

[First Reprint]

ASSEMBLY SUBSTITUTE FOR  
**ASSEMBLY, No. 2578**

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**STATE OF NEW JERSEY**  
**215th LEGISLATURE**

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ADOPTED DECEMBER 3, 2012

**Sponsored by:**

**Assemblyman JOHN J. BURZICHELLI**  
**District 3 (Cumberland, Gloucester and Salem)**

**Assemblyman VINCENT PRIETO**  
**District 32 (Bergen and Hudson)**

**Assemblyman RUBEN J. RAMOS, JR.**  
**District 33 (Hudson)**

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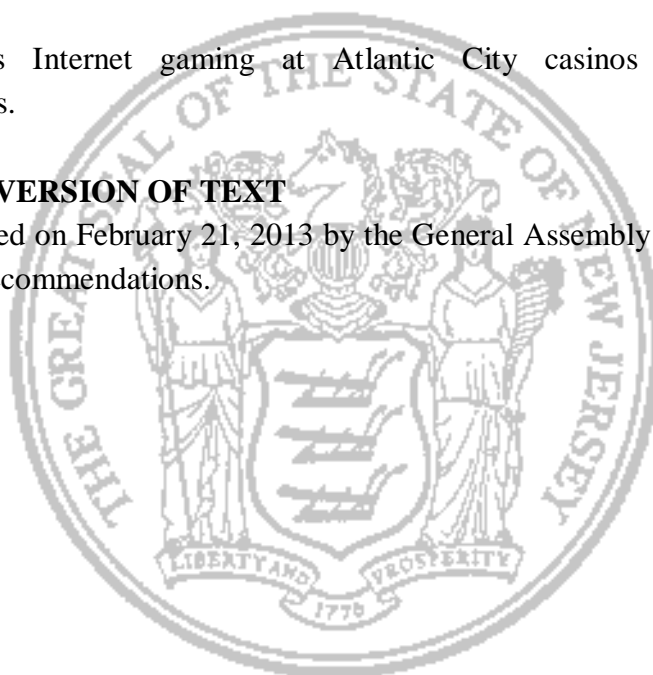
**Assemblymen Greenwald, C.A.Brown, Senators Lesniak and Whelan**

**SYNOPSIS**

Authorizes Internet gaming at Atlantic City casinos under certain circumstances.

**CURRENT VERSION OF TEXT**

As amended on February 21, 2013 by the General Assembly pursuant to the Governor's recommendations.



**(Sponsorship Updated As Of: 12/21/2012)**

1 AN ACT authorizing Internet gaming at Atlantic City casinos under  
2 certain circumstances and amending and supplementing the  
3 "Casino Control Act", P.L.1977, c.110 (C.5:12-1 et  
4 seq.),<sup>1</sup>amending P.L.1981, c.142,<sup>1</sup> and repealing section 11 of  
5 P.L.2011, c.18.  
6

7 **BE IT ENACTED** by the Senate and General Assembly of the State  
8 of New Jersey:  
9

10 1. (New section) The Legislature finds and declares that:

11 a. The 1976 amendment to the New Jersey Constitution that  
12 amended Article IV, Section VII, paragraph 2 thereof, and the  
13 Casino Control Act, P.L.1977, c.110 (C.5:12-1 et seq.), that  
14 authorized casino gaming in Atlantic City casinos clearly  
15 demonstrate, both through their text and their legislative history,  
16 that a fundamental goal of these enactments was to achieve the  
17 rehabilitation of Atlantic City as a tourist and resort destination; and

18 b. As recognized in the July 2010 Report of the Governor's  
19 Advisory Commission on New Jersey Gaming, Sports, and  
20 Entertainment, and as confirmed in subsequent legislative hearings  
21 held in Trenton and throughout the State culminating in the  
22 enactment of significant bipartisan reform legislation in February of  
23 2011 (P.L.2011, c.18 and P.L.2011, c.19), legalized casino gaming  
24 in New Jersey presently stands at a crossroads, facing critical  
25 regional and global challenges that jeopardize its important role in  
26 the State's economy; and

27 c. The State and New Jersey's general public possess a vital  
28 interest in the success of tourism and casino gaming in Atlantic  
29 City, having established a limited exception to the general policy of  
30 the State concerning gaming for private gain under Article IV,  
31 Section VII, paragraph 2 of the New Jersey Constitution within  
32 Atlantic City, which by reason of its location, natural resources, and  
33 historical prominence and reputation as a noteworthy tourist  
34 destination, has been determined by the people of this State, the  
35 Legislature, and the Governor to be a unique and valuable asset that  
36 must be preserved, restored, and revitalized; and

37 d. The tourist, resort, and convention industry in Atlantic City  
38 constitutes a critical component of our State's economic  
39 infrastructure that, if properly regulated, developed, and fostered, is  
40 capable of providing a substantial contribution to the general health,  
41 welfare, and prosperity of the State and its residents; and

42 e. As recognized in the State Constitution and the Casino  
43 Control Act, as well as in P.L.2011, c.18 and P.L.2011, c.19, an

**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:**

<sup>1</sup> **Assembly amendments adopted in accordance with Governor's recommendations February 21, 2013.**

1 important component of the State's historical and ongoing  
2 commitment to Atlantic City involves creating and maintaining a  
3 robust casino gaming industry that is capable of competing  
4 regionally, nationally, and internationally at the highest levels of  
5 quality while, at the same time, fully retaining strict State  
6 regulatory oversight to ensure the integrity of all casino gaming  
7 operations conducted in this State; and

8 f. Since the development of the Internet, millions of people  
9 have chosen to gamble online through illegal off-shore operators,  
10 and such gambling is conducted without oversight, regulation,  
11 enforcement, or consumer protections, all of which raise significant  
12 concerns for the protection of individuals and consumers in this  
13 State; and

14 g. In October 2006, the United States Congress passed the  
15 Unlawful Internet Gambling Enforcement Act, 31 U.S.C. 5361 et  
16 seq., which generally prohibits the use of banking instruments,  
17 including credit cards, checks, and fund transfers, for interstate  
18 Internet gambling, essentially prohibiting online gambling by  
19 United States citizens, but which includes exceptions that permit  
20 individual states to create a regulatory framework to enable  
21 intrastate Internet gambling, provided that the bets or wagers are  
22 made exclusively within a single state under certain circumstances;  
23 and

24 h. An effective State regulatory and licensing system for  
25 participating in online gaming would increase public trust and  
26 confidence in legalized gambling, inhibit wagering by underage or  
27 otherwise vulnerable individuals, ensure that any games offered  
28 through the Internet are fair and safe, end the practice of sending  
29 much-needed jobs and tax revenue overseas to illegal operators  
30 while creating jobs and economic development in Atlantic City, and  
31 ensure that only those of good character and fitness who meet strict  
32 criteria may participate in Internet gaming operations in New  
33 Jersey; and

34 i. Moreover, providing regulators and law enforcement with  
35 the tools to restrict and stop the illegal Internet gambling market  
36 that takes place via the Internet in foreign jurisdictions and  
37 authorizing strict controls over how Atlantic City casinos may  
38 accept wagers placed over the Internet for games conducted in  
39 Atlantic City casinos will assist and enhance the rehabilitation and  
40 redevelopment of existing tourist and convention facilities in  
41 Atlantic City consistent with the original intent of the Casino  
42 Control Act and will further assist in marketing Atlantic City to  
43 customers that now have the convenience of gambling in  
44 jurisdictions closer to their homes through the legalization of  
45 gambling in states throughout the United States over the past three  
46 decades; and

47 j. Internet gaming, as defined and strictly limited in P.L. ,  
48 c. (C. ) (pending before the Legislature as this bill), is unlike

1 pari-mutuel wagering and other forms of remote gambling and will  
2 take place entirely on the servers and computer equipment located  
3 in the casino based in Atlantic City. By contrast, in off-track pari-  
4 mutuel simulcast wagering, the customer places a wager at an off-  
5 track facility, the wager is accepted by the off-track facility, as  
6 evidenced by issuance of a ticket, and any amounts paid on a  
7 winning wager are paid out and received at the off-track facility.  
8 Any rights on the part of a customer in the event of a dishonored,  
9 misdirected or other frustrated pari-mutuel wager arise against the  
10 off-track facility where the wager is placed and received, not  
11 against the remote track at which the race is run; and

12 k. Internet gaming as authorized and limited under this act, on  
13 the other hand, requires that all hardware, software, and other  
14 equipment that is involved with Internet gaming will be located in  
15 casino facilities in Atlantic City. All that is needed by a customer is  
16 a computing or similar device of general application and a  
17 communications connection through a common carriage or similar  
18 medium. For example, in an online poker or other card game, the  
19 "table" is the server hosted by the operator in the casino premises in  
20 Atlantic City. The "cards" are played on that table in Atlantic City,  
21 and the wager is placed on and accepted at that table. No activity  
22 other than the transmission of information to and from the players  
23 along common carriage lines takes place outside of the casino  
24 premises; and

25 l. Pursuant to the 1976 amendment to the New Jersey State  
26 Constitution and the express authorization to the Legislature to  
27 determine the type of gambling games that may be conducted in  
28 casinos under regulation and control by the State, the Legislature  
29 hereby declares that in furtherance of the goals of the Casino  
30 Control Act and in recognition that the technologies necessary to  
31 support Internet gaming can be prescribed and implemented in a  
32 manner that ensures all such gambling activity occurs within  
33 casinos located in Atlantic City, it is appropriate that the Casino  
34 Control Act be amended and supplemented to authorize licensed  
35 casino operators to conduct such games within the casino premises  
36 with all wagering to be conducted solely within the casinos.

37  
38 <sup>1</sup>[2.(New section) Any authorized game or authorized gambling  
39 game, as defined in section 5 of P.L.1977, c.110 (C.5:12-5), that is  
40 authorized to be played in a casino may, with the approval of the  
41 division, be offered through Internet gaming.]<sup>1</sup>

42  
43 <sup>1</sup>2. Section 5 of P.L.1977, c.110 (C.5:12-5) is amended to read  
44 as follows:

45 5. "Authorized Game" or "Authorized Gambling Game"--  
46 Roulette, baccarat, blackjack, craps, big six wheel, slot machines,  
47 minibaccarat, red dog, pai gow, and sic bo; any variations or

1 composites of such games, provided that such variations or  
2 composites are found by the division suitable for use after an  
3 appropriate test or experimental period under such terms and  
4 conditions as the division may deem appropriate; and any other  
5 game which is determined by the division to be compatible with the  
6 public interest and to be suitable for casino use after such  
7 appropriate test or experimental period as the division may deem  
8 appropriate. "Authorized game" or "authorized gambling game"  
9 includes gaming tournaments in which players compete against one  
10 another in one or more of the games authorized herein or by the  
11 division or in approved variations or composites thereof if the  
12 tournaments are authorized by the division.

13 "Authorized game" or "Authorized gambling game" shall also  
14 include any game that the division may determine by regulation to  
15 be suitable for use for wagering through the Internet. <sup>1</sup>

16 (cf: P.L. 2011, c.19, s.4)

17

18 3. Section 6 of P.L.1977, c.110 (C.5:12-6) is amended to read  
19 as follows:

20 6. "Casino" or "casino room" or "licensed casino" -- One or  
21 more locations or rooms in a casino hotel facility that have been  
22 approved by the division for the conduct of casino gaming in  
23 accordance with the provisions of this act, including any part of the  
24 facility where Internet gaming is conducted <sup>1</sup>, pursuant to rules  
25 established by the division<sup>1</sup>. "Casino" or "casino room" or "licensed  
26 casino" shall not include any casino simulcasting facility authorized  
27 pursuant to the "Casino Simulcasting Act," P.L.1992, c.19 (C.5:12-  
28 191 et seq.).

29 (cf: P.L.2011, c.19, s.6)

30

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

33 12. "Casino Service Industry Enterprise" -- Any vendor offering  
34 goods or services which directly relate to casino or gaming activity  
35 or Internet gaming activity, including gaming equipment and  
36 simulcast wagering equipment manufacturers, suppliers, repairers  
37 and independent testing laboratories, or any vendor providing to  
38 casino licensees or applicants goods and services ancillary to  
39 gaming activity, including, without limitation, junket enterprises  
40 and junket representatives, holders of casino hotel alcoholic  
41 beverage control licenses, lessors of casino property not required to  
42 hold a casino license pursuant to section 82 of P.L.1977, c.110  
43 (C.5:12-82), **[and]** licensors of authorized games, and suppliers of  
44 Internet gaming software or systems, and vendors who manage,  
45 control or administer the Internet games or the bets or wagers  
46 associated with the games. Notwithstanding the foregoing, any form  
47 of enterprise engaged in the manufacture, sale, distribution, testing

1 or repair of slot machines within New Jersey, other than antique slot  
2 machines as defined in N.J.S.2C:37-7, shall be considered a casino  
3 service industry enterprise for the purposes of this act regardless of  
4 the nature of its business relationship, if any, with casino applicants  
5 and licensees in this State.

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

11 (cf: P.L.2012, c.34, s.1)

12

13 5. (New section) "Internet gaming" means the placing of  
14 wagers with a casino licensee at a casino located in Atlantic City  
15 using a computer network of both federal and non-federal  
16 interoperable packet switched data networks through which the  
17 casino licensee may offer authorized games to individuals who have  
18 established a wagering account with the casino licensee and who are  
19 physically present in this State <sup>1</sup>, as authorized by rules established  
20 by the division<sup>1</sup>.

21

22 6. (New section) "Internet gaming gross revenue" means the  
23 total of all sums actually received by a casino licensee from Internet  
24 gaming operations, less only the total of all sums actually paid out  
25 as winnings to patrons <sup>1</sup>[and promotional Internet gaming credits;  
26 provided, however, that the cash equivalent value of any  
27 merchandise or thing of value included in a jackpot or payout shall  
28 not be included in the total of all sums paid out as winnings to  
29 players for purposes of determining Internet gaming gross  
30 revenue]<sup>1</sup>.

31

32 <sup>1</sup>[7. Section 3 of P.L.1987, c.353 (C.5:12-43.1) is amended to  
33 read as follows:

34 3. "Restricted Casino Areas"--The cashier's cage, the soft count  
35 room, the hard count room, the slot cage booths and runway areas,  
36 the interior of table game pits, the surveillance room and catwalk  
37 areas, the slot machine repair room, any room or area related to  
38 Internet gaming operations and any other area specifically  
39 designated by the division as restricted in a licensee's operation  
40 certificate.

41 (cf: P.L.2011, c.19, s.21)]<sup>1</sup>

42

43 <sup>1</sup>7. Section 70 of P.L.1977, c.110 (C.5:12-70) is amended to  
44 read as follows:

45 70. Required Regulations. a. The division shall, without  
46 limitation include the following specific provisions in its  
47 regulations in accordance with the provisions of this act:

- 1 (1) Prescribing the methods and forms of application and  
2 registration which any applicant or registrant shall follow and  
3 complete;
- 4 (2) Prescribing the methods, procedures and form for delivery of  
5 information concerning any person's family, habits, character,  
6 associates, criminal record, business activities and financial affairs;
- 7 (3) Prescribing such procedures for the fingerprinting of an  
8 applicant, employee of a licensee, or registrant, and methods of  
9 identification which may be necessary to accomplish effective  
10 enforcement of restrictions on access to the casino floor, the  
11 simulcasting facility, and other restricted areas of the casino hotel  
12 complex;
- 13 (4) Prescribing the method of notice to an applicant, registrant  
14 or licensee concerning the release of any information or data  
15 provided to the commission or division by such applicant, registrant  
16 or licensee;
- 17 (5) Prescribing the manner and procedure of all hearings  
18 conducted by the division or any hearing examiner, including  
19 special rules of evidence applicable thereto and notices thereof;
- 20 (6) Prescribing the manner and method of collection of  
21 payments of taxes, fees, and penalties;
- 22 (7) Defining and limiting the areas of operation, the rules of  
23 authorized games, including games played upon and wagered  
24 through the Internet, odds, and devices permitted, and the method of  
25 operation of such games and devices;
- 26 (8) Regulating the practice and procedures for negotiable  
27 transactions involving patrons, including limitations on the  
28 circumstances and amounts of such transactions, and the  
29 establishment of forms and procedures for negotiable instrument  
30 transactions, redemptions, and consolidations;
- 31 (9) Prescribing grounds and procedures for the revocation or  
32 suspension of operating certificates, licenses and registrations;
- 33 (10) Governing the manufacture, distribution, sale, deployment,  
34 and servicing of gaming devices and equipment;
- 35 (11) Prescribing for gaming operations the procedures, forms and  
36 methods of management controls, including employee and  
37 supervisory tables of organization and responsibility, and minimum  
38 security and surveillance standards, including security personnel  
39 structure, alarm and other electrical or visual security measures;  
40 provided, however, that the division shall grant an applicant for a  
41 casino license or a casino licensee broad discretion concerning the  
42 organization and responsibilities of management personnel who are  
43 not directly involved in the supervision of gaming or simulcast  
44 wagering operations;
- 45 (12) Prescribing the qualifications of, and the conditions  
46 pursuant to which, engineers, accountants, and others shall be  
47 permitted to practice before the division or to submit materials on

1 behalf of any applicant or licensee; provided, however, that no  
2 member of the Legislature, nor any firm with which said member is  
3 associated, shall be permitted to appear or practice or act in any  
4 capacity whatsoever before the commission or division regarding  
5 any matter whatsoever, nor shall any member of the family of the  
6 Governor or of a member of the Legislature be permitted to so  
7 practice or appear in any capacity whatsoever before the  
8 commission or division regarding any matter whatsoever;

9 (13) Prescribing minimum procedures for the exercise of  
10 effective control over the internal fiscal affairs of a licensee,  
11 including provisions for the safeguarding of assets and revenues,  
12 the recording of cash and evidence of indebtedness, and the  
13 maintenance of reliable records, accounts, and reports of  
14 transactions, operations and events, including reports to the  
15 division;

16 (14) Providing for a minimum uniform standard of accountancy  
17 methods, procedures and forms; a uniform code of accounts and  
18 accounting classifications; and such other standard operating  
19 procedures, including those controls listed in subsection a. of  
20 section 99 of P.L.1977, c.110 (C.5:12-99), as may be necessary to  
21 assure consistency, comparability, and effective disclosure of all  
22 financial information, including calculations of percentages of  
23 profit by games, tables, gaming devices and slot machines;

24 (15) Requiring quarterly financial reports and the form thereof,  
25 and an annual audit prepared by a certified public accountant  
26 licensed to do business in this State, attesting to the financial  
27 condition of a licensee and disclosing whether the accounts, records  
28 and control procedures examined are maintained by the licensee as  
29 required by this act and the regulations promulgated hereunder;

30 (16) Governing the gaming-related advertising of casino  
31 licensees, their employees and agents, with the view toward  
32 assuring that such advertisements are in no way deceptive;  
33 provided, however, that such regulations shall require the words  
34 "Bet with your head, not over it," or some comparable language  
35 approved by the division, to appear on all billboards, signs, and  
36 other on-site advertising of a casino operation and shall require the  
37 words "If you or someone you know has a gambling problem and  
38 wants help, call 1-800 GAMBLER," or some comparable language  
39 approved by the division, which language shall include the words  
40 "gambling problem" and "call 1-800 GAMBLER," to appear legibly  
41 on all print, billboard, and sign advertising of a casino operation;  
42 and

43 (17) (Deleted by amendment, P.L.1991, c.182).

44 (18) Concerning the distribution and consumption of alcoholic  
45 beverages on the premises of the licensee, which regulations shall  
46 be insofar as possible consistent with Title 33 of the Revised



1 Statutes, and shall deviate only insofar as necessary because of the  
2 unique character of the hotel casino premises and operations;

3 (19) (Deleted by amendment, P.L.1991, c.182).

4 b. The commission shall, in its regulations, prescribe the  
5 manner and procedure of all hearings conducted by the commission,  
6 including special rules of evidence applicable thereto and notices  
7 thereof.<sup>1</sup>

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

9

10 <sup>1</sup>8. (New section) Reports regarding the impact of gaming  
11 through the Internet.

12 The division shall annually cause a report to be prepared and  
13 distributed to the Governor on the impact of Internet gaming on  
14 problem gamblers and gambling addiction in New Jersey. The  
15 report shall be prepared by a private organization or entity with  
16 expertise in serving the needs of persons with gambling addictions,  
17 which organization or entity shall be selected by the division. The  
18 report shall be prepared and distributed under the supervision of,  
19 and in coordination with, the division. Any costs associated with  
20 the preparation and distribution of the report shall be borne by  
21 casino licensees who have been authorized by the division to  
22 conduct Internet gaming and the division shall be authorized to  
23 assess a fee against such licensees for these purposes. The division  
24 may also report periodically to the Governor on the effectiveness of  
25 the statutory and regulatory controls in place to ensure the integrity  
26 of gaming operations through the Internet.<sup>1</sup>

27

28 <sup>1</sup>9. Section 43 of P.L.2011, c.19 (C.5:12-74.1) is amended to  
29 read as follows:

30 43. a. Except as otherwise provided in this act, all information  
31 and data required by the division or commission to be furnished  
32 pursuant to this act or the regulations promulgated hereunder, or  
33 which may otherwise be obtained, relative to the internal controls  
34 specified in subsection a. of section 99 of P.L.1977, c.110 (C.5:12-  
35 99) or to the earnings or revenue of any applicant, registrant, or  
36 licensee shall be considered to be confidential and shall not be  
37 revealed in whole or in part except in the course of the necessary  
38 administration of this act, or upon the lawful order of a court of  
39 competent jurisdiction, or, with the approval of the Attorney  
40 General, to a duly authorized law enforcement agency.

41 b. All information and data pertaining to an applicant's criminal  
42 record, family, and background furnished to or obtained by the  
43 division or the commission from any source shall be considered  
44 confidential and shall be withheld in whole or in part, except that  
45 any information shall be released upon the lawful order of a court of  
46 competent jurisdiction or, with the approval of the Attorney  
47 General, to a duly authorized law enforcement agency.

1 c. Notice of the contents of any information or data released,  
2 except to a duly authorized law enforcement agency pursuant to  
3 subsection a. or b. of this section, shall be given to any applicant,  
4 registrant, or licensee in a manner prescribed by the rules and  
5 regulations adopted by the division.

6 d. The following information to be reported periodically to the  
7 division by a casino licensee shall not be considered confidential  
8 and shall be made available for public inspection:

9 (1) A licensee's gross revenue from all authorized games as  
10 defined herein, and the licensee's gross revenue from simulcast  
11 wagering;

12 (2) (i) The dollar amount of patron checks initially accepted by a  
13 licensee, (ii) the dollar amount of patron checks deposited to the  
14 licensee's bank account, (iii) the dollar amount of such checks  
15 initially dishonored by the bank and returned to the licensee as  
16 uncollected, and (iv) the dollar amount ultimately uncollected after  
17 all reasonable efforts;

18 (3) The amount of gross revenue tax or investment alternative  
19 tax actually paid and the amount of investment, if any, required and  
20 allowed, pursuant to section 144 of P.L.1977, c.110 (C.5:12-144)  
21 and section 3 of P.L.1984, c.218 (C.5:12-144.1);

22 (4) A list of the premises and the nature of improvements, costs  
23 thereof and the payees for all such improvements, which were the  
24 subject of an investment required and allowed pursuant to section  
25 144 of P.L.1977, c.110 (C.5:12-144) and section 3 of P.L.1984,  
26 c.218 (C.5:12-144.1);

27 (5) The amount, if any, of tax in lieu of full local real property  
28 tax paid pursuant to section 146 of P.L.1977, c.110 (C.5:12-146),  
29 and the amount of profits, if any, recaptured pursuant to section 147  
30 of P.L.1977, c.110 (C.5:12-147);

31 (6) A list of the premises, nature of improvements and costs  
32 thereof which constitute the cumulative investments by which a  
33 licensee has recaptured profits pursuant to section 147 of P.L.1977,  
34 c.110 (C.5:12-147); **[and]**

35 (7) All quarterly and annual financial statements presenting  
36 historical data which are submitted to the division, including all  
37 annual financial statements which have been audited by an  
38 independent certified public accountant licensed to practice in the  
39 State of New Jersey ; and

40 (8) The identity and nature of services provided by any person  
41 or firm receiving payment in any form whatsoever for professional  
42 services in connection with the authorization or conduct of games  
43 conducted via the Internet by an entity holding any license, permit  
44 or registration pursuant to P.L.1977, c.110 (C.5:12-1 et seq.).

45 Nothing in this subsection shall be construed to limit access by  
46 the public to those forms and documents required to be filed

1 pursuant to Article 11 of this act.<sup>1</sup>

2 (cf: P.L.2011, c.19, s.43)

3

4 <sup>1</sup>10. Section 76 of P.L.1977, c.110 (C.5:12-76) is amended to  
5 read as follows:

6 76. General Duties and Powers.

7 The Division of Gaming Enforcement shall have the general  
8 responsibility for the implementation of P.L.1977, c.110 (C.5:12-1  
9 et seq.), and to issue any approvals necessary as hereinafter  
10 provided, including without limitation, the responsibility to:

11 a. Enforce the provisions of this act and any regulations  
12 promulgated hereunder;

13 b. Promptly and in reasonable order investigate all applications  
14 for licensure and all registrations under this act;

15 c. Issue reports and recommendations to the commission with  
16 respect to all entities and natural persons required to qualify for a  
17 casino license, an application for interim casino authorization or a  
18 petition for a statement of compliance;

19 d. Promptly and in reasonable order review and approve or  
20 deny all casino service industry enterprise license applications;

21 e. Accept and maintain registrations for all casino employee  
22 and vendor registrants;

23 f. Revoke any registration or casino service industry enterprise  
24 license upon findings pursuant to the disqualification criteria in  
25 section 86 of P.L.1977, c.110 (C.5:12-86);

26 g. Promulgate such regulations as may be necessary to fulfill  
27 the policies of this act;

28 h. Initiate and decide any actions against licensees or  
29 registrants for violation of this act or regulations promulgated  
30 hereunder, and impose sanctions and levy and collect penalties upon  
31 finding violations;

32 i. Provide the commission with all information that the  
33 director deems necessary for any action to be taken by the  
34 commission under Article 6 of P.L.1977, c.110 (C.5:12-80 through  
35 95);

36 j. Initiate, prosecute and defend appeals, as the director may  
37 deem appropriate;

38 k. Conduct continuing reviews of casino operations through  
39 on-site observation and other reasonable means to assure  
40 compliance with this act and regulations promulgated hereunder,  
41 subject to subsection h. of section 63 of P.L.1977, c.110 (C.5:12-  
42 63);

43 l. Receive and take appropriate action on any referral from the  
44 commission relating to any evidence of a violation of P.L.1977,  
45 c.110 (C.5:12-1 et seq.) or the regulations promulgated thereunder;

46 m. Exchange fingerprint data with, and receive criminal history  
47 record information from, the Federal Bureau of Investigation for

- 1 use in considering applicants for any license or registration issued  
2 pursuant to the provisions of P.L.1977, c.110 (C.5:12-1 et seq.);
- 3 n. Conduct audits of casino operations at such times, under  
4 such circumstances, and to such extent as the director shall  
5 determine, including reviews of accounting, administrative and  
6 financial records, and management control systems, procedures and  
7 records utilized by a casino licensee;
- 8 o. Request and receive information, materials and any other  
9 data from any licensee or registrant, or applicant for a license or  
10 registration under this act; and
- 11 p. Report to the Attorney General recommendations that  
12 promote more efficient operations of the division.
- 13 q. Receive complaints from the public relating to the conduct  
14 of gaming and simulcasting operations, examine records and  
15 procedures, and conduct periodic reviews of operations and  
16 facilities for the purpose of evaluating current or suggested  
17 provisions of P.L.1977, c.110 (C.5:12-1 et seq.) and the regulations  
18 promulgated thereunder, as the director deems appropriate;
- 19 r. Certify the revenue of any casino or simulcasting facility in  
20 such manner as the director deems appropriate;
- 21 s. Create and maintain a list of all excluded patrons;
- 22 t. Initiate and decide all actions for involuntary exclusion of  
23 patrons pursuant to section 71 of P.L.1977, c.110 (C.5:12-71);
- 24 u. Issue an operation certificate upon the commission's grant of  
25 an application for a casino license;
- 26 v. Recommend that the commission issue or revoke statements  
27 of compliance pursuant to section 81 of P.L.1977, c.110 (C.5:12-  
28 81) and the regulations promulgated thereunder;
- 29 w. Accept impact statements submitted by an applicant for a  
30 casino license pursuant to section 84 of P.L.1977, c.110 (C.5:12-  
31 84); **[and]**
- 32 x. Utilize, in its discretion, the services of a private entity for  
33 the purpose of expediting criminal history record background  
34 checks required to be performed by the division pursuant to the  
35 provisions of P.L.1977, c.110 (C.5:12-1 et seq.), provided that the  
36 private entity has been awarded a contract in accordance with the  
37 public contracting laws of this State;
- 38 y. License, regulate, investigate and take any other action  
39 regarding all aspects of authorized games conducted through the  
40 Internet.<sup>1</sup>

41 (cf: P.L.2011, c.19, s.42)

42  
43 <sup>1</sup>11. Section 85 of P.L.1977, c.110 (C.5:12-85) is amended to  
44 read as follows:

45 85. Additional Requirements.

46 a. In addition to other information required by this act, a  
47 corporation or other form of business organization applying for a

1 casino license shall provide the following information, in such form  
2 as may be established by regulation:

3 (1) The organization, financial structure and nature of all  
4 businesses operated by the applicant; the names and personal  
5 employment and criminal histories of all officers, directors and such  
6 other employees of the applicant as the division may require; the  
7 names of all holding, intermediary and subsidiary companies of the  
8 applicant; and the organization, financial structure and nature of all  
9 businesses operated by such of its holding, intermediary and  
10 subsidiary companies as the division may require, including the  
11 names and personal employment and criminal histories of such  
12 corporate officers, directors and other employees of such holding,  
13 intermediary and subsidiary companies as the division may require;

14 (2) The rights and privileges acquired by the holders of different  
15 classes of authorized securities of the applicant and such companies  
16 as the division may require, including the names, addresses and  
17 amounts held by all holders of such securities;

18 (3) The terms upon which securities have been or are to be  
19 offered;

20 (4) The terms and conditions of all outstanding loans,  
21 mortgages, trust deeds, pledges or any other indebtedness or  
22 security devices utilized by the applicant;

23 (5) The extent of the equity security holding in the applicant of  
24 all officers, directors and underwriters, and their remuneration in  
25 the form of salary, wages, fees or otherwise;

26 (6) Names of persons other than directors and officers who  
27 occupy positions specified by the division or whose compensation  
28 exceeds an amount determined by the division, and the amount of  
29 their compensation;

30 (7) A description of all bonus and profit-sharing arrangements;

31 (8) Copies of all management and service contracts;

32 (9) A listing of stock options existing or to be created; and

33 (10) Documentation establishing that it is qualified to do  
34 business in the State of New Jersey.

35 b. Each holding, intermediary and subsidiary company of an  
36 applicant for or holder of a casino license shall be required to  
37 qualify to do business in the State of New Jersey; and

38 (1) If it is a corporation, register with the division and furnish  
39 the division with all the information required of a corporate licensee  
40 as specified in subsection a. (1), (2) and (3) of this section and such  
41 other information as the division may require; or

42 (2) If it is not a corporation, register with the division and  
43 furnish the division with such information as the division may  
44 prescribe.

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

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

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

- 1 f. (Deleted by amendment, P.L.2011, c.19)  
2 g. (Deleted by amendment, P.L.2011, c.19)  
3 h. Each applicant for or holder of a casino license, or any  
4 holding, intermediary and subsidiary company of an applicant for or  
5 holder of a casino license, and any affiliate thereof, and any other  
6 licensee, permit holder or vendor under P.L.1977, c.110 (C.5:12-1  
7 et seq.), including but not limited to an applicant or holder of any  
8 license, permit, or other approval to conduct Internet gaming, or  
9 any Internet gaming affiliate in accordance with the regulations of  
10 the division, shall provide to the division on a quarterly basis the  
11 following information with respect to games conducted through the  
12 internet:  
13 (1) The name of any person, entity or firm to whom any  
14 payment, remuneration or other benefit or thing of value has been  
15 made or conferred for professional services, including but not  
16 limited to legal, consulting and lobbying services;  
17 (2) The amount or value of such payments, remuneration,  
18 benefit, or thing of value;  
19 (3) The date on which such payments, remuneration, benefit, or  
20 thing of value were made; and  
21 (4) The reason or purpose for the procurement of such services.<sup>1</sup>  
22 (cf: P.L. 2011, c.19, s.49)

23  
24 <sup>1</sup>[8.] 12.<sup>1</sup> Section 92 of P.L.1977, c.110 (C.5:12-92) is  
25 amended to read as follows:

26 92. Licensing of casino service industry enterprises. a. (1) Any  
27 business to be conducted with a casino applicant or licensee by a  
28 vendor offering goods or services which directly relate to casino or  
29 gaming activity or Internet gaming activity, including gaming  
30 equipment and simulcast wagering equipment manufacturers,  
31 suppliers, repairers, and independent testing laboratories, shall  
32 require licensure as a casino service industry enterprise in  
33 accordance with the provisions of this act prior to conducting any  
34 business whatsoever with a casino applicant or licensee, its  
35 employees or agents; provided, however, that upon a showing of  
36 good cause by a casino applicant or licensee, the director may  
37 permit an applicant for a casino service industry enterprise license  
38 to conduct business transactions with such casino applicant or  
39 licensee prior to the licensure of that casino service industry  
40 enterprise applicant under this subsection for such periods as the  
41 division may establish by regulation. Companies providing services  
42 to casino licensees regarding Internet gaming shall, notwithstanding  
43 any other provision of P.L.1977, c.110 (C.5:12-1 et seq.), be  
44 responsible for the full cost of their licensure, including any  
45 investigative costs.  
46 (2) In addition to the requirements of paragraph (1) of this  
47 subsection, any casino service industry enterprise intending to

1 manufacture, sell, distribute, test or repair slot machines within  
2 New Jersey, other than antique slot machines as defined in  
3 N.J.S.2C:37-7, shall be licensed in accordance with the provisions  
4 of this act prior to engaging in any such activities; provided,  
5 however, that upon a showing of good cause by a casino applicant  
6 or licensee, the director may permit an applicant for a casino service  
7 industry enterprise license to conduct business transactions with the  
8 casino applicant or licensee prior to the licensure of that casino  
9 service industry enterprise applicant under this subsection for such  
10 periods as the division may establish by regulation; and provided  
11 further, however, that upon a showing of good cause by an  
12 applicant required to be licensed as a casino service industry  
13 enterprise pursuant to this paragraph, the director may permit the  
14 casino service industry enterprise applicant to initiate the  
15 manufacture of slot machines or engage in the sale, distribution,  
16 testing or repair of slot machines with any person other than a  
17 casino applicant or licensee, its employees or agents, prior to the  
18 licensure of that casino service industry enterprise applicant under  
19 this subsection.

20 (3) Vendors providing goods and services to casino licensees or  
21 applicants ancillary to gaming, including, without limitation, junket  
22 enterprises and junket representatives, and any person employed by  
23 a junket enterprise or junket representative in a managerial or  
24 supervisory position, non-casino applicants or licensees required to  
25 hold a casino hotel alcoholic beverage license pursuant to section  
26 103 of P.L.1977, c.110 (C.5:12-103), lessors of casino property not  
27 required to hold a casino license pursuant to section 82 of P.L.1977,  
28 c.110 (C.5:12-82), and licensors of authorized games shall be  
29 required to be licensed as an ancillary casino service industry  
30 enterprise and shall comply with the standards set forth in  
31 paragraph (4) of subsection c. of this section.

32 [(4) (a) Except as provided in subparagraph (b) of this  
33 paragraph, companies that provide the following services and such  
34 other services relating to Internet gaming as the director may  
35 determine shall not be required to obtain a casino service industry  
36 enterprise license unless otherwise determined by the director:

37 payment processing and related money-transmitting and services;  
38 customer identity or age verification and geolocation services;  
39 general telecommunications services that are not specifically  
40 designed for Internet gaming; and

41 other goods or services that are not specifically designed for use  
42 with Internet gaming, provided that the companies providing such  
43 goods or services are not paid a percentage of gaming revenue or of  
44 money gambled on Internet games or online poker commission fees  
45 by the casino licensee, not including fees to financial institutions  
46 and payment providers for facilitating a deposit by a customer.

1     (b) Companies providing Internet gaming software, vendors  
2 who manage, control or administer the Internet games or the bets or  
3 wagers associated with the games, and providers of customer lists  
4 comprised of persons identified or selected, in whole or in part,  
5 because they placed bets or wagers on Internet gaming shall be  
6 required to obtain a casino service industry enterprise license and  
7 shall not be regarded as within the scope of subparagraph (a) of this  
8 paragraph.]<sup>1</sup>

9     b. Each casino service industry enterprise required to be  
10 licensed pursuant to paragraph (1) of subsection a. of this section,  
11 as well as its owners; management and supervisory personnel; and  
12 employees if such employees have responsibility for services to a  
13 casino applicant or licensee, must qualify under the standards,  
14 except residency, established for qualification of a casino key  
15 employee under this act.

16     c. (1) Any vendor that offers goods or services to a casino  
17 applicant or licensee that is not included in subsection a. of this  
18 section including, but not limited to casino site contractors and  
19 subcontractors, shopkeepers located within the approved hotels,  
20 gaming schools that possess slot machines for the purpose of  
21 instruction, and any non-supervisory employee of a junket  
22 enterprise licensed under paragraph (3) of subsection a. of this  
23 section, shall be required to register with the division in accordance  
24 with the regulations promulgated under this act, P.L.1977, c.110  
25 (C.5:12-1 et seq.).

26     (2) Notwithstanding the provisions of paragraph (1) of this  
27 subsection, the director may, consistent with the public interest and  
28 the policies of this act, direct that individual vendors registered  
29 pursuant to paragraph (1) of this subsection be required to apply for  
30 either a casino service industry enterprise license pursuant to  
31 paragraph (1) of subsection a. of this section, or an ancillary casino  
32 service industry enterprise license pursuant to paragraph (3) of  
33 subsection a. of this section, as directed by the division, including,  
34 without limitation, in-State and out-of-State sending tracks as  
35 defined in section 2 of the "Casino Simulcasting Act," P.L.1992,  
36 c.19 (C.5:12-192); shopkeepers located within the approved hotels;  
37 and gaming schools that possess slot machines for the purpose of  
38 instruction. The director may also order that any enterprise licensed  
39 as or required to be licensed as an ancillary casino service industry  
40 enterprise pursuant to paragraph (3) of subsection a. of this section  
41 be required to apply for a casino service industry enterprise license  
42 pursuant to paragraph (1) of subsection a. of this section. The  
43 director may also, in his discretion, order that an independent  
44 software contractor not otherwise required to be registered be either  
45 registered as a vendor pursuant to subsection c. of this section or be  
46 licensed pursuant to either paragraph (1) or (3) of subsection a. of  
47 this section.



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

2 (4) Each ancillary casino service industry enterprise required to  
3 be licensed pursuant to paragraph (3) of subsection a. of this  
4 section, as well as its owners, management and supervisory  
5 personnel, and employees if such employees have responsibility for  
6 services to a casino applicant or licensee, shall establish their good  
7 character, honesty and integrity by clear and convincing evidence  
8 and shall provide such financial information as may be required by  
9 the division. Any enterprise required to be licensed as an ancillary  
10 casino service industry enterprise pursuant to this section shall be  
11 permitted to transact business with a casino licensee upon filing of  
12 the appropriate vendor registration form and application for such  
13 licensure.

14 d. Any applicant, licensee or qualifier of a casino service  
15 industry enterprise license or of an ancillary casino service industry  
16 enterprise license under subsection a. of this section, and any  
17 vendor registrant under subsection c. of this section shall be  
18 disqualified in accordance with the criteria contained in section 86  
19 of this act, except that no such ancillary casino service industry  
20 enterprise license under paragraph (3) of subsection a. of this  
21 section or vendor registration under subsection c. of this section  
22 shall be denied or revoked if such vendor registrant can  
23 affirmatively demonstrate rehabilitation as provided in subsection d.  
24 of section 91 of P.L.1977, c.110 (C.5:12-91).

25 e. No casino service industry enterprise license or ancillary  
26 casino service industry enterprise license shall be issued pursuant to  
27 subsection a. of this section to any person unless that person shall  
28 provide proof of valid business registration with the Division of  
29 Revenue in the Department of the Treasury.

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

31 g. For the purposes of this section, each applicant shall submit  
32 to the division the name, address, fingerprints and a written consent  
33 for a criminal history record background check to be performed, for  
34 each person required to qualify as part of the application. The  
35 division is hereby authorized to exchange fingerprint data with and  
36 receive criminal history record information from the State Bureau  
37 of Identification in the Division of State Police and the Federal  
38 Bureau of Investigation consistent with applicable State and federal  
39 laws, rules and regulations. The applicant shall bear the cost for the  
40 criminal history record background check, including all costs of  
41 administering and processing the check. The Division of State  
42 Police shall promptly notify the division in the event a current or  
43 prospective qualifier, who was the subject of a criminal history  
44 record background check pursuant to this section, is arrested for a  
45 crime or offense in this State after the date the background check  
46 was performed.

1 h. (1) Subsequent to the licensure of any entity pursuant to  
2 subsection a. of this section, including any finding of qualification  
3 as may be required as a condition of licensure, or the registration of  
4 any vendor pursuant to subsection c. of this section, the director  
5 may revoke, suspend, limit, or otherwise restrict the license,  
6 registration or qualification status upon a finding that the licensee,  
7 registrant or qualifier is disqualified on the basis of the criteria set  
8 forth in section 86 of P.L.1977, c.110 (C.5:12-86).

9 (2) A hearing prior to the suspension of any license, registration  
10 or qualification issued pursuant to this section shall be a limited  
11 proceeding at which the division shall have the affirmative  
12 obligation to demonstrate that there is a reasonable possibility that  
13 the licensee, registrant or qualifier is disqualified on the basis of the  
14 criteria set forth in section 86 of P.L.1977, c.110 (C.5:12-86).

15 (cf: P.L.2012, c.34, s.6)

16  
17 '[9.] 13.' Section 100 of P.L.1977, c.110 (C.5:12-100) is  
18 amended to read as follows:

19 100. a. This act shall not be construed to permit any gaming  
20 except the conduct of authorized games in a casino room or through  
21 Internet gaming in accordance with this act and the regulations  
22 promulgated hereunder and in a simulcasting facility to the extent  
23 provided by the "Casino Simulcasting Act," P.L.1992, c.19 (C.5:12-  
24 191 et al.). Notwithstanding the foregoing, if the division approves  
25 the game of keno as an authorized game pursuant to section 5 of  
26 P.L.1977, c.110 (C.5:12-5), as amended, keno tickets may be sold  
27 or redeemed in accordance with division regulations.

28 b. Gaming equipment shall not be possessed, maintained or  
29 exhibited by any person on the premises of a casino hotel except in  
30 a casino room, in the simulcasting facility, or in restricted casino  
31 areas used for the inspection, repair or storage of such equipment  
32 and specifically designated for that purpose by the casino licensee  
33 with the approval of the division. Gaming equipment which  
34 supports the conduct of gaming in a casino or simulcasting facility  
35 or through Internet gaming but does not permit or require patron  
36 access, such as computers, or gaming software or other gaming  
37 equipment used to conduct Internet gaming may be possessed and  
38 maintained by a casino licensee or a qualified holding or  
39 intermediary company of a casino licensee in restricted areas  
40 specifically approved by the division. No gaming equipment shall  
41 be possessed, maintained, exhibited, brought into or removed from  
42 a casino room or simulcasting facility by any person unless such  
43 equipment is necessary to the conduct of an authorized game, has  
44 permanently affixed, imprinted, impressed or engraved thereon an  
45 identification number or symbol authorized by the division, is under  
46 the exclusive control of a casino licensee or casino licensee's  
47 employees, or of any individually qualified employee of a holding

1 company or casino licensee and is brought into or removed from the  
2 casino room or simulcasting facility following 24-hour prior notice  
3 given to an authorized agent of the division.

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

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

23 Notwithstanding any other provision of this act to the contrary,  
24 the division may, by regulation, authorize the linking of slot  
25 machines of one or more casino licensees and slot machines located  
26 in casinos licensed by another state of the United States. Wagering  
27 and account information for a multi-state slot system shall be  
28 transmitted by the operator of such multi-state slot system to either  
29 a restricted area on the premises of a casino hotel or to a secure  
30 facility inaccessible to the public and specifically designed for that  
31 purpose off the premises of a casino hotel but within the territorial  
32 limits of Atlantic County, New Jersey, and from there to slot  
33 machines of New Jersey casino licensees, provided all locations are  
34 approved by the division.

35 Notwithstanding any other provision of this act to the contrary,  
36 the division may authorize electronic versions of authorized games  
37 to be played within an approved hotel facility on mobile gaming  
38 devices to be approved by the division, provided the player has  
39 established an account with the casino licensee, the wager is placed  
40 by and the winnings are paid to the patron in person within the  
41 approved hotel facility, the mobile gaming device is inoperable  
42 outside the approved hotel facility, and the division authorizes the  
43 device for mobile gaming; provided that the division may establish  
44 any additional or more stringent licensing and other regulatory  
45 requirements necessary for the proper implementation and conduct  
46 of mobile gaming as authorized herein. For the purposes of this  
47 provision, the approved hotel facility shall include any area located

1 within the property boundaries of the casino hotel facility, including  
2 the swimming pool area and an outdoor recreation area, where  
3 mobile gaming devices may be used by patrons in accordance with  
4 this provision, but excluding parking garages or parking areas of a  
5 casino hotel facility, provided that the division shall ascertain and  
6 ensure, pursuant to rules and regulations issued by it to implement  
7 mobile gaming pursuant to this provision, that mobile gaming shall  
8 not extend outside of the property boundaries of the casino hotel  
9 facility.

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

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

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

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

43 g. Each gaming table shall be equipped with a sign indicating  
44 the permissible minimum and maximum wagers pertaining thereto.  
45 '[Each game] All gaming and wagering' offered through Internet  
46 gaming shall display online the permissible minimum and  
47 maximum wagers pertaining thereto. It shall be unlawful for a

1 casino licensee to require any wager to be greater than the stated  
2 minimum or less than the stated maximum; provided, however, that  
3 any wager actually made by a patron and not rejected by a casino  
4 licensee prior to the commencement of play shall be treated as a  
5 valid wager.

6 h. (1) Except as herein provided, no slot machine shall be used  
7 to conduct gaming unless it is identical in all electrical, mechanical  
8 and other aspects to a model thereof which has been specifically  
9 tested and licensed for use by the division. The division shall also  
10 test any other gaming device, gaming equipment, gaming-related  
11 device, hardware and software by which authorized gambling  
12 games are offered through the Internet, or gross-revenue related  
13 device, such as a slot management system, electronic transfer credit  
14 system or gaming voucher system as it deems appropriate. In its  
15 discretion and for the purpose of expediting the approval process,  
16 the division may utilize the services of a private testing laboratory  
17 that has obtained a plenary license as a casino service industry  
18 enterprise pursuant to subsection a. of section 92 of P.L.1977, c.110  
19 (C.5:12-92) to perform the testing, and may also utilize applicable  
20 data from any such private testing laboratory or from a  
21 governmental agency of a state other than New Jersey authorized to  
22 regulate slot machines and other gaming devices, gaming  
23 equipment, gaming-related devices and gross-revenue related  
24 devices used in casino gaming, if the private testing laboratory or  
25 governmental agency uses a testing methodology substantially  
26 similar to the methodology utilized by the division. The division, in  
27 its discretion, may rely upon the data provided by the private testing  
28 laboratory or governmental agency and adopt the conclusions of  
29 such private testing laboratory or governmental agency regarding  
30 any submitted device.

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

1 other gaming equipment which a casino licensee has certified it will  
2 use in its casino in this State.

3 (3) The division shall, by regulation, establish such technical  
4 standards for licensure of slot machines, including mechanical and  
5 electrical reliability, security against tampering, the  
6 comprehensibility of wagering, and noise and light levels, as it may  
7 deem necessary to protect the player from fraud or deception and to  
8 insure the integrity of gaming. The denominations of such machines  
9 shall be set by the licensee; the licensee shall simultaneously notify  
10 the division of the settings.

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

13 (a) promote optimum security for casino operations;

14 (b) avoid deception or frequent distraction to players at gaming  
15 tables;

16 (c) promote the comfort of patrons;

17 (d) create and maintain a gracious playing environment in the  
18 casino; and

19 (e) encourage and preserve competition in casino operations by  
20 assuring that a variety of gaming opportunities is offered to the  
21 public.

22 Any such regulation promulgated by the division which  
23 determines the permissible number and density of slot machines in a  
24 licensed casino shall provide that all casino floor space and all  
25 space within a casino licensee's casino simulcasting facility shall be  
26 included in any calculation of the permissible number and density  
27 of slot machines in a licensed casino.

28 (5) Any new gaming equipment or simulcast wagering  
29 equipment that is submitted for testing to the division or to an  
30 independent testing laboratory licensed pursuant to subsection a. of  
31 section 92 of P.L.1977, c.110 (C.5:12-92) prior to or simultaneously  
32 with submission of such new equipment for testing in a jurisdiction  
33 other than New Jersey, may, consistent with regulations  
34 promulgated by the division, be deployed by a casino licensee on  
35 the casino floor 14 days after submission of such equipment for  
36 testing. If the casino or casino service industry enterprise licensee  
37 has not received approval for the equipment 14 days after  
38 submission for testing, any interested casino licensee may,  
39 consistent with division regulations, deploy the equipment on a  
40 field test basis, unless otherwise directed by the director.

41 (6) '[All] A casino's primary' equipment used '[by a  
42 licensee]' to conduct Internet gaming shall be located, with the  
43 prior approval of the division, in a restricted area on the premises of  
44 the casino hotel within the territorial limits of Atlantic City, New  
45 Jersey. Backup '[and other]' equipment '[not]' used 'on a  
46 temporary basis pursuant to rules established by the division' to  
47 conduct Internet gaming may '[, with the approval of the

1 division,]¹ be located outside the territorial limits of Atlantic City ¹,  
2 provided no Internet gaming shall occur unless a wager is accepted  
3 by a casino within the territorial limits of Atlantic City, New  
4 Jersey¹. All Internet wagers shall be deemed to be placed when  
5 received in Atlantic City by the licensee. Any intermediate routing  
6 of electronic data in connection with a wager shall not affect the  
7 fact that the wager is placed in Atlantic City

8 No software, computer or other gaming equipment shall be used  
9 to conduct Internet gaming unless it has been specifically tested by  
10 the division. The division may, in its discretion, and for the  
11 purpose of expediting the approval process, refer testing to any  
12 testing laboratory with a plenary license as a casino service industry  
13 enterprise pursuant to subsection a. of section 92 of P.L.1977, c.110  
14 (C.5:12-92). The division shall give priority to the testing of  
15 software, computers or other gaming equipment which a casino  
16 licensee has certified it will use to conduct Internet gaming in this  
17 State. The division shall, by regulation, establish such technical  
18 standards for approval of software, computers and other gaming  
19 equipment used to conduct Internet gaming, including mechanical,  
20 electrical or program reliability, security against tampering, the  
21 comprehensibility of wagering, and noise and light levels, as it may  
22 deem necessary to protect the player from fraud or deception and to  
23 insure the integrity of gaming. When appropriate, the licensee shall  
24 set the denominations of Internet games and shall simultaneously  
25 notify the ¹[commission] division¹ of the settings.

26 No software, computer or other gaming equipment shall be used  
27 to conduct Internet gaming unless it is able to verify that a player  
28 placing a wager is physically present in this State. The division  
29 shall ¹[confirm on a continuous basis] require by regulation¹ that  
30 the equipment used by every licensee to conduct Internet gaming is,  
31 in fact, verifying every player's physical presence in this State each  
32 time a player logs onto a new playing session.

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

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

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

45 l. It shall be unlawful for any casino licensee or its agents or  
46 employees to employ, contract with, or use any shill or barker to

1 induce any person to enter a casino or simulcasting facility or play  
2 at any game or for any purpose whatsoever.

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

7 n. (1) It shall be unlawful for any casino key employee licensee  
8 to wager in any casino or simulcasting facility in this State.

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

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

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

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

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

44 p. Any slot system operator that offers an annuity jackpot shall  
45 secure the payment of such jackpot by establishing an annuity  
46 jackpot guarantee in accordance with the requirements of P.L.1977,



1 c.110 (C.5:12-1 et seq.), and the rules of the division.  
2 (cf: P.L.2012, c.34, s.7)

3

4 '10.] 14.' Section 104 of P.L.1977, c.110 (C.5:12-104) is  
5 amended to read as follows:

6 104. a. Unless otherwise provided in this subsection, no  
7 agreement shall be lawful which provides for the payment, however  
8 defined, of any direct or indirect interest, percentage or share of:  
9 any money or property gambled at a casino or simulcasting facility;  
10 any money or property derived from casino gaming activity or  
11 wagering at a simulcasting facility; or any revenues, profits or  
12 earnings of a casino or simulcasting facility. Notwithstanding the  
13 foregoing:

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

24 (2) Agreements between a casino licensee and a junket  
25 enterprise or junket representative licensed, qualified or registered  
26 in accordance with the provisions of P.L.1977, c.110 (C.5:12-1 et  
27 seq.) and the regulations of the division which provide for the  
28 compensation of the junket enterprise or junket representative by  
29 the casino licensee based upon the actual casino gaming or  
30 simulcast wagering activities of a patron procured or referred by the  
31 junket enterprise or junket representative shall be lawful if filed  
32 with the division prior to the conduct of any junket that is governed  
33 by the agreement.

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

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

45 (5) Agreements which provide for percentage charges between  
46 the casino licensee and a holding company or intermediary

1 company of the casino licensee shall be in writing and filed with the  
2 division but shall not be subject to the provisions of this subsection.

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

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

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

36 (9) Written agreements relating to the operation of multi-casino  
37 or multi-state progressive slot machine systems between one or  
38 more casino licensees and a casino service industry enterprise  
39 licensed pursuant to the provisions of subsection a. of section 92 of  
40 P.L.1977, c.110 (C.5:12-92), or an eligible applicant for such  
41 license, which provide for an interest, percentage or share of the  
42 casino licensee's revenues, profits or earnings from the operation of  
43 such multi-casino or multi-state progressive slot machines to be  
44 paid to the casino service industry enterprise licensee or applicant  
45 shall not be subject to the provisions of this subsection if the  
46 agreements are filed with and approved by the division.

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

26 (11) A written agreement between a casino licensee holding an  
27 Internet gaming permit and a casino service industry enterprise  
28 licensed pursuant to subsection a. of section 92 of P.L.1977, c.110  
29 (C.5:12-92), or an eligible applicant for such a license, in  
30 connection with the conduct of Internet gaming under P.L. \_\_\_\_\_,  
31 c. (C. \_\_\_\_\_) (pending before the Legislature as this bill), which  
32 provides for a percentage of the casino licensee's Internet gaming  
33 gross revenue to be paid to the casino service industry enterprise  
34 licensee shall not be subject to the provisions of this subsection,  
35 provided that the agreement shall be in writing, filed with the  
36 division, and shall be lawful and effective only if the terms thereof  
37 are expressly approved by the division.

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

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

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

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

24 c. Nothing in this act shall be deemed to permit the transfer of  
25 any license, or any interest in any license, or any certificate of  
26 compliance or any commitment or reservation.  
27 (cf: P.L.2012, c.34, s.10)

28  
29 <sup>1</sup>[11.] 15.<sup>1</sup> Section 109 of P.L.1977, c.110 (C.5:12-109) is  
30 amended to read as follows:

31 109. Notwithstanding any provisions of this article, the director  
32 may issue an emergency order for the suspension, limitation or  
33 conditioning of any operation certificate or any license, other than a  
34 casino license, or any registration, or any permit to conduct Internet  
35 gaming, or may issue an emergency order requiring the licensed  
36 casino to keep an individual from the premises of such licensed  
37 casino or from using or maintaining an Internet gaming account, or  
38 not to pay such individual any remuneration for services or any  
39 profits, income or accruals on his investment in such casino, in the  
40 following manner:

41 a. An emergency order shall be issued only when the director  
42 finds that:

43 (1) There has been charged a violation of any of the criminal  
44 laws of this State by a licensee or registrant, or

45 (2) Such action is necessary to prevent a violation of any such  
46 provision, or

47 (3) Such action is necessary immediately for the preservation of

1 the public peace, health, safety, morals, good order and general  
2 welfare or to preserve the public policies declared by this act.

3 b. An emergency order shall set forth the grounds upon which  
4 it is issued, including the statement of facts constituting the alleged  
5 emergency necessitating such action.

6 c. The emergency order shall be effective immediately upon  
7 issuance and service upon the licensee, registrant, or resident agent  
8 of the licensee. The emergency order may suspend, limit, condition  
9 or take other action in relation to the approval of one or more  
10 individuals who were required to be approved in any operation,  
11 without necessarily affecting any other individuals or the licensed  
12 casino establishment. The emergency order shall remain effective  
13 until further order of the director.

14 d. Within 5 days after issuance of an emergency order, the  
15 division shall cause a complaint to be filed and served upon the  
16 person or entity involved in accordance with the provisions of this  
17 act.

18 e. Thereafter, the person or entity against whom the emergency  
19 order has been issued and served shall show cause before the  
20 director why the emergency order should not remain in effect in  
21 accordance with the provisions of this act and the regulations  
22 promulgated hereunder.

23 (cf: P.L.2011, c.19, s.77)

24

25 '【12.】 16.' Section 1 of P.L.1999, c.352 (C.5:12-129.1) is  
26 amended to read as follows:

27 1. The holder of any license issued under P.L.1977, c.110  
28 (C.5:12-1 et seq.), or any person acting on behalf thereof, shall file  
29 a report of any suspicious transaction with the Director of the  
30 Division of Gaming Enforcement. For the purposes of P.L.1999,  
31 c.352 (C.5:12-129.1 et al.), "suspicious transaction" means the  
32 acceptance of cash **【or】** , the redeeming of chips or markers or  
33 other cash equivalents, or a payment to establish credits in an  
34 Internet gaming account involving or aggregating \$5,000 if the  
35 licensee or person knows or suspects that the transaction:

36 a. involves funds derived from illegal activities or is intended  
37 or conducted in order to conceal or disguise funds or assets derived  
38 from illegal activities;

39 b. is part of a plan to violate or evade any law or regulation or  
40 to avoid any transaction reporting requirement under the law or  
41 regulations of this State or the United States, including a plan to  
42 structure a series of transactions to avoid any transaction reporting  
43 requirement under the laws or regulations of this State or the United  
44 States; or

45 c. has no business or other apparent lawful purpose or is not  
46 the sort of transaction in which a person would normally be  
47 expected to engage and the licensee or person knows of no

1 reasonable explanation for the transaction after examining the  
2 available facts, including the background and possible purpose of  
3 the transaction.

4 (cf: P.L.1999, c.352, s.1)

5

6 **'[13.] 17.'** (New section) There is hereby imposed an annual  
7 tax on Internet gaming gross revenues in the amount of **'[10% ]**  
8 **15%'** of such gross revenues which shall be paid into the Casino  
9 Revenue Fund. The 8% tax on casino gross revenues shall not apply  
10 to Internet gaming gross revenues. The investment alternative tax  
11 established by section 3 of P.L.1984, c.218 (C.5:12-144.1) shall  
12 apply to Internet gaming gross revenues, except that the investment  
13 alternative tax on these revenues shall be 5% and the investment  
14 alternative shall be 2.5%, with the proceeds thereof used as  
15 provided in that section.

16

17 **'[14. (New section) The Division of Gaming Enforcement may**  
18 **establish an Office of Internet Gaming to which it may delegate**  
19 **authority for the administration of Internet gaming conducted by**  
20 **casino licensees. The division shall be responsible for**  
21 **recommending regulations concerning Internet gaming for**  
22 **consideration and possible adoption by the commission. Nothing**  
23 **contained in this section shall be construed as affecting the**  
24 **authority of the Division of Gaming Enforcement with respect to all**  
25 **casino gaming activities, including Internet gaming. The division**  
26 **shall adopt regulations for the implementation and conduct of**  
27 **Internet gaming that are consistent with regulations governing**  
28 **casino gambling generally.]'**

29

30 **'[15.] 18.'** (New section) Internet gaming in this State shall be  
31 subject to the provisions of, and preempted and superseded by, any  
32 applicable federal law.

33 Internet gaming in this State shall be deemed to take place where  
34 a casino's server is located in Atlantic City regardless of the  
35 player's physical location within this State.

36

37 **'[16.] 19.'** (New section) a. No Internet gaming shall be  
38 opened to the public, and no gaming, except for test purposes, may  
39 be conducted therein, until a casino licensee with a valid operation  
40 certificate, or an Internet gaming affiliate thereof that is licensed  
41 pursuant to paragraph (5) of subsection b. of section 82 of  
42 P.L.1977, c.110 (C.5:12-82), receives from the division a permit to  
43 conduct Internet gaming. Such permit, valid for one year, shall be  
44 issued by the division upon a finding that the Internet gaming  
45 complies in all respects with the requirements of this act,  
46 P.L. , c. (pending before the Legislature as this bill) and  
47 regulations promulgated **'[hereunder, that the casino licensee has**

1 implemented necessary management controls and security  
2 precautions for the efficient operation of Internet gaming, that  
3 casino personnel having duties relating to Internet gaming are  
4 licensed for the performance of their respective responsibilities, and  
5 that the licensee is prepared in all respects to receive and entertain  
6 the public. For each licensed casino, no more than one permit shall  
7 be issued to conduct Internet gaming therein.

8 b. The permit shall include an itemized list by category and  
9 number of the authorized games offered through Internet gaming.

10 c. A casino licensee shall, in accordance with regulations  
11 promulgated by the division, file any changes in the number of  
12 authorized games featured through Internet gaming with the  
13 division.

14 d. It shall be an express condition of the continued operation of  
15 Internet gaming that a casino licensee shall maintain all books,  
16 records, and documents pertaining to the licensee's Internet gaming  
17 operations in a manner and location within this State approved by  
18 the division. All such books, records and documents shall be  
19 immediately available for inspection during all hours of operation  
20 in accordance with the rules of the division and shall be maintained  
21 for such period of time as the division shall require.

22 e. Subject to the power of the division to deny, revoke, or  
23 suspend permits, any Internet gaming permit in force shall be  
24 renewed by the commission for one year upon proper application  
25 for renewal, completion of a review of Internet gaming operations  
26 for compliance with this act, a review of all required controls and  
27 payment of permit fees and taxes as required by law and the  
28 regulations of the division. Upon renewal of an Internet gaming  
29 permit the division shall issue an appropriate renewal certificate or  
30 validating device or sticker which shall be attached to the Internet  
31 gaming permit.

32 f. Notwithstanding subsections a. and e. of this section, an  
33 Internet gaming permit shall remain in force only if the owner or  
34 operator of the licensed casino where Internet gaming is to be  
35 conducted also holds a valid operation certificate for such casino  
36 by the division<sup>1</sup>.

37

38 <sup>1</sup>[17.] 20.<sup>1</sup> (New section) a. <sup>1</sup>[[The entire] A casino's primary<sup>1</sup>  
39 Internet gaming operation, including facilities, equipment and  
40 personnel who are directly engaged in the conduct of Internet  
41 gaming activity, shall be located within a restricted area on the  
42 premises of the casino hotel within the territorial limits of Atlantic  
43 City, New Jersey. <sup>1</sup>[[Backup and other equipment not used to  
44 conduct Internet gaming may, with the approval of the division, be  
45 located outside of the territorial limits of Atlantic City.] Backup  
46 equipment used on a temporary basis pursuant to rules established  
47 by the division to conduct Internet gaming may, with the approval

1 of the division, be located outside the territorial limits of Atlantic  
2 City, provided no internet gaming shall occur unless a wager is  
3 accepted by a casino within the territorial limits of Atlantic City,  
4 New Jersey.<sup>1</sup>

- 5 b. Facilities used to conduct and support Internet gaming shall:
- 6 (1) be arranged in a manner promoting optimum security for  
7 Internet gaming;
- 8 (2) include a closed circuit visual monitoring system according  
9 to specifications approved by the division, with access on the  
10 licensed premises to the system or its signal provided to the  
11 <sup>1</sup>['commission or the']<sup>1</sup> division;
- 12 (3) not be designed in any way that might interfere with the  
13 ability of the division to supervise Internet gaming operations; and
- 14 (4) comply in all respects with regulations of the division  
15 pertaining thereto.

16

17 <sup>1</sup>['18. (New section) a. Notwithstanding section 99 of P.L.1977,  
18 c.110 (C.5:12-99), each casino licensee who holds or has applied  
19 for a permit to conduct Internet gaming shall submit to the division  
20 a description of its system of internal procedures and administrative  
21 and accounting controls for Internet gaming, including provisions  
22 that provide for real time monitoring of all games, and a description  
23 of any changes thereof. Such submission shall be made at least 30  
24 days before such operations are to commence or at least 30 days  
25 before any change in those procedures or controls is to take effect,  
26 unless otherwise directed by the division. Notwithstanding the  
27 foregoing, the internal controls described in paragraph (3) of this  
28 subsection may be implemented by a casino licensee upon the filing  
29 of such internal controls with the division. Each internal procedure  
30 or control submission shall contain both narrative and diagrammatic  
31 representations of the internal control system to be utilized with  
32 regard to Internet gaming, including, but not limited to:

- 33 (1) accounting controls, including the standardization of forms  
34 and definition of terms to be utilized in the wagering operations;
- 35 (2) procedures, forms, and, where appropriate, formulas  
36 covering the calculation of hold percentages; revenue drop; expense  
37 and overhead schedules; complimentary services; and cash  
38 equivalent transactions;
- 39 (3) job descriptions and the system of personnel and chain-of-  
40 command, establishing a diversity of responsibility among  
41 employees engaged in Internet gaming operations and identifying  
42 primary and secondary supervisory positions for areas of  
43 responsibility; salary structure; and personnel practices;
- 44 (4) procedures for the establishment of wagering accounts,  
45 including a procedure for authenticating the age of the applicant for  
46 a wagering account;
- 47 (5) procedures for the termination of a wagering account by the



- 1 account holder and the return of any remaining funds in the
- 2 wagering account to the account holder;
- 3 (6) procedures for the termination of a dormant account;
- 4 (7) procedures for the logging in and authentication of a
- 5 wagering account holder in order to enable the holder to commence
- 6 Internet gaming, and the logging off of the holder of the wagering
- 7 account when the account holder has finished gaming, including a
- 8 procedure to automatically log off the holder after a specified
- 9 period of inactivity;
- 10 (8) procedures for the crediting and debiting of wagering
- 11 accounts;
- 12 (9) procedures for the cashing of checks to establish credit in a
- 13 wagering account; the receipt and security of cash to establish credit
- 14 in a wagering account, whether such cash is received by wire
- 15 transfer, advance on a credit card or debit card or by other
- 16 electronic means approved by the division; and receipt of other
- 17 electronic negotiable instruments approved by the division to
- 18 establish credit in a wagering account;
- 19 (10) procedures for the withdrawal of funds from a wagering
- 20 account by the account holder;
- 21 (11) the redemption of chips, tokens or other cash equivalents
- 22 used in gaming and the pay-off of jackpots;
- 23 (12) the recording of transactions pertaining to Internet gaming;
- 24 (13) procedures for the security of information and funds in a
- 25 wagering account;
- 26 (14) procedures for the transfer of funds from wagering accounts
- 27 to the counting process;
- 28 (15) procedures and security for the counting and recordation of
- 29 revenue;
- 30 (16) procedures for the security of Internet gaming facilities
- 31 within a restricted area on the premises of the casino hotel within
- 32 the territorial limits of Atlantic City, New Jersey;
- 33 (17) procedures and security standards for the handling and
- 34 storage of software, computers and other electronic equipment used
- 35 to conduct Internet gaming;
- 36 (18) procedures and security standards to protect software,
- 37 computers and other gaming equipment used to conduct Internet
- 38 gaming from tampering by casino employees or any other person,
- 39 from a location inside or outside of the casino hotel facility;
- 40 (19) procedures for responding to tampering with software,
- 41 computers and other gaming equipment used to conduct Internet
- 42 gaming or any gaming-related equipment or hardware used in
- 43 support of gaming, including partial or complete suspension of
- 44 Internet gaming operations or the suspension of any or all wagering
- 45 accounts when warranted;
- 46 (20) procedures to verify a player's physical presence in this
- 47 State each time a player logs onto a new playing session; and
- 48 (21) procedures to assist problem and compulsive gamblers.

1       b. Each casino licensee shall also submit a description of its  
2 system of internal procedures and administrative and accounting  
3 controls for non-gaming operations regarding the website on which  
4 Internet gaming is accessed and a description of any changes  
5 thereto no later than five days after those operations commence or  
6 after any change in those procedures or controls takes effect.

7       c. The division shall review each submission required by  
8 subsection a. and b. hereof, and shall determine whether it conforms  
9 to the requirements of this act, P.L. , c. (C. ) (pending before  
10 the Legislature as this bill), and to the regulations promulgated  
11 thereunder and whether the system submitted provides adequate and  
12 effective controls for Internet gaming operations of the particular  
13 casino hotel submitting it. If the division finds any insufficiencies,  
14 it shall specify the insufficiencies in writing to the casino licensee,  
15 who shall make appropriate alterations. When the division  
16 determines a submission to be adequate in all respects, it shall  
17 notify the casino licensee. Except as otherwise provided in  
18 subsection a. of this section, no casino licensee shall commence or  
19 alter Internet gaming operations unless and until such system of  
20 procedures and controls is approved by the division.

21       d. It shall be lawful for a casino licensee to provide marketing  
22 information by means of the Internet to players engaged in Internet  
23 gaming and to offer those players incentives to visit the licensee's  
24 casino in Atlantic City.]<sup>1</sup>

25  
26       <sup>1</sup>[19. (New section) a. An Internet gaming account shall be in  
27 the name of a natural person and may not be in the name of any  
28 beneficiary, custodian, joint trust, corporation, partnership or other  
29 organization or entity.

30       b. An account may be established by a person submitting an  
31 application form approved by the division along with proof of age,  
32 which may be accomplished electronically. The division shall  
33 specify by regulation what types of proof are sufficient to  
34 authenticate age and residency. The application form shall include  
35 the address of the principal residence of the prospective account  
36 holder, an electronic mail address of the prospective account holder  
37 and a statement that a false statement made in regard to an  
38 application may subject the applicant to prosecution.

39       c. As part of the application process, the casino licensee shall  
40 require the prospective account holder to create a password to  
41 access the gaming account, or shall establish some other mechanism  
42 approved by the division to authenticate the player as the holder of  
43 a wagering account and allow the holder access to the Internet  
44 gaming account.

45       d. The prospective account holder shall submit the completed  
46 application to the casino licensee. The licensee may accept or reject  
47 an application after receipt and review of the application and proof

- 1 of age for compliance with this act, P.L. , c. (C. ) (pending  
2 before the Legislature as this bill).
- 3 e. Any prospective account holder who provides false or  
4 misleading information on the application is subject to rejection of  
5 the application or cancellation of the account by the casino licensee.
- 6 f. The licensee shall have the right to suspend or close any  
7 wagering account at its discretion.
- 8 g. Any person on the list established by section 71 of P.L.1977,  
9 c.110 (C.5:12-71) of persons who are to be excluded or ejected  
10 from any licensed casino shall not be entitled to maintain a  
11 wagering account.
- 12 h. Any of the following persons shall not be permitted to  
13 maintain a wagering account:
- 14 (1) the Governor or Lieutenant Governor;  
15 (2) any State officer or employee or special State officer or  
16 employee;  
17 (3) any member of the Judiciary;  
18 (4) any member of the Legislature;  
19 (5) any officer of Atlantic City; or  
20 (6) any casino employee, casino key employee or principal  
21 employee of a casino licensee.
- 22 i. The address provided by the applicant in the application  
23 shall be deemed the proper address for the purposes of mailing  
24 checks, account withdrawals, notices and other materials.
- 25 j. A wagering account shall not be assignable or otherwise  
26 transferable.
- 27 k. The casino licensee may at any time declare all or any part  
28 of Internet gaming to be closed for wagering.】<sup>1</sup>

29  
30 <sup>1</sup>【20. (New section) a. Credits to an Internet gaming account  
31 shall not be made except as provided by this subsection.

32 (1) The wagering account holder's deposits to the wagering  
33 account shall be submitted by the account holder to the casino  
34 licensee and shall be in the form of one of the following:

- 35 (a) cash given to the casino licensee;  
36 (b) check, money order, negotiable order of withdrawal, or wire  
37 or electronic transfer, payable and remitted to the casino licensee;  
38 (c) charges made to an account holder's debit or credit card  
39 upon the account holder's direct and personal instruction, which  
40 instruction may be given by telephone communication or other  
41 electronic means to the casino licensee by the account holder if the  
42 use of the card has been approved by the casino licensee; or  
43 (d) any other method approved by the division.

44 (2) When an account holder wins an account wager on a game,  
45 the casino licensee shall pay to the holder Internet chips or tokens  
46 or other cash equivalents in the appropriate amount pursuant to the  
47 rules of that game for that particular type of wager. When the

1 account holder logs off or cashes out the Internet chips, tokens or  
2 other cash equivalents, the casino licensee shall credit the holder's  
3 wagering account in the amount of Internet chips, tokens or other  
4 cash equivalents cashed in.

5 (3) The casino licensee shall have the right to credit a wagering  
6 account as part of a promotion scheme.

7 (4) The casino licensee shall have the right to refuse, for any  
8 valid reason, all or part of any wager or deposit to the account.

9 (5) Funds deposited in the account shall not bear interest to the  
10 account holder.

11 b. Debits to an Internet gaming account shall not be made  
12 except as provided by this subsection.

13 (1) When an account holder logs onto a wagering account and  
14 exchanges account funds for Internet chips, tokens or other cash  
15 equivalents, the licensee shall debit the holder's account in the  
16 amount of funds exchanged. Upon receipt by a casino licensee of  
17 an account wager or an account purchase order, the casino licensee  
18 shall debit the account holder's Internet chips, tokens or other cash  
19 equivalents in the amount of the wager or purchase.

20 (2) A casino licensee may authorize a withdrawal from a  
21 wagering account when the account holder submits to the casino  
22 licensee, either in writing or electronically:

23 (a) proper identification;

24 (b) the correct authentication information for access to the  
25 account; and

26 (c) a properly completed and executed withdrawal on a form  
27 approved by the division.

28 Upon receipt of a properly completed and executed withdrawal  
29 form, and if there are sufficient funds in the account to cover the  
30 withdrawal, the licensee shall send, within three business days of  
31 receipt, a check payable in the amount requested to the holder at the  
32 address specified in the application for the wagering account or  
33 shall transmit payment to the account holder electronically as  
34 approved by the division by regulation.】<sup>1</sup>

35  
36 21. (New section) A casino licensee may accept Internet  
37 gaming account wagers only as follows:

38 a. The account wager shall be placed directly with the casino  
39 licensee by the holder of the wagering account and the casino  
40 licensee has verified the account holder's physical presence in this  
41 State.

42 b. The account holder placing the account wager shall provide  
43 the casino licensee with the correct authentication information for  
44 access to the wagering account.

45 c. A casino licensee may not accept an account wager in an  
46 amount in excess of funds on deposit in the wagering account of the  
47 holder placing the wager. Funds on deposit include amounts  
48 credited under this act, P.L. c. (C. ) (pending before the

1 Legislature as this bill), and in the account at the time the wager is  
2 placed.

3

4 22. (New section) All amounts remaining in Internet gaming  
5 accounts inactive or dormant for such period and under such  
6 conditions as established by regulation by the division shall be paid  
7 50% to the casino licensee and 50% to the casino control fund.  
8 Before closing a wagering account pursuant to this section, the  
9 casino licensee shall attempt to contact the account holder by mail,  
10 phone and computer.

11

12 <sup>1</sup>[23. (New section) a. The casino licensee shall establish a log  
13 in procedure for a holder of a wagering account to access Internet  
14 gaming. Part of the log in procedure shall be the provision by the  
15 account holder of the appropriate authentication information for  
16 access to the wagering account. The casino licensee shall not allow  
17 an account holder to participate in gaming before logging in and  
18 providing the proper authentication information to access the  
19 holder's wagering account.

20 b. Upon log in, the holder of a wagering account shall have the  
21 option to exchange any amount of funds in the wagering account to  
22 Internet chips, tokens or other cash equivalents, to be used for  
23 Internet casino gaming.

24 c. Upon logging off, the current amount of the holders' Internet  
25 chips, tokens or other cash equivalents shall be credited to the  
26 holder's wagering account.]<sup>1</sup>

27

28 <sup>1</sup>[24. (New section) The casino licensee shall provide to a  
29 holder of a wagering account who is logged in to his or her  
30 wagering account access to a display of all of the following  
31 information:

32 a. the current amount of money in the holder's account,  
33 including the current amount of the holder's Internet chips, tokens  
34 or other cash equivalents;

35 b. the amount of money the account holder has won or lost on  
36 Internet gaming since the account was established;

37 c. the amount of money the account holder has won or lost on  
38 during the current gaming session, when a gaming session begins at  
39 log on and ends at log off;

40 d. a detailed accounting of all other Internet gaming sessions,  
41 when a session begins at log on and ends at log off, including time  
42 and date of log on and log off and the amount of money won or lost  
43 on gaming and the amount of money spent from the account on  
44 merchandise or services; and

45 e. the complete text of the rules of the division regarding  
46 games and the conduct of Internet gaming, pay-offs of winning  
47 wagers, an approximation of the odds of winning for each wager,

1 and such other advice and information to the account holder as the  
2 division shall require.】<sup>1</sup>

3

4 <sup>1</sup>【25.】 23.<sup>1</sup> (New section) In order to assist those persons who  
5 may have a gambling problem, a casino licensee shall:

6 a. cause the words "If you or someone you know has a  
7 gambling problem and wants help, call 1-800 GAMBLER," or some  
8 comparable language approved by the division, which language  
9 shall include the words "gambling problem" and "call 1-800  
10 GAMBLER," to be displayed prominently at log on and log off  
11 times to any person visiting or logged onto Internet gaming; and

12 b. provide a mechanism by which a holder of a wagering  
13 account may establish the following controls on wagering activity  
14 through the wagering account:

15 (1) a limit on the amount of money deposited within a specified  
16 period of time and the length of time the holder will be unable to  
17 participate in gaming if the holder reaches the established deposit  
18 limit; and

19 (2) a temporary suspension of gaming through the account for  
20 any number of hours or days.

21 The casino licensee shall not send gaming-related electronic mail  
22 to an account holder while gaming through his or her wagering  
23 account is suspended, if the suspension is for at least 72 hours. The  
24 casino licensee shall provide a mechanism by which an account  
25 holder may change these controls, except that while gaming through  
26 the wagering account is suspended, the account holder may not  
27 change gaming controls until the suspension expires, but the holder  
28 shall continue to have access to the account and shall be permitted  
29 to withdraw funds from the account upon proper application  
30 therefor.

31

32 <sup>1</sup>【26. (New section) a. Except as provided in this section, no  
33 casino licensee or any person licensed under P.L.1977, c.110  
34 (C.5:12-1 et seq.) and no person acting on behalf of, or under any  
35 arrangement with, a casino licensee or other person licensed under  
36 P.L.1977, c.110, shall:

37 (1) cash any check, make any loan, or otherwise provide credit  
38 to any person for the purpose of crediting an Internet gaming  
39 account; or

40 (2) release or discharge any debt, either in whole or in part, or  
41 make any loan which represents any losses incurred by any account  
42 holder in gaming activity through Internet gaming, without  
43 maintaining a written record thereof in accordance with the rules of  
44 the division.

45 b. Notwithstanding section 101 of P.L.1977, c.110 (C.5:12-  
46 101), no casino licensee or any person licensed under P.L.1977,  
47 c.110 (C.5:12-1 et seq.) and no person acting on behalf of, or under

1 any arrangement with, a casino licensee or other person licensed  
2 under P.L.1977, c.110, may accept a check, other than a recognized  
3 traveler's check or other cash equivalent from any person for the  
4 purpose of crediting an Internet gaming account unless:

- 5 (1) the check is made payable to the casino licensee;  
6 (2) the check is dated, but not postdated;  
7 (3) the check is transmitted to the casino licensee and received  
8 by the licensee in a manner approved by the division and is  
9 exchanged for credits on the Internet gaming account established by  
10 the drawer of the check; and  
11 (4) the regulations concerning check cashing procedures are  
12 observed by the casino licensee and its employees and agents.】<sup>1</sup>

13

14 <sup>1</sup>【27.】 24. (New section) Any person who offers games into  
15 play or displays such games through Internet gaming without  
16 approval of the division to do so is guilty of a crime of the fourth  
17 degree and notwithstanding the provisions of N.J.S.2C:43-3, shall  
18 be subject to a fine of not more than \$25,000 and in the case of a  
19 person other than a natural person, to a fine of not more than  
20 \$100,000 and any other appropriate disposition authorized by  
21 subsection b. of N.J.S.2C:43-2.

22

23 <sup>1</sup>【28.】 25. (New section) a. Notwithstanding section 46 of  
24 P.L.1991, c.182 (C.5:12-113.1), any person who knowingly tampers  
25 with software, computers or other equipment used to conduct  
26 Internet gaming to alter the odds or the payout of a game or disables  
27 the game from operating according to the rules of the game as  
28 promulgated by the division is guilty of a crime of the third degree  
29 and notwithstanding the provisions of N.J.S.2C:43-3, shall be  
30 subject to a fine of not more than \$50,000 and in the case of a  
31 person other than a natural person, to a fine of not more than  
32 \$200,000 and any other appropriate disposition authorized by  
33 subsection b. of N.J.S.2C:43-2.

34 b. In addition to the penalties provided in subsection a., an  
35 employee of the casino licensee who violates this section shall have  
36 his or her license revoked and shall be subject to such further  
37 penalty as the division deems appropriate.

38 c. In addition to the penalties provided in subsection a., a  
39 casino licensee that violates this section shall have its permit to  
40 conduct Internet gaming revoked and shall be subject to such  
41 further penalty as the division deems appropriate.

42

43 <sup>1</sup>【29.】 26. (New section) a. Any person who knowingly offers  
44 or allows to be offered any Internet game that has been tampered  
45 with in a way that affects the odds or the payout of a game or  
46 disables the game from operating according to the rules of the game  
47 as promulgated by the division is guilty of a crime of the third

1 degree and notwithstanding the provisions of N.J.S.2C:43-3, shall  
2 be subject to a fine of not more than \$50,000 and in the case of a  
3 person other than a natural person, to a fine of not more than  
4 \$200,000 and any other appropriate disposition authorized by  
5 subsection b. of N.J.S.2C:43-2.

6 b. In addition to the penalties provided in subsection a., an  
7 employee of the casino licensee who knowingly violates this section  
8 shall have his or her license suspended for a period not less than 30  
9 days.

10 c. In addition to the penalties provided in subsection a., a  
11 casino licensee that violates this section shall have its permit to  
12 conduct Internet gaming suspended for a period not less than 30  
13 days.

14

15 <sup>1</sup>[30. (New section) a. No person under the age of 21 shall be  
16 permitted to maintain an Internet gaming account. Any casino  
17 licensee or employee of a casino licensee who allows a person  
18 under the age of 21 to maintain a wagering account is guilty of a  
19 crime of the fourth degree and subject to the penalties therefor;  
20 except that the establishment of all of the following facts by a  
21 licensee or employee allowing any such underage person to  
22 maintain an account shall constitute a defense to any prosecution  
23 therefor:

24 (1) that the underage person falsely represented during the  
25 application process for an Internet gaming account that he or she  
26 was at least 21 years of age; and

27 (2) that the establishment of the Internet gaming account was  
28 made in good faith, relying upon such representation, and in the  
29 reasonable belief that the underage person was actually 21 years of  
30 age or older.

31 b. In addition to the penalties provided in subsection a. of this  
32 section, an employee of the casino licensee who violates the  
33 provisions of this section more than once shall have his or her  
34 license revoked.

35 c. In addition to the penalties provided in subsection a. of this  
36 section, a casino licensee that violates the provisions of this section  
37 more than once shall have its permit to conduct Internet gaming  
38 revoked.]<sup>1</sup>

39

40 <sup>1</sup>[31.] 27.<sup>1</sup> (New section) a. The division shall, by regulation,  
41 establish annual fees for the issuance or renewal of Internet gaming  
42 permits. The issuance fee shall be based upon the cost of  
43 investigation and consideration of the license application and shall  
44 be not less than <sup>1</sup>[\$200,000] \$400,000<sup>1</sup>. The renewal fee shall be  
45 based upon the cost of maintaining enforcement, control and  
46 regulation of Internet wagering operations and shall be not less than  
47 <sup>1</sup>[\$150,000] \$250,000<sup>1</sup>.



1       b. The Attorney General shall certify to the division actual and  
2 prospective costs of the investigative and enforcement functions of  
3 the division, which costs shall be the basis, together with the  
4 operating expenses of the division, for the establishment of annual  
5 permit issuance and renewal fees.

6       c. A nonrefundable deposit of at least \$100,000 shall be  
7 required to be posted with each application for an Internet gaming  
8 permit and shall be applied to the initial permit fee if the application  
9 is approved.

10       d. In addition to the permit issuance and renewal fees, a casino  
11 licensee with an Internet gaming permit shall pay annually to the  
12 division '~~[\$150,000]~~ \$250,000<sup>1</sup> to be deposited into the State  
13 General Fund for appropriation by the Legislature to the  
14 Department of Human Services, '~~[\$85,000]~~ \$140,000<sup>1</sup> of which  
15 shall be allocated to the Council on Compulsive Gambling of New  
16 Jersey and '~~[\$65,000]~~ \$110,000<sup>1</sup> of which shall be used for  
17 compulsive gambling treatment programs in the State.

18  
19       '~~[32.]~~ 28.<sup>1</sup> (New section) No organization or commercial  
20 enterprise, other than a casino located in Atlantic City or its Internet  
21 gaming affiliate that has been issued a permit to conduct Internet  
22 gaming and has located all of its equipment used to conduct Internet  
23 gaming, including computers, servers, monitoring rooms, and hubs,  
24 in Atlantic City, shall make its premises available for placing  
25 wagers at casinos using the Internet or advertise that its premises  
26 may be used for such purpose. An organization or commercial  
27 enterprise that is determined by the division to have violated the  
28 provisions of this section shall be subject to a penalty of \$1,000 per  
29 player per day for making its premises available for placing wagers  
30 at casinos using the Internet and of \$10,000 per violation for  
31 advertising that its premises may be used for such purpose.

32  
33       '~~[33.]~~ 29.<sup>1</sup> (New section) Notwithstanding any other provision  
34 of P.L. , c. (C. ) (pending before the Legislature as this  
35 bill), wagers may be accepted thereunder from persons who are not  
36 physically present in this State if the Division of Gaming  
37 Enforcement in the Department of Law and Public Safety  
38 determines that such wagering is not inconsistent with federal law  
39 or the law of the jurisdiction, including any foreign nation, in which  
40 any such person is located, or such wagering is conducted pursuant  
41 to '~~[an interstate compact]~~ a reciprocal agreement<sup>1</sup> to which this  
42 State is a party that is not inconsistent with federal law.

43  
44       '~~[34.]~~ 30.<sup>1</sup> Section 11 of P.L.2011, c.18 (C.5:12-225) is  
45 repealed.

1       <sup>1</sup>[35. Section 1 of P.L.2005, c.357 (C.5:12-76.1) is amended to  
2 read as follows:

3       1. a. The Director of the Division of Gaming Enforcement, in  
4 consultation with the Casino Control Commission, shall establish an  
5 Internet gambling public awareness campaign in order to promote  
6 awareness among the general public of issues relating to Internet  
7 gambling.

8       b. The public awareness campaign shall include the  
9 development and implementation of public awareness and outreach  
10 efforts to inform the public about Internet gambling, including, but  
11 not limited to, the following subjects:

12       (1) the legal status of Internet gambling in New Jersey;

13       (2) the fact that Internet gambling is ~~[unregulated]~~ regulated by  
14 New Jersey, and that the fairness and integrity of Internet gambling  
15 cannot be guaranteed by the State when conducted illegally outside  
16 of the State's regulatory framework;

17       (3) the risks of being defrauded of potentially large amounts of  
18 money when gambling on the Internet illegally;

19       (4) the risks of identity theft when using personal identification  
20 or financial information to gamble on the Internet illegally;

21       (5) special risks for underage and problem gamblers when  
22 gambling on the Internet; and

23       (6) access to services for problem gamblers, including contact  
24 information for the Council on Compulsive Gambling.

25       c. The director shall coordinate the efforts of the division with  
26 any activities being undertaken by other State agencies to provide  
27 information to the public about Internet gambling.

28       d. The director, within the limits of funds available for this  
29 purpose, shall seek to utilize both electronic and print media, and  
30 may prepare and disseminate such written information as the  
31 director deems necessary to accomplish the purposes of this act.

32       e. The division shall make available electronically on its  
33 website in both English and Spanish information about Internet  
34 gambling as described in subsection b. of this section.

35       f. The director may accept, for the purposes of the public  
36 awareness campaign, any special grant of funds, services, or  
37 property from the federal government or any of its agencies, or  
38 from any foundation, organization or other entity.

39       g. The director shall report to the Governor and the Legislature,  
40 no later than 18 months after the effective date of this act, on the  
41 activities and accomplishments of the public awareness campaign.<sup>2</sup>

42 (cf: P.L.2005, c.357, s.1)]<sup>1</sup>

43

44       <sup>1</sup>[36.] 31.<sup>1</sup> Section 9 of P.L.2011, c.18 (C.5:12-223) is amended  
45 to read as follows:

46       9. [a. Notwithstanding any law, rule, or regulation to the  
47 contrary, the Division of Gaming Enforcement in the Department of

1 Law and Public Safety shall in each of the first three State fiscal  
2 years commencing in the State fiscal year in which P.L.2011, c.18  
3 (C.5:12-218 et al.) is enacted, determine the amount of cost savings  
4 effected by the reduction in fees paid by casino licensees pursuant  
5 to revisions to law concerning regulation of the casino industry, and  
6 provide that an amount, as determined by the New Jersey Racing  
7 Commission in the Department of Law and Public Safety pursuant  
8 to this subsection shall be paid annually by casino licensees to the  
9 authority, and such payment shall be made in each of the first three  
10 State fiscal years commencing in the State fiscal year in which  
11 P.L.2011, c.18 (C.5:12-218 et al.) is enacted. The New Jersey  
12 Racing Commission shall determine an amount to be allocated from  
13 the amounts collected by the Division of Gaming Enforcement  
14 pursuant to this section, in an amount not exceeding \$15,000,000 in  
15 the first State fiscal year; \$10,000,000 in the second State fiscal  
16 year; and \$5,000,000 in the third State fiscal year. The moneys  
17 collected pursuant to this subsection shall be allocated to the  
18 authority, and allocated by the authority to the New Jersey Racing  
19 Commission to the support of the horse racing industry in this State  
20 through the augmentation of purses. The amount of any funds  
21 authorized in this section to be collected and allocated in support of  
22 horse racing through the augmentation of purses shall be established  
23 by the New Jersey Racing Commission at a regular meeting of the  
24 commission held during the fiscal year in which any such payment  
25 is authorized, which amount shall be reflected in the meeting  
26 minutes delivered by the executive director to the Governor with  
27 respect to the meeting at which such action is taken in the manner  
28 provided under section 31 of P.L.2001, c.199 (C.5:5-22.1).

29 b. If the amount paid to the authority pursuant to subsection a.  
30 of this section in the first three State fiscal years described herein is  
31 insufficient to allocate the amount required for the augmentation of  
32 purses in any one of those three State fiscal years, the authority  
33 shall, from any appropriate revenue source or account, allocate the  
34 amount necessary to cover the difference between the amounts to be  
35 allocated to the horse racing industry in this State through the  
36 augmentation of purses in the first three State fiscal years and the  
37 amount paid to the authority pursuant to subsection a. of this section  
38 and shall be reimbursed from the amount collected by the Division  
39 of Gaming Enforcement pursuant to subsection a. of this section in  
40 the subsequent State fiscal year.

41 c. a. If **[**, one year after the effective date of P.L.2011, c.18  
42 (C.5:12-218 et al.),**]** the not-for-profit corporation **[**does not exist  
43 as provided in section 7 of P.L.2011, c.18 (C.5:12-221), or**]** is  
44 unable to perform its obligations under an agreement with the  
45 authority, or Convention Center Division, or if the agreement is  
46 terminated, as provided under that section, and is not renewed, the  
47 authority shall assess a fee payable by each casino licensee for the

1 State fiscal year, for a period of five State fiscal years. The fee  
2 assessed under this subsection shall be in proportion to the casino  
3 licensee's gross revenues generated in the fiscal year preceding the  
4 assessment. The total fees assessed collectively upon all casino  
5 licensees shall be no less than \$30,000,000 for each State fiscal year  
6 for which the fees are assessed.

7 **[d.] b.** Such fees shall be used exclusively to facilitate the  
8 development of the tourism district, enhance the cleanliness and  
9 safety of the tourism district, and fund the marketing efforts of the  
10 authority or of the Convention Center Division, as the case may be,  
11 concerning tourism in the district.

12 (cf: P. L.2011, c.18, s.9)

13

14 **'[37.] 32.'** Section 82 of P.L.1977, c.110 (C.5:12-82) is  
15 amended to read as follows:

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

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

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

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

36 (3) Any person who has a written agreement with a casino  
37 licensee or with an eligible applicant for a casino license for the  
38 complete management of a casino and, if applicable, any authorized  
39 games in a casino simulcasting facility; **[and]**

40 (4) Any other person who has control over either an approved  
41 casino hotel or the land thereunder or the operation of a casino; and

42 (5) Any person who is an Internet gaming affiliate of an owner  
43 or operator of a licensed casino, and such person is to own or  
44 operate an Internet gaming system for such licensed 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

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

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

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

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

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

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

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

1 conforming to that described in paragraph (5) above;

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

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

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

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

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

26 d. No corporation shall be eligible to apply for a casino license  
27 unless:

28 (1) The corporation shall be incorporated in the State of New  
29 Jersey, although such corporation may be a wholly or partially  
30 owned subsidiary of a corporation which is organized pursuant to  
31 the laws of another state of the United States or of a foreign  
32 country;

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

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

37 (4) The corporation shall maintain a ledger in the principal  
38 office of the corporation in New Jersey which shall at all times  
39 reflect the current ownership of every class of security issued by the  
40 corporation and shall be available for inspection by the commission  
41 or the division and authorized agents of the commission and the  
42 division at all reasonable times without notice;

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

48 (6) The corporation shall include among the purposes stated in

1 its certificate of incorporation the conduct of casino gaming and  
2 provide that the certificate of incorporation includes all provisions  
3 required by this act;

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

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

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

30 (10) Any non-publicly traded holding, intermediary or subsidiary  
31 company of the corporation, whether the corporation is publicly  
32 traded or not, shall establish to the satisfaction of the commission  
33 that its charter provisions are the same as those required under  
34 paragraphs (7) and (8) for a non-publicly traded corporation to be  
35 eligible to apply for a casino license.

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

40 e. No person shall be issued or be the holder of a casino license  
41 if the issuance or the holding results in undue economic  
42 concentration in Atlantic City casino operations by that person. For  
43 the purpose of this subsection, "undue economic concentration"  
44 means that a person would have such actual or potential domination  
45 of the casino gaming market in Atlantic City as to substantially  
46 impede or suppress competition among casino licensees or  
47 adversely impact the economic stability of the casino industry in  
48 Atlantic City. In determining whether the issuance or holding of a



- 1 casino license by a person will result in undue economic  
2 concentration, the commission shall consider the following criteria:
- 3 (1) The percentage share of the market presently controlled by  
4 the person in each of the following categories:
- 5 The total number of licensed casinos in this State;
  - 6 Total casino and casino simulcasting facility square footage;
  - 7 Number of guest rooms;
  - 8 Number of slot machines;
  - 9 Number of table games;
  - 10 Net revenue;
  - 11 Table game win;
  - 12 Slot machine win;
  - 13 Table game drop;
  - 14 Slot machine drop; and
  - 15 Number of persons employed by the casino hotel;
- 16 (2) The estimated increase in the market shares in the categories  
17 in (1) above if the person is issued or permitted to hold the casino  
18 license;
- 19 (3) The relative position of other persons who hold casino  
20 licenses, as evidenced by the market shares of each such person in  
21 the categories in (1) above;
- 22 (4) The current and projected financial condition of the casino  
23 industry;
- 24 (5) Current market conditions, including level of competition,  
25 consumer demand, market concentration, any consolidation trends  
26 in the industry and any other relevant characteristics of the market;
- 27 (6) Whether the licensed casinos held or to be held by the  
28 person have separate organizational structures or other independent  
29 obligations;
- 30 (7) The potential impact of licensure on the projected future  
31 growth and development of the casino industry and Atlantic City;
- 32 (8) The barriers to entry into the casino industry, including the  
33 licensure requirements of this act, P.L.1977, c.110 (C.5:12-1 et  
34 seq.), and whether the issuance or holding of a casino license by the  
35 person will operate as a barrier to new companies and individuals  
36 desiring to enter the market;
- 37 (9) Whether the issuance or holding of the license by the person  
38 will adversely impact on consumer interests, or whether such  
39 issuance or holding is likely to result in enhancing the quality and  
40 customer appeal of products and services offered by casino  
41 licensees in order to maintain or increase their respective market  
42 shares;
- 43 (10) Whether a restriction on the issuance or holding of an  
44 additional license by the person is necessary in order to encourage  
45 and preserve competition and to prevent undue economic  
46 concentration in casino operations; and
- 47 (11) Any other evidence deemed relevant by the commission.  
48 The commission shall, after conducting public hearings thereon,

1 promulgate rules and regulations in accordance with the  
2 "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et  
3 seq.) defining any additional criteria the commission will use in  
4 determining what constitutes undue economic concentration.

5 For the purpose of this subsection a person shall be considered  
6 the holder of a casino license if such license is issued to such person  
7 or if such license is held by any holding, intermediary or subsidiary  
8 company thereof, or by any person required to be qualified in  
9 conjunction with such casino license.

10 (cf: P.L.2012, c.34, s.5)

11  
12 <sup>1</sup>[38.] 33. (New section) As used in P.L.1977, c.110 (C.5:12-1  
13 et seq.), as amended and supplemented, "Internet gaming affiliate"  
14 means a business entity licensed under that act that owns or  
15 operates an Internet gaming system on the behalf of a licensed  
16 casino.

17  
18 <sup>1</sup>[39.] 34. Section 1 of P.L.2008, c.12 (C.5:12-38a) is amended  
19 to read as follows:

20 1. "Promotional gaming credit" - A slot machine credit or other  
21 item approved by the division that is issued by a licensee to a patron  
22 for the purpose of enabling the placement of a wager at a slot  
23 machine in the licensee's casino or through the licensee's Internet  
24 gaming system. No such credit shall be reported as a promotional  
25 gaming credit unless the casino licensee can establish that the credit  
26 was issued by the casino licensee and received from a patron as a  
27 wager at a slot machine in the licensee's casino or Internet gaming  
28 system.

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

30  
31 <sup>1</sup>[40. (New section) a. In the case of an application for  
32 licensure submitted by a prospective Internet gaming affiliate that is  
33 headquartered outside of the United States or that does significant  
34 business outside of the United States, as determined by the Division  
35 of Gaming Enforcement, the division shall consult with officials of  
36 the United States Department of Justice prior to making a  
37 recommendation to the Casino Control Commission regarding  
38 licensure of the applicant.

39 b. As part of their respective investigatory, licensing and  
40 oversight powers, the Division of Gaming Enforcement and Casino  
41 Control Commission shall review each Internet gaming affiliate  
42 applicant's past history and its asset utilization in the context of  
43 past and current Federal and State law and, following such review,  
44 may impose limitations and conditions upon the granting of the  
45 license or the utilization of its assets, or both, with respect to New  
46 Jersey operations.]<sup>1</sup>

1       <sup>1</sup>35. Section 4 of P.L.1981, c.142 (C.52:13D-17.2) is amended  
2 to read as follows:

3       4. a. As used in this section "person" means:

4       (1) any State officer or employee subject to financial disclosure  
5 by law or executive order and any other State officer or employee  
6 with responsibility for matters affecting casino activity; any special  
7 State officer or employee with responsibility for matters affecting  
8 casino activity; the Governor; any member of the Legislature or any  
9 full-time member of the Judiciary; any full-time professional  
10 employee of the Office of the Governor, or the Legislature;  
11 members of the Casino Reinvestment Development Authority; the  
12 head of a principal department; the assistant or deputy heads of a  
13 principal department, including all assistant and deputy  
14 commissioners; the head of any division of a principal department;  
15 or

16       (2) any member of the governing body, or the municipal judge  
17 or the municipal attorney of a municipality wherein a casino is  
18 located; any member of or attorney for the planning board or zoning  
19 board of adjustment of a municipality wherein a casino is located,  
20 or any professional planner, or consultant regularly employed or  
21 retained by such planning board or zoning board of adjustment.

22       b. (1) No State officer or employee, nor any person, nor any  
23 member of the immediate family of any State officer or employee,  
24 or person, nor any partnership, firm or corporation with which any  
25 such State officer or employee or person is associated or in which  
26 he has an interest, nor any partner, officer, director or employee  
27 while he is associated with such partnership, firm, or corporation,  
28 shall hold, directly or indirectly, an interest in, or hold employment  
29 with, or represent, appear for, or negotiate on behalf of, any holder  
30 of, or applicant for, a casino license, or any holding or intermediary  
31 company with respect thereto, in connection with any cause,  
32 application, or matter, except as provided in section 3 of P.L.2009,  
33 c.26 (C.52:13D-17.3), and except that (1) a State officer or  
34 employee other than a State officer or employee included in the  
35 definition of person, and (2) a member of the immediate family of a  
36 State officer or employee, or of a person, may hold employment  
37 with the holder of, or applicant for, a casino license if, in the  
38 judgment of the State Ethics Commission, the Joint Legislative  
39 Committee on Ethical Standards, or the Supreme Court, as  
40 appropriate, such employment will not interfere with the  
41 responsibilities of the State officer or employee, or person, and will  
42 not create a conflict of interest, or reasonable risk of the public  
43 perception of a conflict of interest, on the part of the State officer or  
44 employee, or person. No special State officer or employee without  
45 responsibility for matters affecting casino activity, excluding those  
46 serving in the Departments of Education, Health and Senior  
47 Services, and Human Services and the Commission on Higher

1 Education, shall hold, directly or indirectly, an interest in, or  
2 represent, appear for, or negotiate on behalf of, any holder of, or  
3 applicant for, a casino license, or any holding or intermediary  
4 company with respect thereto, in connection with any cause,  
5 application, or matter. However, a special State officer or employee  
6 without responsibility for matters affecting casino activity may hold  
7 employment directly with any holder of or applicant for a casino  
8 license or any holding or intermediary company thereof and if so  
9 employed may hold, directly or indirectly, an interest in, or  
10 represent, appear for, or negotiate on behalf of, his employer,  
11 except as otherwise prohibited by law.

12 (2) No State officer or employee, nor any person, nor any  
13 member of the immediate family of any State officer or employee,  
14 or person, nor any partnership, firm or corporation with which any  
15 such State officer or employee or person is associated or in which  
16 he has an interest, nor any partner, officer, director or employee  
17 while he is associated with such partnership, firm, or corporation,  
18 shall hold, directly or indirectly, an interest in, or hold employment  
19 with, or represent, appear for, or negotiate on behalf of, or derive  
20 any remuneration, payment, benefit or any other thing of value for  
21 any services, including but not limited to consulting or similar  
22 services, from any holder of, or applicant for, a license, permit, or  
23 other approval to conduct Internet gaming, or any holding or  
24 intermediary company with respect thereto, or any Internet gaming  
25 affiliate of any holder of, or applicant for, a casino license, or any  
26 holding or intermediary company with respect thereto, or any  
27 business, association, enterprise or other entity that is organized, in  
28 whole or in part, for the purpose of promoting, advocating for, or  
29 advancing the interests of the Internet gaming industry generally or  
30 any Internet gaming-related business or businesses in connection  
31 with any cause, application, or matter, except as provided in section  
32 3 of P.L.2009, c.26 (C.52:13D-17.3), and except that (1) a State  
33 officer or employee other than a State officer or employee included  
34 in the definition of person, and (2) a member of the immediate  
35 family of a State officer or employee, or of a person, may hold  
36 employment with the holder of, or applicant for, a license, permit,  
37 or other approval to conduct Internet gaming, or any holding or  
38 intermediary company with respect thereto, or any Internet gaming  
39 affiliate of any holder of, or applicant for, a casino license, or any  
40 holding or intermediary company with respect thereto if, in the  
41 judgment of the State Ethics Commission, the Joint Legislative  
42 Committee on Ethical Standards, or the Supreme Court, as  
43 appropriate, such employment will not interfere with the  
44 responsibilities of the State officer or employee, or person, and will  
45 not create a conflict of interest, or reasonable risk of the public  
46 perception of a conflict of interest, on the part of the State officer or  
47 employee, or person.

1 c. No person or any member of his immediate family, nor any  
2 partnership, firm or corporation with which such person is  
3 associated or in which he has an interest, nor any partner, officer,  
4 director or employee while he is associated with such partnership,  
5 firm or corporation, shall, within two years next subsequent to the  
6 termination of the office or employment of such person, hold,  
7 directly or indirectly, an interest in, or hold employment with, or  
8 represent, appear for or negotiate on behalf of, any holder of, or  
9 applicant for, a casino license in connection with any cause,  
10 application or matter, or any holding or intermediary company with  
11 respect to such holder of, or applicant for, a casino license in  
12 connection with any phase of casino development, permitting,  
13 licensure or any other matter whatsoever related to casino activity,  
14 except as provided in section 3 of P.L.2009, c.26 (C.52:13D-17.3),  
15 and except that:

16 (1) a member of the immediate family of a person may hold  
17 employment with the holder of, or applicant for, a casino license if,  
18 in the judgment of the State Ethics Commission, the Joint  
19 Legislative Committee on Ethical Standards, or the Supreme Court,  
20 as appropriate, such employment will not interfere with the  
21 responsibilities of the person and will not create a conflict of  
22 interest, or reasonable risk of the public perception of a conflict of  
23 interest, on the part of the person;

24 (2) an employee who is terminated as a result of a reduction in  
25 the workforce at the agency where employed, other than an  
26 employee who held a policy-making management position at any  
27 time during the five years prior to termination of employment, may,  
28 at any time prior to the end of the two-year period, accept  
29 employment with the holder of, or applicant for, a casino license if,  
30 in the judgment of the State Ethics Commission, the Joint  
31 Legislative Committee on Ethical Standards, or the Supreme Court,  
32 as appropriate, such employment will not create a conflict of  
33 interest, or reasonable risk of the public perception of a conflict of  
34 interest, on the part of the employee. In no case shall the restrictions  
35 of this subsection apply to a secretarial or clerical employee.  
36 Nothing herein contained shall alter or amend the post-employment  
37 restrictions applicable to members and employees of the Casino  
38 Control Commission and employees and agents of the Division of  
39 Gaming Enforcement pursuant to subsection e. (2) of section 59 and  
40 to section 60 of P.L.1977, c.110 (C.5:12-59 and C.5:12-60); and

41 (3) any partnership, firm or corporation engaged in the practice  
42 of law or in providing any other professional services with which  
43 any person included in paragraph (1) of subsection a. of this  
44 section, or a member of the immediate family of that person, is  
45 associated, and any partner, officer, director or employee thereof,  
46 other than that person, or immediate family member, may  
47 represent, appear for or negotiate on behalf of any holder of, or

1 applicant for, a casino license in connection with any cause,  
2 application or matter or any holding company or intermediary  
3 company with respect to such holder of, or applicant for, a casino  
4 license in connection with any phase of casino development,  
5 permitting, licensure or any other matter whatsoever related to  
6 casino activity, and that person or immediate family member shall  
7 not be barred from association with such partnership, firm or  
8 corporation, if for a period of two years next subsequent to the  
9 termination of the person's office or employment, the person or  
10 immediate family member (a) is screened from personal  
11 participation in any such representation, appearance or negotiation;  
12 and (b) is associated with the partnership, firm or corporation in a  
13 position which does not entail any equity interest in the  
14 partnership, firm or corporation. The exception provided in this  
15 paragraph shall not apply to a former Governor, Lieutenant  
16 Governor, Attorney General, member of the Legislature, person  
17 included in paragraph (2) of subsection a. of this section, or to the  
18 members of their immediate families.

19 d. This section shall not apply to the spouse of a State officer  
20 or employee, which State officer or employee is without  
21 responsibility for matters affecting casino activity, who becomes  
22 the spouse subsequent to the State officer's or employee's  
23 appointment or employment as a State officer or employee and who  
24 is not individually or directly employed by a holder of, or applicant  
25 for, a casino license, or any holding or intermediary company.

26 e. The Joint Legislative Committee on Ethical Standards and  
27 the State Ethics Commission, as appropriate, shall forthwith  
28 determine and publish, and periodically update, a list of those  
29 positions in State government with responsibility for matters  
30 affecting casino activity.

31 f. No person shall solicit or accept, directly or indirectly, any  
32 complimentary service or discount from any casino applicant or  
33 licensee which he knows or has reason to know is other than a  
34 service or discount that is offered to members of the general public  
35 in like circumstance.

36 g. No person shall influence, or attempt to influence, by use of  
37 his official authority, the decision of the commission or the  
38 investigation of the division in any application for licensure or in  
39 any proceeding to enforce the provisions of this act or the  
40 regulations of the commission. Any such attempt shall be promptly  
41 reported to the Attorney General; provided, however, that nothing  
42 in this section shall be deemed to proscribe a request for  
43 information by any person concerning the status of any application  
44 for licensure or any proceeding to enforce the provisions of this act  
45 or the regulations of the commission.

1 h. Any person who willfully violates the provisions of this  
2 section is a disorderly person and shall be subject to a fine not to  
3 exceed \$1,000, or imprisonment not to exceed six months, or both.

4 In addition, for violations of subsection c. of this section  
5 occurring after the effective date of P.L.2005, c.382, a civil penalty  
6 of not less than \$500 nor more than \$10,000 shall be imposed upon  
7 a former State officer or employee or former special State officer or  
8 employee of a State agency in the Executive Branch upon a finding  
9 of a violation by the State Ethics Commission, which penalty may  
10 be collected in a summary proceeding pursuant to the "Penalty  
11 Enforcement Law of 1999," P.L.1999, c.274 (C.2A:58-10 et seq.).<sup>1</sup>  
12 (cf: P.L. 2009, c.193 s.1)

13  
14 <sup>1</sup>[41.] 36.<sup>1</sup> (New section) <sup>1</sup>a.<sup>1</sup> The Division of Gaming  
15 Enforcement shall select the date upon which the provisions of  
16 P.L. , c. (C. ) (pending before the Legislature as this bill)  
17 shall become operative which shall not be less than three months,  
18 nor more than nine months, after the date of enactment, except that  
19 upon application by the division, the Casino Control Commission  
20 may allow the division, for good cause, to extend the operative date  
21 beyond nine months. The division shall provide all casino licensees  
22 and applicants with 45 days notice of the operative date.  
23 Notwithstanding this delayed operative date, the division and the  
24 commission may take such anticipatory administrative action in  
25 advance as may be necessary for the implementation of P.L. ,  
26 c. (C. ) (pending before the Legislature as this bill).

27 <sup>1</sup>b. The authorization to conduct games through the Internet as  
28 provided for in P.L. , c. (pending before the Legislature as this  
29 bill) shall expire 10 years following the operative date established  
30 pursuant to subsection a. of this section, unless reauthorized by  
31 law.<sup>1</sup>

32  
33 <sup>1</sup>[42.] 37.<sup>1</sup> This act shall take effect immediately but remain  
34 inoperative until the date selected by the Division of Gaming  
35 Enforcement pursuant to section 41 of P.L. , c. (C. )  
36 (pending before the Legislature as this bill).