

CHAPTER 49**JUNKETS****Authority**

N.J.S.A. 5:12-63, 69, 70, 92, 102 and 104.

Source and Effective Date

R.1992 d.412, effective September 18, 1992.
See: 24 N.J.R. 2695(b), 24 N.J.R. 3738(a).

Executive Order No. 66(1978) Expiration Date

Chapter 49, Junkets, expires on September 18, 1997.

Chapter Historical Note

Chapter 49, Junkets, was adopted as Emergency R.1983 d.37, effective January 27, 1983 (expired March 28, 1983). See: 15 N.J.R. 135(a), 15 N.J.R. 166(b), 15 N.J.R. 257(a). The provisions of R.1983 d.37 were readopted as R.1983 d.112, effective March 29, 1983. See: 15 N.J.R. 627(b). Pursuant to Executive Order No. 66(1978), Chapter 49 was readopted as R.1988 d.177, effective March 24, 1988. See: 20 N.J.R. 181(a), 20 N.J.R. 930(b). Pursuant to Executive Order No. 66(1978), Chapter 49 was readopted as R.1992 d.412. See: Source and Effective Date.

See section annotations for specific rulemaking activity.

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SUBCHAPTER 1. GENERAL PROVISIONS**19:49-1.1 Definitions**

The following words and terms, when used in this chapter, shall have the following meanings unless the context clearly indicates otherwise.

"Agent" means any person, including a junket representative, junket enterprise or casino employee acting as a junket

representative, acting directly or indirectly on behalf of a casino licensee or an affiliate of a casino licensee.

"Compensation" means any form of remuneration whatsoever, including, but not limited to, the payment of cash, the forgiveness or forbearance of a debt, or the direct or indirect provision of a product, service or item without charge or for less than full value.

"Complimentary guest room accommodations" means a guest room provided to a person at no cost, or at a reduced price not generally available to the public under similar circumstances; provided, however, that the term shall include any guest room provided to a person at a reduced price due to the anticipated or actual gaming activities of that person.

"Complimentary service or item" is defined in N.J.A.C. 19:45-1.9.

Amended by R.1989 d.187, effective April 3, 1989.
See: 20 N.J.R. 2644(a), 21 N.J.R. 933(b).

Definition of "agent" amended to include . . . "or casino key employee acting as a junket representative," . . .

Amended by R.1995 d.307, effective June 19, 1995.
See: 27 N.J.R. 1168(a), 27 N.J.R. 2458(a).

Extended the definition of an "Agent" to affiliates of a casino licensee.

19:49-1.2 Definition of junket: scope of activities included

(a) A junket, as defined in N.J.S.A. 5:12-29, is an arrangement the purpose of which is to induce any person, selected or approved for participation therein on the basis of his or her ability to satisfy a financial qualification obligation related to his or her ability or willingness to gamble or on any other basis related to his or her propensity to gamble, to come to a licensed casino hotel for the purpose of gambling and pursuant to which, and as consideration for which, any or all of the cost of transportation, food, lodging and entertainment for said person is directly or indirectly paid by a casino licensee or employee or agent thereof.

(b) For the purposes of (a) above, a selection or approval of a person "on the basis of his ability to satisfy a financial qualification obligation related to his ability or willingness to gamble" shall be deemed to occur whenever a person, as an element of the arrangement, is required to:

1. Establish gaming credit with a casino licensee;
2. Establish a customer deposit with a casino licensee;
3. Demonstrate to a casino licensee or employee or agent thereof the availability of a specified amount of cash, cash equivalent or gaming chips;
4. Gamble to a predetermined level at the establishment of a casino licensee; or
5. Comply with any similar obligation.

(c) For purpose of (a) above, a selection or approval of a person on a "basis related to his propensity to gamble" shall be deemed to occur whenever that person has been selected or approved on the basis of:

1. The previous satisfaction of a financial qualification obligation in accordance with the provisions of (b) above;
2. A rating for gambling performance; or
3. An evaluation that the person has a tendency to participate in gambling activities as the result of:
 - i. An inquiry concerning said person's tendency to gamble; or
 - ii. Some other means of determining that the person has a tendency to participate in gambling activities.

(d) For purposes of (a) above, but without limitation of (c) above, a rebuttable presumption that a person has been selected or approved for participation in an arrangement on a basis related to his or her propensity to gamble shall be created whenever said person is provided with:

1. Complimentary guest room accommodations as part of the arrangement; or
2. Complimentary food, entertainment or transportation which has a value of \$200.00 or more calculated in accordance with the provisions of N.J.A.C. 19:45-1.9.

Amended by R.1989 d.187, effective April 3, 1989.
See: 20 N.J.R. 2644(a), 21 N.J.R. 933(b).

Non-sexist references added, and references to "services and items" deleted and at (d)2, ... "food, entertainment or transportation" ... added.

19:49-1.3 Open-ended or conditional complimentary offers

An offer by a casino licensee to pay for the cost of transportation, food, lodging and entertainment for a person in an amount to be determined by the actual gaming activities of that person after his or her arrival at the casino hotel shall be deemed to be an offer of complimentary services or items for the purposes of determining whether an arrangement involving such an offer is a junket within the meaning of Section 29 of the Act and this chapter.

Amended by R.1989 d.187, effective April 3, 1989.
See: 20 N.J.R. 2644(a), 21 N.J.R. 933(b).

References to "other services and items of value" deleted.

19:49-1.4 Advertising

(a) Any advertisement by a junket enterprise vendor registrant or by an applicant for or holder of a junket enterprise license or by any agent thereof, including a junket representative, shall be subject to the provisions of N.J.A.C. 19:43-14 to the same extent as if such advertisement were by a casino licensee or applicant.

(b) Notwithstanding the provisions of (a) above, a junket enterprise vendor registrant, an applicant for or holder of a junket enterprise license and any agent thereof, including a junket representative, shall not be subject to the provisions of N.J.A.C. 19:43-14.3(b).

New Rule, R.1992 d.500, effective December 21, 1992.
See: 24 N.J.R. 3225(a), 24 N.J.R. 4563(a).

SUBCHAPTER 2. LICENSURE REQUIREMENTS

19:49-2.1 Junket representatives

(a) A junket representative, as defined in the Act, is any natural person who negotiates the terms of, engages in the referral, procurement or selection of persons who may participate in any junket to a licensed casino, regardless of whether or not those activities occur within the State of New Jersey. If a person performs any one of these functions in connection with a junket to a licensed casino, that person is a junket representative for the purposes of the Act and this chapter.

(b) The fact that a person licensed as a casino employee may, pursuant to N.J.S.A. 5:12-102 and (c)3 below, act as a junket representative while employed by a casino licensee or affiliate of a casino licensee does not excuse the casino licensee, affiliate of a casino licensee or any other person from meeting any other licensing, registration or reporting obligation which may exist as a result of the conduct of the junket activity.

(c) Except as otherwise provided by N.J.S.A. 5:12-102o, no person shall act as a junket representative in connection with a junket to a licensed casino unless he or she:

1. Has been plenary or temporarily licensed as a junket representative in accordance with the provisions of section 102 of the Act and is employed by a licensed casino or an affiliate of a casino licensee;
2. Has been licensed as a junket enterprise in accordance with the provisions of section 102 and subsection 92(c) of the Act, N.J.A.C. 19:43 and this chapter, or has been registered as a junket enterprise vendor in accordance with the provisions of N.J.A.C. 19:41-11 and this chapter; or
3. Is the holder of a current and valid casino employee license, is currently employed by the casino licensee or affiliate of the casino licensee for whom such junket representative services are being rendered and is reported to the Division in accordance with the requirements of N.J.A.C. 19:49-3.6, or

4. Is employed as a junket representative by a junket enterprise which is licensed in accordance with the provisions of section 102 and subsection 92(c) of the Act, N.J.A.C. 19:41 and 19:51 and this chapter, or by a junket enterprise which is registered as a junket enterprise vendor in accordance with the provisions of N.J.A.C. 19:43-10.4 and this chapter.

(d) A junket representative may only be employed by one casino licensee, an affiliate of a casino licensee or junket enterprise at a time. For the purposes of this section, to qualify as an employee of a casino licensee, a junket enterprise licensee or a junket enterprise vendor, a junket representative must:

1. Receive all compensation for his or her services as a junket representative through the payroll account of the employer; and

2. Exhibit all other appropriate indicia of genuine employment, including Federal and State taxation withholdings.

(e) No casino licensee or junket enterprise shall employ or otherwise engage the services of a junket representative except in accordance with the provisions of this section. A junket representative may begin employment with:

1. A casino licensee as soon as he or she is licensed by the Commission in accordance with (c) above; or

2. A junket enterprise as soon as the enterprise or the junket representative has completed and filed with the Commission all information required by the Act and the regulations of the Commission.

Amended by R.1989 d.187, effective April 3, 1989.

See: 20 N.J.R. 2644(a), 21 N.J.R. 933(b).

(b) and (b)1 deleted, (b)2 recodified as new (b) with language added clarifying role of casino key employee. Non-sexist references added throughout.

Amended by R.1992 d.412, effective October 19, 1992.

See: 24 N.J.R. 2695(b), 24 N.J.R. 3738(a).

Junket enterprise added.

Amended by R.1995 d.307, effective June 19, 1995.

See: 27 N.J.R. 1168(a), 27 N.J.R. 2458(a).

Extended the section to affiliates of a casino licensee.

19:49-2.2 Junket enterprises

(a) A junket enterprise, as defined in the Act, is any person, other than the holder of or an applicant for a casino license, who employs or otherwise engages the services of a junket representative in connection with a junket to a licensed casino, regardless of whether or not such activities occur within the State of New Jersey.

(b) A junket enterprise shall be registered as a junket enterprise vendor in accordance with the provisions of N.J.A.C. 19:43-10.4 and this chapter or licensed as a junket enterprise in accordance with the provisions of N.J.S.A. 5:12-92(c), 5:12-102 and N.J.A.C. 19:41 and 19:51 prior to a casino licensee permitting a junket involving that junket enterprise to arrive at its casino. A junket enterprise shall

be considered "involved" in a junket to a licensed casino if it receives any compensation whatsoever from any person as a result of the conduct of the junket. No casino licensee or junket enterprise may engage the services of any junket enterprise which has not been so registered or licensed.

Amended by R.1992 d.412, effective October 19, 1992.

See: 24 N.J.R. 2695(b), 24 N.J.R. 3738(a).

Junkets required to be either registered or licensed.

Amended by R.1995 d.307, effective June 19, 1995.

See: 27 N.J.R. 1168(a), 27 N.J.R. 2458(a).

Corrected citations.

19:49-2.3 Application for initial junket enterprise license

(a) An application for initial issuance of a junket enterprise license pursuant to N.J.S.A. 5:12-92c and 102 shall consist of the fee specified in N.J.A.C. 19:41-9.9A and a completed original and one copy of the following:

1. A Business Entity Disclosure (BED) form for the applicant as follows:

i. For a corporation, a BED—Corporate as set forth in N.J.A.C. 19:41-5.6; or

ii. For a partnership or sole proprietor, a BED—Partnership as set forth in N.J.A.C. 19:41-5.6A;

2. Both of the following in a format prescribed by the Commission:

i. A notarized acknowledgment of the equal employment and business opportunity obligations imposed by N.J.S.A. 5:12-134 and 135 and N.J.A.C. 19:53 which shall be signed and dated by the president, chief executive officer, partner or sole proprietor, as applicable; and

ii. A statistical report of the composition of the applicant's work force;

3. The appropriate BED form as set forth in (a)1i or ii above for each holding company of the applicant;

4. A completed application in accordance with N.J.A.C. 19:41-7.1A, including a Personal History Disclosure Form—1B (PHD-1B) as set forth in N.J.A.C. 19:41-5.3, for each person required to be qualified pursuant to N.J.S.A. 5:12-92c and 102 and N.J.A.C. 19:51-1.14(a)2 or (b); and

5. Notice of a designated agent for service of process.

Repealed by R.1992 d.412, effective October 19, 1992.

See: 24 N.J.R. 2695(b), 24 N.J.R. 3738(a).

Text on solo owner/operator junket enterprise deleted.

New Rule, R.1994 d.343, effective July 5, 1994.

See: 26 N.J.R. 1617(a), 26 N.J.R. 2803(a).

19:49-2.4 Application for renewal of junket enterprise license

(a) An application for renewal of a junket enterprise license pursuant to N.J.S.A. 5:12-92c and 102 shall consist

of the fee specified in N.J.A.C. 19:41-9.9A and a completed original and one copy of the following:

1. A Business Entity Disclosure (BED) form for the applicant as follows:

i. For a corporation, a BED—Corporate as set forth in N.J.A.C. 19:41-5.6 except that documents in N.J.A.C. 19:41-5.6(a)28i, ii, iv, viii and ix, (a)29 and (a)31 which were included in a prior application may be incorporated by reference if there is no change in the information contained therein; or

ii. For a partnership or sole proprietor, a BED—Partnership as set forth in N.J.A.C. 19:41-5.6a except that documents in N.J.A.C. 19:41-5.6A(a)23 through 25 which were included in a prior application may be incorporated by reference if there is no change in the information contained therein;

2. Both of the following, in a format prescribed by the Commission:

i. A notarized affidavit of compliance with the equal employment and business opportunity requirements of N.J.S.A. 5:12-134 and 135 and N.J.A.C. 19:53 which shall be signed and dated by the president, chief executive officer, partner or sole proprietor of the applicant, as applicable; and

ii. A statistical report of the composition of the applicant's work force in New Jersey;

3. The appropriate BED form as set forth in (a)1i or ii above for each holding company of the applicant;

4. A completed application in accordance with N.J.A.C. 19:41-7.1A, including a Personal History Disclosure Form—1B (PHD-1B) as set forth in N.J.A.C. 19:41-5.3, for each person required to be qualified pursuant to N.J.S.A. 5:12-92c and 102 and N.J.A.C. 19:51-1.14(a)2 or (b) who has not previously been found qualified;

5. An Employee License Renewal Application as set forth in N.J.A.C. 19:41-14.3 for each person required to be qualified pursuant to N.J.S.A. 5:12-92c and 102 and N.J.A.C. 19:51-1.14(a)2 or (b) who has previously been found qualified; and

6. Notice of a designated agent for service of process.

New Rule, R.1994 d.343, effective July 5, 1994.
See: 26 N.J.R. 1617(a), 26 N.J.R. 2803(a).

SUBCHAPTER 3. REPORTING REQUIREMENTS

19:49-3.1 Junket schedules

(a) A junket schedule shall be prepared by a casino licensee for each junket which involves a junket enterprise.

(b) A junket schedule shall be filed with the Division by the casino licensee by the 15th day of the month preceding the month in which the junket is scheduled. If a junket for which a junket schedule is required by (a) above is arranged after the 15th day of the month preceding the arrival of the junket, an amended junket schedule shall be immediately filed with the Division by the casino licensee.

(c) Junket schedules shall be certified by an authorized agent of the casino licensee and shall include:

1. The origin of the junket;
2. The number of participants in the junket;
3. The arrival time and date of the junket;
4. The departure time and date of the junket; and
5. The name of all junket representatives and the name and license or vendor registration number of all junket enterprises involved in the junket.

(d) Any change in the information required by (c)3 or 5 above which occurs after the filing of a junket schedule or amended junket schedule with the Division shall be immediately reported in writing to the Division by the casino licensee. These changes, plus any other material change in the information provided in a junket schedule, shall also be noted on the arrival report maintained pursuant to N.J.A.C. 19:49-3.2.

(e) All filings required by this section shall be made at locations to be designated by the Division.

Petition for Rulemaking: Junket prearrival reports.

See: 19 N.J.R. 467(b).

Amended by R.1987 d.303, effective July 20, 1987.

See: 19 N.J.R. 860(a), 19 N.J.R. 1323(a).

Deleted (a)3.

Petition for Rulemaking: Junket reporting requirements.

See: 20 N.J.R. 1960(b).

Amended by R.1989 d.187, effective April 3, 1989.

See: 20 N.J.R. 2644(a), 21 N.J.R. 933(b).

Eliminated requirement for pre-arrival reports, requires the filing of a less detailed junket schedule with the Division on a monthly basis.

Amended by R.1992 d.412, effective October 19, 1992.

See: 24 N.J.R. 2695(b), 24 N.J.R. 3738(a).

Text on sole owner/operator junket enterprise deleted.

19:49-3.2 Junket arrival reports

(a) An arrival report shall be prepared by a casino licensee for each junket which involves either:

1. A junket enterprise; or
2. An offer of complimentary services or items which have a value in excess of \$200.00 per participant calculated in accordance with the provisions of N.J.A.C. 19:45-1.9; or
3. Complimentary guest room accommodations.

(b) Arrival reports shall be prepared and maintained by the casino licensee on the premises of its casino hotel in accordance with the following:

1. An arrival report on a junket involving complimentary guest room accommodations shall be prepared within 12 hours of the registration of the junket participant.

2. An arrival report on a junket required by (a)1 or 2 above shall be prepared by 5:00 P.M. of the next calendar business day following arrival. A junket arrival which occurs after 12:00 A.M. but before the end of the gaming day shall be deemed to have occurred on the preceding calendar day. For the purposes of this section, a business day shall be defined as any day except a Saturday, Sunday or State and Federal holiday.

(c) Arrival reports shall be certified by an authorized agent of the casino licensee and shall include:

1. A junket guest manifest listing the names and addresses of junket participants; and

2. Any information required by N.J.A.C. 19:49-3.1(c) which has not been previously provided to the Division in a junket schedule pertaining to that particular junket, or an amendment thereto filed pursuant to N.J.A.C. 19:49-3.1(d).

Petition for Rulemaking: Junket reporting requirements.

See: 20 N.J.R. 1960(b).

Amended by R.1989 d.187, effective April 3, 1989.

See: 20 N.J.R. 2644(a), 21 N.J.R. 933(b).

Eliminates the requirement to file reports with the Division; reports to be prepared and maintained on casino premises.

Amended by R.1992 d.412, effective October 19, 1992.

See: 24 N.J.R. 2695(b), 24 N.J.R. 3738(a).

Text on sole owner/operator junket enterprise deleted.

19:49-3.3 Junket final reports

(a) A final report shall be prepared by a casino licensee for each junket engaged in or on its premises for which the casino licensee was required to prepare either a junket schedule or an arrival report pursuant to N.J.A.C. 19:49-3.1(a) or 3.2(a).

(b) A final report shall be prepared by a casino licensee and placed in its files within seven days of the completion of the junket.

(c) A final report shall include:

1. The actual amount of complimentary services and items provided to each junket participant calculated in accordance with the provisions of N.J.A.C. 19:45-1.9; and

2. Any information required by N.J.A.C. 19:49-3.1(c) or 3.2(c).

Petition for Rulemaking: Junket reporting requirements.

See: 20 N.J.R. 1960(b).

Amended by R.1989 d.187, effective April 3, 1989.

See: 20 N.J.R. 2644(a), 21 N.J.R. 933(b).

At (a), "prearrival" report deleted, "junket schedule" added.

Amended by R.1995 d.307, effective June 19, 1995.

See: 27 N.J.R. 1168(a), 27 N.J.R. 2458(a).

Deleted a former (d).

19:49-3.4 (Reserved)

Repealed by R.1995 d.307, effective June 19, 1995.

See: 27 N.J.R. 1168(a), 27 N.J.R. 2458(a).

Section was "Monthly reports: non-junket gaming arrangements".

19:49-3.5 Purchases of patron lists

(a) Each casino licensee, affiliate of a casino licensee, junket representative or junket enterprise shall prepare and maintain a report with respect to each list of names of junket patrons or potential junket patrons purchased from any source whatsoever.

(b) The report required by (a) above shall include:

1. The name and address of the person or enterprise selling the list;

2. The purchase price paid for the list, or any other terms of compensation related to the transaction; and

3. The date of purchase of the list.

(c) The report required by (a) above shall be filed as soon as is practicable at a location to be designated by the Division, but in no event shall such report be filed later than seven days after the receipt of the list by the purchaser.

(d) If a list of names of junket patrons or potential junket patrons has been compiled in whole or in part by selecting the names included therein on a "basis related to their propensity to gamble," as the phrase is defined in N.J.A.C. 19:49-1.2, the seller of such list shall be appropriately licensed or registered in accordance with the provisions of N.J.S.A. 5:12-102, 5:12-92(c), N.J.A.C. 19:41, 19:43-10.4, 19:51 and this chapter prior to engaging in such sale. No casino licensee, affiliate of a casino licensee or junket enterprise shall purchase a list of names compiled in such fashion unless the seller has been so licensed or registered.

Amended by R.1989 d.187, effective April 3, 1989.

See: 20 N.J.R. 2644(a), 21 N.J.R. 933(b).

Eliminated the requirement to file reports with the Division; reports to be prepared and maintained on the casino premises and made available to Division for inspection.

Amended by R.1992 d.412, effective October 19, 1992.

See: 24 N.J.R. 2695(b), 24 N.J.R. 3738(a).

Registration added at (d); cites updated.

Amended by R.1995 d.307, effective June 19, 1995.

See: 27 N.J.R. 1168(a), 27 N.J.R. 2458(a).

Corrected citations; and extended the section to affiliates of a casino licensee.

19:49-3.6 Monthly reports: employee junket activities

Each casino licensee shall, on or before the 15th day of the month, prepare and maintain a report listing the name and license number of each person employed by that casino licensee or an affiliate of a casino licensee who performed the services of a junket representative during the preceding month. The report shall be maintained by the casino

licensee on the premises of its casino hotel and made available to the Division for inspection.

See: 27 N.J.R. 1168(a), 27 N.J.R. 2458(a).
Extended the section to affiliates of a casino licensee.

Amended by R.1995 d.307, effective June 19, 1995.