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PUBLIC MEETING

before

ASSEMBLY INDEPENDENT AND REGIONAL AUTHORITIES COMMITTEE

ASSEMBLY BILLS 2870, 3431, 3566, 3567, 3568, 3569, 3570
and
SENATE BILL 2462

(Proposed Amendments to The Casino Control Act)

February 5, 1987
Room 341
State House Annex
Trenton, New Jersey

MEMBERS OF COMMITTEE PRESENT:

Assemblyman William "Pat" Schuber, Chairman
Assemblywoman Marion Crecco
Assemblyman Paul DiGaetano
Assemblyman Dennis L. Riley
Assemblyman Jimmy Zangari

ALSO PRESENT:

Edward P. Westreich
Office of Legislative Services
Aide, Assembly Independent and Regional
Authorities Committee

Hearing Recorded and Transcribed by
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Hearing Unit
State House Annex
CN 068
Trenton, New Jersey 08625

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PUBLIC HEARING

before

ASSEMBLY INDEPENDENT AND REGIONAL AUTHORITIES COMMITTEE

ASSEMBLY BILLS 2870, 2871, 2872, 2873, 2874, 2875, 2876, 2877, 2878, 2879, 2880

and

SENATE BILL 2483

(Proposed Amendments to the Casino Control Act)

February 2, 1987
10:00 A.M.
State House Annex
Trenton, New Jersey

MEMBERS OF COMMITTEE PRESENT:

- Assemblyman William Pascoe, Chairman
- Assemblywoman Karen Green
- Assemblyman Paul Gigante
- Assemblyman Dennis J. Riker
- Assemblyman Bruce Saper

ALSO PRESENT:

- Edward P. Westreich
- Office of Legislative Services
- Aide, Assembly Independent and Regional Authorities Committee

Hearing recorded and transcribed by
Office of Legislative Services
Public Information Office
Hearing Room
State House Annex
1000
Trenton, New Jersey 08611



WILLIAM P. SCHUBER
Chairman
GUY F. MUZIANI
Vice-Chairman
JOSE O. ARANGO
MARION CRECCO
PAUL DIGAETANO
DENNIS L. RILEY
JIMMY ZANGARI

New Jersey State Legislature
ASSEMBLY INDEPENDENT AND REGIONAL
AUTHORITIES COMMITTEE
STATE HOUSE ANNEX, CN-068
TRENTON, NEW JERSEY 08625
TELEPHONE (609) 924-7321

M E M O R A N D U M

January 30, 1987

TO: MEMBERS OF THE ASSEMBLY INDEPENDENT AND REGIONAL
AUTHORITIES COMMITTEE

FROM: ASSEMBLYMAN WILLIAM P. SCHUBER, CHAIRMAN

SUBJECT: COMMITTEE MEETING - THURSDAY, FEBRUARY 5, 1987

(Address comments and questions to Edward Westreich, Committee Aide.)

The Assembly Independent and Regional Authorities Committee will meet on Thursday, February 5, 1987 at 10:00 a.m. in Room 341, State House Annex, Trenton, to consider the following bills:

A-2870 Riley	Amends the "Casino Control Act" concerning casino-hotel facilities requirements.
A-3431 Kline	Revises the definitions of casino employee and casino hotel employee.
A-3566 Arango/Muziani	Amends the "Casino Control Act" to update the act and make technical corrections.
A-3567 Schuber/DiGaetano	Amends the "Casino Control Act" concerning certain powers, duties and employees of the Casino Control Commission and the Division of Gaming Enforcement.
A-3568 Schuber/Crecco	Amends the "Casino Control Act" concerning licensure and other requirements.
A-3569 Riley	Establishes an interim casino authorization.
A-3570 Schuber/DiGaetano	Amends the "Casino Control Act" concerning junkets, complimentary services and credit.
S-2462 Codey	Establishes two-year casino licenses.

The Atlantic City Casino Association is scheduled to testify on these bills.

ASSEMBLY, No. 2870

STATE OF NEW JERSEY

INTRODUCED JUNE 23, 1986

By Assemblyman RILEY

AN ACT to amend the "Casino Control Act," approved June 2,
1977 (P. L. 1977, c. 110).

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

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

3 83. Approved Hotel. An approved hotel for purposes of this
4 act shall be a hotel providing facilities in accordance with this
5 section. Nothing in this section shall be construed to limit the
6 authority of the commission to determine *whether* the [suit-
7 ability of] facilities [as provided in] *comply with provisions of*
8 this act, and nothing in this section shall be construed to require
9 a casino to be larger than the minimum size or smaller than the
10 maximum size herein provided. An approved hotel shall, in accor-
11 dance with the following table:

12 a. Contain qualifying sleeping units as defined in section 27 of
13 this act;

14 b. Contain qualifying [meeting and exhibition space, consisting
15 of] indoor public space available and of the sort regularly used
16 for conventions, exhibits, meetings, banquets and similar func-
17 tions, [but not including space regularly used as restaurants,
18 lobbies, lounges, bars, show theaters, sports facilities, casinos,
19 or parking areas;

20 c. Contain qualifying indoor public space used] *and* for dining,
21 entertainment, and sports facilities, including restaurants, bars,
22 lounges, show theaters, shops, dance halls, [and] swimming facil-
23 ities, *and tennis facilities* but excluding lobbies, casinos, *and* park-
24 ing areas [and tennis facilities. For purposes of this subsection,

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

Matter printed in italics *thus* is new matter

25 only the actual swimming pool and a 25-foot area on all sides
 26 thereof shall be eligible for inclusion in the allowable indoor
 27 sports space]; and

28 **[d.]** c. Contain a single casino room as defined in section 6 of
 29 this act, in accordance with the minimum number of qualifying
 30 sleeping units and minimum amount of qualifying indoor public
 31 space as provided in the following chart, but, except as herein-
 32 after provided, in no event may a casino room be permitted to
 33 exceed the maximum square footage stated:

	Minimum Number of Qualifying Sleeping Units	Minimum Square Footage of Qualifying Indoor Public Space Sq. Ft.	Maximum Square Footage of Casino Room Sq. Ft.
34	500	65,000	30,000
35	750	80,000	40,000
36	1,000	95,000	50,000
37	1,250	110,000	60,000
38	1,500	125,000	70,000
39	1,750	140,000	85,000
40	2,000	155,000	100,000

41 *d. Once a hotel is initially approved, the commission shall there-*
 42 *after rely on the certification of the casino licensee with regard to*
 43 *the number of rooms and the amount of qualifying indoor public*
 44 *space and shall permit rehabilitation, renovation and alteration of*
 45 *any part of the approved hotel even if the rehabilitation, renova-*
 46 *tion, or alteration will mean that the casino licensee does not*
 47 *temporarily meet the requirements of subsection c. so long as the*
 48 *applicant certifies that the rehabilitation, renovation, or alteration*
 49 *shall be completed within one year.*

50 **e.** **[**The commission shall have the authority to insure a fair mix-
 51 ture of meeting, exhibition, dining, entertainment and indoor sports
 52 space within the indoor public space within a qualifying casino
 53 hotel facility in order to best promote the tourist, resort and con-
 54 vention industry of the State in accordance with the policies of
 55 this act and shall, unless for a good cause it otherwise determines,
 56 require that each such casino hotel facility contain no less than
 57 25,000 square feet of qualifying meeting and exhibition space and
 58 no less than 40,000 square feet of qualifying dining, entertainment
 59 and sports space.] *(Deleted by amendment, P. L., c.)*

60 **f.** If an approved hotel shall provide more than the minimum
 61 number of qualifying sleeping units as hereinbefore defined than is
 62 required by subsection **[d.]** c. hereof, the maximum casino space

63 may be permitted to increase by 40 square feet for each such excess
64 sleeping unit.

65 g. If a licensed facility shall provide more qualifying indoor
66 public space as hereinbefore defined than is required by subsection
67 **[d.] c.** hereof, the maximum allowable casino space may be per-
68 mitted to increase by a figure representing one-half of the amount
69 of such excess qualifying indoor public space, including space
70 serving as kitchen support facilities.

71 h. In no event may the total of the increased allowable casino
72 space be permitted to exceed a figure representing the original
73 maximum casino size.

74 i. *The commission shall not impose any criteria or requirements*
75 *regarding the hotel or any of the facilities within the hotel in*
76 *addition to the criteria and requirements expressly specified in the*
77 *“Casino Control Act,” P. L. 1977, c. 110 (C. 5:12-1 et seq.).*

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

3 84. Casino License—Applicant Requirements. Any applicant
4 for a casino license must produce information, documentation and
5 assurance concerning the following qualification criteria:

6 a. Each applicant shall produce such information, documentation
7 and assurances concerning financial background and resources as
8 may be required to establish by clear and convincing evidence the
9 financial stability, integrity and responsibility of the applicant,
10 including but not limited to bank references, business and personal
11 income and disbursement schedules, tax returns and other reports
12 filed with governmental agencies, and business and personal ac-
13 counting and check records and ledgers. In addition, each applicant
14 shall, in writing, authorize the examination of all bank accounts
15 and records as may be deemed necessary by the commission or the
16 division.

17 b. Each applicant shall produce such information, documenta-
18 tion and assurances as may be necessary to establish by clear and
19 convincing evidence the integrity and reputation of all financial
20 backers, investors, mortgagees, bond holders, and holders of in-
21 dentures, notes or other evidences of indebtedness, either in effect
22 or proposed, which bears any relation to the casino proposal sub-
23 mitted by the applicant or applicants. The reputation and integrity
24 of financial sources shall be judged upon the same standards as
25 the applicant. In addition, the applicant shall produce whatever in-
26 formation, documentation or assurance as may be required to estab-
27 lish by clear and convincing evidence the adequacy of financial

28 resources both as to the completion of the casino proposal and
29 the operation of the casino.

30 c. Each applicant shall produce such information, documentation
31 and assurances of good character as may be required to establish
32 by clear and convincing evidence the applicant's good reputation
33 for honesty and integrity. Such information shall include, without
34 limitation, information pertaining to family, habits, character,
35 criminal and arrest record, business activities, financial affairs,
36 and business, professional and personal associates, covering at
37 least the 10-year period immediately preceding the filing of the
38 application. Each applicant shall notify the commission of any
39 civil judgments obtained against any such applicant pertaining to
40 antitrust or security regulation laws of the federal government,
41 of this State or of any other state, jurisdiction, province or country.
42 In addition, each applicant shall produce letters of reference from
43 law enforcement agencies having jurisdiction in the applicant's
44 place of residence and principal place of business, which letters of
45 reference shall indicate that such law enforcement agencies do not
46 have any pertinent information concerning the applicant, or if
47 such law enforcement agency does have information pertaining
48 to the applicant, shall specify what the information is. If the
49 applicant has conducted gaming operations in a jurisdiction which
50 permits such activity, the applicant shall produce letters of re-
51 ference from the gaming or casino enforcement or control agency
52 which shall specify the experiences of such agency with the
53 applicant, his associates, and his gaming operation; provided,
54 however, that if no such letters are received within 60 days of
55 request therefor, the applicant may submit a statement under oath
56 that he is or was during the period such activities were conducted
57 in good standing with such gaming or casino enforcement or con-
58 trol agency.

59 d. Each applicant shall produce such information, documentation
60 and assurances as may be required to establish by clear and
61 convincing evidence that the applicant has sufficient business
62 ability and casino experience as to establish the likelihood of
63 creation and maintenance of a successful, efficient casino operation.
64 The applicant shall produce the names of all proposed casino key
65 employees as they become known and a description of their respec-
66 tive or proposed responsibilities, and a full description of security
67 systems and management controls proposed for the casino and
68 related facilities.

69 e. Each applicant shall produce such information, documentation
70 and assurances to establish to the satisfaction of the commission

71 **the suitability of** *that* the casino and related facilities and its
 72 proposed location**,** and that the proposal**]** will not adversely affect
 73 casino operations or overall environmental conditions. Each appli-
 74 cant shall submit an impact statement which shall include, without
 75 limitation, architectural and site plans which establish that the
 76 proposed facilities comply in all respects with the requirements
 77 of this act, the requirements of the master plan and zoning and
 78 planning ordinances of Atlantic City, without any use variance
 79 from the provisions thereof, and the requirements of the "Coastal
 80 Area Facility Review Act," P. L. 1973, c. 185 (C. 13:19-1 et seq.).
 81 a market impact study which analyzes the adequacy of the patron
 82 market and the effect of the proposal on such market and on the
 83 existing casino facilities licensed under this act; and an analysis
 84 of the effect of the proposal on the overall environment, including,
 85 without limitation, economic, social, demographic and competitive
 86 conditions as well as the natural resources of Atlantic City and
 87 the State of New Jersey.

1 3. This act shall take effect immediately.

STATEMENT

This bill (1) deletes language in the "Casino Control Act" concerning the Casino Control Commission's determining the "suitability" of casino-hotel facilities; (2) removes the requirement that there has to be a minimum amount of meeting and exhibition space and a minimum amount of dining, entertainment, and sports space (but allows to remain the overall minimum requirements for qualifying indoor public space); (3) removes the commission's authority "to insure a fair mixture" of indoor public space; (4) permits tennis facilities to be included as qualifying indoor public space; (5) states that the commission shall not impose any criteria regarding a casino hotel beyond the criteria specified in the "Casino Control Act"; (6) directs that after initial approval of a casino-hotel, the commission is to rely on the licensee's certification of the number of rooms and amount of qualifying indoor public space; and (7) permits the alteration of a casino-hotel even if minimum requirements of the law cannot be met temporarily.

GAMBLING—CASINOS

Amends "Casino Control Act" concerning casino-hotel facilities requirements.

ASSEMBLY, No. 3431
STATE OF NEW JERSEY

INTRODUCED NOVEMBER 13, 1986

By Assemblymen KLINE and RILEY

AN ACT to amend and supplement the "Casino Control Act,"
approved June 2, 1977 (P. L. 1977, c. 110).

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

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

3 7. "Casino Employee"—Any natural person employed in the
4 operation of a licensed casino, *other than a person included in the*
5 *definition of casino key employee, whose employment duties in-*
6 *volve the conduct of gaming or require or authorize access to*
7 *restricted casino areas, including, without limitation, boxmen:*
8 *dealers or croupiers; floormen; machine mechanics; casino security*
9 *employees; [and bartenders, waiters and waitresses or other per-*
10 *sons whose employment duties require or authorize access to the*
11 *casino but who are not included in the definition of casino hotel*
12 *employee, casino key employee, or principal employee at herein-*
13 *after stated] count room personnel; cage personel; slot machine*
14 *and slot booth personnel; collection personnel; casino surveillance*
15 *personnel; and data processing personnel.*

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

3 8. "Casino Hotel Employee"—Any natural person employed
4 [by a casino hotel licensed under this act to perform service or
5 custodial duties not directly related to the operations of the casino,
6 including, without limitation, bartenders, waiters, waitresses,
7 maintenance personnel, kitchen staff, but whose employment duties

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is not enacted and is intended to be omitted in the law.**

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8 do not require or authorize access to the casino] *to perform services*
 9 *or duties in the conduct of the business of an approved hotel, or to*
 10 *perform services or duties in a licensed casino which do not involve*
 11 *the conduct of gaming or do not require or authorize access to*
 12 *restricted casino areas; and not included in the definitions of casino*
 13 *employee and casino key employee.*

1 3. (New section) "Restricted Casino Areas"—The cashier's cage,
 2 the soft count room, the hard count room, the slot cage booths and
 3 runway areas, the interior of a table game pit when the table game
 4 is in operation, the surveillance room and catwalk areas, and the
 5 slot machine repair room.

1 4. This act shall take effect immediately.

STATEMENT

This bill revises the definitions of "casino employee" and "casino hotel employee."

At present, licensure as a casino employee is required of all those employed in the operation of a casino (below those at the supervisory level, who must be licensed as casino key employees) and of bartenders, waiters, waitresses, and others whose duties require or authorize access to the casino (e.g., custodial staff). This results in the application of strict licensing requirements for employees who, in reality, have no more access to gaming transactions than the general public.

This bill limits the requirement for licensure as a "casino employee" to those employees whose duties involve the conduct of gaming or require or authorize access to "restricted casino areas." It specifically categorizes as casino hotel employees those employees whose duties or services do not involve the conduct of gaming or do not require or authorize access to "restricted casino areas." Casino hotel employees are required to be registered with the Casino Control Commission rather than licensed by the commission.

GAMBLING—CASINOS

Revises definitions of casino employee and casino hotel employee.

ASSEMBLY, No. 3566

STATE OF NEW JERSEY

INTRODUCED DECEMBER 18, 1986

By Assemblymen ARANGO and MUZIANI

AN ACT concerning casinos, amending P. L. 1977, c. 110, P. L. 1978,
c. 7 and P. L. 1980, c. 69, and repealing section 11 of P. L. 1978,
c. 7.

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

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

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

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

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

8 (1) The tourist, resort and convention industry of this State
9 constitutes a critical component of its economic structure and, if
10 properly developed, controlled and fostered, is capable of providing
11 a substantial contribution to the general welfare, health and pros-
12 perity of the State and its inhabitants.

13 (2) By reason of its location, natural resources and worldwide
14 prominence and reputation, the city of Atlantic City and its resort,
15 tourist and convention industry represent a critically important
16 and valuable asset in the continued viability and economic strength
17 of the tourist, convention and resort industry of the State of New
18 Jersey.

19 (3) The rehabilitation and redevelopment of existing tourist and
20 convention facilities in Atlantic City, and the fostering and en-

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is not enacted and is intended to be omitted in the law.

Matter printed in italics thus is new matter.

21 couragement of new construction and the replacement of lost con-
22 vention, tourist, entertainment and cultural centers in Atlantic City
23 will offer a unique opportunity for the inhabitants of the entire
24 State to make maximum use of the natural resources available in
25 Atlantic City for the expansion and encouragement of New Jersey's
26 hospitality industry, and to that end, the restoration of Atlantic
27 City as the Playground of the World and the major hospitality
28 center of the Eastern United States is found to be a program of
29 critical concern and importance to the inhabitants of the State of
30 New Jersey.

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

43 (5) Restricting the issuance of casino licenses to major hotel
44 and convention facilities is designed to assure that the existing
45 nature and tone of the hospitality industry in New Jersey and in
46 Atlantic City is preserved, and that the casino rooms licensed pursu-
47 ant to the provisions of this act are always offered and maintained
48 as an integral element of such hospitality facilities, rather than as
49 the industry unto themselves that they have become in other juris-
50 dictions.

51 (6) An integral and essential element of the regulation and
52 control of such casino facilities by the State rests in the public
53 confidence and trust in the credibility and integrity of the regula-
54 tory process and of casino operations. To further such public
55 confidence and trust, the regulatory provisions of this act are
56 designed to extend strict State regulation to all persons, locations,
57 practices and associations related to the operation of licensed casino
58 enterprises and all related service industries as herein provided.
59 In addition, licensure of a limited number of casino establishments,
60 with the comprehensive law enforcement supervision attendant
61 thereto, is further designed to contribute to the public confidence
62 and trust in the efficacy and integrity of the regulatory process.

63 (7) Legalized casino gaming in New Jersey can attain, maintain
64 and retain integrity, public confidence and trust, and remain
65 compatible with the general public interest only under such a
66 system of control and regulation as insures, so far as practicable,
67 the exclusion from participation therein of persons with known
68 criminal records, habits or associations, and the exclusion or re-
69 moval from any positions of authority or responsibility within
70 casino gaming operations and establishments of any persons known
71 to be so deficient in business probity, ability or experience, either
72 generally or with specific reference to gaming, as to create or en-
73 hance the dangers of unsound, unfair or illegal practices, methods
74 and activities in the conduct of gaming or the carrying on of the
75 business and financial arrangements incident thereto.

76 (8) Since the public has a vital interest in casino operations in
77 Atlantic City and has established an exception to the general policy
78 of the State concerning gaming for private gain, participation in
79 casino operations as a licensee or registrant under this act shall
80 be deemed a revocable privilege conditioned upon the proper and
81 continued qualification of the individual licensee or registrant and
82 upon the discharge of the affirmative responsibility of each such
83 licensee or registrant to provide to the regulatory and investiga-
84 tory authorities established by this act any assistance and informa-
85 tion necessary to assure that the policies declared by this act are
86 achieved. Consistent with this policy, it is the intent of this act to
87 preclude the creation of any property right in any license, registra-
88 tion, certificate or reservation permitted by this act, the accrual of
89 any value to the privilege of participation in gaming operations, or
90 the transfer of any license, registration, certificate, or reservation,
91 and to require that participation in gaming be solely conditioned
92 upon the individual qualifications of the person seeking such
93 privilege.

94 (9) Since casino operations are especially sensitive and in need
95 of public control and supervision, and since it is vital to the inter-
96 ests of the State to prevent entry, directly or indirectly, into such
97 operations or the ancillary industries regulated by this act of
98 persons who have pursued economic gains in an occupational
99 manner or context which are in violation of the criminal or civil
100 public policies of this State, the regulatory and investigatory
101 powers and duties shall be exercised to the fullest extent consistent
102 with law to avoid entry of such persons into the casino operations
103 or the ancillary industries regulated by this act.

104 (10) Since the development of casino gaming operations in
105 Atlantic City will substantially alter the environment of New

106 Jersey's coastal areas, and since it is necessary to insure that this
107 substantial alteration be beneficial to the overall ecology of the
108 coastal areas, the regulatory and investigatory powers and duties
109 conferred by this act shall include, in cooperation with other public
110 agencies, the power and the duty to monitor and regulate casinos
111 and the growth of casino operations to respond to the needs of
112 the coastal areas.

113 (11) The facilities in which licensed casinos are to be located
114 are of vital law enforcement and social interest to the State, and
115 it is in the public interest that the regulatory and investigatory
116 powers and duties conferred by this act include the power and duty
117 to review architectural and site plans to assure that the proposal
118 is suitable by law enforcement, aesthetic and architectural stan-
119 dards.

120 (12) Since the economic stability of casino operations is in the
121 public interest and competition in the casino operations in Atlantic
122 City is desirable and necessary to assure the residents of Atlantic
123 City and of this State and other visitors to Atlantic City varied
124 attractions and exceptional facilities, the regulatory and investi-
125 gatory powers and duties conferred by this act shall include the
126 power and duty to regulate, control and prevent economic concen-
127 tration in the casino operations and the ancillary industries regu-
128 lated by this act, and to encourage and preserve competition.

129 (13) It is in the public interest that the institution of licensed
130 casino establishments in New Jersey be strictly regulated and
131 controlled pursuant to the above findings and pursuant to the
132 provisions of this act, which provisions are designed to engender
133 and maintain public confidence and trust in the regulation of the
134 licensed enterprises, to provide an effective method of rebuilding
135 and redeveloping existing facilities and of encouraging new capital
136 investment in Atlantic City, and to provide a meaningful and per-
137 manent contribution to the economic viability of the resort, con-
138 vention, and tourist industry of New Jersey.

139 (14) Confidence in casino gaming operations is eroded to the
140 extent the State of New Jersey does not provide a regulatory
141 framework for casino gaming that permits and promotes stability
142 and continuity in casino gaming operations.

143 (15) Continuity and stability in casino gaming operations cannot
144 be achieved at the risk of permitting persons with unacceptable
145 backgrounds and records of behavior to control casino gaming
146 operations contrary to the vital law enforcement interest of the
147 State.

148 (16) The aims of continuity and stability and of law enforcement
 149 will best be served by a system in which applicant entities and
 150 investors in those applicant entities can be assured of prompt and
 151 continuous casino operation under certain circumstances wherein
 152 the applicant has not yet been fully licensed, or has had a license
 153 suspended or revoked, as long as control of the applicant's opera-
 154 tion under such circumstances may be placed in the possession of
 155 a person or persons in whom the public may feel a confidence and
 156 a trust.

157 (17) A system [whereby the satisfaction of certain appropriate
 158 criteria, including the execution of a voting trust agreement, per-
 159 mits temporary casino operation prior to licensure and] whereby
 160 the suspension or revocation of casino operations under certain
 161 appropriate circumstances causes the imposition of a conservator-
 162 ship upon the suspended or revoked casino operation serves both
 163 the economic and law enforcement interests involved in casino
 164 gaming operations.

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

3 10. "Casino License"—Any license issued pursuant to this act
 4 which authorizes the holder thereof to own or operate a casino.
 5 [The term "casino license" shall not include a "temporary casino
 6 permit".]

1 3. Section 48 of P. L. 1977, c. 110 (C. 5:12-48) is amended to
 2 read as follows:

3 48. "Work Permit"—[A writing provided by the commission]
 4 *An authorization granted* to a casino licensee [which authorizes]
 5 *for* the employment of a particular casino hotel employee, casino
 6 employee or casino key employee in a particular capacity by a
 7 casino licensee.

1 4. Section 69 of P. L. 1977, c. 110 (C. 5:12-69) is amended to
 2 read as follows:

3 69. Regulations. a. The commission shall be authorized to adopt,
 4 amend, or repeal such regulations, consistent with the policy and
 5 objectives of this act, as it may deem necessary or desirable for
 6 the public interest in carrying out the provisions of this act.

7 b. Such regulations shall be adopted, amended, and repealed in
 8 accordance with the provisions of the "Administrative Procedure
 9 Act." (P. L. 1968, c. 410; C. 52:14B-1 et seq.).

10 c. Any interested person may, *in accordance with the provisions*
 11 *of the "Administrative Procedure Act," P. L. 1968, c. 410 (C.*
 12 *52:14B-1 et seq.),* file a petition with the commission requesting

13 the adoption, amendment or repeal of a regulation. [Such petition
14 shall state clearly and concisely:

15 (1) The substance and nature of the regulation, amendment or
16 repeal requested;

17 (2) The reason for the request; and

18 (3) Reference to the authority of the commission to take the
19 action requested.

20 Upon receipt of the petition, the commission shall schedule the
21 matter for hearing within 90 days and shall render a decision
22 within 30 days after the completion of said hearing.]

23 d. The commission may, in emergency circumstances, summarily
24 adopt, amend or repeal any regulation pursuant to the "Adminis-
25 trative Procedure Act" (P. L. 1968, c. 410; C. 52:14B-1 et seq.).

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

3 74. Minutes and Records. a. The commission shall cause to be
4 made and kept a verbatim record of all proceedings held at public
5 meetings of the commission, which record shall be open to public
6 inspection.

7 A true copy of the minutes of every meeting of the commission
8 and of any regulations finally adopted by the commission shall be
9 forthwith delivered, by and under the certification of the executive
10 secretary, to the Governor, the Secretary of the Senate, and the
11 Clerk of the General Assembly.

12 b. The commission shall keep and maintain a list of all appli-
13 cants for licenses and registrations under this act together with a
14 record of all actions taken with respect to such applicants, which
15 file and record shall be open to public inspection; provided, how-
16 ever, that the foregoing information regarding any applicant
17 whose license or registration has been denied, revoked, or not
18 renewed shall be removed from such list after five years from
19 the date of such action.

20 c. The commission shall maintain such other files and records
21 as may be deemed desirable.

22 d. Except as provided in subsection h. of this section, all in-
23 formation and data required by the commission to be furnished
24 hereunder, or which may otherwise be obtained, relative to the
25 internal controls specified in section 99a. of this act or to the earn-
26 ings or revenue of any applicant, registrant, or licensee shall be
27 considered to be confidential and shall not be revealed in whole or
28 in part except in the course of the necessary administration of this
29 act, or upon the lawful order of a court of competent jurisdiction,
30 or, with the approval of the Attorney General, to a duly authorized
31 law enforcement agency.

32 e. All information and data pertaining to an applicant's criminal
33 record, family, and background furnished to or obtained by the
34 commission from any source shall be considered confidential and
35 **[may]** *shall* be withheld in whole or in part, except that any in-
36 formation shall be released upon the lawful order of a court of
37 competent jurisdiction or, with the approval of the Attorney Gen-
38 eral, to a duly authorized law enforcement agency.

39 f. Notice of the contents of any information or data released,
40 except to a duly authorized law enforcement agency pursuant to
41 subsection d. or e. of this section, **[may]** *shall* be given to any
42 applicant, registrant, or licensee in a manner prescribed by the
43 rules and regulations adopted by the commission.

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

48 h. The following information to be reported periodically to the
49 commission shall not be considered confidential and shall be made
50 available for public inspection:

51 (1) A licensee's operating revenues and expenses from all au-
52 thorized games as herein defined;

53 (2) (a) The dollar amount of patron checks initially accepted by
54 a licensee, (b) the dollar amount of patron checks deposited to the
55 licensee's bank account, (c) the dollar amount of such checks
56 initially dishonored by the bank and returned to the licensee as
57 "uncollected," and (d) the dollar amount ultimately uncollected
58 after all reasonable efforts;

59 (3) The amount of gross revenue tax or investment alternative
60 tax actually paid and the amount of investment, if any, required
61 and allowed, pursuant to section 144 of P. L. 1977, c. 110 (C.
62 5:12-144) and section 3 of P. L. 1984, c. 218 (C. 5:12-144.1);

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

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

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

74 (7) All information and data submitted to the commission re-
75 lating to the licensee's annual revenues and expenditures, includ-
76 ing annual audits.

77 Nothing in this subsection shall be construed to limit access by
78 the public to those forms and documents required to be filed pur-
79 suant to Article 11 of this act.

1 6. Section 82 of P. L. 1977, c. 110 (C. 5:12-82) is amended to
2 read as follows:

3 82. Casino License—Applicant Eligibility. a. No casino shall
4 operate unless all necessary licenses and approvals therefor have
5 been obtained in accordance with law.

6 b. Only the following persons shall be eligible to hold a casino
7 license; and, unless otherwise determined by the commission with
8 the concurrence of the Attorney General which may not be un-
9 reasonably withheld in accordance with subsection c. of this section,
10 each of the following persons shall be required to hold a casino
11 license prior to the operation of a casino in the hotel with respect
12 to which the casino license has been applied for:

13 (1) Any person who either owns an approved hotel building or
14 owns or has a contract to purchase or construct a hotel which in
15 the judgment of the commission can become an approved hotel
16 building within 30 months or within such additional time period
17 as the commission may, upon a showing of good cause therefor,
18 establish;

18a (2) Any person who, whether as lessor or lessee, either leases
18b an approved hotel building or leases or has an agreement to lease
18c a hotel which in the judgment of the commission can become an
18d approved hotel building within 30 months or within such addi-
18e tional time period as the commission may, upon a showing of good
18f cause therefor, establish:

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

22 (4) Any other person who has any control over either an ap-
23 proved hotel building or the land thereunder or the operation
24 of a casino.

25 c. Prior to the operation of the casino, every agreement to lease
26 an approved hotel building or the land thereunder and every
27 agreement for the management of the casino shall be in writing
28 and filed with the commission. No such agreement shall be effective
29 unless expressly approved by the commission. The commission may
30 require that any such agreement include within its terms any
31 provision reasonably necessary to best accomplish the policies of
32 this act. Consistent with the policies of this act:

33 (1) The commission, with the concurrence of the Attorney Gen-
34 eral which may not be unreasonably withheld, may determine that
35 any person who does not have the ability to exercise any signifi-
36 cant control over either the approved hotel building or the opera-
37 tion of the casino contained therein shall not be eligible to hold
38 or required to hold a casino license;

39 (2) The commission, with the concurrence of the Attorney Gen-
40 eral which may not be unreasonably withheld, may determine that
41 any owner, lessor or lessee of an approved hotel building or the
42 land thereunder who does not own or lease the entire approved
43 hotel building shall not be eligible to hold or required to hold
44 a casino license;

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

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

52 (5) As to agreements to lease an approved hotel building or the
53 land thereunder, unless it expressly and by formal vote for good
54 cause determines otherwise, the commission shall require that each
55 party thereto hold either a casino license or casino service industry
56 license and that such an agreement be for a durational term ex-
57 ceeding 30 years, concern 100% of the entire approved hotel build-
58 ing or of the land upon which same is located, and include within
59 its terms a buy-out provision conferring upon the casino licensee-
60 lessee who controls the operation of the approved hotel the abso-
61 lute right to purchase for an expressly set forth fixed sum the
62 entire interest of the lessor or any person associated with the
63 lessor in the approved hotel building or the land thereunder in
64 the event that said lessor or said person associated with the lessor
65 is found by the commission to be unsuitable to be associated with
66 a casino enterprise;

67 (6) The commission shall not permit an agreement for the leas-
68 ing of an approved hotel building or the land thereunder to provide
69 for the payment of an interest, percentage or share of money
70 gambled at the casino or derived from casino gaming activity or
71 of revenues or profits of the casino unless the party receiving pay-
72 ment of such interest, percentage or share is a party to the ap-
73 proved lease agreement: unless each party to the lease agreement
74 holds either a casino license or casino service industry license
75 and unless the agreement is for a durational term exceeding 30

76 years, concerns a significant portion of the entire approved hotel
77 building or of the land upon which same is located, and includes
78 within its terms a buy-out provision conforming to that described
79 in paragraph (5) above;

80 (7) As to agreements for the management of a casino, the com-
81 mission shall require that each party thereto hold a casino license,
82 that the party thereto who is to manage the casino own at least
83 10% of all outstanding equity securities of any casino licensee or
84 of any eligible applicant for a casino license if the said licensee or
85 applicant is a corporation and the ownership of an equivalent
86 interest in any casino licensee or in any eligible applicant for a
87 casino license if same is not a corporation, and that such an
88 agreement be for the complete management of the casino, provide
89 for the **[sale]** sole and unrestricted power to direct the casino
90 operations of the casino which is the subject of the agreement,
91 and be for such a durational term as to assure reasonable con-
92 tinuity, stability and independence in the management of the
93 casino;

94 (8) The commission may permit an agreement for the manage-
95 ment of a casino to provide for the payment to the managing
96 party of an interest, percentage or share of money gambled at
97 the casino or derived from casino gaming activity or of revenues
98 or profits of the casino: and,

99 (9) As to agreements to lease an approved hotel building or the
100 land thereunder, agreements to jointly own an approved hotel
101 building or the land thereunder and agreements for the manage-
102 ment of a casino, the commission shall require that each party
103 thereto shall be jointly and severally liable for all acts, omissions
104 and violations of this act by any party thereto regardless of actual
105 knowledge of such act, omission or violation and notwithstanding
106 any provision in such agreement to the contrary.

107 d. No corporation shall be eligible to apply for a casino license
108 unless the corporation shall:

109 (1) Be incorporated in the State of New Jersey, although such
110 corporation may be a wholly or partially owned subsidiary of a
111 corporation which is organized pursuant to the laws of another
112 state of the United States or of a foreign country;

113 (2) Maintain an office of the corporation in the premises licensed
114 or to be licensed;

115 (3) Comply with all the requirements of the laws of the State
116 of New Jersey pertaining to corporations;

117 (4) Maintain a ledger in the principal office of the corporation
118 in New Jersey which shall at all times reflect the current owner-

119 ship of every class of security issued by the corporation and shall
120 be available for inspection by the commission or the division and
121 authorized agents of the commission and the division at all rea-
122 sonable times without notice:

123 (5) Maintain all operating accounts required by the commission
124 in a bank in New Jersey;

125 (6) Include among the purposes stated in its certificate of in-
126 corporation the conduct of casino gaming and provide that the
127 certificate of incorporation includes all provisions required by
128 this act;

129 (7) If it is not a publicly traded corporation, file with the com-
130 mission such adopted corporate charter or bylaws provisions as
131 may be necessary to establish the right of the commission to
132 approve future transfers of corporate securities, shares, and other
133 interests in the applicant corporation and in any non-publicly
134 traded holding company, intermediary company, or subsidiary
135 thereof; and, if it is a publicly traded corporation, said corpora-
136 tion shall provide in its corporate charter or bylaws that any
137 securities of such corporation are held subject to the condition
138 that if a holder thereof is found to be disqualified by the com-
139 mission pursuant to the provisions of this act, such holder shall
140 dispose of his interest in the corporation; provided, however, that,
141 notwithstanding the provisions of N. J. S. 14A:7-12 and N. J. S.
142 12A:8-101 et seq., nothing herein shall be deemed to require that
143 any security of such corporation bear any legend to this effect; and

144 (8) If it is not a publicly traded corporation, establish to the
145 satisfaction of the commission that appropriate charter or bylaw
146 provisions create the absolute right of such non-publicly traded
147 corporations and companies to repurchase at the market price or
148 the purchase price, whichever is the lesser, any security, share or
149 other interest in the corporation in the event that the commission
150 disapproves a transfer in accordance with the provisions of this act.

151 e. No person shall be issued or be the holder of more than three
152 casino licenses. For the purpose of this subsection a person shall be
153 considered the holder of a casino license if such license is issued to
154 such person or if such license is held by any holding, intermediary
155 or subsidiary company thereof, or by any officer, director, casino
156 key employee or principal employee of such person, or of any
157 holding, intermediary or subsidiary company thereof.

1 7. Section 84 of P. L. 1977, c. 110 (C. 5:12-84) is amended to
2 read as follows:

3 **84. Casino License—Applicant Requirements.** Any applicant for
4 a casino license must produce information, documentation and

5 assurances concerning the following qualification criteria:

6 a. Each applicant shall produce such information, documenta-
7 tion and assurances concerning financial background and resources
8 as may be required to establish by clear and convincing evidence
9 the financial stability, integrity and responsibility of the applicant,
10 including but not limited to bank references, business and personal
11 income and disbursement schedules, tax returns and other reports
12 filed with governmental agencies, and business and personal ac-
13 counting and chek records and ledgers. In addition, each appli-
14 cant shall, in writing, authorize the examination of all bank
15 accounts and records as may be deemed necessary by the com-
16 mission or the division.

17 b. Each applicant shall produce such information, documenta-
18 tion and assurances as may be necessary to establish by clear and
19 convincing evidence the integrity **[and reputation]** of all financial
20 backers, investors, mortgagees, bond holders, and holders of in-
21 dentures, notes or other evidences of indebtedness, either in effect
22 or proposed, which bears any relation to the casino proposal sub-
23 mitted by the applicant or applicants. The **[reputation and]** in-
24 tegrity of financial sources shall be judged upon the same stan-
25 dards as the applicant. In addition, the applicant shall produce
26 whatever information, documentation or **[assurance]** *assurances*
27 may be required to establish by clear and convincing evidence the
28 adequacy of financial resources both as to the completion of the
29 casino proposal and the operation of the casino.

30 c. Each applicant shall produce such information, documenta-
31 tion and assurances **[of good character]** as may be required to
32 establish by clear and convincing evidence the applicant's good
33 **[reputation for]** *character*, honesty and integrity. Such informa-
34 tion shall include, without limitation, information pertaining to
35 family, habits, character, *reputation*, criminal and arrest record,
36 business activities, financial affairs, and business, professional and
37 personal associates, covering at least the 10-year period immedi-
38 ately preceding the filing of the application. Each applicant shall
39 notify the commission of any civil judgments obtained against
40 any such applicant pertaining to antitrust or security regulation
41 laws of the federal government, of this State or of any other
42 state, jurisdiction, province or country. In addition, each applicant
43 shall produce letters of reference from law enforcement agencies
44 having jurisdiction in the applicant's place of residence and prin-
45 cipal place of business, which letters of reference shall indicate
46 that such law enforcement agencies do not have any pertinent
47 information concerning the applicant, or if such law enforcement

48 agency does have information pertaining to the applicant, shall
49 specify what the information is. If the applicant has conducted
50 gaming operations in a jurisdiction which permits such activity,
51 the applicant shall produce letters of reference from the gaming
52 or casino enforcement or control agency which shall specify the
53 experiences of such agency with the applicant, his associates, and
54 his gaming operation; provided, however, that if no such letters
55 are received within 60 days of request therefor, the applicant may
56 submit a statement under oath that he is or was during the period
57 such activities were conducted in good standing with such gaming
58 or casino enforcement or control agency.

59 d. Each applicant shall produce such information, documenta-
60 tion and assurances as may be required to establish by clear and
61 convincing evidence that the applicant has sufficient business abil-
62 ity and casino experience as to establish the likelihood of creation
63 and maintenance of a successful, efficient casino operation. The
64 applicant shall produce the names of all proposed casino key
65 employees as they become known and a description of their respec-
66 tive or proposed responsibilities, and a full description of security
67 systems and management controls proposed for the casino and
68 related facilities.

69 e. Each applicant shall produce such information, documenta-
70 tion and assurances to establish to the satisfaction of the com-
71 mission the suitability of the casino and related facilities and its
72 proposed location, and that the proposal will not adversely affect
73 casino operations or overall environmental conditions. Each appli-
74 cant shall submit an impact statement which shall include, with-
75 out limitation, architectural and site plans which establish that
76 the proposed facilities comply in all respects with the require-
77 ments of this act, the requirements of the master plan and zoning
78 and planning ordinances of Atlantic City, without any use vari-
79 ance from the provisions thereof, and the requirements of the
80 "Coastal Area Facility Review Act," P. L. 1973, c. 185 (C. 13:19-1
81 et seq.), a market impact study which analyzes the adequacy of
82 the patron market and the effect of the proposal on such market
83 and on the existing casino facilities licensed under this act; and an
84 analysis of the effect of the proposal on the overall environment,
85 including, without limitation, economic, social, demographic and
86 competitive conditions as well as the natural resources of Atlantic
87 City and the State of New Jersey.

1 8. Section 89 of P. L. 1977, c. 110 (C. 5:12-89) is amended to
2 read as follows:

3 89. Licensing of Casino Key Employees. a. No person may be
4 employed as a casino key employee unless he is the holder of a
5 valid casino key employee license issued by the commission.

6 b. Each applicant must, prior to the issuance of any casino key
7 employee license, produce information, documentation and assur-
8 ances concerning the following qualification criteria:

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

19 (2) Each applicant for a casino key employee license shall pro-
20 duce such information, documentation and assurances as may be
21 required to establish by clear and convincing evidence the appli-
22 cant's [reputation for] good character, honesty and integrity.
23 Such information shall include, without limitation, data pertaining
24 to family, habits, character, *reputation*, criminal and arrest record,
25 business activities, financial affairs, and business, professional and
26 personal associates, covering at least the 10-year period immedi-
27 ately preceding the filing of the application. Each applicant shall
28 notify the commission of any civil judgments obtained against
29 such applicant pertaining to antitrust or security regulation laws
30 of the federal government, of this State or of any other state,
31 jurisdiction, province or country. In addition, each applicant shall,
32 upon request of the commission or the division, produce letters
33 of reference from law enforcement agencies having jurisdiction
34 in the applicant's place of residence and principal place of busi-
35 ness, which letters of reference shall indicate that such law en-
36 forcement agencies do not have any pertinent information con-
37 cerning the applicant, or if such law enforcement agency does
38 have information pertaining to the applicant, shall specify what
39 that information is. If the applicant has been associated with
40 gaming or casino operations in any capacity, position or employ-
41 ment in a jurisdiction which permits such activity, the applicant
42 shall, upon request of the commission or division, produce letters
43 of reference from the gaming or casino enforcement or control
44 agency, which shall specify the experience of such agency with

45 the applicant, his associates and his participation in the gaming
46 operations of that jurisdiction; provided, however, that if no such
47 letters are received from the appropriate law enforcement agencies
48 within 60 days of the applicant's request therefor, the applicant
49 may submit a statement under oath that he is or was during the
50 period such activities were conducted in good standing with such
51 gaming or casino enforcement or control agency.

52 (3) Each applicant shall produce such information, documen-
53 tation and assurances as may be required to establish by clear and
54 convincing evidence that the applicant has sufficient business
55 ability and casino experience as to establish the reasonable like-
56 lihood of success and efficiency in the particular position involved.

57 (4) Each applicant shall be a resident of the State of New
58 Jersey prior to the issuance of a casino key employee license;
59 provided, however, that upon petition by the holder of a casino
60 license, the commission may waive this residency requirement
61 for any applicant whose particular position will require him to
62 be employed outside the State.

63 The commission may also, by regulation, require that all appli-
64 cants for casino key employee licenses be residents of this State
65 for a period not to exceed six months immediately prior to the
66 issuance of such license, but application may be made prior to the
67 expiration of the required period of residency. The commission
68 shall, by resolution, waive the required residency period for an
69 applicant upon a showing that the residency period would cause
70 undue hardship upon the casino licensee which intends to employ
71 said applicant, or upon a showing of other good cause.

72 c. The commission shall endorse upon any license issued here-
73 under the particular positions as defined by this act or by regula-
74 tion which the licensee is qualified to hold.

75 d. The commission shall deny a casino key employee license to
76 any applicant who is disqualified on the basis of the criteria con-
77 tained in section 86 of this act.

78 e. Upon petition by the holder of a casino license [or the holder
79 of a temporary casino permit], the commission may, no earlier
80 than 30 days after the date of the petition, issue a temporary
81 license to an applicant for a casino key employee license, pro-
82 vided that:

83 (1) The applicant for the casino key employee license has filed
84 a complete application as required by the commission:

85 (2) The division certifies to the commission that the complete
86 casino key employee license application as specified in paragraph

87 (1) of this subsection has been in the possession of the division for
88 at least 30 days;

89 (3) The information provided by the applicant indicates that
90 the applicant meets the requirements of subsection b. (3) of this
91 section;

92 (4) The petition for a temporary casino key employee license
93 certifies, and the commission finds, that an existing casino key
94 employee position of the petitioner is vacant and that the issuance
95 of a temporary key employee license is necessary to fill the said
96 vacancy on an emergency basis to continue the efficient operation
97 of the casino, and that such circumstances are extraordinary and
98 not designed to circumvent the normal licensing procedures of
99 this act;

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

102 In the event that an applicant for a casino key employee license
103 is the holder of a valid casino employee license issued pursuant to
104 section 90 of this act, and if the provisions of paragraphs (1), (2),
105 (3), and (5) of this subsection are satisfied, the commission may
106 issue a temporary casino key employee license upon petition by the
107 holder of a casino license [or the holder of a temporary casino
108 permit], if the commission finds the issuance of a casino key
109 employee license will be delayed by necessary investigations and
110 the said temporary casino key employee license is necessary for
111 the operation of the casino.

112 Unless otherwise terminated pursuant to this act, any tempo-
113 rary casino key employee license issued pursuant to this subsection
114 shall expire six months from the date of its issuance; and shall be
115 renewable by the commission, in the absence of objection by the
116 division as specified in paragraph (5) of this subsection, for one
117 additional three-month period.

1 9. Section 106 of P. L. 1977, c. 110 (C. 5:12-106) is amended
2 to read as follows:

3 106. Work Permits. a. A casino licensee shall not appoint or
4 employ any person not registered or not possessing a current and
5 valid license permitting such appointment or employment. [Prior
6 to the effective date of such appointment or employment, the]
7 A casino licensee shall, *in accordance with the rules of the com-*
8 *mission*, apply for a work permit for *each* such employee, which
9 shall be granted [by the commission] if the employee is [regis-
10 tered or is] the holder of a current and valid *registration or*
11 *license which permits employment in the position to be held.* [The

12 casino licensee shall return such work permit to the commission
 13 within five days of the termination or cessation of such appoint-
 14 ment or employment for any cause whatsoever. Each work permit
 15 shall be renewed annually in accordance with rules and regulations
 16 promulgated by the commission.

17 b. A casino licensee shall, within 24 hours of receipt of written
 18 notice thereof, terminate the appointment or employment of any
 19 person whose license or registration has been revoked or has
 20 expired. A casino licensee shall comply in all respects with any
 21 order of the commission imposing limitations or restrictions upon
 22 the terms of employment or appointment in the course of any in-
 23 vestigation or hearing.

1 10. Section 117 of P. L. 1977, c. 110 (C. 5:12-117) is amended
 2 to read as follows:

3 117. Employment Without License, Registration, or Work
 4 Permit: Penalty.

5 a. Any person who, without obtaining the requisite license or
 6 registration as provided in this act, works or is employed in a
 7 position whose duties would require licensing or registration under
 8 the provisions of this act is guilty of a misdemeanor and subject
 9 to not more than three years' imprisonment or a fine of \$10,000.00
 10 or both, and in the case of a person other than a natural person,
 11 to a fine of not more than \$50,000.00.

12 b. Any person who employs or continues to employ an indi-
 13 vidual not duly licensed or registered under the provisions of this
 14 act in a position whose duties require a license or registration
 15 under the provisions of this act is guilty of a misdemeanor and
 16 subject to not more than three years' imprisonment or a fine of
 17 \$10,000.00 or both, and in the case of a person other than a natural
 18 person, to a fine of not more than \$50,000.00.

19 c. Any person who employs an individual without obtaining a
 20 work permit [or does not return such permit] as required by
 21 this act, is guilty of a misdemeanor and subject to a fine of not
 22 more than \$10,000.00, and in the case of a person other than a
 23 natural person, to a fine of not more than \$50,000.00.

24 d. Any person violating the provisions of subsection 101 e. of
 25 this act shall be guilty of a misdemeanor, and shall be subject to
 26 imprisonment for not more than seven years or a fine of not more
 27 than \$25,000.00, or both. Any licensee permitting or allowing such
 28 a violation shall also be punishable under this subsection, in addi-
 29 tion to any other sanctions the commission may impose.

1 11. Section 5 of P. L. 1980, c. 69 (C. 5:12-117.1) is amended
 2 to read as follows:

3 5. a. No applicant or person or organization licensed by or
 4 registered with the commission shall employ or offer to employ
 5 any person who is prohibited from accepting employment from
 6 a licensee or applicant or any holding or intermediary company
 7 under [subsection b. of section 5 of P. L. 1971, c. 182 (C.
 8 52:13D-16) or section 3 of P. L. 1981, c. 142] *section 4 of P. L.*
 9 *1981, c. 142 (C. 52:13D-17.2).*

10 b. An applicant or person or organization who violates the
 11 provisions of this section is guilty of a crime of the fourth degree.

1 12. Section 120 of P. L. 1977, c. 110 (C. 5:12-120) is amended
 2 to read as follows:

3 120. Prohibited Political Contributions; Penalty. Any person
 4 who makes or causes to be made a political contribution prohibited
 5 by the provisions of this act[, or files or causes to be filed any
 6 report of political contributions which misstates or omits any
 7 material fact with respect to such contribution] is guilty of a
 8 misdemeanor and subject to not more than three years imprison-
 9 ment or a fine of \$100,000.00 or both, and in the case of a person
 10 other than a natural person, to a fine of not more than \$250,000.00.

1 13. Section 123 of P. L. 1977, c. 110 (C. 5:12-123) is amended
 2 to read as follows:

3 123. Continuing Offenses. a. A violation of any of the provisions
 4 of this act *which is an offense of a continuing nature* shall be
 5 deemed to be a separate offense on each day during which it occurs.
 6 *Nothing herein shall be deemed to preclude the commission of*
 7 *multiple violations within a day of those provisions of this act*
 8 *which establish offenses consisting of separate and distinct acts.*

9 b. Any person who aids, abets, counsels, commands, induces,
 10 procures or causes another to violate a provision of this act is
 11 punishable as a principal and subject to all sanctions and penalties,
 12 both civil and criminal, provided by this act.

1 14. Section 124 of P. L. 1977, c. 110 (C. 5:12-124) is amended
 2 to read as follows:

3 124. Exemption from Gambling Statutes. The provisions of
 4 N. J. S. 2A:40-1[, 2A:112-1 and 2A:112-2] shall not apply to any
 5 person who, as a licensee operating pursuant to the provisions of
 6 this act, or as a player in any game authorized pursuant to the
 7 provisions of this act, engages in gaming as authorized herein.

1 15. Section 31 of P. L. 1978, c. 7 (C. 5:12-130.1) is amended
 2 to read as follows:

3 31. Institution of Conservatorship and Appointment of Con-
 4 servators.

5 a. Notwithstanding any other provision of the Casino Control
 6 Act, (1) upon the revocation of a casino license, (2) upon, in the
 7 discretion of the commission, the suspension of a casino license or
 8 operation certificate for a period of in excess of 120 days, or
 9 (3) upon the failure or refusal to renew a casino license, and
 10 notwithstanding the pendency of any appeal therefrom, the com-
 11 mission shall appoint and constitute a conservator to, among other
 12 things, take over and into his possession and control all the
 13 property and business of the licensee relating to the casino and the
 14 approved hotel; provided, however, that this subsection shall not
 15 apply in any instance in which the casino in the casino hotel
 16 facility for which the casino license had been issued has not been,
 17 in fact, in operation and open to the public, and provided further
 18 that no person shall be appointed as conservator unless the com-
 19 mission is satisfied that he is individually qualified according to
 20 the standard applicable to casino key employees, except that casino
 21 experience shall not be necessary for qualification.

22 b. [Notwithstanding any other provision of the Casino Control
 23 Act, (1) upon, in the discretion of the commission, the expiration
 24 of a temporary casino permit, except in those instances where
 25 (a) a casino license has been issued, or (b) a casino license has
 26 not been issued because of the inaction of the commission, (2)
 27 upon the revocation of a temporary casino permit, (3) upon, in the
 28 discretion of the commission, the suspension of a temporary casino
 29 permit or operation certificate for a period of in excess of 60 days,
 30 or (4) upon the denial of a casino license to a temporary casino
 31 permittee, and notwithstanding the pendency of any appeal there-
 32 from, the commission shall appoint and constitute a conservator to,
 33 among other things, take over and into his possession and control
 34 all the property and business of the temporary casino permittee
 35 relating to the casino and the approved hotel; provided, however,
 36 that this subsection shall not apply in any instance in which the
 37 casino in the casino hotel facility for which the temporary casino
 38 permit has been issued has not been, in fact, in operation and open
 39 to the public, and provided further that no person shall be ap-
 40 pointed as conservator unless the commission is satisfied that he
 41 is individually qualified according to the standard applicable to
 42 casino key employees, except that casino experience shall not be
 43 necessary for qualification]. (*Deleted by amendment, P. L. . . .*,
 44 c. . . .)

45 c. The commission may proceed in a conservatorship action in a
 46 summary manner or otherwise and shall have the power to appoint
 47 and remove one or more conservators and to enjoin the former

48 or suspended licensee **[or permittee]** from exercising any of its
 49 privileges and franchises, from collecting or receiving any debts
 50 and from paying out, selling, assigning or transferring any of its
 51 property to other than a conservator, except as the commission
 52 may otherwise order. The commission shall have such further
 53 powers as shall be appropriate for the fulfillment of the pur-
 54 poses of this act.

55 d. Every conservator shall, before assuming his duties, execute
 56 and file a bond for the faithful performance of his duties payable
 57 to the commission in the office of the commission with such surety
 58 or sureties and in such form as the commission shall approve and
 59 in such amount as the commission shall prescribe.

60 e. When more than one conservator is appointed pursuant to
 61 this section, the provisions of this article applicable to one con-
 62 servator shall be applicable to all; the debts and property of the
 63 former or suspended licensee **[or permittee]** may be collected
 64 and received by any of them; and the powers and rights conferred
 65 upon them shall be exercised by a majority of them.

1 16. Section 32 of P. L. 1978, c. 7 (C. 5:12-130.2) is amended to
 2 read as follows:

3 32. Powers, Authorities and Duties of Conservators.

4 a. Upon his appointment, the conservator shall become vested
 5 with the title of all the property of the former or suspended licensee
 6 **[or permittee]** relating to the casino and the approved hotel, sub-
 7 ject to any and all valid liens, claims, and encumbrances. The
 8 conservator shall have the duty to conserve and preserve the assets
 9 so acquired to the end that such assets shall continue to be operated
 10 on a sound and businesslike basis.

11 b. Subject to the general supervision of the commission and
 12 pursuant to any specific order it may deem appropriate, a con-
 13 servator shall have power to:

14 (1) Take into his possession all the property of the former or
 15 suspended licensee **[or permittee]** relating to the casino and the
 16 approved hotel, including its books, records and papers;

17 (2) Institute and defend actions by or on behalf of the former
 18 or suspended licensee **[or permittee]**;

19 (3) Settle or compromise with any debtor or creditor of the
 20 former or suspended licensee **[or permittee]**, including any taxing
 21 authority;

22 (4) Continue the business of the former or suspended licensee
 23 **[or permittee]** and to that end enter into contracts, borrow money

24 and pledge, mortgage or otherwise encumber the property of the
25 former or suspended licensee [or permittee] as security for the
26 repayment of the conservator's loans; provided, however, that such
27 power shall be subject to any provisions and restrictions in any
28 existing credit documents;

29 (5) Hire, fire and discipline employees;

30 (6) Review all outstanding agreements to which the former or
31 suspended licensee [or permittee] is a party that fall within the
32 purview of section 104b. of P. L. 1977, c. 110 (C. 5:12-104b.) and
33 advise the commission as to which, if any, of such agreements
34 should be the subject of scrutiny, examination or investigation by
35 the commission; and

36 (7) Do all further acts as shall best fulfill the purposes of the
37 Casino Control Act.

38 c. Except during the pendency of a suspension or during the
39 pendency of any appeal from any action or event set forth in
40 section 31 a. [or b.] of this amendatory and supplementary act
41 which precipitated the conservatorship or in instances in which
42 the commission finds that the interests of justice so require, the
43 conservator, subject to the prior approval of and in accordance
44 with such terms and conditions as may be prescribed by the com-
45 mission, and after appropriate prior consultation with the former
46 licensee [or permittee] as to the reasonableness of such terms and
47 conditions, shall endeavor to and be authorized to sell, assign,
48 convey or otherwise dispose of in bulk, subject to any and all valid
49 liens, claims, and encumbrances, all the property of a former
50 licensee [or permittee] relating to the casino and the approved
51 hotel only upon prior written notice to all creditors and other
52 parties in interest and only to such persons who shall be eligible
53 to apply for and shall qualify as a casino licensee [or temporary
54 casino permittee] in accordance with the provisions of the Casino
55 Control Act. Prior to any such sale, the former licensee [or per-
56 mittee] shall be granted, upon request, a summary review by the
57 commission of such proposed sale.

58 d. The commission may direct that the conservator, for an
59 indefinite period of time, retain the property and continue the
60 business of the former or suspended licensee [or permittee] re-
61 lating to the casino and the approved hotel. During such period
62 of time or any period of operation by the conservator, he shall pay
63 when due, without in any way being personally liable, all secured
64 obligations and shall not be immune from foreclosure or other legal
65 proceedings to collect the secured debt, nor with respect thereto

66 shall such conservator have any legal rights, claims, or defenses
 67 other than those which would have been available to the former or
 68 suspended licensee **[or permittee]**.

1 17. Section 34 of P. L. 1978, c. 7 (C. 5:12-130.4) is amended to
 2 read as follows:

3 34. Assumption of Outstanding Debts. As an incident of its prior
 4 approval pursuant to section 32c. of this amendatory and supple-
 5 mentary act of the sale, assignment, conveyance or other disposition
 6 in bulk of all property of the former licensee **[or permittee]**
 7 relating to the casino and the approved hotel, the commission may,
 8 in its discretion, require that the purchaser thereof assume in a
 9 form and substance acceptable to the commission all of the out-
 10 standing debts of the former licensee **[or permittee]** that arose
 11 from or were based upon the operation of either or both the casino
 12 or the approved hotel.

1 18. Section 35 of P. L. 1978, c. 7 (C. 5:12-130.5) is amended to
 2 read as follows:

3 35. Payment of Net Earnings During the Period of the Con-
 4 servatorship. No payment of net earnings during the period of
 5 the conservatorship may be made by the conservator without the
 6 prior approval of the commission, which may, in its discretion, di-
 7 rect that all or any part of same be paid either to the suspended or
 8 former licensee **[or permittee]** or to the Casino Revenue Fund
 9 in accordance with regulations of the commission; provided, how-
 10 ever, that the former or suspended licensee **[or permittee]** shall
 11 be entitled to a fair rate of return out of net earnings, if any,
 12 during the period of the conservatorship on the property retained
 13 by the conservator, taking into consideration that which amounts
 14 to a fair rate of return in the casino industry or the hotel industry,
 15 as the case may be.

1 19. Section 35A of P. L. 1978, c. 7 (C. 5:12-130.6) is amended to
 2 read as follows:

3 35A. Payments Following a Bulk Sale. Following any sale,
 4 assignment, conveyance or other disposition in bulk of all the
 5 property subject to the conservatorship, the net proceeds there-
 6 from, if any, after payment of all obligations owing to the State
 7 of New Jersey and any political subdivision thereof and of those
 8 allowances set forth in section 33 of this amendatory and supple-
 9 mentary act, shall be paid by the conservator to the former or
 10 suspended licensee **[or permittee]**.

1 20. Section 37 of P. L. 1978, c. 7 (C. 5:12-130.8) is amended to
 2 read as follows:

3 37. Discontinuation of a Conservatorship.

4 a. The commission shall direct the discontinuation of any
5 conservatorship action instituted pursuant to section 31 of this
6 amendatory and supplementary act when the conservator has,
7 pursuant to subsection 32 of this amendatory and supplementary
8 act and with the prior approval of the commission, consummated
9 the sale, assignment, conveyance or other disposition in bulk of
10 all the property of the former licensee **【or permittee】** relating to
11 the casino and the approved hotel.

12 b. The commission may direct the discontinuation of any such
13 conservatorship action when it determines that for any reason the
14 cause for which the action was instituted no longer exists.

15 c. Upon the discontinuation of the conservatorship action and
16 with the approval of the commission, the conservator shall take
17 such steps as may be necessary in order to effect an orderly
18 transfer of the property of the former or suspended licensee **【or**
19 **permittee】**.

20 d. The sale, assignment, transfer, pledge or other disposition of
21 the securities issued by a former or suspended licensee **【or per-**
22 **mittee】** during the pendency of a conservatorship action instituted
23 pursuant to this article shall neither divest, have the effect of
24 divesting, nor otherwise affect the powers conferred upon a con-
25 servator by this amendatory and supplementary act.

1 21. Section 134 of P. L. 1977, c. 110 (C. 5:12-134) is amended
2 to read as follows:

3 134. Equal Employment Opportunity; Requirements of License.

4 a. Each applicant at the time of submitting architectural plans
5 or site plans to the commission for approval of proposed con-
6 struction, renovation or reconstruction of any structure or facility
7 to be used as an approved hotel or casino shall accompany same
8 with a written guaranty that all contracts and subcontracts to be
9 awarded in connection therewith shall contain appropriate pro-
10 visions by which contractors and subcontractors or their assignees
11 agree to afford an equal employment opportunity to all prospective
12 employees and to all actual employees to be employed by the con-
13 tractor or subcontractor in accordance with an affirmative action
14 program approved by the commission and consonant with the pro-
15 visions of the "Law Against Discrimination," P. L. 1945, c. 169
16 (C. 10:5-1 et seq.). On and after the effective date of this amenda-
17 tory act an applicant shall also be required to demonstrate that
18 equal employment opportunities in accordance with the aforesaid
19 affirmative-action program in compliance with P. L. 1945, c. 169
20 have been afforded to all prospective employees and to all actual

21 employees employed by a contractor or subcontractor in connection
22 with the actual construction, renovation or reconstruction of any
23 structure or facility to be used as an approved hotel or casino
24 prior to submission of architectural plans or site plans to the com-
25 mission.

26 b. No license shall be issued by the commission to any applicant,
27 including a casino service industry as defined in section 12 of this
28 act, who has not agreed to afford an equal employment opportunity
29 to all prospective employees in accordance with an affirmative-
30 action program approved by the commission and consonant with
31 the provisions of the "Law Against Discrimination," P. L. 1945,
32 c. 169 (C. 10:5-1 et seq.).

33 c. Each applicant shall formulate for commission approval and
34 abide by an affirmative-action program of equal opportunity
35 whereby the applicant guarantees to provide equal employment
36 opportunity to rehabilitated offenders eligible under **[section]**
37 *sections 90 and 91* of this act and members of minority groups
38 qualified for licensure in all employment categories, including the
39 handicapped, in accordance with the provisions of the "Law Against
40 Discrimination," P. L. 1945, c. 169 (C. 10:5-1 et seq.), except in
41 the case of the mentally handicapped, if it can be clearly shown
42 that such handicap would prevent such person from performing
43 a particular job.

44 d. Any license issued by the commission in violation of this sec-
45 tion shall be null and void.

1 22. Section 142 of P. L. 1977, c. 110 (C. 5:12-142) is amended
2 to read as follows:

3 142. Work Permit Fee. The commission shall, by regulation,
4 establish annual fees for the issuance and renewal of work permits
5 **[for the various classes of employees]**, which fees shall be pay-
6 able by the employer licensee.

1 23. Section 11 of P. L. 1978, c. 7 (C. 5:12-47.1) is repealed.

1 24. This act shall take effect immediately.

STATEMENT

This bill amends the "Casino Control Act" to eliminate outdated references and make other technical corrections and to conform the provisions of the statute to current practice or interpretation by the courts.

The bill eliminates references to temporary casino permits, which were terminated in 1983; revises work permit requirements; conforms certain procedures with those required under the "Admin-

istative Procedure Act”; mandates the confidentiality of applicant information; requires an applicant for licensure to prove good character and not simply the reputation for it; and clarifies what constitutes continuing offenses. The section of law defining “temporary casino permit” is repealed.

GAMBLING—CASINOS

Amends “Casino Control Act” to update act and make technical corrections.

ASSEMBLY, No. 3567
STATE OF NEW JERSEY

INTRODUCED DECEMBER 18, 1986

By Assemblymen SCHUBER and DiGAETANO

AN ACT to amend the "Casino Control Act," approved June 2, 1977
(P. L. 1977, c. 110).

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

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

3 54. Organization and Employees. a. The commission may estab-
4 lish, and from time to time alter, such plan of organization as it
5 may deem expedient, and may incur expenses within the limits of
6 funds available to it.

7 b. The commission shall elect annually by a majority of the full
8 commission one of its members, other than the chairman, to serve
9 as vice-chairman for the ensuing year. The vice-chairman shall
10 be empowered to carry out all of the responsibilities of the chair-
11 man as prescribed in this act during his absence, disqualification,
12 or inability to serve.

13 c. The commission shall appoint an executive secretary who shall
14 serve at its pleasure and shall be responsible for the conduct of its
15 administrative affairs. No person shall be eligible for such appoint-
16 ment unless he shall have at least 5 years of responsible experience
17 in public or business administration or possesses broad manage-
18 ment skills. **[The salary of the executive secretary shall be fixed**
19 **by the commission, but shall not exceed \$55,000.00.]**

20 d. The commission may employ such other personnel as it deems
21 necessary. All employees of the commission, except for secretarial
22 and clerical personnel, shall be in the unclassified service of the

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

Matter printed in italics thus is new matter.

23 Civil Service. All employees of the commission shall be deemed
 24 confidential employees for the purposes of the "New Jersey Em-
 25 ployer-Employee Relations Act" (P. L. 1941, c. 100; C. 34:13A-1
 26 et seq.), as amended. Notwithstanding the provisions of any other
 27 law to the contrary, the commission may employ legal counsel who
 28 shall represent the commission in any proceeding to which it is
 29 a party, and who shall render legal advice to the commission upon
 30 its request. The commission may contract for the services of other
 31 professional, technical and operational personnel and consultants
 32 as may be necessary to the performance of its responsibilities
 33 under this act. Members and employees of the commission shall
 34 be enrolled in the Public Employees' Retirement System of New
 35 Jersey (P. L. 1954, c. 84; C. 43:15A-1 et seq.).

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

3 58. Restrictions on Pre-Employment by Commissioners, Commis-
 4 sion Employees and Division Employees and Agents. a. Deleted
 5 by amendment.

6 b. No person shall be appointed to or employed by the commis-
 7 sion or division if, during the period commencing 3 years prior
 8 to appointment or employment, said person held any direct or in-
 9 direct interest in, or any employment by, any person which is
 10 licensed as a casino [hotel] licensee pursuant to section 87 of P. L.
 11 1977, c. 110 (C. 5:12-87) or as a casino service industry pursuant to
 12 subsection a. of section 92 of P. L. 1977, c. 110 (C. 5:12-92a.) or
 13 has an application for such a license pending before the commission;
 14 provided, however, that notwithstanding any other provision of this
 15 act to the contrary, any such person may be appointed to or em-
 16 ployed by the commission or division if his interest in any such
 17 casino [hotel] licensee or casino service industry which is publicly
 18 traded would not, in the opinion of the employing agency, interfere
 19 with the objective discharge of such person's employment obliga-
 20 tions, but in no instance shall any person be appointed to or em-
 21 ployed by the commission or division if his interest in such a casino
 22 [hotel] licensee or casino service industry which is publicly traded
 23 constituted a controlling interest in that casino [hotel] licensee or
 24 casino service industry; and provided further, however, that not-
 25 withstanding any other provision of this act to the contrary, any
 26 such person may be employed by the commission or division in a
 27 secretarial or clerical position if, in the opinion of the employing
 28 agency, his previous employment by, or interest in, any such casino
 29 licensee or casino service industry would not interfere with the
 30 objective discharge of such person's employment obligations.

31 c. Prior to appointment or employment, each member of the com-
32 mission, each employee of the commission, the director of the
33 Division of Gaming Enforcement and each employee and agent
34 of the division shall swear or affirm that he possesses no interest
35 in any business or organization licensed by or registered with the
36 commission.

37 d. Each member of the commission and the director of the divi-
38 sion shall file with the Executive Commission on Ethical Standards
39 a financial disclosure statement listing all assets and liabilities,
40 property and business interests, and sources of income of said
41 member or director and his spouse and shall provide to the
42 Attorney General a financial disclosure statement listing all assets
43 and liabilities, property and business interests, and sources of
44 income of the parents, brothers, sisters, and children of said mem-
45 ber or director. Such statement shall be under oath and shall be
46 filed at the time of appointment and annually thereafter.

47 e. Each employee of the commission, except for secretarial and
48 clerical personnel, and each employee and agent of the division,
49 except for secretarial and clerical personnel, shall file with the
50 Executive Commission on Ethical Standards a financial disclosure
51 statement listing all assets and liabilities, property and business
52 interests, and sources of income of said employee or agent and
53 his spouse. Such statement shall be under oath and shall be filed
54 at the time of employment and annually thereafter.

1 3. Section 59 of P. L. 1977, c. 110 (C. 5:12-59) is amended to read
2 as follows:

3 59. Employment Restrictions on Commissioners, Commission
4 Employees and Division Employees. a. The "New Jersey Conflicts
5 of Interest Law" (P. L. 1971, c. 182; C. 52:13D-12 et seq.) shall
6 apply to members of the commission and to all employees of the
7 commission and the division, except as herein specifically provided.

8 b. The commission shall, no later than January 1, 1981, promul-
9 gate a Code of Ethics that is modeled upon the Code of Judicial
10 Conduct of the American Bar Association, as amended and adopted
11 by the Supreme Court of New Jersey. This Code of Ethics shall
12 include, but not be limited to, provisions that address the pro-
13 priety of relationships and dealings between the commission and
14 its staff, and licensees and applicants for licensure under this act.

15 c. The division shall promulgate a Code of Ethics governing its
16 specific needs.

17 d. The Codes of Ethics promulgated by the commission and the
18 division shall not be in conflict with the laws of this State, except,

19 however, that said Codes of Ethics may be more restrictive than
20 any law of this State.

21 e. The Codes of Ethics promulgated by the commission and the
22 division shall be submitted to the Executive Commission on Ethical
23 Standards for approval. The Codes of Ethics shall include, but not
24 be limited to provisions that:

25 (1) No commission member or employee or division employee or
26 agent shall be permitted to gamble in any establishment licensed
27 by the commission except in the course of his duties.

28 (2) No commission member or employee or division employee or
29 agent shall solicit or accept employment from any person licensed
30 by or registered with the commission or from any applicant for a
31 period of four years after termination of service with the commis-
32 sion or division, unless subject to section 60 of this act.

33 (3) No commission member or employee or any division employee
34 or agent shall act in his official capacity in any matter wherein he
35 or his spouse, child, parent or sibling has a direct or indirect per-
36 sonal financial interest that might reasonably be expected to impair
37 his objectivity or independence of judgment.

38 (4) No commission employee or any division employee or agent
39 shall act in his official capacity in a matter concerning an applicant
40 for licensure or a licensee who is the employer of a spouse, child,
41 parent or sibling of said commission or division employee or agent
42 when the fact of the employment of such spouse, child, parent or
43 sibling might reasonably be expected to impair the objectivity and
44 independence of judgment of said commission employee or division
45 employee or agent.

46 (5) No spouse, child, parent or sibling of a commission member
47 shall be employed in any capacity by an applicant for a casino
48 license or a casino licensee nor by any holding, intermediary or
49 subsidiary company thereof.

50 (6) No commission member shall meet with any person, except
51 for any other member of the commission or employee of the com-
52 mission, or discuss with any issues involving any pending or pro-
53 posed application or any matter whatsoever which may reasonably
54 be expected to come before the commission, or any member thereof,
55 for determination unless the meeting or discussion takes place on
56 the business premises of the commission, provided, however, that
57 commission members may meet to consider matters requiring the
58 physical inspection of equipment or premises at the location of
59 the equipment or premises. All meetings or discussions subject to
60 this paragraph shall be noted in a log maintained for this purpose
61 and available for inspection pursuant to the provisions of P. L.
62 1963, c. 73 (C. 47:1A-1 et seq.).

63 f. No commission member or employee or division employee or
64 agent shall have any interest, direct or indirect, in any applicant
65 or in any person licensed by or registered with the commission
66 during his term of office or employment.

67 g. Each commission member and employee of the commission,
68 including legal counsel, and each employee and agent of the di-
69 vision shall devote his entire time and attention to his duties and
70 shall not pursue any other business or occupation or other gainful
71 employment: provided, however, that secretarial and clerical per-
72 sonnel may engage in such other gainful employment as shall not
73 interfere with their duties to the commission or division, unless
74 otherwise directed; and provided further, however, that other em-
75 ployees of the commission and division and agents of the division
76 may engage in such other gainful employment as shall not interfere
77 or be in conflict with their duties to the commission or division,
78 upon approval by the commission or the director of the division,
79 as the case may be.

80 h. No member of the commission, employee of the commission,
81 or employee or agent of the division shall:

82 (1) Use his official authority or influence for the purpose of
83 interfering with or affecting the result of an election or a nomina-
84 tion for office;

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

89 (3) Take any active part in political campaigns or the manage-
90 ment thereof: provided, however, that nothing herein shall pro-
91 hibit a person from voting as he chooses or from expressing his
92 personal opinions on political subjects and candidates.

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

1 4. Section 64 of P. L. 1977, c. 110 (C. 5:12-64) is amended to
2 read as follows:

3 64. Commission Powers—Denials and Sanctions. The commis-
4 sion shall assure, *to the extent required by this act,* that licensee

5 *approvals*, certificates, or permits shall not be issued to nor held by,
 6 nor shall there be any material involvement, directly or indirectly,
 7 with the licensed casino operation or the ownership thereof by, un-
 8 qualified or disqualified persons [or unsuitable persons.] or per-
 9 sons whose operations are conducted in a manner not conforming
 10 with the provisions of this act. For the purposes of this section,
 11 "unqualified person[," "disqualified person," or "unsuitable per-
 12 son]" shall mean any person who is found by the commission *to be*
 13 *unqualified pursuant to criteria set forth in sections 84 or 89, and*
 14 *"disqualified person" shall mean any person found by the commis-*
 15 *sion to be disqualified pursuant to the criteria set forth in section*
 16 *86 [c., e., f., g., and h., or to lack the financial responsibility and*
 17 *capability specified in the provisions of section 84]. In enforcing*
 18 *the provisions of this act, the commission shall have the power and*
 19 *authority to deny any application; limit or restrict any license,*
 20 *registration, certificate, permit or approval; suspend or revoke any*
 21 *license, registration, certificate, permit or approval; and, impose a*
 22 *penalty on any person licensed, registered, or previously approved*
 23 *for any cause deemed reasonable by the commission pursuant to*
 24 *rules and regulations promulgated thereby, except that no such*
 25 *denial, limitation, suspension or revocation shall be issued solely*
 26 *by reason of the fact that an applicant, registrant, or licensee holds*
 27 *an interest in or is associated with any licensed casino enterprise*
 28 *in any other jurisdiction.*

1 5. Section 65 of P. L. 1977, c. 110 (C. 5:12-65) is amended to
 2 read as follows:

3 65. Subpenas; Oaths. The commission shall have the power and
 4 authority to issue subpenas and to compel the attendance of wit-
 5 nesses at any place within this State, to administer oaths and to
 6 require testimony under oath *before the commission or division in*
 7 *the course of any investigation or hearing conducted under this act.*
 8 *The commission may serve or cause to be served its process or*
 9 *notices in a manner provided for the service of process and notice*
 10 *in civil actions in accordance with the rules of court. The commis-*
 11 *sion and the division shall have the authority to propound written*
 12 *interrogatories and the commission may appoint hearing examiners,*
 13 *to whom may be delegated the power and authority to administer*
 14 *oaths, issue subpenas, propound written interrogatories, and re-*
 15 *quire testimony under oath.*

1 6. Section 68 of P. L. 1977, c. 110 (C. 5:12-68) is amended to
 2 read as follows:

3 68. Collection of Fees, Penalties or Tax. At any time within
 4 five years after any amount of fees, interest, penalties or tax re-

5 quired to be collected pursuant to the provisions of this act shall
 6 become due and payable, the commission may bring a civil action in
 7 the courts of this State or any other state or of the United States, in
 8 the name of the State of New Jersey, to collect the amount delin-
 9 quent, together with penalties and interest. An action may be
 10 brought whether or not the person owing the amount is at such
 11 time **[a]** *an applicant, licensee or registrant* pursuant to the pro-
 12 visions of this act. If such action is brought in this State, a writ
 13 of attachment may be issued and no bond or affidavit prior to the
 14 issuance thereof shall be required. In all actions in this State, the
 15 records of the commission shall be prima facie evidence of the de-
 16 termination of the *fee or tax* or the amount of the delinquency.

1 7. Section 69 of P. L. 1977, c. 110 (C. 5:12-69) is amended to
 2 read as follows:

3 69. Regulations. a. The commission shall be authorized to adopt,
 4 amend, or repeal such regulations, consistent with the policy and
 5 objectives of this act, as it may deem necessary or desirable for
 6 the public interest in carrying out the provisions of this act.

7 b. Such regulations shall be adopted, amended, and repealed
 8 in accordance with the provisions of the "Administrative Procedure
 9 Act" (P. L. 1968, c. 410; C. 52:14B-1 et seq.).

10 c. Any interested person may file a petition with the commission
 11 requesting the adoption, amendment or repeal of a regulation.
 12 Such petition shall state clearly and concisely:

13 (1) The substance and nature of the regulation, amendment or
 14 repeal requested;

15 (2) The reason for the request; and

16 (3) Reference to the authority of the commission to take the
 17 action requested.

18 Upon receipt of the petition, the commission shall schedule the
 19 matter for hearing within 90 days and shall render a decision within
 20 30 days after the completion of said hearing.

21 d. The commission may, in emergency circumstances, summarily
 22 adopt, amend or repeal any regulation pursuant to the "Adminis-
 23 trative Procedure Act" (P. L. 1968, c. 410; C. 52:14B-1 et seq.).

24 e. *Notwithstanding any other provision of this act or the "Ad-*
 25 *ministrative Procedure Act," P. L. 1968, c. 410 (C. 52:14B-1 et seq.)*
 26 *to the contrary, the commission may, after notice provided in ac-*
 27 *cordance with this subsection, authorize the temporary adoption,*
 28 *amendment or repeal of any rule concerning the conduct of gaming*
 29 *or the use or design of gaming equipment for an experimental*
 30 *period not to exceed 90 days for the purpose of determining*
 31 *whether such rules should be adopted on a permanent basis in ac-*

32 *cordance with the requirements of this section. Any rules experi-*
 33 *ment authorized by this subsection shall be conducted under such*
 34 *terms and conditions as the commission may deem appropriate.*
 35 *Notice of any temporary rulemaking action taken by the commis-*
 36 *sion pursuant to this subsection shall be published in the New Jer-*
 37 *sey Register, and provided to the newspapers designated by the*
 38 *commission pursuant to subsection d. of section 3 of P. L. 1975, c.*
 39 *231 (C. 10:4-8), at least seven days prior to the initiation of the*
 40 *experimental period and shall be prominently posted in each casino*
 41 *participating in the experiment. Nothing herein shall be deemed*
 42 *to require the publication of the text of any temporary rule adopted*
 43 *by the commission or notice of any modification of a rules experi-*
 44 *ment initiated in accordance with this subsection. The text of any*
 45 *temporary rule adopted by the commission shall be posted in each*
 46 *casino participating in the experiment and shall be available upon*
 47 *request from the commission. In no case shall any temporary rule*
 48 *authorize the use or operation of any game not authorized by the*
 49 *Legislature.*

1 S. Section 73 of P. L. 1977, c. 110 (C. 5:12-73) is amended to
 2 read as follows:

3 73. Meetings and Quorum. a. Meetings of the commission will
 4 be held at the discretion of the chairman at such times and places
 5 as he may deem necessary and convenient, or at the call of three
 6 members of the commission.

7 b. The commission shall in all respects comply with the provi-
 8 sions of the "Open Public Meetings Act" (P. L. 1975, c. 231; C.
 9 10:4-6 et seq.), *except that the commission may exclude the pub-*
 10 *lic from any deliberations or discussions of the commission occur-*
 11 *ring after a public hearing that may result in the grant, denial, or*
 12 *conditioning of casino entity licensure or the renewal or refusal*
 13 *to renew that licensure, or from any deliberations in accordance*
 14 *with the provisions of paragraph (9) of subsection b. of section 7*
 15 *of P. L. 1975, c. 231 (C. 10:4-12).*

16 c. Any other law, rule or regulation to the contrary notwith-
 17 standing, the commission shall take all necessary steps to ensure
 18 that all interested persons are given adequate notice of commission
 19 meetings, and the agenda of such meetings, through the utilization
 20 of all media engaged in the dissemination of information.

21 d. A majority of the full commission shall determine any action
 22 of the commission, except that no casino license may be issued
 23 without the approval of four members. In the event that a vacancy
 24 has existed in the commission for more than 60 days, a majority
 25 of the full commission may act with respect to any matter, includ-
 26 ing the issuance of a casino license.

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

3 74. Minutes and Records. a. The commission shall cause to be
4 made and kept a verbatim record of all proceedings held at public
5 meetings of the commission, which record shall be open to public
6 inspection.

7 A true copy of the minutes of every meeting of the commission
8 and of any regulations finally adopted by the commission shall be
9 forthwith delivered, by and under the certification of the executive
10 secretary, to the Governor, the Secretary of the Senate, and the
11 Clerk of the General Assembly.

12 b. The commission shall keep and maintain a list of all appli-
13 cants for licenses and registrations under this act together with a
14 record of all actions taken with respect to such applicants, which
15 file and record shall be open to public inspection; provided, how-
16 ever, that the foregoing information regarding any applicant whose
17 license or registration has been denied, revoked, or not renewed
18 shall be removed from such list after five years from the date of
19 such action.

20 c. The commission shall maintain such other files and records
21 as may be deemed desirable.

22 d. Except as provided in subsection h. of this section, all in-
23 formation and data required by the commission to be furnished
24 hereunder, or which may otherwise be obtained, relative to the
25 internal controls specified in section 99a. of this act or to the earn-
26 ings or revenue of any applicant, registrant, or licensee shall be
27 considered to be confidential and shall not be revealed in whole or
28 in part except in the course of the necessary administration of this
29 act, or upon the lawful order of a court of competent jurisdiction,
30 or, with the approval of the Attorney General, to a duly authorized
31 law enforcement agency.

32 e. All information and data pertaining to an applicant's criminal
33 record, family, and background furnished to or obtained by the
34 commission from any source shall be considered confidential and
35 may be withheld in whole or in part, except that any information
36 shall be released upon the lawful order of a court of competent
37 jurisdiction or, with the approval of the Attorney General, to a
38 duly authorized law enforcement agency.

39 f. Notice of the contents of any information or data released,
40 except to a duly authorized law enforcement agency pursuant to
41 subsection d. or e. of this section, may be given to any applicant,
42 registrant, or licensee in a manner prescribed by the rules and
43 regulations adopted by the commission.

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

48 h. The following information to be reported periodically to the
 49 commission *by a casino licensee* shall not be considered confidential
 50 and shall be made available for public inspection:

51 (1) A licensee's **[operating revenues and expenses]** *gross reve-*
 52 *nue* from all authorized games as herein defined:

53 (2) (a) The dollar amount of patron checks initially accepted by
 54 a licensee, (b) the dollar amount of patron checks deposited to the
 55 licensee's bank account, (c) the dollar amount of such checks
 56 initially dishonored by the bank and returned to the licensee as
 57 "uncollected," and (d) the dollar amount ultimately uncollected
 58 after all reasonable efforts:

59 (3) The amount of gross revenue tax or investment alternative
 60 tax actually paid and the amount of investment, if any, required
 61 and allowed, pursuant to section 144 of P. L. 1977, c. 110 (C.
 62 5:12-144) and section 3 of P. L. 1984, c. 218 (C. 5:12-144.1):

63 (4) A list of the premises and the nature of improvements, costs
 64 thereof and the payees for all such improvements, which were the
 65 subject of an investment required and allowed pursuant to section
 66 144 of P. L. 1977, c. 110 (C. 5:12-144) and section 3 of P. L. 1984,
 67 c. 218 (C. 5:12-144.1):

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

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

74 (7) **[All information and data submitted to the commission re-**
 75 **lating to the licensee's annual revenues and expenditures, including**
 76 **annual audits.]** *All annual financial statements submitted to the*
 77 *commission which have been audited by an independent certified*
 78 *public accountant licensed to practice in the State of New Jersey.*

79 Nothing in this subsection shall be construed to limit access by
 80 the public to those forms and documents required to be filed pur-
 81 suant to Article 11 of this act.

1 10. Section 85 of P. L. 1977, c. 110 (C. 5:12-85) is amended to
 2 read as follows:

3 85. Additional Requirements. a. In addition to other information
 4 required by this act, a corporation applying for a casino license
 5 shall provide the following information:

6 (1) The organization, financial structure and nature of all busi-
7 nesses operated by the corporation; the names and personal
8 employment and [crimmmial] *criminal* histories of all officers, direc-
9 tors and principal employees of the corporation; the names of all
10 holding, intermediary and subsidiary companies of the corpora-
11 tion; and the organization, financial structure and nature of all
12 businesses operated by such of its holding, intermediary and sub-
13 sidiary companies as the commission may require, including names
14 and personal employment and criminal histories of such officers,
15 directors and principal employees of such corporations and com-
16 panies as the commission may require;

17 (2) The rights and privileges acquired by the holders of differ-
18 ent classes of authorized securities of such corporations and com-
19 panies as the commission may require, including the names, ad-
20 dresses and amounts held by all holders of such securities;

21 (3) The terms upon which securities have been or are to be
22 offered;

23 (4) The terms and conditions of all outstanding loans, mort-
24 gages, trust deeds, pledges or any other indebtedness or security
25 devices utilized by the corporation;

26 (5) The extent of the equity security holding in the corporation
27 of all officers, directors and underwriters, and their remuneration
28 in the form of salary, wages, fees or otherwise;

29 (6) Names of persons other than directors and officers who
30 occupy positions specified by the commission or whose compensa-
31 tion exceeds an amount determined by the commission, and the
32 amount of their compensation;

33 (7) A description of all bonus and [profit sharing] *profit-shar-*
34 *ing* arrangements;

35 (8) Copies of all management and service contracts; and

36 (9) A listing of stock options existing or to be created.

37 b. If a corporation applying for a casino license is, or if a cor-
38 poration holding a casino license is to become, a subsidiary, each
39 holding company and each intermediary company with respect
40 thereto must, as a condition of the said subsidiary acquiring or
41 retaining such license, as the case may be:

42 (1) Qualify to do business in the State of New Jersey; and

43 (2) If it is a corporation, register with the commission and
44 furnish the commission with all the information required of a
45 corporate [license] *licensee* as specified in subsection a. (1), (2)
46 and (3) of this section and such other information as the com-
47 mission may require; or

48 (3) If it is not a corporation, register with the commission and
49 furnish the commission with such information as the commission
50 may prescribe. The commission may, in its discretion, make such
51 investigations concerning the officers, directors, underwriters,
52 security holders, partners, principals, trustees or persons owning
53 or beneficially holding any interest in any holding company or
54 intermediary company as it deems necessary, either at the time
55 of initial registration or at any time thereafter.

56 c. No corporation shall be eligible to hold a casino license unless
57 each officer: each director: each person who directly or indirectly
58 holds any beneficial interest or ownership of the securities issued
59 by the corporation: any person who in the opinion of the commis-
60 sion has the ability to control the corporation or elect a majority
61 of the board of directors of that corporation, other than a banking
62 or other licensed lending institution which holds a mortgage or
63 other lien acquired in the ordinary course of business: each princi-
64 pal employee: and any lender, underwriter, agent, employee of the
65 corporation, or other person whom the commission may consider
66 appropriate for approval or qualification would, but for residence,
67 individually be qualified for approval as a casino key employee
68 pursuant to the provisions of this act.

69 d. No corporation which is a subsidiary shall be eligible to [re-
70 ceived] *receive* or hold a casino license unless each holding and
71 intermediary company with [resepct] *respect* thereto:

72 (1) If it is a corporation, shall comply with the provisions of
73 subsection c. of this section as if said holding or intermediary
74 company were itself applying for a casino license; provided,
75 however, that the commission with the concurrence of the director
76 *may waive, temporarily and conditionally, pending investigation*
77 *by the division and qualification by the commission, compliance*
78 *with the provisions of subsection c. hereof on the part of a pub-*
79 *licly-traded corporation as to any officer, director, lender, under-*
80 *writer, agent or employee thereof, or person directly or indirectly*
81 *holding a beneficial interest or ownership of the securities of such*
82 *corporation; and provided, further, however, that the commission*
83 *with the concurrence of the director may waive compliance with*
84 *the provisions of subsection c. hereof on the part of a publicly-*
85 *traded corporation which is a holding company as to any officer,*
86 *director, lender, underwriter, agent or employee thereof, or per-*
87 *son directly or indirectly holding a beneficial interest or owner-*
88 *ship of the securities of such corporation, where the commission*
89 *and the director are satisfied that such officer, director, lender,*
90 *underwriter, agent or employee is not significantly involved in the*

91 activities of the corporate licensee, and in the case of security hold-
 92 ers, does not have the ability to control the publicly-traded corpora-
 93 tion or elect one or more directors thereof; or

94 (2) If it is not a corporation, shall comply with the provisions
 95 of subsection e. of this section as if said company were itself
 96 applying for a casino license.

97 e. Any noncorporate applicant for a casino license shall provide
 98 the information required in subsection a. of this section in such
 99 form as may be required by the commission. No such applicant
 100 shall be eligible to hold a casino license unless each person who
 101 directly or **[indirectly]** *indirectly* holds any beneficial interest or
 102 ownership in the applicant, or who in the opinion of the commis-
 103 sion has the ability to control the applicant, or whom the commis-
 104 sion may consider appropriate for approval or qualification, would,
 105 but for residence, individually be qualified for approval as a casino
 106 key employee pursuant to the provisions of this act.

1 11. Section 86 of P. L. 1977, c. 110 (C. 5:12-86) is amended to
 2 read as follows:

3 86. Casino License—Disqualification Criteria. The commission
 4 shall deny a casino license to any applicant who is disqualified on
 5 the basis of any of the following criteria:

6 a. Failure of the applicant to prove by clear and convincing
 7 evidence that the applicant is qualified in accordance with the pro-
 8 visions of this act;

9 b. Failure of the applicant to provide information, documenta-
 10 tion and assurances required by the act or requested by the com-
 11 mission, or failure of the applicant to reveal any fact material to
 12 qualification, or the supplying of information which is untrue or
 13 misleading as to a material fact pertaining to the qualification
 14 criteria:

15 c. The conviction of the applicant, or of any person required to
 16 be qualified under this act as a condition of a casino license, of any
 17 offense in any jurisdiction which would be under *present* New Jer-
 18 sey law **[at the time of application]** a violation of any of the fol-
 19 lowing provisions of law:

20 (1) With respect to **[convictions obtained pursuant to]** *offenses*
 21 *under* the "New Jersey Code of Criminal Justice," P. L. 1978, c. 95
 22 (Title 2C of the New Jersey Statutes) as amended and supple-
 23 mented:

24 all crimes of the first degree:

25 N. J. S. 2C:5-1 (attempt to commit an offense which is listed in
 26 this **[paragraph]** *subsection*):

27 N. J. S. 2C:5-2 (conspiracy to commit an offense which is listed
 28 in this **[paragraph]** *subsection*):

29 N. J. S. 2C:11-4b. (manslaughter);
 30 N. J. S. 2C:12-1b. (aggravated assault which constitutes a crime
 31 of the second or third degree);
 32 N. J. S. 2C:13-1 (*kidnapping*);
 33 N. J. S. 2C:14-1 et seq. (*sexual offenses which constitute crimes*
 34 *of the second or third degree*);
 35 N. J. S. 2C:15-1 (robberies);
 36 N. J. S. 2C:17-1a. and b. (crimes involving arson and related
 37 offenses);
 38 N. J. S. 2C:17-2a. and b. (causing or risking widespread injury
 39 or damage);
 40 N. J. S. 2C:18-2 (burglary which constitutes a crime of the sec-
 41 ond degree);
 42 N. J. S. 2C:20-1 et seq. (theft and related offenses which con-
 43 stitute crimes of the second and third degrees);
 44 **[N. J. S. 2C:20-7 (receiving stolen property):]**
 45 N. J. S. 2C:21-1 et seq. (forgery and fraudulent practices which
 46 constitute crimes of the second and third degrees);
 47 N. J. S. 2C:21-4a. (falsifying or tampering with records);
 48 N. J. S. 2C:21-14 (receiving deposits in a failing financial in-
 49 stitution);
 50 N. J. S. 2C:27-1 et seq. (bribery and corrupt influence);
 51 N. J. S. 2C:28-1 et seq. (perjury and other falsification in official
 52 matters which **[constitutes a crime]** *constitute crimes* of the *sec-*
 53 *ond*, third and fourth degrees);
 54 N. J. S. 2C:30-2 and N. J. S. 2C:30-3 (misconduct in office and
 55 abuse in office which constitutes a crime of the second degree);
 56 N. J. S. 2C:37-1 et seq. (gambling offenses which constitute
 57 crimes of third and fourth degrees);
 58 N. J. S. 2C:37-7 (possession of a gambling device);
 59 **[(2) With respect to convictions obtained under Title 2A of the**
 60 **New Jersey Statutes:**
 61 N. J. S. 2A:85-5 (attempt to commit an offense which is in this
 62 paragraph);
 63 N. J. S. 2A:89-1 et seq. (arson and other burnings);
 64 N. J. S. 2A:90-1 et seq. (assault and battery);
 65 N. J. S. 2A:91-1 et seq. (banks and financial corporations);
 66 N. J. S. 2A:93-1 (bribery of judge or magistrate; acceptance of
 67 bribe);
 68 N. J. S. 2A:93-2 (bribery of legislators; acceptance by legisla-
 69 tors or other persons);
 70 N. J. S. 2A:93-4 (soliciting or receiving award for official vote);
 71 N. J. S. 2A:93-6 (giving or accepting bribes in connection with
 72 government work, service, etc.);

- 73 N. J. S. 2A:93-10 (giving or promising bribe to participants in
74 sporting contest);
- 75 N. J. S. 2A:93-13 (giving or promising bribe to referee, umpire
76 or other official in sporting contest);
- 77 N. J. S. 2A:94-1 (breaking and entering or entering);
- 78 N. J. S. 2A:94-2 (use of high explosives in breaking or entering);
- 79 N. J. S. 2A:98-1 (conspiracy to commit an offense which is
80 enumerated in this paragraph);
- 81 N. J. S. 2A:99-1 (obstructing execution of process; assaulting
82 officers);
- 83 N. J. S. 2A:102-1 et seq. (embezzlement, conversion and mis-
84 appropriation);
- 85 N. J. S. 2A:103-1 et seq. (embracery);
- 86 N. J. S. 2A:105-1 et seq. (extortion, threats and unlawful tak-
87 ings);
- 88 N. J. S. 2A:108-9 (narcotic drugs; persuading others to use);
- 89 N. J. S. 2A:109-1 to N. J. S. 2A:109-3, N. J. S. 2A:109-6 to
90 N. J. S. 2A:109-9 (forgery and counterfeiting);
- 91 N. J. S. 2A:111-1 to N. J. S. 2A:111-3, N. J. S. 2A:111-5 to
92 N. J. S. 2A:111-15, N. J. S. 2A:111-18 to N. J. S. 2A:111-21.1,
93 N. J. S. 2A:111-23 and N. J. S. 2A:111-24, N. J. S. 2A:111-28 to
94 N. J. S. 2A:111-32, N. J. S. 2A:111-34 to N. J. S. 2A:111-35,
95 N. J. S. 2A:111-37 to N. J. S. 2A:111-46 (frauds and cheats);
- 96 N. J. S. 2A:112-1 et seq. (gaming);
- 97 N. J. S. 2A:113-1 (murder);
- 98 N. J. S. 2A:113-5 (manslaughter);
- 99 N. J. S. 2A:114-2 (incestuous conduct between parent and child);
- 100 N. J. S. 2A:118-1 et seq. (kidnapping);
- 101 N. J. S. 2A:119-1 to N. J. S. 2A:119-5, P. L. 1965, c. 52 (C.
102 2A:119-5.1 et seq.) (larceny and other stealings);
- 103 N. J. S. 2A:119-8 (stealing narcotic drugs; breaking and entering
104 with intent to steal);
- 105 P. L. 1968, c. 349 (C. 2A:119A-1 et seq.) (loansharking);
- 106 N. J. S. 2A:121-1 et seq. (lotteries);
- 107 N. J. S. 2A:125-1 et seq. (mayhem);
- 108 N. J. S. 2A:131-1 to N. J. S. 2A:131-3 (perjury and subornation
109 of perjury);
- 110 N. J. S. 2A:135-3 (public officers or employees unlawfully obtain-
111 ing state, county, municipal or school district funds);
- 112 N. J. S. 2A:138-1 et seq. (rape and carnal abuse);
- 113 N. J. S. 2A:139-1 et seq. (receiving stolen property);
- 114 N. J. S. 2A:141-1 (robbery);
- 115 N. J. S. 2A:143-2 (sodomy with children under 10);

116 P. L. 1957, c. 49 (C. 2A:148-22.1) (giving false information to law
117 enforcement officer or agency);

118 (3) (2) Any high misdemeanor under section 19 of P. L. 1970,
119 c. 226 (C. 24:21-19) or *an attempt, endeavor or conspiracy to*
120 *commit any such high misdemeanor pursuant to section 24 of P. L.*
121 *1970, c. 226 (C. 24:21-24); or*

122 [(4)] (3) Any other offense which indicates that licensure of the
123 applicant would be inimical to the policy of this act and to casino
124 operations: provided, however, that the automatic disqualification
125 provisions of this subsection shall not apply with regard to any
126 conviction which did not occur within the 10-year period immedi-
127 ately preceding application for licensure and which the applicant
128 demonstrates by clear and convincing evidence does not justify
129 automatic disqualification pursuant to this subsection and any
130 conviction which has been the subject of a judicial order of ex-
131 punctionment or sealing [and provided, further however, that, any
132 applicant or any person required to be qualified under this act as
133 a condition of a casino license who is disqualified on the basis of
134 paragraph (2) herein shall not be so disqualified if such applicant
135 or person demonstrates to the commission by clear and convincing
136 evidence that the act or acts which constitute the offense which
137 forms the basis for such disqualification would not form the basis
138 for a disqualification pursuant to paragraph (1) of this section];

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

146 e. The pursuit by the applicant or any person who is required to
147 be qualified under this act as a condition of a casino license of
148 economic gain in an occupational manner or context which is in
149 violation of the criminal or civil public policies of this State, if
150 such pursuit creates a reasonable belief that the participation of
151 such person in casino operations would be inimical to the policies of
152 this act or to legalized gaming in this State. For purposes of this
153 section, occupational manner or context shall be defined as the
154 systematic planning, administration, management, or execution of
155 an activity for financial gain;

156 f. The identification of the applicant or any person who is re-
157 quired to be qualified under this act as a condition of a casino
158 license as a career offender or a member of a career offender cartel

159 or an associate of a career offender or career offender cartel in such
 160 a manner which creates a reasonable belief that the association is
 161 of such a nature as to be inimical to the policy of this act and to
 162 gaming operations. For purposes of this section, career offender
 163 shall be defined as any person whose behavior is pursued in an
 164 occupational manner or context for the purpose of economic gain,
 165 utilizing such methods as are deemed criminal violations of the
 166 public policy of this State. A career offender cartel shall be de-
 167 fined as any group of persons who operate together as career
 168 offenders;

169 g. The commission by the applicant or any person who is re-
 170 quired to be qualified under this act as a condition of a casino
 171 license of any act or acts which would constitute any offense under
 172 subsection c. of this section, even if such conduct has not or may
 173 not be prosecuted under the criminal laws of this State; and

174 h. Contumacious defiance by the applicant or any person who is
 175 required to be qualified under this act of any legislative investi-
 176 gatory body or other official investigatory body of any state or of
 177 the United States when such body is engaged in the investigation
 178 of crimes relating to gaming, official corruption, or organized crime
 179 activity.

1 12. Section 88 of P. L. 1977, c. 110 (C. 5:12-88) is amended to
 2 read as follows:

3 88. Renewal of Casino Licenses. a. Subject to the power of the
 4 commission to deny, revoke, or suspend licenses, any casino license
 5 in force shall be renewed by the commission for the next succeeding
 6 license period upon proper application for renewal and payment of
 7 license fees and taxes as required by law and the regulations of the
 8 commission. The commission shall act upon any such application no
 9 later than 30 days prior to the date of expiration of the current
 10 license.

11 b. Application for renewal shall be filed with the commission no
 12 later than **[90]** 120 days prior to the expiration of the current
 13 license, and all license fees and taxes as required by law shall be
 14 paid to the commission on or before the date of expiration of the
 15 current license.

16 c. Upon renewal of any license the commission shall issue an
 17 appropriate renewal certificate or validating device or sticker which
 18 shall be attached to each casino license.

1 13. Section 89 of P. L. 1977, c. 110 (C. 5:12-89) is amended to
 2 read as follows:

3 89. Licensing of Casino Key Employees. a. No person may be
 4 employed as a casino key employee unless he is the holder of a
 5 valid casino key employee license issued by the commission.

6 b. Each applicant must, prior to the issuance of any casino key
7 employee license, produce information, documentation and assur-
8 ances concerning the following qualification criteria:

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

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

49 oath that he is or was during the period such activities were con-
50 ducted in good standing with such gaming or casino enforcement
51 or control agency.

52 (3) Each applicant shall produce such information, documen-
53 tation and assurances as may be required to establish by clear and
54 convincing evidence that the applicant has sufficient business ability
55 and casino experience as to establish the reasonable likelihood of
56 success and efficiency in the particular position involved.

57 (4) Each applicant shall be a resident of the State of New Jersey
58 prior to the issuance of a casino key employee license; provided,
59 however, that upon petition by the holder of a casino license, the
60 commission may waive this residency requirement for any appli-
61 cant whose particular position will require him to be employed
62 outside the State.

63 The commission may also, by regulation, require that all appli-
64 cants for casino key employee licenses be residents of this State
65 for a period not to exceed six months immediately prior to the
66 issuance of such license, but application may be made prior to the
67 expiration of the required period of residency. The commission
68 shall, by resolution, waive the required residency period for an
69 applicant upon a showing that the residency period would cause
70 undue hardship upon the casino licensee which intends to employ
71 said applicant, or upon a showing of other good cause.

72 c. The commission shall endorse upon any license issued here-
73 under the particular positions as defined by this act or by regula-
74 tion which the licensee is qualified to hold.

75 d. The commission shall deny a casino key employee license to
76 any applicant who is disqualified on the basis of the criteria con-
77 tained in section 86 of this act.

78 e. Upon petition by the holder of a casino license [or the holder
79 of a temporary casino permit], the commission may, no earlier than
80 30 days after the date of the petition, issue a temporary license to
81 an applicant for a casino key employee license, provided that:

82 (1) The applicant for the casino key employee license has filed
83 a complete application as required by the commission;

84 (2) The division certifies to the commission that the complete
85 casino key employee license application as specified in paragraph
86 (1) of this subsection has been in the possession of the division for
87 at least 30 days;

88 (3) The information provided by the applicant indicates that
89 the applicant meets the requirements of subsection b. (3) of this
90 section;

91 (4) The petition for a temporary casino key employee license
92 certifies, and the commission finds, that an existing casino key
93 employee position of the petitioner is vacant *or will become vacant*
94 *within 60 days of the date of the petition* and that the issuance of
95 a temporary key employee license is necessary to fill the said
96 vacancy on an emergency basis to continue the efficient operation
97 of the casino, and that such circumstances are extraordinary and
98 not designed to circumvent the normal licensing procedures of this
99 act;

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

102 In the event that an applicant for a casino key employee license
103 is the holder of a valid casino employee license issued pursuant to
104 section 90 of this act, and if the provisions of paragraphs (1), (2),
105 (3), and (5) of this subsection are satisfied, the commission may
106 issue a temporary casino key employee license upon petition by the
107 holder of a casino license [or the holder of a temporary casino
108 permit], if the commission finds the issuance of a casino key em-
109 ployee license will be delayed by necessary investigations and the
110 said temporary casino key employee license is necessary for the
111 operation of the casino.

112 Unless otherwise terminated pursuant to this act, any temporary
113 casino key employee license issued pursuant to this subsection shall
114 expire six months from the date of its issuance, and shall be re-
115 newable by the commission, in the absence of objection by the
116 division as specified in paragraph (5) of this subsection, for one
117 additional three-month period.

1 14. Section 90 of P. L. 1977, c. 110 (C. 5:12-90) is amended to
2 read as follows:

3 90. Licensing of Casino Employees. a. No person may commence
4 employment as a casino employee unless he is the holder of a valid
5 casino employee license.

6 b. Any applicant for a casino employee license must, prior to
7 the issuance of any such license, produce sufficient information,
8 documentation and assurances to meet the qualification criteria,
9 including New Jersey residency, contained in subsection b. of
10 section 89 of this act and any additional residency requirement
11 imposed under subsection c. of this section; except that the
12 standards for business ability and casino experience may be satis-
13 fied by a showing of casino job experience and knowledge of the
14 provisions of this act and regulations pertaining to the particular
15 position involved, or by successful completion of a course of study
16 at a licensed school in an approved curriculum.

17 c. The commission may, by regulation, require that all applicants
18 for casino employee licenses be residents of this State for a period
19 not to exceed six months immediately prior to the issuance of such
20 license, but application may be made prior to the expiration of the
21 required period of residency. The commission shall, by resolution,
22 waive the required residency period for an applicant upon a show-
23 ing that the residency period would cause undue hardship upon the
24 casino licensee which intends to employ said applicant, or upon a
25 showing of other good cause.

26 d. The commission shall endorse upon any license issued here-
27 under the particular positions as defined by regulation which the
28 licensee is qualified to hold.

29 e. The commission shall deny a casino employee license to any
30 applicant who is disqualified on the basis of the criteria contained
31 in section 86 of this act.

32 f. For the purposes of this section, casino security employees
33 shall be considered casino employees and must, in addition to any
34 requirements under other laws, be licensed in accordance with the
35 provisions of this act.

36 g. A temporary license may be issued by the commission to
37 casino employees for positions not directly related to gaming activi-
38 ty if, in its judgment, the issuance of a plenary license will be
39 restricted by necessary investigations and said temporary licensing
40 of the applicant is necessary for the operation of the casino. Unless
41 otherwise terminated pursuant to this act, a temporary license
42 issued pursuant to this subsection shall expire six months from the
43 date of its issuance and be renewable, at the discretion of the
44 commission, for one additional six month period. Positions
45 "directly related to gaming activity" shall include, but not be limited
46 to, boxmen, floormen, dealers or croupiers, cage personnel, count
47 room personnel, slot and slot booth personnel, credit and collection
48 personnel, casino surveillance personnel, and casino security em-
49 ployees whose employment duties require or authorize access to the
50 casino.

51 h. Notwithstanding the provisions of subsection e. of this section,
52 no applicant shall be denied a casino employee license on the basis
53 of a conviction of any of the offenses enumerated in this act as
54 disqualification criteria *or the commission of any act or acts which*
55 *would constitute any offense under subsection c. of section 86 of*
56 *P. L. 1977, c. 110 (C. 5:12-86), as specified in subsection g. of that*
57 *section*: provided that the applicant has affirmatively demonstrated
58 his rehabilitation. In determining whether the applicant has
59 affirmatively demonstrated his rehabilitation the commission shall
60 consider the following factors:

- 61 (1) The nature and duties of the position applied for;
- 62 (2) The nature and seriousness of the offense *or conduct*;
- 63 (3) The circumstances under which the offense *or conduct*
64 occurred;
- 65 (4) The date of the offense *or conduct*;
- 66 (5) The age of the applicant when the offense *or conduct* was
67 committed;
- 68 (6) Whether the offense *or conduct* was an isolated or repeated
69 incident;
- 70 (7) Any social conditions which may have contributed to the
71 offense *or conduct*;
- 72 (8) Any evidence of rehabilitation, including good conduct in
73 prison or in the community, counseling or psychiatric treatment
74 received, acquisition of additional academic or vocational schooling,
75 successful participation in correctional work-release programs, or
76 the recommendation of persons who have or have had the applicant
77 under their supervision.

1 15. Section 91 of P. L. 1977, c. 110 (C. 5:12-91) is amended to
2 read as follows:

3 91. Registration of Casino Hotel Employees. a. No person may
4 commence employment as a casino hotel employee unless he has
5 been registered with the commission, which registration shall be
6 in accordance with subsection f. of this section.

7 b. Any applicant for casino hotel employee registration shall
8 produce such information as the commission may require. Subse-
9 quent to the registration of a casino hotel employee, the commission
10 may revoke, suspend, limit, or otherwise restrict the registration
11 upon a finding that the registrant is disqualified on the basis of the
12 criteria contained in section 86 of P. L. 1977, c. 110 (C. 5:12-86).

13 c. The commission may, by regulation, require that all applicants
14 for casino hotel employee registration be residents of this State
15 for a period not to exceed three months immediately prior to such
16 registration, but application may be made prior to the expiration
17 of the required period of residency. The commission shall waive
18 the required residency period for an applicant upon a showing that
19 the residency period would cause undue hardship upon the casino
20 licensee which intends to employ said applicant, or upon a showing
21 of other good cause.

22 d. Notwithstanding the provisions of subsection b. of this section
23 no casino hotel employee registration shall be revoked on the basis
24 of a conviction of any of the offenses enumerated in this act as
25 disqualification criteria *or the commission of any act or acts which*

26 would constitute any offense under subsection c. of section 86 of
27 P. L. 1977, c. 110 (C. 5:12-86), as specified in subsection g. of that
28 section, provided that the registrant has affirmatively demon-
29 strated his rehabilitation. In determining whether the registrant
30 has affirmatively demonstrated his rehabilitation the commission
31 shall consider the following factors:

32 (1) The nature and duties of the registrant's position;

33 (2) The nature and seriousness of the offense *or conduct*;

34 (3) The circumstances under which the offense *or conduct*
35 occurred;

36 (4) The date of the offense *or conduct*;

37 (5) The age of the registrant when the offense *or conduct* was
38 committed;

39 (6) Whether the offense *or conduct* was an isolated or repeated
40 incident;

41 (7) Any social conditions which may have contributed to the
42 offense *or conduct*;

43 (8) Any evidence of rehabilitation, including good conduct in
44 prison or in the community, counseling or psychiatric treatment
45 received, acquisition of additional academic or vocational school-
46 ing, successful participation in correctional work-release programs,
47 or the recommendation of persons who have or have had the regis-
48 trant under their supervision.

49 e. The commission may waive any disqualification criterion for
50 a casino hotel employee consistent with the public policy of this
51 act and upon a finding that the interests of justice so require.

52 f. Upon petition by the holder of a casino license [or temporary
53 casino permit], casino hotel employee registration shall be granted
54 to each applicant for casino hotel employee registration named
55 therein, provided that the petition certifies that each such applicant
56 has filed a completed application for casino hotel employee regis-
57 tration as required by the commission.

58 Any person who, on the effective date of this amendatory act,
59 possesses a current and valid temporary or plenary casino hotel
60 employee license, or has a completed application for such licensure
61 pending before the commission, shall be considered registered in
62 accordance with the provisions of this section.

1 16. Section 95 of P. L. 1977, c. 110 (C. 5:12-110) is amended to
2 read as follows:

3 95. Renewal of Licenses and Registrations. Subject to the power
4 of the commission to deny, revoke or suspend any license or
5 registration, any license other than a casino license or any registra-
6 tion may be renewed upon proper application for renewal [no later

7 than 120 days prior to the expiration of the current license or
8 registration.】 and the payment of fees [as provided by law on or
9 before] *in accordance with the rules of the commission, but in no*
10 *event later than* the date of expiration of the current license or
11 registration. 【The commission shall act upon such application for
12 renewal no later than 30 days prior to the date of expiration of
13 the current license or registration.】

1 17. Section 96 of P. L. 1977, c. 110 (C. 5:12-96) is amended to
2 read as follows:

3 96. Operation Certificate. a. Notwithstanding the issuance of a
4 license therefor, no casino may be opened or remain open to the
5 public, and no gaming activity, except for test purposes, may be
6 conducted therein, unless and until a valid operation certificate has
7 been issued to the casino licensee by the commission. Such certifi-
8 cate shall be issued by the commission upon a finding that a casino
9 complies in all respects with the requirements of this act and
10 regulations promulgated hereunder, that the casino licensee has
11 implemented necessary management controls and security precau-
12 tions, that casino personnel are properly trained and licensed for
13 their respective responsibilities, and that the casino is prepared
14 in all respects to receive the public.

15 b. The operation certificate shall include a statement of com-
16 pliance with subsection a. of this section and an itemized list by
17 category and number of the authorized games permitted in the
18 particular casino establishment.

19 c. A casino licensee shall notify the commission [30 days] in
20 advance of any proposed change in the number of authorized
21 games to be played in a particular casino, and shall request the
22 issuance of an operation certificate which permits such changes
23 to occur. The commission shall issue a revised operation certificate
24 unless it finds that the planned change in authorized games does not
25 conform to the requirements of this act or regulations promulgated
26 hereunder, or that there has been a change of circumstances in the
27 casino or with respect to the casino licensee materially affecting
28 compliance with subsection a. of this section.

29 d. An operation certificate shall remain in force and effect unless
30 altered in accordance with subsection c. of this section, or revoked,
31 suspended, limited, or otherwise altered by the commission in
32 accordance with this act.

33 e. It shall be an express condition of continued operation under
34 this act that a casino licensee shall maintain all books, records, and
35 documents pertaining to the licensee's operations and approved
36 hotel in a manner and location within this State approved by the

37 commission. All such books, records and documents shall be im-
38 mediately available for inspection during all hours of operation in
39 accordance with the rules of the commission and shall be maintained
40 for a period of seven years or such other period of time as the
41 commission shall require.

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

3 99. Internal Controls. a. Each casino licensee shall submit to the
4 commission a description of its system of internal procedures and
5 administrative and accounting controls. Such submission shall be
6 made at least ~~90~~ 120 days before gaming operations are to com-
7 mence or *at least 90 days* before changes in previously submitted
8 control plans are to become effective, unless otherwise directed by
9 the commission. Each such submission shall contain both narrative
10 and diagrammatic representations of the internal control system to
11 be utilized by the casino, including, but not limited to:

12 (1) Accounting controls, including the standardization of forms
13 and definition of terms to be utilized in the gaming operations;

14 (2) Procedures, forms, and, where appropriate, formulas cov-
15 ering the calculation of hold percentages, revenue drop, expense
16 and overhead schedules, complimentary services, junkets, cash
17 equivalent transactions, salary structure and personnel practices;

18 (3) Job descriptions and the system of personnel and chain-of-
19 command, establishing a diversity of responsibility among em-
20 ployees engaged in casino operations and identifying primary and
21 secondary supervisory positions for areas of responsibility, which
22 areas shall not be so extensive as to be impractical for an individual
23 to monitor;

24 (4) Procedures within the cashier's cage for the receipt, storage
25 and disbursal of chips, cash, and other cash equivalent used in
26 gaming; the cashing of checks; the redemption of chips and other
27 cash equivalents used in gaming; the pay-off of jackpots; and the
28 recording of transactions pertaining to gaming operations;

29 (5) Procedures for the collection and security of moneys at the
30 gaming tables;

31 (6) Procedures for the transfer and recordation of chips be-
32 tween the gaming tables and the cashier's cage;

33 (7) Procedures for the transfer of moneys from the gaming
34 tables to the counting process;

35 (8) Procedures and security for the counting and recordation
36 of revenue;

37 (9) Procedures for the security, storage and recordation of chips
38 and other cash equivalents utilized in the gaming operation;

39 (10) Procedures for the transfer of moneys or chips from and
40 to the slot machines;

41 (11) Procedures and standards for the opening and security of
42 slot machines;

43 (12) Procedures for the payment and recordation of slot ma-
44 chine jackpots;

45 (13) Procedures for the cashing and recordation of checks ex-
46 changed by casino patrons;

47 (14) Procedures governing the utilization of the private security
48 force within the casino;

49 (15) Procedures and security standards for the handling and
50 storage of gaming apparatus including cards, dice, machines,
51 wheels and all other gaming equipment;

52 (16) Procedures and rules governing the conduct of particular
53 games and the responsibility of casino personnel in respect there-
54 to; and

55 (17) Procedures for separately recording all transactions pur-
56 suant to section 101 of this act involving the Governor, any State
57 officer or employee, or any special State officer or employee, any
58 member of the Judiciary, any member of the Legislature, or any
59 officer of a municipality or county in which casino gaming is au-
60 thorized, and for the quarterly filing with the Attorney General of a
61 list reporting all such transactions.

62 b. The commission shall review each submission required by
63 subsection a. hereof, and shall determine whether it conforms to
64 the requirements of this act and to the regulations promulgated
65 thereunder and whether the system submitted provides adequate
66 and effective controls for the operations of the particular casino
67 submitting it. If the commission finds any insufficiencies, it shall
68 specify same in writing to the casino licensee, who shall make
69 appropriate alterations. When the commission determines a sub-
70 mission to be adequate in all respects, it shall notify the casino
71 licensee of same. No casino licensee shall commence gaming opera-
72 tions, or alter in fact its internal controls, unless and until such
73 system of controls is approved by the commission.

1 19. Section 107 of P. L. 1977, c. 110 (C. 5:12-107) is amended to
2 read as follows:

3 107. Conduct of Hearings; Rules of Evidence; Punishment of
4 Contempts; Rehearing.

5 a. At all hearings of the commission in contested cases, as defined
6 in section 2 of P. L. 1968, c. 410 (C. 52:14B-2):

7 (1) Unless the commission hears the matter directly, the chair-
8 man shall refer the matter to the Office of Administrative Law in

9 accordance with P. L. 1978, c. 67 (C. 52:14F-1 et seq.); provided,
10 however, that the chairman may, in his discretion, designate a
11 member of the commission to serve as hearing examiner in a par-
12 ticular matter;

13 (2) The proceedings at the hearing shall be recorded or tran-
14 scribed;

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

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

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

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

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

38 b. The commission may take official notice of any generally ac-
39 cepted information or technical or scientific matter in the field of
40 gaming and of any other fact which may be judicially noticed by
41 the courts of this State. The parties shall be informed of any in-
42 formation, matters or facts so noticed and shall be given a reason-
43 able opportunity, on request, to refute such information, matters
44 or facts by evidence or by written or oral presentation of authori-
45 ties, the manner of such refutation to be determined by the com-
46 mission. The commission may, in its discretion, before rendering
47 its decision, permit the filing of amended or supplemental pleadings
48 and shall notify all parties thereof and provide a reasonable op-
49 portunity for objections thereto.

50 c. If any person in proceedings before the commission disobeys
51 or resists any lawful order, refuses to respond to a subpoena, re-

52 fuses to take the oath or affirmation as a witness or thereafter re-
 53 fuses to be examined, or is guilty of misconduct at the hearing or
 54 so near the place thereof as to obstruct the proceeding, the person
 55 may be punished for contempt in accordance with the Rules of
 56 Court if the commission certifies the facts underlying the contu-
 57 macious behavior to the Superior Court. Thereafter, the courts
 58 shall have jurisdiction in the matter, and the same proceeding shall
 59 be had, the same penalties may be imposed, and the person charged
 60 may purge himself of the contempt in the same way as in the case
 61 of a person who has committed contempt in the trial of a civil
 62 action before the Superior Court.

63 d. (1) The commission may, upon motion therefor made within
 64 10 days after the service of the decision and order, order a re-
 65 hearing before the commission upon such terms and conditions as
 66 it may deem just and proper *when the commission finds cause to*
 67 *believe that the decision and order should be reconsidered in view*
 68 *of the legal, policy or factual matters advanced by the moving party*
 69 *or raised by the commission on its own motion.*

70 **【Such motion shall be granted only】** (2) *Upon motion made*
 71 *within a reasonable time, but in no event later than one year from*
 72 *the service of the decision and order, the commission may relieve*
 73 *a party from the decision and order upon a showing that there is*
 74 *additional evidence which is material and necessary and which*
 75 *would be reasonably likely to change the decision of the commission,*
 76 *and that sufficient reason existed for failure to present such*
 77 *evidence at the hearing of the commission or on a motion under*
 78 *paragraph (1) of this subsection.* The motion shall be supported
 79 by an affidavit of the moving party or his counsel showing with
 80 particularity the materiality and necessity of the additional evi-
 81 dence and the reason why it was not **【introduced】** *presented* at the
 82 hearing *or on a motion under paragraph (1) of this subsection.*
 83 Upon rehearing, rebuttal evidence to the additional evidence shall
 84 be admitted. After rehearing, the commission may modify its
 85 decision and order as the additional evidence may warrant.

86 (3) *A motion for relief from a decision and order which is based*
 87 *on any ground other than the presentation of newly discovered*
 88 *evidence shall be governed as to both timelessness and sufficiently*
 89 *by the regulations of the commission which shall be modeled, to the*
 90 *extent practical, upon the rules then governing similar motions*
 91 *before the courts of this State.*

1 20. Section 141 of P. L. 1977, c. 110 (C. 5:12-141) is amended to
 2 read as follows:

3 141. Fees for Other Than Casino Licenses. The commission shall,

4 by regulation, establish [annual] fees for the *investigation and*
 5 *consideration of applications for the* issuance and renewal of
 6 registrations and licenses other than casino licenses, which fees
 7 shall be payable by the *applicant*, licensee or [the] registrant.

1 21. Section 149 of P. L. 1977, c. 110 (C. 5:12-149) is amended to
 2 read as follows:

3 149. Determination of Tax Liability. If a return or deposit
 4 required by section 145 *with regard to obligations imposed by*
 5 *subsection a. of section 144 of P. L. 1977, c. 110 (C. 5:12-144)* is not
 6 filed or paid, or if a return or deposit when filed or paid is incorrect
 7 or insufficient in the opinion of the [State Treasurer] *commission*,
 8 the amount of tax due or deposit shall be determined by [the State
 9 Treasurer from such information as may be available] *an audit of*
 10 *the casino licensee's books and records performed by the commis-*
 11 *sion*. Notice of such determination shall be given to the licensee
 12 liable for the payment of the tax or deposit. Such determination
 13 shall finally and irrevocably fix the tax unless the person against
 14 whom it is assessed, within 30 days after receiving notice of such
 15 determination, shall apply to the [State Treasurer] *commission*
 16 for a hearing, or unless the [State Treasurer] *commission* on [his]
 17 *its* own motion shall redetermine the same. After such hearing the
 18 [State Treasurer] *commission* shall give notice of [his] *its* deter-
 19 nation to the person against whom the tax is assessed.

1 22. Section 150 of P. L. 1977, c. 110 (C. 5:12-150) is amended to
 2 read as follows:

3 150. Penalties. a. Any licensee who shall fail to file his return
 4 when due or to pay any tax or deposit when the same becomes due,
 5 as herein provided, shall be subject to such penalties and interest
 6 as provided in the "State Tax Uniform Procedure Law," Sub-
 7 title 9 of Title 54 of the Revised Statutes. If the State Treasurer
 8 determines that the failure to comply with any provision of this
 9 Article was excusable under the circumstances, he may remit such
 10 part or all of the penalty as shall be appropriate under such
 11 circumstances.

12 b. Any person failing to file a return, failing to pay the tax or
 13 deposit, or filing or causing to be filed, or making or causing to be
 14 made, or giving or causing to be given any return, certificate,
 15 affidavit, representation, information, testimony or statement re-
 16 quired or authorized by this act, or rules or regulations adopted
 17 hereunder which is willfully false, or failing to keep any records
 18 required by this act or rules and regulations adopted hereunder,
 19 shall, in addition to any other penalties herein or elsewhere pre-
 20 scribed, be guilty of a misdemeanor and subject to not more than
 21 three years imprisonment or a fine of \$100,000.00 or both.

22 c. [The] *Except as to those determinations required to be made*
 23 *by the commission pursuant to section 149 of P. L. 1977, c. 110*
 24 *(C. 5:12-149), the certificate of the State Treasurer to the effect*
 25 *that a tax or deposit has not been paid, that a return has not been*
 26 *filed, that information has not been supplied, or that inaccurate*
 27 *information has been supplied pursuant to the provisions of this act*
 28 *or rules or regulations adopted hereunder, shall be presumptive*
 29 *evidence thereof.*

30 d. If any part of any underpayment of tax required to be shown
 31 on a return is due to fraud, there shall be added to the tax an
 32 amount equal to 50% of the underpayment.

1 23. This act shall take effect immediately.

STATEMENT

This bill amends various provisions of the "Casino Control Act" concerning the Casino Control Commission and the Division of Gaming Enforcement.

The bill (1) eliminates the statutory salary cap for the Executive Secretary of the Casino Control Commission; (2) allows the Casino Control Commission and the Division of Gaming Enforcement, when hiring secretarial and clerical personnel, to waive the pre-employment restrictions; (3) eliminates the absolute ban on casino employment or representation by consultants used by the commission or the division; (4) explicitly authorizes the Casino Control Commission to attach conditions to the issuance of any license, thus conforming the act to the current interpretation of it by the New Jersey Supreme Court; (5) modifies the definitions of "qualified person" and "disqualified person" for consistency and clarity; (6) permits investigative subpoenas to be returnable before the Division of Gaming Enforcement; (7) subjects former applicants and registrants to suit for collection of fees and taxes owed to the State (present statutory language refers only to licensees); (8) permits the commission to adopt, without following the normal public notice procedure of the "Administrative Procedure Act," temporary rules concerning the conduct of gaming or the use or design of gaming equipment for an experimental period not to exceed 90 days; (9) exempts the commission from the "Open Public Meetings Act" in certain instances; (10) makes available for public inspection a casino licensee's gross revenue rather than its operating revenues and expenses, and only annual financial statements that have been audited by an independent certified public accountant licensed in New Jersey; (11) permits the commission to waive temporarily and conditionally for certain persons compliance with

qualification requirements; (12) makes various changes concerning disqualification criteria; (13) alters certain deadlines concerning the renewal of casino and non-casino licenses and the submission of internal control changes; (14) permits application for a temporary casino key employee license prior to the occurrence of a vacancy; (15) eliminates notice requirements regarding gaming changes; (16) alters time limitations concerning rehearings of commission decisions; (17) authorizes establishment of fees for investigation and consideration of applications, whether or not they result in registration or licensure; and (18) places responsibility for determining a casino's gross revenue tax liability on the commission rather than the State Treasurer.

GAMBLING—CASINOS

Amends "Casino Control Act" concerning certain powers, duties, and employees of Casino Control Commission and Division of Gaming Enforcement.

ASSEMBLY, No. 3568

STATE OF NEW JERSEY

INTRODUCED DECEMBER 18, 1986

By Assemblyman SCHUBER and Assemblywoman CRECCO

AN ACT to amend the "Casino Control Act," approved June 2, 1977
(P. L. 1977, c. 110).

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

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

3 9. "Casino Key Employee"—Any natural person employed in
4 the operation of a licensed casino in a supervisory capacity or
5 empowered to make discretionary decisions which regulate casino
6 operation. **[and who is not within an employee category defined**
7 **elsewhere in this act,]** including, without limitation, pit bosses**[.]:**
8 shift bosses**[.]: credit executives; casino cashier supervisors[. and**
9 **cashiers];** casino managers and assistant managers; *and* managers
10 or supervisors of casino security employees; *or any other natural*
11 *person empowered to make discretionary decisions which regulate*
12 *the management of an approved hotel, including, without limitation,*
13 *hotel managers; entertainment directors; and food and beverage*
14 *directors; [and] or any other employee so designated by the Casino*
15 *Control Commission for reasons consistent with the policies of this*
16 *act.*

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

3 12. "Casino Service Industry"—Any form of enterprise which
4 provides **[casinos]** *casino applicants or licensees* with goods or
5 services on a regular or continuing basis, including, without limita-
6 tion, security businesses, gaming schools, manufacturers, distribu-

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

Matter printed in italics thus is new matter.

7 tors and servicers of gaming devices or equipment, garbage haulers,
8 maintenance companies, food purveyors, *construction companies* or
9 any other enterprise which does business with [licensed casinos]
10 *casino applicants or licensees* on a regular or continuing basis.
11 Notwithstanding the foregoing, any form of enterprise engaged in
12 the manufacture, sale, distribution or repair of slot machines
13 within New Jersey, other than antique slot machines as defined in
14 N. J. S. 2C:37-7, shall be considered a casino service industry for
15 the purposes of this act regardless of the nature of its business
16 relationship, if any, with licensed casinos in this State.

17 *For the purposes of this section, "casino applicant" includes any*
18 *person who has applied for any necessary license or approval*
19 *required to be obtained in accordance with subsection a. of section*
20 *82 of P. L. 1977, c. 110 (C. 5:12-82).*

1 3. Section 45 of P. L. 1977, c. 110 (C. 5:12-45) is amended to
2 read as follows:

3 45. "Slot machine"—Any mechanical, electrical or other device,
4 contrivance or machine which, upon insertion of a coin, token or
5 similar object therein, or upon payment of any consideration what-
6 soever, is available to play or operate, the play or operation of
7 which, whether by reason of the skill of the operator or application
8 of the element of chance, or both, may deliver or entitle the person
9 playing or operating the machine to receive cash or tokens to be
10 exchanged for cash, or to receive merchandise or any thing of value
11 whatsoever [or a token to be exchanged for merchandise or any
12 thing of value], whether the payoff is made automatically from the
13 machine or in any other manner whatsoever, except that: a. no
14 merchandise or thing of value shall be offered as part of a payoff
15 of any slot machine unless such merchandise or thing of value has
16 a cash equivalent value of at least \$5,000.00, and b. the cash equiva-
17 lent value of any merchandise or other thing of value shall not be
18 included in the total of all sums paid out as winnings to patrons
19 for purposes of determining gross revenues as defined by section
20 24 of P. L. 1977, c. 110 (C. 5:12-24) or be included in determining
21 the payout percentage of any slot machine. The commission shall
22 promulgate rules defining "cash equivalent value" in order to as-
23 sure fairness, uniformity and comparability of valuation of slot
24 machine payoffs.

1 4. Section 82 of P. L. 1977, c. 110 (C. 5:12-82) is amended to
2 read as follows:

3 82. Casino License—Applicant Eligibility. a. No casino shall
4 operate unless all necessary licenses and approvals therefor have
5 been obtained in accordance with law.

6 b. Only the following persons shall be eligible to hold a casino
7 license; and, unless otherwise determined by the commission with
8 the concurrence of the Attorney General which may not be un-
9 reasonably withheld in accordance with subsection c. of this section,
10 each of the following persons shall be required to hold a casino
11 license prior to the operation of a casino in the hotel with respect
12 to which the casino license has been applied for:

13 (1) Any person who either owns an approved hotel building or
14 owns or has a contract to purchase or construct a hotel which in
15 the judgment of the commission can become an approved hotel
16 building within 30 months or within such additional time period
17 as the commission may, upon a showing of good cause therefor,
18 establish;

19 (2) Any person who, whether as lessor or lessee, either leases
20 an approved hotel building or leases or has an agreement to lease
21 a hotel which in the judgment of the commission can become an
22 approved hotel building within 30 months or within such additional
23 time period as the commission may, upon a showing of good cause
24 therefor, establish:

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

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

31 c. Prior to the operation of the casino, every agreement to lease
32 an approved hotel building or the land thereunder and every
33 agreement for the management of the casino shall be in writing
34 and filed with the commission. No such agreement shall be effective
35 unless expressly approved by the commission. The commission may
36 require that any such agreement include within its terms any
37 provision reasonably necessary to best accomplish the policies of
38 this act. Consistent with the policies of this act:

39 (1) The commission, with the concurrence of the Attorney Gen-
40 eral which may not be unreasonably withheld, may determine that
41 any person who does not have the ability to exercise any significant
42 control over either the approved hotel building or the operation of
43 the casino contained therein shall not be eligible to hold or required
44 to hold a casino license;

45 (2) The commission, with the concurrence of the Attorney Gen-
46 eral which may not be unreasonably withheld, may determine that
47 any owner, lessor or lessee of an approved hotel building or the
48 land thereunder who does not own or lease the entire approved

49 hotel building shall not be eligible to hold or required to hold a
50 casino license;

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

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

58 (5) As to agreements to lease an approved hotel building or the
59 land thereunder, unless it expressly and by formal vote for good
60 cause determines otherwise, the commission shall require that each
61 party thereto hold either a casino license or casino service industry
62 license and that such an agreement be for a durational term exceed-
63 ing 30 years, concern 100% of the entire approved hotel building
64 or of the land upon which same is located, and include within its
65 terms a buy-out provision conferring upon the casino licensee-lessee
66 who controls the operation of the approved hotel the absolute right
67 to purchase for an expressly set forth fixed sum the entire interest
68 of the lessor or any person associated with the lessor in the
69 approved hotel building or the land thereunder in the event that
70 said lessor or said person associated with the lessor is found by
71 the commission to be unsuitable to be associated with a casino
72 enterprise;

73 (6) The commission shall not permit an agreement for the leasing
74 of an approved hotel building or the land thereunder to provide
75 for the payment of an interest, percentage or share of money
76 gambled at the casino or derived from casino gaming activity or
77 of revenues or profits of the casino unless the party receiving pay-
78 ment of such interest, percentage or share is a party to the approved
79 lease agreement; unless each party to the lease agreement holds
80 either a casino license or casino service industry license and unless
81 the agreement is for a durational term exceeding 30 years, con-
82 cerns a significant portion of the entire approved hotel building or
83 of the land upon which same is located, and includes within its
84 terms a buy-out provision conforming to that described in para-
85 graph (5) above;

86 (7) As to agreements for the management of a casino, the com-
87 mission shall require that each party thereto hold a casino license,
88 that the party thereto who is to manage the casino own at least
89 10% of all outstanding equity securities of any casino licensee or
90 of any eligible applicant for a casino license if the said licensee or
91 applicant is a corporation and the ownership of an equivalent

92 interest in any casino licensee or in any eligible applicant for a
93 casino license if same is not a corporation, and that such an
94 agreement be for the complete management of the casino, provide
95 for the sale and unrestricted power to direct the casino operations
96 of the casino which is the subject of the agreement, and be for
97 such a durational term as to assure reasonable continuity, stability
98 and independence in the management of the casino:

99 (8) The commission may permit an agreement for the manage-
100 ment of a casino to provide for the payment to the managing
101 party of an interest, percentage or share of money gambled at the
102 casino or derived from casino gaming activity or of revenues or
103 profits of the casino; and,

104 (9) As to agreements to lease an approved hotel building or the
105 land thereunder, agreements to jointly own an approved hotel
106 building or the land thereunder and agreements for the manage-
107 ment of a casino, the commission shall require that each party
108 thereto shall be jointly and severally liable for all acts, omissions
109 and violations of this act by any party thereto regardless of actual
110 knowledge of such act, omission or violation and notwithstanding
111 any provision in such agreement to the contrary.

112 d. No corporation shall be eligible to apply for a casino license
113 unless the corporation shall:

114 (1) Be incorporated in the State of New Jersey, although such
115 corporation may be a wholly or partially owned subsidiary of a
116 corporation which is organized pursuant to the laws of another
117 state of the United States or of a foreign country:

118 (2) Maintain an office of the corporation in the premises licensed
119 or to be licensed;

120 (3) Comply with all the requirements of the laws of the State
121 of New Jersey pertaining to corporations;

122 (4) Maintain a ledger in the principal office of the corporation in
123 New Jersey which shall at all times reflect the current ownership
124 of every class of security issued by the corporation and shall be
125 available for inspection by the commission or the division and
126 authorized agents of the commission and the division at all reason-
127 able times without notice;

128 (5) Maintain all operating accounts required by the commission
129 in a bank in New Jersey;

130 (6) Include among the purposes stated in its certificate of
131 incorporation the conduct of casino gaming and provide that the
132 certificate of incorporation includes all provisions required by
133 this act;

134 (7) If it is not a publicly traded corporation, file with the com-
 135 mission such adopted corporate charter [or bylaws] provisions as
 136 may be necessary to establish the right of *prior approval* by the
 137 commission [to approve future] *with regard to* transfers of
 138 [corporate] securities, shares, and other interests in the applicant
 139 corporation and in any non-publicly traded holding company,
 140 intermediary company, or subsidiary thereof; and, if it is a publicly
 141 traded corporation, said corporation shall provide in its corporate
 142 charter [or bylaws] that any securities of such corporation are
 143 held subject to the condition that if a holder thereof is found to be
 144 disqualified by the commission pursuant to the provisions of this
 145 act, such holder shall dispose of his interest in the corporation;
 146 provided, however, that, notwithstanding the provisions of N. J. S.
 147 14A:7-12 and N. J. S. 12A:8-101 et seq., nothing herein shall be
 148 deemed to require that any security of such corporation bear any
 149 legend to this effect; and

150 (8) If it is not a publicly traded corporation, establish to the
 151 satisfaction of the commission that appropriate charter [or bylaw]
 152 provisions create the absolute right of such non-publicly traded
 153 corporations and companies to repurchase at the market price or
 154 the purchase price, whichever is the lesser, any security, share or
 155 other interest in the corporation in the event that the commission
 156 disapproves a transfer in accordance with the provisions of this act.

157 *The provisions of this subsection shall apply with the same force*
 158 *and effect with regard to casino license applicants and casino*
 159 *licensees which have a legal existence that is other than corporate*
 160 *to the extent which is appropriate, and the provisions of paragraphs*
 161 *(7) and (8) of this subsection shall have the same force and effect*
 162 *with regard to the holding companies, intermediary companies and*
 163 *subsidiaries of casino licensees, as well as the corporate charters*
 164 *and partnership agreements of such entities.*

165 e. No person shall be issued or be the holder of more than three
 166 casino licenses. For the purpose of this subsection a person shall be
 167 considered the holder of a casino license if such license is issued to
 168 such person or if such license is held by any holding, intermediary
 169 or subsidiary company thereof, or by any officer, director, casino
 170 key employee or principal employee of such person, or of any hold-
 171 ing, intermediary or subsidiary company thereof.

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

3 92. Licensing and Registration of Casino Service Industries.

4 a. (1) All casino service industries offering goods or services
 5 which directly relate to casino or gaming activity, including gaming

6 equipment manufacturers, suppliers and repairers, schools teach-
7 ing gaming and either playing or dealing techniques, and casino
8 security services, shall be licensed in accordance with the provi-
9 sions of this act prior to conducting any business whatsoever with
10 a casino *applicant or* licensee, its employees or agents, and in the
11 case of a school, prior to enrollment of any students or offering of
12 any courses to the public whether for compensation or not; pro-
13 vided, however, that upon a showing of good cause by a casino
14 *applicant or* licensee for each business transaction, the commission
15 may permit an applicant for a casino service industry license to
16 conduct business transactions with such casino *applicant or* licensee
17 prior to the licensure of that *service industry* applicant under this
18 subsection.

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

38 b. Each casino service industry in subsection a. of this section,
39 as well as its owners, management and supervisory personnel and
40 other principal employees must qualify under the standards, except
41 residency, established for qualification of a casino key employee
42 under this act. In addition, if the business or enterprise is a school
43 teaching gaming and either playing or dealing techniques, each
44 resident director, instructor, principal employee, and sales repre-
45 sentative employed thereby shall be licensed under the standards
46 established for qualification of a casino employee under this act;
47 provided, however, that nothing in this subsection shall be deemed
48 to require, in the case of a public school district or a public insti-

49 tution of higher education, the licensure or qualification of any
50 individuals except those instructors and other principal employees
51 responsible for the teaching of playing or dealing techniques. The
52 commission, in its discretion, may issue a temporary license to an
53 applicant for an instructor's license upon a finding that the appli-
54 cant meets the educational and experiential requirements for such
55 license, that the issuance of a permanent license will be restricted
56 by necessary investigations, and that temporary licensing is nec-
57 essary for the operation of the gaming school. Unless otherwise
58 terminated pursuant to this act, a temporary license issued pur-
59 suant to this subsection shall expire six months from the date of its
60 issuance and be renewable, at the discretion of the commission,
61 for one additional six-month period.

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

88 d. Licensure pursuant to subsection c. of this section of any
89 casino service industry may be denied to any applicant disqualified
90 in accordance with the criteria contained in section 86 of this act.

1 6. Section 93 of P. L. 1977, c. 110 (C. 5:12-93) is amended to
2 read as follows:

3 93. Registration of Labor Organizations. a. Each labor organi-
4 zation, union or affiliate seeking to represent employees licensed
5 or registered under this act and employed by a casino hotel or a
6 casino licensee shall register with the commission annually, and
7 shall disclose such information to the commission as the commission
8 may require, including the names of all affiliated organizations,
9 pension and welfare systems and all officers and agents of such
10 organizations and systems; provided, however, that no labor
11 organization, union, or affiliate shall be required to furnish such
12 information to the extent such information is included in a report
13 filed by any labor organization, union, or affiliate with the Secretary
14 of Labor pursuant to 29 U. S. C. § 431 et seq. or § 1001 et seq. if a
15 copy of such report, or of the portion thereof containing such in-
16 formation, is furnished to the commission pursuant to the aforesaid
17 federal provisions. The commission may in its discretion exempt
18 any labor organization, union, or affiliate from the registration
19 requirements of this subsection where the commission finds that
20 such organization, union or affiliate is not the certified bargaining
21 representative of any employee licensed or registered under this
22 act, is not involved actively, directly or substantially in the control
23 or direction of the representation of any such employee, and is not
24 seeking to do so.

25 b. [No labor organization, union or affiliate registered or re-
26 quired to be registered pursuant to this section and representing
27 or seeking to represent employees licensed or registered under this
28 act may receive any dues from any employee licensed or registered
29 under this act and employed by a casino licensee or its agent, or
30 administer any pension or welfare funds, if any officer, agent, or
31 principal employee of the labor organization, union or affiliate is
32 disqualified in accordance with the criteria contained in section 86
33 of this act. The commission may for the purposes of this subsection
34 waive any disqualification criterion consistent with the public policy
35 of this act and upon a finding that the interests of justice so re-
36 quire.] *No person may act as an officer, agent or principal em-
37 ployee of a labor organization, union or affiliate registered or re-
38 quired to be registered pursuant to this section and representing
39 or seeking to represent employees licensed or registered under
40 P. L. 1977, c. 110 (C. 5:12-1 et seq.) if the person has been found
41 disqualified by the commission in accordance with the criteria con-
42 tained in section 86 of that act. The commission may, for purposes
43 of this subsection, waive any disqualification criterion consistent
44 with the public policy of this act and upon a finding that the inter-
45 ests of justice so require.*

46 e. Neither a labor organization, union or affiliate nor its officers
 47 and agents not otherwise individually licensed or registered under
 48 this act and employed by a casino licensee may hold any financial
 49 interest whatsoever in the casino hotel or casino licensee whose
 50 employees they represent.

51 d. *Any person, including any labor organization, union or affil-*
 52 *iate, who shall violate, aid and abet the violation, or conspire or*
 53 *attempt to violate this section is guilty of a crime of the fourth*
 54 *degree.*

55 e. *The commission or the division may maintain a civil action*
 56 *and proceed in a summary manner, without posting bond, against*
 57 *any person, including any labor organization, union or affiliate, to*
 58 *compel compliance with this section, or to prevent any violations,*
 59 *the aiding and abetting thereof, or any attempt or conspiracy to*
 60 *violate this section.*

61 f. *In addition to any other remedies provided in this section, a*
 62 *labor organization, union or affiliate registered or required to be*
 63 *registered pursuant to this section and representing or seeking to*
 64 *represent employees licensed or registered under P. L. 1977, c. 110*
 65 *(C. 5:12-1 et seq.) may be prohibited by the commission from re-*
 66 *ceiving any dues from any employee licensed or registered under*
 67 *that act and employed by a casino licensee or its agent, if any*
 68 *officer, agent or principal employee of the labor organization, union*
 69 *or affiliate has been found disqualified and if such disqualification*
 70 *has not been waived by the commission in accordance with sub-*
 71 *section b. of this section. The commission or the division may pro-*
 72 *ceed in the manner provided by subsection e. of this section to en-*
 73 *force an order of the commission prohibiting the receipt of dues.*

74 g. *Nothing contained in this section shall limit the power of the*
 75 *commission to proceed in accordance with subsection c. of section*
 76 *107 of P. L. 1977, c. 110 (C. 5:12-107).*

1 7. Section 100 of P. L. 1977, c. 110 (C. 5:12-100) is amended
 2 to read as follows:

3 100. Games and Gaming Equipment. a. This act shall not be con-
 4 strued to permit any gaming except the conduct of authorized
 5 games in a casino room in accordance with this act and the regula-
 6 tions promulgated hereunder.

7 b. Gaming equipment shall not be possessed, maintained or ex-
 8 hibited by any person on the premises of a casino hotel complex
 9 except in the casino room and in secure areas used for the inspec-
 10 tion, repair or storage of such equipment and specifically designated
 11 for that purpose by the casino licensee with the approval of the
 12 commission. No gaming equipment shall be possessed, maintained,

13 exhibited, brought into or removed from a casino room by any
14 person unless such equipment is necessary to the conduct of an
15 authorized game, has permanently affixed, imprinted, impressed or
16 engraved thereon an identification number or symbol authorized
17 by the commission, is under the exclusive control of a casino licensee
18 or his employees, and is brought into or removed from the casino
19 room at times authorized for that purpose by the commission or at
20 other times when prior notice has been given to and written
21 approval granted by an authorized agent of the commission.

22 *Notwithstanding the foregoing, a person may, with the prior ap-*
23 *proval of the commission and under such terms and conditions as*
24 *may be required by the commission, possess, maintain or exhibit*
25 *gaming equipment in any other area of the casino hotel complex*
26 *provided such equipment is used for nongaming purposes.*

27 c. Each casino hotel shall contain a count room and such other
28 secure facilities as may be required by the commission for the
29 counting and storage of cash, **[coin]** coins, tokens and checks re-
30 ceived in the conduct of gaming and for the inspection, counting
31 and storage of dice, cards, chips and other representatives of value.
32 All drop boxes and other devices wherein **[cash]** cash, coins, or
33 tokens are deposited at the gaming tables or in slot machines, and
34 all areas wherein such boxes and devices are kept while in use,
35 shall be equipped with two locking devices, one key to which shall
36 be under the exclusive control of the commission and the other
37 under the exclusive control of the casino licensee, and said drop
38 boxes and other devices shall not be brought into or removed from
39 the casino room, or locked or unlocked, except at such **[time]**
40 times, in such places, and according to such procedures as the com-
41 mission may require.

42 d. All chips used in gaming at all casinos shall be of such size
43 and uniform color by denomination as the commission shall require
44 by regulation.

45 e. All gaming shall be conducted according to rules promulgated
46 by the commission. All wagers and pay-offs of winning wagers at
47 table games shall be made according to rules promulgated by the
48 commission, which shall establish such minimum wagers and other
49 limitations as may be necessary to assure the vitality of casino
50 operations and fair odds to and maximum participation by casino
51 patrons; provided, however, that a licensee may establish a higher
52 minimum wager with the prior approval of the commission. Each
53 slot machine shall have a minimum payout of 83%.

54 f. Each casino licensee shall make available in printed form to
55 any casino patron upon request the complete text of the rules of the

56 commission regarding games and the conduct of gaming, pay-offs
57 of winning wagers, an approximation of the odds of winning for
58 each wager, and such other advice to the player as the commission
59 shall require. Each casino licensee shall prominently post within
60 the casino room according to regulations of the commission such
61 information about gaming rules, pay-offs of winning wagers, the
62 odds of winning for each wager, and such other advice to the player
63 as the commission shall require.

64 g. Each gaming table shall be equipped with a sign indicating the
65 permissible minimum and maximum wagers pertaining thereto.
66 It shall be unlawful for a casino licensee to require any wager to
67 be greater than the stated minimum or less than the stated maxi-
68 mum; provided, however, that any wager actually made by a patron
69 and not rejected by a casino licensee prior to the commencement of
70 play shall be treated as a valid wager.

71 h. No slot machine shall be used to conduct gaming unless it is
72 identical in all electrical, mechanical and other aspects to a model
73 thereof which has been specifically tested by the division and
74 licensed for use by the commission. The commission shall, by
75 regulation, establish such technical standards for licensure, includ-
76 ing mechanical and electrical reliability, security against tamper-
77 ing, the **[comprehensive]** *comprehensibility* of wagering, and noise
78 and light levels, as it may deem necessary to protect the player
79 from fraud or deception and to insure the integrity of gaming. In
80 no event shall slot machines, including walkways between them,
81 occupy more than 30% of the first 50,000 square feet of floor space
82 of a casino, or more than 25% of any additional floor space of a
83 casino larger than 50,000 square feet. The commission shall, by
84 regulation, determine the permissible density of particular licensed
85 slot machines or combinations thereof, based upon their size and
86 light and noise levels, so as to create and maintain a gracious play-
87 ing environment in the casino and to avoid deception or frequent
88 distraction to players at gaming tables. The denominations of such
89 machines shall be set by the licensee, subject to the prior approval
90 of the commission.

91 i. Each casino shall be arranged in such fashion as to allow floor
92 space for each gaming table, including the space occupied by the
93 table, in accordance with the following:

- 94 Baccarat—300 square feet
- 95 Blackjack—100 square feet
- 96 Craps—200 square feet
- 97 Roulette—150 square feet
- 98 Bix Six Wheel—150 square feet

99 j. Each casino shall be arranged in such fashion as to assure
100 that gaming tables shall at all times be present, whether in use or
101 not, according to the following:

102 (1) At least one baccarat *minibaccarate* table for every 50,000
103 square feet of casino space or part thereof; and

104 (2) [At least one craps table for every 10,000 square feet of
105 casino space or part thereof;

106 (3) At least one roulette table for every 10,000 square feet of
107 casino space or part thereof;

108 (4) At least four blackjack tables for every 10,000 square feet
109 of casino space or part thereof; and

110 (5)] No more than one Big Six Wheel and table for every 10,000
111 square feet of casino space or part thereof.

112 k. It shall be unlawful for any person to exchange or redeem
113 chips for anything whatsoever, except currency, negotiable per-
114 sonal checks, negotiable counter checks or other chips. A casino
115 licensee shall, upon the request of any person, redeem that licensee's
116 gaming chips surrendered by that person in any amount over \$25.00
117 with a check drawn upon the licensee's account at any [bank]
118 *banking* institution in this State and made payable to that person.

119 l. It shall be unlawful for any casino licensee or his agents or
120 employees to employ, contract with, or use any shill or barker to
121 induce any person to enter a casino or play at any game or for any
122 purpose whatsoever.

123 m. It shall be unlawful for a dealer in any authorized game in
124 which cards are dealt to deal cards by hand or other than from a
125 device specifically designed for that purpose.

126 n. It shall be unlawful for any casino *key* employee, other than
127 a [a] junket[,] representative, or any casino employee, other than
128 a bartender, waiter, waitress, or other casino employee who in the
129 judgment of the commission is not directly involved with the con-
130 duct of gaming operations, to wager at any game in any casino in
131 this State.

132 o. (1) It shall be unlawful for any casino *key* employee or box-
133 man, floorman, or any other casino employee who shall serve in a
134 supervisory position to solicit or accept, and for any other casino
135 employee to solicit, any tip or gratuity from any player or patron
136 at the casino where he is employed.

137 (2) A dealer may accept tips or gratuities from a patron at the
138 table at which such dealer is conducting play, subject to the pro-
139 visions of this subsection. All such tips or gratuities shall be
140 immediately deposited in a [lock box] *lockbox* reserved for that
141 purpose, accounted for, and placed in a pool for distribution pro

142 rata among the dealers on a weekly basis, with the distribution
143 based upon the number of hours each dealer has worked.

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

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

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

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

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

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

34 b. Each casino *applicant* or licensee shall [be required to present
35 to the commission any] *maintain, in accordance with the rules of*
36 *the commission, a record of each* written or unwritten agreement
37 *regarding the realty of its casino hotel facility, or any business or*
38 *person doing business with it or doing business with it or its agents*
39 *on the premises of[.] its casino hotel facility. [Such] Any such*
40 *agreement [shall] may be reviewed by the commission on the basis*
41 *of the reasonableness of its terms, including the terms of compensa-*

42 tion, and of the qualifications of the person involved in the agree-
43 ment with such casino *applicant or licensee or agent thereof*, which
44 qualifications shall be reviewed according to the standards enumer-
45 ated in section 86 of this act. If the commission does not approve
46 such an agreement or association, the commission may require its
47 termination.

48 Every agreement [with a casino hotel] *required to be maintained*
49 shall be deemed to include a provision for its termination without
50 liability on the part of the [licensee] *casino applicant or licensee*
51 *or agent thereof*, if the commission shall disapprove of the busi-
52 ness or of any person associated therewith, by reason of a finding
53 that said business or person is unsuitable to be associated with a
54 casino [enterprise in accordance with the regulations promulgated
55 under this act] *applicant or licensee*. Failure expressly to include
56 such a condition in the agreement shall not constitute a defense in
57 any action brought to terminate the agreement. If the agreement
58 is not presented to the commission in accordance with commission
59 regulations, or the disapproved agreement or association is not
60 terminated, the commission may pursue any remedy or combina-
61 tion of remedies provided in this act.

62 *For the purposes of this subsection, "casino applicant" includes*
63 *any person who has applied for any necessary license or approval*
64 *required to be obtained in accordance with subsection a. of section*
65 *82 of P. L. 1977, c. 110 (C. 5:12-82).*

66 c. Nothing in this act shall be deemed to permit the transfer of
67 any license, or any interest in any license, or any certificate of
68 compliance or any commitment or reservation.

1 9. Section 105 of P. L. 1977, c. 110 (C. 5:12-105) is amended to
2 read as follows:

3 105. Disposition of Securities by Corporate Licensee. a. The sale,
4 assignment, transfer, pledge or other disposition of any security
5 issued by a corporation which holds a casino license is conditional
6 and shall be ineffective if disapproved by the commission.

7 b. Every security issued by a corporation which holds a casino
8 license shall bear, on both sides of the certificate evidencing such
9 security, a statement of the restrictions imposed by this section,
10 except that in the case of a publicly traded corporation incorpo-
11 dated prior to the effective date of this act, a statement of restric-
12 tion shall be necessary only insofar as certificates are issued by
13 such corporation after the effective date of this act.

14 c. The Secretary of State shall not accept for filing any articles
15 of incorporation of any corporation which includes as a stated
16 purpose the conduct of casino gaming, or any amendment which

17 adds such purpose to articles of incorporation already filed, unless
18 such articles or amendments have been approved by the commission
19 and a copy of such approval is annexed thereto upon presentation
20 for filing with the Secretary of State.

21 d. If at any time the commission finds that an individual owner
22 or holder of any security *or interest* of a corporate licensee or of
23 a holding or intermediary company with respect thereto is not
24 qualified under this act, and if as a result the corporate licensee is
25 no longer qualified to continue as a casino licensee in this State, the
26 commission shall, pursuant to the provisions of this act, propose
27 any necessary action to protect the public interest, including the sus-
28 pension or revocation of the casino license of the corporation; pro-
29 vided, however, that if the holding or intermediary company is a
30 publicly traded corporation and the commission finds disqualified
31 any holder of any security thereof who is required to be qualified
32 under section 85 d. of this act, and the commission also finds that:
33 (1) the holding or intermediary company has complied with the
34 provisions of section 82 d. (7) of this act; (2) the holding or in-
35 termediary company has made a good faith effort, including the
36 prosecution of all legal remedies, to comply with any order of the
37 commission requiring the divestiture of the security interest held
38 by the disqualified holder; and (3) such disqualified holder does
39 not have the ability to control the corporate licensee or any holding
40 or intermediary company with respect thereto, or to elect one or
41 more members of the board of directors of such corporation or
42 company, the commission shall not take action against the casino
43 licensee or the holding or intermediary company with respect to
44 the continued ownership of the security interest by the disqualified
45 holder. For purposes of this act, a security holder shall be pre-
46 sumed to have the ability to control a publicly traded corporation,
47 or to elect one or more members of its board of directors, if such
48 holder owns or beneficially holds 5% or more of securities of such
49 corporation, unless such presumption of control or ability to elect
50 is rebutted by clear and convincing evidence.

51 e. Commencing on the date the commission serves notice upon
52 **[a corporation]** *an entity* of the determination of disqualification
53 under subsection d. of this section, it shall be unlawful for the
54 named individual:

55 (1) To receive any dividends or interest upon any such secur-
56 ities *or interest*;

57 (2) To exercise, directly or through any trustee or nominee, any
58 right conferred by such securities *or interest*; or

59 (3) To receive any remuneration in any form from the corporate
60 licensee for services rendered or otherwise.

61 f. After a nonpublicly traded corporation has been issued a
62 casino license pursuant to the provisions of this act, but prior to
63 the issuance or transfer of any security to any person required to
64 be but not yet qualified in accordance with the provisions of this
65 act, such corporation shall file a report of its proposed action with
66 the commission, and shall request the approval of the commission
67 for the transaction. If the commission shall deny the request, the
68 corporation shall not issue or transfer such security. After a
69 publicly traded corporation has been issued a casino license, such
70 corporation shall file a report quarterly with the commission,
71 which report shall list all owners and holders of any security issued
72 by such corporate casino licensee.

73 g. Each corporation which has been issued a casino license pur-
74 suant to the provisions of this act shall file a report of any change
75 of its corporate officers or members of its board of directors with
76 the commission. No officer or director shall be entitled to exercise
77 any powers of the office to which he was so elected or appointed
78 until qualified by the commission in accordance with the provisions
79 of this act.

1 10. Section 131 of P. L. 1977, c. 110 (C. 5:12-131) is amended
2 to read as follows:

3 131. Declaration of State's *Limited* Exemption from Operation
4 of Provisions of 15 U. S. C. (1172).

5 Pursuant to section 2 of an Act of Congress of the United States
6 entitled "An act to prohibit transportation of gambling devices
7 in interstate and foreign commerce," approved January 2, 1951,
8 being chapter 1194, 64 Stat. 1134, and also designated as 15 U. S. C.
9 (1171-1177), the State of New Jersey, acting by and through the
10 duly elected and qualified members of its Legislature, does hereby,
11 in accordance with and in compliance with the provisions of section
12 2 of said Act of Congress, declare and proclaim that [it is exempt
13 from the provisions of section 2 of said Act of Congress] *section 2*
14 *of that Act of Congress shall not apply to any gambling device in*
15 *this State where the transportation of such a device is specifically*
16 *authorized by and done in compliance with the provisions of P. L.*
17 *1977, c. 110 (C. 5:12-1 et seq.), any other applicable statute of this*
18 *State, and any regulations promulgated pursuant thereto, and that*
19 *any such gambling device transported in compliance with State law*
20 *and regulations shall be exempt from the provisions of that Act*
21 *of Congress.*

1 11. This act shall take effect immediately.

STATEMENT

This bill makes various changes in the "Casino Control Act" concerning applicants for and holders of casino and casino service industry licenses, labor unions representing casino employees, casino key employees, and games and gaming equipment.

The bill (1) specifies that the term "casino key employee" includes credit executives, casino cashier supervisors, and anyone empowered to make discretionary decisions which regulate the management of an approved hotel; (2) specifies that the term "casino service industry" includes enterprises which offer goods and services to casino applicants as well as to casino licensees and that construction companies are among those enterprises, and requires the licensing of casino service industries conducting business with a casino applicant; (3) removes the language in the definition of "slot machine" which refers to receipt of a token to be exchanged for merchandise; (4) extends to holding companies, intermediary companies and subsidiaries of casino licensees and to casino license applicants and licensees which are noncorporate entities certain requirements which presently apply only to corporate entities and partnerships; (5) prohibits disqualified persons from serving as officers or agents of labor unions representing casino employees and clarifies the power of the commission to compel compliance; (6) allows exhibit and maintenance of gaming equipment for nongaming purposes in noncasino areas of casino-hotels; (7) eliminates the present space requirements with respect to craps, roulette, and blackjack tables and permits a minibaccarat table to be considered in satisfying the space requirement, which is retained, for baccarat tables; (8) requires applicants as well as licensees to maintain records of written and unwritten agreements and permits the commission to review those agreements at its discretion (presently, the commission is mandated to review all licensee agreements); and (9) clarifies provisions regarding the interstate transportation of gambling devices to make them consistent with the original legislative intent.

GAMBLING—CASINOS

Amends "Casino Control Act" concerning licensure and other requirements.

STATE OF NEW JERSEY

INTRODUCED DECEMBER 18, 1986

By Assemblyman RILEY

AN ACT establishing interim casino authorization, amending and supplementing P. L. 1977, c. 110, and repealing section 137 of P. L. 1977, c. 110.

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

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

3 1. Short Title; Declaration of Policy and Legislative Findings.
4 a. This act shall be known and may be cited as the "Casino
5 Control Act."

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

8 (1) The tourist, resort and convention industry of this State con-
9 stitutes a critical component of its economic structure and, if prop-
10 erly developed, controlled and fostered, is capable of providing a
11 substantial contribution to the general welfare, health and pros-
12 perity of the State and its inhabitants.

13 (2) By reason of its location, natural resources and worldwide
14 prominence and reputation, the city of Atlantic City and its resort,
15 tourist and convention industry represent a critically important
16 and valuable asset in the continued viability and economic strength
17 of the tourist, convention and resort industry of the State of New
18 Jersey.

19 (3) The rehabilitation and redevelopment of existing tourist and
20 convention facilities in Atlantic City, and the fostering and en-
21 couragement of new construction and the replacement of lost con-

**EXPLANATION—Matter enclosed in bold-faced brackets [thus] in the above bill
is not enacted and is intended to be omitted in the law.
Matter printed in italics *thus* is new matter.**

22 vention, tourist, entertainment and cultural centers in Atlantic City
23 will offer a unique opportunity for the inhabitants of the entire
24 State to make maximum use of the natural resources available in
25 Atlantic City for the expansion and encouragement of New Jersey's
26 hospitality industry, and to that end, the restoration of Atlantic
27 City as the Playground of the World and the major hospitality
28 center of the Eastern United States is found to be a program of
29 critical concern and importance to the inhabitants of the State of
30 New Jersey.

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

43 (5) Restricting the issuance of casino licenses to major hotel and
44 convention facilities is designed to assure that the existing nature
45 and tone of the hospitality industry in New Jersey and in Atlantic
46 City is preserved, and that the casino rooms licensed pursuant to
47 the provisions of this act are always offered and maintained as an
48 integral element of such hospitality facilities, rather than as the
49 industry unto themselves that they have become in other juris-
50 dictions.

51 (6) An integral and essential element of the regulation and con-
52 trol of such casino facilities by the State rests in the public confi-
53 dence and trust in the credibility and integrity of the regulatory
54 process and of casino operations. To further such public confidence
55 and trust, the regulatory provisions of this act are designed to
56 extend strict State regulation to all persons, locations, practices
57 and associations related to the operation of licensed casino enter-
58 prises and all related service industries as herein provided. In
59 addition, licensure of a limited number of casino establishments,
60 with the comprehensive law enforcement supervision attendant
61 thereto, is further designed to contribute to the public confidence
62 and trust in the efficacy and integrity of the regulatory process.

63 (7) Legalized casino gaming in New Jersey can attain, maintain
64 and retain integrity, public confidence and trust, and remain com-

65 patible with the general public interest only under such a system
66 of control and regulation as insures, so far as practicable, the ex-
67 clusion from participation therein of persons with known criminal
68 records, habits or associations, and the exclusion or removal from
69 any positions of authority or responsibility within casino gaming
70 operations and establishments of any persons known to be so defi-
71 cient in business probity, ability or experience, either generally or
72 with specific reference to gaming, as to create or enhance the
73 dangers of unsound, unfair or illegal practices, methods and
74 activities in the conduct of gaming or the carrying on of the busi-
75 ness and financial arrangements incident thereto.

76 (8) Since the public has a vital interest in casino operations in
77 Atlantic City and has established an exception to the general policy
78 of the State concerning gaming for private gain, participation in
79 casino operations as a licensee or registrant under this act shall
80 be deemed a revocable privilege conditioned upon the proper and
81 continued qualification of the individual licensee or registrant and
82 upon the discharge of the affirmative responsibility of each such
83 licensee or registrant to provide to the regulatory and investiga-
84 tory authorities established by this act any assistance and informa-
85 tion necessary to assure that the policies declared by this act are
86 achieved. Consistent with this policy, it is the intent of this act
87 to preclude the creation of any property right in any license, regis-
88 tration, certificate or reservation permitted by this act, the accrual
89 of any value to the privilege of participation in gaming operations,
90 or the transfer of any license, registration, certificate, or reserva-
91 tion, and to require that participation in gaming be solely con-
92 ditioned upon the individual qualifications of the person seeking
93 such privilege.

94 (9) Since casino operations are especially sensitive and in need
95 of public control and supervision, and since it is vital to the inter-
96 ests of the State to prevent entry, directly or indirectly, into
97 such operations or the ancillary industries regulated by this act of
98 persons who have pursued economic gains in an occupational
99 manner or context which are in violation of the criminal or civil
100 public policies of this State, the regulatory and investigatory
101 powers and duties shall be exercised to the fullest extent consistent
102 with law to avoid entry of such persons into the casino operations
103 or the ancillary industries regulated by this act.

104 (10) Since the development of casino gaming operations in
105 Atlantic City will substantially alter the environment of New
106 Jersey's coastal areas, and since it is necessary to insure that this
107 substantial alteration be beneficial to the overall ecology of the

108 coastal areas, the regulatory and investigatory powers and duties
109 conferred by this act shall include, in cooperation with other public
110 agencies, the power and the duty to monitor and regulate casinos
111 and the growth of casino operations to respond to the needs of the
112 coastal areas.

113 (11) The facilities in which licensed casinos are to be located
114 are of vital law enforcement and social interest to the State, and
115 it is in the public interest that the regulatory and investigatory
116 powers and duties conferred by this act include the power and duty
117 to review architectural and site plans to assure that the proposal
118 is suitable by law enforcement, aesthetic and architectural
119 standards.

120 (12) Since the economic stability of casino operations is in the
121 public interest and competition in the casino operations in Atlantic
122 City is desirable and necessary to assure the residents of Atlantic
123 City and of this State and other visitors to Atlantic City varied
124 attractions and exceptional facilities, the regulatory and investiga-
125 tory powers and duties conferred by this act shall include the power
126 and duty to regulate, control and prevent economic concentration in
127 the casino operations and the ancillary industries regulated by this
128 act, and to encourage and preserve competition.

129 (13) It is in the public interest that the institution of licensed
130 casino establishments in New Jersey be strictly regulated and con-
131 trolled pursuant to the above findings and pursuant to the pro-
132 visions of this act, which provisions are designed to engender and
133 maintain public confidence and trust in the regulation of the licensed
134 enterprises, to provide an effective method of rebuilding and re-
135 developing existing facilities and of encouraging new capital invest-
136 ment in Atlantic City, and to provide a meaningful and permanent
137 contribution to the economic viability of the resort, convention,
138 and tourist industry of New Jersey.

139 (14) Confidence in casino gaming operations is eroded to the
140 extent the State of New Jersey does not provide a regulatory
141 framework for casino gaming that permits and promotes stability
142 and continuity in casino gaming operations.

143 (15) Continuity and stability in casino gaming operations cannot
144 be achieved at the risk of permitting persons with unacceptable
145 backgrounds and records of behavior to control casino gaming
146 operations contrary to the vital law enforcement interest of the
147 State.

148 (16) The aims of continuity and stability and of law enforcement
149 will best be served by a system in which [applicant entities and
150 investors in those applicant entities can be assured of prompt and]

151 continuous casino operation *can be assured* under certain circum-
152 stances wherein [the applicant has not yet been fully licensed, or
153 has had a license suspended or revoked] *there has been a transfer*
154 *of property or another interest relating to an operating casino and*
155 *the transferee has not been fully licensed or qualified*, as long as
156 control of the [applicant's] operation under such circumstances
157 may be placed in the possession of a person or persons in whom
158 the public may feel a confidence and a trust.

159 (17) A system whereby the satisfaction of certain appropriate
160 criteria, including the execution of a voting trust agreement, per-
161 mits temporary casino operation prior to licensure and whereby the
162 suspension or revocation of casino operations under certain appro-
163 priate circumstances causes the imposition of a conservatorship
164 upon the suspended or revoked casino operation serves both the
165 economic and law enforcement interests involved in casino gaming
166 operations.

1 2. Section 73 of P. L. 1977, c. 110 (C. 5:12-73) is amended to
2 read as follows:

3 73. Meetings and Quorum. a. Meetings of the commission will
4 be held at the discretion of the chairman at such times and places
5 as he may deem necessary and convenient, or at the call of three
6 members of the commission.

7 b. The commission shall in all respects comply with the provi-
8 sions of the "Open Public Meetings Act" (P. L. 1975, c. 231;
9 C.10:4-6 et seq.).

10 c. Any other law, rule or regulation to the contrary notwith-
11 standing, the commission shall take all necessary steps to ensure
12 that all interested persons are given adequate notice of commission
13 meetings, and the agenda of such meetings, through the utilization
14 of all media engaged in the dissemination of information.

15 d. A majority of the full commission shall determine any action
16 of the commission, except that no casino license *or interim casino*
17 *authorization* may be issued without the approval of four members.
18 In the event that a vacancy has existed in the commission for more
19 than 60 days, a majority of the full commission may act with
20 respect to any matter, including the issuance of a casino license *or*
21 *interim casino authorization*.

(New Article) INTERIM CASINO AUTHORIZATION

1 3. (New section) Applicability and Requirements.

2 a. Except as provided in subsection b. of this section, whenever
3 any person contracts to transfer any property relating to an
4 ongoing casino operation, including a security holding in a casino
5 licensee or holding or intermediary company, under circumstances

6 which require that the transferee obtain casino licensure under
7 section 82 of the "Casino Control Act," P. L. 1977, c. 110 (C.
8 5:12-82), or qualification under sections 84 or 85 of the "Casino
9 Control Act," P. L. 1977, c. 110 (C. 5:12-84 and 5:12-85), the
10 contract shall not specify a closing or settlement date which is
11 earlier than the 121st day after the submission of a completed
12 application for licensure or qualification, which application shall
13 include a fully executed and approved trust agreement in accor-
14 dance with section 5 of this 1986 amendatory and supplementary
15 act. Any contract provision which specifies an earlier closing or
16 settlement date shall be void for all purposes. Subsequent to the
17 earlier of the report of the division on interim authorization or the
18 90th day after the timely submission of the completed application,
19 but no later than the closing or settlement date, the commission
20 shall hold a hearing and render a decision on the interim authori-
21 zation of the applicant. If the commission grants interim authori-
22 zation, then, subject to the provisions of sections 3 through 7 of
23 this 1986 amendatory and supplementary act, the closing or settle-
24 ment may occur without interruption of casino operations. If the
25 commission denies interim authorization, there shall be no closing
26 or settlement until the commission makes a determination on the
27 qualification of the applicant, and if the commission then denies
28 qualification the contract shall thereby be terminated for all pur-
29 poses without liability on the part of the transferor.

30 b. Whenever any person, as a result of a transfer of publicly-
31 traded securities of a casino licensee or holding or intermediary
32 company, is required to qualify under sections 84 or 85 of the
33 "Casino Control Act," P. L. 1977, c. 110 (C. 5:12-84 and 5:12-85),
34 the person shall, within 30 days after the commission determines
35 that qualification is required under section 84 or declines to waive
36 qualification under paragraph (1) of subsection d. of section 85, or
37 within such additional time as the commission may for good cause
38 allow, file a completed application for such licensure or qualifica-
39 tion, which application shall include a fully executed and approved
40 trust agreement in accordance with section 5 of this 1986 amenda-
41 tory and supplementary act. No extension of the time for filing a
42 completed application shall be granted unless the person submits a
43 written acknowledgement of the jurisdiction of the commission and
44 the obligations imposed by the "Casino Control Act," P. L. 1977,
45 c. 110 (C. 5:12-1 et seq.). If a person required by this section to
46 file an application fails to do so in a timely manner, such failure
47 shall constitute a per se disqualification to continue to act as a
48 security holder, and the commission shall take appropriate action

49 under the "Casino Control Act." If a person required by this
50 section to file an application does so in a timely manner, then,
51 subsequent to the earlier of the report of the division on interim
52 authorization or the 90th day after submission of the completed
53 application, but not later than the 120th day after such submission,
54 the commission shall hold a hearing and render a decision on the
55 interim authorization of such person. The pendency of proceedings
56 under this subsection shall not prevent the renewal of a casino
57 license under section 88 of the "Casino Control Act," P. L. 1977,
58 c. 110 (C. 5:12-88), so long as any person required by this sub-
59 section to file an application has complied with this subsection and
60 has otherwise complied with the "Casino Control Act."

1 4. (New section) Commission Consideration of Request for
2 Interim Casino Authorization. a. The commission may grant
3 interim authorization where it finds by clear and convincing
4 evidence (1) that statements of compliance have been issued
5 pursuant to sections 81, 82c., 82d., 82e., 84e., and 134 of the "Casino
6 Control Act," P. L. 1977, c. 110 (C. 5:12-81, 5:12-82, 5:12-84, and
7 5:12-134); (2) that the casino hotel facility is an approved hotel in
8 accordance with the requirements of section 83 of the "Casino
9 Control Act," P. L. 1977, c. 110 (C. 5:12-83); (3) that the applicant
10 has proposed the trustee or trustees required by section 5 of this
11 1986 amendatory and supplementary act, and that the trustee or
12 trustees have satisfied the qualification criteria applicable to a
13 casino key employee, except for residency and casino experience;
14 and (4) that interim operation will best serve the interests of the
15 public with particular reference to the policies and purposes
16 enumerated in section 1 of the "Casino Control Act," P. L. 1977,
17 c. 110 (C. 5:12-1).

18 b. The commission's consideration of a request for interim
19 authorization shall include, but not be limited to, consideration of
20 such relevant information as may be presented to it by the division.
21 In responding to the request and in determining whether to concur,
22 the division shall not be required to disclose any information the
23 disclosure of which, in its judgment, may prejudice or otherwise
24 compromise any continuing investigation.

1 5. (New section) Provisions and Application of Trust Agreement.

2 a. (1) Where the applicant is not required to obtain a casino
3 license, the trust agreement filed pursuant to section 3 of this 1986
4 amendatory and supplementary act shall transfer and convey all of
5 the applicant's present and future right, title and interest in the
6 property described in section 3, including all voting rights in
7 securities, to the trustee.

8 (2) Where the applicant is required to obtain a casino license,
9 the trust agreement filed pursuant to section 3 of this 1986 amenda-
10 tory and supplementary act shall transfer and convey to the trustee,
11 if the applicant is a corporation, all outstanding equity securities
12 of the corporation, and, if the applicant is other than a corporation,
13 all outstanding interest in the applicant.

14 (3) The compensation for the service, costs and expenses of the
15 trustee or trustees shall be stated in the trust agreement and shall
16 be approved by the commission.

17 (4) The trust agreement filed pursuant to section 3 of this 1986
18 amendatory and supplementary act shall, in all instances, contain
19 such provisions as the commission may deem necessary and
20 desirable.

21 b. With respect to applicants described in subsection b. of section
22 3 of this 1986 amendatory and supplementary act, if the commission
23 denies interim authorization, it shall order that the trust agreement
24 become operative, or take such other action as may be appropriate
25 in accordance with this 1986 amendatory and supplementary act.
26 With respect to all applicants under section 3, if the commission
27 grants interim authorization, it shall thereafter order that the trust
28 agreement become operative at such time as it finds reasonable
29 cause to believe that the applicant or any person required to be
30 qualified in connection with the application may be found un-
31 qualified.

32 c. While the trust agreement remains operative, the trustee shall
33 exercise all rights incident to the ownership of the property subject
34 to the trust, and shall be invested with all powers, authority and
35 duties necessary to the unencumbered exercise of such rights, as
36 provided in sections 31 through 40 of P. L. 1978, c. 7 (C. 5:12-130.1
37 through 5:12-130.11), except that the applicant shall have no right
38 to participate in the earnings of the casino hotel or receive any
39 return on its investment or debt security holdings during the time
40 the trust is operative.

41 d. The trust agreement, once operative, shall remain operative
42 until the commission finds the applicant qualified, or the commission
43 finds the applicant unqualified and the property subject to the trust
44 is disposed of in accordance with subsection e. of section 5 of this
45 1986 amendatory and supplementary act, except that the applicant
46 may request the commission to direct the trustee to dispose of the
47 property subject to the trust, in accordance with that subsection e.,
48 prior to a finding with respect to qualification.

49 e. If the commission denies qualification to a person subject to
50 sections 3 through 7 of this 1986 amendatory and supplementary

51 act, the trustee shall endeavor and be authorized to sell, assign,
52 convey or otherwise dispose of all property subject to the trust to
53 such persons as shall be appropriately licensed or qualified or shall
54 obtain interim authorization in accordance with those sections. The
55 disposition of trust property by the trustee shall be completed
56 within 120 days of the denial of qualification, or within such
57 additional time as the commission may for good cause allow, and
58 shall be conducted in accordance with sections 31 through 40 of
59 P. L. 1978, c. 7 (C. 5:12-130.1 through 5:12-130.11), except that the
60 proceeds of such disposition shall be distributed to the unqualified
61 applicant only in an amount not exceeding the actual cost of the
62 assets to such unqualified applicant, and any excess remaining
63 proceeds shall be paid to the casino revenue fund.

1 6. (New section) Obligations and Responsibilities. During the
2 period of interim authorization, the commission and the division
3 shall continue such procedures as are provided by the "Casino
4 Control Act," P. L. 1977, c. 110 (C. 5:12-1 et seq.) and the regula-
5 tions promulgated thereunder as may be necessary for a deter-
6 mination of the qualification of the person granted interim authori-
7 zation. The obligations and responsibilities incumbent upon an
8 applicant, licensee or person required to be qualified are in no way
9 relieved by the granting of interim authorization.

1 7. (New section) Time for Determining Qualification. Within
2 nine months after a grant or denial of interim authorization, which
3 period may be extended by the commission for one three-month
4 period, the commission shall hold a hearing and render a decision
5 on the qualification of the applicant.

1 8. Section 137 of P. L. 1977, c. 110 (C. 5:12-137) is repealed.

1 9. This act shall take effect immediately.

STATEMENT

This bill establishes an "interim casino authorization" to assure continuous casino operations when there is a transfer of property or other interest relating to an operating casino and the transferee has not been fully licensed or qualified. These provisions replace provisions presently in the "Casino Control Act" (section 137 of P. L. 1977, c. 110) which are inadequate in addressing changes in casino ownership.

GAMBLING—CASINOS

Establishes interim casino authorization.

STATE OF NEW JERSEY

INTRODUCED DECEMBER 18, 1986

By Assemblymen SCHUBER and DiGAETANO

AN ACT concerning casino junkets, complimentary services, and credit, amending P. L. 1977, c. 110, and repealing section 3 of P. L. 1983, c. 41.

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

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

3 29. "Junket"—An arrangement the purpose of which is to induce
4 any person, selected or approved for participation therein on the
5 basis of his ability to satisfy a financial qualification obligation
6 related to his ability or willingness to gamble or on any other
7 basis related to his propensity to gamble, to come to a licensed
8 casino hotel for the purpose of gambling and pursuant to which,
9 and as consideration for which, any or all of the cost of transporta-
10 tion, food, lodging, *and* entertainment [and other services and
11 items of value] for said person is directly or indirectly paid by a
12 casino licensee or employee or agent thereof.

1 2. Section 101 of P. L. 1977, c. 110 (C. 5:12-101) is amended to
2 read as follows:

3 101. Credit. a. Except as otherwise provided in this section, no
4 casino licensee or any person licensed under this act, and no person
5 acting on behalf of or under any arrangement with a casino licensee
6 or other person licensed under this act, shall:

7 (1) Cash any check, make any loan, or otherwise provide or
8 allow to any person any credit or advance of anything of value or
9 which represents value to enable any person to take part in gaming
10 activity as a player; or

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

Matter printed in italics thus is new matter

11 (2) Release or discharge any debt, either in whole or in part, and
12 make any loan which represents any losses incurred by any player
13 in gaming activity, without maintaining a written record thereof
14 in accordance with the rules of the commission.

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

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

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

24 (3) The check is presented to the cashier or his representative
25 and is exchanged only for a credit slip or slips which total an
26 amount equal to the amount for which the check is drawn, which
27 slip or slips may be presented for chips at a gaming table; and

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

30 Nothing in this subsection shall be deemed to preclude the estab-
31 lishment of an account by any person with a casino licensee by a
32 deposit of cash or recognized traveler's check or other cash equiva-
33 lent, or to preclude the withdrawal, either in whole or in part, of
34 any amount contained in such account.

35 c. When a casino licensee or other person licensed under this
36 act, or any person acting on behalf of or under any arrangement
37 with a casino licensee or other person licensed under this act, cashes
38 a check in conformity with the requirements of subsection b. of this
39 section, the casino licensee shall cause the deposit of such check in
40 a bank for collection [or payment within (1) seven banking days
41 of the date of the transaction for a check in an amount less than
42 \$1,000.00; (2) 14 banking days of the date of the transaction for a
43 check of at least \$1,000.00 but less than \$2,500.00; or (3) 90 bank-
44 ing days of the date of the transaction for a check of \$2,500.00 or
45 more] *within two banking days after the date of the transaction.*

46 Notwithstanding the foregoing, the drawer of the check may redeem
47 the check by exchanging cash or chips in an amount equal to the
48 amount for which the check is drawn; or he may redeem the check
49 in part by exchanging cash or chips and another check which meets
50 the requirements of subsection b. of this section for the difference
51 between the original check and the cash or chips tendered; or he
52 may issue one check which meets the requirements of subsection b.

53 of this section in an amount sufficient to redeem two or more checks
54 drawn to the order of the casino licensee. If there has been a partial
55 redemption or a consolidation in conformity with the provisions
56 of this subsection, the newly issued check shall be delivered to a
57 bank for collection or payment within the period herein specified.
58 No casino licensee or any person licensed under this act, and no
59 person acting on behalf of or under any arrangement with a casino
60 licensee or other person licensed under this act, shall accept any
61 check or series of checks in redemption or consolidation of another
62 check or checks in accordance with this subsection for the purpose
63 of avoiding or delaying the deposit of a check in a bank for col-
64 lection or payment within the time period prescribed by this sub-
65 section.

66 d. No casino licensee or any other person licensed under this act,
67 or any other person acting on behalf of or under any arrangement
68 with a casino licensee or other person licensed under this act, shall
69 transfer, convey, or give, with or without consideration, a check
70 cashed in conformity with the requirements of this section to any
71 person other than:

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

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

75 (3) A purchaser of the casino license as approved by the com-
76 mission.

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

80 e. No person other than one licensed as a casino key employee
81 or as a casino employee may engage in efforts to collect upon checks
82 that have been returned by banks without full and final payment,
83 except that an attorney-at-law representing a casino licensee may
84 bring action for such collection.

85 f. Notwithstanding the provisions of any law to the contrary,
86 checks cashed in conformity with the requirements of this act shall
87 be valid instruments, enforceable at law in the courts of this State.
88 Any check cashed, transferred, conveyed or given in violation of
89 this act shall be invalid and unenforceable.

90 g. Notwithstanding the provisions of subsection b. of this section
91 to the contrary, a casino licensee may accept a check from a person
92 to enable the person to take part in gaming activity as a player,
93 or may give cash or cash equivalents in exchange for the check,
94 provided that:

95 (1) The check is drawn by a casino licensee pursuant to the
 96 provisions of subsection k. of section 100 of P. L. 1977, c. 110 (C.
 97 5:12-100 k.) or upon a withdrawal of funds from an account estab-
 98 lished in accordance with the provisions of subsection b. of this
 99 section;

100 (2) The check is identifiable in a manner approved by the com-
 101 mission as a check issued for a purpose listed in paragraph (1)
 102 of this subsection;

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

104 (4) The check is presented to the cashier or the cashier's repre-
 105 sentative by the original payee and its validity is verified by the
 106 drawer; and

107 (5) The regulations concerning check cashing procedures are ob-
 108 served by the casino licensee and its employees and agents.

109 No casino licensee shall issue a check for the purpose of making
 110 a loan or otherwise providing or allowing any advance or credit
 111 to a person to enable the person to take part in gaming activity
 112 as a player.

1 3. Section 102 of P. L. 1977, c. 110 (C. 5:12-102) is amended to
 2 read as follows:

3 102. Junkets and Complimentary Services. a. No junkets may
 4 be organized or permitted except in accordance with the provisions
 5 of this act. **[**No person may act as a junket representative or junket
 6 enterprise except in accordance with this section. Notwithstanding
 7 any other provisions of this act, junket enterprises engaged in
 8 activities governed by this section shall not be subject to the
 9 provisions of sections 92 and 104b. of this act (C. 5:12-92 and
 10 5:12-104b.) with regard to those activities, unless otherwise
 11 directed by the commission pursuant to subsection k. of this sec-
 12 tion.**]** *No junket to a licensed casino establishment shall be orga-
 13 nized or conducted except by an employee of a casino licensee who
 14 holds a current and valid casino key employee license and is em-
 15 ployed by the casino licensee in a position directly related to
 16 gaming activity and who is authorized by the casino licensee to
 17 act as a junket representative. A casino key employee licensed
 18 pursuant to this section need not be a resident of this State.*

19 b. **[**A junket representative shall be licensed as a casino employee
 20 in accordance with the provisions of this act; provided, however,
 21 that said licensee need not be a resident of this State. Any person
 22 who holds a current and valid casino key employee license or casino
 23 employee license in a position directly related to gaming activity
 24 may act as a junket representative while employed by a casino

25 licensee without further endorsement of his license. No casino
 26 licensee or junket enterprise may employ or otherwise engage a
 27 junket representative who is not so licensed.】 (*Deleted by amend-*
 28 *ment, P. L., c.*)

29 c. 【A junket enterprise shall be licensed in accordance with the
 30 provisions of this section prior to conducting any business what-
 31 soever with a casino licensee, its employees or agents. A junket
 32 enterprise, as well as such of its owners, management and super-
 33 visory personnel and other principal employees as the commission
 34 may consider appropriate for qualification, must qualify under the
 35 standards, except residency, established for qualification of a casino
 36 employee under this act. No casino licensee or junket enterprise
 37 may employ or otherwise engage the services of a junket enterprise
 38 who is not so licensed.

39 Notwithstanding the foregoing, any licensed junket representa-
 40 tive who is the sole owner and operator of a junket enterprise shall
 41 not be required to be licensed as a junket enterprise pursuant to
 42 this section if his junket representative license is endorsed as
 43 such.】 (*Deleted by amendment, P., c.*)

44 d. Prior to the issuance of any license required by this section,
 45 an applicant for licensure shall submit to the jurisdiction of the
 46 State of New Jersey and shall demonstrate to the satisfaction of
 47 the commission that he is amenable to service of process within
 48 this State. Failure to establish or maintain compliance with the
 49 requirements of this subsection shall constitute sufficient cause for
 50 the denial, suspension or revocation of any license issued pursuant
 51 to this section.

52 e. 【An applicant for junket representative or junket enterprise
 53 licensure may be issued a temporary license by the commission,
 54 provided that:

55 (1) The applicant for licensure has filed a completed application
 56 as required by the commission;

57 (2) The division either certifies to the commission that the com-
 58 pleted application for licensure as specified in paragraph (1) of
 59 this subsection has been in the possession of the division for at least
 60 45 days or agrees to allow the commission to consider the applica-
 61 tion in some lesser time; and

62 (3) The division does not object to the temporary licensure of
 63 the applicant; provided, however, that failure of the division to
 64 object prior to the temporary licensure of the applicant shall not
 65 be construed to reflect in any manner upon the qualifications of
 66 the applicant for licensure.

67 In addition to any other authority granted by this act, the
 68 commission shall have the authority, upon receipt of a representa-
 69 tion by the division that it possesses information which raises a
 70 reasonable possibility that a junket representative or enterprise
 71 does not qualify for licensure, to immediately suspend, limit or
 72 condition any temporary license issued pursuant to this subsection,
 73 pending a hearing on the qualifications of the junket representative
 74 or enterprise, in accordance with the provisions of this act. Unless
 75 otherwise agreed by the commission and the junket representative
 76 or enterprise, such a hearing shall be initiated no later than 60
 77 days after commission receipt of a demand for the hearing from
 78 the junket representative or enterprise.

79 Unless otherwise terminated pursuant to this act, any temporary
 80 license issued pursuant to this subsection shall expire 12 months
 81 from the date of its issuance, and shall be renewable by the com-
 82 mission, in the absence of an objection by the division, as specified
 83 in paragraph (3) of this subsection, for one additional six month
 84 period.】 *(Deleted by amendment, P. L., c. . . .)*

85 f. 【Every agreement concerning junkets entered into by a casino
 86 licensee and a junket representative or junket enterprise shall be
 87 deemed to include a provision for its termination without liability
 88 on the part of the casino licensee, if the commission orders the
 89 termination upon the suspension, limitation, conditioning, denial
 90 or revocation of the licensure of the junket representative or junket
 91 enterprise, in accordance with the provisions of this act. Failure
 92 to expressly include such a condition in the agreement shall not
 93 constitute a defense in any action brought to terminate the agree-
 94 ment.】 *(Deleted by amendment, P. L., c. . . .)*

95 g. A casino licensee shall be responsible for the conduct of any
 96 junket 【representative or junket enterprise】 *employee* associated
 97 with it and for the terms and conditions of any junket engaged in
 98 on its premises【, regardless of the fact that the junket may involve
 99 persons not employed by such a casino licensee】.

100 h. A casino licensee shall be responsible for any violation or
 101 deviation from the terms of a junket. Notwithstanding any other
 102 provisions of this act, the commission may, after hearings in
 103 accordance with this act, order restitution to junket participants,
 104 assess penalties for such violations or deviations, prohibit future
 105 junkets by the casino licensee. 【junket enterprise or junket repre-
 106 sentative,】 and order such further relief as it deems appropriate.

107 i. The commission shall, by regulation, prescribe methods, pro-
 108 cedures and forms for the delivery and retention of information
 109 concerning the conduct of junkets by casino licensees. Without
 110 limitation of the foregoing, each casino licensee, in accordance with
 111 the rules of the commission, shall:

112 (1) Maintain on file a report describing the operation of any
113 junket engaged in on its premises, which report may include
114 acknowledgments by the participants, signed on the date of arrival.
115 that they understand the terms of the particular junket;

116 (2) Submit to the commission and division a report on those
117 arrangements which would be junkets but for the fact that those
118 arrangements do not include a selection or approval of partici-
119 pants in accordance with the terms of section 29 of P. L. 1977,
120 c. 110 (C. 5:12-29); and

121 (3) Submit to the commission and division a list of all its
122 employees who are **[acting]** *authorized to act* as junket representa-
123 tives **[but whose licenses are not endorsed as such]**.

124 j. Each casino licensee**[, junket representative or junket enter-**
125 **prise]** shall, in accordance with the rules of the commission, file a
126 report with the division with respect to each list of junket patrons
127 or potential junket patrons purchased directly or indirectly by the
128 casino licensee**[, junket representative or enterprise]** *or any of its*
129 *employees authorized to act as junket representatives.*

130 k. The commission shall have the authority to determine, either
131 by regulation, or upon petition by the holder of a casino license,
132 that a type of arrangement otherwise included within the definition
133 of "junket" established by section 29 of P. L. 1977, c. 110 (C.
134 5:12-29) shall not require compliance with any or all of the re-
135 quirements of this section. The commission shall seek the opinion
136 of the division prior to granting any exemption. In granting ex-
137 emptions, the commission shall consider such factors as the nature,
138 volume and significance of the particular type of arrangement, and
139 whether the exemption would be consistent with the public policies
140 established by this act. In applying the provisions of this subsec-
141 tion, the commission may condition, limit, or restrict any exemption
142 as the commission may deem appropriate.

143 l. No **[junket enterprise or junket representative or]** person
144 acting as a junket representative may:

145 (1) Engage in efforts to collect upon checks that have been
146 returned by banks without full and final payment: **[or]**

147 (2) Exercise approval authority with regard to the authoriza-
148 tion or issuance of credit pursuant to section 101 of P. L. 1977,
148A c. 110 (C. 5:12-101); *or*

149 (3) *Individually retain any fee from a patron for the privilege*
150 *of participating in a junket. Any and all compensation which the*
151 *junket representative receives for his services is to be reflected on,*
152 *and received through, the payroll account of a casino licensee.*

153 m. **[Each]** *No casino licensee shall offer or provide any com-*
154 *plimentary services, gifts, money or other items of value to any*
155 *person, except that a casino licensee may offer or provide compli-*
156 *mentary lodging, food, beverage and entertainment on the premises*
157 *of its approved casino hotel facility, transportation, and food,*
158 *beverage and coins, tokens or cash provided through a bus coupon*
159 *program approved by the commission. For those complimentaries*
160 *which are permitted, each casino licensee shall maintain a regu-*
161 *lated complimentary service account and shall submit a quarterly*
162 *report to the commission based upon such account and covering all*
163 *complimentary services offered or engaged in by the licensee during*
164 *the immediately preceding quarter. Such reports shall include*
165 *identification of the regulated complimentary services and their*
166 *respective costs, the number of persons by category of service who*
167 *received the same, and such other information as the commission*
168 *may require.*

169 n. As used in this subsection, "person" means any State officer
170 or employee subject to financial disclosure by law or executive
171 order and any other State officer or employee with responsibility
172 for matters affecting casino activity; any special State officer or
173 employee with responsibility for matters affecting casino activity;
174 the Governor; any member of the Legislature or full-time member
175 of the Judiciary; any full-time professional employee of the Office
176 of the Governor, or the Legislature; members of the Casino
177 Reinvestment Development Authority; the head of a principal
178 department; the assistant or deputy heads of a principal depart-
179 ment, including all assistant and deputy commissioners; the head
180 of any division of a principal department; any member of the
181 governing body, or the municipal judge or the municipal attorney
182 of a municipality wherein a casino is located; any member of or
183 attorney for the planning board or zoning board of adjustment of
184 a municipality wherein a casino is located, or any professional
185 planner or consultant regularly employed or retained by such
186 planning board or zoning board of adjustment.

187 No casino applicant or licensee shall provide directly or indi-
188 rectly to any person any complimentary service or discount which
189 is other than such service or discount that is offered to members
190 of the general public in like circumstance.

191 o. **[(1)]** Any person who, on the effective date of this **[1983]**
192 **1986** amendatory and supplementary act, holds a current and valid
193 junket representative license or a **[casino service industry license**
194 **pursuant to subsection a. of section 92 of P. L. 1977, c. 110 (C.**
195 **5:12-92)]junket enterprise license** authorizing the conduct of junket

196 activities, shall be considered licensed in accordance with the pro-
197 visions of this section [as a junket representative or junket enter-
198 prise, respectively,] for the remaining term of their current license.

199 [(2) Any person who, prior to the effective date of this 1983
200 amendatory and supplementary act, has filed a completed applica-
201 tion as required by the commissioner for a junket representative
202 casino key employee license or a casino service industry license
203 pursuant to subsection a. of section 92 of P. L. 1977, c. 110 (C.
204 5:12-92) authorizing the conduct of junket activities, may be issued
205 a temporary license in accordance with the provisions of this section
206 as a junket representative or junket enterprise, respectively, if
207 the commission finds that the requirements of paragraphs (1)
208 through (3) of subsection e. of this section have been satisfied.

209 (3) Any person who, prior to the effective date of this 1983 amen-
210 datory and supplementary act, has filed a completed application
211 as required by the commission for a junket representative casino
212 employee license or a junket enterprise license, may be issued a
213 temporary license in accordance with the provisions of this section
214 as a junket representative or junket enterprise, respectively, if the
215 commission finds that the requirements of paragraphs (2) and (3)
216 of subsection e. of this section have been satisfied.]

1 4. Section 3 of P. L. 1983, c. 41 (C. 5:12-29.1) is repealed.

1 5. This act shall take effect immediately.

STATEMENT

This bill changes the present statutory provisions regarding junkets, complimentary services, and credit. It (1) requires all junket agents to be direct employees of a casino, rather than independent contractors, and licensed to casino key employee standards; (2) limits the issuance of complimentary services to on-site room, food, beverage, and entertainment; transportation; and bus coupon-type programs (cash and gift complimentaries would thus be prohibited); and (3) eliminates the present hold periods for checks accepted by casinos and requires all checks to be deposited within two business days after the date of the transaction.

Section 3 of P. L. 1983, c. 41 defining "junket enterprise" is repealed.

GAMBLING—CASINOS

Amends "Casino Control Act" concerning junkets, complimentary services, and credit.

SENATE, No. 2462

STATE OF NEW JERSEY

INTRODUCED SEPTEMBER 8, 1986

By Senator CODEY

Referred to Committee on Institutions, Health and Welfare

AN ACT concerning casino licenses and amending P. L. 1977, c. 110.

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

1 1. Section 88 of P. L. 1977, c. 110 (C. 5:12-88) is amended to
2 read as follows:

3 88. Renewal of Casino Licenses. a. Subject to the power of the
4 commission to deny, revoke, or suspend licenses, any casino license
5 in force shall be renewed by the commission for the next succeed-
6 ing license period upon proper application for renewal and pay-
7 ment of license fees and taxes as required by law and the regula-
8 tions of the commission. *The license period for a renewed casino*
9 *license shall be one year for the first two renewal periods succeed-*
10 *ing the initial issuance of a casino license pursuant to section 87*
11 *of P. L. 1977, c. 110 (C. 5:12-87). Thereafter, a casino license shall*
12 *be renewed for a period of two years, but the commission may*
13 *reopen licensing hearings at any time during the renewal period*
14 *for good cause shown.* The commission shall act upon any such
15 application **[no later than 30 days]** prior to the date of expiration
16 of the current license.

17 b. Application for renewal shall be filed with the commission no
18 later than 90 days prior to the expiration of the current license,
19 and all license fees and taxes as required by law shall be paid
20 to the commission on or before the date of expiration of the cur-
21 rent license.

EXPLANATION—Matter enclosed in bold-faced brackets [thus] in the above bill
is not enacted and is intended to be omitted in the law.
Matter printed in italics *thus* is new matter.

22 c. Upon renewal of any license the commission shall issue an
23 appropriate renewal certificate or validating device or sticker
24 which shall be attached to each casino license.

1 2. Section 139 of P. L. 1977, c. 110 (C. 5:12-139) is amended
2 to read as follows:

3 139. Casino License Fees. a. The commission shall, by regula-
4 tion, establish annual fees for the issuance or renewal of casino
5 licenses. The issuance fee shall be based upon the cost of investi-
6 gation and consideration of the license application and shall be
7 not less than \$200,000.00. The renewal fee shall be based upon the
8 cost of maintaining control and regulatory activities contemplated
9 by this act and shall be not less than \$100,000.00 **[annually]** for
10 a one-year casino license and \$200,000.00 for a two-year casino
11 license.

12 b. The Attorney General shall certify to the commission actual
13 and prospective costs of the investigative and enforcement func-
14 tions of the division, which costs shall be the basis, together with
15 the operating expenses of the commission, for the establishment
16 of annual license issuance and renewal fees.

17 c. A nonrefundable deposit of at least \$100,000.00 shall be re-
18 quired to be posted with each application for a casino license and
19 shall be applied to the initial license fee if the application is
20 approved.

1 3. This act shall take effect immediately.

STATEMENT

This bill provides that after a casino licensee has received its second one-year renewal of its casino license, subsequent renewals shall be for a period of two years. The bill also provides that the minimum renewal fee for a two-year license shall be \$200,000.00.

GAMBLING—CASINOS

Establishes two-year casino licenses.

SENATE INSTITUTIONS, HEALTH AND WELFARE
COMMITTEE

STATEMENT TO

SENATE, No. 2462

STATE OF NEW JERSEY

DATED: OCTOBER 2, 1986

The Senate Institutions, Health and Welfare Committee favorably reports Senate Bill No. 2462.

This bill amends the "Casino Control Act," P. L. 1977, c. 110 (C. 5:12-1 et seq.) to provide that after the first two one-year renewal periods, a casino license shall be renewed for a two-year period. The minimum fee for a two-year renewal license will be \$200,000.00. The bill also provides that the Casino Control Commission may reopen licensing hearings at any time during the renewal period for good cause shown.

Currently, a casino license must be renewed annually. The fee for the annual renewal is \$100,000.00.

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* * * * *

mjz: 1-36

ASSEMBLYMAN WILLIAM "PAT" SCHUBER (Chairman): Good morning, ladies and gentlemen. This is our regularly scheduled meeting of the Assembly Independent and Regional Authorities Committee. The purpose of today's Committee hearing is-- It is a continued hearing with regard to the Casino Control Act amendments and legislation package that has been introduced by various members of this Committee, to revamp the Casino Control Act, approximately on its tenth anniversary.

At previous hearings, we have heard from both the Casino Control Commission and the Division of Gaming Enforcement with regard to the package of bills. In today's hearing, we will hear from Tom Carver from the Atlantic City Casino Association. Then -- so that everyone can understand the timetable here -- we will be taking these sets of hearings down to Atlantic City during the course of the month of February, for further review of some of the amendments that have been, and are probably going to be produced with regard to these bills, in particular the bill that relates to casino junketing, comps, and credit. I would hope to be able to do something with this package by the middle of March, before the budget break.

So, that is our time schedule. Without further ado, we have with us today Mr. Tom Carver, President of the Atlantic City Casino Association. Mr. Carver has been before our Committee on other occasions. Tom, welcome. The floor is yours.

T H O M A S D. C A R V E R: Thank you, Mr. Chairman; thank you, sir. I appreciate the opportunity to address this Committee on the bills to reform the Casino Control Act.

As you are aware, this legislative package proposes fundamental changes to the Casino Control Act. It comes after almost a decade of casino gaming experience and, quite frankly, both the regulators and the industry alike believe it is necessary.

Although casinos are the most highly regulated industry in the State, they are also one of its most misunderstood. The industry, in essence, is a collection of many -- my statement reads "many." I don't want to have the DGE go out and add 23 people if we say many, but it is many, forgive me -- conglomerates which include casinos, stage entertainment, restaurants, hotels, transportation, marketing, and the like. It is both unique and dynamic. The amendments which you are considering, and which you will be asked to pass upon, must be understood from a practical standpoint as they apply to the everyday business operations. The industry is committed to working with you and to providing all the necessary information you require to assist you in this most important process.

May I also take a moment on behalf of the industry to thank the members and staffs of both the Division and the Commission for their cooperation and understanding. We believe that New Jersey has every right to be both confident and proud of both of these bodies. Although we have often had extended and deep differences of opinion with each, our differences have been over means, rather than goals.

From an overview, with the exception of Assembly Bill 3570, which discusses the issues of complimentaries, credit, and junkets, the industry supports the majority of this legislative initiative with certain detailed amendments, which I will discuss during my presentation.

I am not prepared at the present time to discuss A-3570. However, the industry will request the privilege of discussing this legislation in great detail at your next Committee meeting. As you can imagine, the economic impact of abolishing credit, the elimination of certain complimentaries, and the change of junkets, requires substantial study and analysis. Suffice it to say that the potentially adverse impact of Assembly Bill 3570 shall be thoroughly reported to you at our next meeting.

At this point, I would like to address the remaining bills individually.

Senate Bill 2462, introduced by Senator Dick Codey, permits two-year licensure of casinos after three years of operation. The industry has testified in support of this bill at Senate hearings and, of course, we remain solidly behind the concept. We believe this Committee should act affirmatively on this legislation.

We understand that the regulatory bodies have drafted certain amendments to address administrative difficulties, and to assure that the State may reopen a licensure hearing at will. The Association does not object to such amendments. The industry has always shared the State's desire to protect the integrity of New Jersey casino gaming. We remain committed to working together with Commission and Division staffs in order to develop language which satisfies these concerns.

The major point is that this bill will reduce the time, effort, and investment -- both real and psychological -- spent annually by the regulators and licensees on the tedious process of relicensure where often few, if any, major issues arise.

Assembly Bill 3431, concerning the licensing of casino employees, has been introduced by Assemblyman Edward Kline. At present, employees such as custodians and cocktail servers are licensed as casino employees. They are categorized with such classification as dealers. Licensure costs are approximately \$265, and it can take about six months for the license to be obtained. The only reason for such licensure requirement is because such employees must have access to the casino floor. Such employees have no relation to the operation of gaming activity. They neither handle money for the games nor jeopardize the integrity of them. We submit, therefore, that the strict procedures are not required. We propose that a hotel registration, which is much easier to obtain and costs

significantly less -- \$30 -- would be appropriate. We understand the Commission and the Division agree with the stipulation that cocktail servers do not enter the pit area unless they are licensed casino employees. They really have no business being there, frankly. The Association, in turn, agrees with the stipulation. The important point is to permit the bill to go forward, since it will provide much needed relief to certain employees and will improve the entire employee hiring process.

Assembly Bill 3569, introduced by Assemblyman Dennis Riley, concerns interim casino authorization. The industry endorses this bill as a means of facilitating the transfer of a casino license. After thorough review and discussion throughout the industry, we would request a single change.

At the present time, the proposed legislation mandates that any transferee found to be unqualified by the Commission, would have its money returned without interest. Under the circumstances, the Association believes this to be impracticable. We believe a better approach would entitle the unqualified applicant to receive interest on the down payment. This bill could be coupled with a cap, such as the stated T-bill rate. This compromise will make an applicant whole, but will not provide a quick profit incentive to bid on a casino property.

We endorse Assembly Bill 3566, which incorporates various technical amendments. May we suggest specific changes to complete these proposed fundamental reforms?

First, may I address certain language in the preamble of the act which, in our judgment, has been the source of disagreement and some friction between the industry and the regulatory bodies since the beginning of casino gaming in New Jersey?

The existing language refers to the establishment of a certain number of casino rooms within hotels. In essence, this

relegates the casino aspect of the industry to an adjunct status to the hotel, convention, and entertainment elements.

In fact, this is fiction. The casino is the economic force which enables the other elements to exist. Without the casino, there would not be a hotel. Blackjack, crap tables, roulette wheels, and slot machines are the reason that Atlantic City casinos have been able to offer employment to more than 39,000 State residents in the past eight years. Casino gaming is the reason New Jersey seniors and disabled persons have received, as of today, just about \$1 billion for their special needs.

Members of the Committee, New Jersey is in the casino gaming business. Our people voted for it and the vast majority believe it has been good for our State and its self-image. Our citizens operate it; our citizens oversee and regulate it; and, finally, our citizens benefit from its presence.

Quite simply, we believe it is time to end New Jersey's paranoia about the State's fourth largest industry. We believe it is time to recognize the accomplishments of the industry and the importance of the industry to the entire State.

Therefore, we would request that the act be amended to state that the casino entertainment industry is a vital and important part of the overall economic and social fabric of New Jersey. We understand the proposed language changes recommended by the industry are unacceptable to the regulatory bodies. However, it seems to me some compromise language should be included, and I would respectfully request your support on this issue.

Section 84 of the statute is also amended. We believe sections 84 b. and 85 c. also require discussion. These sections refer to specific qualifiers or financial institutions, which provide financing for casino investments. They are required to undergo investigation and be approved prior to the licensing of a casino hotel. To reemphasize,

we are referring to banks, underwriters, holding companies, and other financial institutions which provide funding.

The Association believes that 84 b. and 85 c. should contain provisions with regard to those entities which incorporate a presumption of qualification. The qualifiers referred to are such regulated financial institutions which are subject to close, continual, daily governmental oversight. We believe this change would enhance the ability of applicants to attract additional investment backing.

Section 89 is also amended on pages 12 through 14 of the proposed legislation. This section concerns licensing of casino key employees, such as supervisors and managers. At the present time, the Commission may grant an applicant a six-month temporary license, with a renewal period of three months. In the alternative, we would request that a single nine-month license be granted. This would eliminate the need to file a formal petition with the Commission for renewal, if the investigation were not completed within six months.

We also support Assembly Bill 3567, introduced by Assemblymen Pat Schuber and Paul DiGaetano, but believe additional changes are required.

For instance, a provision should be added on page 19 to section 89, which would permit employment of a key employee who has successfully undergone rehabilitation. This would be in keeping with other sections of the act, namely 90 h. and 91 d., which permit the industry to employ persons who have been rehabilitated. We believe that same standards should apply to the applicants for a key license.

On page 23, we suggest the insertion of language in section 94 d. to extend licensure of casino key employees from one to three years, rather than the existing annual process. At the present time, the backlog is such that actually the investigations are at least two years apart. This amendment would conform the statute to the realities of the industry's

regulation. Once again, we do not believe this would compromise or create havoc with the regulatory process.

Section 99 of the Act, which deals with the submission of all internal controls, is set forth on page 25. Please accept as an article of faith that the submission of materials to the Commission is voluminous. At present, the process before the Commission and the Division is slow, and often impedes industry management from implementing changes in internal procedures and personnel in a timely manner. For instance, section 99 deals with, among other things, the now famous jobs compendium manuals. Incidentally, these documents are about as thick as the Manhattan telephone directory.

Under existing regulations, it takes 90 days to create a new position. A new key employee in a newly created position can be licensed temporarily, but cannot assume his or her duties without a revision, resubmittal, and approval of changes to the jobs compendium. An example of that would be if a hotel decided it needed a vice president of marketing -- which would be a new title -- it would take approximately 90 days even for a licensed employee to go into that position and assume the new duties without the review process.

We request that a self-effectuating mechanism be instituted which will mandate a more rapid response by the Commission and Division. We recommend that the Commission notify the submitting casino within 45 days of any deficiencies or areas of clarification required in the submission. In turn, the submitting casino hotel would have 15 days to rectify any deficiencies, and if not remedied, then the application would be deemed void. Conversely, in the event that the Commission or Division failed to respond within 45 days, then the application would be deemed approved.

Another change to section 99 a. (3) is with regard to the jobs compendium itself. At the present time, the compendium applies to all positions in both the casino and the

hotel. Fair reading of the act would indicate that this report should be limited to those within the casino. The theory behind the jobs compendium when enacted was to inform the Commission of the management structure of a casino, so that the regulators could have an adequate audit trail and understanding of how the casino operated. We submit the language clearly reflects that the compendium requirements were never intended to apply to hotel jobs. By the way, the desire and the goal with respect to an audit trail, we agree with completely.

At present, it is an overly broad requirement which takes considerable time and personnel in order to keep the jobs compendium for all 3800 positions in a casino hotel on record and up to par. We would request that additional language be placed in the statute to make certain that it is only applied to the casino operations.

We also believe an amendment to section 106 -- which concerns work permits -- of the Act must be included within this bill. At the present time, the industry submits three different daily (one habitual -- the habitual should be alphabetical, but it is habitual, so we worked that in there anyway) -- (one alphabetical, one transactional in sequence, and a separate one by department -- that's daily), a weekly, and a monthly work permit report, which summarize all of the above. The purpose behind the reports is to permit regulators to keep track of individuals who work within the industry -- also a valid concept. We would request that rather than having these duplicative reports filed as above, that one monthly report be substituted. There would be a monthly report of new individuals or persons who changed jobs within the industry. We do not request a reduction in fees, but merely a lessening of the paper burden.

The industry also supports Assembly Bill 3568, with certain requested changes.

We propose that the requirement dealing with prior approval to have non-gaming equipment in non-gaming areas of a casino hotel be changed from prior approval to one of prior notice. An example of that would be if Bally's Manufacturing, or another manufacturer of a machine, wanted to come in and demonstrate it, right now that would require the submission of a petition and prior approval in order to do that in a non-gaming area. Prior approval requires the filing of a petition to the Casino Control Commission, which is a formal and lengthy process. We believe that in this instance, prior notification to an appropriately designated staff person on the Commission should eliminate the need for the formal petition process.

Assembly Bill 2870, also introduced by Assemblyman Dennis Riley, which concerns reform to the facility requirements, should be released without change, in our judgment. The bill gives casino operators somewhat more discretion to allocate space within the casino hotel, while maintaining the basic casino size. Therefore, the basic requirement of 500 guest rooms, 65,000 square feet of open public space in order to operate a 30,000 square foot casino would remain. Hence, we request and underscore that this bill be released as it presently stands, in order to give casino management more discretion over how their premises are utilized, while eliminating the process of measuring space annually.

In conclusion, I wish to thank the Committee for permitting me to discuss these various items. I request your favorable action on each and every amendment cited. As I stated, the casino industry will be prepared fully to explain its deep concern over Assembly Bill 3570 within the next several weeks. However, I cannot overemphasize the possible negative economic consequences of certain sections of that proposal. In future hearings, we will explain how credit, the

issuance of complimentaries, and junkets work, and detail our positions on various aspects of the bill.

Thank you very much.

ASSEMBLYMAN SCHUBER: Thank you, Mr. Carver. Mr. Sheridan, do you have anything you wish to add?

P E T E R S H E R I D A N: No, Assemblyman.

ASSEMBLYMAN SCHUBER: We recognize that Mr. Peter Sheridan is with Mr. Carver.

Let me just ask a few questions, if I might. We recognize the fact that Assembly Bill 3570 is probably the most -- to put it mildly -- probably the most controversial of the bills in the package, and probably would have the most impact -- adversely, or however you want to look at it -- with regard to the industry. We recognize that that will probably be the subject of a great deal more debate. You should understand, also, that we will be calling into this Committee all of the other bills that deal with casino credit that have been introduced by myself and Assemblyman Hardwick, to analyze those bills with regard to this particular bill, as well as to get a better picture of how casino credit and comps work concretely from the industry's point of view also.

But, I want you to know that this particular bill, while it is not in final form-- This is not the final way it will probably come out. There are other bills we want to look at in discussing that one. Some of those have been introduced in prior sessions, and some are involved in this session now. So, we are not finished with that bill by any stretch of the imagination, but we look to all of those who are participatory in this particular process, be it the industry or the regulators. We are looking for more guidance on that. We try to strike the fine balance of not killing the industry, but at the same time protecting the public interest with regard to certain practices which have come under a great deal of criticism from the law enforcement community.

So, again, we appreciate your comments, and we look forward to more detailed discussions of that particular bill in the future, before we end up voting for this package.

There is another part of this package, which I am sure you would have no objection to also, and that is the affirmative action bill, which I think I am sponsoring. We have not put it on the list, but it is in the Committee now and will be part of this package before it is all voted out at the end of March, and the number of which escapes me at the present time.

MR. SHERIDAN: We may seek an amendment.

ASSEMBLYMAN SCHUBER: Do you have an amendment to that bill?

MR. SHERIDAN: You know, when we get to the affirmative action one. I don't have it with me--

ASSEMBLYMAN SCHUBER: Do you have a concern with--

MR. SHERIDAN: --but we have a suggested change.

ASSEMBLYMAN SCHUBER: Just out of curiosity, do you have a concern with that at the present time?

MR. SHERIDAN: I can tell you what it is.

ASSEMBLYMAN SCHUBER: Sure.

MR. SHERIDAN: Our concern with that bill deals with the remedy if a casino hotel does not make the goal. At the present time, the bill calls for a 30- or 60-day grace period to rectify, or to come up to speed with the goal that is in the bill, but then it requires that licensure be withheld if you don't meet it within that cure period. We would look to change that bill, so that after the 30 or 60 days passes, or elapses, and a casino hotel still doesn't meet that goal, that there be a fine imposed, rather than withholding of the license.

ASSEMBLYMAN SCHUBER: Okay. I would suggest that you submit that to the Committee. I will ask the Committee aides to list this bill as part of this package in the future on these hearings.

MR. CARVER: By the way, Mr. Chairman, we have made this argument before, and there is a dual reason for it.

ASSEMBLYMAN SCHUBER: Yeah.

MR. CARVER: It is not only from our perspective, but the goal of the bill is a wonderful goal. To effectuate the goal and tie it to a license, in our judgment, will just abort the purpose, because I do not believe -- and this is a personal opinion of mine -- that the regulatory agencies are going to deny a license over that issue. Therefore, we suggest, from a practical standpoint, that a monetary consequence, rather than tying these things into licenses each time-- I believe the legislation wouldn't be accomplished if that were the case. That is the reason we made that argument initially -- over a year and a half ago.

ASSEMBLYMAN SCHUBER: Okay. We would appreciate the submission on that. You should consider that, and that goes for all of the folks. I think the major participants of this are in the audience. We consider this part of the package. Even though it is not on our listing today, it will be in the future.

Let me ask you this, Tom, with regard to the bill on the casino licensing -- Senator Codey's bill -- which calls for a two-year casino license after a one-year approval. The DGE has, I believe, in the past, requested an amendment which would allow them to reopen this, I guess, at their option at the time, should they wish to do so. Is that correct? (no response) This amendment has not been adopted in the Senate at all, but is still pending here. What is your thought on that?

MR. CARVER: Well, first of all, I think you would be negligent if there was a reason to reopen a hearing and they didn't do so. I think that goes without question, that the power of the State would be brought to bear if necessary.

We had originally suggested other language. I believe the language reads now, "at will" -- Peter, if I am not mistaken.

MR. SHERIDAN: "For cause." They have to show for cause.

ASSEMBLYMAN SCHUBER: Right now it would be for cause.

MR. CARVER: We don't think that that is an undue burden, very frankly. I would think that they would not want to open a hearing unless they did have cause. So, it is almost synonymous, in my judgment. I understand they did not like that language, because I gather they felt it would present some type of a roadblock. We don't agree with that, frankly, but we are certainly open-minded with respect to the fact. We recognize the right of the State, at any time, to come in and maintain the purpose it has, and that is that the integrity of the industry be maintained.

ASSEMBLYMAN SCHUBER: I think that from our point of view, the issue of the two-year casino license is not a difficult one -- I don't believe anyway. I think we recognize the fact that having been a licensee for three particular consecutive years -- or whatever the case may be -- having done that, it is probably practical to adopt some type of two-year licensing. Again, the only issue for us in protecting the public interest in this area is whether we allow some leeway to the DGE in this area. That is something we are looking at at the present time.

But, you know, the whole concept of the two-year license we are probably sympathetic with. Obviously, that is why the bill is listed, given the nature of the 10 years of experience we have had with the industry at this time.

If I may switch over to the interim licensing question for a second, I gather from your testimony that you have endorsed the concept.

MR. CARVER: Yes.

ASSEMBLYMAN SCHUBER: Is this uniform throughout the industry as far as that goes -- endorsement of that concept? I have heard different pros and cons with regard to whether

interim licensing -- given a takeover atmosphere and all that goes with that in today's market -- whether everybody was wildly enthusiastic about the concept of allowing it.

MR. CARVER: Well, I think you have to-- Unfortunately, takeovers are almost like an epidemic across the country in many areas, including the casino industry. But I think you have to look at the practicalities from the standpoint of dealing with the regulations we have to make it easier for a normal process of transfer to take place. I might say that in Atlantic City the temperatures rise and fall on a daily basis, but I think that when they are calm, most people would agree with the fact that they would like to see this legislation go through.

So, speaking on behalf of the industry, I think we can say honestly that we do represent the thinking across-the-board.

MR. SHERIDAN: If I may, Assemblyman, I think we have submitted some changes with regard to that bill on the time of the contract and when the interim-- The time between contracting and the closing date seemed to be rather long to us when we first read the bill. However, within the industry, after further discussion, we think that a better amendment would be to permit the disqualified transferee to receive some interest on the down payment in the bill, rather than not giving him any money at the present time.

So, the way the bill would operate would be, if a person was found to be disqualified, and he had to sell, or a conservator or a trustee sold that property, then that proposed transferee would be permitted his money back, plus some interest on that.

MR. CARVER: I must have misunderstood your question. If that was the question, that's the answer.

ASSEMBLYMAN SCHUBER: Okay, I appreciate that. Let me just philosophically debate this thing with you for a second. I am fascinated by the concepts here -- all this new

terminology, the current buzzwords of golden parachutes and greenmail and all that stuff that comes along in the wake of Ivan Boesky. With regard to interim licensing, if we allow this, and there is a good possibility that this would be -- it is, in fact, part of the package, and probably would be passed, the question is: Are we facilitating, or making it easier for those who would like to take over a casino to do so?

MR. CARVER: I don't believe so. I think what we are doing is addressing a very practical business concern. I don't think that people go out and invest \$300 million or \$400 million on a whim. I know there has been some concern on the regulatory side that they would not want people merely wasting New Jersey's time by attempting to invest in a casino, people who, quite obviously, are not about to be qualified. I don't think that is the case at all. I think we have a series of public institutions in Atlantic City. Even those which are owned primarily by individuals have a good track record, and I don't think that given New Jersey's enviable position of how it has established itself in this business, that you are going to have people of that type come into this State and attempt to open a casino.

ASSEMBLYMAN SCHUBER: Your obvious concern is simply this, and it is something that you provide for in your hearings: We recognize that casino gambling -- as I sit here on a number of occasions -- is here to stay. The State has a stake in that -- in its success. Our job is to regulate it properly so that the public interest is protected, given the nature of the business.

But the question we don't want to see-- From our point of view, we would not like to see economic chaos in Atlantic City, which then-- You know, the very thing we tried to foster, which was the promotion of the industry, now is undercut because of the things that go on with regard to

takeovers, and all that comes about in that, where sometimes the very industry that is being sought to be taken over is ruined in the process of defending the battle.

MR. CARVER: Understandable.

MR. SHERIDAN: I guess, I think from-- At least there is a school of thought in Atlantic City that the bill, the way it was written -- or the way it is written -- without any interest, wouldn't cause that there would be a lot more takeovers, but actually there would be none, because the public perception -- at least in the financial markets -- is that it is very difficult to get licensed in the State of New Jersey. And that if you are going to talk to any investor, you might have to put as much as \$100 million down, and then take some notes back in order to come up with the selling price of a casino hotel, which could exceed \$300 million. That they wouldn't want to take that risk, and with the fact that they put down their \$100 million, it would take a year, or six months, or eight months to be licensed, and then they could find out that they were unqualified. What they would get back when that license was transferred again, or sold again, would be their money with no interest. I mean, that would weigh heavily in any investor's mind, whether or not they would want to do that.

ASSEMBLYMAN SCHUBER: Let me ask you-- Go ahead, I'm sorry.

MR. CARVER: I would like to throw a different tact into it. In some cases where there is a casino -- as there is in Atlantic City today -- which is not operating necessarily in the black, where it might be in the State's best interest to effectuate a transfer of that license to a company which might have the wherewithal, or the ideas, or the creativity to operate the property in a better sense, we believe that this type of an approach would facilitate that also. So, I mean, I understand the concern about not having an epidemic of

takeovers break out in this small community of ours in Atlantic City, but, by the same token, I think in the long-term analysis, it is in the State's interest to facilitate the normal course of business, even if it is in the casino industry.

ASSEMBLYMAN SCHUBER: Allow me, if I may, to switch back to the two-year licensing bill for a second, and just ask you a practical question. If we adopt that bill as it is, who gets the first two-year licenses?

MR. CARVER: That is a very practical question, which we are practically attempting to figure out. We have been discussing that issue with the Division and the Commission. We would like to come up with what we think would be a rational approach to it. Their concern, naturally, was if it was a blanket two-year approval, they would have no licensing requirements this year, and then 11 next year. So, what we are attempting to do is come up with a rational approach to divide the industry in a manner so that certain properties would go in one calendar, and certain properties in the other. Not an easy thing to do, I might add.

ASSEMBLYMAN SCHUBER: Have we arrived at a conclusion?

MR. CARVER: We're coming close. We have made some recommendations.

ASSEMBLYMAN SCHUBER: I think something like a lottery would be appropriate, given the nature of the circumstances.

MR. CARVER: We might need a statute to do it, though.

ASSEMBLYMAN DiGAETANO: Play blackjack, and whoever is the winner--

ASSEMBLYMAN RILEY: How about shooting craps?

ASSEMBLYMAN SCHUBER: It's certainly-- I mean, it's not the be-all or end-all of this package, quite frankly, but the fact of the matter is, the practical implementation of the Act, if we are going to authorize two-year licensing -- which we probably will-- The fact is -- and I agree with the Casino Control Commission -- we cannot give everybody a free ride this

year, and then 11 next year. I mean, that is just over-- You know, they would have to hire more staff. Is that correct?

ASSEMBLYMAN RILEY: Well, they are doing it now every year. That is the typical approach, I'm afraid, that they have to over-employ people. They are doing 11 now. It doesn't make sense to me.

ASSEMBLYMAN SCHUBER: Do any of the members of the Committee have a question? Mr. DiGaetano?

ASSEMBLYMAN DiGAETANO: Are you going to restrict that to one particular bill, Mr. Chairman, or can we--

ASSEMBLYMAN SCHUBER: No, you can ask on any of them.

ASSEMBLYMAN DiGAETANO: Okay. Tom, I have a question on the two-year licensure. I understand it is proposed after three years of operation, but what is the Association's position on this two-year licensure after three years of operation if the casino has changed hands? Is it your feeling that if the facility itself has been in operation for three years, regardless of ownership, then they should qualify for two-year licensure? Or, are we saying if it had the same ownership and same facility, then after three years with the same ownership and facility, it should get a two-year license?

MR. CARVER: That is an excellent question. It would be my recommendation that if a licensee -- an existing licensee -- were to take over a second property, that they could fall into the two-year cycle. However, I would hasten back to the stipulation that the Division and the Commission -- Division, in this case -- will always have the right-- If there is a reason they feel, during the transfer, that some item would have come up which would necessitate them reopening a hearing, they would have that prerogative.

So, I don't really know that you could set a ground rule which would apply in all cases. You might, with the exception being that the regulatory bodies could return to that and open up a hearing, which I suspect might often happen, to

be quite frank with you. But I think there has to be a presumption-- When a corporation is licensed initially in the State of New Jersey, that is like being baptized, in a sense. I mean, you start out with a plus. I think there would have to be a reason to assume that something had happened in the interim which would cause them to be reinvestigated to the degree of a licensing hearing.

ASSEMBLYMAN DiGAETANO: No, I'm not even addressing that so much. My concern is this: If we are going to set some qualifying criteria for a two-year licensure, apparently after three years of successful licensure, I think then that the issue which comes to mind is, are we going to address the facility just as a facility, or are we going to address the entire operation in terms of ownership and the facility?

I think if we say-- I think if the philosophy is going to be we are just addressing the facility, the size, the space, the rooms, the machines, the casino floor, whatever, I think then-- If you are just going to use that criteria, then you say, "Well, any facility that is in operation as a casino for three or more years would then qualify for two-year licensure." But I think our philosophy has been that the casino-- When we say casino, we are not just talking about the physical structure. We're obviously-- When the licensure hearings are held, they obviously don't just deal with the physical structure and the machinery. So, I ask the Association's position on whether or not it should deal in terms of ownership and if, in fact, a particular facility has been in existence for seven or eight years, but is under new ownership, then do you still feel that they should qualify for two-year licensure, if they have had this ownership situation for just, one year, let's say, or two years?

MR. CARVER: Well, for the first aspect, I think you have to differentiate between the physical facilities, which are subject to inspection and requirements and criteria prior

to opening, and the primary purpose of licensure, which is to assure that those applicants who will be controlling that business entity pre-qualify. By clear and convincing standards, they prove themselves to be qualified. It is a unique burden that people who want to be in this business carry, quite frankly, but it is established and accepted that anyone coming into the State to open up a casino, has to precondition himself by clear and convincing evidentiary proof.

So, that standard can never be compromised in any way. If I understand the question-- If you are suggesting that if a license is transferred from one business entity to a second, if, in fact, that would trigger going back to have the clock running again-- In other words, if a license changes, the second corporation automatically goes into a licensing process-- I have to say that makes a little bit of sense, to be honest with you. I think not necessarily for the person who gets the license, but certainly from the State's point of view.

MR. SHERIDAN: I think that the licensing goes not only to the facility itself, but also to the type of financial structure it has, who the financiers are, who the people are in management. If a new set of folks come in to run a casino, even though it has been in existence for more than three years, then the State has an obligation to start at day one, and to take a look at all those types of areas.

ASSEMBLYMAN DiGAETANO: Then, if I understood your response correctly, if new ownership takes over a casino and has not been licensed in New Jersey, you know, as operators before, then the clock should begin at day one.

MR. CARVER: Absolutely.

ASSEMBLYMAN DiGAETANO: But I think that what you said, Tom, earlier, was that if we had another entity-- Let's say the operator of one of the existing casinos built or acquired a new casino-- I think what you indicated before was that then they should not have to start the clock again.

MR. CARVER: Well, again, the items that Mr. Sheridan just raised-- See, the reason it is difficult to answer that question-- Probably it would be easier answered at first by the regulatory bodies. What I suspect they might say is that they would have to go in and analyze all those conditions. In other words, let's assume-- As an example, let's take Bally. Okay? Bally operates now one casino, and is in the process, perhaps, of operating a second. If the exact same conditions prevailed in those circumstances, where Bally's had the same group of offices, the same controls, the same auditors, the same financial institutions, really, then you would be dealing with the same corporation under the same circumstances.

If, in fact, introduced into that process were an entirely group of people, under the name of Bally, then I suspect -- and I would also have to agree -- that the State would have a -- not only a right, but an obligation to go back in and say, "There are certain changed circumstances that we have to be satisfied about. Therefore, we will begin the clock running again."

The real question comes down to-- Let's assume you have a corporation such as Bally's -- which I think is fairly substantial and solid -- and it does acquire a second property. Is it necessary for them to go through a three-year period of annual licensing or, rather, are they automatically thrown into the second category of two-year licensing? I would submit, in that case, that there should be a presumption of not only adequacy, but of qualification, so they would automatically conform to a two-year process, and not have to reconform to three years and then two -- in that particular issue.

ASSEMBLYMAN DiGAETANO: Okay. If I may jump to 3567, if I understand your position correctly from your testimony, it is your opinion that the jobs compendium should only apply to, I guess, gaming positions.

MR. CARVER: Yes. We think that is the way the statute reads, quite frankly.

ASSEMBLYMAN DiGAETANO: Okay. This Committee held a meeting down in Atlantic City -- I guess, early in '86 -- and we got the general feeling from a couple of establishments we visited that it was the desire of the operators of the industry to create more of a destination resort.

MR. CARVER: No question.

ASSEMBLYMAN DiGAETANO: I think it is generally felt, I'm sure by this Committee -- if not by the entire association of the State of New Jersey -- that the rooms and the other facilities and amenities are an integral part of the casino. But, by your position on 3567, it appears to me that you're asking that they be considered as separate entities for job classification.

MR. CARVER: Well, I don't believe there is an excess, Assemblyman, between the two. What we are suggesting is that it is analogous, I guess, to registering people, having them apply for key licenses. So, there is a differentiation of function. You are quite correct in saying that there is a totality of experience that you offer in Atlantic City at these casinos. In other words, people don't come just to spend their lives at the tables. They come for the entertainment; they come for the hotel and the restaurant, so that it is an enjoyable experience across-the-board.

But, in terms of the individuals who perform certain functions, I think you have to get back to what the State's primary purpose is, and the State's primary purpose is that there must be complete integrity in casino gaming operations, which we subscribe to, and agree with. What we're saying is -- and I say this somewhat reluctantly -- having worked for 22 years in a bureaucracy, I can assure you that they do not diminish in size over a period of time. They continue to expand and grow, in a logical sense. People who are engaged in these activities say, "It makes sense for me to do 'X,' because I've done 'W' for years and there is a connection here."

A classic example is a cocktail waitress walking onto the floor. If they are on the floor, the theory has been that they should be held in the same classification as dealers, and yet they are not related. They don't do anything with respect to the games themselves. So we feel, you know, you take an analysis; you make a logical conclusion that if there is an easier way to accomplish the same thing, let's go the easier way. That is what we are suggesting on that bill. We just don't feel it is in the State's-- There is nothing vital to the State's interest that is contained in that document that a masseur has to be handled in the same manner as a pit boss, and the masseur is in the book, and whom he reports to.

MR. SHERIDAN: I think the purpose of the section with regard to jobs compendium when it was enacted originally, was to give the regulators an idea of who was in casino operations, who was counting money and who wasn't. There was a real fear that there would be scams and scams of casino money, and the State has an interest in that because of the CRF where you get 8% of the gross, and that that should be protected. We don't disagree with that idea. That should be protected, and there should be reporting of all the different types of job classifications within those types of casino operations.

But, once you move farther away from that, for instance, into the hotel areas, where you have part of the jobs compendium which tells you the workers in the rooms, the attendant at the desk-- Tom brought up the section -- it is a very famous one -- of the masseuse, or masseur. You have to have a page for the masseur who is working in the spa, to detail what he does, when he does it, who he reports to, and that whole line up. Once you get into that area, then the State's interest into those types of things is significantly reduced. If you read this section now, it says it applies to casino operations; however, the Commission and Division have never applied it in that sense. They provide it to the casino hotel facility.

We think that that jobs compendium should be limited. It is very thick, and it takes--

ASSEMBLYMAN DiGAETANO: What hardship has that caused you?

MR. SHERIDAN: It's paperwork. The thing is this thick (indicating thickness). It should be maybe about a quarter of the size. It takes a number of people in the personnel departments to keep it up-to-date, to make certain that all of the jobs are reported, and if there is any change in structure, that it is changed. It's just very burdensome paperwork and very difficult to administer. We are just trying to get ourselves out from underneath some of that burden.

ASSEMBLYMAN DiGAETANO: Thank you. Just one final question with regard to 3568. You requested a change that prior notice be sufficient to have non-gaming equipment in non-gaming areas--

MR. SHERIDAN: That's a mistake. It should be gaming equipment. I'm sorry about that. Like a slot machine, as I mentioned before.

ASSEMBLYMAN DiGAETANO: Okay. That's all; thank you very much.

ASSEMBLYMAN SCHUBER: Isn't the public interest served, though, regardless of the burden it may place on you-- Isn't the public interest served by wider disclosure and more public information of this type, or other types, regardless of the fact of whether it is ever utilized or not? Rather, doesn't that protect the public interest and, at the same time, possibly protect your own interest, as far as that goes? I recognize there is a difficulty in putting the thing together.

MR. SHERIDAN: Are you going back to the job compendium?

ASSEMBLYMAN SCHUBER: I'm talking about the compendium, you know, among other things.

MR. SHERIDAN: I would say no. The information they are talking about is captured in other ways. There are work reports. They have each of these employee's license. They know the types of jobs that are in the casinos. It is the burden of putting this compendium together that is really-- That is the problem, putting it together. It takes massive amounts of time on the part of the casinos to keep it up-to-date. Right now the way the statute reads, it is limited to casino operations. That is what their true interest is, and it should be continued to be limited in that fashion.

MR. CARVER: By the way, we are not asking, in our opinion, for a great change. We're saying that the statute, in our judgment, was very clear with respect to the purposes to begin with.

ASSEMBLYMAN SCHUBER: I don't want to harp on it because there are other issues here. By the way, Tom, I did appreciate the religious analogy of the baptism of the casinos. It is like cleansing them of original sin in the beginning. I appreciate that. Mr. Riley?

ASSEMBLYMAN RILEY: Thanks, Pat.

MR. CARVER: You notice I left that out, though.

ASSEMBLYMAN SCHUBER: I appreciate that. I went to those catechism classes all those years, and I didn't forget that stuff.

ASSEMBLYMAN RILEY: Regarding 3569, I think your point is well taken. Very frankly, I think-- Pete hit a chord, I think, with me when he said something about financial institutions -- or maybe you said it, Tom -- about being leery of the process. Ever since a week about a year and a half ago, when the Commission and the DGE, I think, gave the most conflicting, contradictory, bizarre message I have ever seen regarding Resorts giving presents to people in the Bahamas, and Conrad Hilton not liking his desk rifled-- When we said the largest hotel chain in the world wasn't allowed in New

Jersey-- I can't understand why the financial institutions would be leery.

Therefore, with regard to the interest, I think that point is well taken. I think we should do that. I think the amendment should be made. It is in my bill, and I would request staff do that.

Regarding the takeover scenario itself -- the basic scenario -- I'm sure I am not the only one who has spoken to employees down at Golden Nugget -- and I have spoken to a lot of them-- They have the same type of thing, very frankly-- I don't know if you have spoken to anybody from Eastern Airlines recently. Eastern Airlines employees are saying the same thing. They are afraid. They indicate that all sorts of strange things are happening. At Golden Nugget, they are starting to be afraid of that same situation.

Presently, as you know, the law says that three is the number. What would be your feeling -- the Association's feeling-- Does the Association have a position on changing that to two -- the substantial interest -- to lowering it so that no one could have a substantial interest in more than-- I believe, presently, isn't it three -- to lowering that to two? I presume you aren't going to have a position now.

MR. CARVER: We don't, Assemblyman, and, very frankly, we have always been careful-- Probably you have noted this in the past, but we don't really get into the individual corporate business decisions when we represent the industry. Very frankly, I couldn't comment on that right now.

ASSEMBLYMAN RILEY: Okay. I understand, Tom. I am afraid that no one else on this Committee -- and probably not very many people in this room -- would understand some of the things that are going on. I think I am the only one who lives south of Essex County. I think you have to understand today-- The members of the Committee have to understand that today there is a real problem with employees -- in obtaining them.

MR. CARVER: Very much so.

ASSEMBLYMAN RILEY: Presently, I know your industry is out to JTPAs all over South Jersey, trying to obtain employees with the Taj Mahal and with Showboat. They can't fill the employees today. So, I think that maybe, you know-- It seems to me that the basic attitude still prevailing is, "If something is not broken, don't fix it." I think that everybody ought to realize that the casinos have a problem today obtaining employees. Is that correct?

MR. CARVER: Absolutely. In fact, if you read today's Star-Ledger, you will get a detailed analysis of what Resorts did yesterday on that issue.

ASSEMBLYMAN RILEY: And, the JTPA people throughout South Jersey now are going around trying to actively hire people, and trying to train people, and are paying for them to go to school. Yet, they still can't find people.

Do you think there is something else that can be done? Hey, if we are going to have these things -- which we are going to have -- and we are going to take the benefit, there have to be people to run them. Right now, we treat the people there like-- We burden them with moronic legislation. We put things on their-- Shackles would be an understatement for some of the imbecilic types-- I mean, you can't be related to a toll taker on the Atlantic City Expressway, or they remove your grandchildren.

I mean, that is so moronic, it's incredible. Twice this week I have been down to Atlantic City, and I have spoken to employees and things. One of the things, besides that, that comes up -- and if you can either gather something, or maybe give testimony after today's hearing -- that really is a problem to a lot of them-- The two areas that were brought up to me were, one, a lot of people resent the fact that they can't gamble in another house. They say, "Here we have this great industry, and we can't participate." Another thing that

was brought up a number of times, was the fact that they feel like they are second-class citizens, not only because of the toll taker ridiculousness, but because of things, like-- They say, "Why can't we run for the school board? Why can't we participate? We're sick and tired of being told by people in Trenton that we are second-class citizens."

You aren't going to be able to obtain enough employees, if this attitude continues. Can you guys come up with something, and maybe bring some testimony in at the next hearing, to show the Committee that the problem regarding employment in Atlantic City is a real problem, that Resorts today cannot hire people for the new casino?

MR. CARVER: We can comment a little bit about it now. You did touch on a variety of issues. There is no question, by the way -- and this is well known -- that the people who work in the industry, for good and obvious reasons, very often feel as though they are second-class citizens. That issue, in my judgment, will have to be addressed by this State sooner or later. Like it or not, when you have the most insatiable employee population, in terms of growth in eight years in this State's history, it is going to have to be dealt with. The odious comparisons which are constantly cited, unfortunately, in my judgment, by people who do not know the issues, that, "We could be a Las Vegas--" What they mean by that, of course, is that the political power of an industry could become as great in New Jersey as it is in Las Vegas. That is ludicrous on its face.

New Jersey is a highly dense populous State. It is multi-institutional in nature, and casino gaming is never going to occupy the position that casino gaming occupies in Nevada. That should be done away with once and for all from our lexicon. But, many people will argue that the reason we can't get employees is because of the housing conditions in Atlantic City. That is not true either, although we will need more housing in the area as people come in.

Both of us are new to this industry. We come from other sections of the State. A move to Atlantic City is quite a move for people. I mean, it is really another area of the State that none of us really know anything about, if we don't come from there to begin with. We have no knowledge, other than you, Assemblyman, who represents South Jersey on this Committee. But, the point is, you citing that issue clearly reflects the fact that people from South Jersey feel a little bit differently about such issues. So, it is a move for other people.

We will attack these problems, and hopefully we will attack them intelligently as Resorts began to do yesterday. Among other things, we may have to have transportation incentives, but we have to have transportation. The railroad, unfortunately mislabeled "The Gamblers' Express" -- which is a terrible thing to say -- is going to open up a corridor of development, is going to open up transportation for employees, and there are a lot of good things happening. But, we've got to begin to eliminate the emotional discourse with respect to this entire industry, and start to talk like rational, sane human beings and residents and officials of the State in how we make this process work for our benefit.

We have created this. This is one of the four great economic events in the history of New Jersey -- perhaps even the greatest single event. In the eight-year history, things have never been duplicated the way this has happened. We've got to make it work. We've got to get more employees, and we need things to do it. We will be glad to talk to you in detail on that.

ASSEMBLYMAN RILEY: Tommy, how many employees do you think are violating the law today?

MR. CARVER: I haven't got the slightest idea.

ASSEMBLYMAN RILEY: Would you say thousands?

MR. CARVER: Violating the law in what sense, Dennis?

ASSEMBLYMAN RILEY: Technical violations.

MR. CARVER: In what sense? I'm not--

ASSEMBLYMAN RILEY: Regarding the conflicts.
Thousands?

MR. CARVER: Oh, well, you might ask them.

ASSEMBLYMAN RILEY: No, but, of course, there is a moratorium on really enforcement of the law, but isn't that--

MR. CARVER: There are impractical provisions that don't make any sense.

ASSEMBLYMAN RILEY: Can you imagine if it were enforced? You'd have skeleton crews in every casino. So, if we can somehow bring people in and explain the real problems, I think maybe it would be good for all of us in the long run.

MR. CARVER: Believe it or not -- we're getting off the deep end here -- but one of the things that might improve the process in the State of New Jersey is if some of this great talent which is sitting behind me did not face the prohibition of working in the industry after State employment. We might get some good, solid, knowledgeable people who have basically the State's interest at heart, working in a business that operates, really, in partnership and on behalf of the State in many respects. But that is another question for another day.

ASSEMBLYMAN SCHUBER: If I may speak for the North Jersey elitists who are members of this Committee, we would indicate that we do understand the other problems, too. They are not really the subject matter of this package. They are of concern to us, however, and they are things that we probably will be looking at after we finish here. Of course, the problems that Mr. Riley has indicated are certainly ones that we see now in the papers and which we have been hearing about from the area. I know they are of concern to us.

But, for the time being, we want to do this particular package, and then we will take up some of those other outlying issues afterward.

ASSEMBLYMAN RILEY: Mr. Chairman, some of us believe that that may be the cart before the horse. You can't put further restrictions on people, when you can't get enough people to restrict.

ASSEMBLYMAN DiGAETANO: No, we really look at it more as front wheel drive versus rear wheel drive, Dennis. (laughter)

ASSEMBLYMAN RILEY: Well, every person from Bergen County who works in Atlantic City-- If you want to put these things on people from Bergen County, be my guest.

ASSEMBLYMAN SCHUBER: Mr. Zangari?

ASSEMBLYMAN ZANGARI: Mr. Carver, a couple of things are not clear to me. It says on A-3431 that the Commission and the Division agree with the stipulation that cocktail servers do not enter the pit area unless they are licensed casino. How about the waiters and waitresses who go into the pit area? Do they have to be licensed, and only the people who work in the back are not?

MR. CARVER: The pit area is very specific. The pit area would be like the dugout in relation to the stands in a stadium. It is separate and apart from where they serve cocktails.

ASSEMBLYMAN ZANGARI: Not where they come up to the table, you know, when you're--

MR. CARVER: Exactly.

ASSEMBLYMAN ZANGARI: Okay. On page 10 of 3567, it says, for instance: "A provision would be added only on page 19 to section 89, which would permit employment of a key employee who has successfully undergone rehabilitation." Rehabilitation for what?

MR. CARVER: Being locked up for doing his nasties. I mean, he went to jail. He was rehabilitated. He served his time, he came out, or words to that effect. I mean, it could be a variety of things, but a person who-- Rehabilitating in

that sense refers to criminal prosecution, jail, etc. He's an ex-con.

MR. SHERIDAN: There are some offenses in the statute, if you violated one, then you cannot become an employee of a casino. The law provides in other areas, for instance, with casino employees who are dealers, that after a period of rehabilitation, so long as they can demonstrate that to the Commission, then they may be employed. What we are looking for is a similar type of analysis to be applied to key employees.

MR. CARVER: It might even address part of the problem that the Assemblyman raised about the lack of employees. We would have another source for employees.

ASSEMBLYMAN ZANGARI: At our last hearing, Chairman Read of the Casino Control Commission told us that 16% of the casinos' gross revenue is from credit playing. Can you tell us what that is in a dollar amount?

MR. CARVER: Well, in some houses, credit play is up to 30%. I thought he said when. I don't recall exactly what he said, but I thought he said when. Take 30% of \$2.1 billion in revenue -- last year \$2.18 billion, I think-- In some cases, divide that by 11 and take 30% of that total. It is a substantial amount. Our problem is, it is like denying Sears credit. I mean, you can't buy at Sears unless you have cash. It doesn't make any sense, frankly. There are law enforcement concerns which have to be addressed, but, by the same token, some of the statements-- I really don't want to get into that in detail, but some of the statements with respect to credit which have been made by certain members of the regulatory community, I don't think are true. Not that they have misled you, but I think they have a belief about certain things, which I am not sure could be validated.

We think we can contradict those statements. Those are the types of things that we want to address with you, but hopefully, in discussing the issue in greater detail with them,

the one thing we want to make sure of is that they understand the potential negative consequences to the business, which, in fact, in our judgment, is related directly to the State's interest. Those are the types of things we want to get into.

ASSEMBLYMAN ZANGARI: Some of the statements I get from the Casino Control Commission indicate that there is extended credit that is never repaid. I would like to know whether the unpaid credit debt is represented as income or non-income by the casinos.

MR. CARVER: Well, first of all, let me contradict -- not contradict you, sir, but let me advise you that prior to our coming to Atlantic City there were extended hearings on credit. We produced witnesses -- expert witnesses -- who indicated that we had a better return on that problem than did most department stores. It was less than 2%, if I am not mistaken, at the time. It was 1.2%. The casinos are allowed to write off -- what is it, two at the present time?

MR. SHERIDAN: Four percent.

MR. CARVER: Up to 4%. We feel so confident on this issue that we have discussed the possibility of going to 2%, because it is not a major problem, which relates directly, of course, to the concept that it is a cause of compulsive gaming. That would be true if, in fact, you had a 10% or 20% unpaid debt with respect to gambling. It is not a fact; it just doesn't exist in that nature.

ASSEMBLYMAN ZANGARI: Well, is that like poor management, I mean, leniency? You have in a bill here where you lessened the time frame to cash a check from 10 days to two days. Wouldn't it be--

MR. CARVER: No, we don't.

ASSEMBLYMAN ZANGARI: Well, whoever is doing it. Wouldn't that be more likely to--

ASSEMBLYMAN SCHUBER: Jimmy, why don't we do this-- They didn't want to address that today. We are going to have a

separate session just on that particular bill, and you can ask all your questions to your heart's content on that day.

ASSEMBLYMAN ZANGARI: Just let me-- Is there any feeling on the use of credit cards down there? You know, that has always been a concern of mine, where you can go in with a credit card to borrow money. You pay \$10 to borrow \$50.

MR. CARVER: Well, there are-- I don't know how to address that, really.

MR. SHERIDAN: I don't think there is any position on that, quite frankly. We have been looking toward the Association starting a credit information company, which would allow the industry to better comply with the present credit regulations that are in effect. If that is started up -- because it is a computer operation -- then such ideas as that would become more practicable. But that is three to five years in the future.

MR. CARVER: If I understood your question, the answer would be no, but I would prefer -- as the Chairman noted -- if we could hold that, and we will respond in more detail. If you are talking about walking up to a table and throwing down a credit card and getting chips, the answer is a flat out "no" on that.

ASSEMBLYMAN ZANGARI: No, no, you have to go to a machine and put your credit card in to get the money.

MR. CARVER: That happens all over the place, if that's what you mean.

MR. SHERIDAN: Bank cards.

MR. CARVER: Do they have a First National State Bank credit machine there to get money out of?

ASSEMBLYMAN ZANGARI: No, in the casino; in the casino.

MR. CARVER: Well, that happens all over.

MR. SHERIDAN: They are in there now.

ASSEMBLYMAN RILEY: If I may, I think what he is talking about, Tommy, is, you know, the bank cards--

ASSEMBLYMAN SCHUBER: The bank cards.

ASSEMBLYMAN RILEY: --where you have like the MAC cards. Or, in most of the casinos you go in--

MR. CARVER: Yeah, they are there now.

ASSEMBLYMAN RILEY: It is just like a bank. It's a convenience to the players. When I go down, rather than stop at a bank, I just do it there.

ASSEMBLYMAN ZANGARI: You have to pay a fee.

MR. CARVER: To the bank.

MR. SHERIDAN: To the bank.

ASSEMBLYMAN RILEY: To the bank, not to the casino.

ASSEMBLYMAN ZANGARI: Ten dollars to borrow \$50 out of the machine.

ASSEMBLYMAN RILEY: No, no, no.

ASSEMBLYMAN ZANGARI: Plus interest.

ASSEMBLYMAN RILEY: I do it all the time. Whatever the bank charges is all--

ASSEMBLYMAN ZANGARI: More than that, isn't it?

MR. SHERIDAN: No, the Assemblyman is referring to Compcheck, which is an industry in town. Gee, I don't know--

MR. CARVER: He is referring to something else. (At this point there is a discussion between members of the Committee and both witnesses. Reporter unable to hear everything.)

ASSEMBLYMAN ZANGARI: Someone I know went in Trump, she put a card in there, and she had to pay \$10 to get \$50. Doesn't that make it attractive? You know, when we are talking about compulsive gambling, and here you are with a piece of paper. You go in there and you have to pay \$10 to borrow \$50, and then, you know, at the end of the month if you don't pay it, you're paying another 18%. You're talking about millions and millions of dollars from people who are not paying, you know, the credit to the casinos -- okay? -- and yet you are making it accessible for people to go in there to borrow money.

You know, when you're stuck for money-- You know, when you're stuck for money, you're chasing. That is where the compulsive gambler comes in.

ASSEMBLYMAN RILEY: They could stop at the bank just as easy. It's a convenience.

ASSEMBLYMAN ZANGARI: Well, I don't know. If you go out of the facility, I don't think it is that easy to come back sometimes.

ASSEMBLYMAN SCHUBER: Jimmy, I have similar concerns as you with regard to that.

ASSEMBLYMAN ZANGARI: I know you do.

ASSEMBLYMAN SCHUBER: We are going to take that up when we take that whole bill up in separate sessions.

Are there any other questions? (no response)
Gentlemen, thank you very much. I appreciate it.

MR. CARVER: Thank you for having us.

ASSEMBLYMAN SCHUBER: This Committee meeting stands adjourned.

(MEETING CONCLUDED)

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