

SENATE, No. 1030

STATE OF NEW JERSEY

INTRODUCED MAY 2, 1996

By Senators GORMLEY and LYNCH

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
35 withheld in accordance with subsection c. of this section, each of the
36 following persons shall be required to hold a casino license prior to the
37 operation of a casino in the casino hotel with respect to which the

1 casino license has been applied for:

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

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

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

18 (4) Any other person who has control over either an approved
19 casino hotel [building] or the land thereunder or the operation of a
20 casino.

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

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

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

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

1 policies of this act;

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

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

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

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

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

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

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

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

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

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

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

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

44 (5) The corporation shall maintain all operating accounts required
45 by the commission in a bank in New Jersey, except that a casino
46 licensee may establish deposit-only accounts in any jurisdiction in

1 order to obtain payment of any check described in section 101 of
2 P.L.1977, c.110 (C.5:12-101);

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

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

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

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

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

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

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

1 e. No person shall be issued or be the holder of a casino license if
2 the issuance or the holding results in undue economic concentration in
3 Atlantic City casino operations by that person. The commission shall,
4 after conducting public hearings thereon, promulgate rules and
5 regulations in accordance with the "Administrative Procedure Act,"
6 P.L.1968, c.410 (C.52:14B-1 et seq.) defining the criteria the
7 commission will use in determining what constitutes undue economic
8 concentration. For the purpose of this subsection a person shall be
9 considered the holder of a casino license if such license is issued to
10 such person or if such license is held by any holding, intermediary or
11 subsidiary company thereof, or by any officer, director, casino key
12 employee or principal employee of such person, or of any holding,
13 intermediary or subsidiary company thereof.
14 (cf: P.L.1995, c.18, s.23)

15

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

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

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

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

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

45 For the purpose of increasing casino space, an agreement approved
46 by the commission for the addition of qualifying sleeping units within

1 two years after the commencement of gaming operations in the
2 additional casino space shall be deemed an addition of those rooms,
3 but if the agreement is not fulfilled due to conditions within the control
4 of the casino licensee, the casino licensee shall close the additional
5 casino space or any portion thereof as directed by the commission.

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

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

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

42 (b) [contain] a casino, the total square footage of which shall not
43 exceed [more than] the amount of casino space the casino had on the
44 date it ceased operations prior to June 29, 1991 unless the number of
45 qualifying sleeping units under subparagraph (a) of this paragraph and
46 the number of any qualifying sleeping units added after that date

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

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

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

34 c. In the case of a casino hotel not in operation prior to or on June
35 29, 1991, a casino hotel shall include an approved hotel [shall contain]
36 containing at least 500 qualifying sleeping units, as defined in section
37 27 of the "Casino Control Act," P.L.1977, c.110 (C.5:12-27), and a
38 [single] casino [room], the total square footage of which shall not
39 exceed [more than] 60,000 square feet, except that for each additional
40 100 qualifying sleeping units above 500, the maximum [size] amount
41 of the casino [room] space may be increased by 10,000 square feet, up
42 to a maximum of 200,000 square feet of casino space. The calculation
43 of the number of qualifying sleeping units with respect to any such
44 casino hotel shall not include any qualifying sleeping unit or other
45 hotel or motel room in existence in Atlantic City on June 29, 1991,
46 whether or not that unit or room was offered or usable for occupancy

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

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

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

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

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

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

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

34

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

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

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

43 (1) [Install a] A closed circuit television system according to
44 specifications approved by the commission, [and provide] with access
45 on the licensed premises to the system or its signal [by] provided to
46 the commission or the division, in accordance with regulations

1 pertaining thereto;

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

4 (3) [Provide] Design specifications that insure that visibility
5 [between any two areas, whether or not contiguous,] in [the] a casino
6 or in the simulcasting facility [may] is not [be] obstructed [by
7 partitions of any kind which] in any way that might interfere with the
8 ability of the commission or the division to supervise casino or
9 simulcasting facility operations[; provided, however, that multi-level
10 casinos otherwise complying with this subsection shall be permitted].

11 (cf: P.L.1995, c.18, s.35)

12

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

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

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

45 Notwithstanding the foregoing, a person may, with the prior
46 approval of the commission and under such terms and conditions as

1 may be required by the commission, possess, maintain or exhibit
2 gaming equipment in any other area of the casino hotel [complex];
3 provided such equipment is used for nongaming purposes.

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

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

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

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

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

43 h. (1) No slot machine shall be used to conduct gaming unless it
44 is identical in all electrical, mechanical and other aspects to a model
45 thereof which has been specifically tested by the division and licensed
46 for use by the commission. The division may, in its discretion, and for

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

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

16 (a) promote optimum security for casino operations;

17 (b) avoid deception or frequent distraction to players at gaming
18 tables;

19 (c) promote the comfort of patrons;

20 (d) create and maintain a gracious playing environment in the
21 casino; and

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

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

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

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

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

42 l. It shall be unlawful for any casino licensee or its agents or
43 employees to employ, contract with, or use any shill or barker to
44 induce any person to enter a casino or simulcasting facility or play at
45 any game or for any purpose whatsoever.

46 m. It shall be unlawful for a dealer in any authorized game in which

1 cards are dealt to deal cards by hand or other than from a device
2 specifically designed for that purpose, unless otherwise permitted by
3 the rules of the commission.

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

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

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

36
37 7. Section 104 of P.L.1977, c.110 (C.5:12-104) is amended to read
38 as follows:

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

46 (2) Agreements which provide only for the payment of a fixed sum

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

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

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

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

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

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

45 (8) Agreements relating to simulcast racing and wagering between
46 a casino licensee and a casino service industry licensed pursuant to the

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

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

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

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

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

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

46

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

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

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

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

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

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

40 Any employee at the Atlantic City Race Course or Garden State
41 Park on or after June 12, 1992, who loses employment with that
42 racetrack as a direct result of the implementation of casino
43 simulcasting and who has been licensed by the New Jersey Racing
44 Commission for five consecutive years immediately preceding the loss
45 of employment shall be given first preference for employment
46 whenever any comparable position becomes available in any casino

1 simulcasting facility, provided the person is qualified pursuant to this
2 subsection. If a casino licensee enters into an agreement with a person
3 or entity for the conduct of casino simulcasting in its simulcasting
4 facility, the agreement shall include the requirement that such first
5 preference in employment shall be given by the person or entity with
6 respect to employment in the simulcasting facility.

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

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

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

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

26
27 9. This act shall take effect immediately.

28
29
30 STATEMENT

31
32 This bill changes the definition of casino from a "single room" to
33 "one or more locations or rooms" approved by the Casino Control
34 Commission for casino gaming in a casino hotel. Technological
35 advances in video cameras have eliminated the need for casino
36 catwalks for the observation of gaming. Thus, there is no longer a
37 need to keep casino space confined to a single room. This change
38 removes the requirement to fit casino expansions into a single room,
39 which can be cumbersome or costly.

40 The bill also allows the commission to designate areas in a casino
41 hotel facility where keno tickets may be sold. Currently keno tickets
42 may be sold only inside the casino itself. The bill provides that keno
43 tickets may be sold or redeemed at any location in a casino hotel
44 approved by the commission for such activity.

45
46

- 1 _____
- 2
- 3 Permits casino gaming space to occupy more than single room; allows
- 4 sale of keno tickets outside casino space but within casino hotel.