

ASSEMBLY, No. 1693

STATE OF NEW JERSEY

219th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2020 SESSION

Sponsored by:

Assemblyman JOHN J. BURZICHELLI

District 3 (Cumberland, Gloucester and Salem)

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Assemblyman Houghtaling

SYNOPSIS

Disqualifies casino license applicant for five-year period if person substantially closed casino property in State; revokes license; reinstates license eligibility under certain circumstances.

CURRENT VERSION OF TEXT

Introduced Pending Technical Review by Legislative Counsel.



1 **AN ACT** concerning the disqualification criteria for casino license
2 applicants and amending 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);

45 N.J.S.2C:18-2 (burglary which constitutes a crime of the second
46 or third degree);

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

1 that the automatic disqualification provisions of this subsection
2 shall not apply with regard to any conviction which did not occur
3 within the 10-year period immediately preceding application for
4 licensure and which the applicant demonstrates by clear and
5 convincing evidence does not justify automatic disqualification
6 pursuant to this subsection and any conviction which has been the
7 subject of a judicial order of expungement or sealing;

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

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

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

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

45 h. Contumacious defiance by the applicant or any person who
46 is required to be qualified under this act of any legislative
47 investigatory body or other official investigatory body of any state

1 or of the United States when such body is engaged in the
2 investigation of crimes relating to gaming, official corruption, or
3 organized crime activity; **[and]**

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

13 j. The substantial closure by the applicant of a casino hotel
14 facility in this State occurring on or after January 1, 2016; provided
15 that (1) the division shall determine what constitutes a substantial
16 closure, (2) the applicant shall be disqualified for a five-year period
17 immediately following the casino hotel facility's substantial
18 closure, and (3) such closure shall not impact any other pre-existing
19 casino license held by the casino license applicant. When a casino
20 hotel facility's substantial closure is during a labor dispute between
21 the casino licensee and the casino hotel facility employees, the
22 provisions of this subsection shall not constitute cause for
23 disqualification of the casino license applicant if such applicant and
24 a registered labor organization representing the casino hotel facility
25 employees reach a mutually-acceptable agreement to resume casino
26 hotel facility operations during the five-year period immediately
27 following the substantial closure.

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

29
30 2. (New section) Notwithstanding the provisions of any law,
31 rule, or regulation to the contrary, the substantial closure of a casino
32 hotel facility by the licensee occurring on or after January 1, 2016
33 shall disqualify the licensee from continuing to hold that license and
34 shall constitute sufficient cause for revocation of that license,
35 except that such substantial closure shall not impact any other pre-
36 existing casino license held by the licensee. The division shall
37 determine what constitutes a substantial closure of a casino hotel
38 facility pursuant to this section. Nothing in this section shall
39 prevent the division from reinstating a revoked license if a casino
40 hotel facility's substantial closure is during a labor dispute between
41 the casino licensee and the casino hotel facility employees in the
42 event a mutually-acceptable agreement is reached between the
43 casino license applicant and a registered labor organization
44 representing the casino hotel facility employees to resume casino
45 hotel facility operations following the substantial closure.

46 3. (New section) a. The provisions of this act shall be
47 severable; and if any phrase, clause, sentence, or provision is

1 deemed unenforceable, the remaining provisions of this act shall be
2 enforceable.

3 b. The provisions of this act shall be liberally construed to
4 effectuate its purposes.

5
6 4. This act shall take effect immediately, and shall be
7 retroactive to January 1, 2016.

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10 STATEMENT

11
12 This bill disqualifies a casino license applicant for a five-year
13 period if the applicant has substantially closed a casino property in
14 this State, provides that such a closure is sufficient cause for
15 revocation of a license, and reinstates license eligibility under
16 certain circumstances.

17 Under current law, casino license applicants and their partners
18 are required to meet certain criteria to qualify for a casino license.
19 These criteria include, but are not limited to, evidence of
20 appropriate financial background and resources. Current law also
21 specifies a number of disqualification criteria, including, but not
22 limited to, failure to prove that the applicant is qualified by
23 providing the required financial information, evidence of good
24 character, and a clean criminal record. The law requires the Casino
25 Control Commission to deny a casino license to an applicant based
26 on the disqualification criteria.

27 This bill provides that a casino license applicant will also be
28 considered disqualified to be awarded a casino license if the
29 applicant has substantially closed a casino hotel facility in this State
30 on or after January 1, 2016. Under the bill, an applicant will be
31 disqualified for a five-year period immediately following the
32 facility's substantial closure. The bill also provides that the licensee
33 will be disqualified from continuing to hold that facility's license
34 and that such closure will constitute sufficient cause for revocation
35 of that license. However, such closure will not impact any other
36 pre-existing casino license held by the casino licensee or applicant.

37 The bill empowers the Division of Gaming Enforcement to
38 determine what constitutes a substantial closure of a casino hotel
39 facility.

40 In addition, the bill provides that when a casino hotel facility's
41 substantial closure is during a labor dispute between the casino
42 licensee and the casino hotel facility employees, the substantial
43 closure does not constitute cause for disqualification of the casino
44 license applicant if such applicant and a registered labor
45 organization representing the casino hotel facility employees reach
46 a mutually-acceptable agreement to resume casino hotel facility
47 operations during the five-year period immediately following the
48 substantial closure. The bill also provides that the division will not

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1 be prevented from reinstating a revoked license in the event a
2 mutually-acceptable agreement is reached between the casino
3 license applicant and a registered labor organization representing
4 the casino hotel facility employees to resume casino hotel facility
5 operations following the substantial closure.

6 The bill is retroactive to January 1, 2016, and therefore applies to
7 the substantial closure of a facility occurring on or after that date.