

SENATE BUDGET AND APPROPRIATIONS COMMITTEE

STATEMENT TO

SENATE, No. 2575

with committee amendments

STATE OF NEW JERSEY

DATED: SEPTEMBER 26, 2016

The Senate Budget and Appropriations Committee reports favorably Senate Bill No. 2575, with committee amendments.

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

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

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

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

The bill also provides that the division will not be prevented from reinstating a revoked license in the event a mutually-acceptable agreement is reached between the casino license applicant and a registered labor organization representing the casino hotel facility employees to resume casino hotel facility operations following the substantial closure.

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

COMMITTEE AMENDMENTS:

The amendments provide that when a casino hotel facility's substantial closure is during a labor dispute between the casino licensee and the casino hotel facility employees, the substantial closure does not constitute cause for disqualification of the casino license applicant if such applicant and a registered labor organization representing the casino hotel facility employees reach a mutually-acceptable agreement to resume casino hotel facility operations during the five-year period immediately following the substantial closure.

The amendments also provide that the division will not be prevented from reinstating a revoked license in the event a mutually-acceptable agreement is reached between the casino license applicant and a registered labor organization representing the casino hotel facility employees to resume casino hotel facility operations following the substantial closure.

The amendments add a severability clause expressing the intent of the Legislature to preserve the remaining sections of the bill if one or more of its provisions are declared unconstitutional by the courts.

FISCAL IMPACT:

This bill is not certified as requiring a fiscal note.