

ASSEMBLY, No. 1812

STATE OF NEW JERSEY

INTRODUCED MARCH 28, 1996

By Assemblymen LeFEVRE and BLEE

1 AN ACT concerning the operation of casinos and amending P.L.1977,
2 c.110 and P.L.1992, c.19.

3

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

6

7 1. Section 6 of P.L.1977, c.110 (C.5:12-6) is amended to read as
8 follows:

9 6. "Casino" or "casino room" or "licensed casino" -- [A single
10 room] One or more locations or rooms in [which] a casino hotel
11 facility that have been approved by the commission for the conduct of
12 casino gaming [is conducted pursuant to] in accordance with the
13 provisions of this act. "Casino " or "casino room" or "licensed casino"
14 shall not include any casino simulcasting facility authorized pursuant
15 to the "Casino Simulcasting Act," P.L.1992, c.19 (C.5:12-191 et seq.).
16 (cf: P.L.1991, c.182, s.4)

17

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

20 19. "Establishment" or "casino hotel" or "casino hotel facility" --
21 [Any premises wherein or whereon any gaming is done] A single
22 building, or two or more buildings which are physically connected in
23 a manner deemed appropriate by the commission, containing an
24 approved hotel, a casino and, if applicable, a casino simulcasting
25 facility.

26 (cf: P.L.1977, c.110, s.19)

27

28 3. Section 82 of P.L.1977, c.110 (C.5:12-82) is amended to read
29 as follows:

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

32 b. Only the following persons shall be eligible to hold a casino
33 license; and, unless otherwise determined by the commission with the
34 concurrence of the Attorney General which may not be unreasonably

EXPLANATION - Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and intended to be omitted in the law.

Matter underlined thus is new matter.

1 withheld in accordance with subsection c. of this section, each of the
2 following persons shall be required to hold a casino license prior to the
3 operation of a casino in the casino hotel with respect to which the
4 casino license has been applied for:

5 (1) Any person who either owns an approved casino hotel
6 **[building]** or owns or has a contract to purchase or construct a casino
7 hotel which in the judgment of the commission can become an
8 approved casino hotel **[building]** within 30 months or within such
9 additional time period as the commission may, upon a showing of
10 good cause therefor, establish;

11 (2) Any person who, whether as lessor or lessee, either leases an
12 approved casino hotel **[building]** or leases or has an agreement to lease
13 a casino hotel which in the judgment of the commission can become an
14 approved casino hotel **[building]** within 30 months or within such
15 additional time period as the commission may, upon a showing of
16 good cause therefor, establish;

17 (3) Any person who has a written agreement with a casino licensee
18 or with an eligible applicant for a casino license for the complete
19 management of a casino and, if applicable, any authorized games in a
20 casino simulcasting facility; and

21 (4) Any other person who has control over either an approved
22 casino hotel **[building]** or the land thereunder or the operation of a
23 casino.

24 c. Prior to the operation of **[the]** a casino and, if applicable, a
25 casino simulcasting facility, every agreement to lease an approved
26 casino hotel **[building]** or the land thereunder and every agreement for
27 the management of the casino and, if applicable, any authorized games
28 in a casino simulcasting facility, shall be in writing and filed with the
29 commission. No such agreement shall be effective unless expressly
30 approved by the commission. The commission may require that any
31 such agreement include within its terms any provision reasonably
32 necessary to best accomplish the policies of this act. Consistent with
33 the policies of this act:

34 (1) The commission, with the concurrence of the Attorney General
35 which may not be unreasonably withheld, may determine that any
36 person who does not have the ability to exercise any significant control
37 over either the approved casino hotel **[building]** or the operation of the
38 casino contained therein shall not be eligible to hold or required to
39 hold a casino license;

40 (2) The commission, with the concurrence of the Attorney General
41 which may not be unreasonably withheld, may determine that any
42 owner, lessor or lessee of an approved casino hotel **[building]** or the
43 land thereunder who does not own or lease the entire approved casino
44 hotel **[building]** shall not be eligible to hold or required to hold a
45 casino license;

46 (3) The commission shall require that any person or persons

1 eligible to apply for a casino license organize itself or themselves into
2 such form or forms of business association as the commission shall
3 deem necessary or desirable in the circumstances to carry out the
4 policies of this act;

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

7 (5) As to agreements to lease an approved casino hotel [building]
8 or the land thereunder, unless it expressly and by formal vote for good
9 cause determines otherwise, the commission shall require that each
10 party thereto hold either a casino license or casino service industry
11 license and that such an agreement be for a durational term exceeding
12 30 years, concern 100% of the entire approved casino hotel [building]
13 or of the land upon which same is located, and include within its terms
14 a buy-out provision conferring upon the casino licensee-lessee who
15 controls the operation of the approved casino hotel the absolute right
16 to purchase for an expressly set forth fixed sum the entire interest of
17 the lessor or any person associated with the lessor in the approved
18 casino hotel [building] or the land thereunder in the event that said
19 lessor or said person associated with the lessor is found by the
20 commission to be unsuitable to be associated with a casino enterprise;

21 (6) The commission shall not permit an agreement for the leasing of
22 an approved casino hotel [building] or the land thereunder to provide
23 for the payment of an interest, percentage or share of money gambled
24 at the casino or derived from casino gaming activity or of revenues or
25 profits of the casino unless the party receiving payment of such
26 interest, percentage or share is a party to the approved lease
27 agreement; unless each party to the lease agreement holds either a
28 casino license or casino service industry license and unless the
29 agreement is for a durational term exceeding 30 years, concerns a
30 significant portion of the entire approved casino hotel [building] or of
31 the land upon which same is located, and includes within its terms a
32 buy-out provision conforming to that described in paragraph (5)
33 above;

34 (7) As to agreements for the management of a casino and, if
35 applicable, the authorized games in a casino simulcasting facility, the
36 commission shall require that each party thereto hold a casino license,
37 that the party thereto who is to manage the casino gaming operations
38 own at least 10% of all outstanding equity securities of any casino
39 licensee or of any eligible applicant for a casino license if the said
40 licensee or applicant is a corporation and the ownership of an
41 equivalent interest in any casino licensee or in any eligible applicant for
42 a casino license if same is not a corporation, and that such an
43 agreement be for the complete management of [the] all casino space
44 in the casino hotel and, if applicable, all authorized games in a casino
45 simulcasting facility, provide for the sole and unrestricted power to
46 direct the casino gaming operations of the casino hotel which is the

1 subject of the agreement, and be for such a durational term as to
2 assure reasonable continuity, stability and independence in the
3 management of the casino gaming operations;

4 (8) The commission may permit an agreement for the management
5 of a casino and, if applicable, the authorized games in a casino
6 simulcasting facility to provide for the payment to the managing party
7 of an interest, percentage or share of money gambled at [the casino]
8 all authorized games or derived from casino gaming activity or of
9 revenues or profits of [the] casino gaming operations;

10 (9) The commission may permit an agreement between a casino
11 licensee and a casino service industry licensed pursuant to the
12 provisions of subsection a. of section 92 of P.L.1977, c.110
13 (C.5:12-92) for the conduct of casino simulcasting in a simulcasting
14 facility to provide for the payment to the casino service industry of an
15 interest, percentage or share of the money derived from the casino
16 licensee's share of proceeds from simulcast wagering activity; and

17 (10) As to agreements to lease an approved casino hotel [building]
18 or the land thereunder, agreements to jointly own an approved casino
19 hotel [building] or the land thereunder and agreements for the
20 management of [a] casino gaming operations or for the conduct of
21 casino simulcasting in a simulcasting facility, the commission shall
22 require that each party thereto, except for a banking or other chartered
23 or licensed lending institution or any subsidiary thereof, or any
24 chartered or licensed life insurance company or property and casualty
25 insurance company, or the State of New Jersey or any political
26 subdivision thereof or any agency or instrumentality of the State or
27 any political subdivision thereof, shall be jointly and severally liable for
28 all acts, omissions and violations of this act by any party thereto
29 regardless of actual knowledge of such act, omission or violation and
30 notwithstanding any provision in such agreement to the contrary.

31 d. No corporation shall be eligible to apply for a casino license
32 unless:

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

37 (2) The corporation shall maintain an office of the corporation in
38 the [premises] casino hotel licensed or to be licensed;

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

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

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

6 (6) The corporation shall include among the purposes stated in its
7 certificate of incorporation the conduct of casino gaming and provide
8 that the certificate of incorporation includes all provisions required by
9 this act;

10 (7) The corporation, if it is not a publicly traded corporation, shall
11 file with the commission such adopted corporate charter provisions as
12 may be necessary to establish the right of prior approval by the
13 commission with regard to transfers of securities, shares, and other
14 interests in the applicant corporation; and, if it is a publicly traded
15 corporation, provide in its corporate charter that any securities of such
16 corporation are held subject to the condition that if a holder thereof is
17 found to be disqualified by the commission pursuant to the provisions
18 of this act, such holder shall dispose of his interest in the corporation;
19 provided, however, that, notwithstanding the provisions of
20 N.J.S.14A:7-12 and N.J.S.12A:8-101 et seq., nothing herein shall be
21 deemed to require that any security of such corporation bear any
22 legend to this effect;

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

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

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

41 Notwithstanding the foregoing, any corporation or company which
42 had bylaw provisions approved by the commission prior to the
43 effective date of this 1987 amendatory act shall have one year from the
44 effective date of this 1987 amendatory act to adopt appropriate charter
45 provisions in accordance with the requirements of this subsection.

46 The provisions of this subsection shall apply with the same force

1 and effect with regard to casino license applicants and casino licensees
2 which have a legal existence that is other than corporate to the extent
3 which is appropriate.

4 e. No person shall be issued or be the holder of a casino license if
5 the issuance or the holding results in undue economic concentration in
6 Atlantic City casino operations by that person. The commission shall,
7 after conducting public hearings thereon, promulgate rules and
8 regulations in accordance with the "Administrative Procedure Act,"
9 P.L.1968, c.410 (C.52:14B-1 et seq.) defining the criteria the
10 commission will use in determining what constitutes undue economic
11 concentration. For the purpose of this subsection a person shall be
12 considered the holder of a casino license if such license is issued to
13 such person or if such license is held by any holding, intermediary or
14 subsidiary company thereof, or by any officer, director, casino key
15 employee or principal employee of such person, or of any holding,
16 intermediary or subsidiary company thereof.

17 (cf: P.L.1995, c.18, s.23)

18

19 4. Section 83 of P.L.1977, c.110 (C.5:12-83) is amended to read
20 as follows

21 83. a. An approved hotel for purposes of this act shall be a hotel
22 providing facilities in accordance with this section. Nothing in this
23 section shall be construed to limit the authority of the commission to
24 determine the suitability of facilities as provided in this act, and
25 nothing in this section shall be construed to require a casino to be
26 smaller than the maximum size herein provided.

27 b. (1) In the case of a casino hotel in operation on June 29, 1991,
28 [an approved] a casino hotel shall include:

29 (a) [contain] an approved hotel containing at least the number of
30 qualifying sleeping units, as defined in section 27 of P.L.1977, c.110
31 (C.5:12-27), which it had on that date, except that those units may be
32 consolidated and reconfigured in order to form suites so long as there
33 remain at least 500 qualifying sleeping units; and

34 (b) [contain] a casino, the total square footage of which shall not
35 [more than] exceed the amount of casino space authorized on the basis
36 of the provisions of this section which were in effect on June 28, 1991
37 and applicable to that casino hotel at that time, unless the number of
38 qualifying sleeping units under subparagraph (a) of this paragraph and
39 the number of any qualifying sleeping units added after June 29, 1991
40 permit an increase on the following basis: 60,000 square feet of casino
41 space for the first 500 qualifying sleeping units and 10,000 square feet
42 of casino space for each additional 100 qualifying sleeping units above
43 500, up to a maximum of 200,000 square feet of casino space. No
44 casino hotel in operation on June 29, 1991 shall be required to reduce
45 the amount of its casino space below the amount authorized as of June
46 28, 1991 unless the number of qualifying sleeping units is reduced

1 below the number required in subparagraph (a) of this paragraph.

2 For the purpose of increasing casino space, an agreement approved
3 by the commission for the addition of qualifying sleeping units within
4 two years after the commencement of gaming operations in the
5 additional casino space shall be deemed an addition of those rooms,
6 but if the agreement is not fulfilled due to conditions within the control
7 of the casino licensee, the casino licensee shall close the additional
8 casino space or any portion thereof as directed by the commission.

9 The calculation of the number of qualifying sleeping units added
10 with respect to any such casino hotel shall not include any qualifying
11 sleeping unit or other hotel or motel room in existence in Atlantic City
12 on June 29, 1991, whether or not that unit or room was offered or
13 usable for occupancy on that date, or any replacement for such a unit
14 or room which results from construction or renovation after that date,
15 except that any hotel room in existence in Atlantic City on June 29,
16 1991 which was not used or available for use on that date and for at
17 least 10 years prior to that date and which is reconstructed or replaced
18 after the effective date of this amendatory and supplementary act,
19 P.L.1993, c.159, and meets the specifications of a sleeping unit
20 prescribed in section 27 of P.L.1977, c.110 (C.5:12-27) may be
21 included in such calculation; any hotel room in existence in Atlantic
22 City on June 29, 1991 which, for at least 10 years prior thereto, had
23 been used as part of an annexed facility of a casino hotel, which facility
24 was determined by the commission to be part of an approved hotel
25 subsequent thereto and prior to the effective date of this amendatory
26 and supplementary act, P.L.1995, c.18 (C.5:12-2.1 et al.), and meets,
27 or was or is reconstructed or replaced to meet, the specifications of a
28 sleeping unit prescribed in section 27 of P.L.1977, c.110 (C.5:12-27),
29 may be included in such calculation; and any replacement which, in
30 the judgment of the commission, is an integral element of a program
31 of neighborhood rehabilitation undertaken by the casino licensee with
32 the approval of the city of Atlantic City may also be included in such
33 calculation.

34 (2) In the case of a hotel in operation on June 29, 1991 [in] which
35 [a licensed] was part of a casino hotel [was located and operated]
36 prior to, but not as of, that date, and [in] which [a casino] is
37 reestablished as part of a casino hotel after that date, [an approved] a
38 casino hotel shall include:

39 (a) [contain] an approved hotel containing at least the number of
40 qualifying sleeping units, as defined in section 27 of P.L.1977, c.110
41 (C.5:12-27), which it had on the date the casino ceased operations
42 prior to June 29, 1991, except that those units may be consolidated
43 and reconfigured in order to form suites so long as there remain at
44 least 500 qualifying sleeping units; and

45 (b) [contain] a casino, the total square footage of which shall not
46 exceed [more than] the amount of casino space the casino had on the

1 date it ceased operations prior to June 29, 1991 unless the number of
2 qualifying sleeping units under subparagraph (a) of this paragraph and
3 the number of any qualifying sleeping units added after that date
4 permit an increase on the following basis: 60,000 square feet of casino
5 space for the first 500 qualifying sleeping units and 10,000 square feet
6 of casino space for each additional 100 qualifying sleeping units above
7 500, up to a maximum of 200,000 square feet of casino space. No
8 casino hotel which operates pursuant to this paragraph shall be
9 required to reduce the amount of its casino space below the amount it
10 had on the date it ceased operations unless the number of qualifying
11 sleeping units is reduced below the number required in subparagraph
12 (a) of this paragraph.

13 For the purpose of increasing casino space, an agreement approved
14 by the commission for the addition of qualifying sleeping units within
15 two years after the commencement of gaming operations in the
16 additional casino space shall be deemed an addition of those rooms,
17 but if the agreement is not fulfilled due to conditions within the control
18 of the casino licensee, the casino licensee shall close the additional
19 casino space or any portion thereof as directed by the commission.

20 The calculation of the number of qualifying sleeping units added
21 with respect to any such hotel shall not include any qualifying sleeping
22 unit or other hotel or motel room in existence in Atlantic City on June
23 29, 1991, whether or not that unit or room was offered or usable for
24 occupancy on the effective date, or any replacement for such a unit or
25 room which results from construction or renovation after that date,
26 except that any hotel room in existence in Atlantic City on June 29,
27 1991 which was not used or available for use on that date and for at
28 least 10 years prior to that date and which is reconstructed or replaced
29 after the effective date of this amendatory and supplementary act,
30 P.L.1993, c.159, and meets the specifications of a sleeping unit
31 prescribed in section 27 of P.L.1977, c.110 (C.5:12-27) may be
32 included in such calculation, and any replacement which, in the
33 judgment of the commission, is an integral element of a program of
34 neighborhood rehabilitation undertaken by the casino licensee with the
35 approval of the city of Atlantic City may also be included in such
36 calculation.

37 c. In the case of a casino hotel not in operation prior to or on June
38 29, 1991, a casino hotel shall include an approved hotel [shall contain]
39 containing at least 500 qualifying sleeping units, as defined in section
40 27 of the "Casino Control Act," P.L.1977, c.110 (C.5:12-27), and a
41 [single] casino [room], the total square footage of which shall not
42 exceed [more than] 60,000 square feet, except that for each additional
43 100 qualifying sleeping units above 500, the maximum [size] amount
44 of the casino [room] space may be increased by 10,000 square feet, up
45 to a maximum of 200,000 square feet of casino space. The calculation
46 of the number of qualifying sleeping units with respect to any such

1 casino hotel shall not include any qualifying sleeping unit or other
2 hotel or motel room in existence in Atlantic City on June 29, 1991,
3 whether or not that unit or room was offered or usable for occupancy
4 on that date, or any replacement for such a unit or room which results
5 from construction or renovation after that date, except that any hotel
6 room in existence in Atlantic City on June 29, 1991 which was not
7 used or available for use on that date and for at least 10 years prior to
8 that date and which is reconstructed or replaced after the effective
9 date of this amendatory and supplementary act, P.L.1993, c.159, and
10 meets the specifications of a sleeping unit prescribed in section 27 of
11 P.L.1977, c.110 (C.5:12-27) may be included in such calculation, and
12 any replacement which, in the judgment of the commission, is an
13 integral element of a program of neighborhood rehabilitation
14 undertaken by the casino licensee with the approval of the city of
15 Atlantic City may also be included in such calculation.

16 d. Once a hotel is initially approved, the commission shall
17 thereafter rely on the certification of the casino licensee with regard to
18 the number of [rooms] qualifying sleeping units and shall permit
19 rehabilitation, renovation and alteration of any part of the approved
20 hotel even if the rehabilitation, renovation, or alteration will mean that
21 the casino licensee does not temporarily meet the requirements of
22 subsection c. so long as the licensee certifies that the rehabilitation,
23 renovation, or alteration shall be completed within one year.

24 e. (Deleted by amendment, P.L.1987, c.352).

25 f. (Deleted by amendment, P.L.1991, c.182).

26 g. (Deleted by amendment, P.L.1991, c.182).

27 h. (Deleted by amendment, P.L.1991, c.182).

28 i. The commission shall not impose any criteria or requirements
29 regarding the contents of the approved hotel in addition to the criteria
30 and requirements expressly specified in the "Casino Control Act,"
31 P.L.1977, c.110 (C.5:12-1 et seq.); provided, however, that the
32 commission shall be authorized to require each casino licensee to
33 establish and maintain an approved hotel which is in all respects a
34 superior, first-class facility of exceptional quality which will help
35 restore Atlantic City as a resort, tourist and convention destination.
36 (cf: P.L.1995, c.18, s.24)

37

38 5. Section 98 of P.L.1977, c.110 (C.5:12-98) is amended to read
39 as follows:

40 98. a. Each casino licensee shall arrange the facilities of its casino
41 and, if appropriate, its simulcasting facility in such a manner as to
42 promote optimum security for the casino and simulcasting facility
43 operations, and shall comply in all respects with regulations of the
44 commission pertaining thereto.

45 b. Each casino [licensee] hotel shall include:

46 (1) [Install a] A closed circuit television system according to

1 specifications approved by the commission, [and provide] with access
2 on the licensed premises to the system or its signal [by] provided to
3 the commission or the division, in accordance with regulations
4 pertaining thereto;

5 (2) [Establish a single room as its] One or more rooms or locations
6 approved by the commission as casino space; and

7 (3) [Provide] Design specifications that insure that visibility
8 [between any two areas, whether or not contiguous,] in [the] a casino
9 or in the simulcasting facility [may] is not [be] obstructed [by
10 partitions of any kind which] in any way that might interfere with the
11 ability of the commission or the division to supervise casino or
12 simulcasting facility operations[; provided, however, that multi-level
13 casinos otherwise complying with this subsection shall be permitted].
14 (cf: P.L.1995, c.18, s.35)

15

16 6. Section 100 of P.L.1977, c.110 (C.5:12-100) is amended to read
17 as follows:

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

28 b. Gaming equipment shall not be possessed, maintained or
29 exhibited by any person on the premises of a casino hotel [complex]
30 except in [the] a casino room, in the simulcasting facility, or in
31 restricted casino areas used for the inspection, repair or storage of
32 such equipment and specifically designated for that purpose by the
33 casino licensee with the approval of the commission. Gaming
34 equipment which supports the conduct of gaming in [the] a casino or
35 simulcasting facility but does not permit or require patron access, such
36 as computers, may be possessed and maintained by a casino licensee
37 in restricted casino areas specifically designated for that purpose by
38 the casino licensee with the approval of the commission. No gaming
39 equipment shall be possessed, maintained, exhibited, brought into or
40 removed from a casino room or simulcasting facility by any person
41 unless such equipment is necessary to the conduct of an authorized
42 game, has permanently affixed, imprinted, impressed or engraved
43 thereon an identification number or symbol authorized by the
44 commission, is under the exclusive control of a casino licensee or his
45 employees, and is brought into or removed from the casino room or
46 simulcasting facility following 24-hour prior notice given to an

1 authorized agent of the commission.

2 Notwithstanding the foregoing, a person may, with the prior
3 approval of the commission and under such terms and conditions as
4 may be required by the commission, possess, maintain or exhibit
5 gaming equipment in any other area of the casino hotel [complex];
6 provided such equipment is used for nongaming purposes.

7 c. Each casino hotel shall contain a count room and such other
8 secure facilities as may be required by the commission for the counting
9 and storage of cash, coins, tokens and checks received in the conduct
10 of gaming and for the inspection, counting and storage of dice, cards,
11 chips and other representatives of value. All drop boxes and other
12 devices wherein cash, coins, or tokens are deposited at the gaming
13 tables or in slot machines, and all areas wherein such boxes and
14 devices are kept while in use, shall be equipped with two locking
15 devices, one key to which shall be under the exclusive control of the
16 commission and the other under the exclusive control of the casino
17 licensee, and said drop boxes and other devices shall not be brought
18 into or removed from [the] a casino room or simulcasting facility, or
19 locked or unlocked, except at such times, in such places, and
20 according to such procedures as the commission may require.

21 d. All chips used in gaming shall be of such size and uniform color
22 by denomination as the commission shall require by regulation.

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

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

39 g. Each gaming table shall be equipped with a sign indicating the
40 permissible minimum and maximum wagers pertaining thereto. It shall
41 be unlawful for a casino licensee to require any wager to be greater
42 than the stated minimum or less than the stated maximum; provided,
43 however, that any wager actually made by a patron and not rejected by
44 a casino licensee prior to the commencement of play shall be treated
45 as a valid wager.

46 h. (1) No slot machine shall be used to conduct gaming unless it is

1 identical in all electrical, mechanical and other aspects to a model
2 thereof which has been specifically tested by the division and licensed
3 for use by the commission. The division may, in its discretion, and for
4 the purpose of expediting the approval process, refer testing to any
5 testing laboratory with a plenary license as a casino service industry
6 pursuant to subsection a. of section 92 of P.L.1977, c.110
7 (C.5:12-92). The division shall give priority to the testing of slot
8 machines which a casino licensee has certified it will use in its casino
9 in this State. The commission shall, by regulation, establish such
10 technical standards for licensure of slot machines, including mechanical
11 and electrical reliability, security against tampering, the
12 comprehensibility of wagering, and noise and light levels, as it may
13 deem necessary to protect the player from fraud or deception and to
14 insure the integrity of gaming. The denominations of such machines
15 shall be set by the licensee; the licensee shall simultaneously notify the
16 commission of the settings.

17 (2) The commission shall, by regulation, determine the permissible
18 number and density of slot machines in a licensed casino so as to:

19 (a) promote optimum security for casino operations;

20 (b) avoid deception or frequent distraction to players at gaming
21 tables;

22 (c) promote the comfort of patrons;

23 (d) create and maintain a gracious playing environment in the
24 casino; and

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

27 Any such regulation promulgated by the commission which
28 determines the permissible number and density of slot machines in a
29 licensed casino shall provide that all casino floor space and all space
30 within a casino licensee's casino simulcasting facility shall be included
31 in any calculation of the permissible number and density of slot
32 machines in a licensed casino.

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 chips
36 for anything whatsoever, except for currency, negotiable personal
37 checks, negotiable counter checks, other chips, coupons or
38 complimentary vouchers distributed by the casino licensee, or, if
39 authorized by regulation of the commission, a valid charge to a credit
40 or debit card account. A casino licensee shall, upon the request of any
41 person, redeem that licensee's gaming chips surrendered by that person
42 in any amount over \$100 with a check drawn upon the licensee's
43 account at any banking institution in this State and made payable to
44 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 at
2 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 device
5 specifically designed for that purpose, unless otherwise permitted by
6 the rules of the commission.

7 n. It shall be unlawful for any casino key employee or any person
8 who is required to hold a casino key employee license as a condition
9 of employment or qualification to wager in any casino or simulcasting
10 facility in this State, or any casino employee, other than a junket
11 representative, bartender, waiter, waitress, or other casino employee
12 who, in the judgment of the commission, is not directly involved with
13 the conduct of gaming operations, to wager in [the] a casino or
14 simulcasting facility in the casino hotel in which the employee is
15 employed or in any other casino or simulcasting facility in this State
16 which is owned or operated by the same casino licensee. Any casino
17 employee, other than a junket representative, bartender, waiter,
18 waitress, or other casino employee who, in the judgment of the
19 commission, is not directly involved with the conduct of gaming
20 operations, must wait at least 30 days following the date that the
21 employee either leaves employment with a casino licensee or is
22 terminated from employment with a casino licensee before the
23 employee may gamble in [the] a casino or simulcasting facility in the
24 casino hotel in which the employee was formerly employed or in any
25 other casino or simulcasting facility in this State which is owned or
26 operated by the same casino licensee.

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

32 (2) A dealer may accept tips or gratuities from a patron at the table
33 at which such dealer is conducting play, subject to the provisions of
34 this subsection. All such tips or gratuities shall be immediately
35 deposited in a lockbox reserved for that purpose, accounted for, and
36 placed in a pool for distribution pro rata among the dealers, with the
37 distribution based upon the number of hours each dealer has worked.
38 (cf: P.L.1995, c.18, s.37)

39

40 7. Section 104 of P.L.1977, c.110 (C.5:12-104) is amended to read
41 as follows:

42 104. a. (1) Unless otherwise provided in this subsection, no
43 agreement which provides for the payment, however defined, of any
44 direct or indirect interest, percentage or share of any money or
45 property gambled at a casino or simulcasting facility or derived from
46 casino gaming activity or wagering at a simulcasting facility of any

1 such interest, percentage, or share of any revenues, profits or earnings
2 of a casino or simulcasting facility shall be lawful.

3 (2) Agreements which provide only for the payment of a fixed sum
4 which is in no way affected by the amount of any such money,
5 property, revenues, profits or earnings shall not be subject to the
6 provisions of this subsection; and receipts, rentals or charges for real
7 property, personal property or services shall not lose their character
8 as payments of a fixed sum because of contract, lease, or license
9 provisions for adjustments in charges, rentals or fees on account of
10 changes in taxes or assessments, cost-of-living index escalations,
11 expansion or improvement of facilities, or changes in services supplied.

12 (3) Agreements between a casino licensee and its employees which
13 provide for casino employee or casino key employee profit sharing and
14 which are in writing and have been filed with the commission shall be
15 lawful and effective only if expressly approved as to their terms by the
16 commission.

17 (4) Agreements to lease an approved casino hotel [building] or the
18 land thereunder and agreements for the complete management of [a]
19 all casino gaming operations in a casino hotel shall not be subject to
20 the provisions of this subsection but shall rather be subject to the
21 provisions of subsections b. and c. of section 82 of this act.

22 (5) Agreements which provide for percentage charges between the
23 casino licensee and a holding company or intermediary company of the
24 casino licensee shall be in writing and filed with the commission but
25 shall not be subject to the provisions of this subsection.

26 (6) Agreements relating to simulcast racing and wagering between
27 a casino licensee and an in-State or out-of-State sending track licensed
28 or exempt from licensure in accordance with subsection c. of section
29 92 of P.L.1977, c.110 (C.5:12-92) shall be in writing, be filed with the
30 commission, and be lawful and effective only if expressly approved as
31 to their terms by the commission and the New Jersey Racing
32 Commission, except that any such agreements which provide for a
33 percentage of the parimutuel pool wagered at a simulcasting facility to
34 be paid to the sending track shall not be subject to the provisions of
35 paragraph (1) of this subsection.

36 (7) Agreements relating to simulcast racing and wagering between
37 a casino licensee and a casino service industry licensed pursuant to the
38 provisions of subsection a. of section 92 of P.L.1977, c.110
39 (C.5:12-92) as a hub facility, as defined in joint regulations of the
40 Casino Control Commission and the New Jersey Racing Commission,
41 shall be in writing, be filed with the commission, and be lawful and
42 effective only if expressly approved as to their terms by the
43 commission and the New Jersey Racing Commission, except that any
44 such agreements which provide for a percentage of the casino
45 licensee's share of the parimutuel pool wagered at a simulcasting
46 facility to be paid to the hub facility shall not be subject to the

1 provisions of paragraph (1) of this subsection.

2 (8) Agreements relating to simulcast racing and wagering between
3 a casino licensee and a casino service industry licensed pursuant to the
4 provisions of subsection a. of section 92 of P.L.1977, c.110
5 (C.5:12-92) to conduct casino simulcasting in a simulcasting facility
6 shall be in writing, be filed with the commission, and be lawful and
7 effective only if expressly approved as to their terms by the
8 commission, except that any such agreements which provide for a
9 percentage of the casino licensee's share of the parimutuel pool
10 wagered at a simulcasting facility to be paid to the casino service
11 industry shall not be subject to the provisions of paragraph (1) of this
12 subsection.

13 b. Each casino applicant or licensee shall maintain, in accordance
14 with the rules of the commission, a record of each written or unwritten
15 agreement regarding the realty, construction, maintenance, or business
16 of a proposed or existing casino hotel or related facility. The
17 foregoing obligation shall apply regardless of whether the casino
18 applicant or licensee is a party to the agreement. Any such agreement
19 may be reviewed by the commission on the basis of the reasonableness
20 of its terms, including the terms of compensation, and of the
21 qualifications of the owners, officers, employees, and directors of any
22 enterprise involved in the agreement, which qualifications shall be
23 reviewed according to the standards enumerated in section 86 of this
24 act. If the commission disapproves such an agreement or the owners,
25 officers, employees, or directors of any enterprise involved therein, the
26 commission may require its termination.

27 Every agreement required to be maintained, and every related
28 agreement the performance of which is dependent upon the
29 performance of any such agreement, shall be deemed to include a
30 provision to the effect that, if the commission shall require termination
31 of an agreement pursuant to this subsection, such termination shall
32 occur without liability on the part of the casino applicant or licensee
33 or any qualified party to the agreement or any related agreement.
34 Failure expressly to include such a provision in the agreement shall not
35 constitute a defense in any action brought to terminate the agreement.
36 If the agreement is not maintained or presented to the commission in
37 accordance with commission regulations, or the disapproved
38 agreement is not terminated, the commission may pursue any remedy
39 or combination of remedies provided in this act.

40 For the purposes of this subsection, "casino applicant" includes any
41 person required to hold a casino license pursuant to section 82 of
42 P.L.1977, c.110 (C.5:12-82) who has applied to the commission for
43 a casino license or any approval required under P.L.1977, c.110
44 (C.5:12-1 et seq.).

45 c. Nothing in this act shall be deemed to permit the transfer of any
46 license, or any interest in any license, or any certificate of compliance

1 or any commitment or reservation.

2 (cf: P.L.1993, c.292, s.23)

3

4 8. Section 4 of P.L.1992, c.19 (C.5:12-194) is amended to read as
5 follows:

6 4. a. (1) A casino licensee which wishes to conduct casino
7 simulcasting shall establish a simulcasting facility as part of the casino
8 hotel. The simulcasting facility may be adjacent to, but shall not be
9 part of, [the] any room or location in which casino gaming is
10 conducted pursuant to the provisions of P.L.1977, c.110 (C.5:12-1 et
11 seq.). The simulcasting facility shall conform to all requirements
12 concerning square footage, equipment, security measures and related
13 matters which the Casino Control Commission shall by regulation
14 prescribe. The space required for the establishment of a simulcasting
15 facility shall not reduce the space authorized for casino gaming
16 activities as specified in section 83 of P.L.1977, c.110 (C.5:12-83).
17 The cost of establishing, maintaining and operating a simulcasting
18 facility shall be the sole responsibility of the casino licensee.

19 (2) Wagering on simulcast horse races shall be conducted only in
20 the simulcasting facility, which shall be open and operated whenever
21 simulcast horse races are being transmitted to the casino hotel during
22 permitted hours of casino operation.

23 (3) Any authorized game, as defined in section 5 of P.L.1977,
24 c.110 (C.5:12-5), other than slot machines may be conducted in a
25 simulcasting facility subject to the rules and regulations of the Casino
26 Control Commission.

27 (4) The security measures for a simulcasting facility shall include
28 the installation by the casino licensee of a closed circuit television
29 system according to specifications approved by the Casino Control
30 Commission. The Casino Control Commission and the Division of
31 Gaming Enforcement shall have access to the system or its signal in
32 accordance with regulations of the commission.

33 b. All persons engaged directly in wagering-related activities
34 conducted by a casino licensee in a simulcasting facility, whether
35 employed by the casino licensee or by a person or entity conducting
36 casino simulcasting in the simulcasting facility pursuant to an
37 agreement with the casino licensee, shall be licensed as casino
38 employees or casino key employees, as appropriate. All other
39 employees of the casino licensee or of the person or entity conducting
40 casino simulcasting who are working in the simulcasting facility shall
41 be licensed or registered in accordance with regulations of the Casino
42 Control Commission.

43 Any employee at the Atlantic City Race Course or Garden State
44 Park on or after June 12, 1992, who loses employment with that
45 racetrack as a direct result of the implementation of casino
46 simulcasting and who has been licensed by the New Jersey Racing

1 Commission for five consecutive years immediately preceding the loss
2 of employment shall be given first preference for employment
3 whenever any comparable position becomes available in any casino
4 simulcasting facility, provided the person is qualified pursuant to this
5 subsection. If a casino licensee enters into an agreement with a person
6 or entity for the conduct of casino simulcasting in its simulcasting
7 facility, the agreement shall include the requirement that such first
8 preference in employment shall be given by the person or entity with
9 respect to employment in the simulcasting facility.

10 c. A casino licensee which establishes a simulcasting facility and
11 conducts casino simulcasting shall, as a condition of continued
12 operation of casino simulcasting, receive all live races which are
13 transmitted by in-State sending tracks.

14 d. Agreements between a casino licensee and an in-State or
15 out-of-State sending track for casino simulcasting shall be in writing
16 and shall be filed with the New Jersey Racing Commission and with
17 the Casino Control Commission in accordance with section 104 of
18 P.L.1977, c.110 (C.5:12-104).

19 e. If wagering at casinos on sports events is authorized by the
20 voters of this State and by enabling legislation enacted by the
21 Legislature, and if a casino licensee conducts such wagering and
22 casino simulcasting, the two activities shall be conducted in the same
23 area, in accordance with such regulations as the Casino Control
24 Commission shall prescribe with respect to wagering on sports events
25 and in accordance with this act and such regulations as may be
26 adopted pursuant to section 3 of this act with respect to casino
27 simulcasting.

28 (cf: P.L.1993, c.121, s.3)

29
30 9. This act shall take effect immediately.

31
32
33 STATEMENT

34
35 This bill changes the definition of casino from a "single room" to
36 "one or more locations or rooms" approved by the Casino Control
37 Commission for casino gaming in a casino hotel. Technological
38 advances in video cameras have eliminated the need for casino
39 catwalks for the observation of gaming. Thus, there is no longer a
40 need to keep casino space confined to a single room. This change
41 removes the requirement to fit casino expansions into a single room,
42 which can be cumbersome or costly.

43 The bill also allows the commission to designate areas in a casino
44 hotel facility where keno tickets may be sold. Currently keno tickets
45 may be sold only inside the casino itself. The bill provides that keno
46 tickets may be sold or redeemed at any location in a casino hotel

1 approved by the commission for such activity.

2

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5

6 Permits casino gaming space to occupy more than single room; allows

7 sale of keno tickets outside casino space but within casino hotel.