets and they look at me and say, "Well, I guess I will get this for my sister, this for my brother. It is just losing something. They are still playing; they enjoy it, but I know they are not happy with the prizes anymore. The prizes are shrinking. Even the bear that Mr. Goich lifted in the air for \$12.50 by all standards is a very small bear. That is a small bear. A \$12.50 bear is a bear that is at least a foot taller than that. Manufacturers of stuffed toys tell me that is just not the way it is anymore. This is the tone every day. This is what we go through.

I have to stress this Atlantic City promotion where they are giving people all types of special tickets and tours and silver dollars. I really think we have a serious problem on our hands. A person my age who wants to stay in the business, and would like to see the New Jersey amusement business build into a better, more family oriented type of thing, it drains a lot of energy when you look to the future and see all these problems. I really don't know how to cope with the fact that that bear is \$12.50. I sit down, and we talk,

and we talk about all the ways to improve our businesses, and we are faced with some real problems, and we do need help. That is about all I have to say.

ASSEMBLYMAN DOYLE: Thank you. Let me just underline a couple of the points that you mentioned. Do you think that the more exotic forms of gambling allowed in Atlantic City along with the promotions will hurt in the long-run the tourism industry in the other shore counties, that is, Monmouth, Ocean and Cape May?

MR. CIMORELLI: Definitely.

ASSEMBLYMAN DOYLE: You mentioned the inflation with regard to prizes. Are you saying that appliances can no longer be given?

MR. CIMORELLI: No, they can't.

ASSEMBLYMAN DOYLE: And, that is because of the artificial \$15 limit created in 1959; correct?

MR. CIMORELLI: Correct.

ASSEMBLYMAN DOYLE: As a result of that, do you find that people are no longer playing the games, or as you said, are less interested, or what?

MR. CIMORELLI: Well, yes, because it was a lot different when a person walked up to a stand, the person really wanted the prize. You see, the game is entertaining. When I go to a casino - I don't gamble myself - I watch what goes on down there. The dealer has a straight face and has no personality or smile, and it is a completely different atmosphere than the boardwalk. We call the game in a manner whereby it is exciting. Mothers scream up and down when they win; the kids go crazy, and it is a lot of fun. To me, gambling is not fun, but after a while, you know, they are still participating in what we have to offer to the people, amusements, but if you want a blender, you want a Waring blender, not a Proctor Silex blender with plastic buttons and a plastic bowl. You want a Waring blender with nice push buttons and a glass bowl.

ASSEMBLYMAN DOYLE: And you can't get that for \$15, hardly, can you?

MR. CIMORELLI: No, we can't.

ASSEMBLYMAN DOYLE: You mentioned the fun side for the people on the other side of the counter. How long, for your side of the counter, is the season? How many weeks is your season?

MR. CIMORELLI: Well, I operate a business year-round in Seaside Heights.

ASSEMBLYMAN DOYLE: For the general amusement operator who depends upon the summer, what is the average length of the season?

MR. CIMORELLI: Well, I think we always say it is 100 days. That is the rule of thumb.

ASSEMBLYMAN DOYLE: During those hundred days, what are your normal hours?

MR. CIMORELLI: I have been known to sleep on the skee ball alleys. (Laughter)

ASSEMBLYMAN DOYLE: That is not uncommon working in the industry 12 and 14 hour days, because you have to hustle during that 100 days; isn't that correct?

MR. CIMORELLI: That's right. Our business is a tough business. People see the quarters on the board, a short season, and it looks very easy, and everyone has the idea that it is easy. A lot of people have come and gone in my lifetime on the boardwalk, because it is a very tough business. You have to wake up every

morning. You can have a few good years, and if you don't keep on waking up and putting in this incredible amount of time and energy, you won't make it, because it is just not an easy business. You have to be willing to work. The hours are very demanding. My wife works about 65 or 70 hours a weeks, and I work about 110 hours a week. I have been working 100 hours a week ever since I got out of college.

ASSEMBLYMAN DOYLE: And I am sure you think, as did Mr. Goich, the flexibility that this amendment would allow would help the industry and help its regulation.

MR. CIMORELLI: Definitely. It wouldn't cut my hours down, because that is the type of business it is. But, people in our business enjoy it. They have to enjoy it. If they don't enjoy it, they won't be good at it. So, I think we have an industry of people that truly enjoy what they do, and there are a lot of young people up and coming that want to do it, want to get involved in it, and we are just hoping that the people who are here before us will be able to help us, and I think this is what the meeting is all about, helping the young people, those like my wife and myself and others our age. The problems for me ten years from now, if nothing is done to help us, I really don't know what kind of prizes we can offer to the people.

Ten years from now Atlantic City should be like Las Vegas. I would not want to be competing with Atlantic City with a small insignificant clip-on toy.

ASSEMBLYMAN DOYLE: Thank you. Those three witnesses we have heard from had given us their names prior to the commencement of the hearing. If there is anyone who has come in since then and who would like to testify, please let this be known now.

Mr. La Tore.

B O B L A T O R E: Thank you, Assemblyman. I wear two hats. I am the Public Relations Director for the Borough of Seaside Heights, and I am also Vice President of the New Jersey Travel and Resort Association representing Ocean County in that organization. You have heard testimony today that indicates we have a major industry in the State of New Jersey that appears to be in some trouble. I would like to confine my remarks to one area, and that is to sort of represent the people who come here and have a good time every season. And, to put that in perspective for you, here in Seaside Heights, we entertain just under five million people each year. We have put about three million people on our nine-tenths of a mile beach, and we estimate another two million people who come here for evening activity.

To put that in statewide perspective - and I will submit a copy of this for the record - this is a copy, an excerpt from a survey conducted for the Ocean County Tourism and Advisory Council in the fall of 1978. The survey was done by the Eagleton Institute of Politics. Statistically they tell us it is valid to within plus or minus five percent. When surveyed, when questioned, people in New Jersey who come to the New Jersey shore resorts for their vacations, when asked what they do, what kind of activities they participate in, following only those who go to the beach and swimming, which was first, those who take

a walk in the evening, which was second, go out to eat, which was third, the fourth most participated in activity was to go to the boardwalk, and this was indicated as the amusement boardwalk. Fifty-one percent of the people said they did it daily; another twenty percent said they did it a few times; eighteen percent said they did it at least once during the course of their vacation, and only eleven percent said they did it not at all.

I would like to put that in another perspective, because one of the detractors, one of the possible choices in that same survey was, "Go gambling in Atlantic City," in which case only two percent indicated they did it daily or often, while eighty-four percent said they did it not at all. So, in terms of in the minds of New Jerseyans who are vacationers to the New Jersey resorts, it appears that the industry that is pleading before you today looms far larger and of greater consequence than probably any other aspect of the amusement area.

Now, people come here for one reason; they come here to have a good time. I think it is too bad that the Committee could not conduct its hearings on the boardwalk some July night so that they could see the expressions and the faces of adults and children alike as they walk down the boardwalk with the kinds of merchandise prizes they win. It is a family amusement. It is a family entertainment. It is a tradition in New Jersey. We have worked very hard to try to make every aspect of it for the family. It is games for family; it is run by families. In Seaside Heights we employ 4,000 young people, many of them high school and college students, and each year we are employing more and more senior citizens, so that the benefits of this industry spread over the full gamut of the people of the State of New Jersey.

As an aside, one of the things we are offering this year, sponsored by the Businessmen's Association, is that Ocean County College will be conducting full credit college courses here on the boardwalk in spaces and areas donated by the businessmen who are doing everything they can to encourage the college, and they will be conducting full credit college courses in hours and locations convenient to the people who work in this kind of amusement area. I can only say that whatever the legislature can do to insure the health and success and growth of this industry will be beneficial for everyone. I certainly hope that movement will be made to pass the legislation.

ASSEMBLYMAN DOYLE: I have just a couple questions. You mentioned that two million people use the Seaside Heights boardwalk.

MR. LA TORE: In the 100-day season approximately.

ASSEMBLYMAN DOYLE: That is 20,000 people there a night.

MR. LA TORE: At least. We have 10,000 parking spaces in the community. We would like to remind people that 40% of them are free, and they are filled for most of those 100 days.

ASSEMBLYMAN DOYLE: I would not want the record to look one-sided, that in fact there is not only the operator, but there is the person on the other side of the stand who is wagering, or looking for that better prize, and in your municipality alone, that is 20,000 an evening.

MR. LA TORE: Yes. And at peak season, remember now we are talking about the full spread of the season here, and there are nights when we have upwards of 70,000 people on that mile of boardwalk, and on the other extreme there is

hardly a weekend through the entire year - and I am talking about snow, sleet, rain or shine, through November, December, January and February - when on a good weekend, if the sun is out and it is a mild and pleasant day, you will find our games open, and you will find people participating in those games. It is a vital kind of amusement for the residents of the State of New Jersey.

ASSEMBLYMAN DOYLE: Is it not the most important industry here, or perhaps the only industry in Seaside Heights economy, and a lot of other similar municipalities along the shore?

MR. LA TORE: Well, if we restricted the games, I would have to answer negatively, because we have restaurants, and we have rides, and other kinds of activities. We have the beach itself. We have other kinds of attractions. But, in looking at the kinds of things that New Jerseyans said that they did when they went on their vacation, it appears as if it certainly scores in the top three activities that people participate in.

ASSEMBLYMAN DOYLE: And those other things you mentioned are all part of that same umbrella of which the amusement games are one?

MR. LA TORE: Indeed; indeed. We included such things as shopping, dinner theatres, sailing, boating, crabbing, fishing, tennis, golf, nightclubs and so forth, and this idea of playing the amusements on the boardwalk scores extremely high. I am happy to turn over a copy of the poll that I am talking about. If you require more, I can supply you with more copies.

ASSEMBLYMAN DOYLE: If we can have a copy for the record, that will be sufficient. Thank you.

As the auctioneer said, "One more, one time." Is there anyone else who wants to testify?

Okay, by way of a closing statement, first let me reiterate my appreciation to the Borough of Seaside Heights, the Trenton-based staff who came down, Burt Weltman who has been sitting at my left who is the aide to the Judiciary Committee, our hearing stenographer, and my own staff, and members of the press and the media who came out today.

I am in a somewhat unusual position. I am conducting the hearing, and I am also the sponsor. Normally, the sponsor of a bill would have made the lead-off statement. Conducting the hearing, I did not think that was appropriate. Obviously, I would not have put the resolution in unless I supported it. I supported it for the reasons we were all fortunate enough to hear today from Mr. Goich and the others. I think it is not only a question of providing, if you will, a subsidy, or assistance, to a given industry, it is the fact that that industry is a part of the tourism economy that is essential to the four-county area, that is the second largest industry in the State of New Jersey.

I think it is also essential in a sense of fair play. The State of New Jersey and the people therein have, by constitutional amendment, authorized other forms of gambling - bingo, raffles, casinos, lotteries. All four of those forms can be changed from time to time by the Legislature. There is only one form of gambling that has not been authorized in the State by constitutional amendment and that is the amusement games. There is only one industry that has all of its regulations fixed and written in stone that can't be adopted without changing a referendum by the people of New Jersey, and that is the amusement

industry. For the State to have the appropriate regulation, to be consistent, and to provide the people of New Jersey with what they want which is a very popular form of family entertainment, I would hope and think that this resolution would be speedily adopted in the Legislature, and the public will have its chance to vote on it and adopt it in November.

I thank all of you for coming. This is a little bit of government which I am glad we had the opportunity to bring to Ocean County. I hope you enjoyed this morning. Thank you for your attendance.

(HEARING CONCLUDED)