ASSEMBLY, No. 2252

STATE OF NEW JERSEY

219th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2020 SESSION

Sponsored by:
Assemblyman RONALD S. DANCER
District 12 (Burlington, Middlesex, Monmouth and Ocean)

SYNOPSIS

Provides that employees of State agencies that oversee casino and racetrack gaming operations, including internet and sports wagering, are essential personnel; ensures continued operations throughout state of emergency.

CURRENT VERSION OF TEXT

Introduced Pending Technical Review by Legislative Counsel.

AN ACT concerning State agencies that oversee casino and racetrack gaming operations in the event that a state of emergency is declared, amending various parts of the statutory law, and repealing section 5 of P.L.2008, c.23.

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

1. Section 23 of P.L.2011, c.19 (C.5:12-45.3) is amended to read as follows.

23. "State of emergency" - Any emergency situation, including the failure to enact a general appropriation law by the deadline prescribed by Article VIII, Section II, paragraph 2 of the New Jersey Constitution, a state of emergency declared by the President of the United States or the Governor of the State of New Jersey and a State ordered State employee furlough, during which division and commission employees, who are not responsible for ensuring compliance with the provisions of the "Casino Control Act," P.L.1977, c.110 (C.5:12-1 et seq.), the "Casino Simulcasting Act," P.L.1992, c.19 (C.5:12-191 et seq.), P.L.2013, c.27 (C.5:12-95.17 et al.) concerning internet gaming, and P.L.2018, c.33 (C.5:12A-10 et seq.) concerning sports wagering, are unable to perform the duties and responsibilities required of them under this act.

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

2. Section 99 of P.L.1977, c.110 (C.5:12-99) is amended to read as follows:

99. Internal Controls. a. Each applicant for a casino license shall create, maintain, and file with the division a description of its internal procedures and administrative and accounting controls for gaming and simulcast wagering operations that conform to the requirements of P.L.1977, c.110 (C.5:12-1 et seq.), and the regulations promulgated thereunder, and provide adequate and effective controls, establish a consistent overall system of internal procedures and administrative and accounting controls and conform to generally accepted accounting principles, and ensure that casino procedures are carried out and supervised by personnel who do not have incompatible functions. A casino licensee's internal controls shall contain a narrative description of the internal control system to be utilized by the casino, including, but not limited to:

(1) Accounting controls, including the standardization of forms and definition of terms to be utilized in the gaming and simulcast wagering operations;

(2) Procedures, forms, and, where appropriate, formulas covering the calculation of hold percentages; revenue drop; expense

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.

and overhead schedules; complimentary services, except as provided in paragraph (3) of subsection m. of section 102 of P.L.1977, c.110 (C.5:12-102); junkets; and cash equivalent transactions;

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

(4) Procedures within the cashier's cage and simulcast facility for the receipt, storage and disbursal of chips, cash, and other cash equivalents used in gaming and simulcast wagering; the cashing of checks; the redemption of chips and other cash equivalents used in gaming and simulcast wagering; the pay-off of jackpots and simulcast wagers; and the recording of transactions pertaining to gaming and simulcast wagering operations;

(5) Procedures for the collection and security of moneys at the gaming tables and in the simulcasting facility;

(6) Procedures for the transfer and recordation of chips between the gaming tables and the cashier's cage and the transfer and recordation of moneys within the simulcasting facility;

(7) Procedures for the transfer of moneys from the gaming tables to the counting process and the transfer of moneys within the simulcasting facility for the counting process;

(8) Procedures and security for the counting and recordation of revenue;

(9) Procedures for the security, storage and recordation of cash, chips and other cash equivalents utilized in the gaming and simulcast wagering operations;

(10) Procedures for the transfer of moneys or chips from and to the slot machines;

(11) Procedures and standards for the opening and security of slot machines;

(12) Procedures for the payment and recordation of slot machine jackpots;

(13) Procedures for the cashing and recordation of checks exchanged by casino and simulcasting facility patrons;

(14) Procedures governing the utilization of the private security force within the casino and simulcasting facility;

(15) Procedures and security standards for the handling and storage of gaming apparatus including cards, dice, machines, wheels and all other gaming equipment;

(16) Procedures and rules governing the conduct of particular games and simulcast wagering and the responsibility of casino personnel in respect thereto;

(17) Procedures for separately recording all transactions pursuant to section 101 of this act involving the Governor, any State officer or employee, or any special State officer or employee, any member of the Judiciary, any member of the Legislature, any officer of a municipality or county in which casino gaming is authorized, or any gaming related casino employee, and for the quarterly filing with the Attorney General of a list reporting all such transactions; and

(18) [Procedures for the orderly shutdown of casino operations in the event that a state of emergency is declared and the casino licensee is unable or ineligible to continue to conduct casino operations during such a state of emergency in accordance with section 5 of P.L.2008, c.23 (C.5:12-212), which procedures shall include, without limitation, the securing of all keys and gaming assets.] (Deleted by amendment, P.L. , c.) (pending before the Legislature as this bill)

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

c. No minimum staffing requirements shall be included in the internal controls created in accordance with subsection a. of this section.

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

(cf: P.L.2011, c.19, s.64)

3. Section 4 of P.L.2008, c.23 (C.5:12-211) is amended to read as follows:

4. In the event of a state of emergency, a casino licensee may continue to conduct casino and simulcast operations [for a period not to exceed seven calendar days, notwithstanding that employees of the commission and the division are unable to perform their functions, provided that the casino licensee has complied with section 5 of P.L.2008, c.23 (C.5:12-212), and that the casino licensee and its employees shall continue to comply with all relevant provisions of the New Jersey Constitution and all relevant State statutes and regulations and shall maintain detailed records of that compliance.

If, during any period of time that casino and simulcasting facilities remain open pursuant to the provisions of this section, the Governor determines that the holder of a casino license, or any licensed employee thereof, may be engaged in what the Governor believes to be a violation of any State statute or regulation governing the operation of those facilities that would ordinarily subject a licensee to a possible suspension or revocation of its license, the Governor shall have the authority to summarily suspend the license of that casino or employee until such time as it is rescinded by the Governor, or the state of emergency ceases and the commission or the division, as appropriate, is able to address the matter.

Any violation of a statute or regulation that would ordinarily subject a licensee to a fine, but which occurs while a facility remains open during a state of emergency pursuant to this section, which is not reported by the casino licensee in accordance with this act, shall be punishable by a fine of no less than five times and up to ten times the amount of the usual fine, depending on the nature and seriousness of the violation. When the state of emergency ceases, casino licensees shall be responsible for any costs associated with re-implementing onsite State inspections] , and employees of

the commission and the division responsible for ensuring compliance with the provisions of the "Casino Control Act," P.L.1977, c.110 (C.5:12-1 et seq.), the "Casino Simulcasting Act," P.L.1992, c.19 (C.5:12-191 et seq.), P.L.2013, c.27 (C.5:12-95.17 et al.) concerning internet gaming, and P.L.2018, c.33 (C.5:12A-10 et seq.) concerning sports wagering, shall be considered personnel essential to the health, safety, and welfare of the public and declared as such by the Governor.
(cf: P.L.2011, c.19, s.119)

4. Section 10 of P.L.2008, c.23 (C.5:5-22.3) is amended to read as follows:

10. a. In the event that a state of emergency is declared due to the failure to enact a general appropriation law by the deadline prescribed by Article VIII, Section II, paragraph 2 of the New Jersey Constitution, **[**that prevents employees of the New Jersey Racing Commission from performing their normal duties,**]** a holder of a permit to conduct a horse race meeting may continue to hold scheduled races **[**and**]**, simulcast operations **[**for a period not to exceed seven calendar days, notwithstanding that employees of the commission are unable to perform the functions usually required for the conduct of horse racing in this State, provided that the permit holder has complied with subsection b. of this section, and that the permit holder and its employees shall continue to comply with all relevant provisions of the New Jersey Constitution and all relevant State statutes and regulations, and shall maintain detailed records of that compliance.

If, during any period of time that racetrack facilities remain open pursuant to the provisions of this section, the Governor determines that a permit holder, or any employee thereof, may be engaged in what the Governor believes to be a violation of any State statute or regulation governing the operation of those facilities and the conduct of horse racing in this State, that would ordinarily subject a permit holder or employee to a possible suspension or revocation of its permit or license, the Governor shall have the authority to summarily suspend the permit or license of that permit holder or employee until such time as it is rescinded by the Governor, or the state of emergency ceases and the commission is able to address the matter.

Any violation of a statute or regulation that would ordinarily subject a permit holder or licensee to a fine, but which occurs while a racetrack facility remains open during a state of emergency pursuant to this section, which is not reported by the permit holder or licensee in accordance with commission rules and regulations pursuant to subsection b. of this section, shall be punishable by a fine of no less than five times and up to ten times the amount of the usual fine, depending on the nature and seriousness of the violation. When the state of emergency ceases, permit holders shall be

responsible for any costs associated with implementing the provisions of this section, including any costs accrued by the commission and associated with re-implementing commission functions and duties.

b. Notwithstanding any law, rule, or regulation to the contrary, the New Jersey Racing Commission may develop, through rules and regulations, the necessary standards, criteria, safeguards, and procedures that a permit holder shall meet prior to, and as a condition of, being eligible to continue to conduct horse racing operations in this State in the event that a state of emergency is declared, as provided in subsection a. of this section, and commission employees are not able to perform their usual functions. Notwithstanding any provision of the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.) to the contrary, the commission may adopt immediately upon filing with the Office of Administrative Law such rules and regulations as the commission deems necessary to implement the provisions of this section, which shall be effective for a period not to exceed 270 days following enactment of P.L.2008, c.23, and may thereafter be amended, adopted, or readopted by the commission in accordance with the requirements of the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.)**]** , and sports wagering operations, and employees of the New Jersey Racing Commission responsible for ensuring compliance with all relevant provisions of the New Jersey Constitution and all relevant State statutes and regulations shall be considered personnel essential to the health, safety, and welfare of the public and declared as such by the Governor.

c. Notwithstanding the provisions of any law, rule, or regulation to the contrary, the New Jersey Racing Commission shall not require a permit holder to submit to the commission advance written notice of the permit holder's intention to continue horse racing, simulcasting, and sports wagering operations during a state of emergency. The commission shall not require, at any time, the submission of a list of all qualified persons to be employed to fill the necessary functions during a state of emergency.

(cf: P.L.2008, c.23, s.10)

5. Section 5 of P.L.2008, c.23 (C.5:12-212) is repealed.

6. This act shall take effect immediately.

STATEMENT

Under current law, in the event that a state of emergency is declared due to the failure to enact a general appropriation law by the deadline prescribed in the New Jersey Constitution, casino and

racetrack facilities may remain open for a period not to exceed seven calendar days, notwithstanding that inspectors, agents, or other employees of the Casino Control Commission, the Division of Gaming Enforcement, and the New Jersey Racing Commission, as appropriate, are not performing the functions usually required for the operation of those facilities. This bill removes the seven-calendar day limitation and declares that inspectors, agents, or other employees of the Casino Control Commission, the Division of Gaming Enforcement, and the New Jersey Racing Commission are personnel essential to the health, safety, and welfare of the public and declared as such by the Governor. Under the bill, inspectors, agents, or other employees of the Casino Control Commission, the Division of Gaming Enforcement, and the New Jersey Racing Commission would continue working in the event that a state of emergency is declared. This change would ensure continuation of all wagering operations, including internet wagering at casinos and sports wagering at casinos and racetracks where these gaming activities are authorized by law, from day one of a declared state of emergency and for the duration thereof.

The bill also prohibits the New Jersey Racing Commission from requiring a horse racing permit holder to submit to the commission advance written notice of the permit holder's intention to continue horse racing, simulcasting, and sports wagering operations during a state of emergency, and from requiring, at any time, the submission of a list of all qualified persons to be employed to fill the necessary functions during a state of emergency. Under current law, all commission employees who perform racing oversight functions are approved in advance when the racetrack permit holder receives approval of the permit holder's racing days. Therefore, a requirement for an additional advance notice to the commission is unnecessary. These employees are funded from racing proceeds, and not from the State budget.

This bill also repeals section 5 of P.L.2008, c.23 (C.5:12-212), which concerns procedures for the orderly shutdown of casino operations in the event that a state of emergency is declared and a casino licensee is unable or ineligible to continue to conduct casino operations during such a state of emergency.