

[Second Reprint]

SENATE, No. 1323

STATE OF NEW JERSEY

215th LEGISLATURE

INTRODUCED JANUARY 30, 2012

Sponsored by:

Senator JIM WHELAN

District 2 (Atlantic)

SYNOPSIS

Makes various changes regarding the regulation of casino gaming.

CURRENT VERSION OF TEXT

As amended by the Senate on May 24, 2012.



1 AN ACT concerning the regulation of casino gaming and amending
 2 various parts of the statutory law ²and supplementing P.L.1977,
 3 c.110 (C.5:12-1 et seq.)².

4
 5 **BE IT ENACTED** by the Senate and General Assembly of the State
 6 of New Jersey:

7
 8 ²1. Section 12 of P.L.1977, c.110 (C.5:12-12) is amended to
 9 read as follows:

10 12. "Casino Service Industry Enterprise" -- Any vendor offering
 11 goods or services which directly relate to casino or gaming activity,
 12 including gaming equipment and simulcast wagering equipment
 13 manufacturers, suppliers, repairers and independent testing
 14 laboratories, but not including junket enterprises [and], junket
 15 representatives, and independent software contractors, that provides
 16 casino applicants or licensees with goods or services.
 17 Notwithstanding the foregoing, any form of enterprise engaged in
 18 the manufacture, sale, distribution, testing or repair of slot machines
 19 within New Jersey, other than antique slot machines as defined in
 20 N.J.S.2C:37-7, shall be considered a casino service industry
 21 enterprise for the purposes of this act regardless of the nature of its
 22 business relationship, if any, with casino applicants and licensees in
 23 this State.

24 For the purposes of this section, "casino applicant" includes any
 25 person required to hold a casino license pursuant to section 82 of
 26 P.L.1977, c.110 (C.5:12-82) who has applied to the division for a
 27 casino license or any approval required under P.L.1977, c.110
 28 (C.5:12-1 et seq.). ²
 29 (cf: P.L.2011, c.19, s.10)

30
 31 ²2. (New section) "Independent software contractor" – A
 32 person who is not an employee of a casino service industry
 33 enterprise and who, pursuant to an agreement with the casino
 34 service industry enterprise, develops, designs, programs, produces,
 35 composes, or manufactures any software, source language,
 36 executable code, or content which a casino service industry
 37 enterprise acquires control over or ownership of and assumes legal
 38 responsibility for the gaming device in which the software or code
 39 is used.²

40
 41 ²[1.] ^{3.}² Section 11 of P.L.2011, c.19 (C.5:12-14.2a) is
 42 amended to read as follows:

EXPLANATION – Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

Matter enclosed in superscript numerals has been adopted as follows:

¹Senate SSG committee amendments adopted February 6, 2012.

²Senate floor amendments adopted May 24, 2012.

1 11. "Corporate Officer" - The chief executive officer, chief
2 financial officer, chief operating officer, chief information officer,
3 chief compliance officer, and chief legal officer of a corporation, or
4 their equivalents in any unincorporated entity.

5 (cf: P.L.2011, c.19, s.11)

6
7 ²[2. Section 24 of P.L.1977, c.110 (C.5:12-24) is amended to
8 read as follows:

9 24. "Gross Revenue"-- The total of all sums actually received by
10 a casino licensee from gaming operations, less only the total of all
11 sums actually paid out as winnings to patrons; provided, however,
12 that the cash equivalent value of any merchandise or thing of value
13 included in a jackpot or payout shall **[not]** be included in the total
14 of all sums paid out as winnings to patrons for purposes of
15 determining gross revenue, and that such cash equivalent value
16 shall be equal to the amount actually paid by the casino licensee for
17 the merchandise or thing of value. "Gross Revenue" shall not
18 include any amount received by a casino from casino simulcasting
19 pursuant to the "Casino Simulcasting Act," P.L.1992, c.19 (C.5:12-
20 191 et al.).

21 (cf: P.L.2009, c.36, s.2)]²

22
23 ²[3.]^{4.}² Section 81 of P.L.1977, c.110 (C.5:12-81) is
24 amended to read as follows:

25 81. Statement of compliance.

26 a. (1) Upon consideration of a report and recommendation of
27 the division, the commission may, in its discretion, issue a
28 statement of compliance to an applicant for a casino license or to
29 any person required to qualify in conjunction with a casino license
30 or casino license applicant if the applicant or person, as the case
31 may be, has established by clear and convincing evidence that one
32 or more particular eligibility criteria have been satisfied. A request
33 for the issuance of a statement of compliance pursuant to this
34 paragraph shall be initiated by the applicant filing a petition with
35 the division. Before the division initiates any investigation on such
36 a petition, the director may require the applicant to establish to the
37 satisfaction of the director that the applicant actually intends, if
38 found qualified, to engage in the business or activity that would
39 require the issuance of the license or the determination of
40 qualification status.

41 (2) Any person who must be qualified pursuant to the "Casino
42 Control Act," P.L.1977, c.110 (C.5:12-1 et seq.) in order to hold the
43 securities of a casino licensee or any holding or intermediary
44 company of a casino licensee may, prior to the acquisition of any
45 such securities, request the issuance of a statement of compliance
46 by the commission that the person is qualified to hold such
47 securities. Any request for the issuance of a statement of
48 compliance pursuant to this paragraph shall be initiated by the

1 person filing a petition with the division in which the person shall
2 be required to establish that there is a reasonable likelihood that, if
3 qualified, the person will obtain and hold the securities of a casino
4 licensee or any holding or intermediary company thereof to such
5 extent as to require the qualification of the person. If, after an
6 investigation by the division, the director finds that this reasonable
7 likelihood exists and that the qualifications of the person have been
8 established by clear and convincing evidence, the director may, in
9 the director's discretion, recommend to the commission that it issue
10 a statement of compliance that the person is qualified to hold such
11 securities. Any person who requests a statement of compliance
12 pursuant to this paragraph shall be subject to the provisions of
13 section 80 of P.L.1977, c.110 (C.5:12-80) and shall pay for the
14 costs of all investigations and proceedings in relation to the request
15 unless the person provides an agreement with one or more casino
16 licensees which states that the licensee or licensees will pay those
17 costs.

18 (3) A statement of compliance shall not be issued indicating that
19 an applicant or any other person required to qualify in conjunction
20 with a casino license or casino license applicant that is a
21 corporation or other form of business organization has established
22 by clear and convincing evidence its good character, honesty and
23 integrity unless the corporate officers; each director; each person
24 who directly or indirectly holds any beneficial or ownership interest
25 in the applicant of 5% or greater, to the extent such person would be
26 required to qualify under section 85 of P.L.1977, c.110 (C.5:12-85);
27 and any other person whom the [commission] division may
28 consider appropriate for approval or qualification, would, but for
29 residence, individually be qualified for approval as a casino key
30 employee pursuant to the provisions of section 89 of P.L.1977,
31 c.110 (C.5:12-89).

32 b. Any statement of compliance issued under P.L.1977, c.110
33 (C.5:12-1 et seq.) shall specify:

34 (1) the particular eligibility criterion satisfied by the applicant or
35 person;

36 (2) the date as of which such satisfaction was determined by the
37 commission;

38 (3) the continuing obligation of the applicant or person to file
39 any information required by the division as part of any application
40 for a license or qualification status, including information related to
41 the eligibility criterion for which the statement of compliance was
42 issued; and

43 (4) the obligation of the applicant or person to reestablish its
44 satisfaction of the eligibility criterion should there be a change in
45 any material fact or circumstance that is relevant to the eligibility
46 criterion for which the statement of compliance was issued.

47 c. (Deleted by amendment, P.L.2011, c.19)

1 d. Any statement of compliance issued pursuant to this section
2 shall be withdrawn by the commission if:

3 (1) the applicant or person otherwise fails to satisfy the
4 standards for licensure or qualification;

5 (2) the applicant or person fails to comply with any condition
6 imposed; or

7 (3) the commission finds, on recommendation of the division,
8 cause to revoke the statement of compliance for any other reason.

9 e. Notwithstanding any other provision of this section, unless
10 otherwise extended by the commission upon application by the
11 recipient and for good cause shown, any statement of compliance
12 issued by the commission pursuant to this section shall expire 48
13 months after its date of issuance.

14 f. (Deleted by amendment, P.L.2011, c.19)
15 (cf: P.L.2011, c.19, s.45)

16

17 ²[4.] 5.² Section 82 of P.L.1977, c.110 (C.5:12-82) is amended
18 to read as follows:

19 82. a. No casino shall operate unless all necessary licenses and
20 approvals therefor have been obtained in accordance with law.

21 b. Only the following persons shall be eligible to hold a casino
22 license; and, unless otherwise determined by the commission with
23 the concurrence of the Attorney General which may not be
24 unreasonably withheld in accordance with subsection c. of this
25 section, each of the following persons shall be required to hold a
26 casino license prior to the operation of a casino in the casino hotel
27 with respect to which the casino license has been applied for:

28 (1) Any person who either owns an approved casino hotel or
29 owns or has a contract to purchase or construct a casino hotel which
30 in the judgment of the commission can become an approved casino
31 hotel within 30 months or within such additional time period as the
32 commission may, upon a showing of good cause therefor, establish;

33 (2) Any person who, whether as lessor or lessee, either leases an
34 approved casino hotel or leases or has an agreement to lease a
35 casino hotel which in the judgment of the commission can become
36 an approved casino hotel within 30 months or within such
37 additional time period as the commission may, upon a showing of
38 good cause therefor, establish;

39 (3) Any person who has a written agreement with a casino
40 licensee or with an eligible applicant for a casino license for the
41 complete management of a casino and, if applicable, any authorized
42 games in a casino simulcasting facility; and

43 (4) Any other person who has control over either an approved
44 casino hotel or the land thereunder or the operation of a casino.

45 c. Prior to the operation of a casino and, if applicable, a casino
46 simulcasting facility, every agreement to lease an approved casino
47 hotel or the land thereunder and every agreement for the
48 management of the casino and, if applicable, any authorized games

1 in a casino simulcasting facility, shall be in writing and filed with
2 the commission and the division. No such agreement shall be
3 effective unless expressly approved by the commission. The
4 commission may require that any such agreement include within its
5 terms any provision reasonably necessary to best accomplish the
6 policies of this act. Consistent with the policies of this act:

7 (1) The commission, with the concurrence of the Attorney
8 General which may not be unreasonably withheld, may determine
9 that any person who does not have the ability to exercise any
10 significant control over either the approved casino hotel or the
11 operation of the casino contained therein shall not be eligible to
12 hold or required to hold a casino license;

13 (2) The commission, with the concurrence of the Attorney
14 General which may not be unreasonably withheld, may determine
15 that any owner, lessor or lessee of an approved casino hotel or the
16 land thereunder who does not own or lease a significant portion of
17 an approved casino hotel shall not be eligible to hold or required to
18 hold a casino license;

19 (3) The commission shall require that any person or persons
20 eligible to apply for a casino license organize itself or themselves
21 into such form or forms of business association as the commission
22 shall deem necessary or desirable in the circumstances to carry out
23 the policies of this act;

24 (4) The commission may issue separate casino licenses to any
25 persons eligible to apply therefor;

26 (5) As to agreements to lease an approved casino hotel or the
27 land thereunder, unless it expressly and by formal vote for good
28 cause determines otherwise, the commission shall require that each
29 party thereto hold either a casino license or casino service industry
30 enterprise license and that such an agreement shall include within
31 its terms a buy-out provision conferring upon the casino licensee-
32 lessee who controls the operation of the approved casino hotel the
33 absolute right to purchase for an expressly set forth fixed sum the
34 entire interest of the lessor or any person associated with the lessor
35 in the approved casino hotel or the land thereunder in the event that
36 said lessor or said person associated with the lessor is found by the
37 commission or director, as the case may be, to be unsuitable to be
38 associated with a casino enterprise;

39 (6) The commission shall not permit an agreement for the
40 leasing of an approved casino hotel or the land thereunder to
41 provide for the payment of an interest, percentage or share of
42 money gambled at the casino or derived from casino gaming
43 activity or of revenues or profits of the casino unless the party
44 receiving payment of such interest, percentage or share is a party to
45 the approved lease agreement; unless each party to the lease
46 agreement holds either a casino license or casino service industry
47 enterprise license, and includes within its terms a buy-out provision
48 conforming to that described in paragraph (5) above;

1 (7) As to agreements for the management of a casino and, if
2 applicable, the authorized games in a casino simulcasting facility,
3 the commission shall require that each party thereto hold a casino
4 license or a casino service industry enterprise license pursuant to
5 subsection a. of section 92 of P.L.1977, c.110 (C.5:12-92), that the
6 party thereto who is to manage the casino gaming operations own at
7 least 10% of all outstanding equity securities of any casino licensee
8 or of any eligible applicant for a casino license if the said licensee
9 or applicant is a corporation and the ownership of an equivalent
10 interest in any casino licensee or in any eligible applicant for a
11 casino license if same is not a corporation, and that such an
12 agreement be for the complete management of all casino space in
13 the casino hotel and, if applicable, all authorized games in a casino
14 simulcasting facility, provide for the sole and unrestricted power to
15 direct the casino gaming operations of the casino hotel which is the
16 subject of the agreement, and be for such a durational term as to
17 assure reasonable continuity, stability and independence in the
18 management of the casino gaming operations, provided that the
19 provisions of this paragraph shall not apply to a slot system
20 agreement between a group of casino licensees and a casino service
21 industry enterprise licensed pursuant to subsection a. of section 92
22 of P.L.1977, c.110 (C.5:12-92), or an eligible applicant for such
23 license, and that, with regard to such agreements, the casino service
24 industry enterprise licensee or applicant may operate and administer
25 the multi-casino progressive slot machine system, including, but not
26 limited to, the operation of a monitor room or the payment of
27 progressive, including annuity, jackpots, or both, and further
28 provided that the obligation to pay a progressive jackpot or
29 establish an annuity jackpot guarantee shall be the sole
30 responsibility of the casino licensee or casino service industry
31 enterprise licensee or applicant designated in the slot system
32 agreement and that no other party shall be jointly or severally liable
33 for the payment or funding of such jackpots or guarantees unless
34 such liability is specifically established in the slot system
35 agreement;

36 (8) The commission may permit an agreement for the
37 management of a casino and, if applicable, the authorized games in
38 a casino simulcasting facility to provide for the payment to the
39 managing party of an interest, percentage or share of money
40 gambled at all authorized games or derived from casino gaming
41 activity or of revenues or profits of casino gaming operations;

42 (9) Notwithstanding any other provision of P.L.1977, c.110
43 (C.5:12-1 et seq.) to the contrary, the commission may permit an
44 agreement between a casino licensee and a casino service industry
45 enterprise licensed pursuant to the provisions of subsection a. of
46 section 92 of P.L.1977, c.110 (C.5:12-92) for the conduct of casino
47 simulcasting in a simulcasting facility or for the operation of a
48 multi-casino progressive slot machine system, to provide for the

1 payment to the casino service industry enterprise of an interest,
2 percentage or share of the money derived from the casino licensee's
3 share of proceeds from simulcast wagering activity or the operation
4 of a multi-casino progressive slot machine system; ~~and~~ ²and²

5 (10) As to agreements to lease an approved casino hotel or the
6 land thereunder, agreements to jointly own an approved casino hotel
7 or the land thereunder and agreements for the management of
8 casino gaming operations or for the conduct of casino simulcasting
9 in a simulcasting facility, the commission shall require that each
10 party thereto, except for a banking or other chartered or licensed
11 lending institution or any subsidiary thereof, or any chartered or
12 licensed life insurance company or property and casualty insurance
13 company, or the State of New Jersey or any political subdivision
14 thereof or any agency or instrumentality of the State or any political
15 subdivision thereof, shall be jointly and severally liable for all acts,
16 omissions and violations of this act by any party thereto regardless
17 of actual knowledge of such act, omission or violation and
18 notwithstanding any provision in such agreement to the contrary.
19 Notwithstanding the foregoing, nothing in this paragraph shall
20 require a casino licensee to be jointly and severally liable for any
21 acts, omissions or violations of this act, P.L.1977, c.110 (C.5:12-1
22 et seq.), committed by any casino service industry enterprise
23 licensee or applicant performing as a slot system operator pursuant
24 to a slot system agreement ²[; and

25 (11) The division may permit an agreement between a casino
26 licensee and a casino service industry enterprise licensed pursuant
27 to the provisions of subsection a. of section 92 of P.L.1977, c.110
28 (C.5:12-92), or an eligible applicant for a license, for the purchase
29 or lease of slot machines, which provides for the payment to the
30 casino service industry enterprise licensee or applicant of an
31 interest, percentage, or share of the proceeds from the operation of
32 those slot machines]².

33 d. No corporation shall be eligible to apply for a casino license
34 unless:

35 (1) The corporation shall be incorporated in the State of New
36 Jersey, although such corporation may be a wholly or partially
37 owned subsidiary of a corporation which is organized pursuant to
38 the laws of another state of the United States or of a foreign
39 country;

40 (2) The corporation shall maintain an office of the corporation
41 in the casino hotel licensed or to be licensed;

42 (3) The corporation shall comply with all the requirements of
43 the laws of the State of New Jersey pertaining to corporations;

44 (4) The corporation shall maintain a ledger in the principal
45 office of the corporation in New Jersey which shall at all times
46 reflect the current ownership of every class of security issued by the
47 corporation and shall be available for inspection by the commission

1 or the division and authorized agents of the commission and the
2 division at all reasonable times without notice;

3 (5) The corporation shall maintain all operating accounts
4 required by the commission in a bank in New Jersey, except that a
5 casino licensee may establish deposit-only accounts in any
6 jurisdiction in order to obtain payment of any check described in
7 section 101 of P.L.1977, c.110 (C.5:12-101);

8 (6) The corporation shall include among the purposes stated in
9 its certificate of incorporation the conduct of casino gaming and
10 provide that the certificate of incorporation includes all provisions
11 required by this act;

12 (7) The corporation, if it is not a publicly traded corporation,
13 shall file with the division 'and the commission' such adopted
14 corporate charter provisions as may be necessary **[to establish the**
15 **right of prior approval by the commission]** **'[with regard to]** to
16 establish the right of the commission pursuant to subsection a. of
17 section 105 of P.L.1977, c.110 (C.5:12-105) to disapprove'
18 transfers of securities, shares, and other interests in the applicant
19 corporation; and, if it is a publicly traded corporation, provide in its
20 corporate charter that any securities of such corporation are held
21 subject to the condition that if a holder thereof is found to be
22 disqualified pursuant to the provisions of this act, such holder shall
23 dispose of his interest in the corporation; provided, however, that,
24 notwithstanding the provisions of N.J.S.14A:7-12 and N.J.S.12A:8-
25 101 et seq., nothing herein shall be deemed to require that any
26 security of such corporation bear any legend to this effect;

27 (8) The corporation, if it is not a publicly traded corporation,
28 shall establish to the satisfaction of the division that appropriate
29 charter provisions create the absolute right of such non-publicly
30 traded corporations and companies to repurchase at the market price
31 or the purchase price, whichever is the lesser, any security, share or
32 other interest in the corporation in the event that the commission
33 disapproves a transfer in accordance with the provisions of this act;

34 (9) Any publicly traded holding, intermediary, or subsidiary
35 company of the corporation, whether the corporation is publicly
36 traded or not, shall contain in its corporate charter the same
37 provisions required under paragraph (7) for a publicly traded
38 corporation to be eligible to apply for a casino license; and

39 (10) Any non-publicly traded holding, intermediary or subsidiary
40 company of the corporation, whether the corporation is publicly
41 traded or not, shall establish to the satisfaction of the commission
42 that its charter provisions are the same as those required under
43 paragraphs (7) and (8) for a non-publicly traded corporation to be
44 eligible to apply for a casino license.

45 The provisions of this subsection shall apply with the same force
46 and effect with regard to casino license applicants and casino
47 licensees which have a legal existence that is other than corporate to
48 the extent which is appropriate.

1 e. No person shall be issued or be the holder of a casino license
2 if the issuance or the holding results in undue economic
3 concentration in Atlantic City casino operations by that person. For
4 the purpose of this subsection, "undue economic concentration"
5 means that a person would have such actual or potential domination
6 of the casino gaming market in Atlantic City as to substantially
7 impede or suppress competition among casino licensees or
8 adversely impact the economic stability of the casino industry in
9 Atlantic City. In determining whether the issuance or holding of a
10 casino license by a person will result in undue economic
11 concentration, the commission shall consider the following criteria:

12 (1) The percentage share of the market presently controlled by
13 the person in each of the following categories:

14 The total number of licensed casinos in this State;

15 Total casino and casino simulcasting facility square footage;

16 Number of guest rooms;

17 Number of slot machines;

18 Number of table games;

19 Net revenue;

20 Table game win;

21 Slot machine win;

22 Table game drop;

23 Slot machine drop; and

24 Number of persons employed by the casino hotel;

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

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

31 (4) The current and projected financial condition of the casino
32 industry;

33 (5) Current market conditions, including level of competition,
34 consumer demand, market concentration, any consolidation trends
35 in the industry and any other relevant characteristics of the market;

36 (6) Whether the licensed casinos held or to be held by the
37 person have separate organizational structures or other independent
38 obligations;

39 (7) The potential impact of licensure on the projected future
40 growth and development of the casino industry and Atlantic City;

41 (8) The barriers to entry into the casino industry, including the
42 licensure requirements of this act, P.L.1977, c.110 (C.5:12-1 et
43 seq.), and whether the issuance or holding of a casino license by the
44 person will operate as a barrier to new companies and individuals
45 desiring to enter the market;

46 (9) Whether the issuance or holding of the license by the person
47 will adversely impact on consumer interests, or whether such
48 issuance or holding is likely to result in enhancing the quality and

1 customer appeal of products and services offered by casino
2 licensees in order to maintain or increase their respective market
3 shares;

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

8 (11) Any other evidence deemed relevant by the commission.

9 The commission shall, after conducting public hearings thereon,
10 promulgate rules and regulations in accordance with the
11 "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et
12 seq.) defining any additional criteria the commission will use in
13 determining what constitutes undue economic concentration.

14 For the purpose of this subsection a person shall be considered
15 the holder of a casino license if such license is issued to such person
16 or if such license is held by any holding, intermediary or subsidiary
17 company thereof, or by any person required to be qualified in
18 conjunction with such casino license.

19 (cf: P.L.2011, c.19, s.46)

20

21 ²⁶6. Section 92 of P.L.1977, c.110 (C.5:12-92) is amended to
22 read as follows:

23 92. Licensing of casino service industry enterprises. a. (1) Any
24 business to be conducted with a casino applicant or licensee by a
25 vendor offering goods or services which directly relate to casino or
26 gaming activity, including gaming equipment and simulcast
27 wagering equipment manufacturers, suppliers, repairers, and
28 independent testing laboratories, but not including junket
29 enterprises **[and]**, junket representatives, and **[any person**
30 employed by a junket enterprise or junket representative in a
31 managerial or supervisory position] independent software
32 contractors, shall require licensure as a casino service industry
33 enterprise in accordance with the provisions of this act prior to
34 conducting any business whatsoever with a casino applicant or
35 licensee, its employees or agents; provided, however, that upon a
36 showing of good cause by a casino applicant or licensee for each
37 business transaction, the director may permit an applicant for a
38 casino service industry enterprise license to conduct business
39 transactions with such casino applicant or licensee prior to the
40 licensure of that casino service industry enterprise applicant under
41 this subsection.

42 (2) In addition to the requirements of paragraph (1) of this
43 subsection, any casino service industry enterprise intending to
44 manufacture, sell, distribute, test or repair slot machines within
45 New Jersey, other than antique slot machines as defined in
46 N.J.S.2C:37-7, shall be licensed in accordance with the provisions
47 of this act prior to engaging in any such activities; provided,
48 however, that upon a showing of good cause by a casino applicant

1 or licensee for each business transaction, the director may permit an
2 applicant for a casino service industry enterprise license to conduct
3 business transactions with the casino applicant or licensee prior to
4 the licensure of that casino service industry enterprise applicant
5 under this subsection; and provided further, however, that upon a
6 showing of good cause by an applicant required to be licensed as a
7 casino service industry enterprise pursuant to this paragraph, the
8 director may permit the casino service industry enterprise applicant
9 to initiate the manufacture of slot machines or engage in the sale,
10 distribution, testing or repair of slot machines with any person other
11 than a casino applicant or licensee, its employees or agents, prior to
12 the licensure of that casino service industry enterprise applicant
13 under this subsection.

14 b. Each casino service industry enterprise, as well as its
15 owners; management and supervisory personnel; and employees if
16 such employees have responsibility for services to a casino
17 applicant or licensee, must qualify under the standards, except
18 residency, established for qualification of a casino key employee
19 under this act.

20 c. (1) Any vendor that offers goods or services to a casino
21 applicant or licensee that is not included in subsection a. of this
22 section including, but not limited to casino site contractors and
23 subcontractors, shopkeepers located within the approved hotels,
24 **[and]** gaming schools that possess slot machines for the purpose of
25 instruction, **[and any non-supervisory employee of a junket**
26 **enterprise licensed under subsection a. of this section]** junket
27 enterprises, junket representatives, and independent software
28 contractors, shall be required to register with the division in
29 accordance with the regulations promulgated under this act,
30 P.L.1977, c.110 (C.5:12-1 et seq.).

31 (2) Notwithstanding the provisions of paragraph (1) of this
32 subsection, the director may, consistent with the public interest and
33 the policies of this act, direct that vendors engaging in certain types
34 of business with a casino applicant or licensee not included in
35 subsection a. of this section be required to apply for a casino service
36 industry enterprise license pursuant to this subsection, including,
37 without limitation, non-casino applicants or licensees required to
38 hold a Casino Hotel Alcoholic Beverage license pursuant to section
39 103 of P.L.1977, c.110 (C.5:12-103); in-State and out-of-State
40 sending tracks as defined in section 2 of the "Casino Simulcasting
41 Act," P.L.1992, c.19 (C.5:12-192); shopkeepers located within the
42 approved hotels; and gaming schools that possess slot machines for
43 the purpose of instruction.

44 (3) (Deleted by amendment, P.L.2011, c.19)

45 d. Any applicant, licensee or qualifier of a casino service
46 industry enterprise license under subsection a. or b. of this section,
47 and any vendor registrant under subsection c. of this section shall be
48 disqualified in accordance with the criteria contained in section 86

1 of this act, except that no such vendor registration under subsection
2 c. of this section shall be denied or revoked if such vendor
3 registrant can affirmatively demonstrate rehabilitation as provided
4 in subsection d. of section 91 of P.L.1977, c.110 (C.5:12-91).

5 e. No casino service industry enterprise license shall be issued
6 pursuant to subsection a. of this section to any person unless that
7 person shall provide proof of valid business registration with the
8 Division of Revenue in the Department of the Treasury.

9 f. (Deleted by amendment, P.L.2011, c.19)

10 g. For the purposes of this section, each applicant shall submit
11 to the division the name, address, fingerprints and a written consent
12 for a criminal history record background check to be performed, for
13 each person required to qualify as part of the application. The
14 division is hereby authorized to exchange fingerprint data with and
15 receive criminal history record information from the State Bureau
16 of Identification in the Division of State Police and the Federal
17 Bureau of Investigation consistent with applicable State and federal
18 laws, rules and regulations. The applicant shall bear the cost for the
19 criminal history record background check, including all costs of
20 administering and processing the check. The Division of State
21 Police shall promptly notify the division in the event a current or
22 prospective qualifier, who was the subject of a criminal history
23 record background check pursuant to this section, is arrested for a
24 crime or offense in this State after the date the background check
25 was performed.²

26 (cf: P.L.2011, c.19, s.58)

27
28 ²[5.] 7.² Section 100 of P.L.1977, c.110 (C.5:12-100) is
29 amended to read as follows:

30 100. a. This act shall not be construed to permit any gaming
31 except the conduct of authorized games in a casino room in
32 accordance with this act and the regulations promulgated hereunder
33 and in a simulcasting facility to the extent provided by the "Casino
34 Simulcasting Act," P.L.1992, c.19 (C.5:12-191 et al.).
35 Notwithstanding the foregoing, if the division approves the game of
36 keno as an authorized game pursuant to section 5 of P.L.1977, c.110
37 (C.5:12-5), as amended, keno tickets may be sold or redeemed in
38 accordance with division regulations.

39 b. Gaming equipment shall not be possessed, maintained or
40 exhibited by any person on the premises of a casino hotel except in
41 a casino room, in the simulcasting facility, or in restricted casino
42 areas used for the inspection, repair or storage of such equipment
43 and specifically designated for that purpose by the casino licensee
44 with the approval of the division. Gaming equipment which
45 supports the conduct of gaming in a casino or simulcasting facility
46 but does not permit or require patron access, such as computers,
47 may be possessed and maintained by a casino licensee or a qualified
48 holding or intermediary company of a casino licensee in restricted

1 areas specifically approved by the division. No gaming equipment
2 shall be possessed, maintained, exhibited, brought into or removed
3 from a casino room or simulcasting facility by any person unless
4 such equipment is necessary to the conduct of an authorized game,
5 has permanently affixed, imprinted, impressed or engraved thereon
6 an identification number or symbol authorized by the division, is
7 under the exclusive control of a casino licensee or casino licensee's
8 employees, or of any individually qualified employee of a holding
9 company or casino licensee and is brought into or removed from the
10 casino room or simulcasting facility following 24-hour prior notice
11 given to an authorized agent of the division.

12 Notwithstanding any other provision of this section, computer
13 equipment used by the slot system operator of a multi-casino
14 progressive slot system to link and communicate with the slot
15 machines of two or more casino licensees for the purpose of
16 calculating and displaying the amount of a progressive jackpot,
17 monitoring the operation of the system, and any other purpose that
18 the division deems necessary and appropriate to the operation or
19 maintenance of the multi-casino progressive slot machine system
20 may, with the prior approval of the division, be possessed,
21 maintained and operated by the slot system operator either in a
22 restricted area on the premises of a casino hotel or in a secure
23 facility inaccessible to the public and specifically designed for that
24 purpose off the premises of a casino hotel but within the territorial
25 limits of Atlantic County, New Jersey.

26 Notwithstanding the foregoing, a person may, with the prior
27 approval of the division and under such terms and conditions as
28 may be required by the division, possess, maintain or exhibit
29 gaming equipment in any other area of the casino hotel, provided
30 that such equipment is used for nongaming purposes.

31 Notwithstanding any other provision of this act to the contrary,
32 the division may authorize electronic versions of authorized games
33 to be played within an approved hotel facility on mobile gaming
34 devices to be approved by the division, provided the player has
35 established an account with the casino licensee, the wager is placed
36 by and ²the winnings are² paid to the patron in person within the
37 approved hotel facility, the mobile gaming device is inoperable
38 outside the approved hotel facility, and the division authorizes the
39 device for mobile gaming ²; provided that the division may
40 establish any additional or more stringent licensing and other
41 regulatory requirements necessary for the proper implementation
42 and conduct of mobile gaming as authorized herein². ¹For the
43 purposes of this provision, the approved hotel facility shall include
44 any area located within the property boundaries of the casino hotel
45 facility, including the swimming pool area and an outdoor
46 recreation area, where mobile gaming devices may be used by
47 patrons in accordance with this provision, ²but excluding parking

1 garages or parking areas of a casino hotel facility,² provided that
2 the division shall ascertain and ensure, pursuant to rules and
3 regulations issued by it to implement mobile gaming pursuant to
4 this provision, that mobile gaming shall not extend outside of the
5 property boundaries of the casino hotel facility.¹

6 c. Each casino hotel shall contain a count room and such other
7 secure facilities as may be required by the division for the counting
8 and storage of cash, coins, tokens, checks, plaques, gaming
9 vouchers, coupons, and other devices or items of value used in
10 wagering and approved by the division that are received in the
11 conduct of gaming and for the inspection, counting and storage of
12 dice, cards, chips and other representatives of value. The division
13 shall promulgate regulations for the security of drop boxes and
14 other devices in which the foregoing items are deposited at the
15 gaming tables or in slot machines, and all areas wherein such boxes
16 and devices are kept while in use, which regulations may include
17 certain locking devices. Said drop boxes and other devices shall not
18 be brought into or removed from a casino room or simulcasting
19 facility, or locked or unlocked, except at such times, in such places,
20 and according to such procedures as the division may require.

21 d. All chips used in gaming shall be of such size and uniform
22 color by denomination as the division shall require by regulation.

23 e. All gaming shall be conducted according to rules
24 promulgated by the division. All wagers and pay-offs of winning
25 wagers shall be made according to rules promulgated by the
26 division, which shall establish such limitations as may be necessary
27 to assure the vitality of casino operations and fair odds to patrons.
28 Each slot machine shall have a minimum payout of 83%.

29 f. Each casino licensee shall make available in printed form to
30 any patron upon request the complete text of the rules of the
31 division regarding games and the conduct of gaming, pay-offs of
32 winning wagers, an approximation of the odds of winning for each
33 wager, and such other advice to the player as the division shall
34 require. Each casino licensee shall prominently post within a casino
35 room and simulcasting facility, as appropriate, according to
36 regulations of the division such information about gaming rules,
37 pay-offs of winning wagers, the odds of winning for each wager,
38 and such other advice to the player as the division shall require.

39 g. Each gaming table shall be equipped with a sign indicating
40 the permissible minimum and maximum wagers pertaining thereto.
41 It shall be unlawful for a casino licensee to require any wager to be
42 greater than the stated minimum or less than the stated maximum;
43 provided, however, that any wager actually made by a patron and
44 not rejected by a casino licensee prior to the commencement of play
45 shall be treated as a valid wager.

46 h. (1) Except as herein provided, no slot machine shall be used to
47 conduct gaming unless it is identical in all electrical, mechanical
48 and other aspects to a model thereof which has been specifically

1 tested and licensed for use by the division. The division shall also
2 test any other gaming device, gaming equipment, gaming-related
3 device or gross-revenue related device, such as a slot management
4 system, electronic transfer credit system or gaming voucher system
5 as it deems appropriate. In its discretion and for the purpose of
6 expediting the approval process, the division may utilize the
7 services of a private testing laboratory that has obtained a plenary
8 license as a casino service industry enterprise pursuant to
9 subsection a. of section 92 of P.L.1977, c.110 (C.5:12-92) to
10 perform the testing, and may also utilize applicable data from any
11 such private testing laboratory or from a governmental agency of a
12 state other than New Jersey authorized to regulate slot machines
13 and other gaming devices, gaming equipment, gaming-related
14 devices and gross-revenue related devices used in casino gaming, if
15 the private testing laboratory or governmental agency uses a testing
16 methodology substantially similar to the methodology utilized by
17 the division. The division, in its discretion, may rely upon the data
18 provided by the private testing laboratory or governmental agency
19 and adopt the conclusions of such private testing laboratory or
20 governmental agency regarding any submitted device.

21 (2) Except as otherwise provided in paragraph (5) of subsection
22 h. of this section, the division shall, within 60 days of its receipt of
23 a complete application for the testing of a slot machine or other
24 gaming equipment model, approve or reject the slot machine or
25 other gaming equipment model. In so doing, the division shall
26 specify whether and to what extent any data from a private testing
27 laboratory or governmental agency of a state other than New Jersey
28 was used in reaching its conclusions and recommendation. If the
29 division is unable to complete the testing of a slot machine or other
30 gaming equipment model within this 60-day period, the division
31 may conditionally approve the slot machine or other gaming
32 equipment model for test use by a casino licensee provided that the
33 division represents that the use of the slot machine or other gaming
34 equipment model will not have a direct and materially adverse
35 impact on the integrity of gaming or the control of gross revenue.
36 The division shall give priority to the testing of slot machines or
37 other gaming equipment which a casino licensee has certified it will
38 use in its casino in this State.

39 (3) The division shall, by regulation, establish such technical
40 standards for licensure of slot machines, including mechanical and
41 electrical reliability, security against tampering, the
42 comprehensibility of wagering, and noise and light levels, as it may
43 deem necessary to protect the player from fraud or deception and to
44 insure the integrity of gaming. The denominations of such machines
45 shall be set by the licensee; the licensee shall simultaneously notify
46 the division of the settings.

47 (4) The division shall, by regulation, determine the permissible
48 number and density of slot machines in a licensed casino so as to:

- 1 (a) promote optimum security for casino operations;
2 (b) avoid deception or frequent distraction to players at gaming
3 tables;
4 (c) promote the comfort of patrons;
5 (d) create and maintain a gracious playing environment in the
6 casino; and
7 (e) encourage and preserve competition in casino operations by
8 assuring that a variety of gaming opportunities is offered to the
9 public.

10 Any such regulation promulgated by the division which
11 determines the permissible number and density of slot machines in a
12 licensed casino shall provide that all casino floor space and all
13 space within a casino licensee's casino simulcasting facility shall be
14 included in any calculation of the permissible number and density
15 of slot machines in a licensed casino.

16 (5) Any new gaming equipment or simulcast wagering
17 equipment that is submitted for testing to the division or to an
18 independent testing laboratory licensed pursuant to subsection a. of
19 section 92 of P.L.1977, c.110 (C.5:12-92) prior to or simultaneously
20 with submission of such new equipment for testing in a jurisdiction
21 other than New Jersey, may, consistent with regulations
22 promulgated by the division, be deployed by a casino licensee on
23 the casino floor 14 days after submission of such equipment for
24 testing. If the casino or casino service industry enterprise licensee
25 has not received approval for the equipment 14 days after
26 submission for testing, any interested casino licensee may,
27 consistent with division regulations, deploy the equipment on a
28 field test basis, unless otherwise directed by the director.

29 i. (Deleted by amendment, P.L.1991, c.182).

30 j. (Deleted by amendment, P.L.1991, c.182).

31 k. It shall be unlawful for any person to exchange or redeem
32 chips for anything whatsoever, except for currency, negotiable
33 personal checks, negotiable counter checks, other chips, coupons,
34 slot vouchers or complimentary vouchers distributed by the casino
35 licensee, or, if authorized by regulation of the division, a valid
36 charge to a credit or debit card account. A casino licensee shall,
37 upon the request of any person, redeem that licensee's gaming chips
38 surrendered by that person in any amount over \$100 with a check
39 drawn upon the licensee's account at any banking institution in this
40 State and made payable to that person.

41 l. It shall be unlawful for any casino licensee or its agents or
42 employees to employ, contract with, or use any shill or barker to
43 induce any person to enter a casino or simulcasting facility or play
44 at any game or for any purpose whatsoever.

45 m. It shall be unlawful for a dealer in any authorized game in
46 which cards are dealt to deal cards by hand or other than from a
47 device specifically designed for that purpose, unless otherwise
48 permitted by the rules of the division.

1 n. (1) It shall be unlawful for any casino key employee[,]
2 licensee [or any person who is required to hold a casino key
3 employee license as a condition of employment or qualification] to
4 wager in any casino or simulcasting facility in this State[, or any
5 casino].

6 (2) It shall be unlawful for any other employee of a casino
7 licensee who, in the judgment of the division, is directly involved
8 with the conduct of gaming operations, including but not limited to
9 dealers, floor persons, box persons, security and surveillance
10 employees, to wager in any casino or simulcasting facility in the
11 casino hotel in which the employee is employed or in any other
12 casino or simulcasting facility in this State which is owned or
13 operated by an affiliated licensee.

14 (3) The prohibition against wagering set forth in paragraphs (1)
15 and (2) of this subsection shall continue for a period of 30 days
16 commencing upon the date that the employee either leaves
17 employment with a casino licensee or is terminated from
18 employment with a casino licensee.

19 o. (1) It shall be unlawful for any casino key employee or
20 boxman, floorman, or any other casino employee who shall serve in
21 a supervisory position to solicit or accept, and for any other casino
22 employee to solicit, any tip or gratuity from any player or patron at
23 the casino hotel or simulcasting facility where he is employed.

24 (2) A dealer may accept tips or gratuities from a patron at the
25 table at which such dealer is conducting play, subject to the
26 provisions of this subsection. All such tips or gratuities shall be
27 immediately deposited in a lockbox reserved for that purpose,
28 unless the tip or gratuity is authorized by a patron utilizing an
29 automated wagering system approved by the division. All tips or
30 gratuities shall be accounted for, and placed in a pool for
31 distribution pro rata among the dealers, with the distribution based
32 upon the number of hours each dealer has worked, except that the
33 division may, by regulation, permit a separate pool to be established
34 for dealers in the game of poker, or may permit tips or gratuities to
35 be retained by individual dealers in the game of poker.

36 (3) Notwithstanding the provisions of paragraph (1) of this
37 subsection, a casino licensee may require that a percentage of the
38 prize pool offered to participants pursuant to an authorized poker
39 tournament be withheld for distribution to the tournament dealers as
40 tips or gratuities as the division by regulation may approve.

41 p. Any slot system operator that offers an annuity jackpot shall
42 secure the payment of such jackpot by establishing an annuity
43 jackpot guarantee in accordance with the requirements of P.L.1977,
44 c.110 (C.5:12-1 et seq.), and the rules of the division.
45 (cf: P.L.2011, c.19, s.65)

1 ²[6.] 8.² Section 101 of P.L.1977, c.110 (C.5:12-101) is
2 amended to read as follows:

3 101. a. Except as otherwise provided in this section, no casino
4 licensee or any person licensed under this act, and no person acting
5 on behalf of or under any arrangement with a casino licensee or
6 other person licensed under this act, shall:

7 (1) Cash any check, make any loan, or otherwise provide or
8 allow to any person any credit or advance of anything of value or
9 which represents value to enable any person to take part in gaming
10 or simulcast wagering activity as a player; or

11 (2) Release or discharge any debt, either in whole or in part, or
12 make any loan which represents any losses incurred by any player
13 in gaming or simulcast wagering activity, without maintaining a
14 written record thereof in accordance with the rules of the division.

15 b. No casino licensee or any person licensed under this act, and
16 no person acting on behalf of or under any arrangement with a
17 casino licensee or other person licensed under this act, may accept a
18 check, other than a recognized traveler's check or other cash
19 equivalent from any person to enable such person to take part in
20 gaming or simulcast wagering activity as a player, or may give cash
21 or cash equivalents in exchange for such check unless:

22 (1) The check is made payable to the casino licensee;

23 (2) The check is dated, but not postdated;

24 (3) The check is presented to the cashier or the cashier's
25 representative at a location in the casino approved by the division
26 and is exchanged for cash or slot tokens which total an amount
27 equal to the amount for which the check is drawn, or the check is
28 presented to the cashier's representative at a gaming table in
29 exchange for chips which total an amount equal to the amount for
30 which the check is drawn; and

31 (4) The regulations concerning check cashing procedures are
32 observed by the casino licensee and its employees and agents.

33 Nothing in this subsection shall be deemed to preclude the
34 establishment of an account by any person with a casino licensee by
35 a deposit of cash, recognized traveler's check or other cash
36 equivalent, or a check which meets the requirements of subsection
37 g. of this section, or to preclude the withdrawal, either in whole or
38 in part, of any amount contained in such account.

39 c. When a casino licensee or other person licensed under this
40 act, or any person acting on behalf of or under any arrangement
41 with a casino licensee or other person licensed under this act, cashes
42 a check in conformity with the requirements of subsection b. of this
43 section, the casino licensee shall cause the deposit of such check in
44 a bank for collection or payment, or shall require an attorney or
45 casino key employee with no incompatible functions to present such
46 check to the drawer's bank for payment, within (1) seven calendar
47 days of the date of the transaction for a check in an amount of
48 \$1,000.00 or less; (2) 14 calendar days of the date of the transaction

1 for a check in an amount greater than \$1,000.00 but less than or
2 equal to \$5,000.00; or (3) 45 calendar days of the date of the
3 transaction for a check in an amount greater than \$5,000.00.
4 Notwithstanding the foregoing, the drawer of the check may redeem
5 the check by exchanging cash, cash equivalents, chips, or a check
6 which meets the requirements of subsection g. of this section in an
7 amount equal to the amount for which the check is drawn; or he
8 may redeem the check in part by exchanging cash, cash equivalents,
9 chips, or a check which meets the requirements of subsection g. of
10 this section and another check which meets the requirements of
11 subsection b. of this section for the difference between the original
12 check and the cash, cash equivalents, chips, or check tendered; or
13 he may issue one check which meets the requirements of subsection
14 b. of this section in an amount sufficient to redeem two or more
15 checks drawn to the order of the casino licensee. If there has been a
16 partial redemption or a consolidation in conformity with the
17 provisions of this subsection, the newly issued check shall be
18 delivered to a bank for collection or payment or presented to the
19 drawer's bank for payment by an attorney or casino key employee
20 with no incompatible functions within the period herein specified.
21 No casino licensee or any person licensed or registered under this
22 act, and no person acting on behalf of or under any arrangement
23 with a casino licensee or other person licensed under this act, shall
24 accept any check or series of checks in redemption or consolidation
25 of another check or checks in accordance with this subsection for
26 the purpose of avoiding or delaying the deposit of a check in a bank
27 for collection or payment or the presentment of the check to the
28 drawer's bank within the time period prescribed by this subsection.

29 In computing a time period prescribed by this subsection, the last
30 day of the period shall be included unless it is a Saturday, Sunday,
31 or a State or federal holiday, in which event the time period shall
32 run until the next business day.

33 d. No casino licensee or any other person licensed or registered
34 under this act, or any other person acting on behalf of or under any
35 arrangement with a casino licensee or other person licensed or
36 registered under this act, shall transfer, convey, or give, with or
37 without consideration, a check cashed in conformity with the
38 requirements of this section to any person other than:

39 (1) The drawer of the check upon redemption or consolidation
40 in accordance with subsection c. of this section;

41 (2) A bank for collection or payment of the check;

42 (3) A purchaser of the casino license as approved by the
43 commission; or

44 (4) An attorney or casino key employee with no incompatible
45 functions for presentment to the drawer's bank.

46 The limitation on transferability of checks imposed herein shall
47 apply to checks returned by any bank to the casino licensee without
48 full and final payment.

1 e. No person other than a casino key employee licensed under
2 this act or a casino employee registered under this act may engage
3 in efforts to collect upon checks that have been returned by banks
4 without full and final payment, except that an attorney-at-law
5 representing a casino licensee ², or a collection agency working
6 under the supervision of such attorney-at-law,² may ²be retained
7 to collect a debt or² bring action for such collection.

8 f. Notwithstanding the provisions of any law to the contrary,
9 checks cashed in conformity with the requirements of this act shall
10 be valid instruments, enforceable at law in the courts of this State.
11 Any check cashed, transferred, conveyed or given in violation of
12 this act shall be invalid and unenforceable for the purposes of
13 collection but shall be included in the calculation of gross revenue
14 pursuant to section 24 of P.L.1977, c.110 (C.5:12-24).

15 g. Notwithstanding the provisions of subsection b. of this
16 section to the contrary, a casino licensee may accept a check from a
17 person to enable the person to take part in gaming or simulcast
18 wagering activity as a player, may give cash or cash equivalents in
19 exchange for such a check, or may accept a check in redemption or
20 partial redemption of a check issued in accordance with subsection
21 b., provided that:

22 (1) (a) The check is issued by a casino licensee, is made payable
23 to the person presenting the check, and is issued for a purpose other
24 than employment compensation or as payment for goods or services
25 rendered;

26 (b) The check is issued by a banking institution which is
27 chartered in a country other than the United States on its account at
28 a federally chartered or state-chartered bank and is made payable to
29 "cash," "bearer," a casino licensee, or the person presenting the
30 check;

31 (c) The check is issued by a banking institution which is
32 chartered in the United States on its account at another federally
33 chartered or state-chartered bank and is made payable to "cash,"
34 "bearer," a casino licensee, or the person presenting the check;

35 (d) The check is issued by a slot system operator or pursuant to
36 an annuity jackpot guarantee as payment for winnings from a multi-
37 casino progressive slot machine system jackpot; or

38 (e) The check is issued by **[an affiliate of a casino licensee]** an
39 entity that holds a gaming license in any jurisdiction, is made
40 payable to the person presenting the check, and is issued for a
41 purpose other than employment compensation or as payment for
42 goods or services rendered;

43 (2) The check is identifiable in a manner approved by the
44 division as a check authorized for acceptance pursuant to paragraph
45 (1) of this subsection;

46 (3) The check is dated, but not postdated;

47 (4) The check is presented to the cashier or the cashier's
48 representative by the original payee and its validity is verified by

1 the drawer in the case of a check drawn pursuant to subparagraph
2 (a) of paragraph (1) of this subsection, or the check is verified in
3 accordance with regulations promulgated under this act in the case
4 of a check issued pursuant to subparagraph (b), (c), (d) or (e) of
5 paragraph (1) of this subsection; and

6 (5) The regulations concerning check cashing procedures are
7 observed by the casino licensee and its employees and agents.

8 No casino licensee shall issue a check for the purpose of making
9 a loan or otherwise providing or allowing any advance or credit to a
10 person to enable the person to take part in gaming or simulcast
11 wagering activity as a player.

12 h. Notwithstanding the provisions of subsection b. and
13 subsection c. of this section to the contrary, a casino licensee may,
14 at a location outside the casino, accept a personal check or checks
15 from a person for up to \$5,000 in exchange for cash or cash
16 equivalents, and may, at such locations within the casino or casino
17 simulcasting facility as may be permitted by the division, accept a
18 personal check or checks for up to \$5,000 in exchange for cash,
19 cash equivalents, tokens, chips, or plaques to enable the person to
20 take part in gaming or simulcast wagering activity as a player,
21 provided that:

22 (a) The check is drawn on the patron's bank or brokerage cash
23 management account;

24 (b) The check is for a specific amount;

25 (c) The check is made payable to the casino licensee;

26 (d) The check is dated but not post-dated;

27 (e) The patron's identity is established by examination of one of
28 the following: valid credit card, driver's license, passport, or other
29 form of identification credential which contains, at a minimum, the
30 patron's signature;

31 (f) The check is restrictively endorsed "For Deposit Only" to
32 the casino licensee's bank account and deposited on the next
33 banking day following the date of the transaction;

34 (g) The total amount of personal checks accepted by any one
35 licensee pursuant to this subsection that are outstanding at any time,
36 including the current check being submitted, does not exceed
37 \$5,000;

38 (h) The casino licensee has a system of internal controls in place
39 that will enable it to determine the amount of outstanding personal
40 checks received from any patron pursuant to this subsection at any
41 given point in time; and

42 (i) The casino licensee maintains a record of each such
43 transaction in accordance with regulations established by the
44 division.

45 i. (Deleted by amendment, P.L.2004, c.128).

46 j. A person may request the division to put that person's name
47 on a list of persons to whom the extension of credit by a casino as
48 provided in this section would be prohibited by submitting to the

1 division the person's name, address, and date of birth. The person
2 does not need to provide a reason for this request. The division shall
3 provide this list to the credit department of each casino; neither the
4 division nor the credit department of a casino shall divulge the
5 names on this list to any person or entity other than those provided
6 for in this subsection. If such a person wishes to have that person's
7 name removed from the list, the person shall submit this request to
8 the division, which shall so inform the credit departments of casinos
9 no later than three days after the submission of the request.

10 k. (Deleted by amendment, P.L.2004, c.128).

11 (cf: P.L.2011, c.19, s.68)

12

13 ²9. Section 102 of P.L.1977, c.110 (C.5:12-102) is amended to
14 read as follows:

15 102. Junkets and Complimentary Services.

16 a. No junkets may be organized or permitted except in
17 accordance with the provisions of this act. No person may act as a
18 junket representative or junket enterprise except in accordance with
19 this section.

20 b. A junket enterprise or a junket representative employed by a
21 casino licensee, an applicant for a casino license or an affiliate of a
22 casino licensee shall be **【licensed】** registered as a casino **【key】**
23 employee in accordance with the provisions of P.L.1977, c.110
24 (C.5:12-1 et seq.); provided, however, that said licensee need not be
25 a resident of this State. No casino licensee or applicant for a casino
26 license may employ or otherwise engage a junket representative
27 who is not so **【licensed】** registered.

28 c. Junket enterprises that, and junket representatives not
29 employed by a casino licensee or an applicant for a casino license
30 or by a junket enterprise who, engage in activities governed by this
31 section shall be **【licensed as a casino service industry enterprise in**
32 **accordance with subsection a. of section 92 of P.L.1977, c.110**
33 **(C.5:12-92), unless otherwise directed by the division. Any non-**
34 **supervisory employee of a junket enterprise or junket representative**
35 **licensed under this subsection shall be】** registered in accordance
36 with subsection c. of section 92 of P.L.1977, c.110 (C.5:12-92).

37 d. Prior to the issuance of any license required by this section
38 as provided under paragraph (2) of subsection c. of section 92 of
39 P.L.1977, c.110 (C.5:12-92), an applicant for licensure shall submit
40 to the jurisdiction of the State of New Jersey and shall demonstrate
41 that he is amenable to service of process within this State. Failure to
42 establish or maintain compliance with the requirements of this
43 subsection shall constitute sufficient cause for the denial,
44 suspension or revocation of any license issued pursuant to this
45 section.

46 e. Upon petition by the holder of a casino license, an applicant
47 for junket representative or junket enterprise applying for licensure

1 as provided under paragraph (2) of subsection c. of section 92 of
2 P.L.1977, c.110 (C.5:12-92) may be issued a temporary license by
3 the division in accordance with regulations promulgated by the
4 division, provided that:

- 5 (1) the applicant for licensure is employed by a casino licensee;
- 6 (2) the applicant for licensure has filed a completed application
7 as required by the commission;
- 8 (3) the division either certifies to the commission that the
9 completed application for licensure as specified in paragraph (2) of
10 this subsection has been in the possession of the division for at least
11 60 days or agrees to allow the commission to consider the
12 application in some lesser time; and
- 13 (4) the division does not object to the temporary licensure of the
14 applicant; provided, however, that failure of the division to object
15 prior to the temporary licensure of the applicant shall not be
16 construed to reflect in any manner upon the qualifications of the
17 applicant for licensure.

18 In addition to any other authority granted by P.L.1977, c.110
19 (C.5:12-1 et seq.), the commission shall have the authority, upon
20 receipt of a representation by the division that it possesses
21 information which raises a reasonable possibility that a junket
22 representative does not qualify for licensure, to immediately
23 suspend, limit or condition any temporary license issued pursuant to
24 this subsection, pending a hearing on the qualifications of the junket
25 representative, in accordance with the provisions of P.L.1977, c.110
26 (C.5:12-1 et seq.).

27 Unless otherwise terminated pursuant to P.L.1977, c.110
28 (C.5:12-1 et seq.), any temporary license issued pursuant to this
29 subsection shall expire 12 months from the date of its issuance, and
30 shall be renewable by the commission, in the absence of an
31 objection by the division, as specified in paragraph (4) of this
32 subsection, for one additional six-month period.

33 f. Every agreement concerning junkets entered into by a casino
34 licensee and a junket representative or junket enterprise shall be
35 deemed to include a provision for its termination without liability
36 on the part of the casino licensee, if the division orders the
37 termination upon the suspension, limitation, conditioning, denial or
38 revocation of the licensure of the junket representative or junket
39 enterprise, in accordance with the provisions of P.L.1977, c.110
40 (C.5:12-1 et seq.). Failure to expressly include such a condition in
41 the agreement shall not constitute a defense in any action brought to
42 terminate the agreement.

43 g. A casino licensee shall be responsible for the conduct of any
44 junket representative or junket enterprise associated with it and for
45 the terms and conditions of any junket engaged in on its premises,
46 regardless of the fact that the junket may involve persons not
47 employed by such a casino licensee.

1 h. A casino licensee shall be responsible for any violation or
2 deviation from the terms of a junket. Notwithstanding any other
3 provisions of this act, the division may order restitution to junket
4 participants, assess penalties for such violations or deviations,
5 prohibit future junkets by the casino licensee, junket enterprise or
6 junket representative, and order such further relief as it deems
7 appropriate.

8 i. The division shall, by regulation, prescribe methods,
9 procedures and forms for the delivery and retention of information
10 concerning the conduct of junkets by casino licensees. Without
11 limitation of the foregoing, each casino licensee, in accordance with
12 the rules of the division, shall:

13 (1) Maintain on file a report describing the operation of any
14 junket engaged in on its premises;

15 (2) (Deleted by amendment, P.L.1995, c.18.).

16 (3) Submit to the division a list of all its employees who are
17 acting as junket representatives.

18 j. Each casino licensee, junket representative or junket
19 enterprise shall, in accordance with the rules of the division, file a
20 report with the division with respect to each list of junket patrons or
21 potential junket patrons purchased directly or indirectly by the
22 casino licensee, junket representative or enterprise.

23 k. The division shall have the authority to determine, either by
24 regulation, or upon petition by the holder of a casino license, that a
25 type of arrangement otherwise included within the definition of
26 "junket" established by section 29 of P.L.1977, c.110 (C.5:12-29)
27 shall not require compliance with any or all of the requirements of
28 this section. In granting exemptions, the division shall consider
29 such factors as the nature, volume and significance of the particular
30 type of arrangement, and whether the exemption would be
31 consistent with the public policies established by this act. In
32 applying the provisions of this subsection, the division may
33 condition, limit, or restrict any exemption as the commission may
34 deem appropriate.

35 l. No junket enterprise or junket representative or person
36 acting as a junket representative may:

37 (1) Engage in efforts to collect upon checks that have been
38 returned by banks without full and final payment;

39 (2) Exercise approval authority with regard to the authorization
40 or issuance of credit pursuant to section 101 of P.L.1977, c.110
41 (C.5:12-101);

42 (3) Act on behalf of or under any arrangement with a casino
43 licensee or a gaming patron with regard to the redemption,
44 consolidation, or substitution of the gaming patron's checks
45 awaiting deposit pursuant to subsection c. of section 101 of
46 P.L.1977, c.110 (C.5:12-101);

47 (4) Individually receive or retain any fee from a patron for the
48 privilege of participating in a junket;

1 (5) Pay for any services, including transportation, or other items
2 of value provided to, or for the benefit of, any patron participating
3 in a junket.

4 m. No casino licensee shall offer or provide any complimentary
5 services, gifts, cash or other items of value to any person unless:

6 (1) The complimentary consists of room, food, beverage,
7 transportation, or entertainment expenses provided directly to the
8 patron and his guests by the licensee or indirectly to the patron and
9 his guests on behalf of a licensee by a third party; or

10 (2) (Deleted by amendment, P.L.2009, c.36); or

11 (3) The complimentary consists of coins, tokens, cash or other
12 complimentary items or services provided through a bus coupon or
13 other complimentary distribution program which, notwithstanding
14 the requirements of section 99 of P.L.1977, c.110 (C.5:12-99), shall
15 be maintained pursuant to regulation and made available for
16 inspection by the division.

17 Notwithstanding the foregoing, a casino licensee may offer and
18 provide complimentary cash or noncash gifts which are not
19 otherwise included in paragraphs (1) and (3) of this subsection to
20 any person, provided that any such gifts in excess of \$2,000.00, or
21 such greater amount as the division may establish by regulation, are
22 supported by documentation regarding the reason the gift was
23 provided to the patron and his guests, including where applicable, a
24 patron's player rating, which documentation shall be maintained by
25 the casino licensee.

26 Each casino licensee shall maintain a regulated complimentary
27 service account, for those complimentaries which are permitted
28 pursuant to this section, and shall submit a quarterly report to the
29 division based upon such account and covering all complimentary
30 services offered or engaged in by the licensee during the
31 immediately preceding quarter. Such reports shall include
32 identification of the regulated complimentary services and their
33 respective costs, the number of persons by category of service who
34 received the same, and such other information as the division may
35 require.

36 n. As used in this subsection, "person" means any State officer
37 or employee subject to financial disclosure by law or executive
38 order and any other State officer or employee with responsibility for
39 matters affecting casino activity; any special State officer or
40 employee with responsibility for matters affecting casino activity;
41 the Governor; any member of the Legislature or full-time member
42 of the Judiciary; any full-time professional employee of the Office
43 of the Governor, or the Legislature; members of the Casino
44 Reinvestment Development Authority; the head of a principal
45 department; the assistant or deputy heads of a principal department,
46 including all assistant and deputy commissioners; the head of any
47 division of a principal department; any member of the governing
48 body, or the municipal judge or the municipal attorney of a

1 municipality wherein a casino is located; any member of or attorney
2 for the planning board or zoning board of adjustment of a
3 municipality wherein a casino is located, or any professional
4 planner or consultant regularly employed or retained by such
5 planning board or zoning board of adjustment.

6 No casino applicant or licensee shall provide directly or
7 indirectly to any person any complimentary service or discount
8 which is other than such service or discount that is offered to
9 members of the general public in like circumstance.

10 o. (Deleted by amendment, P.L.2011, c.19)²

11 (cf: P.L.2011, c.19, s.71)

12

13 ²[7.] 10.² Section 104 of P.L.1977, c.110 (C.5:12-104) is
14 amended to read as follows:

15 104. a. Unless otherwise provided in this subsection, no
16 agreement shall be lawful which provides for the payment, however
17 defined, of any direct or indirect interest, percentage or share of:
18 any money or property gambled at a casino or simulcasting facility;
19 any money or property derived from casino gaming activity or
20 wagering at a simulcasting facility; or any revenues, profits or
21 earnings of a casino or simulcasting facility. Notwithstanding the
22 foregoing:

23 (1) Agreements which provide only for the payment of a fixed
24 sum which is in no way affected by the amount of any such money,
25 property, revenues, profits or earnings shall not be subject to the
26 provisions of this subsection; and receipts, rentals or charges for
27 real property, personal property or services shall not lose their
28 character as payments of a fixed sum because of contract, lease, or
29 license provisions for adjustments in charges, rentals or fees on
30 account of changes in taxes or assessments, cost-of-living index
31 escalations, expansion or improvement of facilities, or changes in
32 services supplied.

33 (2) ~~[(Deleted by amendment, P.L.2011, c.19)]~~ Agreements
34 between a casino licensee and a junket enterprise or junket
35 representative licensed, qualified or registered in accordance with
36 the provisions of P.L.1977, c.110 (C.5:12-1 et seq.) and the
37 regulations of the division which provide for the compensation of
38 the junket enterprise or junket representative by the casino licensee
39 based upon the actual casino gaming or simulcast wagering
40 activities of a patron procured or referred by the junket enterprise or
41 junket representative shall be lawful if filed with the division prior
42 to the conduct of any junket that is governed by the agreement.

43 (3) Agreements between a casino licensee and its employees
44 which provide for casino employee or casino key employee profit
45 sharing shall be lawful if the agreement is in writing and filed with
46 the division prior to its effective date. Such agreements may be
47 reviewed by the division under any relevant provision of P.L.1977,
48 c.110 (C.5:12-1 et seq.).

1 (4) Agreements to lease an approved casino hotel or the land
2 thereunder and agreements for the complete management of all
3 casino gaming operations in a casino hotel shall not be subject to
4 the provisions of this subsection but shall rather be subject to the
5 provisions of subsections b. and c. of section 82 of this act.

6 (5) Agreements which provide for percentage charges between
7 the casino licensee and a holding company or intermediary
8 company of the casino licensee shall be in writing and filed with the
9 division but shall not be subject to the provisions of this subsection.

10 (6) Agreements relating to simulcast racing and wagering
11 between a casino licensee and an in-State or out-of-State sending
12 track licensed or exempt from licensure in accordance with section
13 92 of P.L.1977, c.110 (C.5:12-92) shall be in writing, be filed with
14 the division, and be lawful and effective only if expressly approved
15 as to their terms by the division and the New Jersey Racing
16 Commission, except that any such agreements which provide for a
17 percentage of the parimutuel pool wagered at a simulcasting facility
18 to be paid to the sending track shall not be subject to the provisions
19 of this subsection.

20 (7) Agreements relating to simulcast racing and wagering
21 between a casino licensee and a casino service industry enterprise
22 licensed pursuant to the provisions of subsection a. of section 92 of
23 P.L.1977, c.110 (C.5:12-92) as a hub facility, as defined in joint
24 regulations of the Division of Gaming Enforcement and the New
25 Jersey Racing Commission, shall be in writing, be filed with the
26 commission, and be lawful and effective only if expressly approved
27 as to their terms by the commission and the New Jersey Racing
28 Commission, except that any such agreements which provide for a
29 percentage of the casino licensee's share of the parimutuel pool
30 wagered at a simulcasting facility to be paid to the hub facility shall
31 not be subject to the provisions of this subsection.

32 (8) Agreements relating to simulcast racing and wagering
33 between a casino licensee and a casino service industry enterprise
34 licensed pursuant to the provisions of subsection a. of section 92 of
35 P.L.1977, c.110 (C.5:12-92) to conduct casino simulcasting in a
36 simulcasting facility shall be in writing, be filed with the
37 commission, and be lawful and effective only if expressly approved
38 as to their terms by the commission, except that any such
39 agreements which provide for a percentage of the casino licensee's
40 share of the parimutuel pool wagered at a simulcasting facility to be
41 paid to the casino service industry enterprise shall not be subject to
42 the provisions of this subsection.

43 (9) Written agreements relating to the operation of multi-casino
44 progressive slot machine systems between one or more casino
45 licensees and a casino service industry enterprise licensed pursuant
46 to the provisions of subsection a. of section 92 of P.L.1977, c.110
47 (C.5:12-92), or an eligible applicant for such license, which provide
48 for an interest, percentage or share of the casino licensee's revenues,

1 profits or earnings from the operation of such multi-casino
2 progressive slot machines to be paid to the casino service industry
3 enterprise licensee or applicant shall not be subject to the provisions
4 of this subsection if the agreements are filed with and approved by
5 the division.

6 (10) A written agreement between a casino licensee and a casino
7 service industry enterprise licensed pursuant to subsection a. of
8 section 92 of P.L.1977, c.110 (C.5:12-92), or an eligible applicant
9 for such license, relating to the construction, renovation or
10 operation of qualifying sleeping units, as defined in section 27 of
11 P.L.1977, c.110 (C.5:12-27), or of non-gaming amenities, as
12 defined by the division, within the limits of the city of Atlantic
13 City, regardless of whether such qualifying sleeping units or non-
14 gaming amenities are connected to a casino hotel facility, which
15 provides for an interest, percentage or share of the casino licensee's
16 revenues, profits or earnings, not to exceed 5% of the casino
17 licensee's revenues, to be paid to the casino service industry
18 enterprise licensee or applicant in return for the construction,
19 renovation or operation of such qualifying sleeping units or non-
20 gaming amenities shall not be subject to the provisions of this
21 subsection provided that: (i) the agreement requires a capital
22 investment, at least 10% of which shall be made by the casino
23 service industry enterprise licensee or applicant over the term of the
24 agreement, of not less than \$30 million, which minimum amount
25 shall be adjusted periodically by the division for inflation; (ii) the
26 division finds that the total amount of casino revenues, profits or
27 earnings that can be paid to the casino service industry enterprise
28 licensee or applicant pursuant to this agreement is commercially
29 reasonable under the circumstances; and (iii) the agreement is filed
30 with and approved by the division.

31 ²[(11) A written agreement for the purchase or lease of slot
32 machines between a casino licensee and a casino service industry
33 enterprise licensed pursuant to subsection a. of section 92 of
34 P.L.1977, c.110 (C.5:12-92), or an eligible applicant for a license,
35 which provides for the payment to the casino service industry
36 enterprise licensee or applicant of an interest, percentage, or share
37 of the proceeds from the operation of those slot machines shall not
38 be subject to the provisions of this subsection, if the agreement is
39 filed with and approved by the division.]²

40 b. Each casino applicant or licensee shall maintain, in
41 accordance with the rules of the division, a record of each written or
42 unwritten agreement regarding the realty, construction,
43 maintenance, or business of a proposed or existing casino hotel or
44 related facility. The foregoing obligation shall apply regardless of
45 whether the casino applicant or licensee is a party to the agreement.
46 Any such agreement may be reviewed by the division on the basis
47 of the reasonableness of its terms, including the terms of
48 compensation, and of the qualifications of the owners, officers,

1 employees, and directors of any enterprise involved in the
2 agreement, which qualifications shall be reviewed according to the
3 standards enumerated in section 86 of P.L.1977, c.110 (C.5:12-86).
4 If the division disapproves such an agreement or the owners,
5 officers, employees, or directors of any enterprise involved therein,
6 the division may require its termination.

7 Every agreement required to be maintained, and every related
8 agreement the performance of which is dependent upon the
9 performance of any such agreement, shall be deemed to include a
10 provision to the effect that, if the commission shall require
11 termination of an agreement pursuant to its authority under
12 P.L.1977, c.110 (C.5:12-1 et seq.), such termination shall occur
13 without liability on the part of the casino applicant or licensee or
14 any qualified party to the agreement or any related agreement.
15 Failure expressly to include such a provision in the agreement shall
16 not constitute a defense in any action brought to terminate the
17 agreement. If the agreement is not maintained or presented to the
18 commission in accordance with division regulations, or the
19 disapproved agreement is not terminated, the division may pursue
20 any remedy or combination of remedies provided in this act.

21 For the purposes of this subsection, "casino applicant" includes
22 any person required to hold a casino license pursuant to section 82
23 of P.L.1977, c.110 (C.5:12-82) who has applied to the division for a
24 casino license or any approval required under P.L.1977, c.110
25 (C.5:12-1 et seq.).

26 c. Nothing in this act shall be deemed to permit the transfer of
27 any license, or any interest in any license, or any certificate of
28 compliance or any commitment or reservation.
29 (cf: P.L.2011, c.19, s.73)

30

31 ²[8.] 11.² Section 55 of P.L.1977, c.110 (C.5:12-55) is
32 amended to read as follows:

33 55. Division of gaming enforcement. There is hereby established
34 in the Department of Law and Public Safety the Division of Gaming
35 Enforcement. The division shall be under the immediate supervision
36 of a director who shall also be sworn as an Assistant Attorney
37 General and who shall administer the work of the division under the
38 direction and supervision of the Attorney General. The director
39 shall be appointed by the Governor, with the advice and consent of
40 the Senate, and shall serve during the term of office of the
41 Governor, except that the first director shall be appointed for a term
42 of 2 years. The director may be removed from office by the
43 Attorney General for cause upon notice and opportunity to be heard.

44 The director and any employee or agent of the division shall be
45 subject to the duty to appear and testify and to removal from his
46 office, position or employment in accordance with the provisions of
47 P.L.1970, c.72 (C.2A:81-17.2a et seq.). The Attorney General shall

1 be responsible for the exercise of the duties and powers assigned to
2 the division.

3 The division shall be located in Atlantic City, except that the
4 division may maintain a secondary satellite office in Trenton, which
5 shall not be the primary office, if deemed necessary for the effective
6 performance of its duties and responsibilities.

7 If, as a result of the transfer of duties and responsibilities from
8 the Casino Control Commission to the division in accordance with
9 P.L.2011, c.19 (C.5:12-6.1 et al.), the division needs to employ an
10 individual to fill a position, former employees of the commission
11 who performed the duties of the position to be filled shall be given
12 a one-time right of first refusal offer of employment with the
13 division, and such employees may be removed by the division for
14 cause or if deemed unqualified to hold the position, notwithstanding
15 any other provision of law to the contrary. An individual formerly
16 employed by the commission who becomes employed by the
17 division shall retain as an employee of the division the seniority,
18 and all rights related to seniority, that the employee had with the
19 commission as of the last day of employment with the commission.
20 (cf: P.L.2011, c.19, s.124)

21

22 ²[9.] 12.² This act shall take effect immediately.