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SENATE, No. 1780 :

STATE OF NEW JERSEY.

Legislature, 1977

By Senator McGAHN

AN ACT authorizing the establishment of gambling casinos in Atlantic City and providing for the licensing, regulation and taxation thereof; creating the New Jersey Casino Control Commission, prescribing the powers, duties and functions thereof and making an appropriation thereto; supplementing Title 5 of the Revised Statutes.

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

CASINO CONTROL ACT.

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ARTICLE 1.

INTRODUCTION AND GENERAL PROVISIONS.

- 1 1. Short Title; Declaration of Policy and Legislative Findings.
- 2 a. This act shall be known and may be cited as the "Casino
- 3 Control Act."
- 4 b. The Legislature hereby finds, and declares to be the public
- 5 policy of this State, the following:
- 6 (1) The tourist, resort and convention industry of this State
- 7 constitutes a critical component of its economic structure and, if
- 8 properly developed and fostered, is capable of providing a sub-
- 9 stantial contribution to the general welfare, health and prosperity
- 10 of the State and its inhabitants.

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

17 (3) The rehabilitation and redevelopment of existing tourist and
18 convention facilities in Atlantic City, and the fostering and encour-
19 agement of new construction and the replacement of lost convention
20 and tourist centers in Atlantic City will offer a unique opportunity
21 for the inhabitants of the entire State to make maximum use of the
22 natural resources available in Atlantic City for the expansion and
23 encouragement of New Jersey's tourist and convention industry,
24 and, to that end, the restoration of Atlantic City as the Playground
25 of the World and the major tourist and convention center of the
26 Eastern United States is found to be a program of critical concern
27 and importance to the inhabitants of the State of New Jersey.

28 (4) The introduction of a small number of casino rooms in
29 major hotel and convention facilities, offered as an additional
30 element in the resort, convention and tourist industry of Atlantic
31 City, will facilitate the redevelopment of blighted areas and existing
32 hotel, convention and tourist facilities, and encourage the replace-
33 ment of lost facilities, attracting new investment capital to New
34 Jersey in general and to Atlantic City in particular.

35 (5) An integral and essential element of the regulation and
36 control of such casino facilities by the State rests in the public
37 confidence and trust in the credibility and integrity of the regula-
38 tory process. To further such public confidence and trust, the
39 regulatory provisions of this act are designed to extend strict
40 State regulation to all persons, locations, practices and associations
41 related to the operation of licensed casino enterprises as herein
42 provided. In addition, licensure of a limited number of casino
43 establishments, with the more limited law-enforcement supervision
44 attendant thereto, is further designed to contribute to the public
45 confidence and trust in the efficacy and integrity of the regulatory
46 process.

47 (6) Legalized casino gambling in New Jersey can attain, maintain
47A and retain integrity, public confidence and trust, and remain com-
48 patible with the general public interest only under such a system of
49 regulation as insures, so far as practicable, the exclusion from
50 participation therein of persons with known criminal records,
51 habits or associations, and the exclusion or removal from any posi-

52 tions of authority or responsibility within the casino gambling
53 industry and establishments of any persons known to be so deficient
54 in business probity, ability or experience, either generally or with
55 specific reference to gambling, as to create or enhance the dangers
56 of unsound, unfair or illegal practices, methods and activities in the
57 conduct of gaming or the carrying on of the business and financial
58 arrangements incident thereto.

59 (7) Restricting the issuance of casino licenses to major hotel
60 and convention facilities is designed to assure that the existing
61 nature and tone of the family resort, tourist and convention indus-
62 try in New Jersey and in Atlantic City is preserved, and that the
63 casino rooms licensed pursuant to the provisions of this act are
64 always offered and maintained as an integral element of such
65 resort, tourist and convention facilities, rather than as the industry
66 unto themselves that they have become in other jurisdictions.

67 (8) It is in the public interest, and determined as the policy of
68 the Legislature, that the institution of licensed casino establish-
69 ments in New Jersey be strictly regulated and controlled pursuant
70 to the above findings, and also pursuant to the provisions of this
71 act, which provisions are designed to engender and maintain public
72 confidence and trust in the regulation of the licensed enterprises,
73 to provide an effective method of rebuilding and redeveloping
74 existing facilities and encouraging new capital investment in
75 Atlantic City, and to provide a meaningful and permanent contribu-
76 tion to the economic viability of the resort and tourist industry of
77 New Jersey.

1 2. Definitions. As used in this act, the words and terms have the
2 meanings ascribed to them in sections 3 through 40 of this act,
3 unless a different meaning clearly appears in the context.

1 3. "Applicant"—Any person who has applied for or is about to
2 apply for a casino license or a manufacturers', sellers', distributors'
3 or servicers' license under the provisions of this act, or for approval
4 of any act or transaction for which commission approval is required
5 or permitted under the provisions of this act.

1 4. "Application"—A request for the issuance of a casino license
2 or manufacturers', sellers', distributors' or servicers' license, or
3 for approval of any act or transaction for which commission
4 approval is required or permitted pursuant to the provisions of
5 this act.

1 5. "Casino"—A single room of at least 15,000 square feet in which
2 casino gambling is conducted by a person licensed pursuant to the
3 provisions of this act.

1 6. "Casino employee"—Any person employed in the operation
2 of a licensed casino, including, without limitation, boxmen;
3 cashiers; dealers or croupiers; floormen; hosts or other persons
4 empowered to extend credit or complimentary service; machine
5 mechanics; security personnel or inspectors; shift or pit bosses;
6 supervisors or managers; and bartenders, waiters and waitresses
7 or other persons engaged in preparing or serving food or beverages
8 within the casino.

1 7. "Casino license"—Any license issued pursuant to this act which
2 authorizes the holder thereof to engage in the operation of a casino.

1 8. "Chairman" and "commissioner" or "member"—The chair-
2 man and any member of the Casino Control Commission, respec-
3 tively.

1 9. "Chief enforcement officer"—The employee of the Casino
2 Control Commission designated as the Chief Enforcement Officer.

1 10. "Commission"—The New Jersey Casino Control Commission.

1 11. "Director"—Any director of a corporation or any person
2 performing similar functions with respect to any organization.

1 12. "Equal employment opportunity"—Equality in opportunity
2 for employment by any person licensed pursuant to the provisions
3 of this act.

1 13. "Equity security"—(1) Any voting stock of a corporation,
2 or similar security; (2) any security convertible, with or without
3 consideration, into such a security, or carrying any warrant or
4 right to subscribe to or purchase such a security; (3) any such
5 warrant or right; or (4) any security having a direct or indirect
6 participation in the profits of the issuer.

1 14. "Establishment"—Any premises wherein or whereon any
2 gaming is done.

1 15. "Executive director"—The Executive Director of the Casino
2 Control Commission.

1 16. "Family"—Parents, grandparents, children, grandchildren,
2 siblings, uncles, aunts, nephews, nieces, fathers-in-law, mothers-
3 in-law, daughters-in-law, sons-in-law, brothers-in-law and sisters-
4 in-law, whether by the whole or half blood, by marriage, adoption
5 or natural relationship.

1 17. "Game" or "gambling game"—Any banking or percentage
2 game located exclusively within the casino played with cards, dice
3 or any mechanical device or machine for money, property, checks,
4 credit or any representative of value; including, without limiting
5 the generality of the foregoing, faro, monte, roulette, pan, twenty-
6 one, blackjack, seven-and-a-half, baccarat, chemin-de-fer, craps,

7 stud poker, draw poker or slot machine, but for the purposes of
8 this act, specifically not including the game of bingo or any deriva-
9 tive thereof, such as keno, or any betting of any sort upon any
10 sports event or any other activity not conducted in the casino.

1 18. "Gaming" or "gambling"—The dealing, operating, carry-
2 ing on, conducting, maintaining or exposing for pay any game as
3 defined in section 17.

1 19. "Gaming device"—Any mechanical contrivance or machine
2 used in connection with gaming or any game.

1 20. "Gross revenue"—The total of all sums actually received by
2 a licensee from gaming operations, less only the total of all sums
3 paid out as winnings to patrons.

1 21. "Hearing examiner"—Commissioner or other person autho-
2 rized by the commission to conduct investigative hearings.

1 22. "Holding company"—Any corporation, association, firm,
2 partnership, trust or other form of business organization not a
3 natural person which, directly or indirectly, owns, has the power
4 or right to control, or has the power to vote all or any part of
5 the outstanding voting securities of a corporation which holds or
6 applies for a casino license. For the purposes of this section, in
7 addition to any other reasonable meaning of the words used, a
8 "holding company" indirectly has, holds or owns any such power,
9 right or security if it does so through any interest in a subsidiary
10 or successive subsidiaries, however many such subsidiaries may
11 intervene between the holding company and the corporate licensee
12 or applicant.

1 23. "Hotel" or "approved hotel"—A single building, or physi-
2 cally connected buildings with a common lobby and common facili-
3 ties, under one ownership, located within the limits of the city of
4 Atlantic City as said limits are defined as of November 2, 1976, and
5 containing:

6 a. Not fewer than 400 sleeping units of at least 325 square feet,
7 including bathroom and closet space and excluding halls, balconies
8 and lounges, each such unit containing private bathroom facilities,
9 available and regularly used for the lodging of tourists and con-
10 ventions guests; and,

11 b. Not less than 25,000 square feet of enclosed public space,
12 available and of the sort regularly used for conventions, expositions,
13 meetings, banquets or similar functions, but not including space
14 regularly used as restaurants, parking areas, lobbies, bars, show
15 theaters, swimming pools or casinos.

- 1 24. "Intermediary company"—Any corporation, association,
2 firm, partnership, trust or any other form of business organization
3 other than a natural person which:
4 a. Is a holding company with respect to a corporation which
5 holds or applies for a casino license, and
6 b. Is a subsidiary with respect to any holding company.
- 1 25. "License"—A casino license or a manufacturers', distribu-
2 tors' sellers' or servicers' license.
- 1 26. "License fee"—Any moneys required by law to be paid for
2 the issuance or renewal of a casino license, or a manufacturers',
3 distributors', sellers', or servicers' license.
- 1 27. "Licensed casino operation"—Any casino licensed pursuant
2 to the provisions of this act.
- 1 28. "Licensee"—Any person to whom a valid casino license,
2 or manufacturers', distributors', sellers' or servicers' license has
3 been issued.
- 1 29. "Manufacturers', distributors', sellers', or servicers' li-
2 cense"—A license issued pursuant to the provisions of sections 85
3 and 86 of this act.
- 1 30. "Operation"—The conduct of gaming as herein defined.
- 1 31. "Party"—The Casino Control Commission, or any licensee,
2 or any person appearing of record for any licensee in any proceed-
3 ing before the commission, or in any proceeding for judicial review
4 of any action, decision or order of the commission.
- 1 32. "Person"—Any corporation, association, operation, firm,
2 partnership, trust or other form of business association, as well
3 as a natural person.
- 1 33. "Principal employee"—Any employee, who by reason of
2 remuneration, or of a management, supervisory or policy-making
3 position, or such other criteria as may be established by the com-
4 mission by regulation, holds or exercises such authority as shall
5 in the judgment of the commission be sufficiently related to the
6 operation of a licensee so as to require approval by the commission
7 in the protection of the public interest.
- 1 34. "Publicly traded corporation"—Any corporation or other
2 legal entity, except a natural person, which (1) has one or more
3 classes of security registered pursuant to section 12 of the Securi-
4 ties Exchange Act of 1934, as amended (USC Section 781), or
5 (2) is an issuer subject to section 15 (d) of the Securities Exchange
6 Act of 1934 as amended (USC Section 781).
- 1 35. "Respondent"—Any licensee or other person against whom
2 the commission has filed a complaint.

- 1 36. "Security"—Any instrument evidencing a direct or indirect
2 beneficial ownership or creditor interest in a corporation, including
3 but not limited to, stock, common and preferred; bonds; mortgages;
4 debentures; security agreements; notes; warrants; options and
5 rights.
- 1 37. "Slot machine"—Any mechanical, electrical or other device,
2 contrivance or machine which, upon insertion of a coin, token or
3 similar object therein, or upon payment of any consideration what-
4 soever, is available to play or operate, the play or operation of
5 which, whether by reason of the skill of the operator or application
6 of the element of chance, or both, may deliver or entitle the person
7 playing or operating the machine to receive cash, premiums, mer-
8 chandise, tokens or anything of value whatsoever, whether the
9 payoff is made automatically from the machine or in any other
10 manner whatsoever.
- 1 38. "Subsidiary"—
2 a. Any corporation, all or any part of whose outstanding equity
3 securities are owned, subject to a power or right of control, or
4 held with power to vote, by a holding company or an intermediary
5 company; or
6 b. Any firm, association, partnership, trust or other form of
7 business organization, not a natural person, or any interest therein,
8 which is owned, subject to a power or right of control, or held with
9 power to vote, by a holding company or an intermediary company.
- 1 39. "Work permit"—Any card, certificate or permit issued
2 by the commission, whether denominated as a "work permit,"
3 "registration card," or otherwise, authorizing the employment of
4 the holder as a casino employee.
- 1 40. Words and terms: tense, number and gender.
2 In construing the provisions of this act, save when otherwise
3 plainly declared or clearly apparent from the context:
4 a. Words in the present tense shall include the future tense.
5 b. Words in the masculine shall include the feminine and neuter
6 genders.
7 c. Words in the singular shall include the plural and the plural
8 shall include the singular.

ARTICLE 2.

CASINO CONTROL COMMISSION; ESTABLISHMENT AND ORGANIZATION.

- 1 41. Creation of Casino Control Commission; number of members.
2 The New Jersey Casino Control Commission, consisting of five
3 members, is hereby created within the Department of Law and
4 Public Safety.

1 42. Members of the commission; Qualifications and eligibility.
2 a. Each member of the commission shall be a citizen of the
3 United States and of the State of New Jersey.
4 b. No member of the Legislature, or person holding any elective
5 or appointive office in the State Government, or any officer or official
6 of any political party shall be eligible to serve as a member of the
7 commission.
8 c. No more than three members of the commission may be of
9 the same political affiliation.
1 43. Appointment and terms of commission members; vacancies;
2 removal; chairman. a. Initial appointments to the commission
3 shall be for terms as follows:
4 (1) One member for 1 year;
5 (2) One member for 2 years;
6 (3) One member for 3 years;
7 (4) One member for 4 years;
8 (5) One member for 5 years.
9 b. The term of each of the members first appointed shall be
10 designated by the Governor.
11 c. After the initial appointments all members shall be appointed
12 for terms of 5 years.
13 d. Appointments to the commission shall be made by the Gov-
14 ernor with the advice and consent of the Senate.
15 e. Appointments to fill vacancies on the commission shall be for
16 the unexpired term of the member to be replaced.
17 f. The Governor shall designate the member to serve as chair-
18 man, who shall coordinate the activities of the commission.
19 g. Any member of the commission may be removed for mis-
20 feasance, malfeasance or nonfeasance in office. Such removal may
21 be made after complaint instituted in the Superior Court by the
22 Attorney General.
1 44. Compensation of members. The compensation of the mem-
2 bers of the commission shall be established by law.
1 45. Organization and employees. a. The commission may estab-
2 lish, and from time to time alter, such plan of organization as it
3 may deem expedient, and may incur such expenses, within the limits
4 of funds available to it, as it may deem necessary.
5 b. The commission shall employ and fix the salaries of such
6 employees, or contract for the services of such professional, tech-
7 nical and operational personnel and consultants, as the execution
8 of its duties and operations may require, all without regard to the
9 provisions of Title 11 (Civil Service) of the Revised Statutes.

10 c. The commission shall make to the Governor and the Legisla-
11 ture a monthly report of all revenues, expenses and disbursements
12 for the preceding month, and an annual report, which shall include
13 a full and complete statement of revenues, expenditures and dis-
14 bursements, and shall also include such recommendations for
15 changes in this act as the commission deems necessary or desirable.
16 d. The commission shall report immediately to the Governor
17 and the Legislature any matters which in its judgment require
18 immediate changes in the laws of this State in order to prevent
19 abuses and evasions of this act or of rules and regulations promul-
20 gated thereunder, or to rectify undesirable conditions in connection
21 with the operation or regulation of casino gambling.
22 e. The commission shall carry on a continuous study and investi-
23 gation of the conduct of casino gambling, for the purposes of:
24 (1) Ascertaining any defects in this act or in the rules and
25 regulations issued thereunder by reason whereof any abuses in
26 the operation and regulation of such gambling or any evasion of
27 this act or the rules and regulations may arise or be practiced;
28 (2) Formulating recommendations for changes in this act and
29 in the rules and regulations thereunder to prevent such abuses
30 and evasions;
31 (3) Guarding against the use of this act and the rules and regu-
32 lations issued thereunder as a cloak for the carrying on of illegal
33 gambling or other organized criminal activities; and
34 (4) Insuring that said law and rules and regulations shall be in
35 such form and be so administered as to serve the true purposes
36 of this act.
37 f. The commission shall make a continuous study and investi-
38 gation, with a view to effecting changes that will tend to serve
39 the purposes of this act, of:
40 (1) The operation and administration of similar laws which
41 may be in effect in other states or countries;
42 (2) Any literature on the subject which from time to time may
43 be published or available;
44 (3) Any Federal laws which may affect the operation of casino
45 gambling in this State; and
46 (4) The reaction of New Jersey citizens to existing and poten-
47 tial features of casino gambling under this act.
1 46. Executive director; appointment; removal; qualifications.
2 a. The position of executive director of the Casino Control Com-
3 mission is hereby created.

4 b. The executive director shall be appointed by the commission,
5 and shall serve at its pleasure. He shall receive an annual salary
6 in an amount specified by the commission. No person shall be
7 eligible for nomination and appointment to the said office unless
8 he shall have had at least 5 years of responsible administrative
9 experience in public or business administration, or possesses broad
10 management skills.

11 c. Any vacancy occurring in the office of executive director of
12 the Casino Control Commission shall be filled in the same manner
13 as the original appointment.

1 47. Executive director; duties. The executive director shall be
2 responsible, under the supervision and direction of the commission,
3 for the administration of this act and for the enforcement of the
4 rules and regulations promulgated by the commission pursuant to
5 the provisions of this act. He shall be the secretary and executive
6 officer of the commission, and shall be responsible for certifying
7 and causing to be properly delivered to the appropriate licensees
8 all statements of sums due in fees or taxes pursuant to the provi-
9 sions of Article 9 (§§ 101-105) of this act.

1 48. Chief enforcement officer; appointment; qualifications.

2 a. The position of Chief Enforcement Officer of the Casino Con-
3 trol Commission is hereby created.

4 b. The chief enforcement officer shall be appointed by the com-
5 mission, upon recommendation by the Attorney General, and shall
6 serve at the pleasure of the commission. He shall receive an annual
7 salary in an amount specified by the commission. He shall be
8 selected with special reference to his training and experience in
9 the fields of investigation and law enforcement.

1 49. Chief enforcement officer; duties. The chief enforcement
2 officer shall supervise and direct the enforcement and investiga-
3 tive functions of the commission. He shall report directly to the
4 executive director and shall, from time to time, make such recom-
5 mendations to the executive director as he may deem necessary to
6 the improvement or the enforcement of the provisions of this act
7 and the rules and regulations of the commission.

1 50. Commission employees; employment full time; no political
2 activity; oaths.

3 a. Each employee of the ocmmission shall devote his entire time
4 and attention to the business of the commission and shall not pursue
5 any other business or occupation or hold any other office of profit.
6 Any person engaged by the commission as a consultant or inde-

7 pendent contractor to perform special services for a limited period
8 of time shall not be deemed to be an employee of the commisiосn.

9 b. No member or employee of the commission shall be a member
10 of any committee of any political party or engage in any other
11 partisan political activities.

12 c. No person shall be eligible to serve as a member or as an
13 employee of the commission who shall have, within 3 years previous
14 to his appointment, been an owner of, or employed by, any gambling
15 establishment or any person engaged in any form of gaming, or
16 the operation of licensed parimutuel betting. During such person's
17 term of office or employment and for 5 years thereafter, such
18 person shall not be interested, directly or indirectly, as a share-
19 holder or owner, in any establishment licensed pursuant to the
20 provisions of this act, or be employed in any capacity whatever
21 by any person so licensed. Before entering upon the duties of
22 his office, position or employment, each member and employee of
23 the commission shall subscribe to the constitutional oath of office
24 and in addition shall swear that he is not pecuniarily interested in
25 any business or organization holding a license, or otherwise doing
26 business with any person holding a license issued pursuant to the
27 provisions of this act.

28 d. For all purposes of this act, the executive director and the
29 chief enforcement officer shall be considered as employees of the
30 commission.

1 51. Attorney General as legal advisor for commission.

2 The Attorney General and his duly appointed assistants and
3 deputies shall be the legal advisors for the commission and shall
4 represent the commission in any proceeding to which it is a party.

1 52. Meeting; quorum; investigative hearings.

2 a. Meetings of the commission may be held at the discretion of
3 the commission at such times and places as it may deem convenient.

4 b. Public notice of the times and places of all meetings shall be
5 given pursuant to the provisions of the Open Public Meetings Act
6 (P. L. 1975, ch. 231; C. 10:4-6 et seq.).

7 c. A majority of the full commission shall determine any action
8 of the commission, except that no license may be issued without
9 the approval of four members.

10 d. At least one member of the commission shall attend at all
11 investigative hearings conducted pursuant to the provisions of
12 this act.

1 53. Records of commission. a. The commission shall cause to
2 be made and kept a record of all proceedings held at meetings of

3 the commission, which records shall be open to public inspection.
 4 b. A true copy of the minutes of every meeting of the commis-
 5 sion shall be forthwith delivered, by and under the certification
 6 of the executive director as its secretary, to the Governor. No
 7 action, other than emergent action taken pursuant to section 59. c.,
 8 taken at such meeting by the commission shall have force and effect
 9 until 10 days, exclusive of Saturdays, Sundays and public holidays,
 10 after the copy of such minutes shall have been so delivered. If,
 11 in said 10-day period, the Governor returns such copy of the
 12 minutes with veto of any action taken by the commission such
 13 action shall be null and of no effect. The Governor may approve
 14 all or part of the action taken at such meeting prior to the expira-
 15 tion of said 10-day period.
 16 c. The commission shall keep and maintain a file of all applica-
 17 tions for licenses under this chapter together with a record of all
 18 actions taken with respect to such applications, which file and
 19 record shall be open to public inspection.
 20 d. The commission shall maintain such other files and records
 21 as may be deemed desirable.
 22-24 e. All information and data required by the commission to be
 25 furnished hereunder, or which may otherwise be obtained, relative
 26 to the earnings or revenue of any applicant or licensee shall be
 27 considered to be confidential and shall not be revealed in whole
 28 or in part except:
 29 (1) In the course of the necessary administration of this act;
 30 (2) Upon the lawful order of a court of competent jurisdiction;
 31 or
 32 (3) To a duly authorized agent of the Federal Bureau of In-
 33 vestigation, the United States Treasury Department or the Com-
 34 missioner of Internal Revenue of the United States, pursuant to
 35 rules and regulations adopted by the commission.
 36 f. All information and data pertaining to an applicant's criminal
 37 record, family, and background furnished to or obtained by the
 38 commission from any source shall be considered confidential and
 39 may be withheld in whole or in part, except that any information
 40 shall be released upon the lawful order of a court of competent
 41 jurisdiction.
 42 g. Notice of the contents of any information or data furnished
 43 or released pursuant to subsections d. and e. of this section may
 44 be given to any applicant or licensee in a manner prescribed by
 45 the rules and regulations adopted by the commission.

46 h. Files, records, reports and other information in the posses-
 47 sion of the New Jersey Division of Taxation pertaining to licensees
 48 shall be made available to the Casino Control Commission as may
 49 be necessary to the effective administration of this act.

ARTICLE 3.

CASINO CONTROL COMMISSION; POWERS AND DUTIES.

1 54. Powers and duties of the commission. a. The provisions of
 2 this act with respect to casino licenses and manufacturers', dis-
 3 tributors', sellers' and servicers' licenses shall be administred by
 4 the Casino Control Commission, which is hereby charged with
 5 administering the same for the protection of the public and in the
 6 public interest in accordance with the policy of this State. The
 7 commission shall license, regulate and control casinos and casino
 8 gaming pursuant to the provisions of this act. The commission
 9 shall collect the taxes and license fees imposed by this act and the
 10 regulations issued pursuant hereto, and enforce the rules and regu-
 11 lations promulgated pursuant to the provisions of this act.
 12 b. The commission shall:
 13 (1) Investigate the qualifications of each applicant before any
 14 license or permit is issued pursuant to the provisions of this act;
 15 (2) Investigate the qualifications of each person for whom prior
 16 approval is required pursuant to sections 69, 71, 91 and 97 of this
 17 act; and
 18 (3) Investigate the circumstances surrounding any act or trans-
 19 action for which commission approval is required.
 20 c. The commission shall continue to observe the conduct of all
 21 licensees, persons for whom prior approval is required pursuant
 22 to sections 69, 71, 91 and 97 of this act, and other persons having
 23 a material involvement, directly or indirectly, with the licensed
 24 casino operation, or the ownership thereof, to the end that licenses
 25 or permits shall not be issued to, nor held by, nor shall there be
 26 any material involvement, directly or indirectly, with a licensed
 27 casino operation or the ownership thereof by, unqualified or dis-
 28 qualified persons, or unsuitable persons, or persons whose opera-
 29 tion are conducted in an unsuitable manner or in unsuitable or
 30 prohibited places or locations.
 31 d. The commission shall have the power and authority to deny
 32 any application; limit, condition or restrict any license, permit
 33 or prior approval; suspend or revoke any license, permit or prior
 34 approval; and, impose a fine upon any person licensed, holding a
 35 work permit, or who had previously been approved, for any cause

36 deemed reasonable by the commission pursuant to rules and regu-
37 lations promulgated thereby; except that:

38 (1) No such denial, limitation, suspension or revocation shall
39 be issued solely by reason of the fact that an applicant or licensee
40 holds any interest in, or is associated with, any licensed casino
41 enterprise in any other jurisdiction; and

42 (2) Any such denial, limitation, suspension or revocation shall
43 be based upon a finding that a specific person, location, operation,
44 practice or association is either a threat to the public interest or
45 to the effective regulation and control of licensed casinos, or an
46 unacceptable risk of such threat, based upon the prior activities
47 or experiences of such person, location, operation, practice or
48 association.

49 e. The commission and its agents, inspectors and employees
50 shall have the authority, without notice and without warrant,

51 (1) To inspect and examine all premises wherein casino gaming
52 is conducted, or gambling devices or equipment are manufactured,
53 sold, distributed or serviced, or wherein any records of such activi-
54 ties are prepared or maintained;

55 (2) To inspect all equipment and supplies in, about, upon or
56 around such premises;

57 (3) To seize summarily and remove from such premises and
58 impound any such equipment or supplies for the purposes of
59 examination and inspection;

60 (4) To inspect books, memoranda or documents, showing the
61 receipts and disbursements of a casino;

62 (5) To seize, impound or assume physical control of any book,
63 record, ledger, game, device, cash box and its contents, counting
64 room or its contents, or casino operations.

65 Any equipment, supplies, records or other objects or documents
66 seized, impounded or physically controlled by the commission pur-
67 suant to this subsection may be so held pending the filing and
68 disposition of a complaint, as hereinafter provided.

69 f. To insure compliance with the provisions of this act and the
70 rules and regulations of the commission, a member of the commis-
71 sion or its authorized agent or employee shall be present in each
72 casino during all hours of operation and shall certify the accuracy
73 of the daily count of moneys and vouchers of each licensed casino.

74 g. The commission shall have power and authority to issue sub-
75 penas and compel the attendance of witnesses at any place within
76 this State, to administer oaths and require testimony under oath.
77 Any process or notice may be served in a manner provided for
78 service of process and notice in civil actions.

79 h. The commission may appoint hearing examiners, who shall
80 have power and authority to administer oaths and require testimony
81 under oath.

1 55. Commission to initiate proceedings, actions or prosecutions;
2 referral to prosecutors, Attorney General. a. The commission shall
3 initiate and direct the proceedings and actions or prosecutions
4 instituted to enforce the provisions of this act.

5 b. The commission shall refer to the prosecutor of any county
6 or to the Attorney General the institution of such criminal pro-
7 ceedings as are recommended by the commission.

1 56. Commission may bring civil action for collection of fees, in-
2 terest, penalties or tax; limitation. a. At any time within 5 years
3 after any amount of fees, interest, penalties or tax required to
4 be collected pursuant to the provisions of this act shall become
5 due and payable, the commission may bring a civil action in the
6 courts of this State or any other state, or of the United States,
7 in the name of the State of New Jersey, to collect the amount de-
8 linquent, together with penalties and interest. An action may be
9 brought whether or not the person owing the amount is a licensee
10 pursuant to the provisions of this act.

11 b. If the action is brought in this State,

12 (1) A writ of attachment may be issued, and no bond or affidavit
13 prior to the issuance thereof shall be required; and

14 (2) The records of the commission shall be prima facie evidence
15 of the determination of the tax or the amount of the delinquency.

1 57. Commission's exercise of proper power or authority not
2 confined to powers enumerated in act. The commission may exer-
3 cise any proper power or authority necessary to perform the duties
4 assigned to it and is not limited to the enumeration of powers
5 specified by this act.

1 58. Costs of operation; how paid. The Legislature shall appro-
2 priate annually from the State Casino Revenue Fund the moneys
3 required for the costs of operation of the commission in adminis-
4 tering the provisions of this act.

ARTICLE 4.

CASINO CONTROL COMMISSION; REGULATIONS

1 59. Regulations; adoption, amendment, repeal; procedure; de-
2 claratory judgments. a. The commission shall, adopt, amend and
3 repeal regulations in accordance with applicable provisions of the
4 "Administrative Procedure Act" (P. L. 1968, c. 410; C. 52:14B-1
5 et seq.).

6 b. Any interested person may file a petition with the commis-
7 sion requesting the adoption, amendment or repeal of a regulation.
8 Such petition shall state clearly and concisely:

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

11 (2) The reason for the request; and

12 (3) Reference to the authority of the commission to take the
13 action requested.

14 Upon receipt of the petition, the commission, shall within 30
15 days, deny the request in writing or schedule the matter for action
16 pursuant to this section.

17 c. In emergencies, the commission may summarily adopt, amend
18 or repeal any regulation, if at the time it files a finding that such
19 action is necessary for the immediate preservation of the public
20 peace, health, safety, morals, good order and general welfare to-
21 gether with a statement of facts constituting the emergency.

22 d. The commission or any applicant or licensee may obtain a
23 judicial determination of any question of construction or validity
24 arising under this act or any regulation of the commission by
25 bringing an action for declaratory judgment in the Superior Court.
26 Any question of construction or validity of this act or any regula-
27 tion of the commission shall be deemed a justifiable controversy.

1 60. Regulations; adoption, amendment, repeal authorized;
2 matters required to be included.

3 a. The commission is empowered to and from time to time shall
4 adopt, amend or repeal such regulations, consistent with the policy,
5 objects and purposes of this act, as it may deem necessary or
6 desirable for the public interest in carrying out the policy and
7 provisions of this act.

8 b. Said regulations, without in any way limiting the general
9 powers herein conferred, shall include the following specific
10 provisions:

11 (1) Prescribing the method and form of application which
12 any applicant for a casino license; approval pursuant to section 69,
13 71, 91 or 97; or a manufacturers', distributors', sellers', or ser-
14 vicers' license shall follow and complete prior to consideration of
15 his application by the commission;

16 (2) Prescribing the information to be furnished by any applicant
17 or licensee concerning such person's family, habits, character,
18 associates, criminal record, business activities and financial affairs,
19 past or present;

20 (3) Requiring fingerprinting of an applicant or a licensee or
21 employee of the licensee, or other method of identification;

22 (4) Prescribing the manner and procedure of all hearings con-
23 ducted by the commission or any hearing examiner, including
24 special rules of evidence applicable thereto and notices thereof;

25 (5) Prescribing the manner and method of collection of pay-
26 ments of taxes and fees, and issuance of licenses;

27 (6) Defining and limiting the areas of operation, games and
28 devices permitted, and the method of operation of such games
29 and devices;

30 (7) Defining and regulating the practice of extending credit to
31 patrons, including the authority to limit the circumstances and
32 amount of credit; said regulations shall prohibit extension of credit
33 by a licensee to any member of the State Legislature, any member
34 or employee of the commission or to any member of the family
35 of any such legislator, commission member or employee;

36 (8) Defining and limiting the hours of operation of all games,
37 which hours shall be uniform as to all licensees, and shall provide
38 for operation not more than 16 hours in any 24-hour period.

39 (8A) Prescribing grounds for revocation, conditioning, or suspen-
40 sion of licenses;

41 (9) Governing the manufacture, distribution, sale, and servicing
42 of gambling devices and equipment;

43 (10) Requiring any applicant or licensee to waive any privilege
44 with respect to any testimony at any hearing or meeting of the
45 commission, except any privilege afforded by the Constitution of
46 the United States or of this State; and

47 (11) Prescribing the qualifications of, and the conditions pur-
48 suant to which attorneys, accountants and others shall be permitted
49 to practice before the commission.

1 61. Regulations requiring exclusion or ejection of certain per-
2 sons from licensed casino gaming establishments; persons included;
3 duty of licensed establishment.

4 a. The commission shall by regulation provide for the establish-
5 ment of a list of persons who are to be excluded or ejected from
6 any licensed casino establishment. This list may include any
7 person:

8 (1) Who is of notorious or unsavory reputation;

9 (2) Who has been convicted of a criminal offense under the
10 laws of this State or the United States, which is punishable by
11 more than 6 months in prison, or any crime or offense involving
12 moral turpitude; or,

13 (3) Whose presence in a licensed casino would, in the opinion
14 of the commission, be inimical to the interests of the State of New
15 Jersey or of licensed gambling therein, or both.

16 b. Race, color, creed, national origin or ancestry, or sex shall
17 not be a reason for placing the name of any person upon such list.

18 c. Any list compiled by the commission of persons to be excluded
19 or ejected shall not be deemed an all-inclusive list, and licensed
20 casino establishments shall have a duty to keep from their premises
21 persons known to them to be inimical to the interests of the State
22 of New Jersey or of licensed gambling or both.

1 62. Regulations requiring exclusion or ejection of certain per-
2 sons from licensed casino gaming establishments; notice to person
3 whose name is placed on list.

4 Whenever the name or description of any person is placed on a
5 list pursuant to section 61, the commission shall serve notice of
6 such fact to such person by personal service, or by certified mail
7 at the last known address of such person, or by publication daily
8 for 1 week in a newspaper of general circulation in Atlantic City.

1 63. Regulations requiring exclusion, or ejection of certain per-
2 sons from licensed casino gaming establishments; hearings.

3 a. Within 30 days after service by mail or in person, or 60 days
4 from the time of last publication, as the case may be, pursuant to
5 section 62, the person named may demand a hearing before the
6 commission and show cause why he should have his name removed
7 from such a list. Failure to demand such a hearing within the time
8 allotted in this section shall preclude such person from having
9 an administrative hearing, but shall in no way affect his right for
10 judicial review as provided in paragraph (2) in subsection c. herein.

11 b. Upon receipt of a demand for a hearing the commission shall
12 set a time and place for the hearing, which shall be held in the
13 offices of the commission. Unless otherwise agreed by the com-
14 mission and the applicant, such hearing shall not be later than
15 30 days after receipt of the demand for such hearing.

16 c. (1) If upon completion of the hearing the commission deter-
17 mines that the regulation does not or should not apply to the person
18 so listed, the commission shall notify all persons licensed under
19 section 73 of this act of such determination; or

20 (2) If upon completion of the hearing the commission deter-
21 mines that the placement of the name of the person on the ex-
22 clusionary rejection list was appropriate, the commission shall
23 make and enter in its minutes an order to that effect. Such order
24 shall be subject to review by the Superior Court in accordance with
25 the provisions of section 82 of this act.

1 64. Regulations requiring exclusion, ejection of certain persons
2 from licensed casino gaming establishments; penalties for failure
3 to exclude or eject.

4 The commission may revoke, limit, condition, suspend or fine a
5 licensed casino or individual licensee, in accordance with the laws
6 of this State and the regulations of the commission, if such licensed
7 casino or individual licensee fails to exclude or eject from the
8 premises of any licensed casino any person placed on the list of
9 persons to be excluded or ejected.

1 65. Regulations concerning financial practices of licensees;
2 minimum procedures for control of internal fiscal affairs; internal
3 audits.

4 a. The commission shall by regulation prescribe minimum pro-
5 cedures for adoption by each licensee to exercise effective control
6 over internal fiscal affairs, which shall include but not be limited
7 to provisions for:

8 (1) The safeguarding of assets and revenues, and the recording
9 of cash and evidence of indebtedness, which regulations shall pro-
10 vide, inter alia, that no credit shall be extended on behalf of a
11 licensee to any patron except pursuant to a written memorandum
12 of credit, which memorandum shall be filed with the daily receipts
13 and preserved until satisfied or canceled pursuant to regulations;
14 and

15 (2) The provisions of reliable records, accounts and reports of
16 transactions, operations and events, including reports to the
17 commission.

18 b. The commission shall by regulation provide for the adoption
19 and use of internal audits, whether by qualified internal auditors
20 or by accountants holding a license to practice public accounting.
21 As used in this subsection, "internal audit" means a type of control
22 which operates for the testing and evaluation of other controls
23 and which is also directed towards observing proper compliance
24 with the minimum standards of control herein.

1 66. Regulations concerning financial practices of licensees;
2 periodic financial reports from licensees.

3 The commission shall by regulation require periodic financial
4 reports of each licensee and shall:

5 a. Specify standard forms for reporting financial condition,
6 results of operations and other relevant financial information;

7 b. Formulate a uniform code of accounts and accounting classi-
8 fications to assure consistency, comparability, and effective dis-
9 closure of all financial information; and

10 c. Determine the intervals at which such information shall be
11 furnished.

1 67. Regulations concerning financial practices of licensees; audits
2 of financial statements.

3 a. The commission shall by regulation require audits of the
4 financial statement of all licensees. Such audits shall be made not
5 less frequently than once each year, and whenever the ownership
6 of such licensee shall be changed.

7 b. The audits provided for in subsection a. of this section shall
8 be made by certified public accountants licensed to practice in the
9 State of New Jersey.

10 c. Regulations for such audits shall require, inter alia:

11 (1) The independent certified public accountant shall submit an
12 audit report which shall express an opinion or, if appropriate,
13 disclaim an opinion on the statements taken as a whole, in accord-
14 ance with the standards of the accounting profession established
15 by the rules and regulations of the New Jersey State Board of
16 Certified Public Accountants; but the preparation of statements
17 without audit shall not constitute compliance with the provisions
18 of this act; and,

19 (2) The examination and audit shall disclose whether the ac-
20 counts, records and control procedures are maintained by the
21 licensee as required by the regulations published by the commission
22 pursuant to this act.

1 68. Regulations concerning financial practices of licensees;
2 penalties for noncompliance.

3 The commission shall by regulation prescribe a scale of fines and
4 penalties to be imposed on licensees for noncompliance with the
5 regulations of the commission.

ARTICLE 5.

LICENSING, OPERATION AND SUPERVISION OF CASINOS; DISCIPLINARY ACTIONS BY COMMISSION.

1 69. License or approval required for certain activities.

2 a. It shall be unlawful for any person, either as owner, lessee or
3 employee, whether or not for hire, either solely or in conjunction
4 with others.

5 (1) To deal, operate, carry on, conduct, maintain or expose for
6 play in the State of New Jersey any game or slot machine as defined
7 in this act, or

8 (2) To receive, directly or indirectly, any compensation or reward
9 or any percentage or share of the money or property played for
10 keeping, running or carrying on any game or slot machine, without
11 having first procured, and thereafter maintaining in full force and
12 effect, all licenses required by this act and other applicable statutes.

13 b. It shall be unlawful for any person to lend, let, lease or other-
14 wise deliver or furnish any service, including service in managing
15 a casino, or any equipment for any gambling game, including slot
16 machines, for any interest or any percentage or share of the money
17 or property played for with respect thereto, or for any interest,
18 however defined, in the revenues, profits or earnings of the casino,
19 other than pursuant to the terms of a written agreement, which
20 agreement shall not be effective unless approved by the commission.
21 Under no circumstances shall any such agreement be approved
22 unless all parties thereto are themselves holders of licenses issued
23 pursuant to the provisions of this act, except that receipts of
24 percentage rentals or percentage charges between a corporate
25 licensee and another entity which is a holding company or inter-
26 mediary company with respect to such licensee shall be permitted.

27 c. Receipts, rentals or charges for real property, personal prop-
28 erty or services shall not lose their character as payments of a
29 fixed sum because of contract, lease or license provisions for
30 adjustments in charges, rentals or fees on account of changes in
31 taxes or assessments, cost-of-living index escalations, expansion or
32 improvement of facilities, or changes in services supplied.

33 d. The commission may require a licensee to present an applica-
34 tion for approval of any agreement regarding the realty of, or
35 any business or person doing business on the premises of, the
36 hotel which contains the casino, in order that the commission may
37 determine whether said agreement or person should be approved
38 to be associated with a casino enterprise in accordance with the
39 procedures set forth in this act. If the commission does not approve
40 such an application, the commission shall require the termination
41 of such association. Any agreement which entitles a business other
42 than a casino to be conducted on such premises shall be subject to
43 commission approval of the business or of any person associated
44 therewith. Every such agreement shall be deemed to include a
45 provision for its termination without liability on the part of the
46 licensee, if the commission shall disapprove of the business or of
47 any other person associated therewith, by reason of a finding that
48 said business or person is unsuitable to be associated with a casino
49 enterprise. Failure expressly to include such a condition in the
50 agreement shall not constitute a defense in any action brought to
51 terminate the agreement. If the application is not presented to the
52 commission within 30 days following the demand therefor, or the
53 disapproved association is not terminated, the commission may
54 pursue any remedy or combination of remedies provided in this act.

55 e. It shall be unlawful for any person to sell, purchase, lease,
56 assign, hypothecate, borrow or loan money upon, or create a voting
57 trust agreement or any other agreement of any sort with respect to,
58 a hotel, or any interest therein, wherein a licensed casino shall be
59 located, except in accordance with the regulations of the com-
60 mission.

1 70. Qualification for casino license. a. Any person owning 100%
2 of an approved hotel as herein defined shall be eligible to apply
3 for the issuance of a casino license, as hereinafter provided.

4 b. The commission shall grant a license to a corporate applicant
5 which is otherwise eligible as provided in the within act and which
6 has complied with all of the provisions of sections 87 through 100
7 of this act.

8 c. The commission may grant a conditional license to an applicant
9 who submits plans for the construction of a qualified hotel, provided
10 that:

11 (1) Construction plans have been approved by all local and
12 State agencies, and all necessary permits have been obtained;

13 (2) All approvals provided in sections 69, 71, 91, and 97 of this
14 act have been issued;

15 (3) Construction shall commence upon, and be completed within
16 dates specified by the commission; and

17 (4) No casino operations of any kind shall be permitted until
18 construction has been completed and the hotel has been certified
19 by the commission as complying with the requirements of this act;
20 except that if the plans relate to the expansion and reconstruction
21 of a hotel in existence as of the effective date of this act, the
22 commission may permit the operation of a licensed casino during
23 the construction period, provided that the hotel shall contain and
24 have available for use not fewer than 250 qualified sleeping units,
25 as defined herein, and shall, in all other particulars, qualify as an
26 approved hotel.

1 71. Individual approval; limitations on number of persons
2 financially interested.

3 a. No partnership, limited partnership, association, business
4 trust or organization, or any association of a quasi-corporate
5 character which is not in itself a corporation, shall be eligible
6 to receive or hold any license under this act unless each person
7 having any direct or indirect interest therein of any nature
8 whatsoever, including specifically a financial, administrative,
9 policy-making or supervisory interest, would individually be quali-
10 fied for approval as a licensee pursuant to the provisions of this act.

11 b. The commission may by regulation limit the number of per-
12 sons who may be financially interested, and the nature of such
13 interest, in any corporation or other organization or association
14 licensed pursuant to the provisions of this act, and establish such
15 other qualifications for licenses as it may in the exercise of its
16 discretion deem to be in the public interest.

1 72. Application for casino license; contents.

2 a. Application for a casino license or other commission action
3 shall be made on forms furnished in accordance with the regula-
4 tions of the commission.

5 b. The application for a license shall include:

6 (1) The name of the proposed licensee;

7 (2) The location of his or its place of business;

8 (3) The gambling games, gaming devices or slot machines to be
9 operated;

10 (4) The names of all persons directly or indirectly interested
11 in the business and the nature of such interest; and

12 (5) Such other information and details as the commission may
13 require.

14 c. The commission shall furnish to the applicant supplemental
15 forms, which the applicant shall complete and file with the applica-
16 tion. Such supplemental forms shall require, inter alia, complete
17 information and details with respect to the applicant's family,
18 habits, character, criminal record, business activities, financial
19 affairs and business associates, covering at least a 10-year period
20 immediately preceding the date of filing of the application.

1 73. Investigation of applicants; order approving or denying
2 license.

3 a. Within a reasonable time after filing of an application and
4 such supplemental information as the commission may require,
5 the commission shall cause to be made such investigation into,
6 and conduct such hearings concerning the qualification of, the
7 applicant in accordance with its regulations as it may deem
8 necessary.

9 b. After conducting such investigation, the commission may
10 either deny the application or, by approval of at least four mem-
11 bers of the commission, grant a license to an applicant who has
12 not been convicted of any criminal offense and whom it determines
13 to be qualified to hold such license.

14 c. The commission shall have the authority to deny any applica-
15 tion pursuant to the provisions of subsection d. of section 54 of
16 this act. When an application is denied the commission shall pre-

17 pare and file its written decision upon which its order denying
18 such application is based, setting forth with particularity the
19 reasons for the denial.

20 d. When the commission grants an application for a license,
21 the commission may limit or place such conditions thereupon as it
22 may deem necessary in the public interest. The commission may,
23 if satisfied of the necessity of such action, issue a probationary
24 license, conditioned upon compliance by the licensee with specified
25 terms and conditions.

26 e. After an application is submitted to the commission, final
27 action of the commission shall be taken within 180 days after
28 completion of all hearings and investigations and the receipt of
29 all information required by the commission.

30 f. If satisfied that an applicant is eligible to receive a casino
31 license, and upon tender of all license fees and taxes as required
32 by law and regulations of the commission, and such bonds as the
33 commission may require for the payment of license fees and taxes
34 and the faithful performance of all requirements imposed by law
35 or regulation or the conditions of the license, the commission shall
36 issue a license for the term of 1 year.

37 g. The commission shall fix the amount of the bond or bonds
38 to be required under this section in such amounts as it may deem
39 appropriate, by rules of uniform application. The bond so furnished
40 may be applied by the commission to the payment of any unpaid
41 liability of the licensee under this article.

42 h. The board shall be furnished in cash, negotiable securities or
43 by a surety bond guaranteed by a satisfactory guarantor. If
44 furnished in negotiable securities, the principal shall be placed
45 without restriction at the disposal of the commission, but any
46 income shall inure to the benefit of the licensee.

1 74. Limitation on number of licenses.

2 No more than one casino license may be issued with respect to
3 any approved hotel.

1 75. Posting and inspection of licenses.

2 a. Any licenses issued under the provisions of this article shall
3 be posted by the licensee and kept posted at all times in a con-
4 spicuous place in the establishment for which issued until replaced
5 by a succeeding license.

6 b. All such licenses may be inspected by authorized State officials,
7 who shall report in writing to the commission any and all games
8 and slot machines found to be operating without a valid license.

1 76. Renewal of casino licenses.

2 a. Subject to the power of the commission to deny, revoke,
3 suspend, condition or limit licenses, any casino license in force
4 shall be renewed by the commission for the next succeeding license
5 period upon proper application for renewal and payment of license
6 fees and taxes as required by law and the regulations of the
7 commission.

8 b. Application for renewal shall be filed with the commission,
9 and all license fees and taxes as required by law shall be paid the
10 commission on or before the date of expiration of the current
11 license.

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

1 77. Information to be furnished by licensee.

2 Every licensee shall at all times maintain on file with the com-
3 mission a current report, verified by affidavit, which shall set
4 forth such information as may be required by the regulations of
5 the commission.

1 78. Investigations; disciplinary proceedings; power of com-
2 mission.

3 a. The commission shall from time to time conduct investiga-
4 tions:

5 (1) To determine whether there has been any violation of this
6 act or any regulations adopted hereunder;

7 (2) To determine any facts, conditions, practices or matters, as
8 it may deem necessary or proper, to aid in the enforcement of the
9 provisions of this act or the rules and regulations of the com-
10 mission;

11 (3) To aid in adopting regulations; or

12 (4) To secure information as a basis for recommending legisla-
13 tion relating to this act.

14 b. If after any investigation the commission is satisfied that
15 a license issued or approval granted by the commission under the
16 provisions of this act should be limited, conditioned, suspended or
17 revoked, it shall initiate a hearing by filing a complaint as herein-
18 after provided.

19 c. After filing the complaint the commission shall conduct further
20 proceedings in accordance with section 79 and, after compliance
21 with the provisions thereof, shall have power and authority to:

22 (1) Limit, condition, suspend or revoke any such license or
23 approval; or

24 (2) Order a licensed casino to keep any individual from the
25 premises of such licensed casino, or prohibit the payment to such
26 individual of any remuneration for any services rendered or
27 distribution of any earnings and profits from the licensee.
28 d. If the commission limits, conditions, suspends or revokes any
29 license or approval, or imposes a fine with respect thereto, it
30 shall issue a written order therefor after causing to be prepared
31 and filed its written decision upon which such order is based.
32 e. Any such limitation, condition, revocation, suspension or
33 fine shall remain effective unless reversed or modified by a court
34 of competent jurisdiction, except that the commission may stay
35 its order pending a rehearing or judicial review, upon such terms
36 and conditions as it deems proper.
37 f. Judicial review of any such order or decision of the commission
38 shall be provided in accordance with the provisions of section 82
39 of this act.
1 79. Disciplinary action; complaints; notice of defense; hearings.
2 a. A complaint filed pursuant to the provisions of section 77
3 shall include a written statement of charges, which shall set forth
4 in ordinary and concise language the acts or omissions with which
5 the respondent is charged. It shall specify the statute or regulation
6 which the respondent is alleged to have violated and shall specify
7 the facts upon which the charges are based.
8 b. Upon filing of the complaint, the commission shall serve a
9 copy upon the respondent either personally or by certified mail to
10 his address on file with the commission.
11 c. Within 15 days after service upon him of the complaint, the
12 respondent may file with the commission a notice of defense, in
13 which he may:
14 (1) Request a hearing;
15 (2) Admit the accusation in whole or in part;
16 (3) Present new matters or explanations by way of defense; or
17 (4) State any legal objections to the complaint.
18 Within the time specified, respondent may file one or more notices
19 of defense upon any or all of the above grounds.
20 d. The respondent shall be entitled to a hearing on the merits if
21 he files the required notice of defense within the time allowed by
22 subsection c. of this section, and any such notice shall be deemed a
23 specific denial of all parts of the complaint not expressly admitted.
24 Failure to file a notice of defense within such time shall constitute a
25 waiver of respondent's rights to a hearing and judicial review of
26 any order of the commission, but the commission, in its discretion,
27 may nevertheless order a hearing. All affirmative defenses must be

28 specifically stated and unless objection is taken as provided in sub-
29 paragraph (4) of subsection c. of this section all objections to the
30 form of complaint shall be deemed waived.
31 e. The commission shall determine the time and place of the
32 hearing as soon as is reasonably practical after receiving the
33 respondent's notice of defense. The commission shall deliver or
34 send by certified mail a notice to all parties at least 10 days prior
35 to the hearing. Unless respondent consents, the hearing shall not be
36 prior to the expiration time within which the respondent is entitled
37 to file the notice of defense.
38 f. Prior to a hearing before the commission, and during a hear-
39 ing upon reasonable cause shown, the commission shall issue sub-
40 penas and subpoenas duces tecum at the request of a party.
1 80. Disciplinary action; conduct of hearings; rules of evidence;
2 punishment of contempts; decisions; re-hearing.
3 a. At all hearings of the commission pursuant to this section:
4 (1) At least one member of the commission shall be present, and
5 shall exercise all powers relating to the conduct of the hearing and
6 shall enforce all decisions with respect thereto;
7 (2) The proceedings at the hearing shall be recorded;
8 (3) Oral evidence shall be taken only upon oath or affirmation
9 administered by the commission; and
10 (4) Each party to a hearing shall have the right to call and
11 examine witnesses; to introduce exhibits relevant to the issues of
12 the case, including the transcript of testimony at any investigative
13 hearing conducted by or on behalf of the commission; to cross-
14 examine opposing witnesses in any matters relevant to the issues
15 of the case, without regard to whether the matter was covered in
16 direct examination; to impeach any witness, regardless of which
17 party called him to testify, and to offer rebuttal evidence;
18 (5) If the respondent shall not testify in his own behalf he may
19 be called and examined as if under cross-examination;
20 (6) The hearing need not be conducted according to technical
21 rules relating to evidence in courts of law. Any relevant evidence
22 may be admitted and shall be sufficient in itself to support a finding
23 if it is the sort of evidence on which responsible persons are
24 accustomed to rely in the conduct of serious affairs, regardless of
25 the existence of any common law or statutory rule which might
26 make improper the admission of such evidence over objection in a
27 civil action.
28 (7) The parties or their counsel may by written stipulation agree
29 that certain specified evidence may be admitted, although such
30 evidence may be otherwise subject to objection.

31 b. The commission may take official notice of any generally
32 accepted information or technical or scientific matter in the field of
33 gaming, and of any other fact which may be judicially noticed by
34 the courts of this State. The parties shall be informed of any
35 information, matters or facts so noticed and shall be given a reason-
36 able opportunity, on request, to refute such information, matters or
37 facts by evidence or by written or oral presentation of authorities,
38 the manner of such refutation to be determined by the commission.
39 The commission may in its discretion, before rendering its decision,
40 permit the filing of amended or supplemental pleadings and shall
41 notify all parties thereof and provide a reasonable opportunity for
42 objections thereto.

43 c. If any person in proceedings before the commission disobeys
44 or resists any lawful order or refuses to respond to a subpoena or
45 refuses to take the oath or affirmation as a witness or thereafter
46 refuses to be examined, or is guilty of misconduct during the hear-
47 ing, or so near the place thereof as to obstruct the proceeding, the
48 commission may certify the facts to the Superior Court. The court
49 shall thereupon issue an order directing the person to appear
50 before the court and show cause why he should not be punished as
51 for contempt. The court order and a copy of the statement of the
52 commission shall be served on the person cited to appear. There-
53 after the courts shall have jurisdiction in the matter and the same
54 proceeding shall be had, the same penalties may be imposed and
55 the person charged may purge himself of the contempt in the same
56 way as in the case of a person who has committed contempt in the
57 trial of a civil action before the Superior Court.

58 d. Failure of a respondent to file a notice of defense or to request
59 or appear at the hearing shall constitute an admission of all matters
60 and facts contained in the complaint filed with respect to such
61 respondent. In such cases the commission may take action based
62 upon such admission or upon any other evidence, without any
63 further notice whatever to the respondent. In such cases the com-
64 mission shall prepare and file a record containing the evidence upon
65 which the action was based.

66 e. After hearing a contested matter, the commission shall render
67 a written decision on the merits, which shall contain findings of fact,
68 determination of the issues presented, and specify the fine or other
69 penalty or penalties to be imposed, if any; and shall thereafter make
70 and enter its written order in accordance with such decision. A
71 member of the commission who did not hear the evidence shall not
72 vote on the decision. Copies of the decision and order shall be
73 served on the parties personally or sent to them by certified mail.

74 The decision shall become and remain effective upon such service
75 and until the commission shall otherwise order.

76 f. The commission may, upon motion therefor made within 10
77 days after service of the decision and order, order a re-hearing
78 before the commission upon such terms and conditions as it may
79 deem just and proper, if a petition for judicial review of the
80 decision and order has not been filed. Such motion shall be granted
81 only upon a showing that there is additional evidence which is ma-
82 terial and necessary and reasonably calculated to change the
83 decision of the commission, and that sufficient reason existed for
84 failure to present such evidence at the hearing of the commission.
85 The motion shall be supported by an affidavit of the moving party
86 or his counsel showing with particularity the materiality and
87 necessity of the additional evidence and the reason why it was not
88 introduced at the hearing. Upon rehearing, rebuttal evidence to the
89 additional evidence shall be admitted. After re-hearing, the com-
90 mission may modify its decision and order as the additional evi-
91 dence may warrant.

1 81. Disciplinary action; emergency orders, hearing subsequent to
2 emergency order.

3 Notwithstanding any provisions of this article, the commission
4 may issue an emergency order for the suspension, limitation or
5 conditioning of any license or approval, or may issue an emergency
6 order requiring the licensed casino to keep an individual from the
7 premises of such licensed casino or not to pay such individual any
8 remuneration for services or any profits, income or accruals on his
9 investment in such casino, in the following manner:

10 a. An emergency order shall be issued only when the commission
11 finds that:

12 (1) There has been a violation of any of the provisions of
13 sections 115 through 119 of this act;

14 (2) Such action is necessary to prevent a violation of any of
15 the provisions of sections 115 through 119 of this act; or

16 (3) Such action is necessary immediately for the preservation of
17 the public peace, health, safety, morals, good order and general
18 welfare.

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

22 c. The emergency order shall be effective immediately upon
23 issuance and service upon the licensee or resident agent of the
24 licensee. The emergency order may suspend, limit, condition or take
25 other action in relation to the approval of one or more individuals

26 who were required to be approved in any operation, without neces-
27 sarily affecting any other individuals or the licensed casino estab-
28 lishment. The emergency order shall remain effective until further
29 order of the commission or final disposition of the case.

30 d. Within 5 days after issuance of an emergency order, the com-
31 mission shall cause a complaint to be filed and served upon the
32 person or entity involved in accordance with the provisions of
33 section 79 of this act.

34 e. Thereafter, the person or entity against whom the emergency
35 order has been issued and served shall be entitled to a hearing
36 before the commission in accordance with the provisions of sec-
37 tions 79 and 80 of this act, and to judicial review of the decision or
38 order of the commission in accordance with section 82 of this act.

1 82. Judicial review. a. Any person aggrieved by a final decision or
2 order of the commission made after hearing or rehearing by the
3 commission, whether or not a petition for rehearing was filed, may
4 obtain judicial review thereof by appeal to the Superior Court in
5 accordance with the Rules of Court, except that a notice of appeal
6 shall be filed within 20 days of the effective date of the final decision
7 or order of the commission.

8 b. Filing of the petition shall not stay enforcement of the decision
9 or order of the commission, but the commission may grant a stay
10 upon such terms and conditions as it deems proper.

11 c. The reviewing court may affirm the decision and order of the
12 commission or may remand the case for further proceedings, or
13 may reverse the decision if the substantial rights of the petitioner
14 have been prejudiced because the decision is:

- 15 (1) In violation of constitutional provisions;
16 (2) In excess of the statutory authority and jurisdiction of the
17 commission;
18 (3) Made upon unlawful procedure;
19 (4) Unsupported by sufficient evidence; or
20 (5) Arbitrary or capricious or otherwise not in accordance with
21 law.

22 d. In order to protect the public interest and the regulatory
23 authority of the commission, any action by the commission taken
24 pursuant to the provisions of sections 61, 79, 80, 81, 83 or 84 of this
25 act shall not be subject to the injunctive authority of the Superior
26 Court prior to the exhaustion of the administrative procedures
27 herein specified, unless it shall appear evident to the court, by
28 clear and convincing evidence, that a manifest denial of justice
29 would be effectuated by the refusal to enjoin the contemplated
30 action of the commission.

ARTICLE 6.

EMPLOYEE WORK PERMITS.

1 83. Casino employees required to hold work permits; applica-
2 tions; hearing and review; confidential records. a. No person may
3 commence or continue in employment as a casino employee unless
4 he is the holder of a valid work permit issued by the commission
5 and is a resident of the State of New Jersey.

6 b. An applicant for a work permit shall provide the commission
7 with a full set of fingerprints and two suitable photographs in the
8 form required by the commission. The commission shall maintain
9 these records for identification, security, discipline and casino-
10 control purposes.

11 c. Application for a work permit shall be made to the commission
12 and may be granted or denied for any cause deemed reasonable
13 by the commission.

14 d. Any person whose application for a work permit has been
15 denied by the commission may apply to the commission for a hear-
16 ing. At such hearing the commission or any designated member of
17 the commission or an examiner appointed by the commission shall
18 take any testimony deemed necessary. After such hearing, the
19 commission shall review the testimony taken and any other evi-
20 dence in its files, and shall within 30 days from the date of the
21 hearing announce its decision, sustaining or reversing the denial
22 of a work permit. Such decision may be made upon any ground
23 deemed reasonable by the commission.

24 e. Any applicant aggrieved by the decision of the commission
25 may obtain judicial review of the decision pursuant to the provi-
26 sions of section 82 of this act.

27 f. All records acquired or compiled by the commission related to
28 any application pursuant to this section are confidential, and no part
29 thereof may be disclosed except in the proper administration of this
30 act or to an authorized law enforcement agency. All lists of persons
31 to whom work permits have been issued or denied and all records
32 of the names or identity of the persons engaged in the gaming
33 industry in this State are confidential and shall not be disclosed
34 except in the proper administration of this act or to an authorized
35 law enforcement agency.

1 84. Revocation of work permit; grounds; power of commission;
2 judicial review. a. If any casino employee is convicted of charges
3 of a violation of any provisions of sections 115 through 125 of this
4 act, or if in investigating an alleged violation of this act by any
5 licensee the commission shall find that a casino employee employed

6 by such licensee has been guilty of a violation of this act, the
7 commission shall, after hearing in accordance with the procedures
8 specified in Article 5 of this act revoke such work permit if the
9 result of such hearings confirms the existence of such conviction,
10 or sustains the allegation of any such violation.

11 b. The commission shall revoke a work permit if it finds that
12 the casino employee has failed to disclose, misstated, or otherwise
13 misled the commission in respect to any fact contained or required
14 to be contained within any application for a work permit; or that,
15 subsequent to being issued such a work permit, he has:

16 (1) Committed or attempted or conspired to commit any of the
17 acts prohibited by sections 115 through 125 of this act;

18 (2) Knowingly possessed or permitted to remain in or upon
19 any licensed premises any marked or altered cards, dice or mechanical
20 device, or any other cheating device whatever, the use of which
21 is prohibited by statute;

22 (3) Concealed or refused to disclose any material fact in any
23 investigation by the commission;

24 (4) Been convicted or pleaded guilty or non vult to any charge
25 of a violation of the criminal laws of the State of New Jersey or
26 any other state or of the United States, or of any offense involving
27 moral turpitude; or

28 (5) Engaged in any conduct inimical to the State of New Jersey
29 and the casino gambling industry.

30 c. A work permit shall not be issued to any person whose work
31 permit has previously been revoked pursuant to this section, or
32 who has been denied a similar permit in any other jurisdiction.

33 d. A casino employee whose work permit has been revoked
34 pursuant to this section shall be entitled to judicial review of the
35 action of the commission in the manner prescribed in section 82
36 of this act.

ARTICLE 7.

LICENSING AND REGULATION OF MANUFACTURERS, DISTRIBUTORS, SELLERS, AND SERVICERS OF GAMING DEVICES, EQUIPMENT AND MATERIALS.

1 85. Licensing of manufacturers, distributors, sellers, servicers
2 of certain gaming devices and materials. a. It shall be unlawful
3 for any person, either as owner, lessee or employee, whether or
4 not for hire, to operate, carry on, conduct or maintain in the State
5 of New Jersey any form of manufacture, distribution, sale or
6 servicing of any device, equipment, material or machine used in

7 gambling without having first procured a license for such manu-
8 facture, distribution, sale or servicing as provided herein. Any
9 holder of a casino employee work permit who shall, as a condition
10 of his employment, be engaged in the servicing of equipment in
11 the casino in which he is employed shall not be required to obtain
12 a service license pursuant to this section.

13 b. Application for a manufacturers', distributors', sellers', and
14 servicers' license shall be made to the commission, which shall then
15 make an investigation of the applicant pursuant to the provisions
16 of this act.

17 c. Any person determined by the commission to be a suitable
18 person to hold a license under the provisions of this act, shall be
19 issued a manufacturer's, distributor's, seller's or servicer's license.
20 The burden of proving this qualification to receive or hold any
21 license under this section shall at all times be on the applicant or
22 licensee.

1 86. Inspection of devices, machines, equipment and materials;
2 fees. a. The commission may inspect any device or machine used
3 in gambling and all other equipment or materials which are manu-
4 factured, sold or distributed (1) for use in this State, before such
5 device, equipment or materials are put into play; or (2) in this
6 State for use outside this State, before such device, equipment or
7 materials are shipped out of this State.

8 b. In addition to all other fees and charges imposed by this act,
9 the commission may determine, charge and collect an inspection
10 fee from each manufacturer, distributor or seller which shall not
11 exceed the actual cost of investigation and inspection.

ARTICLE 8.

LICENSING OF CORPORATIONS.

1 87. Qualification of corporation as casino licensee. a. In order
2 to be eligible to hold a casino license, a corporation shall:

3 (1) Be incorporated in the State of New Jersey, although such
4 corporation may be a wholly or partially owned subsidiary of a
5 corporation which is chartered in another state of the United
6 States;

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

9 (3) Comply with all the requirements of the laws of the State
10 of New Jersey pertaining to corporations; and

11 (4) Maintain a ledger in the principal office of the corporation
12 in New Jersey, which shall at all times reflect the ownership of

13 every class of security issued by the corporation, and shall be
14 available for inspection by the commission and its authorized
15 agents at all reasonable times without notice.

1 88. Articles of incorporation of New Jersey corporation; con-
2 tents; approval by commission.

3 a. No corporation shall be eligible to hold a casino license unless
4 the conduct of casino gambling pursuant to the provisions of this
5 act is among the purposes stated in its Articles of Incorporation.

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

1 89. Disposition of securities by corporate licensee ineffective
2 without advance commission approval; contents of certificate.

3 a. The attempted sale, assignment, transfer, pledge or other
4 disposition of any security issued by a corporation which holds a
5 casino license shall be ineffective unless approved in advance by
6 the commission.

7 b. Every security issued by a corporation which holds a casino
8 license shall bear, on both sides of the certificate evidencing such
9 security, a statement of the restrictions imposed by this section.

1 90. Registration of corporation with commission; required
2 information.

3 A corporation applying for a casino license shall provide the
4 following information to the commission.

5 a. The organization, financial structure and nature of all busi-
6 nesses operated by the corporation, including the names, personal
7 history and fingerprints of all officers, directors and principal
8 employees;

9 b. The rights and privileges acquired by the holders of different
10 classes of authorized securities, and the names, addresses and
11 amounts held by all holders of such securities;

12 c. The terms upon which such securities are to be offered;

13 d. The terms and conditions of all outstanding loans, mortgages,
14 trust deeds, pledges or any other indebtedness or security devices;

15 e. The extent of the equity security holding in the corporation
16 of all officers, directors and underwriters, and their remuneration,
17 if compensation for services, in the form of salary, wages, fees or
18 otherwise;

19 f. Remuneration to persons other than directors and officers
20 exceeding \$25,000.00 per annum;

21 g. Bonus and profit-sharing arrangements;

22 h. Management and service contracts;

23 i. Stock options existing or to be created;

24 j. Balance sheets and profit-and-loss statements, certified by
25 independent public accountants in the State of New Jersey, for at
26 least the 3 preceding fiscal years or, if the corporation has not
27 been incorporated for a period of 3 years, balance sheets from the
28 time of its incorporation; and

29 k. Such other information as the commission may require.

1 91. Individual approval of corporate officers, directors and other
2 persons.

3 No corporation shall be eligible to hold a license unless each

4 a. Officer,

5 b. Director,

6 c. Person directly or indirectly holding any beneficial interest
7 in securities issued by the corporation, other than a banking or
8 other licensed lending institution which holds a mortgage or other
9 lien acquired in the ordinary course of business;

10 d. Principal employee; and

11 e. Any lender, underwriter, agent or employee of the corpora-
12 tion whom the commission may consider appropriate for approval,
13 would individually be qualified for approval as a licensee pursuant
14 to the provisions of this act.

1 92. Restriction of security ownership.

2 a. If at any time the commission finds that an individual owner
3 of any security is unsuitable to permit the corporation to continue
4 as a casino licensee in this State pursuant to the provisions of
5 section 91, it may, pursuant to the provisions of this act, propose
6 any action necessary to protect the public interest, including the
7 suspension or revocation of the license of the corporation.

8 b. Commencing upon the date the commission serves notice upon
9 a corporation of a determination of unsuitability under subsection
10 a. of this section, it shall be unlawful for the named individual:

11 (1) To receive any dividends or interest upon any such securities;

12 (2) To exercise, directly or through any trustee or nominee,
13 any right conferred by such securities; or

14 (3) To receive any remuneration in any form from the corpora-
15 tion for services rendered or otherwise.

1 93. Termination of employment of unsuitable employees; li-
2 censing of successors.

3 a. If the commission finds any principal employee of a corpora-
4 tion which holds a casino license unsuitable to permit the corpora-
5 tion to continue to hold a casino license, the corporation shall,
6 within 30 days of notification by certified mail to the corporation
7 of such finding, terminate the appointment or employment of any
8 such unsuitable person.

9 b. If such corporation names a person to replace the person
10 found unsuitable, it shall promptly notify the commission of such
11 action.

1 94. Limitation of certain corporate powers after licensing;
2 commission approval for security transfers and changes of officers,
3 directors and principal employees.

4 a. After a corporation has been issued a license pursuant to the
5 provisions of this act, but prior to the issuance or transfer of any
6 security to any person required to be but not yet approved pursuant
7 to section 91 of this act, the corporation shall file a report of its
8 proposed action with the commission, which report shall request
9 the approval of the commission. The commission shall have 90
10 days within which to approve or deny the request. If the commis-
11 sion shall deny the request, the corporation shall not issue or
12 transfer such security.

13 b. After a corporation has been issued a license pursuant to the
14 provisions of this act, the corporation shall file a report of any
15 change of its corporate officers or director with the commission.
16 The commission shall have 90 days within which to approve or
17 disapprove such change, during which time such officer or director
18 shall not be entitled to exercise any powers of the office to which
19 he was so elected or appointed.

20 c. After a corporation has been issued a license pursuant to the
21 provisions of this act, the corporation shall file a report of any
22 changes of its principal employees with the commission. The com-
23 mission shall have 90 days within which to approve or disapprove
24 such change, during which time such principal employee shall be
25 entitled to exercise any powers of the office to which he was
26 appointed.

1 95. Reports, statements to be furnished by corporate licensee.

2 After licensure pursuant to the provisions of this act, a corpora-
3 tion shall:

4 a. Report to the commission in writing any change in corporate
5 personnel who have been designated by the commission as principal
6 employees;

7 b. Furnish the commission an annual profit-and-loss statement
8 and an annual balance sheet; and
9 c. Furnish the commission with a copy of its Federal income tax
10 return within 30 days after such return is filed.

1 96. Duties of holding or intermediary company when corpora-
2 tion applying for holding license is or becomes a subsidiary;
3 investigation.

4 a. If a corporation applying for a license is, or if a corporation
5 holding a license is to become, a subsidiary, each holding company
6 and each intermediary company with respect thereto must, as a
7 condition of acquiring or retaining such license, as the case may be:

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

9 (2) If it is a corporation, register with the commission and
10 furnish the commission with all the information required of a
11 corporate licensee as specified in section 90; and

12 (3) If it is not a corporation, register with the commission and
13 furnish the commission with such information as the commission
14 may prescribe.

15 b. The commission may in its discretion make such investigations
16 concerning the officers, directors, underwriters, security holders,
17 partners, principals, trustees or direct or beneficial owners of
18 any interest in any holding company or intermediary company as
19 it deems necessary, either at the time of initial registration or at
20 any time thereafter.

1 97. Individual approval of holding and intermediary company
2 officers, directors and other persons.

3 No corporation which is a subsidiary shall be eligible to receive
4 or hold a license unless each holding and intermediary company
5 with respect thereto:

6 a. If it is a corporation, shall comply with the provisions of
7 section 91 of this act as if said holding or intermediary company
8 were itself applying for a casino license; or

9 b. If it is not a corporation, shall comply with the provisions of
10 section 71 of this act as if said company were itself applying for
11 a casino license.

1 98. Restriction of security ownership; termination of employ-
2 ment of unapproved employees.

3 a. If any holding or intermediary company required to comply
4 with the provisions of section 91 of this act shall not receive the
5 necessary approvals, then such holding or intermediary company
6 shall comply with sections 92 and 93 of this act as if said company
7 were itself applying for a casino license.

8 b. Every security issued by a holding company or intermediary
9 company which, directly or indirectly, owns, has the power or right
10 to control, or has the power to vote all or any part of the outstand-
11 ing equity securities of a corporate licensee shall bear a statement
12 of the restrictions imposed by this section on both sides of the
13 certificate evidencing such security.

14 c. A holding company or intermediary company subject to sub-
15 section a. of this section shall not make any public offering of
16 any of its securities unless the terms of such public offering have
17 been submitted at least 45 days in advance to the commission.

18 d. The commission may at any time, and from time to time, impose
19 upon any holding company or intermediary company, any require-
20 ments not inconsistent with the law which it may deem necessary
21 in the public interest.

1 99. Disciplinary action by commission for noncompliance by
2 corporate licensee or holding or intermediary company. If any
3 corporate licensee or any holding company or intermediary com-
4 pany with respect thereto, shall not comply with the provisions of
5 this act or the regulations of the commission, it shall be liable to
6 disciplinary action in accordance with the provisions of Article 5
7 of this act and the applicable rules and regulations of the com-
8 mission.

1 100. Publicly-traded corporation; exemption from certain require-
2 ments; documents to be filed with commission. a. The commission
3 shall exempt a publicly traded corporation from compliance with
4 the provisions of section 89 and subsection b. of section 98 of this
5 act.

6 b. The commission shall upon application exempt a publicly-
7 traded corporation from the requirements of subsection c. of
8 section 91 of this act, with respect to any person holding, directly
9 or indirectly, any beneficial interest in less than 5%, of any class
10 of securities issued by the corporation, if the commission is satis-
11 fied that the interest held by any such person is not inimical to
12 the public interest.

13 c. The commission may require a publicly-traded corporation to
14 furnish a copy of any document filed by said corporation or any
15 holders of its securities with the Securities and Exchange Com-
16 mission, or with any National or regional security exchange, or
17 furnished by it to any of its security holders.

ARTICLE 9.

1 101. Casino license fee. a. The commission shall by regulation
2 establish an annual fee for the issuance or renewal of the casino
3 license, which fee shall not be less than \$150,000.00 annually.

4 b. A nonrefundable deposit of at least \$25,000.00 shall be required
5 to be posted with each application for a casino license and shall
6 be applied to the initial license fee if the application is approved.

7 c. An original casino license or a conditional license shall be
8 valid for 1 year from the date on which the commission approves
9 commencement of casino operations by the licensee.

1 102. Manufacturer, distributor, seller and servicer license fee.
2 The commission shall by regulation establish an annual fee for
3 the issuance or renewal of a manufacturers', distributors', sellers'
4 or servicers' license, which fee shall not be less than \$2,000.00
5 annually.

1 103. Work permit fee. The commission shall by regulation
2 establish annual fees for the issuance and renewal of work permits
3 for the various classes of casino employees which fees shall be
4 payable by the employer licensee.

1 104. Tax on gross revenues; application of revenues. a. There is
2 hereby imposed a tax for each taxable year (which shall be the
3 same as the licensee's taxable year for State income tax purposes)
4 on the gross revenues, as defined in section 20 of this act, of each
5 casino licensee, in the amount of 8% of such gross revenues.

6 b. The commission shall prepare such forms and returns as are
7 necessary to effectuate the determination and collection of said tax.

8 c. The commission shall collect the tax imposed by this section
9 together with the license and other fees and penalties imposed
10 pursuant to this act and remit the same to the State Treasurer for
11 deposit to the credit of the State Casino Revenue Fund.

1 105. State casino revenue fund. a. There is created and estab-
2 lished in the Department of the Treasury a separate special fund
3 to be known as the "State Casino Revenue Fund" to be adminis-
4 tered by the State Treasurer.

5 b. Moneys in the "State Casino Revenue Fund" shall be appro-
6 priated exclusively for: (1) the expenses of the New Jersey Casino
7 Control Commission in administering the provisions of this act,
8 (2) providing reductions in property taxes, rentals, telephone, gas,
9 electric, and municipal utilities charges of eligible senior citizens
10 and disabled residents of the State as shall be provided by law, and
11 (3) repayment to the general treasury of the amount appropriated
12 to the fund by section 128 of this act.

ARTICLE 10.

MISCELLANEOUS PROVISIONS.

1 106. Declaration of State's exemption from operation of pro-
2 visions of 15 U. S. C. (1172).

3 1. Pursuant to section 2 of an Act of Congress of the United
4 States entitled "An act to prohibit transportation of gambling
5 devices in interstate and foreign commerce," approved January 2,
6 1951, being chapter 1194, 64 Stat. 1134, and also designated as 15
7 U. S. C. (1171-1177), the State of New Jersey, acting by and through
8 its duly elected and qualified members of its Legislature, does
9 hereby, in accordance with and in compliance with the provisions
10 of section 2 of said Act of Congress, declares and proclaim that it
11 is exempt from the provisions of section 2 of said Act of Congress.

1 107. Legal shipments of gambling devices into New Jersey.

2 All shipments into this State of gambling devices, including slot
3 machines, the registering, recording and labeling of which has been
4 duly had by the manufacturer or dealer thereof in accordance with
5 sections 3 and 4 of an Act of Congress of the United States en-
6 titled "An act to prohibit transportation of gambling devices in
7 interstate and foreign commerce," approved January 2, 1951, being
8 chapter 1194, 64 Stat. 1134, and also designated as 15 U. S. C.
9 (1171-1172), shall be deemed legal shipments thereof into this
10 State.

1 108. Severability.

2 If any clause, sentence, paragraph, subdivision, section, pro-
3 vision or other portion of this act or the application thereof to any
4 person or circumstances shall be held to be invalid, such holding
5 shall not affect, impair or invalidate the remainder of this act or the
6 application of such portion held invalid to any other person or
7 circumstances, but shall be confined in its operation to the clause,
8 sentence, paragraph, subdivision, provision or other portion thereof
9 directly involved in such holding or to the person or circumstance
10 therein involved. If any provision of this act is inconsistent with,
11 in conflict with, or contrary to any other provision of law, such
12 provision of this act shall prevail over such other provision and
13 such other provision shall be deemed to be amended, superseded or
14 repealed to the extent of such inconsistency or conflict.

1 109. Equal employment opportunity; requirements of licensee.

2 a. No license shall be issued by the commission to any applicant
3 who has not agreed to afford an equal employment opportunity to
4 all prospective employees in accordance with an affirmative-action
5 program approved by the commission.

6 b. Each applicant shall formulate and submit to the commission
7 an affirmative-action program of equal opportunity whereby the
8 applicant guarantees to employ members of minority groups in all
9 employment categories.

1 110. Equal employment opportunity; enforcement by the com-
2 mission.

3 a. The commission, in addition to and without limitations of
4 other powers which it may have by law, shall have the following
5 powers:

6 (1) To investigate and determine the percentage of population
7 of minority groups in the State or in areas thereof from which the
8 work force for the licensee is or may be drawn;

9 (2) To establish and promulgate such percentages as guidelines
10 in determining the adequacy of affirmative-action programs sub-
11 mitted for approval pursuant to the provisions of section 109 of this
12 act;

13 (3) To levy on licensees fees and charges found to be reasonable
14 and necessary to accomplish the objectives to this section;

15 (4) To refer to the Attorney General or his designee circum-
16 stances which may constitute violation of the Law Against Dis-
17 crimination, P. L. 1945, c. 169 (C. 10:5-1 et seq.); and

18 (5) To enforce in a court of law the provisions of this act or to
19 join in or assist any enforcement proceeding initiated by any
20 aggrieved person.

1 111. Early settlement dates and certain transfers of gaming
2 property prohibited.

3 When any person contracts to sell or lease any property or
4 interest in property, real or personal, under circumstances which
5 require the approval or licensing of the purchaser or lessee by the
6 commission, the contract shall not specify a settlement or closing
7 date for the transaction which is earlier than the ninety-first day
8 after the date of submission of the completed application for such
9 approval or licensing. Any provision of such a contract which
10 specifies an earlier settlement or closing date is void for all pur-
11 poses, but such invalidity shall not affect the validity of any other
12 provision of the contract.

1 112. Prohibited political contributions.

2 a. No applicant, licensee nor any officer, director, partner or
3 principal employee of any licensee, nor any member of the family
4 of any such officer, director, partner or principal employee shall
5 contribute to a candidate for nomination or election to any public
6 office in this State, or to any committee of any political party of this
7 State, or to any group, committee or association organized in

8 support of a candidate for nomination or election to any public
9 office in this State, a contribution in excess of \$1,000.00 with respect
10 to any such election.

11 b. Any contribution made to any candidate, party, group, com-
12 mittee or association by an applicant, licensee or an officer, director,
13 partner or principal employee of a licensee, or a member of the
14 family of such officer, director, partner or principal employee, shall
15 be reported to the commission by the contributor within 5 days of
16 such contribution.

17 c. Nothing in this section shall be construed to authorize a con-
18 tribution in any amount or manner otherwise forbidden by law.

ARTICLE 11.

CRIMES AND PENALTIES; AUTHORITY OF LICENSEES TO DETAIN OR QUESTION CERTAIN PERSON; EXEMPTIONS FROM CERTAIN

STATUTES.

1 113. Penalties for willful evasion of payment of license fees,
2 other acts and omissions. Any person who willfully fails to report,
3 pay or truthfully account for and pay over any license fee or tax
4 imposed by the provisions of this act, or willfully attempts in any
5 manner to evade or defeat any such license fee, tax or payment
6 thereof is guilty of a misdemeanor, and shall in addition be liable
7 for a penalty of the amount of the license fee evaded and not paid,
8 collected or paid over, which penalty shall be assessed and collected
9 in the same manner as are the other charges, license fees and
10 penalties established by this act.

1 114. Unlicensed casino gambling games unlawful; penalties.
2 a. Any person who violates the provisions of section 69 of this
3 act, or who permits any gambling game, slot machine or device to
4 be conducted, operated, dealt or carried on in any casino by a
5 person other than by a person who is licensed hereunder or an
6 approved employee of such licensee is guilty of a high misdemeanor.

7 b. Any licensee who places games or slot machines into play or
8 displays such games or slot machines in a casino without authority
9 of the commission to do so is guilty of a misdemeanor.

10 c. Any person who operates, carries on or exposes for play any
11 gambling game, gaming device or slot machine after his license
12 has expired, but prior to the actual renewal thereof, is guilty of
13 a misdemeanor.

1 115. Swindling and cheating; penalties. a. Any person who by
2 any trick or sleight-of-hand performance, or by a fraud or fraudu-

3 lent scheme, cards, dice or device, wins for himself or for another
4 money or property or representative of either is guilty of a high
5 misdemeanor.

6 b. Any person who entices or induces another upon any pretense
7 to go to any place where any gambling game, scheme or device, or
8 any trick, sleight-of-hand performance, fraud or fraudulent scheme,
9 cards, dice or device is being conducted or operated, or who while
10 in such place shall entice or induce another to bet, wager or hazard
11 any money or property or representative of either upon any such
12 game, scheme, cards, dice or device, or to execute any obligation
13 for the payment of money or delivery of property, or to lose, ad-
14 vance, or loan any money or property or representative of either
15 is guilty of a high misdemeanor.

1 116. Unlawful use of bogus chips, marked cards, dice, cheating
2 devices, unlawful coin; penalty. a. It shall be unlawful for any
3 person playing any licensed gambling game:

4 (1) To use bogus or counterfeit chips, or to substitute and use
5 in any such game cards or dice that have been marked, loaded or
6 tampered with; or

7 (2) To employ or have on his person any cheating device to
8 facilitate cheating in such games.

9 b. It shall be unlawful for any person, playing or using any slot
10 machine designed to receive or be operated by lawful coin of the
11 United States of America:

12 (1) Knowingly to use other than lawful coin, legal tender of the
13 United States of America, or to use coin not of the same denomina-
14 tion as the coin intended to be used in such slot machine, except
15 that in the playing of any slot machine it shall be lawful for any
16 person to use tokens or similar objects therein which are approved
17 by the commission; or

18 (2) To use any cheating or thieving device, including but not
19 limited to tools, drills, wires, coins attached to strings or wires,
20 or electronic or magnetic devices, unlawfully to facilitate the align-
21 ment of any winning combination or removing from any slot ma-
22 chine any money or other contents thereof.

23 c. It shall be unlawful for any person, except a duly authorized
24 employee of a licensed casino acting in furtherance of his employ-
25 ment, to have on his person or in his possession while on the prem-
26 ises of a licensed casino, any cheating or thieving device, including
27 but not limited to tools, wires, drills, coins attached to strings or
28 wires, or electronic or magnetic devices to facilitate removing from
29 any slot machine any money or other contents thereof.

30 d. It shall be unlawful for any person, except a duly authorized
31 employee of a licensed casino acting in furtherance of his employ-
32 ment, to have on his person or in his possession while on the
33 premises of any licensed casino any key or device known to have
34 been designed for the purpose of and suitable for opening or enter-
35 ing any slot machine or drop box.

36 e. Any person who violates this section is guilty of a high mis-
37 demeanor.

1 117. Cheating games and devices; penalty. a. It shall be un-
2 lawful:

3 (1) To conduct, carry on, operate, deal or allow to be conducted,
4 carried on, operated or dealt any cheating or thieving game or
5 device; or

6 (2) To deal, conduct, carry on, operate or expose for play any
7 game or games played with cards, dice or any mechanical device,
8 or any combination of games or devices, which have in any manner
9 been marked or tampered with, or placed in a condition, or operated
10 in a manner, the result of which tends to deceive the public or tends
11 to alter the normal random selection of criteria which determine
12 the result of a game.

13 b. It shall be unlawful to use or possess any marked cards, loaded
14 dice, plugged or tampered-with machines or devices.

15 c. Any person who violates this section is guilty of a high mis-
16 demeanor.

1 118. Manufacture, sale or cheating games, devices unlawful;
2 penalty.

3 a. It shall be unlawful to manufacture or sell any game or
4 games played with cards, dice or any mechanical device, or any
5 combination of such games or devices or equipment therefor, which
6 is in any manner marked, loaded or otherwise made so as to deceive
7 or defraud the public, or any bogus or counterfeit chip to be
8 used in the playing thereof.

9 b. Any person who violates this section is guilty of a high
10 misdemeanor.

1 119. Unlawful possession of device, equipment or other material
2 illegally manufactured, distributed, sold or serviced.

3 Any person who possesses any device, equipment or material
4 which he knows or has reason to know has been manufactured,
5 distributed, sold or serviced in violation of the provisions of
6 section 85 of this act, or otherwise violates the provisions of said
7 section, is guilty of a misdemeanor.

1 120. Employment without work permit; penalty.

2 Any person who works as a casino employee without obtaining

3 a permit pursuant to section 83 of this act is guilty of a mis-
4 demeanor.

1 121. Regulations requiring exclusion or ejection of certain per-
2 sons from licensed casinos; unlawful entry by person whose name
3 has been placed on list; penalty.

4 Any person whose name is on the list of persons promulgated
5 by the commission pursuant to the provisions of section 61 of this
6 act who enters the premises of a licensed casino is guilty of a
7 misdemeanor.

1 122. Gaming by minors prohibited; penalties; defenses.

2 a. No person under the age of 18 years shall be allowed to enter
3 a licensed casino.

4 b. Any licensee or employee of a licensee who allows a minor
5 under the age of 18 to enter a casino is a disorderly person; except
6 that the establishment of all the following facts by a person
7 allowing any such minor to enter shall constitute a defense to
8 any prosecution therefor:

9 (1) That the minor falsely represented in writing that he or
10 she was 18 years of age or over;

11 (2) That the appearance of the minor was such that an ordinary
12 prudent person would believe him or her to be 18 years of age or
13 over; and

14 (3) That the admission was made in good faith, relying upon
15 such written representation and appearance, and in the reasonable
16 belief that the minor was actually 18 years of age or over.

1 123. Prohibited political contributions; penalty.

2 Any person who makes or causes to be made a political con-
3 tribution prohibited by the provisions of subsection a. of section
4 112 of this act, or who files or causes to be filed any report of
5 political contributions which misstates or omits any material fact
6 with respect to any such contribution, is guilty of a misdemeanor.

1 124. Authority of gaming licensee and agents to detain or question
2 persons suspected of cheating; immunity from liability; posted
3 notice required.

4 a. Any licensee or its officers, employees or agents may question
5 any individual in the casino suspected of violating any of the
6 provisions of section 115 through 119 of this act. No licensee or
7 its officers, employees or agents shall be criminally or civilly
8 liable by reason of any such questioning.

9 b. Any licensee or its officers, employees or agents who shall
10 have probable cause for believing there has been a violation of
11 any of the provisions of sections 115 through 119 of this act in
12 the casino by any person may take such person into custody and

13 detain him in the establishment in a reasonable manner for a
14 reasonable length of time, for the purpose of notifying law en-
15 forcement or commission authorities. Such taking into custody
16 and detention shall not render such licensee or its officers, em-
17 ployees or agents criminally or civilly liable for false arrest, false
18 imprisonment, slander or unlawful detention, unless such taking
19 into custody or detention are unreasonable under all the cir-
20 cumstances.

21 c. No licensee or his officers, employees or agents shall be
22 entitled to any immunity from civil or criminal liability provided
23 in this section unless there is displayed in a conspicuous place in
24 the casino a notice in boldface type clearly legible and in sub-
25 stantially this form:

26 Any gaming licensee or officer, employee or agent thereof who
27 has probable cause for believing that any person is violating any
28 of the provisions of sections 115 through 119 of the Casino Control
29 Act, prohibiting cheating in gaming, may detain such person in
30 the establishment for the purpose of notifying a peace officer.

1 125. Other offenses; general penalty. Any person who violates
2 any provision of this act, the penalty for which is not specifically
3 fixed in this act or in commission regulations pursuant to this act,
4 is guilty of a misdemeanor.

1 126. Continuing offenses. Each day during which a violation of
2 any of the provisions of sections 113 through 123 of this act shall
3 be deemed to be a separate offense.

1 127. Exemption from gambling statutes. The provisions of
2 N. J. S. 2A:40-1, 2A:40-8, 2A:112-1 and 2A:112-2, shall not apply
3 to any person who, as a licensee operating pursuant to the pro-
4 visions of this act, or as a duly authorized employee thereof, or
5 as a participant in any gambling game licensed pursuant to the
6 provisions of this act, engages in gambling as authorized herein.

ARTICLE 12.

APPROPRIATION ; EFFECTIVE DATE.

1 128. Appropriation. There is appropriated to the State Casino
2 Revenue Fund from the general treasury the sum of \$300,000.00
3 or so much thereof as may be necessary for the purposes of the
4 Casino Control Commission in administering the provisions of this
5 act for the period ending June 30, 1977, which sum shall be repaid
6 to the general treasury as soon as practicable from revenues
7 accruing to the State Casino Revenue Fund.

1 129. Effective date.

2 This act shall take effect immediately.

STATEMENT

This bill is intended to implement the constitutional amendment, approved by the people at the general election of November 2, 1976, authorizing the Legislature to provide for casino gambling in Atlantic City.

The objectives of the bill and the persons and localities affected are set forth in subsection b. of section 1 as a statement of findings and declaration of policy by the Legislature. Revenues derived from the taxation of casinos established pursuant to this act will be devoted, pursuant to the constitutional amendment and section 105 of this bill, to reduce senior citizens' property taxes, rentals and utility expenses.