

CHAPTER 84

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

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

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

C.5:12-6 "Casino."

6. "Casino" or "casino room" or "licensed casino" -- One or more locations or rooms in a casino hotel facility that have been approved by the commission for the conduct of casino gaming in accordance with the provisions of this act. "Casino " or "casino room" or "licensed casino" shall not include any casino simulcasting facility authorized pursuant to the "Casino Simulcasting Act," P.L.1992, c.19 (C.5:12-191 et seq.).

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

C.5:12-19 "Establishment."

19. "Establishment" or "casino hotel" or "casino hotel facility" -- A single building, or two or more buildings which are physically connected in a manner deemed appropriate by the commission, containing an approved hotel, a casino and, if applicable, a casino simulcasting facility.

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

C.5:12-82 Casino license applicant eligibility.

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

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

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

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

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

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

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

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

(2) The commission, with the concurrence of the Attorney General which may not be unreasonably withheld, may determine that any owner, lessor or lessee of an approved casino hotel or the land thereunder who does not own or lease the entire approved casino hotel shall

not be eligible to hold or required to hold a casino license;

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

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

(5) As to agreements to lease an approved casino hotel or the land thereunder, unless it expressly and by formal vote for good cause determines otherwise, the commission shall require that each party thereto hold either a casino license or casino service industry license and that such an agreement be for a durational term exceeding 30 years, concern 100% of the entire approved casino hotel or of the land upon which same is located, and include within its terms a buy-out provision conferring upon the casino licensee-lessee who controls the operation of the approved casino hotel the absolute right to purchase for an expressly set forth fixed sum the entire interest of the lessor or any person associated with the lessor in the approved casino hotel or the land thereunder in the event that said lessor or said person associated with the lessor is found by the commission to be unsuitable to be associated with a casino enterprise; (6) The commission shall not permit an agreement for the leasing of an approved casino hotel or the land thereunder to provide for the payment of an interest, percentage or share of money gambled at the casino or derived from casino gaming activity or of revenues or profits of the casino unless the party receiving payment of such interest, percentage or share is a party to the approved lease agreement; unless each party to the lease agreement holds either a casino license or casino service industry license and unless the agreement is for a durational term exceeding 30 years, concerns a significant portion of the entire approved casino hotel or of the land upon which same is located, and includes within its terms a buy-out provision conforming to that described in paragraph (5) above;

(7) As to agreements for the management of a casino and, if applicable, the authorized games in a casino simulcasting facility, the commission shall require that each party thereto hold a casino license, that the party thereto who is to manage the casino gaming operations own at least 10% of all outstanding equity securities of any casino licensee or of any eligible applicant for a casino license if the said licensee or applicant is a corporation and the ownership of an equivalent interest in any casino licensee or in any eligible applicant for a casino license if same is not a corporation, and that such an agreement be for the complete management of all casino space in the casino hotel and, if applicable, all authorized games in a casino simulcasting facility, provide for the sole and unrestricted power to direct the casino gaming operations of the casino hotel which is the subject of the agreement, and be for such a durational term as to assure reasonable continuity, stability and independence in the management of the casino gaming operations;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

thereof.

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

C.5:12-83 Approved hotel.

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

b. (1) In the case of a casino hotel in operation on June 29, 1991, a casino hotel shall include:

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

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

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

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

(2) In the case of a hotel in operation on June 29, 1991 which was part of a casino hotel prior to, but not as of, that date, and which is reestablished as part of a casino hotel after that date, a casino hotel shall include:

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

(b) a casino, the total square footage of which shall not exceed the amount of casino space the casino had on the date it ceased operations prior to June 29, 1991 unless the number of qualifying sleeping units under subparagraph (a) of this paragraph and the number of any qualifying sleeping units added after that date permit an increase on the following basis: 60,000 square feet of casino space for the first 500 qualifying sleeping units and 10,000 square feet of casino space for each additional 100 qualifying sleeping units above 500, up to a maximum of 200,000 square feet of casino space. No casino hotel which operates pursuant to this paragraph shall be required to reduce the amount of its casino space below the amount it had on the date it ceased operations unless the number of qualifying sleeping units is reduced below the number required in subparagraph (a) of this paragraph.

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

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

c. In the case of a casino hotel not in operation prior to or on June 29, 1991, a casino hotel shall include an approved hotel containing at least 500 qualifying sleeping units, as defined in section 27 of the "Casino Control Act," P.L.1977, c.110 (C.5:12-27), and a casino, the total square footage of which shall not exceed 60,000 square feet, except that for each additional 100 qualifying sleeping units above 500, the maximum amount of the casino space may be increased by 10,000 square feet, up to a maximum of 200,000 square feet of casino space. The calculation of the number of qualifying sleeping units with respect to any such casino hotel shall not include any qualifying sleeping unit or other hotel or motel room in existence in Atlantic City on June 29, 1991, whether or not that unit or room was offered or usable for occupancy on that date, or any replacement for such a unit or room which results from construction or renovation after that date, except that any hotel room in existence in Atlantic City on June 29, 1991 which was not used or available for use on that date and for at least 10 years prior to that date and which is reconstructed or replaced after the effective date of this amendatory and supplementary act, P.L.1993, c.159, and meets the specifications of a sleeping unit prescribed in section 27 of P.L.1977, c.110 (C.5:12-27) may be included in such calculation, and any replacement which, in the judgment of the commission, is an integral element of a program of neighborhood rehabilitation undertaken by the casino licensee with the approval of the city of Atlantic City may also be included in such calculation.

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

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

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

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

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

i. The commission shall not impose any criteria or requirements regarding the contents of

the approved hotel in addition to the criteria and requirements expressly specified in the "Casino Control Act," P.L.1977, c.110 (C.5:12-1 et seq.); provided, however, that the commission shall be authorized to require each casino licensee to establish and maintain an approved hotel which is in all respects a superior, first-class facility of exceptional quality which will help restore Atlantic City as a resort, tourist and convention destination.

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

C.5:12-98 Casino facility requirements.

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

b. Each casino hotel shall include:

(1) A closed circuit television system according to specifications approved by the commission, with access on the licensed premises to the system or its signal provided to the commission or the division, in accordance with regulations pertaining thereto;

(2) One or more rooms or locations approved by the commission as casino space; and

(3) Design specifications that insure that visibility in a casino or in the simulcasting facility is not obstructed in any way that might interfere with the ability of the commission or the division to supervise casino or simulcasting facility operations.

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

C.5:12-100 Games and gaming equipment.

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

b. Gaming equipment shall not be possessed, maintained or exhibited by any person on the premises of a casino hotel except in a casino room, in the simulcasting facility, or in restricted casino areas used for the inspection, repair or storage of such equipment and specifically designated for that purpose by the casino licensee with the approval of the commission. Gaming equipment which supports the conduct of gaming in a casino or simulcasting facility but does not permit or require patron access, such as computers, may be possessed and maintained by a casino licensee in restricted casino areas specifically designated for that purpose by the casino licensee with the approval of the commission. No gaming equipment shall be possessed, maintained, exhibited, brought into or removed from a casino room or simulcasting facility by any person unless such equipment is necessary to the conduct of an authorized game, has permanently affixed, imprinted, impressed or engraved thereon an identification number or symbol authorized by the commission, is under the exclusive control of a casino licensee or his employees, and is brought into or removed from the casino room or simulcasting facility following 24-hour prior notice given to an authorized agent of the commission.

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

c. Each casino hotel shall contain a count room and such other secure facilities as may be required by the commission for the counting and storage of cash, coins, tokens and checks received in the conduct of gaming and for the inspection, counting and storage of dice, cards, chips and other representatives of value. All drop boxes and other devices wherein cash, coins, or tokens are deposited at the gaming tables or in slot machines, and all areas wherein such boxes and devices are kept while in use, shall be equipped with two locking devices, one key to which shall be under the exclusive control of the commission and the other under the exclusive

control of the casino licensee, and said drop boxes and other devices shall not be brought into or removed from a casino room or simulcasting facility, or locked or unlocked, except at such times, in such places, and according to such procedures as the commission may require.

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

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

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

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

h. (1) No slot machine shall be used to conduct gaming unless it is identical in all electrical, mechanical and other aspects to a model thereof which has been specifically tested by the division and licensed for use by the commission. The division may, in its discretion, and for the purpose of expediting the approval process, refer testing to any testing laboratory with a plenary license as a casino service industry pursuant to subsection a. of section 92 of P.L.1977, c.110 (C.5:12-92). The division shall give priority to the testing of slot machines which a casino licensee has certified it will use in its casino in this State. The commission shall, by regulation, establish such technical standards for licensure of slot machines, including mechanical and electrical reliability, security against tampering, the comprehensibility of wagering, and noise and light levels, as it may deem necessary to protect the player from fraud or deception and to insure the integrity of gaming. The denominations of such machines shall be set by the licensee; the licensee shall simultaneously notify the commission of the settings.

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

- (a) promote optimum security for casino operations;
- (b) avoid deception or frequent distraction to players at gaming tables;
- (c) promote the comfort of patrons;
- (d) create and maintain a gracious playing environment in the casino; and

(e) encourage and preserve competition in casino operations by assuring that a variety of gaming opportunities is offered to the public. Any such regulation promulgated by the commission which determines the permissible number and density of slot machines in a licensed casino shall provide that all casino floor space and all space within a casino licensee's casino simulcasting facility shall be included in any calculation of the permissible number and density of slot machines in a licensed casino.

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

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

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

l. It shall be unlawful for any casino licensee or its agents or employees to employ, contract

with, or use any shill or barker to induce any person to enter a casino or simulcasting facility or play at any game or for any purpose whatsoever.

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

n. It shall be unlawful for any casino key employee or any person who is required to hold a casino key employee license as a condition of employment or qualification to wager in any casino or simulcasting facility in this State, or any casino employee, other than a junket representative, bartender, waiter, waitress, or other casino employee who, in the judgment of the commission, is not directly involved with the conduct of gaming operations, to wager in a casino or simulcasting facility in the casino hotel in which the employee is employed or in any other casino or simulcasting facility in this State which is owned or operated by the same casino licensee. Any casino employee, other than a junket representative, bartender, waiter, waitress, or other casino employee who, in the judgment of the commission, is not directly involved with the conduct of gaming operations, must wait at least 30 days following the date that the employee either leaves employment with a casino licensee or is terminated from employment with a casino licensee before the employee may gamble in a casino or simulcasting facility in the casino hotel in which the employee was formerly employed or in any other casino or simulcasting facility in this State which is owned or operated by the same casino licensee.

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

(2) A dealer may accept tips or gratuities from a patron at the table at which such dealer is conducting play, subject to the provisions of this subsection. All such tips or gratuities shall be immediately deposited in a lockbox reserved for that purpose, accounted for, and placed in a pool for distribution pro rata among the dealers, with the distribution based upon the number of hours each dealer has worked.

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

C.5:12-104 Casino licensee -- leases and contracts.

104. a. (1) Unless otherwise provided in this subsection, no agreement which provides for the payment, however defined, of any direct or indirect interest, percentage or share of any money or property gambled at a casino or simulcasting facility or derived from casino gaming activity or wagering at a simulcasting facility of any such interest, percentage, or share of any revenues, profits or earnings of a casino or simulcasting facility shall be lawful.

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

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

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

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

(6) Agreements relating to simulcast racing and wagering between a casino licensee and an in-State or out-of-State sending track licensed or exempt from licensure in accordance with

subsection c. of section 92 of P.L.1977, c.110 (C.5:12-92) shall be in writing, be filed with the commission, and be lawful and effective only if expressly approved as to their terms by the commission and the New Jersey Racing Commission, except that any such agreements which provide for a percentage of the parimutuel pool wagered at a simulcasting facility to be paid to the sending track shall not be subject to the provisions of paragraph (1) of this subsection.

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

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

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

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

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

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

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

C.5:12-194 Establishment of casino simulcasting facility.

4. a. (1) A casino licensee which wishes to conduct casino simulcasting shall establish a simulcasting facility as part of the casino hotel. The simulcasting facility may be adjacent to, but shall not be part of, any room or location in which casino gaming is conducted pursuant to the provisions of P.L.1977, c.110 (C.5:12-1 et seq.). The simulcasting facility shall conform to all requirements concerning square footage, equipment, security measures and related matters which

the Casino Control Commission shall by regulation prescribe. The space required for the establishment of a simulcasting facility shall not reduce the space authorized for casino gaming activities as specified in section 83 of P.L.1977, c.110 (C.5:12-83). The cost of establishing, maintaining and operating a simulcasting facility shall be the sole responsibility of the casino licensee.

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

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

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

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

Any employee at the Atlantic City Race Course or Garden State Park on or after June 12, 1992, who loses employment with that racetrack as a direct result of the implementation of casino simulcasting and who has been licensed by the New Jersey Racing Commission for five consecutive years immediately preceding the loss of employment shall be given first preference for employment whenever any comparable position becomes available in any casino simulcasting facility, provided the person is qualified pursuant to this subsection. If a casino licensee enters into an agreement with a person or entity for the conduct of casino simulcasting in its simulcasting facility, the agreement shall include the requirement that such first preference in employment shall be given by the person or entity with respect to employment in the simulcasting facility.

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

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

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

9. This act shall take effect immediately.

Approved July 25, 1996.