

CHAPTER 43

CASINO LICENSEES

Authority

N.J.S.A. 5:12-63c, 69a, 70a, 70B, 70h, 70i, 70o, 80 through 88, 96, 98, 102 and 130.1 through 130.11.

Source and Effective Date

R.2002 d.137, effective April 15, 2002.
See: 34 N.J.R. 379(a), 34 N.J.R. 1734(a).

Chapter Expiration Date

Chapter 43, Casino Licensees, expires on April 15, 2007.

Chapter Historical Note

Chapter 43, Casino Service Industries, was adopted as R.1978 d.50, effective February 16, 1978. See: 10 N.J.R. 4(b), 10 N.J.R. 128(c).

Chapter 43, Casino Service Industries, was recodified as Chapter 51, Casino Service Industries, by R.1992 d.500. As part of R.1992 d.500, Chapter 43, Casino Licensees, was adopted as new rules, effective December 21, 1992. See: 24 N.J.R. 3225(a), 24 N.J.R. 4563(a). See, also, Chapter 51, Casino Service Industries, Historical Note for rule-making history of original rules. As part of R.1992 d.500, Subchapter 6, Casino Hotel Facility Requirements, was recodified from N.J.A.C. 19:41-2; Subchapter 13, Conservatorship, was recodified from N.J.A.C. 19:41-1.13; Subchapter 14, Advertising, was recodified from N.J.A.C. 19:51-1; and Subchapter 15, Entertainment, was recodified from N.J.A.C. 19:52-1.

Subchapter 5, Application Requirements, and Subchapter 11, Renewal of Casino License, were adopted as new rules by R.1994 d.341, effective July 5, 1994. See: 26 N.J.R. 1615(a), 26 N.J.R. 2798(e).

Subchapter 7, Operation Certificate, was adopted as new rules by R.1994 d.265, effective June 6, 1994. See: 25 N.J.R. 5893(a), 26 N.J.R. 2463(a).

Subchapter 16, Underage Gaming, was adopted as new rules by R.1995 d.495, effective September 5, 1995. See: 27 N.J.R. 2567(a), 27 N.J.R. 3393(a).

Pursuant to Executive Order No. 66(1978), Chapter 43, Casino Licensees, was readopted as R.1998 d.52, effective December 18, 1997. See: 29 N.J.R. 4669(a), 30 N.J.R. 382(a).

Chapter 43, Casino Licensees, was readopted as R.2002 d.137, effective April 15, 2002. See: Source and Effective Date.

CHAPTER TABLE OF CONTENTS

SUBCHAPTER 1. GENERAL PROVISIONS

19:43-1.1 Applicability of rules to noncorporate entities

SUBCHAPTER 2. PERSONS REQUIRED TO BE LICENSED OR QUALIFIED

- 19:43-2.1 Persons required to be licensed
- 19:43-2.2 Persons required to be qualified
- 19:43-2.3 Notification of anticipated or actual changes in directors, officers or equivalent qualifiers of casino licensees and holding companies
- 19:43-2.4 Notification of new financial sources
- 19:43-2.5 Notification concerning certain new qualifiers of publicly traded holding companies
- 19:43-2.6 Qualification of new directors, officers or other qualifiers of a casino licensee

- 19:43-2.7 Qualification of new directors, officers or other qualifiers of a holding company
- 19:43-2.7A Application for renewal of qualification
- 19:43-2.8 Issuance or transfer of interests; approval
- 19:43-2.9 Subsidiaries

SUBCHAPTER 3. STANDARDS FOR LICENSURE OR QUALIFICATION

19:43-3.1 Undue economic concentration

SUBCHAPTER 4. FINANCIAL STABILITY OF CASINO LICENSEES AND APPLICANTS

- 19:43-4.1 Definitions
- 19:43-4.2 Financial stability
- 19:43-4.3 Continuing assessment of financial condition
- 19:43-4.4 Financial stability reporting requirements
- 19:43-4.5 Failure to demonstrate financial stability

SUBCHAPTER 5. APPLICATION REQUIREMENTS

- 19:43-5.1 General information requirements
- 19:43-5.2 Duration of license; conditions
- 19:43-5.3 Contents of application for initial casino license
- 19:43-5.4 Petitions for waiver
- 19:43-5.5 Statements of compliance; commitment to reserve a casino license
- 19:43-5.6 Prehearing conference; hearing

SUBCHAPTER 6. CASINO HOTEL FACILITY REQUIREMENTS

- 19:43-6.1 Definitions
- 19:43-6.2 The casino hotel
- 19:43-6.3 Declaratory rulings as to proposed casino hotel facilities
- 19:43-6.4 Casino facilities
- 19:43-6.5 through 19:43-6.9 (Reserved)

SUBCHAPTER 7. OPERATION CERTIFICATE

- 19:43-7.1 Operation certificate; standards for issuance
- 19:43-7.2 Operation certificate; test period
- 19:43-7.3 Operation certificate; floor plans of the casino floor, casino simulcasting facility and any restricted areas
- 19:43-7.4 Operation certificate; master lists of approved slot machines and table games; movement of gaming equipment; amendments of operation certificates upon filing of updated master lists
- 19:43-7.5 Operation certificate; effective date; duration
- 19:43-7.6 Operation certificate; amendment to conform to approved changes
- 19:43-7.7 Operation certificate; temporary amendments for alternate pit configurations
- 19:43-7.8 Access to public and restricted areas

SUBCHAPTER 8. CONTINUING OBLIGATIONS OF CASINO LICENSEES AND QUALIFIERS

- 19:43-8.1 Minutes of meetings of boards and committees
- 19:43-8.2 Governing documents

SUBCHAPTER 9. EMPLOYMENT REQUIREMENTS

- 19:43-9.1 Employee internal controls submission
- 19:43-9.2 Obligation to terminate, suspend or refuse employment; form of notice
- 19:43-9.3 Employee reporting and recordkeeping requirements
- 19:43-9.4 (Reserved)
- 19:43-9.5 Petitions for casino service employee registration
- 19:43-9.6 Notice, verification and implementation of wage execution

SUBCHAPTER 10. REQUIREMENTS FOR DOING BUSINESS WITH VENDORS

- 19:43-10.1 Requirements for doing business; Active Vendors Record; Prohibited Vendors Record
- 19:43-10.2 Maintaining agreements; filing of agreements
- 19:43-10.3 Review of agreements and records of agreements; termination upon disapproval
- 19:43-10.4 Filing requirements: Notice of Intent to Conduct Enterprise Business, Vendor Registration Form, Junket Enterprise Registration Form
- 19:43-10.5 Exemption from registration
- 19:43-10.6 Master Purchasing and Disbursement Report
- 19:43-10.7 Internal controls submission

SUBCHAPTER 11. RENEWAL OF CASINO LICENSE

- 19:43-11.1 Renewal; time for filing
- 19:43-11.2 Contents of renewal application
- 19:43-11.3 Petitions for waiver
- 19:43-11.4 Prehearing conference; hearing

SUBCHAPTER 12. INTERIM CASINO AUTHORIZATION (RESERVED)**SUBCHAPTER 13. CONSERVATORSHIP**

- 19:43-13.1 Definitions
- 19:43-13.2 Institution of casino license conservatorship and appointment of conservators
- 19:43-13.3 Qualification of conservator
- 19:43-13.4 Bonding of conservators
- 19:43-13.5 Powers of multiple conservators
- 19:43-13.6 Powers and jurisdiction of the Commission
- 19:43-13.7 Effect of the conservatorship on licensed casino operation
- 19:43-13.8 Powers, authorities and duties of conservators
- 19:43-13.9 Compensation of conservators and others
- 19:43-13.10 Required reports of the conservator
- 19:43-13.11 Review of action of conservator
- 19:43-13.12 Payment of net earnings during the period of conservatorship
- 19:43-13.13 Payments following a bulk sale
- 19:43-13.14 Discontinuation of conservatorship

SUBCHAPTER 14. ADVERTISING

- 19:43-14.1 Applicability of advertising regulations
- 19:43-14.2 Criteria governing advertising
- 19:43-14.3 Commission approval
- 19:43-14.4 (Reserved)

SUBCHAPTER 15. ENTERTAINMENT

- 19:43-15.1 Prohibited entertainment activities
- 19:43-15.2 Entertainment within the casino room and casino simulating facility

SUBCHAPTER 16. UNDERAGE GAMING

- 19:43-16.1 Underage gaming—violations
- 19:43-16.2 Underage gaming violations—affirmative defenses

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

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

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

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

Case Notes

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

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

19:43-2.2 Persons required to be qualified

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

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

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

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

(c) The casino licensee that submitted an application governed by (a) above shall notify the Commission in writing upon final completion of any proposed change set forth in the application or any amendment thereto and for which the casino licensee is prepared to seek approval pursuant to (d) below; provided, however, that a notice shall be filed upon final completion of all proposed changes. A floor plan that depicts the actual changes made shall accompany the notice and be filed in the manner prescribed by N.J.A.C. 19:43-7.3(c). Each such floor plan shall be in a format consistent with N.J.A.C. 19:43-7.3 and, in addition to depicting the change that is made to the applicable items enumerated in N.J.A.C. 19:43-7.3(b), shall include updates, based on the actual changes made, for each item required to be included in the application pursuant to (a) above and described in the notice; provided, however, that a floor plan of the entire casino or casino simulcasting facility that depicts all changes proposed in the application and any amendment thereto shall accompany the notice of final completion.

(d) Promptly after the filing of a notice pursuant to (c) above, the Commission shall inspect the physical changes actually made to the casino, casino simulcasting facility and any restricted area to ensure that those changes conform to the floor plan accompanying the notice and the description previously submitted to the Commission, as modified by any properly filed amendments thereto. Following such inspection, the Commission shall notify the casino licensee in writing as to which physical change is approved and which is rejected, whereupon:

1. The casino licensee, in the event any change is rejected, shall either:

i. Correct any rejected change to conform with the floor plan accompanying the notice and the description previously submitted to the Commission, as modified by any properly filed amendments thereto, which correction shall be completed and inspected pursuant to this section;

ii. Submit for approval, pursuant to (a) above, a new application for the proposed change; or

iii. Take such other action as the Commission may direct to ensure that the currently approved floor plan accurately depicts the physical layout of the casino, the casino simulcasting facility, if any, and any restricted area; and

2. The operation certificate shall be amended to conform to each inspected and approved physical change.

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

i. A Saturday or Sunday; or

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

Amended by R.1996 d.122, effective March 4, 1996.

See: 27 N.J.R. 1775(a), 28 N.J.R. 1399(a).

Amended by R.1998 d.164, effective April 6, 1998.

See: 29 N.J.R. 2632(a), 30 N.J.R. 1304(a).

In (a), inserted a reference to applications to conduct keno in public areas in the introductory paragraph, inserted a reference to public keno areas in 1, and inserted a reference to public keno areas which include keno booths or satellite booths in the introduction of 2.

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

(a) Except as otherwise provided in this section or in N.J.A.C. 19:43-7.4(f), each casino licensee shall configure the pits in its casino or casino simulcasting facility, as to types, number and location of games, strictly in accordance with the floor plans approved by the Commission at the time the operation certificate originally was issued or as amended pursuant to N.J.A.C. 19:43-7.6.

(b) Each casino licensee may temporarily reconfigure one or more pits by filing with the Commission, at the office of its principal inspector in the establishment, an application for a temporary operation certificate to permit an alternate configuration for each pit specified in the application, which shall be filed at least three business days prior to implementing such alternate configuration. Within that three-day period the Commission shall notify the casino licensee whether the alternate configuration is approved or rejected.

(c) In accordance with the specific terms of any temporary operation certificate issued by the Commission, the casino licensee to which the temporary operation certificate is issued shall implement the alternate configuration for an initial period of no more than 30 consecutive days, renewable upon application to the Commission for one additional period of no more than 30 consecutive days, which shall immediately follow the conclusion of the initial period. Each such alternate pit shall not:

1. Exceed the dimensions approved for the pit that existed immediately prior to the reconfiguration; nor

2. Include any change requiring the approval of any Federal, State or local government building code official without having first obtained that approval and the approval of the Commission in accordance with N.J.A.C. 19:43-7.6.

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

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

1. The monitoring rooms required by N.J.A.C. 19:45-1.10; and

2. The casino security department.

Amended by R.1996 d.122, effective March 4, 1996.
See: 27 N.J.R. 1775(a), 28 N.J.R. 1399(a).

19:43-7.8 Access to public and restricted areas

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

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

1. Persons excluded or excludable under N.J.S.A. 5:12-71 and N.J.A.C. 19:48, or 5:12-71.1;
2. Employees of casino licensees prohibited from wagering at any game or on casino simulcasting under N.J.S.A. 5:12-100n and N.J.A.C. 19:55-2.8;
3. Underage persons prohibited from gaming and simulcast wagering under N.J.S.A. 5:12-119a and N.J.A.C. 19:42-5.9;
4. Persons seeking to play the game of blackjack to whom the provisions of N.J.A.C. 19:47-2.3(j) apply; and
5. Players required by a casino licensee to leave the game of poker under N.J.A.C. 19:47-14.16.

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

Amended by R.1996 d.69, effective February 5, 1996.

See: 27 N.J.R. 3916(a), 28 N.J.R. 897(a).

Amended by R.1999 d.72, effective March 1, 1999.

See: 30 N.J.R. 1396(a), 31 N.J.R. 672(a).

In (b), deleted a former 6.

SUBCHAPTER 8. CONTINUING OBLIGATIONS OF CASINO LICENSEES AND QUALIFIERS

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

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

19:43-8.2 Governing documents

(a) Each casino licensee or applicant or holding company thereof shall file with the Commission and Division copies of any amendments to, restatements of, or superseding versions of the governing documents of the business entity, within seven days of their formal adoption.

(b) The governing documents described in (a) above include, but are not limited to:

1. If a corporation:
 - i. Articles of incorporation;
 - ii. Charter; and
 - iii. By-laws.
2. If a partnership:
 - i. Partnership agreements; and
 - ii. Certificates of limited partnership, if applicable.
3. If a limited liability company:
 - i. Certificates of formation, amendment, and cancellation; and
 - ii. Operating agreements.

New Rule, R.2002 d.283, effective September 3, 2002.

See: 34 N.J.R. 1371(a), 34 N.J.R. 3127(a).

SUBCHAPTER 9. EMPLOYMENT REQUIREMENTS

19:43-9.1 Employee internal controls submission

(a) Each applicant for a casino license shall, pursuant to N.J.S.A. 5:12-99, submit an original and three copies to the Commission of a description of its internal procedures and administrative and accounting controls concerning employee licensing requirements. Unless otherwise directed by the Commission, an initial submission shall be made at least 30 days prior to the projected date of issuance of a certificate of operation. Each such submission shall be prepared and maintained in a format provided by the Commission; shall contain narrative and, where appropriate, diagrammatic representations of the internal control system to be utilized by the applicant, and shall address, without limitation, the following employee licensing requirements:

1. Procedures used to prepare and maintain a jobs compendium;
2. Procedures used to process and submit applications for casino key employee licenses, casino employee licenses and casino service employee registrations;
3. Procedures used to prepare and submit petitions for temporary employee licenses;

4. Procedures for assuring that only properly licensed or registered persons are employed in each position for which a license or registration is required;

5. Procedures for assuring that no person whose license, registration, qualification or approval has been denied or revoked or whose license or registration has been suspended is employed in any position which does not require a license or registration, except as expressly authorized by the Commission pursuant to N.J.A.C. 19:41-8.9, 8.10 or 8.11;

6. Procedures for assuring that no unlicensed or unregistered person who has committed a disqualifying offense pursuant to N.J.S.A. 5:12-86c(1) is employed as CHAB employee, except as expressly authorized by the Commission pursuant to N.J.A.C. 19:41-8.9, 8.10 or 8.11;

7. Procedures for notice, verification and implementation of wage executions in accordance with N.J.A.C. 19:43-9.6; and

8. Procedures used to assure the timely renewal of employee licenses.

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

(c) Each casino licensee shall maintain on its premises a complete, updated copy of its employee internal controls submission, which shall be made available for review upon request of the Commission or the Division.

(d) Unless otherwise directed by the Commission, an amendment to a previously approved employee licensing internal controls submission may be implemented by the casino licensee without the prior approval of the Commission, provided that the amendments are immediately recorded in the copy of the employee internal controls submission maintained by the licensee on its premises.

(e) The Commission may review any internal controls submission required to be maintained by this section and may require that a casino licensee amend its previously approved employee internal controls submission to include additional procedures in order to conform to the requirements of the Act and the rules of the Commission. Any amendment to the internal controls submission of a casino licensee shall be implemented in accordance with (d) above.

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

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

Amended by R.1995 d.591, effective November 20, 1995.

See: 27 N.J.R. 3146(a), 27 N.J.R. 4729(a).

Amended by R.1996 d.69, effective February 5, 1996.

See: 27 N.J.R. 3916(a), 28 N.J.R. 897(a).

Amended by R.1996 d.473, effective October 7, 1996.

See: 28 N.J.R. 2806(a), 28 N.J.R. 4515(a).

Amended by R.1997 d.78, effective February 18, 1997.

See: 28 N.J.R. 3519(a), 29 N.J.R. 591(b).

In (a), deleted references to casino licensees, amended time for submission of description, and deleted licensing requirement relating to recordation of hours worked by employees; in (b), deleted references to casino licensees; rewrote (c); and added (d) and (e).

Amended by R.1999 d.72, effective March 1, 1999.

See: 30 N.J.R. 1396(a), 31 N.J.R. 672(a).

In (a), deleted a former 9.