

CHAPTER 43

CASINO LICENSEES

Authority

N.J.S.A. 5:12-69, 70(b), (h), (l), and 84.

Source and Effective Date

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

Executive Order No. 66(1978) Expiration Date

Chapter 43, Casino Licensees, expires December 21, 1997.

Chapter Historical Note

Chapter 43, originally Casino Service Industries, was adopted as R.1978 d.50, effective February 16, 1978. See: 10 N.J.R. 4(b), 10 N.J.R. 128(c). Those rules were recodified as N.J.A.C. 19:51 (Chapter 51) by R.1992 d.500 and a new Chapter 43, Casino Licensees, was adopted, effective December 21, 1992. See: Source and Effective Date. See, also, Chapter 51 Historical Note for rulemaking history of original rules.

As part of the new Chapter 43, N.J.A.C. 19:41-2 was recodified as Subchapter 6, Casino Hotel Facility Requirements; N.J.A.C. 19:41-13 was recodified as Subchapter 13, Conservatorship; N.J.A.C. 19:51-1 was recodified as Subchapter 14, Advertising, and N.J.A.C. 19:52-1 was recodified as Subchapter 15, Entertainment.

Subchapter 6, originally Casino Hotel Facilities, was adopted as a part of R.1977 d.475 (Chapter 41, Applications), effective December 15, 1977. See: 9 N.J.R. 545(b), 10 N.J.R. 4(d). Subchapter 13, originally Casino License Conservatorship, was adopted as R.1979 d.207, effective May 24, 1979. See: 11 N.J.R. 213(b), 11 N.J.R. 360(b). Pursuant to Executive Order No. 66 (1978), Subchapters 6 and 13 were readopted as a part of R.1983 d.81, effective May 17, 1983. See: 15 N.J.R. 532(b), 15 N.J.R. 931(b). Pursuant to Executive Order No. 66 (1978), Subchapters 6 and 13 were readopted as a part of R.1988 d.255, effective May 12, 1988. See: 20 N.J.R. 763(a), 20 N.J.R. 1209(a).

Subchapter 14, Advertising, as originally adopted as R.1978 d.14 and codified as N.J.A.C. 19:51-1 (Chapter 51, Advertising; Subchapter 1, General Provisions), effective January 23, 1978. See: 9 N.J.R. 603(a), 10 N.J.R. 82(a). Pursuant to Executive Order No. 66 (1978), Chapter 51 was readopted as R.1986 d.366, effective August 14, 1986. See: 18 N.J.R. 1258(a), 18 N.J.R. 1841(a). Pursuant to Executive Order No. 66 (1978), Chapter 51 was readopted as R.1991 d.467, effective August 14, 1991. See: 23 N.J.R. 2007(a), 23 N.J.R. 2870(a).

Subchapter 15, Entertainment, was originally adopted as R.1978 d.15 and codified as N.J.A.C. 19:52-1 (Chapter 52, Entertainment; Subchapter 1, General Requirements), effective January 23, 1978. See: 9 N.J.R. 603(b), 10 N.J.R. 82(b). Pursuant to Executive Order No. 66 (1978), Chapter 52 expired on September 25, 1991. Subsequently, portions of the expired chapter were adopted as new rules by R.1992 d.15, effective January 6, 1992. See: 23 N.J.R. 3092(a), 24 N.J.R. 112(a). See, also, Chapter 52 Historical Note for complete rulemaking history.

See section annotations for specific rulemaking activity, this chapter.

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SUBCHAPTER 1. GENERAL PROVISIONS**19:43-1.1 Applicability of rules to noncorporate entities**

For purposes of this chapter, noncorporate entities shall, to the extent possible, comply with all relevant requirements applicable to corporate entities.

SUBCHAPTER 2. PERSONS REQUIRED TO BE LICENSED OR QUALIFIED**19:43-2.1 Persons required to be licensed**

No person shall own or operate a casino unless a casino license shall have first been issued to every person eligible and required to apply for a casino license pursuant to the provisions of N.J.S.A. 5:12-82.

Case Notes

Provider of travel industry services exempt from casino licensing if engaged in routine transactions covered by standard rate schedule filed by casino and approved by Commission, and licensed or approved by the Interstate Commerce Commission (based on Casino Control Commission Staff Memorandum). *Holland Industries, Inc. v. Adamar of New Jersey, Inc.*, 550 F.Supp. 646 (S.D.N.Y.1982).

Electronic fund transfer companies subject to licensure; credit card money advance via electronic transfer prohibited. *Div. of Gaming Enforcement v. Comdata Network, Inc.*, 6 N.J.A.R. 188 (1980).

19:43-2.2 Persons required to be qualified

(a) Except as otherwise provided in N.J.A.C. 19:43-2.7, no casino license shall be issued or renewed by the Commission unless the individual qualifications of every person required by the Act and the Commission to qualify as part of the application for the issuance or renewal of the casino license shall have first been established in accordance with all relevant standards set forth in the Act and the rules of the Commission.

(b) The following persons shall be required to qualify as part of the application for the issuance or renewal of a casino license:

1. All persons eligible and required to apply for a casino license pursuant to the provisions of N.J.S.A. 5:12-82;
2. All financial sources required to qualify pursuant to the provisions of N.J.S.A. 5:12-84b; and
3. All persons required to qualify pursuant to the provisions of N.J.S.A. 5:12-85c, d, e and f.

(c) The Commission may at any time require a casino licensee or applicant to establish the qualification of any person that the Commission may deem appropriate for qualification pursuant to N.J.S.A. 5:12-84, 85, and 105. Any person deemed appropriate for qualification shall promptly file the required application form.

(d) It shall be the affirmative responsibility of each casino licensee or applicant to ensure that all persons required by the Act and the rules of the Commission to establish their qualifications in connection with an initial or renewal application for a casino license have filed any required application forms in accordance with this subchapter.

Amended by R.1994 d.218, effective May 2, 1994.
See: 26 N.J.R. 782(a), 26 N.J.R. 1842(b).

19:43-2.3 Notification of anticipated or actual changes in directors, officers or equivalent qualifiers of casino licensees and holding companies

(a) Each casino licensee or applicant or holding company shall immediately notify the Commission and the Division, in writing, as soon as is practicable, of the proposed appointment, appointment, proposed nomination, nomination, election, intended resignation, resignation, incapacitation or death of any member of, or partner in, its board of directors or partnership, as applicable, or of any officer or other person required to qualify pursuant to N.J.S.A. 5:12-85c, d or e. Such notice shall be addressed to the Document Control Unit of the Commission at the address indicated in N.J.A.C. 19:40-3.1(a) and to the Casino Licensing Section of the Division at the address indicated in N.J.A.C. 19:40-3.1(d).

Amended by R.1994 d.218, effective May 2, 1994.
See: 26 N.J.R. 782(a), 26 N.J.R. 1842(b).

19:43-2.4 Notification of new financial sources

(a) Each casino licensee or applicant shall immediately notify the Commission and the Division, in writing, as soon as it becomes aware that it intends to enter into a transaction bearing any relation to its casino project which may result in any new financial backers, investors, mortgagees, bondholders, or holders of indentures, notes, or other evidences of indebtedness who may be subject to the provisions of N.J.S.A. 5:12-84b and Article 6B of the Act. Such notice shall be addressed to the Document Control Unit of the Commission at the address indicated in N.J.A.C. 19:40-3.1(a) and to the Casino Licensing Section of the Division at the address indicated in N.J.A.C. 19:40-3.1(d).

Amended by R.1994 d.218, effective May 2, 1994.
See: 26 N.J.R. 782(a), 26 N.J.R. 1842(b).

19:43-2.5 Notification concerning certain new qualifiers of publicly traded holding companies

(a) A casino licensee or applicant shall immediately notify the Commission and Division if the casino licensee or applicant becomes aware that, with regard to any publicly traded holding company of the casino licensee or applicant, any person has acquired:

1. Five percent or more of any class of equity securities;
2. The ability to control the holding company; or

3. The ability to elect one or more directors of the holding company.

(b) If any publicly traded holding company of a casino licensee or applicant either files or is served with any Schedule 13D, Schedule 13G or Section 13f filing under the Securities Exchange Act of 1934, copies of any such filing shall be immediately submitted to the Commission and Division by the casino licensee or applicant or the publicly traded holding company.

(c) Notice pursuant to (a) and (b) above shall be addressed to the Document Control Unit of the Commission at the address indicated in N.J.A.C. 19:40-3.1(a) and to the Casino Licensing Section of the Division at the address indicated in N.J.A.C. 19:40-3.1(d).

Amended by R.1994 d.218, effective May 2, 1994.
See: 26 N.J.R. 782(a), 26 N.J.R. 1842(b).

19:43-2.6 Qualification of new directors, officers or other qualifiers of a casino licensee

(a) Any natural person required to qualify pursuant to N.J.S.A. 5:12-85c or e by virtue of his or her position with a casino licensee shall not perform any duties or exercise any powers relating to such position until qualified by the Commission or, where appropriate, until he or she is temporarily licensed by the Commission as a casino key employee pursuant to N.J.S.A. 5:12-89e.

(b) Each person subject to (a) above shall file a Personal History Disclosure Form 1A (PHD-1A), as set forth in N.J.A.C. 19:41-5.2, with the Commission upon application for qualification or for a temporary casino key employee license.

Amended by R.1994 d.218, effective May 2, 1994.
See: 26 N.J.R. 782(a), 26 N.J.R. 1842(b).

19:43-2.7 Qualification of new directors, officers or other qualifiers of a holding company

(a) Any proposed new director, partner, officer or other natural person required to qualify pursuant to N.J.S.A. 5:12-85c, d or e by virtue of his or her position with a holding company of a casino licensee, shall not perform any duties or exercise any powers related to such position until he or she has been found qualified by the Commission to the standards, except for residency, of a casino key employee.

(b) Each person subject to (a) above shall file a Personal History Disclosure Form 1A (PHD-1A), as set forth in N.J.A.C. 19:41-5.2, with the Commission prior to or immediately upon being elected or appointed to such position, except that persons required to qualify by virtue of the following positions may alternatively file a Personal History Disclosure Form 1B (PHD-1B), as set forth in N.J.A.C. 19:41-5.3:

1. An outside director of a holding company or any business entity required to qualify with respect to a casino licensee;

2. A trustee pursuant to N.J.S.A. 5:12-95.12;

3. A trustee required to be qualified; and

4. A beneficiary of a trust required to be qualified.

(c) The Commission may, upon the written petition of the casino licensee, permit a person otherwise subject to (a) above to perform any duties or exercise any powers relating to his or her position pending qualification, provided that:

1. Such person files a Personal History Disclosure Form 4A (PHD-4A), as set forth in N.J.A.C. 19:41-5.5;

2. At least 30 days have elapsed from the date on which the PHD-4A was filed; and

3. Such person files a PHD-1A or PHD-1B, in accordance with (b) above, within 15 days of the date on which the Commission's permission is granted.

(d) Notwithstanding the provisions of (a) above, any person permitted to perform duties or exercise powers pursuant to (c) above shall:

1. Be immediately removed from his or her position if at any time the Division provides information which the Commission determines to indicate reasonable cause to believe that such person may not be qualified;

2. Only be permitted to perform duties or exercise powers without having been qualified for a maximum period of nine months from the date on which permission to assume duties was first granted unless the Commission determines, upon written petition and a showing of good cause by the casino licensee, to extend the nine month period; and

3. At the time of the next renewal hearing of the casino licensee, be required to establish his or her qualifications unless the requirement that he or she be qualified is, temporarily or otherwise, waived by the Commission pursuant to N.J.S.A. 5:12-85d(1).

Amended by R.1994 d.218, effective May 2, 1994.
See: 26 N.J.R. 782(a), 26 N.J.R. 1842(b).

19:43-2.7A Application for renewal of qualification

(a) All persons who have been found qualified by the Commission pursuant to N.J.S.A. 5:12-85c, d or e shall file a renewal application as follows:

1. Any person whose position requires both qualification and a key employee license shall file an application for renewal when required to file for renewal of his or her casino key employee license pursuant to N.J.A.C. 19:41-14.2.

2. Any other person required to qualify shall file an application for renewal when the casino licensee for which he or she is a qualifier files a casino license renewal application.

(b) An application for renewal of qualification shall consist of the following:

1. A complete Key Standard Qualifier Renewal Form;

2. A signed, dated and notarized certification of truth;

3. A signed, dated and notarized release authorization which shall direct all courts, probation departments, selective service boards, employers, educational institutions, financial and other institutions and all governmental agencies to release any and all information pertaining to the applicant as requested by the Commission or the Division; and

4. Either a certification by the Division that the applicant has been fingerprinted or fingerprint impression cards in accordance with by N.J.A.C. 19:41-7.7.

New Rule, R.1994 d.218, effective May 2, 1994.

See: 26 N.J.R. 782(a), 26 N.J.R. 1842(b).

Amended by R.1994 d.592, effective December 5, 1994.

See: 26 N.J.R. 3824(a), 26 N.J.R. 4789(a).

Amended by R.1995 d.621, effective December 4, 1995.

See: 27 N.J.R. 319(a), 27 N.J.R. 4910(a).

19:43-2.8 Issuance or transfer of interests; approval

No person shall issue or transfer any security or ownership interest in a casino licensee or applicant or any non-publicly traded subsidiary or holding company thereof without the express, prior written approval of the Commission. The Commission shall not grant any such approval without considering the provisions of N.J.S.A. 5:12-39, 44, 47.2, 82d(7) through (10), 85c and e, 95.12 through 95.16, and 105.

19:43-2.9 Subsidiaries

(a) Each casino licensee or applicant or holding company thereof shall report immediately, in writing, to the Commission and the Division the formation or dissolution of, or any transfer of a nonpublicly traded interest in, any subsidiary of the casino licensee or applicant or any subsidiary of any holding company of the casino licensee or applicant which bears any relationship to the casino project.

(b) Each casino licensee or applicant shall file with the Commission and the Division adopted charter provisions that comply with the requirements of N.J.S.A. 5:12-82d(7) through (10) for each subsidiary of the casino licensee or applicant.

SUBCHAPTER 3. STANDARDS FOR LICENSURE OR QUALIFICATION

19:43-3.1 Undue economic concentration

(a) In accordance with N.J.S.A. 5:12-82e, no casino license shall be issued to or held by a person if the Commission determines that such issuance or holding will result in undue economic concentration in Atlantic City casino operations by that person. Whether a person is considered the holder of a casino license is defined in N.J.S.A. 5:12-82e.

(b) For purposes of N.J.S.A. 5:12-82e and this section, "undue economic concentration" means that a person would have such actual or potential domination of the casino gaming market in Atlantic City as to substantially impede or suppress competition among casino licensees or adversely impact the economic stability of the casino industry in Atlantic City.

(c) In determining whether the issuance or holding of a casino license by a person will result in undue economic concentration, the Commission shall consider the following criteria:

1. The percentage share of the market presently controlled by the person in each of the following categories:

- i. The total number of licensed casinos in this State;
- ii. Total casino and casino simulcasting facility square footage;
- iii. Number of guest rooms;
- iv. Number of slot machines;
- v. Number of table games;
- vi. Net revenue;
- vii. Table game win;
- viii. Slot machine win;
- ix. Table game drop;
- x. Slot machine drop; and
- xi. Number of persons employed by the casino hotel;

2. The estimated increase in the market shares in the categories in (c)1 above if the person is issued or permitted to hold the casino license;

3. The relative position of other persons who hold casino licenses, as evidenced by the market shares of each such person in the categories in (c)1 above;

4. The current and projected financial condition of the casino industry;

5. Current market conditions, including level of competition, consumer demand, market concentration, any consolidation trends in the industry and any other relevant characteristics of the market;

6. Whether the licensed casinos held or to be held by the person have separate organizational structures or other independent obligations;

7. The potential impact of licensure on the projected future growth and development of the casino industry and Atlantic City;

8. The barriers to entry into the casino industry, including the licensure requirements of the Act, and whether the issuance or holding of a casino license by the

person will operate as a barrier to new companies and individuals desiring to enter the market;

9. Whether the issuance or holding of the license by the person will adversely impact on consumer interests, or whether such issuance or holding is likely to result in enhancing the quality and customer appeal of products and services offered by casino licensees in order to maintain or increase their respective market shares;

10. Whether a restriction on the issuance or holding of an additional license by the person is necessary in order to encourage and preserve competition and to prevent undue economic concentration in casino operations; and

11. Any other evidence deemed relevant by the Commission.

New Rule, R.1995 d.308, effective June 19, 1995.
See: 27 N.J.R. 1532(a), 27 N.J.R. 2459(a).

SUBCHAPTER 4. FINANCIAL STABILITY OF CASINO LICENSEES AND APPLICANTS

19:43-4.1 Definitions

The following words and terms, when used in this subchapter, shall have the following meanings:

"Affiliate" is defined at N.J.A.C. 19:40-1.2.

"Capital and maintenance expenditures" means expense items related to the approved casino hotel which are incurred in connection with furniture, fixtures, equipment and facilities, and capitalized costs. Such term shall include acquisition; replacement; repairs; refurbishment; renovation; improvements; maintenance, including public area housekeeping; and labor.

"Casino bankroll" means cash maintained in the casino, excluding any funds necessary for the normal operation of the casino, such as change banks, slot hopper fills, slot booths, cashier imprest funds and redemption area funds.

"Equivalent provisions" means lines of credit, parent company guarantees, or other arrangements approved by the Commission through which funds can be accessed on a timely and as needed basis.

"Gross operating profit" means net revenues less operating expenses, as reflected on the casino licensee's or applicant's Casino Control Commission Statement of Income.

"Material debt" means debt of \$25,000,000 or more, whether in a single transaction or cumulative transactions during any 12 month period, or such other amount as the Commission may, at the time of licensure or license renewal, determine is appropriate to ensure the continued financial stability of a casino licensee or applicant.

"Operating expenses" means the total of cost of goods and services; selling, general and administrative expenses; and the provision for doubtful accounts as indicated on the casino licensee's or applicant's Casino Control Commission Statement of Income.

Amended by R.1993 d.317, effective July 6, 1993.
See: 25 N.J.R. 1672(b), 25 N.J.R. 2907(c).

19:43-4.2 Financial stability

(a) Each casino licensee or applicant shall establish its financial stability by clear and convincing evidence in accordance with section 84(a) of the Act and this subchapter.

(b) The Commission may consider any relevant evidence of financial stability; provided, however, that a casino licensee or applicant shall be considered to be financially stable if it establishes by clear and convincing evidence that it meets each of the following standards:

1. The ability to assure the financial integrity of casino operations by the maintenance of a casino bankroll or equivalent provisions adequate to pay winning wagers to casino patrons when due. A casino licensee or applicant shall be found to have established this standard if it maintains, on a daily basis, a casino bankroll, or a casino bankroll and equivalent provisions, in an amount which is at least equal to the average daily minimum casino bankroll or equivalent provisions, calculated on a monthly basis, for the corresponding month in the previous year. For any casino licensee or applicant which has been in operation for less than a year, such amount shall be determined by the Commission based upon levels maintained by a comparable casino licensee;

2. The ability to meet ongoing operating expenses which are essential to the maintenance of continuous and stable casino operations. A casino licensee or applicant shall be found to have established this standard if it demonstrates the ability to achieve positive gross operating profit, measured on an annual basis;

3. The ability to pay, as and when due, all local, State and Federal taxes, including the tax on gross revenues imposed by subsection 144(a) of the Act, the investment alternative tax obligations imposed by subsection 144(b) and section 144.1 of the Act, and any fees imposed by the Act and Commission rules;

4. The ability to make necessary capital and maintenance expenditures in a timely manner which are adequate to ensure maintenance of a superior first class facility of exceptional quality pursuant to subsection 83(i) of the Act. A casino licensee or applicant shall be found to have established this standard if it demonstrates that its capital and maintenance expenditures, over the five-year period which includes the previous 36 calendar months and the license period, average at least five percent of net revenue per annum, except that any casino licensee or applicant which has been in operation for less than three years shall be required to otherwise establish compliance with this standard; and

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

19:43-4.3 Continuing assessment of financial condition

(a) No casino licensee shall consummate a material debt transaction which involves the following without the prior approval of the Commission. Any transaction not specified in this subsection shall not require prior Commission review and approval with regard to the financial stability standards set forth in this subchapter.

1. An agreement which provides for any borrowing for a purpose other than capital and maintenance expenditures; or

2. A guarantee of the debt of an affiliate, whether by cosignature or otherwise; an assumption of the debt of an affiliate, or an agreement to place any encumbrance on its approved casino hotel facility to secure the debts of an affiliate.

(b) In reviewing any transaction pursuant to (a) above, the Commission shall consider whether the transaction would deprive the casino licensee of financial stability, as defined by N.J.A.C. 19:43-4.2, taking into account the financial condition of the affiliate and the potential impact of any default on the licensee.

(c) Any subsequent use of the proceeds of a transaction previously approved by the Commission pursuant to (a) above, including subsequent drawings under previously approved borrowings, shall not require further Commission approval.

(d) The Commission may restrict or prohibit the transfer of cash to, or the assumption of liabilities on behalf of, an affiliate if, in the judgment of the Commission, such transfer or assumption would deprive the casino licensee of financial stability as defined by N.J.A.C. 19:43-4.2.

19:43-4.4 Financial stability reporting requirements

(a) Each casino licensee shall file with the Commission and Division the following:

1. A statement of compliance with the criteria in N.J.A.C. 19:43-4.2(b), which shall be included in the quarterly reports filed by the casino licensee pursuant to N.J.A.C. 19:45-1.6;

2. At the end of each calendar year:

i. An annual forecast by calendar quarters of the operating and financial performances of the casino licensee for the upcoming calendar year, including statement of income and balance sheet, which shall be submitted in the standard format prescribed by the Commission or such other format approved by the Commission; and

ii. A detailed analysis of compliance with N.J.A.C. 19:43-4.2(b)4; and

3. Such other information as the Commission or Division shall deem material to a showing of financial stability for a particular casino licensee.

19:43-4.5 Failure to demonstrate financial stability

In the event that a casino licensee or applicant fails to demonstrate financial stability, the Commission may take such action as is necessary to fulfill the purposes of the Act and to protect the public interest, including, but not limited to: issuing conditional licenses, approvals or determinations; establishing an appropriate cure period; imposing reporting requirements in excess of those otherwise mandated by these regulations; placing such restrictions on the transfer of cash or the assumption of liabilities as is necessary to insure future compliance with the standards set forth in N.J.A.C. 19:43-4.2(b); requiring the maintenance of reasonable reserves or the establishment of dedicated or trust accounts to insure future compliance with the standards set forth in N.J.A.C. 19:43-4.2(b); denying licensure; appointing a conservator pursuant to section 130.1 et seq. of the Act.

SUBCHAPTER 5. APPLICATION REQUIREMENTS

Authority

N.J.S.A. 5:12-63c, 69a, 70b, 70h, 70l, 80, 81, 82, 83, 84, 85, 86, 87, 88 and 98.

Source and Effective Date

R.1994 d.341, effective July 5, 1994.
See: 26 N.J.R. 1615(a), 26 N.J.R. 2798(e).

19:43-5.1 General information requirements

No casino license shall be issued or renewed by the Commission unless the applicant, and each person required to be qualified as part of the application, provides all information, documentation and assurances required by N.J.S.A. 5:12-80, 82, 83, 84, 85, 86 and 87 or as otherwise may be required to establish its qualification pursuant to the Act and the rules of the Commission.

19:43-5.2 Duration of license; conditions

(a) In accordance with N.J.S.A. 5:12-87e and 88, a casino license shall be issued by the Commission for an initial period of one year, and shall be renewable thereafter for a period of up to one year for each of the first two renewal terms, and up to two years for successive renewal terms thereafter.

(b) A casino license may be issued or renewed subject to such conditions, restrictions, limitations or covenants as the Commission, in its discretion, deems necessary.

19:43-5.3 Contents of application for initial casino license

(a) An application for the initial issuance of a casino license shall include, without limitation, the following information, which shall be completed in accordance with the requirements of the Act and the rules of the Commission and any instructions included with the application materials:

1. A Business Entity Disclosure Form—Corporate (BED—Corporate) as set forth in N.J.A.C. 19:41-5.6 or Business Entity Disclosure Form—Partnership (BED—Partnership) as set forth in N.J.A.C. 19:41-5.6A for each of the following:

- i. The casino license applicant;
- ii. Each holding company or intermediary company of the applicant required to be qualified pursuant to N.J.S.A. 5:12-85b, d or e; and
- iii. Each entity required to be qualified pursuant to N.J.S.A. 5:12-85c;

2. The appropriate Personal History Disclosure Form (PHDF) for the following:

- i. For each natural person required to be qualified pursuant to N.J.S.A. 5:12-85c or e by virtue of his or her relationship to the applicant, the PHDF required by N.J.A.C. 19:43-2.6; and
- ii. For each natural person required to be qualified pursuant to N.J.S.A. 5:12-85c and d by virtue of his or her relationship to a holding company or intermediary company of the applicant, the PHDF required by N.J.A.C. 19:43-2.7;

3. Such information and documentation as may be required by the Commission or the Division to establish the qualification of any person required to be qualified as a financial source pursuant to N.J.S.A. 5:12-84b;

4. Such information and documentation as may be requested by the Commission or the Division to demonstrate the financial stability, integrity and responsibility of the casino license applicant and each holding company or intermediary company of the applicant required to be qualified pursuant to N.J.S.A. 5:12-84a and 85 and N.J.A.C. 19:43-4, the integrity of its financial sources and adequacy of its financial resources pursuant to N.J.S.A. 5:12-84b, and sufficient business ability and the likelihood

of successful and efficient casino operations pursuant to N.J.S.A. 5:12-84d;

5. Such information and documentation as may be required by the Commission or the Division to establish compliance with N.J.S.A. 5:12-83, 84e and all other relevant facilities requirements of the Act and the rules of the Commission including, without limitation, the following:

i. A description of the proposed casino hotel site, including site plans, total acreage, total square footage, frontages and elevation;

ii. A description of the proposed casino hotel, including floor plans; and the total number of qualifying and non-qualifying sleeping units pursuant to N.J.S.A. 5:12-27 and 83, the number of sleeping units on each floor, the square footage of each unit and the average size of all units;

iii. A description of the casino room and casino simulcasting facility, including floor plans;

iv. A description of each proposed casino hotel alcoholic beverage location, including type, location and square footage;

v. The construction program, including estimated construction time and anticipated date of opening; the status of all required governmental and regulatory approvals and any conditions thereto; the project budget; and the architect, general contractor, construction manager and primary subcontractors, environmental consultant and interior designer; and

vi. An impact statement and related material which establishes to the satisfaction of the Commission the suitability of the casino and related facilities in accordance with the standards set forth in N.J.S.A. 5:12-84e;

6. The information required in N.J.A.C. 19:53-2.4, 2.5, 2.6, 4.6 and 6.7 and such other information, documentation and assurances as may be requested by the Commission or the Division to ensure compliance with the equal employment and business opportunity and affirmative action requirements of N.J.S.A. 5:12-134 and 135 and N.J.A.C. 19:53;

7. The initial license fee required by N.J.A.C. 19:41-9.4; and

8. Any other information or documentation which the Commission or the Division may deem material to the qualification of the applicant, or of any person required to be licensed or qualified, pursuant to the Act and the rules of the Commission.

(b) The applicant shall file an original and three copies of each Personal History Disclosure Form required by (a) above, and an original and four copies of all other information required by (a) above, with the Commission in accordance with N.J.A.C. 19:40-3.5(b).

19:43-5.4 Petitions for waiver

(a) Upon the petition of a casino license applicant, the Commission, with the concurrence of the Director, may waive compliance with the qualification requirements of N.J.S.A. 5:12-85d for an officer, director, lender, underwriter, agent, employee or security holder of a publicly traded holding or intermediary company of a casino licensee pursuant to N.J.S.A. 5:12-85d(1), or for an institutional investor thereof pursuant to N.J.S.A. 5:12-85f. Such petition shall be in writing and shall include the following:

1. A description of all outstanding securities of the applicant and its holding companies and intermediary companies and a list of all holders thereof; and

2. A certification in support of the petition, including the following:

i. Compliance with the criteria for such waivers as set forth in N.J.S.A. 5:12-85d(1) or f; and

ii. A statement of compliance with the notice requirements set forth in N.J.A.C. 19:43-2.5(a) and (b).

19:43-5.5 Statements of compliance; commitment to reserve a casino license

(a) A casino license applicant may, pursuant to N.J.S.A. 5:12-81, file a petition in accordance with N.J.A.C. 19:41-6 requesting that the Commission issue a statement of compliance that the applicant has established compliance with one or more of the eligibility criteria required by the Act or the rules of the Commission for a casino license.

(b) A statement of compliance certifying satisfaction of the requirements of N.J.S.A. 5:12-84e may be accompanied by a written commitment by the Commission to reserve a casino license in accordance with N.J.S.A. 5:12-81c and N.J.A.C. 19:41-6.4.

19:43-5.6 Prehearing conference; hearing

(a) All hearings and prehearing conferences regarding an application for a casino license shall be conducted in accordance with N.J.A.C. 19:42 and the Uniform Administrative Procedure Rules, N.J.A.C. 1:1.

(b) A party other than the applicant may on motion seek leave to intervene or to participate in a hearing regarding an application for a casino license in accordance with the standards and procedures set forth in N.J.A.C. 1:1-16.

SUBCHAPTER 6. CASINO HOTEL FACILITY REQUIREMENTS

19:43-6.1 Definitions

The following words and terms, as used in this subchapter, shall have the following meanings:

"Qualifying sleeping unit" ("QSU") means a hotel room which satisfies the standards set forth in section 27 and subsection 83b of the Act.

Repeal and New Rule, R.1994 d.342, effective July 5, 1994.

See: 26 N.J.R. 1206(a), 26 N.J.R. 2801(a).

Section was "Impact of facilities".

19:43-6.2 The casino hotel

(a) No casino license shall be issued or renewed unless the casino and, if applicable, the simulcasting facility, are located within an approved hotel as defined in sections 27 and 83 of the Act, and unless the proposed facilities conform to the facilities requirements in sections 1, 6, 27, 83, 84e, 98, 100, 103 and 136 of the Act and the rules of the Commission, including, without limitation, the following:

1. The casino hotel shall contain a closed circuit television (CCTV) system approved by the Commission;

2. Secure areas shall be designated for the inspection, repair and storage of gaming equipment which, in the case of each slot machine repair room, shall include, at a minimum:

- i. CCTV coverage of the room; and

- ii. An alarm device, approved by the Commission, that is connected to each door to the room and that audibly signals, at a minimum, the security podium whenever a door to the room is opened;

3. Each emergency exit from the casino floor or, if applicable, from the casino simulcasting facility, shall be equipped with:

- i. An audible alarm system, approved by the Commission, that produces a loud warning sound, discernible in the vicinity of the exit, whenever the emergency door is opened and that can only be deactivated and reset by a key maintained and controlled by the casino security department; and

- ii. An electrical system, approved by the Commission, which audibly and visually notifies the Division at its offices in the approved hotel whenever each emergency door is opened;

4. The casino licensee shall maintain adequate enclosed facilities for the detention of individuals taken into custody by its security department, the Division or any authorized law enforcement agency, which facilities shall include, at a minimum, the following:

- i. Separate detention areas for male and female detainees;

- ii. A metal door with a one-way mirror;

- iii. A bench or other sitting apparatus which is permanently affixed to the enclosed facility and to which the person in custody can be handcuffed with as little discomfort to that person as is reasonably possible under the circumstances;

- iv. Adequate lighting and a fire extinguisher, each of which is inaccessible to the person in custody; and

- v. A secured toilet facility that provides reasonable privacy and safety;

5. The casino licensee shall adequately maintain suitable space, equipment, partitions and supplies to meet the Commission's continuing needs at the facility, including, at a minimum, the following:

- i. A booth and interview room adjacent to the casino floor for the Commission's inspectors to perform their responsibilities effectively, which shall include monitors in the inspection booth that are capable of receiving the signal generated by each camera approved for use as part of the casino licensee's CCTV system;

- ii. Adequate parking spaces in the approved hotel, or in lots or a parking garage ancillary thereto, which are clearly marked for Commission use only;

- iii. Adequate computer equipment, both at the inspection booth and in the office of the Commission's principal inspector, to meet the Commission's continuing data-processing and related needs; and

- iv. Such other facilities and office space elsewhere in the approved hotel as the Commission shall direct during the course of performing audit, compliance or other reviews at the approved hotel; and

6. The casino licensee shall adequately maintain suitable space, equipment, partitions and supplies to meet the Division's continuing needs at the approved hotel in order for the Division to perform its duties and responsibilities effectively, including, at a minimum, the following:

- i. A direct telephone line between the Division's office in the approved hotel and the monitoring rooms required by N.J.A.C. 19:45-1.10 and the casino licensee's security podium;

- ii. Adequate parking spaces in the approved hotel, or in lots or a parking garage ancillary thereto, which are clearly marked for Division use only; and

- iii. Such other facilities and office space elsewhere in the approved hotel as the Division shall require during the course of performing audit, compliance or other reviews at the approved hotel.

Amended by R.1992 d.273, effective July 6, 1992.

See: 24 N.J.R. 1246(a), 24 N.J.R. 2465(b).

Deleted (a)11 regarding "eye-in-the-sky" in casino room ceiling.

Amended by R.1994 d.265, effective June 6, 1994.

See: 25 N.J.R. 5893(a), 26 N.J.R. 2463(a).

Amended by R.1994 d.342, effective July 5, 1994.

See: 26 N.J.R. 1206(a), 26 N.J.R. 2801(a).

19:43-6.3 Declaratory rulings as to proposed casino hotel facilities

Upon the petition of any person who owns, has a contract to purchase or construct, leases or has an agreement to

lease any building or site located within the limits of Atlantic City and who intends to and is able to complete a proposed casino hotel facility therein or thereon, the Commission may in its discretion issue a declaratory ruling as to whether the conformance of the proposed casino hotel facility to any of the facilities requirements of the Act and the rules of the Commission has been established by clear and convincing evidence.

R.1978 d.158, effective May 17, 1978.

See: 10 N.J.R. 176(d), 10 N.J.R. 266(a).

Amended by R.1994 d.342, effective July 5, 1994.

See: 26 N.J.R. 1206(a), 26 N.J.R. 2801(a).

19:43-6.4 Casino facilities

(a) Each approved hotel shall contain a casino of not more than the amount of casino space permitted by subsection 83b of the Act.

(b) In accordance with subsection 83b of the Act, a casino licensee shall file a written petition with the Commission requesting permission for any increase in the amount of casino space in its approved hotel. Such petition shall include, without limitation, the following:

1. The current total square footage of its casino space;
2. The proposed increase in total square footage of its casino space;
3. The current total number of QSU's in the approved hotel;
4. A description of any proposed hotel addition, including, without limitation, the following:
 - i. The number of additional QSU's proposed;
 - ii. Identification of the site, including block and lot number as depicted on the Tax Map of the City of Atlantic City; and
 - iii. Evidence which establishes that the proposed hotel addition meets the standards for QSU's and for an approved hotel set forth in section 27 of the Act;
5. The construction schedule for the proposed casino expansion and proposed hotel addition, including:
 - i. The anticipated date for commencement of construction;
 - ii. The anticipated date for completion of construction; and
 - iii. The anticipated date on which the additional QSU's will be available for the regular lodging of guests;
6. The requested date for the commencement of gaming operations in the additional casino space;
7. Any approvals required from governmental and regulatory authorities which have been obtained to date; and

8. The estimated budget for the proposed hotel addition and the proposed casino expansion, including construction, furniture, fixtures and equipment, and the anticipated means of funding such costs.

(c) The Commission may approve a request for casino expansion pursuant to (b) above upon a finding that:

1. The proposed hotel addition meets the standards for QSU's and for an approved hotel in section 27 of the Act;
2. The total number of QSU's and proposed QSU's permit the requested increase in casino space in accordance with the formula set forth in subsection 83b of the Act;
3. The proposed QSU's can be constructed on the schedule represented by the casino licensee in its petition, including a construction completion date no later than two years from the date of commencement of gaming operations in the additional casino space pursuant to (d) below;
4. Construction of the proposed hotel addition and the proposed casino expansion, for the cost and on the schedule represented by the casino licensee in its petition, will not deprive the casino licensee of its financial stability in accordance with N.J.S.A. 5:12-84a and N.J.A.C. 19:43-4; and
5. The casino licensee has demonstrated that it has site control over the location of the proposed hotel addition, by obtaining Commission approval of an executed and binding contract for any necessary purchase or lease of real property required for construction or such other agreement as approved by the Commission.

(d) The Commission may permit a casino licensee to commence gaming in the additional casino space approved pursuant to (c) above, provided that:

1. The specific layout, design and contents of the additional casino space:
 - i. Comply with the requirements set forth in N.J.A.C. 19:46-1.27; and
 - ii. Are approved by the Commission for gaming operations; and
2. All other governmental approvals regarding the casino space, including a certificate of occupancy, are obtained.

(e) Notwithstanding the provisions of (d) above, the Commission may at any time require a casino licensee to immediately cease gaming operations in the additional casino space if any of the following conditions have not been satisfied:

1. The casino licensee shall obtain all necessary building permits and construction code plan releases;

2. The casino licensee shall commence construction of the proposed hotel addition by a date specified by the Commission;

3. The casino licensee shall submit the following to the Commission and the Division, on a monthly basis:

i. A report of its compliance with the construction schedule and budget submitted pursuant to (b)5 and (b)8 above; and

ii. A report of the status of each application for governmental or regulatory approval, until such time as all required approvals are obtained;

4. On or before two years from the date of commencement of gaming operations:

i. Construction of the hotel addition shall be completed;

ii. All necessary furniture, fixtures and equipment shall be installed; and

iii. The proposed additional QSU's are offered as available for the regular lodging of guests; and

5. Any other condition which the Commission deems necessary and appropriate has been satisfied.

(f) The standards of (c) and (d) above shall not be construed to limit the authority of the Commission to determine the suitability of facilities as provided in the Act.

Repeal and New Rule, R.1994 d.342, effective July 5, 1994.

See: 26 N.J.R. 1206(a), 26 N.J.R. 2801(a).

Section was "Policy requiring superior quality and favoring completely newly constructed convention hotel complexes".

19:43-6.5 (Reserved)

Repealed by R.1994 d.342, effective July 5, 1994.

See: 26 N.J.R. 1206(a), 26 N.J.R. 2801(a).

Section was "Minimum standards for reconstruction of existing buildings and facilities".

19:43-6.6 (Reserved)

Repealed by R.1994 d.342, effective July 5, 1994.

See: 26 N.J.R. 1206(a), 26 N.J.R. 2801(a).

Section was "Declaratory rules as to reconstructed facilities".

19:43-6.7 (Reserved)

Repealed by R.1994 d.342, effective July 5, 1994.

See: 26 N.J.R. 1206(a), 26 N.J.R. 2801(a).

Section was "Duty to maintain and operate a superior quality facility".

19:43-6.8 (Reserved)

Repealed by R.1994 d.342, effective July 5, 1994.

See: 26 N.J.R. 1206(a), 26 N.J.R. 2801(a).

Section was "Periodic reports of facility data".

19:43-6.9 (Reserved)

Repealed by R.1994 d.342, effective July 5, 1994.

See: 26 N.J.R. 1206(a), 26 N.J.R. 2801(a).

Section was "Traffic flow around the casino hotel facility".

SUBCHAPTER 7. OPERATION CERTIFICATE

Authority

N.J.S.A. 5:12-35, 63(c), 69, 70(f), (h), (i) and (j), 96, 99, 100, 104, 106, 119, 121 and 194.

Source and Effective Date

R.1994 d.265, effective June 6, 1994.

See: 25 N.J.R. 5893(a), 26 N.J.R. 2463(a).

19:43-7.1 Operation certificate; standards for issuance

(a) Except for the test period pursuant to N.J.A.C. 19:43-7.2, each casino licensee responsible for the operation of a casino and a related casino simulcasting facility, if any, shall obtain an operation certificate prior to opening such casino or casino simulcasting facility to the public, and prior to conducting:

1. Gaming in such casino; or

2. Simulcast wagering or any gaming permitted in such casino simulcasting facility.

(b) To obtain an operation certificate, each casino licensee shall establish to the satisfaction of the Commission that:

1. The casino and, if applicable, the casino simulcasting facility comply in all respects with the applicable requirements of the Act and the rules of the Commission;

2. The casino licensee has implemented necessary management controls and security precautions for the efficient operation of the casino and any applicable casino simulcasting facility;

3. The casino and simulcasting personnel are properly trained and licensed for the efficient performance of their respective responsibilities; and

4. The casino and casino simulcasting facility are prepared in all respects to receive and entertain the public.

(c) Each operation certificate granted by the Commission to a casino licensee shall include, at a minimum, the following information:

1. A statement that such casino licensee has complied with N.J.S.A. 5:12-96a and with (b) above;

2. A list itemizing the authorized games, by category and number, that are permitted in the casino and, if applicable, the casino simulcasting facility; and

3. A list of those areas, not otherwise enumerated explicitly in N.J.S.A. 5:12-43.1 or elsewhere in the rules of the Commission, which the Commission has specifically designated as a restricted area.

19:43-7.2 Operation certificate; test period

(a) Prior to the issuance of an operation certificate for its casino and casino simulcasting facility, if any, each casino

licensee shall successfully complete an evaluation or test period in accordance with such terms and conditions as are reasonably calculated to allow the Commission to assess the licensee's entitlement to the issuance of such certificate.

(b) The evaluation or test period shall commence on such date and at such time as the Commission shall establish, and shall continue thereafter until further order of the Commission.

(c) Whenever the Commission delegates to one or more of its members the authority to evaluate a casino licensee's successful completion of a test period, the member or members, acting jointly, shall be authorized to do any of the following unless the full Commission has otherwise reserved that authority to itself:

1. Establish the original length of time and the hours during which such test shall be conducted;
2. Terminate, restrict, limit, extend or otherwise modify such test period or the hours thereof;
3. Upon determining that the casino licensee has successfully completed the test period, establish the effective date of the operation certificate and the scope of the casino licensee's authority to conduct gaming and, if applicable, simulcast wagering thereunder; and
4. Order the casino licensee to take whatever actions are necessary to preserve the policies of the Act and to assure an effective evaluation of the casino licensee during such test period including, among other things, permitting, limiting, restricting or prohibiting the casino licensee from:
 - i. Accepting coin at the slot machines or currency at the table games during all or any part of such period; and
 - ii. Allowing the count rooms to process cash.

19:43-7.3 Operation certificate; blueprints of the casino floor, casino simulcasting facility and any restricted areas

(a) Prior to the issuance of an operation certificate and the commencement of gaming or simulcast wagering, each casino licensee shall obtain Commission approval for the blueprints of its casino floor, casino simulcasting facility, if any, and any restricted areas.

(b) Each blueprint required by (a) above shall be filed with the Commission and served on the Division, shall be drawn to one-eighth inch scale, shall be certified by an architect licensed to practice in New Jersey and shall depict, at a minimum, the location of the following:

1. The casino floor and any casino simulcasting facility, including, at a minimum, the proposed total square footage thereof and a clear delineation of the respective perimeter of each;

2. Each gaming pit, noting its pit location number;
3. Each table game, noting its pit and table game location number;
4. Each CCTV camera, noting its type and camera number;
5. Each slot booth, noting its booth number;
6. Each cashier's cage and its component offices and areas;
7. Each separate master coin bank;
8. Each window at the cashiers' cage, noting its window number;
9. Each count room;
10. Each slot machine, noting its location number and zone letter or number;
11. Each bill changer, noting its location number;
12. Each slot stool authorized for use, noting its stool number, if any;
13. Each automated coupon redemption machine, noting its location number;
14. Each satellite cage and its component offices and areas;
15. Each coin vault;
16. Each area approved for the storage of gaming chips or plaques pursuant to N.J.A.C. 19:46-1.6(c)3 or (d)3;
17. Each room or area approved for the storage of dice or playing cards;
18. Each other room or area that is accessible directly from the casino floor;
19. For those establishments with a casino simulcasting facility:
 - i. Each simulcast counter and any ancillary simulcast counter, along with their component offices, areas and equipment required by N.J.A.C. 19:45-1.14A(b) or (d);
 - ii. Each credit voucher machine, noting its location number; and
 - iii. Each self-service pari-mutuel machine, noting its location number; and
20. Each other area or room designated by the Commission.

(c) Each casino licensee, after obtaining Commission approval of its final blueprints, shall not commence gaming or simulcast wagering until a copy of such blueprints has been delivered to, and receipt thereof acknowledged by an authorized person at, each of the following:

1. The Commission's inspection booth in the establishment;
2. The office of the Commission's principal inspector in the establishment;
3. The Operations Unit of the Commission's Division of Compliance;
4. The Division's office in the establishment;
5. The Division's Casino Operation Section in Atlantic City;
6. The casino licensee's security podium; and
7. The casino licensee's monitoring rooms required by N.J.A.C. 19:45-1.10.

19:43-7.4 Operation certificate; master lists of approved slot machines and table games

(a) Prior to the issuance of an operation certificate and the commencement of gaming or simulcast wagering, each casino licensee shall file with the Commission, at the office of the Commission's principal inspector in the establishment, and serve on the Division, at its office in the establishment, a comprehensive list of the table games in its casino and casino simulcasting facility, if any (the Table Games Master List), and similarly shall file and serve a list of the slot machines in its casino (the Slot Machine Master List).

(b) At a minimum, each Slot Machine Master List shall list each slot machine consecutively by location number and shall contain the following information:

1. The date on which the list was prepared;
2. A description of each slot machine by:
 - i. Asset, model and serial number;
 - ii. Computer program number;
 - iii. Denomination; and
 - iv. Manufacturer and machine type, noting with particularity whether the machine is a high-boy, has a bill changer attached, or is a progressive machine;
3. The location at which each slot stool is installed;
4. A cross reference for each slot machine by zone and serial number; and
5. Such other information as the Commission may require.

(c) At a minimum, each Table Game Master List shall contain the following information:

1. The date on which the list was prepared;
2. A description of each table by:
 - i. Type of authorized game;
 - ii. Location number; and

iii. Serial and table number; and

3. Such other information as the Commission may require.

(d) Each casino licensee, after obtaining permission to alter, modify or reconfigure its casino floor or casino simulcasting facility and the authorized games therein, shall file and serve, in accordance with (a) above, updated master lists of its table games and slot machines to reflect the changes that the Commission has approved.

19:43-7.5 Operation certificate; effective date; duration

(a) Upon the successful completion of the test period, the Commission shall establish the effective date of each operation certificate and the scope of the casino licensee's authority to conduct gaming and, if applicable, simulcast wagering thereunder.

(b) Subject to the Commission's authority to revoke, suspend, limit or otherwise alter an operation certificate in accordance with the terms of the Act and the rules of the Commission, each such certificate, once issued, shall remain in full force and effect indefinitely under such terms and conditions as the Commission may impose, and shall not be altered, modified or amended except in accordance with the Act and the rules of the Commission.

(c) The continued effectiveness of each such certificate shall be a prerequisite for the casino or casino simulcasting facility to which it applies to remain open to the public for the conduct of gaming or simulcast wagering.

19:43-7.6 Operation certificate; amendment to conform to approved alterations

(a) Each casino licensee shall file with the Commission and serve on the Division, in a manner and in a format prescribed by the Commission, a description of each proposed physical alteration to its casino or casino simulcasting facility which relates to the continued effectiveness of its original operation certificate and any approved amendments thereto, including, without limitation, a description of proposed changes to any of the following:

1. The number of authorized games to be played in the casino and casino simulcasting facility, if any;
2. The configuration or floor plan of the casino or casino simulcasting facility; and
3. Any restricted area.

(b) Within three business days of a casino licensee filing a description of a proposed change governed by (a) above, the Commission and the Division shall review such change for compliance with the Act and the rules of the Commission. Unless the Commission notifies the casino licensee in writing that the change is disapproved, the casino licensee, after obtaining all approvals required by Federal, State or local government officials and providing a copy or other accept-

able written evidence of such approvals to the Commission and the Division, may begin implementing such change upon the earlier of the following:

1. The expiration of such three-day period; or
2. Receipt of written Commission approval for the change.

(c) Each casino licensee, upon final completion of any proposed change to its facility governed by (a) above, shall notify the Commission and the Division thereof by filing, at a minimum, a revised blueprint in the manner prescribed by N.J.A.C. 19:43-7.3(c). Each such blueprint shall be in a format consistent with N.J.A.C. 19:43-7.3 and, in addition to depicting the change that is made to the applicable items enumerated in N.J.A.C. 19:43-7.3(b), shall include the following:

1. A comparison showing:
 - i. The authorized square footage of the casino room and any applicable casino simulcasting facility in effect immediately prior to initiating any change for which approval is sought; and
 - ii. The change made to such square footage after giving effect to the proposal for which approval is sought;
2. A clear delineation of the change, if any, made to the perimeter of the casino room and of the casino simulcasting facility, if any; and
3. A narrative from the architect who is certifying the blueprints that clearly describes the change being made by the proposal, noting with particularity any such change to the perimeter of the casino floor or of the casino simulcasting facility.

(d) The Commission and the Division shall inspect the physical change depicted on the blueprint to ensure that it conforms to the blueprint and to the previously submitted description of such proposed change and any properly filed amendments thereto. Following such inspection, the Commission shall notify the casino licensee in writing as to which physical change is approved and which is rejected, whereupon the operation certificate shall be amended to conform to the inspected and approved physical change.

(e) For purposes of this subchapter, a "business day" shall be a calendar day other than:

- i. A Saturday or Sunday; or
- ii. Any day on which the Commission's main offices are closed because of Federal, State or local holiday, inclement weather, or like circumstance.

19:43-7.7 Operation certificate; temporary amendments for alternate pit configurations

(a) Except as otherwise provided in this section, each casino licensee shall configure the pits in its casino or casino simulcasting facility strictly in accordance with the blueprints provided to the Commission and the Division and approved at the time the operation certificate originally was issued.

(b) Each casino licensee may temporarily reconfigure, for an initial period not to exceed 30 days, one or more pits by filing an alternate configuration for each such pit with the Commission and the Division at least three business days prior to implementing such alternate configuration. Within that three-day period the Commission shall notify the casino licensee whether the alternate configuration is approved.

(c) The Commission shall issue a temporary certificate of operation authorizing, for an initial period of no more than 30 days, each approved alternate pit configuration. Each such alternate pit shall not:

1. Exceed the dimensions approved for the pit that existed immediately prior to the reconfiguration; nor
2. Include any change requiring the approval of any Federal, State or local government building code official without having first obtained that approval and the approval of the Commission in accordance with N.J.A.C. 19:43-7.6.

(d) Each casino licensee, upon application in accordance with this section, may obtain one extension of no more than 30 days for each temporary certificate of operation issued hereunder.

(e) Each casino licensee shall obtain approval for any changes, other than those permitted by this section, to the configuration of the pits in its casino and casino simulcasting facility, if any, in accordance with N.J.A.C. 19:43-7.6.

(f) Each pit operating under an approved configuration shall have an electrical system, approved by the Commission, which enables a pit clerk or a pit supervisor to transmit a signal that is audibly and visually reproduced in each of the following locations whenever there is an emergency in the pit:

1. The monitoring rooms required by N.J.A.C. 19:45-1.10;
2. The casino security department; and
3. The Division's office in the casino hotel.

19:43-7.8 Access to public and restricted areas

(a) No casino licensee shall permit any person to have access to any restricted area in its establishment unless such access is permitted in accordance with the casino licensee's internal controls.

(b) Each casino licensee may deny or limit access to any public areas in order to preserve the policies of the Act, including, but not limited to, the following:

1. Persons excluded or excludable under N.J.S.A. 5:12-71 and N.J.A.C. 19:48, or 5:12-71.1;
2. Employees of casino licensees prohibited from wagering at any game or on casino simulcasting under N.J.S.A. 5:12-100n and N.J.A.C. 19:55-2.8;
3. Underage persons prohibited from gaming and simulcast wagering under N.J.S.A. 5:12-119a and N.J.A.C. 19:42-5.9;
4. Persons seeking to play the game of blackjack to whom the provisions of N.J.A.C. 19:47-2.3(j) apply;
5. Players required by a casino licensee to leave the game of poker under N.J.A.C. 19:47-14.16; and
6. Employees of a casino licensee for whom access to the public areas of a casino or a casino simulcasting facility is controlled in accordance with a casino licensee's internal controls submitted pursuant to N.J.A.C. 19:43-9.1(a)7.

(c) Nothing in this section shall limit the authority of Commission members or employees and Division employees or agents from obtaining access to restricted areas during the performance of their respective duties and responsibilities in accordance with the Act and the rules of the Commission.

Amended by R.1996 d.69, effective February 5, 1996.
See: 27 N.J.R. 3916(a), 28 N.J.R. 897(a).

SUBCHAPTER 8. CONTINUING OBLIGATIONS OF CASINO LICENSEES AND QUALIFIERS

19:43-8.1 Minutes of meetings of boards and committees

Each casino licensee or applicant or holding company thereof shall file with the Commission and Division copies of the minutes of all meetings of its board of directors or partnership executive committee, as applicable, and of all committee meetings including, without limitation, the audit committee, within seven days of their formal adoption.

SUBCHAPTER 9. EMPLOYMENT REQUIREMENTS

19:43-9.1 Employee internal controls submission

(a) Each casino licensee or applicant shall, pursuant to N.J.S.A. 5:12-99, submit an original and three copies to the Commission of a description of its internal procedures and

administrative and accounting controls concerning employee licensing requirements. Unless otherwise directed by the Commission, an initial submission shall be made at least 60 days prior to the projected date of issuance of a certificate of operation. Each such submission shall be prepared and maintained in a format provided by the Commission; shall contain narrative and, where appropriate, diagrammatic representations of the internal control system to be utilized by the casino licensee or applicant, and shall address, without limitation, the following employee licensing requirements:

1. Procedures used to prepare and maintain a jobs compendium;
2. Procedures used to process and submit applications for casino key employee licenses, casino employee licenses and casino service employee registrations;
3. Procedures used to prepare and submit petitions for temporary employee licenses;
4. Procedures for assuring that only properly licensed or registered persons are employed in each position for which a license or registration is required;
5. Procedures for assuring that no person whose license, registration, qualification or approval has been denied or revoked or whose license or registration has been suspended is employed in any position which does not require a license or registration, except as expressly authorized by the Commission;
6. Procedures for assuring that no unlicensed or unregistered person who has committed a disqualifying offense pursuant to N.J.S.A. 5:12-86c(1) is employed as a CHAB employee, except as expressly authorized by the Commission pursuant to N.J.A.C. 19:41-8.11;
7. Procedures used to record the number of hours worked by employees;
8. Procedures used to assure the timely renewal of employee licenses; and
9. Procedures and a control plan for readily identifying each employee of a casino licensee who is permitted, during the normal course of performing his or her duties or during emergencies, to have access to one or more public or restricted areas, and for issuing temporary license credentials and plenary access badges.

(b) The Commission shall review each submission required by (a) above to determine whether it conforms to the requirements of the Act and the regulations of the Commission. If the Commission finds any insufficiencies, it shall specify same in writing to the casino licensee or applicant who shall make appropriate alterations. When the Commission determines a submission to be adequate in all respects, it shall notify the casino licensee or applicant accordingly. No casino licensee shall commence or maintain gaming operations unless and until its employee licensing internal controls submission is approved by the Commission.

(c) Any proposed amendment to a previously approved employee licensing internal controls submission shall be submitted, unless otherwise directed by the Commission, at least 60 days before any change in those procedures or controls is to take effect. Such submission shall conform with the requirements set forth in (a) above.

Amended by R.1994 d.265, effective June 6, 1994.
See: 25 N.J.R. 5893(a), 26 N.J.R. 2463(a).
Amended by R.1995 d.591, effective November 20, 1995.
See: 27 N.J.R. 3146(a), 27 N.J.R. 4729(a).
Amended by R.1996 d.69, effective February 5, 1996.
See: 27 N.J.R. 3916(a), 28 N.J.R. 897(a).

19:43-9.2 Obligation to terminate, suspend or refuse employment; form of notice

(a) Except as authorized by the Commission pursuant to N.J.A.C. 19:41-8.9, 8.10 or 8.11:

1. Each casino licensee shall terminate or suspend the employment of any person whose license, registration, qualification or approval has been denied, revoked or suspended by the Commission;

2. No casino licensee shall employ any person whose license, registration, qualification or approval has been denied, revoked or suspended during the period such person is restricted from employment pursuant to N.J.A.C. 19:41-8.8; and

3. No casino licensee shall knowingly employ any unlicensed or unregistered person as a CHAB employee if such person has been convicted of a disqualifying offense pursuant to N.J.S.A. 5:12-86c(1).

(b) Any casino licensee required to terminate or suspend the employment of any such person shall do so within 24 hours of receipt of notice from the Commission as defined in (c) below.

(c) The Commission shall, on a weekly basis, notify each casino licensee of the name, date of birth, license, registration or application number and employment eligibility status of each person whose license, registration or application has been revoked, suspended or denied by the Commission.

1. This notice shall be provided to each casino licensee by hard copy (printed) communication or electronic data transfer by no later than 3:00 P.M. each Thursday, unless Thursday is a State or Federal holiday, in which case notice shall be provided by no later than 3:00 P.M. on the first weekday thereafter that is not a State or Federal holiday.

2. Notwithstanding N.J.A.C. 19:40-3.3(d), this notice shall be deemed received by the casino licensee at 9:00 A.M. on the second weekday following the issuance of the notice, unless that weekday is a Friday or State or Federal holiday, in which case notice shall be deemed received at 9:00 A.M. on the first weekday thereafter that is not a State or Federal holiday.

New Rule, R.1994 d.68, effective February 7, 1994.
See: 25 N.J.R. 4871(a), 26 N.J.R. 828(b).
Amended by R.1996 d.69, effective February 5, 1996.
See: 27 N.J.R. 3916(a), 28 N.J.R. 897(a).

Case Notes

Casino key employee license properly granted. Gaming Enforcement Division v. Baldino, 94 N.J.A.R.2d (CCC) 47.

Rehabilitated gaming agent could maintain registration. Division of Gaming Enforcement v. Gonzalez, 94 N.J.A.R.2d (CCC) 20.

Theft from casino; mitigation of offense permitted continued registration. Division of Gaming Enforcement v. Diglio, 94 N.J.A.R.2d (CCC) 15.

Registration disqualification following extortion conviction was waived. Division of Gaming Enforcement v. Galanti, 94 N.J.A.R.2d (CCC) 1.

Interests of justice; employee granted waiver of disqualifying offense and permitted to retain his casino hotel employee registration number. State of N.J. Department of Law & Public Safety v. Whitfield, 92 N.J.A.R.2d (CCC) 61.

Revocation of casino key employee license was warranted. State of New Jersey, Dept. of Law & Public Safety, Div. of Gaming Enforcement v. Korn, 92 N.J.A.R.2d (CCC) 54.

Revocation of casino employee license was warranted. Department of Law and Public Safety, Division of Gaming Enforcement v. Faris, 92 N.J.A.R.2d (CCC) 51.

Interest of justice supported waiver of disqualification criteria. State of New Jersey, Department of Law & Public Safety, Division of Gaming Enforcement v. Wilson, 92 N.J.A.R.2d (CCC) 50.

Conviction did not warrant revocation of hotel employee registration. State of New Jersey, Department of Law and Public Safety v. Biggio, 92 N.J.A.R.2d (CCC) 46.

Certification of casino hotel employee registration. Department of Law & Public Safety, Division of Gaming Enforcement v. Fiadino, 92 N.J.A.R.2d (CCC) 44.

Casino teller's license would not be renewed. Carter v. State of New Jersey, Department of Law and Public Safety, 92 N.J.A.R.2d (CCC) 38.

Arrests did not undermine casino employee's good character. Lindner v. Department of Law & Public Safety, Division of Gaming Enforcement, 92 N.J.A.R.2d (CCC) 37.

Casino employee demonstrated sufficient rehabilitation to warrant renewal of license. N.J.S.A. 5:12-86, 5:12-89, 5:12-90. Trettner v. Department of Law & Public Safety, Div. of Gaming Enforcement, 92 N.J.A.R.2d (CCC) 29.

Applicant could not establish necessary good character or financial integrity. N.J.S.A. 5:12-86, 5:12-89. Hannon v. Division of Gaming Enforcement, 92 N.J.A.R.2d (CCC) 23.

There was intentional withholding of material information disqualifying applicant. N.J.S.A. 5:12-86, 5:12-89, 5:12-90. Renewal Application of Richard Wagenfeld for a Casino Employee License, 92 N.J.A.R.2d (CCC) 11.

Casino employee committed theft but her casino key employee license would be renewed. N.J.S.A. 2C:20-4, 5:12-86, 5:12-89, 5:12-91. Hamlett v. Division of Gaming Enforcement, 92 N.J.A.R.2d (CCC) 9.

Casino hotel employee affirmatively demonstrated a rehabilitation by clear and convincing evidence. N.J.S.A. 5:12-86, 5:12-91, 5:12-129. Department of Law and Public Safety, Div. of Gaming Enforcement v. Lindmeier, 92 N.J.A.R.2d (CCC) 7.

Casino worker sufficiently demonstrated rehabilitation under the Casino Control Act. N.J.S.A. 2C:21-4, 5:12-1, 5:12-86, 5:12-91. Department of Law and Public Safety, Div. of Gaming Enforcement v. Rodriguez, 92 N.J.A.R.2d (CCC) 5.

Applicant's disqualifying offense was overcome. N.J.S.A. 5:12-86, 5:12-89, 5:12-90. Application of Dennis Preston Burleigh for a Casino Employee License, 92 N.J.A.R.2d (CCC) 1.

Applicant demonstrated sufficient rehabilitation to warrant licensure. N.J.S.A. 5:12-86, 5:12-89, 5:12-90. Perrotti v. Division of Gaming Enforcement, 91 N.J.A.R.2d (CCC) 5.

License application would be remanded to an individual hearing examiner of the Casino Control Commission. Yerci v. New Jersey Dept. of Law and Public Safety, 91 N.J.A.R.2d (CCC) 1.

19:43-9.3 Employee reporting and recordkeeping requirements

(a) Each casino licensee shall maintain a complete, accurate and current record of each employee including, without limitation, the information in (b) below.

(b) Each casino licensee shall file the following reports with the Commission by electronic data transfer on the first and the 15th calendar day of each month:

1. For each current employee:

- i. License or registration number, if applicable;
- ii. Social Security number, if such information has been voluntarily provided in accordance with section 7 of the Privacy Act, 5 U.S.C. § 522a;
- iii. Last name, first name and middle initial;
- iv. Date of birth;
- v. Address, including zip code;
- vi. Position, represented by a job code that corresponds with a position described in the casino licensee's approved job compendium maintained pursuant to N.J.A.C. 19:45-1.11A, except that a single job code may be used for all positions which do not require a license or registration;
- vii. Job title as it appears in the casino licensee's approved jobs compendium and which corresponds with the job code required by (b)1vi above;
- viii. Initial date of hire in the position indicated by the job code in (b)1vi above;
- ix. The casino code assigned by the Commission to the casino licensee.
- x. The access code, if any, assigned to the employee, which code designates the restricted casino areas that the employee is permitted to enter and remain in for the purposes of performing his or her normal duties;
- xi. The casino code assigned by the Commission to the casino licensee; and
- xii. For any CHAB employee who does not hold a valid license or registration, whether such employee has been convicted of a disqualifying offense pursuant to N.J.S.A. 5:12-86c(1).

2. For each individual whose employment has been terminated since the date of the most recent report filed with the Commission pursuant to this subsection:

- i. The information in (b)1i through x above; and
- ii. The effective date of termination.

3. A record of any and all designations used by a casino licensee to describe categories of its employees, for example "full time," "part time," or "seasonal," the number of employees in each such category and the total number of all employees in all categories; and

4. The date on which the information provided in the report was compiled.

New Rule, R.1994 d.66, effective February 7, 1994.
See: 25 N.J.R. 5114(b), 26 N.J.R. 827(a).
Amended by R.1996 d.69, effective February 5, 1996.
See: 27 N.J.R. 3916(a), 28 N.J.R. 897(a).

19:43-9.4 (Reserved)

New Rule, R.1994 d.219, effective May 2, 1994.
See: 26 N.J.R. 783(a), 26 N.J.R. 1851(a).
Repealed by R.1995 d.306, effective June 19, 1995.
See: 27 N.J.R. 1162(a), 27 N.J.R. 2455(a).
Section was "Employee experiential hours".

19:43-9.5 Petitions for casino service employee registration

(a) In accordance with N.J.S.A. 5:12-91f, no casino service employee registration shall be issued by the Commission except upon the petition of a casino licensee or applicant. Such petition shall be in writing and shall include the following:

1. The name and date of birth of the applicant for registration;
2. The position in which the applicant for registration will be employed;
3. A statement by the casino licensee or applicant that it has verified that the applicant for registration is eligible to work and that it has completed the Employment Eligibility Verification Form (Form I-9) provided by the U.S. Department of Justice, Immigration and Naturalization Service; and
4. Either of the following:
 - i. A completed application for casino service employee registration as set forth in N.J.A.C. 19:41-7.1A, which shall be accompanied by a written statement, signed and dated by the applicant for registration and an authorized representative of the casino licensee or applicant, authorizing the casino licensee or applicant to file the application on behalf of the applicant for registration; or

- ii. A certification by the applicant for registration that he or she has filed a completed application with the Commission.

New Rule, R.1994 d.280, effective June 6, 1994.
See: 26 N.J.R. 1321(a), 26 N.J.R. 2474(a).
Amended by R.1995 d.306, effective June 19, 1995.
See: 27 N.J.R. 1162(a), 27 N.J.R. 2455(a).

SUBCHAPTER 10. REQUIREMENTS FOR DOING BUSINESS WITH VENDORS

19:43-10.1 Requirements for doing business; Active Vendors Record; Prohibited Vendors Record

(a) No agreement entered into with any person by or on behalf of a casino licensee or applicant shall be performed or in force or effect unless the casino licensee or applicant has filed a Master Purchasing and Disbursement Report, and:

1. The person is licensed as a casino service industry pursuant to N.J.S.A. 5:12-92a or c, is an applicant for a casino service industry license pursuant to N.J.S.A. 5:12-92c, or is an applicant for a casino service industry license pursuant to N.J.S.A. 5:12-92a or N.J.S.A. 5:12-92c and N.J.A.C. 19:51-1.2A(b) and has been granted a transactional waiver pursuant to N.J.A.C. 19:51-1.2B; or

2. The appropriate filings have been submitted on behalf of the person in accordance with N.J.A.C. 19:43-10.4 or the Commission has exempted the transaction from such filing requirements pursuant to N.J.A.C. 19:43-10.5.

(b) The Commission shall maintain an Active Vendors Record of persons with whom a casino licensee or applicant may do business for the reasons set forth in (a) above.

(c) Notwithstanding any other provision of this subchapter, no casino licensee or applicant shall enter into an agreement with any person who:

1. Has been found disqualified pursuant to N.J.S.A. 5:12-86;

2. Has failed to comply with the filing requirements of N.J.A.C. 19:43-10.4;

3. Has been subject to a suspension, revocation or denial of a casino service industry license or dismissal of an application pursuant to N.J.A.C. 19:41-9.3 or 19:51-1.5 or 1.10;

4. Is restricted from application pursuant to N.J.A.C. 19:41-8.6 or 19:51-1.2A(h); or

5. Has been temporarily prohibited from doing business with casino licensees and applicants pursuant to N.J.A.C. 19:42-5.8.

(d) The Commission shall maintain a Prohibited Vendors Record of persons with whom casino licensees and applicants are prohibited from doing business for the reasons set forth in (c) above. Such record shall be made available to casino licensees and applicants on a regular basis.

(e) No person shall be removed from the Prohibited Vendors Record except by order of the Commission or until the applicable period of restriction ends or until the person has complied with all applicable filing requirements.

New Rule, R.1995 d.496, effective September 5, 1995.
See: 27 N.J.R. 2572(a), 27 N.J.R. 3396(a).

19:43-10.2 Maintaining agreements; filing of agreements

(a) Pursuant to N.J.S.A. 5:12-104b, each casino licensee or applicant shall be required to maintain a fully signed copy of every written agreement and records with respect to any unwritten agreement, which provide, at a minimum, the terms thereof, the parties thereto and a description of the goods or services provided regarding the following, whether or not the casino licensee or applicant is a party to such agreement and whether or not the agreement provides for the exchange of direct compensation:

1. The realty of the casino hotel or related facility, including construction, maintenance, renovation or expansion;

2. Any person doing business with or for the benefit of the casino licensee or applicant; or

3. Any person doing business on the premises of the casino hotel.

(b) Each casino licensee or applicant shall submit a copy of any written agreement or a precise written description of any unwritten agreement for which records are maintained pursuant to (a) above upon oral or written request from the Commission based upon a determination that such filing is necessary to protect the public interest and accomplish the policies of the Act.

Recodified from 19:41-11.1 and amended by R.1994 d.220, effective May 2, 1994.

See: 26 N.J.R. 339(b), 26 N.J.R. 1847(b).

Amended by R.1995 d.496, effective September 5, 1995.

See: 27 N.J.R. 2572(a), 27 N.J.R. 3396(a).

19:43-10.3 Review of agreements and records of agreements; termination upon disapproval

(a) The Commission may review each agreement and record maintained or filed pursuant to N.J.A.C. 19:43-10.2 to determine the following:

1. The reasonableness of the terms of the agreement, including the terms of compensation;

2. The qualifications of the persons involved in and associated with the agreement in accordance with the standards enumerated in section 86 of the Act, after which the Commission may make a finding as to the suitability of such persons to be involved or associated with the casino licensee or applicant;

3. Whether any enterprise involved therein or associated therewith is providing or likely to provide goods or services to, or conducting or likely to conduct business with, a casino licensee or applicant, its employees or agents which requires casino service industry licensure pursuant to section 92 of the Act and N.J.A.C. 19:51-1.2 or 1.2A, in which case the Commission shall direct that a casino service industry license application be promptly filed by the enterprise; and

4. Whether any action is desirable or necessary to regulate, control or prevent economic concentration in any casino service industry or to encourage or preserve competition in any casino service industry in accordance with N.J.S.A. 5:12-1b(12) and N.J.A.C. 19:51-1.6.

(b) If the Commission disapproves of an agreement governed by N.J.A.C. 19:43-10.2 or any person associated therewith, the Commission may by directive require the termination of such agreement or association or pursue any remedy or combination of remedies provided for in the Act or the regulations of the Commission. If such disapproved agreement or association is not thereafter promptly terminated as required by Commission directive, the Commission may pursue any remedy or combination of remedies provided for in the Act or the regulations of the Commission. This subsection shall apply notwithstanding that the Commission has granted an exemption pursuant to N.J.S.A. 5:12-92c to any person involved in or associated with such agreement from the casino service industry license requirements set forth therein.

(c) Each agreement maintained or filed pursuant to N.J.A.C. 19:43-10.2 shall be deemed to include a provision for its termination without liability on the part of the casino licensee or applicant, or on the part of any qualified party to the agreement or any related agreement the performance of which is dependent upon such agreement, in the event that the Commission disapproves the agreement in accordance with (b) above.

Recodified from 19:41-11.2 and amended by R.1994 d.220, effective May 2, 1994.

See: 26 N.J.R. 339(b), 26 N.J.R. 1847(b).

Amended by R.1995 d.496, effective September 5, 1995.

See: 27 N.J.R. 2572(a), 27 N.J.R. 3396(a).

19:43-10.4 Filing requirements: Notice of Intent to Conduct Enterprise Business, Vendor Registration Form, Junket Enterprise Registration Form

(a) Except as otherwise provided in (b) or (c) below or N.J.A.C. 19:43-10.5, each casino licensee or applicant shall

file with the Commission no later than 20 calendar days following the formal offer and acceptance of an agreement a completed Notice of Intent to Conduct Enterprise Business, as set forth in N.J.A.C. 19:41-5.11A, for any enterprise which does not appear on the Active Vendors Record maintained by the Commission pursuant to N.J.A.C. 19:43-10.1.

(b) Each casino licensee or applicant shall file with the Commission a VRF, as set forth in N.J.A.C. 19:41-5.11, for any enterprise with which it is conducting the following types of business, if the Active Vendors Record maintained pursuant to N.J.A.C. 19:43-10.1 does not indicate that a VRF has been filed for such enterprise by any casino licensee or applicant:

1. Within 20 calendar days from the date of the formal offer and acceptance of any of the following types of agreements:

i. Any agreement with a bus owner or operator for the transportation of passengers to a casino hotel in exchange for complimentary services or items for such passengers upon arrival;

ii. Any agreement for goods or services, if payments pursuant to the agreement are reasonably expected to exceed \$10,000;

iii. Any agreement with an independent producer who will receive revenue from ticket sales for public entertainment held at a casino hotel which agreement does not provide for direct compensation to the casino licensee;

iv. Any lease relating to the premises of the casino hotel or related facility;

v. Any agreement which does not involve the direct exchange of compensation;

vi. Any agreement with a simulcast sending track; or

vii. Any other agreement for which the filing of a VRF is directed by the Commission upon a determination that such filing is necessary to protect the public interest and further the policies of the Act;

2. Within 20 calendar days from the date on which the casino licensee or applicant becomes aware that it has entered into an agreement with an enterprise that will result in business for the current calendar year totaling \$10,000 or more; and

3. Within 20 calendar days from the end of the monthly financial reporting period for vendor transactions in which the casino licensee's or applicant's calendar year to date business with an enterprise totals \$10,000 or more.

(c) Each casino licensee or applicant shall, prior to the arrival at the casino hotel of a junket which involves one or more junket enterprises, file with the Commission a Junket

Enterprise Registration Form (JERF) as set forth in N.J.A.C. 19:41-5.12 for each junket enterprise involved in such junket which does not appear on the Active Vendors Record maintained by the Commission pursuant to N.J.A.C. 19:43-10.1. This requirement shall apply regardless of whether such junket enterprise has had a Notice of Intent to Conduct Business or a VRF filed with the Commission on its behalf pursuant to (a) or (b) above for an agreement unrelated to junkets.

(d) Notwithstanding (b) and (c) above, an incomplete VRF or JERF shall be considered timely filed by the licensee or applicant in accordance with this section if:

1. The incomplete registration form is timely filed pursuant to (b) or (c) above, as appropriate; and
2. A revised registration form, completed in accordance with deficiency notice provided by the Commission, is filed:
 - i. For a VRF, within 10 days of service of notice or by the end of the deadlines set forth in (b) above, whichever is later; or
 - ii. For a JERF, within 10 days of service of notice or prior to the arrival of the junket, whichever is later.

(e) Filings required by this section shall be directed to the Casino Control Commission's Enterprise License Bureau at the address specified in N.J.A.C. 19:40-3.1.

(f) In the event that an enterprise which has previously had a Notice of Intent to Conduct Enterprise Business filed on its behalf fails to provide the information necessary to complete a VRF as required by this section, the casino licensee or applicant shall notify the Commission within the applicable filing deadlines established in (b)2 or 3 above.

New Rule, R.1994 d.220, effective May 2, 1994.
See: 26 N.J.R. 339(b), 26 N.J.R. 1847(b).
Amended by R.1995 d.496, effective September 5, 1995.
See: 27 N.J.R. 2572(a), 27 N.J.R. 3396(a).

19:43-10.5 Exemption from registration

(a) The Commission may, upon the request of a casino licensee or applicant or on its own initiative, exempt a transaction from the filing requirements in N.J.A.C. 19:43-10.4 if the Commission determines that the filing of a Notice of Intent to Conduct Enterprise Business or a Vendor Registration Form (VRF) is not necessary to protect the public interest and further the policies set forth in sections 1(b)6, 1(b)9, 92 and 104 of the Act. In making such a determination the Commission shall consider, without limitation, the following:

1. The nature of the goods or services provided or the business transacted;
2. The nature of the enterprise providing the goods or services or transacting the business with the casino licensee or applicant; and

3. Whether such enterprise is otherwise regulated by the Act or Commission regulations.

(b) The following transactions shall be deemed exempt pursuant to (a) above unless the filing of a Notice of Intent to Conduct Enterprise Business or a VRF is otherwise directed by the Commission:

1. Contributions to non-profit charitable corporations or organizations, provided that no consideration is received for the contribution;
2. Direct payments to guests or guests and their representatives pursuant to a court order or stipulation of settlement or for settlement of guest losses or guest refunds;
3. Payments by the casino licensee or applicant for the following:
 - i. Payments for travel expenses incurred by an employee of the casino licensee or applicant in the conduct of the employer's business including, without limitation, lodging, meals and transportation expenses;
 - ii. Payments to prospective employees for reimbursement of travel expenses incurred as a result of the employment interview; and
 - iii. Payments for training seminars, publication subscriptions, conference registrations or membership dues for professional associations that will directly contribute to the work performance or professional development of the employee;
4. Payments received from an employee of the casino licensee or applicant for purchases of obsolete hotel property or supplies for personal use;
5. Payments to government agencies for goods or services provided under statutory or other legal mandate, or for taxes, assessments, fines, garnishments or licensing fees and payments to public utilities having legal service monopolies;
6. Payments to or from individuals or enterprises pursuant to compliance with state or Federal law;
7. Payments by a third party manufacturer for rebates to a casino licensee or applicant for prior purchase of goods or services from licensed or registered vendors;
8. Payments for freight charges to freight transporters selected by the vendor for delivering goods C.O.D. or freight collect;
9. Transactions with travel industry enterprises that purchase or order lodging, meals, or other accommodations at a preducted or gross commission rate which does not exceed 10 percent of cost;
10. Payments to unlicensed casino service industry applicants under transactional waivers approved pursuant to N.J.S.A. 5:12-92a and N.J.A.C. 19:51-1.2B;

11. Payments to any person required to qualify pursuant to N.J.S.A. 5:12-84b, 85c or 85e, which are a result of agreements pertaining to such person's status as a financial source or qualifier;

12. Payments to labor organizations, unions and affiliates registered pursuant to N.J.S.A. 5:12-93 for employee dues and benefits programs; and

13. Payments for goods and services totaling \$500.00 or less made pursuant to a contract or purchase agreement not in excess of \$500.00 if the casino licensee or applicant reasonably and in good faith believes that no other goods or services will be provided to it by the same vendor.

New Rule, R.1994 d.220, effective May 2, 1994.

See: 26 N.J.R. 339(b), 26 N.J.R. 1847(b).

Amended by R.1995 d.496, effective September 5, 1995.

See: 27 N.J.R. 2572(a), 27 N.J.R. 3396(a).

19:43-10.6 Master Purchasing and Disbursement Report

(a) Each casino licensee or applicant shall generate a Master Purchasing and Disbursement Report in accordance with this section for all transactions subject to N.J.S.A. 5:12-104b. Such report shall be submitted to the Commission's Enterprise License Bureau at the address specified in N.J.A.C. 19:40-3.1 on the Friday of the third full calendar week of each month by 5:00 P.M., unless that day is a State or Federal holiday, in which case the report shall be provided by 5:00 P.M. on the first weekday thereafter that is not a State or Federal holiday, and shall include the following information for the period since the most recent report was filed:

1. A payee register listing alphabetically by payee all non-payroll transactions drawn by the casino licensee or applicant and, at a minimum, the following information in tabular form next to the name of each payee:

- i. Vendor identification number or exempt code;
- ii. Amount of each individual disbursement;
- iii. Date of each individual disbursement;
- iv. Check number, or other identification of disbursement;
- v. Subtotal of the disbursements by payee; and
- vi. The grand total of all disbursements made during the reporting periods;

2. A manual attachment listing any transaction subject to this section which is not included in the payee register in (a)1 above or the magnetic computer tape in (a)6 below, including transactions with enterprises not yet assigned a vendor identification number, wire transfers and transactions by a subsidiary, intermediary company, holding company or agent of the casino licensee or applicant for goods or services that benefit the casino licensee or applicant. All transactions appearing on the manual

attachment shall include, at a minimum, the following information:

- i. Vendor name;
- ii. Vendor identification number (if assigned) or exempt code;
- iii. Date of disbursement;
- iv. Amount of each disbursement; and
- v. Subtotal of all disbursements;

3. A vendee register listing alphabetically by vendee all non-operating transactions in which the casino licensee or applicant was the vendor providing goods or services including, at a minimum, the following information in tabular form next to the name of the vendee:

- i. Vendor identification number or exempt code;
- ii. Date of each transaction;
- iii. Amount of each transaction;
- iv. Subtotal of all transactions; and
- v. A general description of the type of good or service provided;

4. A voided check register listing alphabetically by vendor previously reported transactions that were subsequently voided or require corrected information and at a minimum, the following information:

- i. Vendor name;
- ii. Vendor identification number or exempt code;
- iii. Date of original transaction;
- iv. Amount of void; and
- v. Date of void;

5. A subcontractor register listing all payments made to maintenance and construction companies performing services on the existing or proposed casino hotel or related facility, regardless of whether such company is a general contractor, subcontractor, secondary subcontractor or otherwise, including, at a minimum, the following information:

- i. Name and vendor identification number of each maintenance or construction company listed directly under the maintenance or construction company from which it received payment;
- ii. Transaction dates;
- iii. Dollar amount of each payment; and
- iv. Monthly total dollar amount disbursed to each maintenance or construction company;

6. A magnetic computer tape listing all disbursements to enterprises appearing on the payee register (a)1 above and appearing on the subcontractor register (a)5 above,

within specifications as required by the Commission, and a hard copy printout that includes the total number of transactions subject to the vendor registration filing requirements; and

7. The signature of the casino licensee's or applicant's chief operating officer or his or her designee verifying the accuracy of the information contained therein.

New Rule, R.1994 d.220, effective May 2, 1994.

See: 26 N.J.R. 339(b), 26 N.J.R. 1847(b).

Amended by R.1995 d.496, effective September 5, 1995.

See: 27 N.J.R. 2572(a), 27 N.J.R. 3396(a).

19:43-10.7 Internal controls submission

(a) Each casino licensee or applicant shall, pursuant to N.J.S.A. 5:12-99, submit an original and two copies to the Commission of a description of its internal procedures and administrative and accounting controls concerning compliance with the requirements of N.J.S.A. 5:12-92 and 104b. Unless otherwise directed by the Commission, an initial submission shall be made at least 60 days prior to the commencement of purchasing operations by the casino licensee or applicant. Each such submission shall be prepared and maintained in a format provided by the Commission, shall contain narrative descriptions of the internal control system to be utilized by the casino licensee or applicant, and shall address, without limitation, the following requirements:

1. Procedures governing the purchase of goods and services;
2. Procedures governing the disbursement of payments for goods and services;
3. Procedures for the filing of Notices of Intent to Conduct Enterprise Business, Vendor Registration Forms and Junket Enterprise Registration Forms;
4. Procedures for the control of petty cash accounts;
5. Procedures ensuring compliance with travel industry requirements;
6. Procedures for the generation of a Master Purchasing and Disbursement Report; and
7. Procedures regarding vendor registration and financial reporting requirements for construction companies and subcontractors.

(b) The Commission shall review each submission required by (a) above to determine whether it conforms to the requirements of the Act and the rules of the Commission. If the Commission finds any insufficiencies, it shall specify same in writing to the casino licensee or applicant who shall make appropriate alterations. When the Commission determines a submission to be adequate in all respects, it shall notify the casino licensee or applicant accordingly.

(c) Any proposed amendment to a previously approved vendor internal controls submission shall be submitted, unless otherwise directed by the Commission, no later than five days after any change in those procedures or controls takes effect. Such submission shall conform with the requirements set forth in (a) above.

(d) All submissions pursuant to this section shall be directed to the Casino Control Commission's Enterprise License Bureau at the address specified in N.J.A.C. 19:40-3.1.

Amended by R.1994 d.265, effective June 6, 1994.

See: 25 N.J.R. 5893(a), 26 N.J.R. 2463(a).

Recodified from 19:43-10.1 and amended by R.1995 d.496, effective September 5, 1995.

See: 27 N.J.R. 2572(a), 27 N.J.R. 3396(a).

SUBCHAPTER 11. RENEWAL OF CASINO LICENSE

Authority

N.J.S.A. 5:12-63c, 69a, 70b, 70h, 70l, 80, 81, 82, 83, 84, 85, 86, 87, 88 and 98.

Source and Effective Date

R.1994 d.341, effective July 5, 1994.

See: 26 N.J.R. 1615(a), 26 N.J.R. 2798(e).

19:43-11.1 Renewal; time for filing

(a) The Commission may, upon the written petition of the casino licensee, renew a casino license in accordance with N.J.S.A. 5:12-88 provided that:

1. The casino licensee files a completed application for renewal of a casino license with the Commission no later than 90 days prior to the expiration of the current license; and
2. All license fees and taxes as required by law and the rules of the Commission are paid by the casino licensee on or before the date of expiration of the current license.

19:43-11.2 Contents of renewal application

(a) An application for the renewal of a casino license shall include, without limitation, the following, which shall be completed in accordance with the requirements of the Act and the rules of the Commission and any instructions included with the application materials:

1. The Business Entity Disclosure (BED) Forms required by N.J.A.C. 19:43-5.3(a)1;
2. The Personal History Disclosure Forms required by N.J.A.C. 19:43-5.3(a)2, in accordance with the qualifier renewal procedures set forth in N.J.A.C. 19:43-2.7A;
3. Copies of all New Jersey Consolidated Corporation Business Tax Returns, in accordance with N.J.S.A. 5:12-148b;
4. The information required in N.J.A.C. 19:43-5.3(a)3 and 4;

5. Such information as may be requested by the Commission or the Division to demonstrate the applicant's good faith efforts to comply with the equal employment and business opportunity and affirmative action requirements of N.J.S.A. 5:12-134 and 135 and N.J.A.C. 19:53 and any relevant conditions to the current casino license;

6. Such information as may be requested by the Commission or the Division to demonstrate compliance with all conditions, restrictions, limitations and covenants in the current casino license and certificate of operation;

7. The license renewal fee specified in N.J.A.C. 19:41-9.4; and

8. Any other information or documentation which the Commission or the Division may deem material to the qualification of the applicant, or of any person required to be licensed or qualified, pursuant to the Act and the rules of the Commission.

(b) The applicant shall file an original and three copies of each Personal History Disclosure Form required by (a) above, and an original and four copies of all other information required by (a) above, with the Commission in accordance with N.J.A.C. 19:40-3.5(b).

Administrative Correction.
See: 27 N.J.R. 382(a).

19:43-11.3 Petitions for waiver

Upon the petition of the casino license applicant in accordance with N.J.A.C. 19:43-5.4, the Commission, with the concurrence of the Director, may waive compliance with the qualification requirements of N.J.S.A. 5:12-85d for an officer, director, lender, underwriter, agent, employee or security holder of a publicly traded holding or intermediary company of a casino licensee pursuant to N.J.S.A. 5:12-85d(1), or for an institutional investor thereof pursuant to N.J.S.A. 5:12-85f.

19:43-11.4 Prehearing conference; hearing

(a) All hearings and prehearing conferences concerning an application for renewal of a casino license shall be conducted in accordance with N.J.A.C. 19:42 and the Uniform Administrative Procedure Rules, N.J.A.C. 1:1.

(b) A party other than the applicant may on motion seek leave to intervene or to participate in a hearing regarding an application for a casino license in accordance with the standards and procedures set forth in N.J.A.C. 1:1-16.

SUBCHAPTER 12. INTERIM CASINO AUTHORIZATION (RESERVED)

SUBCHAPTER 13. CONSERVATORSHIP

Subchapter Historical Note

Subchapter 13, originally Casino License Conservatorship, was redefined from N.J.A.C. 19:41-13 by R.1992 d.500, effective December 21, 1992. See: 24 N.J.R. 3225(a), 24 N.J.R. 4563(a). See, also, Chapter Historical Note.

19:43-13.1 Definitions

The following words and terms are defined in the New Jersey Casino Control Act (P.L.1977, c.110, as amended) and are used in this subchapter as defined in that Act:

"Conservatorship action"

Amended by R.1994 d.31, effective January 18, 1994.
See: 25 N.J.R. 4866(a), 26 N.J.R. 486(a).

19:43-13.2 Institution of casino license conservatorship and appointment of conservators

(a) Notwithstanding any other provision of the Act, upon the revocation of a casino license or upon, in the discretion of the Commission, the suspension of a casino license or operation certificate for a period of in excess of 120 days or upon the failure or refusal to renew a casino license and notwithstanding the pendency of any appeal therefrom, the Commission shall appoint and constitute a conservator to, among other things, take over and into his possession and control all the property and business of the licensee relating to the casino and the approved hotel.

(b) Notwithstanding any other provision of the Act, upon, in the discretion of the Commission, the expiration of a temporary casino permit, except in those circumstances where a casino license has been issued or a casino license has not been issued because of the inaction of the Commission or upon the revocation of a temporary casino permit or upon, in the discretion of the Commission, the suspension of a temporary casino permit or operation certificate for a period of in excess of 60 days or upon the denial of a casino license to a temporary casino permittee and notwithstanding the pendency of an appeal therefrom, the Commission shall appoint and constitute a conservator to, among other things, take over and into his possession and control all the property and business of the temporary casino permittee relating to the casino and the approved hotel.

(c) Notwithstanding the foregoing, no conservator shall be constituted and appointed in any instance in which the casino hotel facility for which the casino license or temporary casino permit has been issued has not been, in fact, in operation and open to the public.

(d) The Commission may proceed in a conservatorship action in a summary manner or otherwise and shall have the power to appoint and remove one or more conservators.

19:43-13.3 Qualification of conservator

(a) No person shall be appointed as a conservator unless the Commission is satisfied that he is individually qualified according to the standard applicable to casino key employees, except that casino experience shall not be necessary for qualification.

(b) The Division shall investigate and report to the Commission with regard to the qualifications of each person who is proposed as a candidate to serve as a conservator.

19:43-13.4 Bonding of conservators

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

19:43-13.5 Powers of multiple conservators

When more than one conservator is appointed, the provisions of this subchapter applicable to one conservator shall be applicable to all and the debts and property of the former or suspended licensee or permittee may be collected and received by any of them and the powers and rights conferred upon them shall be exercised by a majority of them.

19:43-13.6 Powers and jurisdiction of the Commission

(a) At the time of the commencement of a conservatorship action, or at any time thereafter, the Commission shall have the power to enjoin the former or suspended licensee or permittee from exercising any of its privileges and franchises, from collecting or receiving any debts and from paying out, selling, assigning or transferring any of its property to other than a conservator, except as the Commission may otherwise order.

(b) A conservator shall at all times be subject to the Act and such regulations, limitations, restrictions, terms and conditions as the Commission may from time to time prescribe.

(c) The Commission shall have such further powers as shall be appropriate for the fulfillment of the purposes of the Act.

19:43-13.7 Effect of the conservatorship on licensed casino operation

Except as may be otherwise provided in the Act, during the period of conservatorship the casino operation in the form of the conservatorship shall be deemed a licensed casino operation and any reference in the Act or regulations to any obligations or responsibilities incumbent upon a casino licensee or those persons dealing with, affiliated with, having an interest in, employed by a casino licensee shall be deemed to apply to said casino operation.

19:43-13.8 Powers, authorities and duties of conservators

(a) Upon his appointment, the conservator shall become vested with the title of all the property of the former or suspended licensee or permittee relating to the casino and the approved hotel, subject to any and all valid liens, claims, and encumbrances.

(b) The conservator shall have the duty to conserve and preserve the assets so acquired to the end that such assets shall continue to be operated on a sound and businesslike basis.

(c) Subject to the general supervision of the Commission and pursuant to any specific order it may deem appropriate, a conservator shall have power to:

1. Take into his possession all the property of the former or suspended licensee or permittee relating to the casino and the approved hotel, including its books, records and papers;

2. Institute and defend actions by or on behalf of the former or suspended licensee or permittee;

3. Settle or compromise with any debtor or creditor of the former or suspended licensee or permittee, including any taxing authority;

4. Continue the business of the former or suspended licensee or permittee and to that end enter into contracts, borrow money and pledge, mortgage or otherwise encumber the property of the former or suspended licensee or permittee as security for the repayment of the conservator's loans; provided, however, that such power shall be subject to any provisions and restrictions in any existing credit documents;

5. Hire, fire and discipline employees;

6. Review all outstanding agreements to which the former or suspended licensee or permittee is a party that fall within the purview of Section 104(b) of the Act and advise the Commission as to which, if any, of such agreements should be the subject of scrutiny, examination or investigation by the Commission; and

7. Do all further acts as shall best fulfill the purposes of the Act.

(d) Except during the pendency of a suspension or during the pendency of an appeal from any action or event set forth in Sections 31(a) or (b) of P.L. 1978, c.7 which precipitated the conservatorship or in instances in which the Commission finds that the interests of justice so require, the conservator, subject to the prior approval of and in accordance with such terms and conditions as may be prescribed by the Commission, and after appropriate prior consultation with the former licensee or permittee as to the reasonableness of such terms and conditions, shall endeavor to and be authorized to sell, assign, convey or otherwise dispose of in bulk, subject to any and all valid liens, claims, and encumbrances, all the property of a former licensee or permittee relating to the casino and the approved hotel only upon written notice to all creditors and other parties in interest and only to such persons who shall be eligible to apply for and shall qualify as a casino licensee or temporary casino permittee in accordance with the provisions of the Act.

1. Prior to any such sale, the former licensee or permittee shall be granted, upon request, a summary review by the Commission of such proposed sale.

2. As an incident of its prior approval pursuant to this subsection of the sale, assignment, conveyance or other disposition in bulk of all property of the former licensee or permittee relating to the casino and the approved hotel, the Commission may, in its discretion, require that the purchaser thereof assume in a form and substance acceptable to the Commission all of the outstanding debts of the former licensee or permittee that arose from or were based upon the operation of either or both the casino or the approved hotel.

(e) The Commission may direct that the conservator, for an indefinite period of time, retain the property and continue the business of the former or suspended licensee or permittee relating to the casino and the approved hotel. During such period of time or any period of operation by the conservator, he shall pay when due, without in any way being personally liable, all secured obligations and shall not be immune from foreclosure or other legal proceedings to collect the secured debt, nor with respect thereto shall such conservator have any legal rights, claims, or defenses other than those which would have been available to the former or suspended licensee or permittee.

19:43-13.9 Compensation of conservators and others

In any conservatorship action, the Commission shall allow a reasonable compensation for the services, costs and expenses of the conservator, the attorney for the conservator, the appraiser, the auctioneer, the accountant and such other persons as the Commission may appoint in connection with the conservatorship action.

19:43-13.10 Required reports of the conservator

(a) A conservator shall file with the Commission such reports with regard to the administration of the conservatorship in such form and at such intervals as the Commission or the Chairman may prescribe.

(b) The reports of the conservator to the Commission pursuant to this subsection shall be available for examination and inspection by any creditor or party in interest.

(c) The Commission may direct that copies of any such reports of a conservator to the Commission pursuant to this subsection be mailed to such creditors or other parties in interest as it may designate and that summaries of any such reports be published in such newspapers of general circulation as it may designate.

19:43-13.11 Review of action of conservator

(a) Any creditor or party in interest aggrieved by any alleged breach of a fiduciary obligation of a conservator in the discharge of his duties shall be entitled to a review thereof upon petitioning the Commission in writing. Such

petition shall set forth in detail the pertinent facts and the reasons why such facts constitute the alleged breach.

(b) The Commission shall summarily review any petition filed pursuant to this subsection and take whatever action, if any, that it deems appropriate.

19:43-13.12 Payment of net earnings during the period of conservatorship

(a) No payment of net earnings during the period of conservatorship may be made by the conservator without the prior approval of the Commission.

(b) The Commission may, in its discretion, direct that all or any part of net earnings during the period of conservatorship be paid either to the suspended or former licensee or permittee or to the Casino Revenue Fund.

(c) Subject to subsection (d) of this section the Commission shall direct the payment of net earnings, or any portion thereof, to the Casino Revenue Fund unless the Commission determines that the policies of the Act and public confidence in the integrity of legalized gaming operations would not be eroded by the payment of such net earnings to the former or suspended licensee or permittee.

(d) Notwithstanding any other provisions of this section, the former or suspended licensee or permittee shall be entitled to a fair rate of return out of net earnings, if any, during the period of conservatorship on the property retained by the conservator, taking into consideration that which amounts to a fair rate of return in the casino industry or the hotel industry, as the case may be.

19:43-13.13 Payments following a bulk sale

Following any sale, assignment, conveyance or other disposition in bulk of all the property subject to the conservatorship, the net proceeds therefrom, if any, after payment of all obligations owing to the State of New Jersey and political subdivisions thereof and of those allowances set forth in the Act, shall be paid by the conservator to the former or suspended licensee or permittee.

19:43-13.14 Discontinuation of conservatorship

(a) The Commission shall direct the discontinuation of any conservatorship action when the conservator has, pursuant to the Act and with the prior approval of the Commission, consummated the sale, assignment, conveyance or other disposition in bulk of all the property of the former licensee or permittee relating to the casino and the approved hotel.

(b) The Commission may direct the discontinuance of a conservatorship action when it determines that for any reason the cause for which the action was instituted no longer exists.

(c) Upon the discontinuation of the conservatorship action and with the approval of the Commission, the conservator shall take such steps as may be necessary in order to effect an orderly transfer of the property of the former or suspended licensee or permittee.

(d) The sale, assignment, transfer, pledge or other disposition of the securities issued by a former or suspended licensee or permittee during the pendency of a conservatorship action shall neither divest, have the effect of divesting, nor otherwise affect the powers conferred upon a conservator by the Act.

SUBCHAPTER 14. ADVERTISING

Subchapter Historical Note

Subchapter 14, Advertising, was recodified from N.J.A.C. 19:51-1 by R.1992 d.500, effective December 21, 1992. See: 24 N.J.R. 3225(a), 24 N.J.R. 4563(a). See, also, Chapter Historical Note.

19:43-14.1 Applicability of advertising regulations

(a) Except as otherwise provided in this section, the term "advertisement" means any notice or communication by an applicant or licensee to the public of any information concerning the gaming-related business of an applicant or licensee through broadcasting, publication, or any other means of dissemination. An applicant or licensee shall also be responsible for all advertisements which are made by its agents, regardless of whether the applicant or licensee participated directly in its preparation, placement or dissemination.

(b) The following notices and communications shall not be deemed advertisements for purposes of this chapter, but shall be subject to any review and approval by the Commission otherwise required by the Act or by regulation:

1. Any sign, notice, or other information required to be provided by the Act or by regulation, including, without limitation, the following:

- i. Notice regarding the rules of the games in accordance with N.J.A.C. 19:47-8.3;
- ii. The posting of information about rules of the games, payoffs of winning wagers and odds, in accordance with section 100(f) of the Act;
- iii. Gaming guides approved pursuant to N.J.A.C. 19:47-8.5;
- iv. Information imprinted upon gaming table layouts in accordance with N.J.A.C. 19:46; and
- v. Information imprinted, impressed, affixed or engraved on slot machines or bill changers in accordance with N.J.A.C. 19:45 and 19:46;

2. Any signs or other directional devices contained in a casino or casino simulcasting facility for the purpose of identifying the location of authorized games or the locations from which simulcast wagers may be made; and

3. The distribution of a prepared statement containing information or news of general interest to persons employed in the reporting of such information or news to the public, such as newspapers or periodicals, or radio or television stations.

Amended by R.1981 d.409, effective November 2, 1981.

See: 13 N.J.R. 542(a), 13 N.J.R. 780(d).

(a): "These regulations shall govern" and "in any way . . . applicant or licensee" deleted. "is directly related . . . by N.J.A.C. 19:51-1.2" added.

(b): text deleted and (c) renumbered as (b) with addition of "or agent thereof" and "is directly related to casino gaming or casino gaming activity."

Amended by R.1991 d.467, effective September 16, 1991.

See: 23 N.J.R. 2007(a), 23 N.J.R. 2870(a).

In (a): added text to clarify definition of advertising and applicant/licensee responsibilities.

Added new subsection (b).

Amended by R.1993 d.37, effective January 19, 1993.

See: 24 N.J.R. 3695(a), 25 N.J.R. 348(b).

Simulcasting added.

Amended by R.1994 d.265, effective June 6, 1994.

See: 25 N.J.R. 5893(a), 26 N.J.R. 2463(a).

19:43-14.2 Criteria governing advertising

(a) Advertising shall conform to the requirements of section 70(o) of the Act and this chapter.

(b) Any on-site advertising of casino or casino simulcasting facility operations shall contain the phrase "Bet With Your Head, Not Over It," or some comparable language approved by the Commission.

(c) All advertising which appears in print, or on a billboard or sign shall contain the words "If you or someone you know has a gambling problem and wants help, call 1-800-GAMBLER" or some comparable language approved by the Commission, which contains the words "gambling problem" and "call 1-800-GAMBLER" to appear legibly on all print.

(d) Advertising shall be based upon fact, and shall not be false, deceptive or misleading. Without limitation as to the generality of the foregoing requirement, no advertising shall:

1. Use any type, size, location, lighting, illustration, graphic depiction or color resulting in the obscuring of any material fact; or
2. Fail to specifically designate any material conditions or limiting factors.

(e) The following practices shall be prohibited with respect to all advertisements:

1. Any representation or description of the size of a casino or casino simulcasting facility;

2. The use or statement of any information concerning the number of games available at a casino or casino simulcasting facility;

3. The use or statement of any information or representation about odds. For purposes of this section, the term odds shall not be limited to numerical information, and shall include, without limitation, the following:

- i. Use of the word "odds";
- ii. Rate of payment for a winning bet; and
- iii. House advantage, hold, win or any like indication of the probability of winning or losing at a particular casino or casino simulcasting facility or at any authorized game;

4. The use or statement of any information, representation, or description which contrasts or compares casino licensees with regard to total payout or the information in (e)1 through (e)3 above;

5. Advertising within a casino hotel complex which violates the obscenity statutes of this State or which includes:

- i. The portrayal or depiction of acts or simulated acts, of sexual intercourse, masturbation, sodomy, bestiality, oral copulation, flagellation or any sexual acts which are prohibited by law;
- ii. The portrayal or depiction of touching, caressing or fondling of the breasts, buttocks, anus or genitals;
- iii. The portrayal or depiction of the pubic hair, vulva, genitals, anus, female nipple or female areola; and

6. The failure to maintain any offer for the advertised period of availability or in a quantity sufficient to meet reasonably anticipated demand.

(f) The use or statement of the following information shall be permissible with respect to all advertisements:

1. Descriptions of the games available at a licensed casino or casino simulcasting facility, or of any variation thereof which is permitted by regulation, including, but not limited to, types of wagers offered, provided, however, that no advertisement may contain information which is prohibited by (e)3 above;

2. Any special bonus payments or other approved promotional inducements;

3. The location of the casino or the casino simulcasting facility;

4. The hours of a casino's or the casino simulcasting facility's operation; or

5. Descriptions of any amenities available at a casino or casino simulcasting facility.

(g) In the event that the proponent of any advertising which is or may be subject to these regulations has a question as to the propriety hereunder or applicability hereto, or both, as the case may be, of such advertising, he may petition the commission in writing for an advisory opinion as to such propriety or applicability, or both, as the case may be.

Amended by R.1981 d.409, effective November 2, 1981.

See: 13 N.J.R. 542(a), 13 N.J.R. 780(d).

(a): deleted "and shall portray gaming as an activity conducted in an atmosphere of social graciousness". (c): added "No on-site ... city". (d)1-3 added.

Renumbered (d) and (e) as (e) and (f).

Amended by R.1991 d.467, effective September 16, 1991 (operative date for N.J.A.C. 19:51-1.2(c): January 16, 1992).

See: 23 N.J.R. 2007(a), 23 N.J.R. 2870(a).

Added new subsections (c)-(f), recodifying existing (d) as (g), in order to clarify criteria governing advertising, including prohibitions on advertising.

Amended by R.1993 d.37, effective January 19, 1993.

See: 24 N.J.R. 3695(a), 25 N.J.R. 348(b).

Casino simulcasting added.

Amended by R.1994 d.281, effective June 6, 1994.

See: 26 N.J.R. 1209(a), 26 N.J.R. 2476(b).

19:43-14.3 Commission approval

(a) All advertising or in the case of standard or recurring advertising, a sample thereof, which is directly related to casino gaming or casino gaming activity, shall be maintained by the casino licensee or applicant, or the casino service industry licensee or applicant for a period of one year from the date of placement of such advertisement. Advertising which must be maintained shall include such advertising as may have been placed for or on behalf of the casino licensee or applicant or casino service industry licensee or applicant or the junket representative licensee or applicant or the junket enterprise licensee or applicant. Advertising required to be maintained by this section shall be maintained at the principal place of business of the licensee or applicant, and shall be made available or produced for inspection upon the request of the Commission or the Division.

(b) Each casino licensee or applicant shall maintain a file containing samples of the types and forms of advertising and promotional materials not directly related to casino gaming or casino gaming activity for a period of six months from the date of placement of such advertisement or promotion. Such advertising shall be maintained at the principal place of business of the casino licensee or applicant, and shall be made available or produced for inspection upon the request of the Casino Control Commission or the Division of Gaming Enforcement.

(c) Standard or recurring advertisement for purposes of this section shall be deemed to be standard advertisements in standard formats which may be used more than once with minor changes to the copy and/or pictures in such advertisement.

Amended by R.1981 d.409, effective November 2, 1981.

See: 13 N.J.R. 542(a), 13 N.J.R. 780(d).

(a)-(c): text deleted and new text substituted therefor. (d) added.
Amended by R.1991 d.467, effective September 16, 1991.
See: 23 N.J.R. 2007(a), 23 N.J.R. 2870(a).

Section N.J.A.C. 19:51-1.3 was "Prohibited advertising of casino gaming or casino gaming activity," provisions of which are now found at N.J.A.C. 19:51-1.2. N.J.A.C. 19:51-1.4 is now recodified to N.J.A.C. 19:51-1.3.

Prior rulemaking under N.J.A.C. 19:51-1.3 is as follows:
Amended by R.1981 d.409, effective November 2, 1981.

See: 13 N.J.R. 542(a), 13 N.J.R. 780(d).

Catchline: added "of casino ... activity". (a): added "All advertising ... graciousness". (c): deleted text and (d) recodified to (c). (e) and (f): deleted.

19:43-14.4 (Reserved)

Amended by R.1991 d.467, effective September 16, 1991.

See: 23 N.J.R. 2007(a), 23 N.J.R. 2870(a).

N.J.A.C. 19:51-1.4 recodified to N.J.A.C. 19:51-1.3.

SUBCHAPTER 15. ENTERTAINMENT

Subchapter Historical Note

Subchapter 15, Entertainment, was recodified from N.J.A.C. 19:52-1 by R.1992 d.500, effective December 21, 1992. See: 24 N.J.R. 3225(a), 24 N.J.R. 4563(a). See, also, Chapter Historical Note.

19:43-15.1 Prohibited entertainment activities

(a) No motion picture shall be exhibited within any casino hotel complex either by direct projection or by closed circuit television which would be classified as obscene material pursuant to the definition contained in N.J.S.A. 2C:34-2.

(b) No live entertainment shall be permitted within a casino hotel complex which includes:

1. The performance of acts, or simulated acts, of sexual intercourse, masturbation, sodomy, bestiality, oral copulation, flagellation or any sexual acts which are prohibited by law;
2. The actual or simulated touching, caressing or fondling of the breasts, buttocks, anus or genitals; or
3. The actual or simulated display of the pubic hair, vulva, genitals, anus, female nipple or female areola.

19:43-15.2 Entertainment within the casino room and casino simulcasting facility

(a) No entertainment shall be offered within the casino room or the casino simulcasting facility itself, unless the casino licensee receives approval from the Commission to provide such entertainment. The casino licensee shall file a written submission with the Commission and the Division at least five days prior to the commencement of such entertainment, which submission shall include, at a minimum, the following information:

1. The date and time of the scheduled entertainment;

2. A detailed description of the type of entertainment to be offered;

3. The number of persons involved in the entertainment;

4. The exact location of the entertainment on the casino floor and casino simulcasting facility;

5. A description of any additional security measures that will be implemented as a result of the entertainment; and

6. A certification from the supervisors of the casino licensee's security and surveillance departments that the proposed entertainment will not adversely affect the security and integrity of gaming operations.

(b) The submission in (a) above shall be deemed approved by the Commission unless the casino licensee is notified in writing to the contrary within three days of filing.

(c) The Commission may at any time after the granting of approval require the licensee to immediately cease any entertainment offered within the casino room or casino simulcasting facility if the entertainment provided is in any material manner different from the description contained in the submission filed pursuant to (a) above, or in any way compromises the integrity of gaming operations.

(d) In reviewing the suitability of an entertainment proposal, the Commission shall consider the extent to which the entertainment proposal:

1. May unduly interfere with efficient casino operations;
2. May unduly interfere with the security of the casino room or casino simulcasting facility or any of the games therein or any restricted casino area; or
3. May unduly interfere with surveillance operations.

Amended by R.1993 d.37, effective January 19, 1993.

See: 24 N.J.R. 3695(a), 25 N.J.R. 348(b).

Simulcasting added.

SUBCHAPTER 16. UNDERAGE GAMING

Authority

N.J.S.A. 5:12-63a-c, 63h, 64, 65, 66, 69a, 70d, 70e, 71, 80, 86, 89, 90, 91, 92, 94, 95, 102, 107, 108, 109, 129 and 52:14B-4, 8 and 12.

Source and Effective Date

R.1995 d.495, effective September 5, 1995.

See: 27 N.J.R. 2567(a), 27 N.J.R. 3393(a).

19:43-16.1 Underage gaming—violations

(a) No casino licensee or agent or employee thereof, shall allow, permit or suffer any person under the age at which a person is authorized to purchase and consume alcoholic beverages in this State ("underage person") to:

1. Enter a casino or casino simulcasting facility, except to pass directly to another room, unless the underage person is licensed under the Act and is acting in the regular course of his or her licensed activities;
2. Remain in a casino or casino simulcasting facility, unless the underage person is licensed under the Act and is acting in the regular course of his or her licensed activities;
3. Wager at any game or at casino simulcasting in a casino or casino simulcasting facility;
4. Be rated as a player;
5. Receive complimentary services or items as a result of, or in anticipation of, his or her gaming activity; or
6. Utilize credit.

(b) No casino licensee or agent or employee thereof, shall approve a credit limit for an underage person, pursuant to N.J.A.C. 19:45-1.27(b).

(c) Each violation of any of the provisions of (a) or (b) above as to a single underage person shall be considered a separate and distinct violation for purposes of N.J.S.A. 5:12-129.

(d) Each employee and agent of a casino licensee shall have an affirmative obligation to ensure that no underage

persons engage in any of the activities listed in (a) above. Each employee or agent of a casino licensee who violates any provision of this section may be held jointly or severally liable for any such violation.

19:43-16.2 Underage gaming violations—affirmative defenses

(a) No casino licensee or employee or agent thereof shall be held liable for any violation of N.J.S.A. 5:12-119 and N.J.A.C. 19:43-16.1 if such person can establish the affirmative defense authorized by N.J.S.A. 5:12-119(b).

(b) For purposes of establishing an affirmative defense to a violation of N.J.S.A. 5:12-119 and N.J.A.C. 19:43-16.1, the term "writing" in N.J.S.A. 5:12-119(b) shall include the following:

1. A photographic driver's license;
2. A photographic identification card issued pursuant to N.J.S.A. 33:1-81.2, or a similar card issued pursuant to the laws of another state or the Federal government; or
3. A writing which is made and signed by the underage person, and which contains, at a minimum, the following information:
 - i. The name, address, age and date of birth of the person; and
 - ii. A statement that the representation of age is being made to induce the licensee to permit the person to enter, remain or wager at a game or at casino simulcasting in a casino or casino simulcasting facility, to be rated, receive complimentary services, obtain approval of a credit limit, or to utilize credit.