

SENATE, No. 2575

STATE OF NEW JERSEY
217th LEGISLATURE

INTRODUCED SEPTEMBER 26, 2016

Sponsored by:

Senator STEPHEN M. SWEENEY

District 3 (Cumberland, Gloucester and Salem)

Senator JIM WHELAN

District 2 (Atlantic)

SYNOPSIS

Disqualifies casino license applicant for five-year period if person substantially closed casino property in State; revokes license.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 9/27/2016)

1 AN ACT concerning the disqualification criteria for casino license
2 applicants and amending and supplementing P.L.1977, c.110.

3

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

6

7 1. Section 86 of P.L.1977, c.110 (C.5:12-86) is amended to
8 read as follows:

9 86. Casino License--Disqualification Criteria. The commission
10 shall deny a casino license to any applicant who is disqualified on
11 the basis of any of the following criteria:

12 a. Failure of the applicant to prove by clear and convincing
13 evidence that the applicant is qualified in accordance with the
14 provisions of this act;

15 b. Failure of the applicant to provide information,
16 documentation and assurances required by the act or requested by
17 the commission or the division, or failure of the applicant to reveal
18 any fact material to qualification, or the supplying of information
19 which is untrue or misleading as to a material fact pertaining to the
20 qualification criteria;

21 c. The conviction of the applicant, or of any person required to
22 be qualified under this act as a condition of a casino license, of any
23 offense in any jurisdiction which would be:

24 (1) Any of the following offenses under the "New Jersey Code
25 of Criminal Justice," P.L.1978, c.95 (Title 2C of the New Jersey
26 Statutes) as amended and supplemented:

27 all crimes of the first degree;

28 N.J.S.2C:5-1 (attempt to commit an offense which is listed in
29 this subsection);

30 N.J.S.2C:5-2 (conspiracy to commit an offense which is listed in
31 this subsection);

32 Subsection b. of N.J.S.2C:11-4 (manslaughter);

33 N.J.S.2C:11-5 (vehicular homicide which constitutes a crime of
34 the second degree);

35 Subsection b. of N.J.S.2C:12-1 (aggravated assault which
36 constitutes a crime of the second or third degree);

37 N.J.S.2C:13-1 (kidnapping);

38 N.J.S.2C:14-1 et seq. (sexual offenses which constitute crimes of
39 the second or third degree);

40 N.J.S.2C:15-1 (robberies);

41 Subsections a. and b. of N.J.S.2C:17-1 (crimes involving arson
42 and related offenses);

43 Subsections a. and b. of N.J.S.2C:17-2 (causing or risking
44 widespread injury or damage);

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.

1 N.J.S.2C:18-2 (burglary which constitutes a crime of the second
2 or third degree);
3 N.J.S.2C:20-1 et seq. (theft and related offenses which constitute
4 crimes of the second or third degree);
5 N.J.S.2C:21-1 et seq. (forgery and fraudulent practices which
6 constitute crimes of the second or third degree);
7 N.J.S.2C:24-4 (endangering the welfare of a child);
8 N.J.S.2C:27-1 et seq. (bribery and corrupt influence);
9 N.J.S.2C:28-1 et seq. (perjury and other falsification in official
10 matters which constitute crimes of the second, third or fourth
11 degree);
12 N.J.S.2C:30-2 and N.J.S.2C:30-3 (misconduct in office and
13 abuse in office which constitutes a crime of the second degree);
14 N.J.S.2C:35-5 (manufacturing, distributing or dispensing a
15 controlled dangerous substance or a controlled dangerous substance
16 analog which constitutes a crime of the second or third degree);
17 N.J.S.2C:35-6 (employing a juvenile in a drug distribution
18 scheme);
19 N.J.S.2C:35-7 (distributing, dispensing or possessing a
20 controlled dangerous substance or a controlled substance analog on
21 or within 1,000 feet of school property or bus);
22 P.L.1997, c.327 (C.2C:35-7.1) (distributing, dispensing or
23 possessing a controlled dangerous substance or a controlled
24 substance analog in proximity to public housing facilities, parks or
25 buildings);
26 N.J.S.2C:35-11 (distribution, possession or manufacture of
27 imitation controlled dangerous substances);
28 N.J.S.2C:35-13 (acquisition of controlled dangerous substances
29 by fraud);
30 N.J.S.2C:37-1 et seq. (gambling offenses which constitute crimes
31 of the third or fourth degree);
32 N.J.S.2C:37-7 (possession of a gambling device);
33 Any second degree racketeering crime under Chapter 41 of Title
34 2C of the New Jersey Statutes; or
35 (2) Any of the following offenses under the "Casino Control
36 Act," P.L.1977, c.110 (C.5:12-1 et seq.):
37 P.L.1977, c.110, s.113 (C.5:12-113) (swindling and cheating);
38 P.L.1991, c.182, s.46 (C.5:12-113.1) (use of device to gain
39 advantage at casino game);
40 P.L.1977, c.110, s.114 (C.5:12-114) (unlawful use of bogus
41 chips or gaming billets, marked cards, dice, cheating devices,
42 unlawful coins);
43 P.L.1977, c.110, s.115 (C.5:12-115) (cheating games and devices
44 in a licensed casino); or
45 P.L.1977, c.110, s.116 (C.5:12-116) (unlawful possession of
46 device, equipment or other material illegally manufactured,
47 distributed, sold or delivered); or

1 (3) Any other offense under present New Jersey or federal law
2 which indicates that licensure of the applicant would be inimical to
3 the policy of this act and to casino operations; provided, however,
4 that the automatic disqualification provisions of this subsection
5 shall not apply with regard to any conviction which did not occur
6 within the 10-year period immediately preceding application for
7 licensure and which the applicant demonstrates by clear and
8 convincing evidence does not justify automatic disqualification
9 pursuant to this subsection and any conviction which has been the
10 subject of a judicial order of expungement or sealing;

11 d. Current prosecution or pending charges in any jurisdiction of
12 the applicant or of any person who is required to be qualified under
13 this act as a condition of a casino license, for any of the offenses
14 enumerated in subsection c. of this section; provided, however, that
15 at the request of the applicant or the person charged, the
16 commission shall defer decision upon such application during the
17 pendency of such charge;

18 e. The pursuit by the applicant or any person who is required to
19 be qualified under this act as a condition of a casino license of
20 economic gain in an occupational manner or context which is in
21 violation of the criminal or civil public policies of this State, if such
22 pursuit creates a reasonable belief that the participation of such
23 person in casino operations would be inimical to the policies of this
24 act or to legalized gaming in this State. For purposes of this section,
25 occupational manner or context shall be defined as the systematic
26 planning, administration, management, or execution of an activity
27 for financial gain;

28 f. The identification of the applicant or any person who is
29 required to be qualified under this act as a condition of a casino
30 license as a career offender or a member of a career offender cartel
31 or an associate of a career offender or career offender cartel in such
32 a manner which creates a reasonable belief that the association is of
33 such a nature as to be inimical to the policy of this act and to
34 gaming operations. For purposes of this section, career offender
35 shall be defined as any person whose behavior is pursued in an
36 occupational manner or context for the purpose of economic gain,
37 utilizing such methods as are deemed criminal violations of the
38 public policy of this State. A career offender cartel shall be defined
39 as any group of persons who operate together as career offenders;

40 g. The commission by the applicant or any person who is
41 required to be qualified under this act as a condition of a casino
42 license of any act or acts which would constitute any offense under
43 subsection c. of this section, even if such conduct has not been or
44 may not be prosecuted under the criminal laws of this State or any
45 other jurisdiction or has been prosecuted under the criminal laws of
46 this State or any other jurisdiction and such prosecution has been
47 terminated in a manner other than with a conviction;

1 h. Contumacious defiance by the applicant or any person who
2 is required to be qualified under this act of any legislative
3 investigatory body or other official investigatory body of any state
4 or of the United States when such body is engaged in the
5 investigation of crimes relating to gaming, official corruption, or
6 organized crime activity; **[and]**

7 i. Failure by the applicant or any person required to be
8 qualified under this act as a condition of a casino license to (i) make
9 required payments in accordance with a child support order; (ii)
10 repay an overpayment for food stamp benefits or low income home
11 energy assistance benefits incurred as a former recipient of Capital
12 Aid to Families with Dependent Children or Work First New
13 Jersey; or (iii) repay any other debt owed to the State; unless such
14 applicant provides proof to the director's satisfaction of payment of
15 or arrangement to pay any such debts prior to licensure; and

16 j. The substantial closure by the applicant of a casino hotel
17 facility in this State occurring on or after January 1, 2016; provided
18 that (1) the division shall determine what constitutes a substantial
19 closure, (2) the applicant shall be disqualified for a five-year period
20 immediately following the casino hotel facility's substantial
21 closure, and (3) such closure shall not impact any other pre-existing
22 casino license held by the casino license applicant.

23 (cf: P.L.2011, c.19, s.52)

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25 2. (New section) Notwithstanding the provisions of any law,
26 rule, or regulation to the contrary, the substantial closure of a casino
27 hotel facility by the licensee occurring on or after January 1, 2016
28 shall disqualify the licensee from continuing to hold that license and
29 shall constitute sufficient cause for revocation of that license,
30 except that such substantial closure shall not impact any other pre-
31 existing casino license held by the licensee. The division shall
32 determine what constitutes a substantial closure of a casino hotel
33 facility pursuant to this section.

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35 3. This act shall take effect immediately, and shall be
36 retroactive to January 1, 2016.

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39 STATEMENT

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41 Under current law, casino license applicants and their partners
42 are required to meet certain criteria to qualify for a casino license.
43 These criteria include, but are not limited to, evidence of
44 appropriate financial background and resources. Current law also
45 specifies a number of disqualification criteria, including, but not
46 limited to, failure to prove that the applicant is qualified by
47 providing the required financial information, evidence of good
48 character, and a clean criminal record. The law requires the Casino

1 Control Commission to deny a casino license to an applicant based
2 on the disqualification criteria.

3 This bill provides that a casino license applicant will also be
4 considered disqualified to be awarded a casino license if the
5 applicant has substantially closed a casino hotel facility in this State
6 on or after January 1, 2016. Under the bill, an applicant would be
7 disqualified for a five-year period immediately following the
8 facility's substantial closure. The bill also provides that the licensee
9 would be disqualified from continuing to hold that facility's license
10 and that such closure would constitute sufficient cause for
11 revocation of that license. However, such closure would not impact
12 any other pre-existing casino license held by the casino licensee or
13 applicant. The bill empowers the Division of Gaming Enforcement
14 to determine what constitutes a substantial closure of a casino hotel
15 facility.

16 The bill is retroactive to January 1, 2016, and would therefore
17 apply with respect to the substantial closure of a facility occurring
18 on or after that date.