

CHAPTER 51
PERSONS DOING BUSINESS
WITH CASINO LICENSEES

Authority

N.J.S.A. 5:12-63c, 69a, 70a, 70b, 70i, 92 and 94.

Source and Effective Date

R.2006 d.356, effective September 7, 2006.
See: 38 N.J.R. 2793(a), 38 N.J.R. 4251(a).

Chapter Expiration Date

Chapter 51, Persons Doing Business with Casino Licensees, expires on September 7, 2011.

Chapter Historical Note

Chapter 51, Advertising, was adopted as R.1978 d.14, effective January 23, 1978. See: 9 N.J.R. 603(a), 10 N.J.R. 82(a). Chapter 51 was recodified as N.J.A.C. 19:43-14 by R.1992 d.500, effective December 21, 1992. See: 24 N.J.R. 3225(a), 24 N.J.R. 4563(a). See, also, Chapter 43 Historical Note for rulemaking HISTORY of Advertising rules.

Chapter 51, Persons Doing Business with Casino Licensees, was adopted as R.1978 d.50 and codified as N.J.A.C. 19:43 (Chapter 43, Casino Service Industries), effective February 16, 1978. See: 10 N.J.R. 4(b), 10 N.J.R. 128(c). Pursuant to Executive Order No. 66(1978), Chapter 43 was readopted as R.1984 d.187, effective April 27, 1984. See: 16 N.J.R. 515(a), 16 N.J.R. 1285(a). Pursuant to Executive Order No. 66(1978), Chapter 43 was readopted as R.1989 d.281, effective April 27, 1989. See: 21 N.J.R. 705(a), 21 N.J.R. 1525(a). Chapter 43 was retitled and recodified as N.J.A.C. 19:51 by R.1992 d.500, effective December 21, 1992. See: 24 N.J.R. 3225(a), 24 N.J.R. 4563(a).

Pursuant to Executive Order No. 66(1978), Chapter 51, Persons Doing Business with Casino Licensees, was readopted as R.1994 d.258, effective April 27, 1994. See: 26 N.J.R. 1212(a), 26 N.J.R. 2478(a).

Pursuant to Executive Order No. 66(1978), Chapter 51, Persons Doing Business with Casino Licensees, was readopted as R.1996 d.420, effective August 12, 1996. See: 28 N.J.R. 3247(a), 28 N.J.R. 4114(a).

Subchapter 2, gaming Schools, was adopted as R.1997 d.1, effective January 6, 1997. See: 28 N.J.R. 4570(a), 29 N.J.R. 157(a).

Chapter 51, Persons Doing Business with Casino Licensees, was readopted as R.2001 d.316, effective August 10, 2001. See: 33 N.J.R. 2060(a), 33 N.J.R. 3039(a).

Chapter 51, Persons Doing Business with Casino Licensees, was readopted as R.2006 d.356, effective September 7, 2006. See: Source and Effective Date.

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SUBCHAPTER 1. GENERAL PROVISIONS

19:51-1.1 Definitions

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

“Gaming equipment” means any mechanical, electrical or electronic contrivance or machine used in connection with gaming or any game and includes, without limitation, roulette wheels, big six wheels, slot machines, slot tokens, prize tokens, cards, dice, chips, plaques, match play coupons, card dealing shoes, drop boxes, automated jackpot payout machines, gaming voucher systems, gaming voucher redemption machines and other devices, machines, equipment, items or articles determined by the Commission to be so utilized in gaming as to require licensing of the manufacturers, distributors or servicers, or as to require Commission approval in order to contribute to the integrity of the gaming industry or to facilitate the operation of the Commission or the Division.

“Gaming equipment distributor” means any person who distributes, sells, supplies or markets gaming equipment.

“Gaming equipment industry” means gaming equipment manufacturers, gaming equipment distributors and gaming equipment servicers.

“Gaming equipment manufacturer” means any person who manufactures, produces or assembles gaming equipment.

“Gaming equipment servicer or repairer” means any person who provides maintenance, service or repair of gaming equipment or devices, machines, equipment, items, or articles governed by N.J.A.C. 19:51-1.2(b) in any manner which has the capacity to affect the outcome of the play of an authorized

game or simulcast wagering or calculation, storage, collection, or control of gross revenue.

“Gaming school” means any person, including a governmental agency, that is a “private vocational school” as that term is defined in N.J.A.C. 6:46-1.1 and offers or proposes to offer any course in a specific subject area of gaming or dealing techniques.

“Governmental agency” means any office, department, division, bureau, board, commission, agency, authority, institution, or like government entity of the State of New Jersey or a political subdivision thereof or of any other state or political entity of the United States.

“Inside director” means a director of a casino service industry applicant or licensee or holding or intermediary company thereof who is also an officer or employee of the applicant or licensee or the holding or intermediary company of which he or she is director.

“Outside director” means any director other than an inside director.

“Sales representative” means any person owning an interest in, employed by or representing a casino service industry enterprise licensed in accordance with sections 92a and b of the Act, who solicits the goods and services or business thereof.

“Security business” or “casino security service” means any non-governmental enterprise providing physical security services to a casino, a casino licensee, to an approved hotel or to any premises located within a casino hotel complex.

(b) The following words and terms, when used in this chapter, shall have the meanings set forth in the relevant provisions of the Casino Control Act, N.J.S.A. 5:12-1 et seq., except that any reference contained therein to an applicant for or holder of a casino license shall instead be read to refer to an applicant for or holder of a casino service industry license:

“Holding company”

“Intermediary company”

Amended by R.1981 d.440, effective November 16, 1981.

See: 13 N.J.R. 627(a), 13 N.J.R. 848(a).

Added “electrical or electronic” to definition of “gaming equipment”.

Deleted definition of “on a regular or continuing basis”.

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

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

Added definition for junket enterprise.

Amended by R.1994 d.31, effective January 18, 1994.

See: 25 N.J.R. 4866(a), 26 N.J.R. 486(a).

Amended by R.1994 d.137, effective March 21, 1994.

See: 25 N.J.R. 5902(a), 26 N.J.R. 1373(b).

Amended by R.1994 d.504, effective October 3, 1994.

See: 26 N.J.R. 2872(a), 26 N.J.R. 3253(a), 26 N.J.R. 4089(a).

Amended by R.1995 d.352, effective July 3, 1995.

See: 27 N.J.R. 1371(a), 27 N.J.R. 2598(a).

Extended the definition of “Gaming equipment servicer” to include “or repairer” and rewrote that definition.

Amended by R.1997 d.1, effective January 6, 1997.

See: 28 N.J.R. 4570(a), 29 N.J.R. 157(a).

Inserted “Gaming school” and “Governmental agency”.

Amended by R.1998 d.475, effective September 21, 1998.

See: 30 N.J.R. 2370(b), 30 N.J.R. 3515(a).

In (a), added new “Inside director” and “Outside director” definitions; and added a new (b).

Amended by R.2007 d.117, effective April 16, 2007.

See: 38 N.J.R. 4669(a), 39 N.J.R. 1505(a).

In definition “Gaming equipment”, inserted “automated jackpot payout machines, gaming voucher systems, gaming voucher redemption machines”.

19:51-1.2 Gaming-related casino service industry license requirements

(a) No enterprise shall provide goods or services directly related to casino, simulcast wagering or gaming activity to, or otherwise transact business directly related to casino, simulcast wagering or gaming activity with, a casino applicant or licensee, its employees or agents unless licensed in accordance with subsections 92a and b of the Act.

(b) In determining whether an enterprise shall be licensed pursuant to this section, the Commission shall consider, without limitation, whether the enterprise satisfies one or more of the following criteria:

1. Whether the enterprise manufacturers, supplies or distributes devices, machines, equipment, items or articles which:

i. Are specifically designed for use in the operation of a casino or casino simulcasting facility;

ii. Are needed to conduct an authorized game or simulcast wagering;

iii. Have the capacity to affect the outcome of the play of an authorized game or simulcast wagering; or

iv. Have the capacity to affect the calculation, storage, collection, or control of gross revenue.

2. Whether the enterprise is a gaming equipment servicer or repairer;

3. Whether the enterprise provides services directly related to the operation, regulation or management of a casino or casino simulcasting facility; or

4. Whether the enterprise provides such other goods or services determined by the Commission to be so utilized in or incident to gaming, casino or simulcast wagering activity as to require licensing in order to contribute to the public confidence and trust in the credibility and integrity of the gaming industry in New Jersey.

(c) Enterprises required to be licensed in accordance with subsections 92a and b of the Act and (a) above shall include, without limitation, the following:

1. Manufacturers, suppliers, distributors, servicers and repairers of roulette wheels, big six wheels, slot machines, cards, dice, gaming chips, gaming plaques, slot tokens,

prize tokens, dealing shoes, drop boxes, computerized gaming monitoring systems, automated jackpot payout machines, gaming voucher systems, gaming voucher redemption machines, totalisators, pari-mutuel machines, self-service pari-mutuel machines and credit voucher machines;

2. Schools teaching gaming and dealing techniques; and

3. Casino credit reporting services, casino simulcasting hub facilities and suppliers of casino security services.

Amended by R.1979 d.174, effective May 3, 1979.

See: 11 N.J.R. 155(a), 11 N.J.R. 309(d).

Amended by R.1981 d.440, effective November 16, 1981.

See: 13 N.J.R. 627(a), 13 N.J.R. 848(a).

Added proviso to (a). Added (c), (d) and (e).

Amended by R.1984 d.55, effective March 5, 1984.

See: 16 N.J.R. 40(a), 16 N.J.R. 432(a).

Amended by R.1989 d.281, effective June 5, 1989.

See: 21 N.J.R. 705(a), 21 N.J.R. 1525(a).

Entities providing goods and services to applicants added to scope of rule. Licensure of any business providing services required, regardless of direct contractual relationship with applicant or licensee.

Amended by R.1991 d.299, effective June 17, 1991.

See: 22 N.J.R. 3203(a), 23 N.J.R. 1963(a).

In (d)1, increased \$50,000 to \$75,000 and in (d)2, increased \$150,000 to \$225,000.

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

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

Added (c), requiring licensure; added (g), regarding determination of dollars per (e).

Amended by R.1993 d.35, effective January 19, 1993.

See: 24 N.J.R. 4241(b), 25 N.J.R. 368(a).

In (a), added simulcast wagering provisions. Added new (b), redesignated existing (b)-(e) as (c)-(f); added new (g) and (h), redesignated existing (f) and (g) as (i) and (j).

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

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

Added simulcasting provisions.

Amended by R.1993 d.495, effective October 4, 1993.

See: 25 N.J.R. 2662(a), 25 N.J.R. 4625(a).

Amended by R.1994 d.33, effective January 18, 1994 (operative February 22, 1994).

See: 25 N.J.R. 4737(a), 26 N.J.R. 489(a).

Amended by R.1994 d.220, effective May 2, 1994.

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

Amended by R.1994 d.504, effective October 3, 1994.

See: 26 N.J.R. 2872(a), 26 N.J.R. 3253(a), 26 N.J.R. 4089(a).

Amended by R.1995 d.352, effective July 3, 1995.

See: 27 N.J.R. 1371(a), 27 N.J.R. 2598(a).

Added (b)1iv; and rewrote (b)2.

Amended by R.2007 d.117, effective April 16, 2007.

See: 38 N.J.R. 4669(a), 39 N.J.R. 1505(a).

In (c)1, inserted "automated jackpot payout machines, gaming voucher systems, gaming voucher redemption machines."

Case Notes

Application for casino service industry license denied; good character, honesty and integrity. Application of Woodbury Fabrication, Inc. for a Casino Service Industry License, 94 N.J.A.R.2d (CCC) 83.

Relationship with career offender; grant of casino industry service license for limousine business. In the Matter of the Application of Gaines Service Leasing Corp. for a Casino Service Industry license, 94 N.J.A.R.2d (CCC) 9.

19:51-1.2A Nongaming-related casino service industry and junket enterprise license requirements

(a) Unless otherwise licensed in accordance with subsections 92a and b of the Act and N.J.A.C. 19:51-1.2, no enterprise shall, on a regular or continuing basis, provide goods or services regarding the realty, construction, maintenance or business or a proposed or existing casino hotel or related facility to a casino licensee or applicant, its employees or agents unless such enterprise is licensed or exempted in accordance with subsections 92c and d of the Act. The Commission may, however, permit the enterprise to continue to provide such goods and services or conduct such business if the application is prepared and filed within a reasonable time.

(b) In determining whether an enterprise is subject to the requirements of this subsection, it shall not matter whether the casino licensee or applicant is a party to any agreement pursuant to which said goods or services are being provided. Enterprises required to be licensed in accordance with subsections 92c and d of the Act and (a) above shall include, without limitation, the following:

1. Suppliers of alcoholic beverages, food and nonalcoholic beverages, gaming table layouts and non-value gaming chip sorters;
2. In-State and out-of-State sending tracks;
3. Licensors of authorized games to casino licensees and applicants;
4. Garbage handlers, vending machine providers, linen suppliers and maintenance companies;
5. Shopkeepers located within the approved hotel;
6. Limousine services and construction companies contracting with casino licensees or applicants or their employees or agents;
7. Electronic funds transfer companies or debit card verification agencies engaging in transactions governed by N.J.A.C. 19:45-1.18A or 1.25(i);
8. Gaming schools that possess slot machines for the purpose of instruction; and
9. Non-casino applicants or licensees required to hold a Casino Hotel Alcoholic Beverage license pursuant to N.J.S.A. 5:12-103 and N.J.A.C. 19:50.

(c) No enterprise shall, on a regular or continuing basis, conduct business as a junket enterprise with a casino licensee or applicant, its employees or agents unless such enterprise is licensed in accordance with subsections 92c and d and section 102 of the Act. The Commission, however, may permit the enterprise to continue to conduct such business if the application is prepared and filed within a reasonable time.

(d) In determining if a person or enterprise does or will, on a regular or continuing basis, conduct business as a junket enterprise or provide goods or services regarding the realty, construction, maintenance, or business of a proposed or existing casino hotel or related facility to casino licensees or applicants, their employees or agents, the following factors, without limitation, shall be considered:

1. Number of transactions;
2. Frequency of transactions;
3. Dollar amounts of transactions;
4. Nature of goods or services provided or business transacted;
5. Maximum potential period of time necessary to fully provide the goods, perform the services, or complete the business which is the subject of the transaction;
6. The recommendation of the Division of Gaming Enforcement; and
7. The public interest and the policies established by the Act.

(e) Notwithstanding the provisions of (d) above, persons and enterprises, which conduct business as a junket enterprise or provide, or imminently will provide, goods or services regarding the realty, construction, maintenance or business of a proposed or existing casino hotel or related facility to casino licensees or applicants, their employees or agents shall, unless otherwise determined by the Commission, be deemed to be transacting such business on a regular or continuing basis if:

1. The total dollar amount of such transactions with a single casino licensee or applicant, its employees or agents, is or will be equal to or greater than \$300,000 within any 12-month period; or
2. The total dollar amount of such transactions with two or more casino licensees or applicants, their employees or agents, is or will be equal to or greater than \$650,000 within any 12-month period.

(f) Based upon an analysis of the factors contained in (d) above, the Commission may, in its discretion, require an enterprise which is otherwise governed by the provisions of N.J.S.A. 5:12-92c and (a) above to be licensed as a subsection 92c casino service industry enterprise prior to conducting any business whatsoever with a casino licensee or applicant if the Commission determines that such action is necessary in order to contribute to the public confidence and trust in the credibility and integrity of the gaming industry in New Jersey. Enterprises subject to this requirement shall include manufacturers, suppliers and distributors of non-value chip sorters, licensors of authorized games to casino licensees and applicants, and electronic funds transfer companies or debit card verification agencies engaging in transactions governed by N.J.A.C. 19:45-1.18A or 19:45-1.25(i).

(g) In determining whether a person or enterprise has exceeded or will exceed the dollar thresholds established in (e) above, all types of business, including junket business, transacted by that person or enterprise with casino licensees or applicants, their employees or agents shall be accumulated.

(h) The Commission may expressly prohibit any unlicensed enterprise from providing goods or services to or conducting business with a casino licensee or applicant, its employees or agents on the basis that, after having been directed to file a casino service industry or junket enterprise license application, such enterprise failed to properly file such application within a reasonable time. Any unlicensed enterprise prohibited from providing goods or services or conducting business on the basis of its failure to properly file an application may resume providing goods or services or conducting business:

1. Thirty days following the proper filing of its casino service industry or junket enterprise license application and after the payment of an additional late filing license fee of \$250.00; or
2. Immediately following a determination that the enterprise is not required to be licensed as a casino service industry or junket enterprise.

(i) No waiver of all or any portion of the 30-day period mandated by (h)1 above shall be granted by the Commission on the ground of economic hardship or loss to the unlicensed casino service industry or junket enterprise in question.

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

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

Amended by R.1995 d.352, effective July 3, 1995.

See: 27 N.J.R. 1371(a), 27 N.J.R. 2598(a).

In (f), in the second sentence, following "distributors of" deleted "gaming table layouts and".

Amended by R.1996 d.439, effective September 16, 1996.

See: 28 N.J.R. 2809(a), 28 N.J.R. 4236(a).

Amended by R.2001 d.25, effective January 16, 2001.

See: 32 N.J.R. 3217(a), 33 N.J.R. 290(a).

In (e)3, increased the total dollar amount of transactions with licensees, applicants, employees or agents.

Amended by R.2005 d.396, effective November 21, 2005.

See: 37 N.J.R. 2855(a), 37 N.J.R. 4470(a).

In (e)1, increased payment from "\$75,000" to "\$150,000"; in (e)2, substituted "two or more" for "all", increased transaction amount from "\$225,000" to "\$500,000, and deleted ";", deleted (e)3-5.

Amended by R.2009 d.268, effective September 8, 2009.

See: 41 N.J.R. 2227(a), 41 N.J.R. 3314(a).

In (b)6, deleted "and" at the end; in (b)7, substituted "1.25(i);" for "19:45-1.25(i)."; added (b)8 and (b)9; in the introductory paragraph of (e), inserted a comma following "enterprises" and deleted a comma following "maintenance"; in (e)1, substituted "\$300,000" for "\$150,000"; and in (e)2, substituted "\$650,000" for "\$500,000".

19:51-1.2B Permission to conduct business prior to licensure

(a) Notwithstanding N.J.A.C. 19:51-1.2(a), 1.2A(f) or 2.1:

1. The Commission may, upon the petition of a casino licensee or applicant for each business transaction, permit an applicant for a casino service industry license to conduct