

Current Status of New Jersey's Gambling Laws – What's Permitted and What Isn't

March 1, 2018

Course Materials

- I. New Jersey Constitution, Article IV, Section VII, Paragraph 2
- II. Senate Concurrent Resolution 132 of 2011 (Sports Wagering Referendum)
- III. P.L. 2011, c.231, authorizing sports wagering
- IV. S2250 of 2014, partially repealing prohibitions on sports wagering
- V. Veto Message, S2250
- VI. P.L. 2014, c.62, partially repealing prohibitions on sports wagering
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- IX. Conditional Veto, A2578, authorizing internet wagering
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New Jersey Constitution

Article IV, Section VII, Paragraph 2

2. No gambling of any kind shall be authorized by the Legislature unless the specific kind, restrictions and control thereof have been heretofore submitted to, and authorized by a majority of the votes cast by, the people at a special election or shall hereafter be submitted to, and authorized by a majority of the votes cast thereon by, the legally qualified voters of the State voting at a general election, except that, without any such submission or authorization:

A. It shall be lawful for bona fide veterans, charitable, educational, religious or fraternal organizations, civic and service clubs, senior citizen associations or clubs, volunteer fire companies and first-aid or rescue squads to conduct, under such restrictions and control as shall from time to time be prescribed by the Legislature by law, games of chance of, and restricted to, the selling of rights to participate, the awarding of prizes, in the specific kind of game of chance sometimes known as bingo or lotto, played with cards bearing numbers or other designations, 5 or more in one line, the holder covering numbers as objects, similarly numbered, are drawn from a receptacle and the game being won by the person who first covers a previously designated arrangement of numbers on such a card, when the entire net proceeds of such games of chance are to be devoted to educational, charitable, patriotic, religious or public-spirited uses, and in the case of bona fide veterans' organizations and senior citizen associations or clubs to the support of such organizations, in any municipality, in which a majority of the qualified voters, voting thereon, at a general or special election as the submission thereof shall be prescribed by the Legislature by law, shall authorize the conduct of such games of chance therein;

B. It shall be lawful for the Legislature to authorize, by law, bona fide veterans, charitable, educational, religious or fraternal organizations, civic and service clubs, senior citizen associations or clubs, volunteer fire companies and first-aid or rescue squads to conduct games of chance of, and restricted to, the selling of rights to participate, and the awarding of prizes, in the specific kinds of games of chance sometimes known as raffles, conducted by the drawing for prizes or by the allotment of prizes by chance, when the entire net proceeds of such games of chance are to be devoted to educational, charitable, patriotic, religious or public-spirited uses, and in the case of bona fide veterans' organizations and senior citizen associations or clubs to the support of such organizations, in any municipality, in which such law shall be adopted by a majority of the qualified voters, voting thereon, at a general or special election as the submission thereof shall be prescribed by law and for the Legislature, from time to time, to restrict and control, by law, the conduct of such games of chance;

C. It shall be lawful for the Legislature to authorize the conduct of State lotteries restricted to the selling of rights to participate therein and the awarding of prizes by drawings when the entire net proceeds of any such lottery shall be for State institutions and State aid for education; provided, however, that it shall not be competent for the Legislature to borrow, appropriate or use, under any pretense whatsoever, lottery net proceeds for the confinement, housing, supervision or treatment of, or education programs for, adult criminal offenders or juveniles

adjudged delinquent or for the construction, staffing, support, maintenance or operation of an adult or juvenile correctional facility or institution;

D. It shall be lawful for the Legislature to authorize by law the establishment and operation, under regulation and control by the State, of gambling houses or casinos within the boundaries, as heretofore established, of the city of Atlantic City, county of Atlantic, and to license and tax such operations and equipment used in connection therewith. Any law authorizing the establishment and operation of such gambling establishments shall provide for the State revenues derived therefrom to be applied solely for the purpose of providing funding for reductions in property taxes, rental, telephone, gas, electric, and municipal utilities charges of eligible senior citizens and disabled residents of the State, and for additional or expanded health services or benefits or transportation services or benefits to eligible senior citizens and disabled residents, in accordance with such formulae as the Legislature shall by law provide. The type and number of such casinos or gambling houses and of the gambling games which may be conducted in any such establishment shall be determined by or pursuant to the terms of the law authorizing the establishment and operation thereof.

It shall also be lawful for the Legislature to authorize by law wagering at casinos or gambling houses in Atlantic City on the results of any professional, college, or amateur sport or athletic event, except that wagering shall not be permitted on a college sport or athletic event that takes place in New Jersey or on a sport or athletic event in which any New Jersey college team participates regardless of where the event takes place;

E. It shall be lawful for the Legislature to authorize, by law, (1) the simultaneous transmission by picture of running and harness horse races conducted at racetracks located within or outside of this State, or both, to gambling houses or casinos in the city of Atlantic City and (2) the specific kind, restrictions and control of wagering at those gambling establishments on the results of those races. The State's share of revenues derived therefrom shall be applied for services to benefit eligible senior citizens as shall be provided by law; and

F. It shall be lawful for the Legislature to authorize, by law, the specific kind, restrictions and control of wagering on the results of live or simulcast running and harness horse races conducted within or outside of this State. The State's share of revenues derived therefrom shall be used for such purposes as shall be provided by law.

It shall also be lawful for the Legislature to authorize by law wagering at current or former running and harness horse racetracks in this State on the results of any professional, college, or amateur sport or athletic event, except that wagering shall not be permitted on a college sport or athletic event that takes place in New Jersey or on a sport or athletic event in which any New Jersey college team participates regardless of where the event takes place.

Article IV, Section VII, paragraph 2 amended effective December 5, 2013.

**SENATE CONCURRENT
RESOLUTION No. 132**

STATE OF NEW JERSEY

214th LEGISLATURE

INTRODUCED NOVEMBER 15, 2010

Sponsored by:

Senator RAYMOND J. LESNIAK

District 20 (Union)

Senator JENNIFER BECK

District 12 (Mercer and Monmouth)

Assemblyman MATTHEW W. MILAM

District 1 (Cape May, Atlantic and Cumberland)

Assemblyman NELSON T. ALBANO

District 1 (Cape May, Atlantic and Cumberland)

Assemblyman RALPH R. CAPUTO

District 28 (Essex)

Assemblywoman CONNIE WAGNER

District 38 (Bergen)

Assemblyman RUBEN J. RAMOS, JR.

District 33 (Hudson)

Co-Sponsored by:

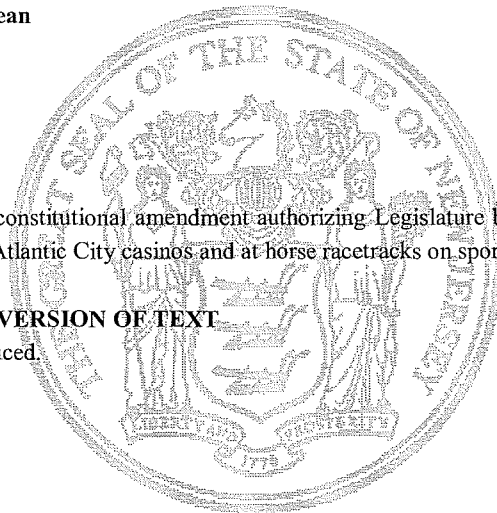
Senator S.Kean

SYNOPSIS

Proposes constitutional amendment authorizing Legislature by law to allow wagering at Atlantic City casinos and at horse racetracks on sports events.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 12/14/2010)

1 A CONCURRENT RESOLUTION to amend Article IV, Section VII,
2 paragraph 2 of the Constitution of the State of New Jersey.

3

4 BE IT RESOLVED by the Senate of the State of New Jersey (the
5 General Assembly concurring):

6

7 1. The following proposed amendment to the Constitution of
8 the State of New Jersey is hereby agreed to:

9

10 PROPOSED AMENDMENT

11

12 Amend Article IV, Section VII, paragraph 2 to read as follows:

13 2. No gambling of any kind shall be authorized by the
14 Legislature unless the specific kind, restrictions and control thereof
15 have been heretofore submitted to, and authorized by a majority of
16 the votes cast by, the people at a special election or shall hereafter
17 be submitted to, and authorized by a majority of the votes cast
18 thereon by, the legally qualified voters of the State voting at a
19 general election, except that, without any such submission or
20 authorization:

21 A. It shall be lawful for bona fide veterans, charitable,
22 educational, religious or fraternal organizations, civic and service
23 clubs, senior citizen associations or clubs, volunteer fire companies
24 and first-aid or rescue squads to conduct, under such restrictions
25 and control as shall from time to time be prescribed by the
26 Legislature by law, games of chance of, and restricted to, the selling
27 of rights to participate, the awarding of prizes, in the specific kind
28 of game of chance sometimes known as bingo or lotto, played with
29 cards bearing numbers or other designations, 5 or more in one line,
30 the holder covering numbers as objects, similarly numbered, are
31 drawn from a receptacle and the game being won by the person who
32 first covers a previously designated arrangement of numbers on
33 such a card, when the entire net proceeds of such games of chance
34 are to be devoted to educational, charitable, patriotic, religious or
35 public-spirited uses, and in the case of senior citizen associations or
36 clubs to the support of such organizations, in any municipality, in
37 which a majority of the qualified voters, voting thereon, at a general
38 or special election as the submission thereof shall be prescribed by
39 the Legislature by law, shall authorize the conduct of such games of
40 chance therein;

41 B. It shall be lawful for the Legislature to authorize, by law,
42 bona fide veterans, charitable, educational, religious or fraternal
43 organizations, civic and service clubs, senior citizen associations or
44 clubs, volunteer fire companies and first-aid or rescue squads to
45 conduct games of chance of, and restricted to, the selling of rights

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

Matter underlined thus is new matter.

1 to participate, and the awarding of prizes, in the specific kinds of
2 games of chance sometimes known as raffles, conducted by the
3 drawing for prizes or by the allotment of prizes by chance, when the
4 entire net proceeds of such games of chance are to be devoted to
5 educational, charitable, patriotic, religious or public-spirited uses,
6 and in the case of senior citizen associations or clubs to the support
7 of such organizations, in any municipality, in which such law shall
8 be adopted by a majority of the qualified voters, voting thereon, at a
9 general or special election as the submission thereof shall be
10 prescribed by law and for the Legislature, from time to time, to
11 restrict and control, by law, the conduct of such games of chance;

12 C. It shall be lawful for the Legislature to authorize the conduct
13 of State lotteries restricted to the selling of rights to participate
14 therein and the awarding of prizes by drawings when the entire net
15 proceeds of any such lottery shall be for State institutions and State
16 aid for education; provided, however, that it shall not be competent
17 for the Legislature to borrow, appropriate or use, under any pretense
18 whatsoever, lottery net proceeds for the confinement, housing,
19 supervision or treatment of, or education programs for, adult
20 criminal offenders or juveniles adjudged delinquent or for the
21 construction, staffing, support, maintenance or operation of an adult
22 or juvenile correctional facility or institution;

23 D. It shall be lawful for the Legislature to authorize by law the
24 establishment and operation, under regulation and control by the
25 State, of gambling houses or casinos within the boundaries, as
26 heretofore established, of the city of Atlantic City, county of
27 Atlantic, and to license and tax such operations and equipment used
28 in connection therewith. Any law authorizing the establishment and
29 operation of such gambling establishments shall provide for the
30 State revenues derived therefrom to be applied solely for the
31 purpose of providing funding for reductions in property taxes,
32 rental, telephone, gas, electric, and municipal utilities charges of
33 eligible senior citizens and disabled residents of the State, and for
34 additional or expanded health services or benefits or transportation
35 services or benefits to eligible senior citizens and disabled
36 residents, in accordance with such formulae as the Legislature shall
37 by law provide. The type and number of such casinos or gambling
38 houses and of the gambling games which may be conducted in any
39 such establishment shall be determined by or pursuant to the terms
40 of the law authorizing the establishment and operation thereof.

41 It shall also be lawful for the Legislature to authorize by law
42 wagering at casinos or gambling houses in Atlantic City on the
43 results of any professional, college, or amateur sport or athletic
44 event, except that wagering shall not be permitted on a college sport
45 or athletic event that takes place in New Jersey or on a sport or
46 athletic event in which any New Jersey college team participates
47 regardless of where the event takes place;

1 E. It shall be lawful for the Legislature to authorize, by law, (1)
2 the simultaneous transmission by picture of running and harness
3 horse races conducted at racetracks located within or outside of this
4 State, or both, to gambling houses or casinos in the city of Atlantic
5 City and (2) the specific kind, restrictions and control of wagering
6 at those gambling establishments on the results of those races. The
7 State's share of revenues derived therefrom shall be applied for
8 services to benefit eligible senior citizens as shall be provided by
9 law; and

10 F. It shall be lawful for the Legislature to authorize, by law, the
11 specific kind, restrictions and control of wagering on the results of
12 live or simulcast running and harness horse races conducted within
13 or outside of this State. The State's share of revenues derived
14 therefrom shall be used for such purposes as shall be provided by
15 law.

16 It shall also be lawful for the Legislature to authorize by law
17 wagering at current or former running and harness horse racetracks
18 in this State on the results of any professional, college, or amateur
19 sport or athletic event, except that wagering shall not be permitted
20 on a college sport or athletic event that takes place in New Jersey or
21 on a sport or athletic event in which any New Jersey college team
22 participates regardless of where the event takes place.

23 (cf: Art. IV, Sec. VII, par. 2, amended effective December 2, 1999)

24
25 2. When this proposed amendment to the Constitution is finally
26 agreed to pursuant to Article IX, paragraph 1 of the Constitution, it
27 shall be submitted to the people at the next general election
28 occurring more than three months after the final agreement and
29 shall be published at least once in at least one newspaper of each
30 county designated by the President of the Senate, the Speaker of the
31 General Assembly and the Secretary of State, not less than three
32 months prior to the general election.

33
34 3. This proposed amendment to the Constitution shall be
35 submitted to the people at that election in the following manner and
36 form:

37 There shall be printed on each official ballot to be used at the
38 general election, the following:

39 a. In every municipality in which voting machines are not used,
40 a legend which shall immediately precede the question as follows:

41 If you favor the proposition printed below make a cross (X), plus
42 (+), or check (✓) in the square opposite the word "Yes." If you are
43 opposed thereto make a cross (X), plus (+) or check (✓) in the
44 square opposite the word "No."

45 b. In every municipality the following question:

1

	YES	<p>CONSTITUTIONAL AMENDMENT AUTHORIZING LEGISLATURE BY LAW TO ALLOW WAGERING ON SPORTS EVENTS AT ATLANTIC CITY CASINOS AND AT HORSE RACETRACKS</p> <p>Shall the amendment to Article IV, Section VII, paragraph 2 of the Constitution of the State of New Jersey, agreed to by the Legislature, providing that it shall be lawful for the Legislature to authorize by law wagering at casinos or gambling houses in Atlantic City and at current or former running and harness horse racetracks on the results of professional, certain college, or amateur sport or athletic events, be approved?</p>
	NO	<p>INTERPRETIVE STATEMENT</p> <p>A "Yes" vote on this question would allow the Legislature, when permitted by federal law, to legalize the placing of bets on certain sports events at casinos, racetracks, and former racetrack sites. Currently, federal law only permits this type of betting in Nevada and Delaware. It also occurs through illegal betting operations. If legalized in New Jersey, bets could be placed on professional, college, or amateur sports or athletic events, except that bets could not be placed on any college sports or athletic event that takes place in New Jersey or in which a New Jersey college team is playing.</p>

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STATEMENT

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6 This constitutional amendment would authorize the Legislature
7 to enact laws allowing betting on sports or athletic events at casinos
8 in Atlantic City and at running or harness horse racetracks,
9 including former racetracks. Bets could be placed at a casino or
10 racetrack site on the results of professional, college, or amateur
11 sport or athletic events, except that bets could not be placed on
12 college games that take place in New Jersey or in which a New

SCR132 LESNIAK, BECK

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1 Jersey college team participates regardless of where the game takes
2 place.

3 The online gaming authorization in Senate Concurrent
4 Resolution No. 49 of 2010 was not necessary to be included in this
5 concurrent resolution because it is not a new form of wagering that
6 requires an amendment to the State Constitution and can be
7 authorized by enabling legislation.

SENATE ECONOMIC GROWTH COMMITTEE

STATEMENT TO

SENATE CONCURRENT RESOLUTION No. 132

STATE OF NEW JERSEY

DATED: NOVEMBER 22, 2010

The Senate Economic Growth Committee reports favorably Senate Concurrent Resolution, No. 132.

This constitutional amendment would authorize the Legislature to enact laws allowing betting on sports or athletic events at casinos in Atlantic City and at running or harness horse racetracks in this State, including former racetracks. Bets could be placed at a casino or racetrack site on the results of professional, college, or amateur sport or athletic events, except that bets could not be placed on college games that take place in New Jersey or in which a New Jersey college team participates regardless of where the game takes place. Current law does not provide such authorization.

The online gaming authorization in Senate Concurrent Resolution No. 49 of 2010 was not necessary to be included in this concurrent resolution because it is not a new form of wagering that requires an amendment to the State Constitution and can be authorized by enabling legislation.

CHAPTER 231

AN ACT permitting wagering at casinos and racetracks on the results of certain professional or collegiate sports or athletic events, supplementing Title 5 of the Revised Statutes, 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:

C.5:12A-1 Definitions relative to sports wagering.

1. As used in this act:

"casino" means a licensed casino or gambling house located in Atlantic City at which casino gambling is conducted pursuant to the provisions of P.L.1977, c.110 (C.5:12-1 et seq.);

"Casino Control Commission" means the commission established pursuant to section 50 of P.L.1977, c.110 (C.5:12-50);

"collegiate sport or athletic event" means a sport or athletic event offered or sponsored by or played in connection with a public or private institution that offers educational services beyond the secondary level;

"division" means the Division of Gaming Enforcement established pursuant to section 55 of P.L.1977, c.110 (C.5:12-55);

"operator" means a casino or a racetrack which has elected to operate a sports pool, either independently or jointly;

"professional sport or athletic event" means an event at which two or more persons participate in sports or athletic events and receive compensation in excess of actual expenses for their participation in such event;

"prohibited sports event" means any collegiate sport or athletic event that takes place in New Jersey or a sport or athletic event in which any New Jersey college team participates regardless of where the event takes place;

"racetrack" means the physical facility where a permit holder conducts a horse race meeting with parimutuel wagering under a license by the racing commission pursuant to P.L.1940, c.17 (C.5:5-22 et seq.), and includes the site of any former racetrack;

"racing commission" means the New Jersey Racing Commission established by section 1 of P.L.1940, c.17 (C.5:5-22);

"sports event" means any professional sport or athletic event and any collegiate sport or athletic event, except a prohibited sports event;

"sports pool" means the business of accepting wagers on any sports event by any system or method of wagering; and

"sports wagering lounge" means an area wherein a sports pool is operated.

C.5:12A-2 Casino, racetrack may operate sports pool.

2. a. In addition to casino games permitted pursuant to the provisions of P.L.1977, c.110 (C.5:12-1 et seq.), a casino may operate a sports pool upon the approval of the division and in accordance with the provisions of this act and applicable regulations promulgated pursuant to this act. In addition to the conduct of parimutuel wagering on horse races under regulation by the racing commission pursuant to chapter 5 of Title 5 of the Revised Statutes, a racetrack may operate a sports pool upon the approval of the division and the racing commission and in accordance with the provisions of this act and applicable regulations promulgated pursuant to this act. Upon approval of the division and racing commission, a casino and a racetrack in this State may enter into an agreement to jointly operate a sports pool at the racetrack, in accordance with the provisions of this act and applicable regulations promulgated pursuant to

this act.

With regard to this act, P.L.2011, c.231 (C.5:12A-1 et al.), the duties specified in section 63 of P.L.1977, c.110 (C.5:12-63) of the Casino Control Commission shall apply to the extent not inconsistent with the provisions of this act. In addition to the duties specified in section 76 of P.L.1977, c.110 (C.5:12-76), the division shall hear and decide promptly and in reasonable order all applications for a license to operate a sports pool, shall have the general responsibility for the implementation of this act and shall have all other duties specified in that section with regard to the operation of a sports pool.

The license to operate a sports pool shall be in addition to any other license required to be issued pursuant to P.L.1977, c.110 (C.5:12-1 et seq.) to operate a casino or pursuant to P.L.1940, c.17 (C.5:5-22 et seq.) to conduct horse racing. No license to operate a sports pool shall be issued by the division to any entity unless it has established its financial stability, integrity and responsibility and its good character, honesty and integrity. No license to operate a sports pool shall be issued by the division to any entity which is disqualified under the criteria of section 86 of P.L.1977, c.110 (C.5:12-86).

No later than five years after the date of the issuance of a license and every five years thereafter or within such lesser periods as the division may direct, a licensee shall submit to the division such documentation or information as the division may by regulation require, to demonstrate to the satisfaction of the director of the division that the licensee continues to meet the requirements of the law and regulations.

b. A sports pool shall be operated in a sports wagering lounge located at a casino or racetrack. A sports wagering lounge may be located at a casino simulcasting facility. The lounge shall conform to all requirements concerning square footage, design, equipment, security measures and related matters which the division shall by regulation prescribe. The space required for the establishment of a lounge 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).

c. The operator of a sports pool shall establish or display the odds at which wagers may be placed on sports events.

d. An operator shall accept wagers on sports events from persons physically present in the sports wagering lounge. A person placing a wager shall be at least 21 years of age.

e. An operator shall not admit into the sports wagering lounge, or accept wagers from, any person whose name appears on the exclusion list maintained by the division pursuant to section 71 of P.L.1977, c.110 (C.5:12-71) or on any self-exclusion list maintained by the division pursuant to sections 1 and 2 of P.L.2001, c.39 (C.5:12-71.2 and C.5:12-71.3, respectively). Sections 1 and 2 of P.L.2002, c.89 (C.5:5-65.1 and C.5:5-65.2, respectively), shall apply to the conduct of sports wagering under this act.

f. The holder of a license to operate a sports pool may contract with an entity to conduct that operation, in accordance with the regulations of the division. That entity shall obtain a license as a casino service industry enterprise prior to the execution of any such contract, and such license shall be issued pursuant to the provisions of P.L.1977, c.110 (C.5:12-1 et seq.) and in accordance with the regulations promulgated by the division in consultation with the commission.

g. If any provision of this act, P.L.2011, c.231 (C.5:12A-1 et al.), or its application to any person or circumstance is held invalid, the invalidity shall not affect other provisions or applications of this act which can be given effect without the invalid provision or application, and to this end the provisions of this act are severable.

C.5:12A-3 Employees, licensed, registered.

3. a. All persons employed directly in wagering-related activities conducted within a casino or a racetrack in a sports wagering lounge shall be licensed as a casino key employee or registered as a casino employee, as determined by the commission, pursuant to the provisions of P.L.1977, c.110 (C.5:12-1 et seq.). All other employees who are working in the sports wagering lounge may be required to be registered, if appropriate, in accordance with regulations of the division promulgated in consultation with the commission.

b. Each operator of a sports pool shall designate one or more casino key employees who shall be responsible for the operation of the sports pool. At least one such casino key employee shall be on the premises whenever sports wagering is conducted.

C.5:12A-4 Authority of division to regulate.

4. Except as otherwise provided by this act, the division shall have the authority to regulate sports pools and the conduct of sports wagering under this act to the same extent that the division regulates other casino games. No casino or racetrack shall be authorized to operate a sports pool unless it has produced information, documentation, and assurances concerning its financial background and resources, including cash reserves, that are sufficient to demonstrate that it has the financial stability, integrity, and responsibility to operate a sports pool. In developing rules and regulations applicable to sports wagering, the division shall examine the regulations implemented in other states where sports wagering is conducted and shall, as far as practicable, adopt a similar regulatory framework. The division, in consultation with the commission, shall promulgate regulations necessary to carry out the provisions of this act, including, but not limited to, regulations governing the:

- a. amount of cash reserves to be maintained by operators to cover winning wagers;
- b. acceptance of wagers on a series of sports events;
- c. maximum wagers which may be accepted by an operator from any one patron on any one sports event;
- d. type of wagering tickets which may be used;
- e. method of issuing tickets;
- f. method of accounting to be used by operators;
- g. types of records which shall be kept;
- h. use of credit and checks by patrons;
- i. type of system for wagering;
- j. protections for a person placing a wager; and
- k. display of the words, "If you or someone you know has a gambling problem and wants help, call 1-800 GAMBLER," or some comparable language approved by the division, which language shall include the words "gambling problem" and "call 1-800 GAMBLER," on all print, billboard, sign, online, or broadcast advertisements of a sports pool and in every sports wagering lounge.

C.5:12A-5 Adoption of comprehensive house rules.

5. Each operator shall adopt comprehensive house rules governing sports wagering transactions with its patrons. The rules shall specify the amounts to be paid on winning wagers and the effect of schedule changes. The house rules, together with any other information the division deems appropriate, shall be conspicuously displayed in the sports wagering lounge and included in the terms and conditions of the account wagering system, and copies shall be made readily available to patrons.

C.5:12A-6 Agreements to jointly establish sports wagering lounge.

6. Whenever a casino licensee and a racetrack permit holder enter into an agreement to jointly establish a sports wagering lounge, and to operate and conduct sports wagering under this act, the agreement shall specify the distribution of revenues from the joint sports wagering operation among the parties to the agreement. The sums received by the casino from the joint sports wagering operation shall be considered gross revenue as specified under section 24 of P.L.1977, c.110 (C.5:12-24). The sums actually received by the horse racing permit holder from any sports wagering operation, either jointly established with a casino or established independently or with non-casino partners, less only the total of all sums actually paid out as winnings to patrons, shall be subject to an 8% tax to be collected by the division and paid to the Casino Revenue Fund created under section 145 of P.L.1977, c.110 (C.5:12-145) to be used for the funding of programs for senior citizens and disabled residents and to an investment alternative tax in the same amount and for the same purposes as provided in section 3 of P.L.1984, c.218 (C.5:12-144.1).

A percentage of the fee paid for a license to operate a sports pool shall be deposited into the State General Fund for appropriation by the Legislature to the Department of Health and Senior Services to provide funds for prevention, education, and treatment programs for compulsive gambling programs that meet the criteria developed pursuant to section 2 of P.L.1993, c.229 (C.26:2-169), such as those provided by the Council on Compulsive Gambling of New Jersey, and including the development and implementation of programs that identify and assist problem gamblers. The percentage shall be determined by the division.

7. Section 24 of P.L.1977, c.110 (C.5:12-24) is amended to read as follows:

C.5:12-24 "Gross revenue."

24. "Gross Revenue"-- The total of all sums actually received by a casino licensee from gaming operations, including operation of a sports pool, less only the total of all sums actually paid out as winnings to patrons; provided, however, that the cash equivalent value of any merchandise or thing of value included in a jackpot or payout shall not be included in the total of all sums paid out as winnings to patrons for purposes of determining gross revenue. "Gross Revenue" shall not include any amount received by a casino from casino simulcasting pursuant to the "Casino Simulcasting Act," P.L.1992, c.19 (C.5:12-191 et al.).

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 Division of Gaming Enforcement 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 Division of Gaming Enforcement.

(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 Division of Gaming Enforcement. 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 and 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 or the Division of Gaming Enforcement.

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 Division of Gaming Enforcement in accordance with section 104 of P.L.1977, c.110 (C.5:12-104).

9. This act shall take effect immediately.

Approved January 17, 2012.

SENATE, No. 2250

STATE OF NEW JERSEY

216th LEGISLATURE

INTRODUCED JUNE 23, 2014

Sponsored by:

Senator RAYMOND J. LESNIAK

District 20 (Union)

Senator JIM WHELAN

District 2 (Atlantic)

Senator JENNIFER BECK

District 11 (Monmouth)

Assemblyman RALPH R. CAPUTO

District 28 (Essex)

Assemblyman RONALD S. DANCER

District 12 (Burlington, Middlesex, Monmouth and Ocean)

Assemblyman VINCENT MAZZEO

District 2 (Atlantic)

Assemblyman JOHN J. BURZICHELLI

District 3 (Cumberland, Gloucester and Salem)

Assemblyman RAJ MUKHERJI

District 33 (Hudson)

Co-Sponsored by:

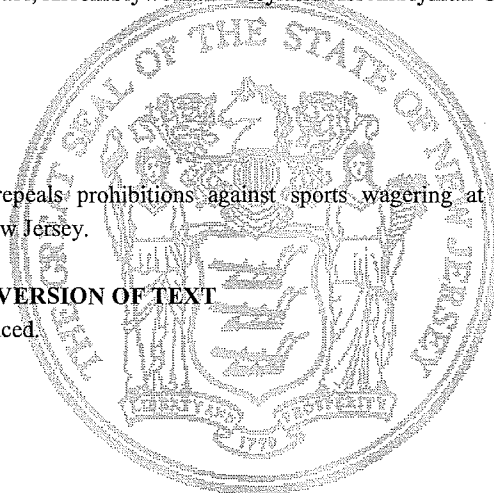
Senator Scutari, Assemblywoman Riley and Assemblyman C.A.Brown

SYNOPSIS

Partially repeals prohibitions against sports wagering at racetracks and casinos in New Jersey.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 6/27/2014)

1 AN ACT partially repealing prohibitions against sports wagering at
2 racetracks and casinos in this State and supplementing Title 5 of
3 the Revised Statutes.

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

7
8 1. All prohibitions, including, but not limited to, chapter 37 of
9 Title 2C of the New Jersey Statutes, against wagering on the results of
10 any professional, college, or amateur sport or athletic event, are
11 partially repealed to the extent they would apply to such wagering at
12 casinos or gambling houses in Atlantic City or at current running and
13 harness horse racetracks in this State.

14
15 2. This act shall take effect immediately.

16
17
18 STATEMENT

19
20 This bill is in response to the decision of the United States Court
21 of Appeals for the Third Circuit (the Court) in *National Collegiate*
22 *Athletic Association, et al. v. Governor of the State of New Jersey,*
23 *et al.*, C.A. No. 13-1713, 1714, 1715, dated September 17, 2013,
24 wherein the Court in interpreting the Professional and Amateur
25 Sports Protection Act of 1992 (PASPA), 28 U.S.C. § 3701 *et seq.*,
26 stated that it does “not read PASPA to prohibit New Jersey from
27 repealing its ban on sports wagering.” Third Circuit Decision at 73.
28 The Court further stated that “it is left up to each state to decide
29 how much of a law enforcement priority it wants to make of sports
30 gambling, or *what the exact contours of the prohibition will be.*”
31 Decision at 78-79 (emphasis added). Moreover, the United States
32 in its brief submitted to the Supreme Court of the United States in
33 opposition to petitions for writs of certiorari in the above-referenced
34 case wrote that “PASPA does not even obligate New Jersey to leave
35 in place the state-law prohibitions against sports gambling that it
36 had chosen to adopt prior to PASPA’s enactment. To the contrary,
37 *New Jersey is free to repeal those prohibitions in whole or in part.*”
38 United States Brief to the Supreme Court in Opposition to Petitions
39 for Writs of Certiorari, dated May 14, 2014, at 11 (emphasis added).

40 Accordingly, under this bill, New Jersey would decide that its
41 “exact contours of the prohibition” against sports wagering should
42 be to repeal New Jersey’s prohibitions against sports wagering “at
43 casinos or gambling houses in Atlantic City or at current running
44 and harness horse racetracks in this State.”

SENATE BILL NO. 2250

To the Senate:

Pursuant to Article V, Section I, Paragraph 14 of the New Jersey Constitution, I am returning Senate Bill No. 2250 without my approval.

Since the earliest days of my Administration, I have demonstrated my firm commitment to reversing the trend of economic contraction in the State's gaming industry. Together with the Legislature, my Administration has acted boldly to revitalize the gaming industry and to set a new course for economic growth and job creation in this critically important sector of our economy. From the historic establishment of a Tourism District in Atlantic City to expanded wagering opportunities at casinos and racetracks, including the implementation of one of our nation's first Internet gambling laws, I have consistently pursued new and innovative ways to make New Jersey a more competitive gaming jurisdiction and to enhance the financial viability of the State's gaming industry.

Consistent with these efforts, I signed into law legislation authorizing sports wagering at casinos and racetracks in January of 2012. This action followed the passage of a voter-approved Amendment to the State Constitution permitting sports wagering at these venues. These efforts were immediately met with resistance from the four major professional sports leagues and the National Collegiate Athletic Association, who brought suit alleging conflict between New Jersey's sports wagering law and the federal Professional and Amateur Sports Protection Act ("PASPA").

As has been well chronicled, the plaintiffs in this legal battle prevailed in a federal trial court in their efforts to prevent New Jersey casinos and racetracks from lawfully offering

sports betting opportunities, under carefully prescribed rules, to their patrons. As has also been well chronicled, the State, at my direction, appealed that decision to the United States Court of Appeals for the Third Circuit, which agreed with the trial court, and then again to the United States Supreme Court, which declined to take up the State's case. Thus, after a spirited legal effort, the Third Circuit's opinion that PASPA prevents the implementation of New Jersey's sports wagering law represents the binding and final judicial interpretation of federal law. While I do not agree with the Circuit Court's conclusion, I do believe that the rule of law is sacrosanct, binding on all Americans. That duty adheres with special solemnity to those elected officials privileged to swear an oath to uphold the laws of our Nation.

In a novel attempt to circumvent the Third Circuit's ruling, this bill states that all prohibitions against wagering on the results of any professional, college, or amateur sport or athletic event, set forth in State law would no longer apply to wagering at casinos or racetracks in this State. In essence, this bill partially deregulates betting at casinos and racetracks in an effort to sidestep federal law. While I support the intentions of the Legislature to continue our shared commitment to enhancing the economic viability of our gaming industry, I cannot sign this bill, which was introduced on the same day the Supreme Court declined to hear our appeal, and then was rushed to final passage just three days later. Ignoring federal law, rather than working to reform federal standards, is counter to our democratic traditions and inconsistent with the Constitutional values I have sworn to defend and protect.

While I remain open to exploring legally sound ways to let the State's casinos and racetracks offer sports wagering, I am

mindful that this process takes time. As the sponsors point out, the Third Circuit's opinion may not have foreclosed all legal avenues for permitting sports wagering within the State. Now that the Supreme Court has made clear that it will not be taking the case, the time is right to examine the Third Circuit's opinion carefully and determine if a different approach towards sports wagering would comply with federal law, and further whether this new approach would be in the best interests of the State. In the meantime, we must respect the rule of law and the decisions of our courts.

Accordingly, I herewith return Senate Bill No. 2250 without my approval.

[seal]

Respectfully,
/s/ Chris Christie
Governor

Attest:

/s/ Paul B. Matey
Deputy Chief Counsel to the Governor

CHAPTER 62

AN ACT partially repealing the prohibitions, permits, licenses, and authorizations concerning wagers on professional, collegiate, or amateur sport contests or athletic events, deleting a portion of P.L.1977, c.110, and repealing sections 1 through 6 of P.L.2011, c.231.

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

C.5:12A-7 Certain provisions repealed relative to wagers on certain sports contests, athletic events.

1. The provisions of chapter 37 of Title 2C of the New Jersey Statutes, chapter 40 of Title 2A of the New Jersey Statutes, chapter 5 of Title 5 of the Revised Statutes, and P.L.1977, c.110 (C.5:12-1 et seq.), as amended and supplemented, and any rules and regulations that may require or authorize any State agency to license, authorize, permit or otherwise take action to allow any person to engage in the placement or acceptance of any wager on any professional, collegiate, or amateur sport contest or athletic event, or that prohibit participation in or operation of a pool that accepts such wagers, are repealed to the extent they apply or may be construed to apply at a casino or gambling house operating in this State in Atlantic City or a running or harness horse racetrack in this State, to the placement and acceptance of wagers on professional, collegiate, or amateur sport contests or athletic events by persons 21 years of age or older situated at such location or to the operation of a wagering pool that accepts such wagers from persons 21 years of age or older situated at such location, provided that the operator of the casino, gambling house, or running or harness horse racetrack consents to the wagering or operation.

As used in this act, P.L.2014, c.62 (C.5:12A-7 et al.):

“collegiate sport contest or athletic event” shall not include a collegiate sport contest or collegiate athletic event that takes place in New Jersey or a sport contest or athletic event in which any New Jersey college team participates regardless of where the event takes place; and

“running or harness horse racetrack” means the physical facility where a horse race meeting with parimutuel wagering is conducted and includes any former racetrack where such a meeting was conducted within 15 years prior to the effective date of this act, excluding premises other than those where the racecourse itself was located.

C.5:12A-8 Construction of act.

2. The provisions of this act P.L.2014, c.62 (C.5:12A-7 et al.), are not intended and shall not be construed as causing the State to sponsor, operate, advertise, promote, license, or authorize by law or compact the placement or acceptance of any wager on any professional, collegiate, or amateur sport contest or athletic event but, rather, are intended and shall be construed to repeal State laws and regulations prohibiting and regulating the placement and acceptance, at a casino or gambling house operating in this State in Atlantic City or a running or harness horse racetrack in this State, of wagers on professional, collegiate, or amateur sport contests or athletic events by persons 21 years of age or older situated at such locations.

3. Section 24 of P.L.1977, c.110 (C.5:12-24) is amended to read as follows:

C.5:12-24 “Gross revenue.”

24. "Gross Revenue"-- The total of all sums actually received by a casino licensee from gaming operations, less only the total of all sums actually paid out as winnings to patrons; provided, however, that the cash equivalent value of any merchandise or thing of value

included in a jackpot or payout shall not be included in the total of all sums paid out as winnings to patrons for purposes of determining gross revenue. "Gross Revenue" shall not include any amount received by a casino from casino simulcasting pursuant to the "Casino Simulcasting Act," P.L.1992, c.19 (C.5:12-191 et al.).

C.5:12A-9 Severability.

4. The provisions of this act, P.L.2014, c.62 (C.5:12A-7 et al.), shall be deemed to be severable, and if any phrase, clause, sentence, word or provision of this act is declared to be unconstitutional, invalid, preempted or inoperative in whole or in part, or the applicability thereof to any person is held invalid, by a court of competent jurisdiction, the remainder of this act shall not thereby be deemed to be unconstitutional, invalid, preempted or inoperative and, to the extent it is not declared unconstitutional, invalid, preempted or inoperative, shall be effectuated and enforced.

Repealer.

5. Sections 1 through 6 of P.L.2011, c.231 (C.5:12A-1 through C.5:12A-6) are repealed.

6. This act shall take effect immediately.

Approved October 17, 2014.

**GOVERNOR'S STATEMENT UPON SIGNING
SENATE BILL NO. 2460**

Senate Bill No. 2460, which I have signed today, codifies a partial repeal of criminal and civil prohibitions against sports wagering similar to that which the Acting Attorney General of New Jersey earlier recognized as having been accomplished by the previously enacted Sports Wagering Act. This bill closely adheres to controlling federal law, fully responds to the issues raised by the federal courts, and remedies the concerns requiring my veto of Senate Bill No. 2250 earlier this year.

As I explained when I returned Senate Bill No. 2250 without my approval, I am a strong proponent of legalized sports wagering in the State of New Jersey. As a result, in January of 2012 I signed into law a comprehensive licensing and regulatory regime authorizing sports wagering. The State defended that law vigorously in the federal courts, including an unsuccessful petition to the Supreme Court of the United States. Regrettably, that comprehensive regime was ultimately enjoined by the courts under the federal Professional and Amateur Sports Protection Act (PASPA), requiring the State to pursue a different path to eliminate New Jersey's prior prohibition against sports wagering.

As the Acting Attorney General concluded in a September 8, 2014 Law Enforcement Directive and Formal Opinion, the provisions of the Sports Wagering Act effecting a partial repeal of the civil and criminal prohibitions against sports wagering were severable from the provisions enjoined by the federal courts. Indeed, the federal courts held specifically that New Jersey is not required to maintain a ban on sports wagering, and that sports wagering can occur absent a ban. This bill codifies a partial repeal similar to that previously recognized by the Acting Attorney General, and does so in a manner acknowledged by the federal court of appeals to be lawful, thus avoiding another costly and unnecessary legal battle over the continued effectiveness of the Sports Wagering Act's repeal provisions.

Importantly, this bill also improves upon critical concepts and resolves technical issues in Senate Bill No. 2250. For example, this bill specifies that certain college sport contests or athletic events shall not be the subject of wagering, as the New Jersey Constitution mandates. Likewise, it specifies that the repeal only extends to wagers by persons who are 21 years of age or older. Finally, this bill also repeals the January 2012 law in its entirety, thereby adding certainty and clarity to the law.

I have always maintained that PASPA represents an unsound and exclusionary policy. But so long as PASPA remains in effect, New Jersey must abide by and respect its requirements. This bill does just that. Accordingly, I sign Senate Bill No. 2460 into law.

Date: October 17, 2014

/s/ Chris Christie

Governor

Attest:

/s/ Christopher S. Porrino

Chief Counsel to the Governor

[Third Reprint]

SENATE, No. 490

STATE OF NEW JERSEY

214th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2010 SESSION

Sponsored by:

Senator RAYMOND J. LESNIAK

District 20 (Union)

Senator JOSEPH M. KYRILLOS, JR.

District 13 (Middlesex and Monmouth)

Assemblyman JOHN J. BURZICHELLI

District 3 (Salem, Cumberland and Gloucester)

Assemblywoman ANNETTE QUIJANO

District 20 (Union)

Assemblyman MATTHEW W. MILAM

District 1 (Cape May, Atlantic and Cumberland)

Assemblyman NELSON T. ALBANO

District 1 (Cape May, Atlantic and Cumberland)

Assemblywoman CONNIE WAGNER

District 38 (Bergen)

Co-Sponsored by:

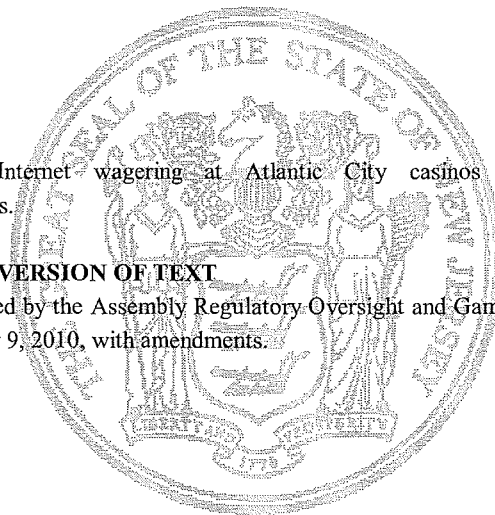
Senators Beck, Gordon and Assemblyman Giblin

SYNOPSIS

Permits Internet wagering at Atlantic City casinos under certain circumstances.

CURRENT VERSION OF TEXT

As reported by the Assembly Regulatory Oversight and Gaming Committee on December 9, 2010, with amendments.



(Sponsorship Updated As Of: 1/11/2011)

1 AN ACT permitting Internet wagering at Atlantic City casinos under
 2 certain circumstances and amending and supplementing the
 3 "Casino Control Act", P.L.1977, c.110 (C.5:12-1 et seq.).

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

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

10 5. "Authorized Game" or "Authorized Gambling Game"--
 11 **[Roulette]** Poker, roulette, baccarat, blackjack, craps, big six
 12 wheel, slot machines, minibaccarat, red dog, pai gow, and sic bo;
 13 any variations or composites of such games, provided that such
 14 variations or composites, and any above listed game or variation or
 15 composite of such game to be offered through Internet wagering,
 16 are found by the commission suitable for use after an appropriate
 17 test or experimental period under such terms and conditions as the
 18 commission may deem appropriate; and any other game which is
 19 determined by the commission to be compatible with the public
 20 interest and to be suitable for casino use after such appropriate test
 21 or experimental period as the commission may deem appropriate.
 22 "Authorized game" or "authorized gambling game" includes gaming
 23 tournaments in which players compete against one another in one or
 24 more of the games authorized herein or by the commission or in
 25 approved variations or composites thereof if the tournaments are
 26 authorized by the commission.
 27 (cf: P.L.1993, c.292, s.1)

28
 29 2. Section 6 of P.L.1977, c.110 (C.5:12-6) is amended to read
 30 as follows:

31 6. "Casino" or "casino room" or "licensed casino" -- One or
 32 more locations or rooms in a casino hotel facility that have been
 33 approved by the commission for the conduct of casino gaming in
 34 accordance with the provisions of this act, including any part of the
 35 facility where Internet wagering is conducted. "Casino" or "casino
 36 room" or "licensed casino" shall not include any casino
 37 simulcasting facility authorized pursuant to the "Casino
 38 Simulcasting Act," P.L.1992, c.19 (C.5:12-191 et seq.).
 39 (cf: P.L.1996, c.84, s.1)

40
 41 3. (New section) "Internet wagering" means the placing of
 42 wagers with a casino licensee at a casino located in Atlantic City
 43 using a computer network of both federal and non-federal

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

Matter underlined thus is new matter.

Matter enclosed in superscript numerals has been adopted as follows:

¹Senate SSG committee amendments adopted June 3, 2010.

²Senate SBA committee amendments adopted November 15, 2010.

³Assembly ARG committee amendments adopted December 9, 2010.

1 interoperable packet switched data networks through which the
2 casino licensee may offer authorized games to residents of this State
3 ~~“[², or to persons located outside of the United States, ²]~~” who have
4 established a wagering account with the casino licensee.

5
6 4. (New section) “Internet wagering gross revenue” means the
7 total of all sums actually received by a casino licensee from Internet
8 wagering operations, less only the total of all sums actually paid out
9 as winnings to patrons; provided, however, that the cash equivalent
10 value of any merchandise or thing of value included in a jackpot or
11 payout shall not be included in the total of all sums paid out as
12 winnings to players for purposes of determining Internet wagering
13 gross revenue.

14
15 5. Section 3 of P.L.1987, c.353 (C.5:12-43.1) is amended to
16 read as follows:

17 3. “Restricted Casino Areas”--The cashier's cage, the soft count
18 room, the hard count room, the slot cage booths and runway areas,
19 the interior of table game pits, the surveillance room and catwalk
20 areas, the slot machine repair room, any room or area related to
21 Internet wagering operations and any other area specifically
22 designated by the commission as restricted in a licensee's operation
23 certificate.

24 (cf: P.L.1987, c.353, s.3)

25
26 6. Section 100 of P.L.1977, c.110 (C.5:12-100) is amended to
27 read as follows:

28 100. a. This act shall not be construed to permit any gaming
29 except the conduct of authorized games in a casino room or through
30 Internet wagering in accordance with this act and the regulations
31 promulgated hereunder and in a simulcasting facility to the extent
32 provided by the “Casino Simulcasting Act,” P.L.1992, c.19 (C.5:12-
33 191 et al.). Notwithstanding the foregoing, if the commission
34 approves the game of keno as an authorized game pursuant to
35 section 5 of P.L.1977, c.110 (C.5:12-5), as amended, keno tickets
36 may be sold or redeemed in accordance with commission
37 regulations at any location in a casino hotel approved by the
38 commission for such activity.

39 b. Gaming equipment shall not be possessed, maintained or
40 exhibited by any person on the premises of a casino hotel except in
41 a casino room, in the simulcasting facility, or in restricted casino
42 areas used for the inspection, repair or storage of such equipment
43 and specifically designated for that purpose by the casino licensee
44 with the approval of the commission. Gaming equipment which
45 supports the conduct of gaming in a casino or simulcasting facility
46 or through Internet wagering but does not permit or require patron
47 access, such as computers, or gaming software or other gaming
48 equipment used to conduct Internet wagering, may be possessed and

1 maintained by a casino licensee in restricted casino areas
2 specifically designated for that purpose by the casino licensee with
3 the approval of the commission. No gaming equipment shall be
4 possessed, maintained, exhibited, brought into or removed from a
5 casino room or simulcasting facility by any person unless such
6 equipment is necessary to the conduct of an authorized game, has
7 permanently affixed, imprinted, impressed or engraved thereon an
8 identification number or symbol authorized by the commission, is
9 under the exclusive control of a casino licensee or his employees,
10 and is brought into or removed from the casino room or
11 simulcasting facility following 24-hour prior notice given to an
12 authorized agent of the commission.

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

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

32 c. Each casino hotel shall contain a count room and such other
33 secure facilities as may be required by the commission for the
34 counting and storage of cash, coins, tokens, checks, plaques,
35 gaming vouchers, coupons, and other devices or items of value used
36 in wagering and approved by the commission that are received in
37 the conduct of gaming and for the inspection, counting and storage
38 of dice, cards, chips and other representatives of value. All drop
39 boxes and other devices in which the foregoing items are deposited
40 at the gaming tables or in slot machines, and all areas wherein such
41 boxes and devices are kept while in use, shall be equipped with two
42 locking devices, one key to which shall be under the exclusive
43 control of the commission and the other under the exclusive control
44 of the casino licensee, and said drop boxes and other devices shall
45 not be brought into or removed from a casino room or simulcasting
46 facility, or locked or unlocked, except at such times, in such places,
47 and according to such procedures as the commission may require.
48 In the event that a state of emergency is declared due to the failure

1 to enact a general appropriation law by the deadline prescribed by
2 Article VIII, Section II, paragraph 2 of the New Jersey Constitution,
3 the commission, in accordance with section 4 of P.L.2008, c.23
4 (C.5:12-211), may, at its discretion, and as may be necessary to
5 ensure the continuity of casino operations and the collection and
6 counting of gross revenue, give temporary custody of its key to a
7 certified public accountant approved by the commission, who shall
8 act in the capacity of the commission with respect to the use,
9 control and security of the key in accordance with internal controls
10 approved by the commission in accordance with section 5 of
11 P.L.2008, c.23 (C.5:12-212).

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

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

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

31 g. Each gaming table shall be equipped with a sign indicating
32 the permissible minimum and maximum wagers pertaining thereto.
33 Each game offered through Internet wagering shall display online
34 the permissible minimum and maximum wagers pertaining thereto.
35 It shall be unlawful for a casino licensee to require any wager to be
36 greater than the stated minimum or less than the stated maximum;
37 provided, however, that any wager actually made by a patron and
38 not rejected by a casino licensee prior to the commencement of play
39 shall be treated as a valid wager.

40 h. (1) Except as herein provided, no slot machine shall be used
41 to conduct gaming unless it is identical in all electrical, mechanical
42 and other aspects to a model thereof which has been specifically
43 tested by the division and licensed for use by the commission. At
44 the request of the commission, the division shall also test any other
45 gaming device, gaming equipment, gaming-related device or gross-
46 revenue related device, such as a slot management system,
47 electronic transfer credit system or gaming voucher system. In its

1 discretion and for the purpose of expediting the approval process,
2 the division may utilize the services of a private testing laboratory
3 that has obtained a plenary license as a casino service industry
4 enterprise pursuant to subsection a. of section 92 of P.L.1977, c.110
5 (C.5:12-92) to perform the testing, and may also utilize applicable
6 data from any such private testing laboratory or from a
7 governmental agency of a state other than New Jersey authorized to
8 regulate slot machines and other gaming devices, gaming
9 equipment, gaming-related devices and gross-revenue related
10 devices used in casino gaming, if the private testing laboratory or
11 governmental agency uses a testing methodology substantially
12 similar to the methodology utilized by the division.
13 Notwithstanding the provisions of this paragraph, the division shall
14 in all instances use the data provided by the private testing
15 laboratory or governmental agency to conduct its own independent
16 evaluation, and shall form its own independent conclusions
17 regarding any submitted device.

18 (2) The division shall, within 60 days of its receipt of a
19 complete application for the testing of a slot machine or other
20 gaming equipment model, recommend the approval or rejection of
21 the slot machine or other gaming equipment model to the
22 commission. In its report to the commission regarding its
23 recommendation, the division shall specify whether and to what
24 extent any data from a private testing laboratory or governmental
25 agency of a state other than New Jersey was used in reaching its
26 conclusions and recommendation. If the division is unable to
27 complete the testing of a slot machine or other gaming equipment
28 model within this 60-day period, the division may recommend that
29 the commission conditionally approve the slot machine or other
30 gaming equipment model for test use by a casino licensee provided
31 that the division represents that the use of the slot machine or other
32 gaming equipment model will not have a direct and materially
33 adverse impact on the integrity of gaming or the control of gross
34 revenue. The division shall give priority to the testing of slot
35 machines or other gaming equipment which a casino licensee has
36 certified it will use in its casino in this State.

37 (3) The commission shall, by regulation, establish such
38 technical standards for licensure of slot machines, including
39 mechanical and electrical reliability, security against tampering, the
40 comprehensibility of wagering, and noise and light levels, as it may
41 deem necessary to protect the player from fraud or deception and to
42 insure the integrity of gaming. The denominations of such machines
43 shall be set by the licensee; the licensee shall simultaneously notify
44 the commission of the settings.

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

- 1 (a) promote optimum security for casino operations;
- 2 (b) avoid deception or frequent distraction to players at gaming
- 3 tables;
- 4 (c) promote the comfort of patrons;
- 5 (d) create and maintain a gracious playing environment in the
- 6 casino; and
- 7 (e) encourage and preserve competition in casino operations by
- 8 assuring that a variety of gaming opportunities is offered to the
- 9 public.

10 Any such regulation promulgated by the commission which
11 determines the permissible number and density of slot machines in a
12 licensed casino shall provide that all casino floor space and all
13 space within a casino licensee's casino simulcasting facility shall be
14 included in any calculation of the permissible number and density
15 of slot machines in a licensed casino.

16 (5) All equipment used by a licensee to conduct Internet
17 wagering, including but not limited to computers, servers,
18 monitoring rooms, and hubs, shall be located, with the prior
19 approval of the commission, either in a restricted area on the
20 premises of the casino hotel or in a secure facility inaccessible to
21 the public and specifically designed for that purpose off the
22 premises of a casino hotel but within the territorial limits of Atlantic
23 '[County] City', New Jersey. All Internet wagers shall be deemed
24 to be placed when received in Atlantic City by the licensee. Any
25 intermediate routing of electronic data in connection with a wager
26 shall not affect the fact that the wager is placed in Atlantic City.

27 No software, computer or other gaming equipment shall be used
28 to conduct Internet wagering unless it has been specifically tested
29 by the division and approved by the commission. The division
30 may, in its discretion, and for the purpose of expediting the
31 approval process, refer testing to any testing laboratory with a
32 plenary license as a casino service industry 'enterprise' pursuant to
33 subsection a. of section 92 of P.L.1977, c.110 (C.5:12-92). The
34 division shall give priority to the testing of software, computers or
35 other gaming equipment which a casino licensee has certified it will
36 use to conduct Internet wagering in this State. The commission
37 shall, by regulation, establish such technical standards for approval
38 of software, computers and other gaming equipment used to
39 conduct Internet wagering, including mechanical, electrical or
40 program reliability, security against tampering, the
41 comprehensibility of wagering, and noise and light levels, as it may
42 deem necessary to protect the player from fraud or deception and to
43 insure the integrity of gaming. When appropriate, the licensee shall
44 set the denominations of Internet games and shall simultaneously
45 notify the commission of the settings.

- 46 i. (Deleted by amendment, P.L.1991, c.182).
- 47 j. (Deleted by amendment, P.L.1991, c.182).

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

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

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

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

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

44 (2) A dealer may accept tips or gratuities from a patron at the
45 table at which such dealer is conducting play, subject to the
46 provisions of this subsection. All such tips or gratuities shall be
47 immediately deposited in a lockbox reserved for that purpose,
48 unless the tip or gratuity is authorized by a patron utilizing an

1 automated wagering system approved by the commission. All tips
2 or gratuities shall be accounted for, and placed in a pool for
3 distribution pro rata among the dealers, with the distribution based
4 upon the number of hours each dealer has worked, except that the
5 commission may permit a separate pool to be established for dealers
6 in the game of poker, or may permit tips or gratuities to be retained
7 by individual dealers in the game of poker.

8 (3) Notwithstanding the provisions of paragraph (1) of this
9 subsection, a casino licensee may require that a percentage of the
10 prize pool offered to participants pursuant to an authorized poker
11 tournament be withheld for distribution to the tournament dealers as
12 tips or gratuities in accordance with procedures approved by the
13 commission.

14 p. Any slot system operator that offers an annuity jackpot shall
15 secure the payment of such jackpot by establishing an annuity
16 jackpot guarantee in accordance with the requirements of P.L.1977,
17 c.110 (C.5:12-1 et seq.), and the rules of the commission.
18 (cf: P.L.2009, c.36, s.16)

19
20 7. Section 109 of P.L.1977, c.110 (C.5:12-109) is amended to
21 read as follows:

22 109. Notwithstanding any provisions of this article, the
23 commission may issue an emergency order for the suspension,
24 limitation or conditioning of any operation certificate or any
25 license, other than a casino license, or any registration, or any
26 permit to conduct Internet wagering, or may issue an emergency
27 order requiring the licensed casino to keep an individual from the
28 premises of such licensed casino or from using or maintaining an
29 Internet wagering account, or not to pay such individual any
30 remuneration for services or any profits, income or accruals on his
31 investment in such casino, in the following manner:

32 a. An emergency order shall be issued only when the
33 commission finds that:

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

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

38 (3) Such action is necessary immediately for the preservation of
39 the public peace, health, safety, morals, good order and general
40 welfare or to preserve the public policies declared by this act.

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

44 c. The emergency order shall be effective immediately upon
45 issuance and service upon the licensee, registrant, or resident agent
46 of the licensee. The emergency order may suspend, limit, condition
47 or take other action in relation to the approval of one or more
48 individuals who were required to be approved in any operation,

1 without necessarily affecting any other individuals or the licensed
2 casino establishment. The emergency order shall remain effective
3 until further order of the commission or final disposition of the
4 case.

5 d. Within 5 days after issuance of an emergency order, the
6 commission shall cause a complaint to be filed and served upon the
7 person or entity involved in accordance with the provisions of this
8 act.

9 e. Thereafter, the person or entity against whom the emergency
10 order has been issued and served shall be entitled to a hearing
11 before the commission in accordance with the provisions of this act.
12 (cf: P.L.1981, c.503, s.18)

13

14 8. Section 1 of P.L.1999, c.352 (C.5:12-129.1) is amended to
15 read as follows:

16 1. The holder of any license issued under P.L.1977, c.110
17 (C.5:12-1 et seq.), or any person acting on behalf thereof, shall file
18 a report of any suspicious transaction with the Director of the
19 Division of Gaming Enforcement. For the purposes of P.L.1999,
20 c.352 (C.5:12-129.1 et al.), "suspicious transaction" means the
21 acceptance of cash **[or]** ~~the redeeming of chips or markers or~~
22 ~~other cash equivalents, or a payment to establish credits in an~~
23 ~~Internet wagering account~~ involving or aggregating \$5,000 if the
24 licensee or person knows or suspects that the transaction:

25 a. involves funds derived from illegal activities or is intended
26 or conducted in order to conceal or disguise funds or assets derived
27 from illegal activities;

28 b. is part of a plan to violate or evade any law or regulation or
29 to avoid any transaction reporting requirement under the law or
30 regulations of this State or the United States, including a plan to
31 structure a series of transactions to avoid any transaction reporting
32 requirement under the laws or regulations of this State or the United
33 States; or

34 c. has no business or other apparent lawful purpose or is not
35 the sort of transaction in which a person would normally be
36 expected to engage and the licensee or person knows of no
37 reasonable explanation for the transaction after examining the
38 available facts, including the background and possible purpose of
39 the transaction.

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

41

42 9. (New section) There is hereby imposed an annual tax on
43 Internet wagering gross revenues in the amount of ²**[20%]** ³**[15%²]**
44 ^{8%}³ of such gross revenues which shall be paid into the casino
45 revenue fund. The 8% tax on casino gross revenues shall not apply
46 to Internet wagering gross revenues. The investment alternative tax
47 established by section 3 of P.L.1984, c.218 (C.5:12-144.1) shall

1 apply to Internet wagering gross revenues, except that the
 2 investment alternative tax on these revenues shall be ³[5%] 30%³
 3 and the investment alternative shall be ³[2.5%] 15%³, with the
 4 proceeds thereof used as provided in that section, and except that
 5 the ²[Legislature, by law, shall annually appropriate] ³[the]³
 6 Casino Reinvestment Development Authority may allocate² a
 7 percentage of the amount of ²that² tax generated by Internet
 8 wagering to the New Jersey Racing Commission to be used for the
 9 benefit of the horse racing industry, including but not limited to the
 10 augmentation of purses ³; provided that the allocation to the New
 11 Jersey Racing Commission for the benefit of the horse racing
 12 industry shall cease one State fiscal year after wagering on sports
 13 events is implemented in this State. Following one State fiscal year
 14 after wagering on sports events is implemented in this State, or five
 15 State fiscal years after the provisions of P.L. , c. (pending before
 16 the Legislature as this bill) are implemented, whichever occurs
 17 sooner, the investment alternative tax on Internet wagering gross
 18 revenues imposed pursuant to this section shall be 10% and the
 19 investment alternative shall be 5%³.

20

21 10. (New section) The Casino Control Commission may
 22 establish a Division of Internet Wagering to which it may delegate
 23 authority for the administration of Internet wagering conducted by
 24 casino licensees. The division shall be responsible for
 25 recommending regulations concerning Internet wagering for
 26 consideration and possible adoption by the commission. Nothing
 27 contained in this section shall be construed as affecting the
 28 authority of the Division of Gaming Enforcement with respect to all
 29 casino gaming activities, including Internet wagering. The
 30 commission and the division shall adopt regulations for the
 31 implementation and conduct of Internet wagering that are consistent
 32 with regulations governing casino gambling generally.

33

34 11. (New section) Internet wagering in this State shall be
 35 subject to the provisions of, and preempted and superseded by, any
 36 applicable federal law.

37 Internet wagering in this State shall be deemed to take place
 38 where a casino's server is located in Atlantic City regardless of the
 39 player's physical location within this State ³[or outside of the
 40 United States]²³.

41

42 12. (New section) a. No Internet wagering shall be opened to
 43 the public, and no gaming, except for test purposes, may be
 44 conducted therein, until a casino licensee with a valid operation
 45 certificate receives from the commission a permit to conduct
 46 Internet wagering. Such permit, valid for one year, shall be issued
 47 by the commission upon a finding that the Internet wagering

1 complies in all respects with the requirements of this act,
2 P.L. , c. (pending before the Legislature as this bill) and
3 regulations promulgated hereunder, that the casino licensee has
4 implemented necessary management controls and security
5 precautions for the efficient operation of Internet wagering, that
6 casino personnel having duties relating to Internet wagering are
7 licensed for the performance of their respective responsibilities, and
8 that the licensee is prepared in all respects to receive and entertain
9 the public.

10 b. The permit shall include an itemized list by category and
11 number of the authorized games offered through Internet wagering.

12 c. A casino licensee shall, in accordance with regulations
13 promulgated by the commission, file any changes in the number of
14 authorized games featured through Internet wagering with the
15 commission and the division.

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

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

35 f. Notwithstanding subsections a. and e. of this section, an
36 Internet wagering permit shall remain in force only if the casino
37 licensee that holds the permit also holds a valid operation
38 certificate.

39

40 13. (New section) a. The entire Internet wagering operation,
41 including facilities, equipment and personnel, shall be located
42 within a restricted area on the premises of the casino hotel or in a
43 secure facility inaccessible to the public and specifically designed
44 for that purpose off the premises of a casino hotel but within the
45 territorial limits of Atlantic '【County】 City', New Jersey.

46 b. Facilities used to conduct and support Internet wagering
47 shall:

1 (1) be arranged in a manner promoting optimum security for
2 Internet wagering;

3 (2) include a closed circuit visual monitoring system according
4 to specifications approved by the commission, with access on the
5 licensed premises to the system or its signal provided to the
6 commission or the division;

7 (3) not be designed in any way that might interfere with the
8 ability of the commission or the division to supervise Internet
9 wagering operations; and

10 (4) comply in all respects with regulations of the commission
11 pertaining thereto.

12

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

30 (1) accounting controls, including the standardization of forms
31 and definition of terms to be utilized in the wagering operations;

32 (2) procedures, forms, and, where appropriate, formulas
33 covering the calculation of hold percentages; revenue drop; expense
34 and overhead schedules; complimentary services; and cash
35 equivalent transactions;

36 (3) job descriptions and the system of personnel and chain-of-
37 command, establishing a diversity of responsibility among
38 employees engaged in Internet wagering operations and identifying
39 primary and secondary supervisory positions for areas of
40 responsibility; salary structure; and personnel practices;

41 (4) procedures for the establishment of wagering accounts,
42 including a procedure for authenticating the age of the applicant for
43 a wagering account;

44 (5) procedures for the termination of a wagering account by the
45 account holder and the return of any remaining funds in the
46 wagering account to the account holder;

47 (6) procedures for the termination of a dormant account;

48 (7) procedures for the logging in and authentication of a

1 wagering account holder in order to enable the holder to commence
2 Internet wagering, and the logging off of the holder of the wagering
3 account when the account holder has finished gaming, including a
4 procedure to automatically log off the holder after a specified
5 period of inactivity;

6 (8) procedures for the crediting and debiting of wagering
7 accounts;

8 (9) procedures for the cashing of checks to establish credit in a
9 wagering account; the receipt and security of cash to establish credit
10 in a wagering account, whether such cash is received by wire
11 transfer, advance on a credit card or debit card or by other
12 electronic means approved by the commission; and receipt of other
13 electronic negotiable instruments approved by the commission to
14 establish credit in a wagering account;

15 (10) procedures for the withdrawal of funds from a wagering
16 account by the account holder;

17 (11) the redemption of chips, tokens or other cash equivalents
18 used in gaming and the pay-off of jackpots;

19 (12) the recording of transactions pertaining to Internet
20 wagering;

21 (13) procedures for the security of information and funds in a
22 wagering account;

23 (14) procedures for the transfer of funds from wagering accounts
24 to the counting process;

25 (15) procedures and security for the counting and recordation of
26 revenue;

27 (16) procedures for the security of Internet wagering facilities
28 within a restricted area on the premises of the casino hotel or in a
29 secure facility inaccessible to the public and specifically designed
30 for that purpose off the premises of a casino hotel but within the
31 territorial limits of Atlantic '[County] City', New Jersey;

32 (17) procedures and security standards for the handling and
33 storage of software, computers and other electronic equipment used
34 to conduct Internet wagering;

35 (18) procedures and security standards to protect software,
36 computers and other gaming equipment used to conduct Internet
37 wagering from tampering by casino employees or any other person,
38 from a location inside or outside of the casino hotel facility;

39 (19) procedures for responding to tampering with software,
40 computers and other gaming equipment used to conduct Internet
41 wagering or any gaming-related equipment or hardware used in
42 support of gaming, including partial or complete suspension of
43 Internet wagering operations or the suspension of any or all
44 wagering accounts when warranted; and

45 (20) procedures to assist problem and compulsive gamblers.

46 b. Each casino licensee shall also submit a description of its
47 system of internal procedures and administrative and accounting
48 controls for non-gaming operations regarding the website on which

1 Internet wagering is accessed and a description of any changes
2 thereto no later than five days after those operations commence or
3 after any change in those procedures or controls takes effect.

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

18 d. It shall be lawful for a casino licensee to provide marketing
19 information by means of the Internet to players engaged in Internet
20 wagering and to offer those players incentives to visit the licensee's
21 casino in Atlantic City.

22
23 15. (New section) a. An Internet wagering account shall be in
24 the name of a natural person and may not be in the name of any
25 beneficiary, custodian, joint trust, corporation, partnership or other
26 organization or entity.

27 b. An account may be established by a person submitting an
28 application form approved by the commission along with proof of
29 age. The commission shall specify by regulation what types of
30 proof are sufficient to authenticate age and residency in this State
31 ³[²or outside of the United States²]³. The application form shall
32 include the address of the principal residence of the prospective
33 account holder, an electronic mail address of the prospective
34 account holder and a statement that a false statement made in regard
35 to an application may subject the applicant to prosecution.

36 c. As part of the application process, the casino licensee shall
37 provide the prospective account holder with a password to access
38 the wagering account, or shall establish some other mechanism
39 approved by the commission to authenticate the player as the holder
40 of a wagering account and allow the holder access to the Internet
41 wagering account.

42 d. The prospective account holder shall submit the completed
43 application to the casino licensee. The licensee may accept or reject
44 an application after receipt and review of the application and proof
45 of age for compliance with this act, P.L. , c. (C.) (pending
46 before the Legislature as this bill).

47 e. Any prospective account holder who provides false or
48 misleading information on the application is subject to rejection of

- 1 the application or cancellation of the account by the casino licensee.
- 2 f. The licensee shall have the right to suspend or close any
- 3 wagering account at its discretion.
- 4 g. Any person on the list established by section 71 of P.L.1977,
- 5 c.110 (C.5:12-71) of persons who are to be excluded or ejected
- 6 from any licensed casino shall not be entitled to maintain a
- 7 wagering account.
- 8 h. Any of the following persons shall not be permitted to
- 9 maintain a wagering account:
- 10 (1) the Governor ¹or Lieutenant Governor¹;
- 11 (2) any State officer or employee or special State officer or
- 12 employee;
- 13 (3) any member of the Judiciary;
- 14 (4) any member of the Legislature;
- 15 (5) any officer of Atlantic City; or
- 16 (6) any casino employee, casino key employee or principal
- 17 employee of a casino licensee.
- 18 i. The address provided by the applicant in the application
- 19 shall be deemed the proper address for the purposes of mailing
- 20 checks, account withdrawals, notices and other materials.
- 21 j. A wagering account shall not be assignable or otherwise
- 22 transferable.
- 23 k. The casino licensee may at any time declare all or any part
- 24 of Internet wagering to be closed for wagering.
- 25
- 26 16. (New section) a. Credits to an Internet wagering account
- 27 shall not be made except as provided by this subsection.
- 28 (1) The wagering account holder's deposits to the wagering
- 29 account shall be submitted by the account holder to the casino
- 30 licensee and shall be in the form of one of the following:
- 31 (a) cash given to the casino licensee;
- 32 (b) check, money order, negotiable order of withdrawal, or wire
- 33 or electronic transfer, payable and remitted to the casino licensee;
- 34 (c) charges made to an account holder's debit or credit card
- 35 upon the account holder's direct and personal instruction, which
- 36 instruction may be given by telephone communication or other
- 37 electronic means to the casino licensee by the account holder if the
- 38 use of the card has been approved by the casino licensee; or
- 39 (d) any other method approved by the commission.
- 40 (2) When an account holder wins an account wager on a game,
- 41 the casino licensee shall pay to the holder Internet chips or tokens
- 42 or other cash equivalents in the appropriate amount pursuant to the
- 43 rules of that game for that particular type of wager. When the
- 44 account holder logs off or cashes out the Internet chips, tokens or
- 45 other cash equivalents, the casino licensee shall credit the holder's
- 46 wagering account in the amount of Internet chips, tokens or other
- 47 cash equivalents cashed in.

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

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

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

7 b. Debits to an Internet wagering account shall not be made
8 except as provided by this subsection.

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

16 (2) A casino licensee may authorize a withdrawal from a
17 wagering account when the account holder submits to the casino
18 licensee:

19 (a) proper identification;

20 (b) the correct authentication information for access to the
21 account; and

22 (c) a properly completed and executed withdrawal on a form
23 approved by the commission.

24 Upon receipt of a properly completed and executed withdrawal
25 form, and if there are sufficient funds in the account to cover the
26 withdrawal, the licensee shall send, within three business days of
27 receipt, a check payable in the amount requested to the holder at the
28 address specified in the application for the wagering account or
29 shall transmit payment to the account holder electronically as
30 approved by the commission by regulation.

31

32 17. (New section) A casino licensee may accept Internet
33 account wagers only as follows:

34 a. The account wager shall be placed directly with the casino
35 licensee by the holder of the wagering account.

36 b. The account holder placing the account wager shall provide
37 the casino licensee with the correct authentication information for
38 access to the wagering account.

39 c. A casino licensee may not accept an account wager in an
40 amount in excess of funds on deposit in the wagering account of the
41 holder placing the wager. Funds on deposit include amounts
42 credited under this act, P.L. c. (C.) (pending before the
43 Legislature as this bill), and in the account at the time the wager is
44 placed.

45 d. Only the holder of a wagering account shall place an account
46 wager.

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

8
9 19. (New section) a. The casino licensee shall establish a log in
10 procedure for a holder of a wagering account to access Internet
11 wagering. Part of the log in procedure shall be the provision by the
12 account holder of the appropriate authentication information for
13 access to the wagering account. The casino licensee shall not allow
14 an account holder to participate in gaming before logging in and
15 providing the proper authentication information to access the
16 holder's wagering account.

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

21 c. Upon logging off, the current amount of the holders' Internet
22 chips, tokens or other cash equivalents shall be credited to the
23 holder's wagering account.

24
25 20. (New section) The casino licensee shall provide to a holder
26 of a wagering account who is logged in to his or her wagering
27 account access to a display of all of the following information:

28 a. the current amount of money in the holder's account,
29 including the current amount of the holder's Internet chips, tokens
30 or other cash equivalents;

31 b. the amount of money the account holder has won or lost on
32 Internet wagering since the account was established;

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

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

41 e. the complete text of the rules of the commission regarding
42 games and the conduct of Internet wagering, pay-offs of winning
43 wagers, an approximation of the odds of winning for each wager,
44 and such other advice and information to the account holder as the
45 commission shall require.

46
47 21. (New section) In order to assist those persons who may
48 have a gambling problem, a casino licensee shall:

1 a. cause the words "If you or someone you know has a
2 gambling problem and wants help, call 1-800 GAMBLER," or some
3 comparable language approved by the commission, which language
4 shall include the words "gambling problem" and "call 1-800
5 GAMBLER," to be prominently and continuously displayed to any
6 person visiting or logged onto Internet wagering;

7 b. provide a mechanism by which a holder of a wagering
8 account may establish the following controls on wagering activity
9 through the wagering account:

10 (1) a limit on the amount of money lost within a specified period
11 of time and the length of time the holder will be unable to
12 participate in gaming if the holder reaches the established loss limit;

13 (2) a limit on the maximum amount of any single wager on any
14 game; and

15 (3) a temporary suspension of gaming through the account for
16 any number of hours or days.

17 The casino licensee shall not send gaming-related mail or
18 electronic mail to an account holder while gaming through his or
19 her wagering account is suspended. The casino licensee shall
20 provide a mechanism by which an account holder may change these
21 controls, except that while gaming through the wagering account is
22 suspended, the account holder may not change gaming controls
23 until the suspension expires, but the holder shall continue to have
24 access to the account and shall be permitted to withdraw funds from
25 the account upon proper application therefor; and

26 c. establish a system by which a holder of a wagering account
27 who sustains continuous losses of a sufficient level according to
28 standards set by the commission by regulation, will have sent to his
29 or her postal address and electronic mail address a list detailing all
30 gaming winnings and losses through the wagering account, contact
31 information for assistance with identifying a potential gambling
32 problem and other information about gambling problems and
33 compulsive gambling deemed appropriate by the commission.
34

35 22. (New section) a. Except as provided in this section, no
36 casino licensee or any person licensed under P.L.1977, c.110
37 (C.5:12-1 et seq.) and no person acting on behalf of, or under any
38 arrangement with, a casino licensee or other person licensed under
39 P.L.1977, c.110, shall:

40 (1) cash any check, make any loan, or otherwise provide credit
41 to any person for the purpose of crediting an Internet wagering
42 account; or

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

1 b. Notwithstanding section 101 of P.L.1977, c.110 (C.5:12-
2 101), no casino licensee or any person licensed under P.L.1977,
3 c.110 (C.5:12-1 et seq.) and no person acting on behalf of, or under
4 any arrangement with, a casino licensee or other person licensed
5 under P.L.1977, c.110, may accept a check, other than a recognized
6 traveler's check or other cash equivalent from any person for the
7 purpose of crediting an Internet wagering account unless:

8 (1) the check is made payable to the casino licensee;

9 (2) the check is dated, but not postdated;

10 (3) the check is transmitted to the casino licensee and received
11 by the licensee in a manner approved by the commission and is
12 exchanged for credits on the Internet wagering account established
13 by the drawer of the check; and

14 (4) the regulations concerning check cashing procedures are
15 observed by the casino licensee and its employees and agents.

16
17 23. (New section) Any person who offers games into play or
18 displays such games through Internet wagering without approval of
19 the commission to do so is guilty of a crime of the fourth degree
20 and notwithstanding the provisions of N.J.S.2C:43-3, shall be
21 subject to a fine of not more than \$25,000 and in the case of a
22 person other than a natural person, to a fine of not more than
23 \$100,000 and any other appropriate disposition authorized by
24 subsection b. of N.J.S.2C:43-2.

25
26 24. (New section) a. Notwithstanding section 46 of P.L.1991,
27 c.182 (C.5:12-113.1), any person who knowingly tampers with
28 software, computers or other equipment used to conduct Internet
29 wagering to alter the odds or the payout of a game or disables the
30 game from operating according to the rules of the game as
31 promulgated by the commission is guilty of a crime of the third
32 degree and notwithstanding the provisions of N.J.S.2C:43-3, shall
33 be subject to a fine of not more than \$50,000 and in the case of a
34 person other than a natural person, to a fine of not more than
35 \$200,000 and any other appropriate disposition authorized by
36 subsection b. of N.J.S.2C:43-2.

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

41 c. In addition to the penalties provided in subsection a., a
42 casino licensee that violates this section shall have its permit to
43 conduct Internet wagering revoked and shall be subject to such
44 further penalty as the commission deems appropriate.

45
46 25. (New section) a. Any person who knowingly offers or
47 allows to be offered any Internet game that has been tampered with
48 in a way that affects the odds or the payout of a game or disables

1 the game from operating according to the rules of the game as
2 promulgated by the commission is guilty of a crime of the third
3 degree and notwithstanding the provisions of N.J.S.2C:43-3, shall
4 be subject to a fine of not more than \$50,000 and in the case of a
5 person other than a natural person, to a fine of not more than
6 \$200,000 and any other appropriate disposition authorized by
7 subsection b. of N.J.S.2C:43-2.

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

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

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

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

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

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

37 c. In addition to the penalties provided in subsection a. of this
38 section, a casino licensee that violates the provisions of this section
39 more than once shall have its permit to conduct Internet wagering
40 revoked.

41
42 27. (New section) a. The commission shall, by regulation,
43 establish annual fees for the issuance or renewal of Internet
44 wagering permits. The issuance fee shall be based upon the cost of
45 investigation and consideration of the license application and shall
46 be not less than \$200,000. The renewal fee shall be based upon the
47 cost of maintaining enforcement, control and regulation of Internet
48 wagering operations and shall be not less than \$100,000.

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

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

10 d. In addition to the permit issuance and renewal fees, a casino
11 licensee with an Internet wagering permit shall pay annually to the
12 commission \$100,000 to be deposited into the State General Fund
13 for appropriation by the Legislature to the Department of ²[Health
14 and Senior] Human² Services, \$85,000 of which shall be allocated
15 to the Council on Compulsive Gambling of New Jersey and \$15,000
16 of which shall be used for compulsive gambling treatment programs
17 in the State.
18

19 ¹[28. Notwithstanding the provisions of any other law to the
20 contrary, the Casino Control Commission and the New Jersey
21 Racing Commission may, jointly, authorize casino licensees to enter
22 into agreements with racetrack permitholders for the operation of
23 terminals at racetracks on which individuals who have registered to
24 participate in Internet wagering may wager on games conducted at
25 casinos in Atlantic City. Terminals located at racetracks pursuant
26 to this section may be identical in appearance to slot machines
27 located at casinos.]¹
28

29 ¹[29.] 28.¹ This act shall take effect immediately.

SENATE BILL NO. 490
(Third Reprint)

To the Senate:

Pursuant to Article V, Section I, Paragraph 14 of the New Jersey Constitution, I am returning Senate Bill No. 490 (Third Reprint) without my approval.

This bill amends the "Casino Control Act" to authorize Internet gambling through Atlantic City casinos under certain circumstances, and would require the Casino Control Commission to establish a regulatory scheme for casinos and bettors. Under the bill's provisions, all equipment, computers, servers, monitoring rooms, and hubs used by casino licensees to conduct Internet gambling must be located in Atlantic City and every wager on a casino game made over the Internet, regardless of where the wager actually originated, will be deemed to have been made within the territorial limits of Atlantic City. The bill also levies an annual 8% tax on Internet wagering gross revenues and sets the investment alternative tax and the investment alternative at 30% and 15%, respectively. Finally, the bill authorizes the Casino Reinvestment Development Authority (CRDA) to allocate a portion of Internet gambling tax proceeds to the New Jersey Racing Commission to subsidize horseracing purses and for other related purposes.

Without question, casino gaming is a vital component of the State's economy and one of our most important industries, generating billions in revenues and providing tens of thousands of jobs. Since the earliest days of my Administration, I have stressed the urgent need to address the critical issues surrounding the casino industry and to reverse the trend of economic contraction in that sector of our economy. Last year, in a joint effort with the Legislature, my Administration embarked on a comprehensive initiative to bring significant reforms to revitalize the industry and set a new course for economic growth and job creation. Long-term, meaningful reforms have been effectuated

through the enactment of P.L. 2011, c.18 (S-11) and P.L. 2011, c.19 (S-12). I am confident that these measures will create the impetus for new investment and increased tourism that will lead to Atlantic City recapturing its status as the premier resort destination in our region of the nation.

While I support the intentions of the Legislature to make New Jersey a more competitive gaming jurisdiction and to enhance the financial viability of the casino industry, I have a number of significant concerns about this bill. First, I am concerned that the bill will lead to expanding casino gambling outside of the territorial limits of Atlantic City in a manner that is contrary to the public's sentiment with regard to these activities. Moreover, certain provisions set forth in this legislation are not consistent with my Administration's policy objectives, such as the continuation of public subsidies for horseracing. Finally, there are several significant legal obstacles that pose major impediments to the implementation of Internet gambling in New Jersey as contemplated by this bill. As such, I cannot approve the bill in its present form.

While I do not believe that it was the sponsors' intention, S-490 conflicts with important public policy objectives of my Administration. S-490 is designed to foster convenience gambling by permitting people to wager at a time and place of their choosing. However, nothing contained in the legislation would prohibit commercial establishments outside of Atlantic City such as nightclubs, bars, restaurants, cafes and amusement parks from offering Internet gambling opportunities in order to attract patrons or customers, potentially leading to the creation of commercial gambling locations outside of Atlantic City. The people of New Jersey previously rejected the notion of statewide casino gambling. Legalized gambling was limited to the borders of Atlantic City to improve the economy of the region by bolstering the tourism industry and attracting visitors, tourists and

conventioners to the City. As such, I am concerned that this bill may undermine this State's well-settled policy behind limiting casino gambling to Atlantic City.

Moreover, rather than requiring that the revenue generated from Internet gaming be used for general purposes, for Atlantic City redevelopment or to assist senior or disabled citizens, the bill requires that the revenue be used to subsidize horseracing purses. My Administration is committed to making horseracing a self-sustaining industry without State subsidy. Therefore, I cannot support this aspect of the bill.

Regrettably, I do not believe that Internet gambling as contemplated in S-490 is a viable option for continuing the progress that we have made in reversing the fortunes of the casino industry in New Jersey. After much deliberation, I do not believe that Internet gambling established in this bill is consistent with my Administration's commitment to Atlantic City, nor do I believe that it would survive judicial scrutiny under the State Constitution unless approved directly by the voters by public referendum.

The State Constitution explicitly requires casino gambling to be restricted to the territorial limits of Atlantic City. Senate Bill No. 490 seeks to avoid this requirement by deeming all Internet wagers as being placed in Atlantic City, even if the person placing the bet is outside of the boundaries of the City. In my view, the creation of a legal fiction deeming all wagers to have 'originated' in Atlantic City cannot overcome the clear and unambiguous language of the State Constitution.

This plain text reading of the State Constitution is confirmed by the history of legalized gambling in New Jersey. The people of New Jersey voted by referendum to permit casino gambling in Atlantic City in 1976. Significantly, this referendum allowing casino gambling in one location within the State came just two

years after the people rejected a referendum that would have authorized statewide casino gambling.

The expansion of gambling in New Jersey has been slow and cautious. The public has expressed concerns regarding the potential ills associated with gambling and has demanded that gambling be closely scrutinized and regulated to ensure that it is administered in a fair and legitimate manner. This public sentiment has resulted in an established line of court rulings that have consistently required direct voter approval for each new form of gambling introduced in this State.

My Administration is committed to the revitalization of Atlantic City and ensuring that the casino industry remains strong and competitive. Any effort to expand casino gambling outside of Atlantic City must be supported by referendum and, if the Legislature believes that expanding gambling outside of Atlantic City is in the best interests of the State of New Jersey, it should place the question on the ballot for the voters to decide.

Accordingly, I herewith return Senate Bill No. 490 (Third Reprint) without my approval.

Respectfully,
/s/ Chris Christie
Governor

[seal]

Attest:

/s/ Jeffrey S. Chiesa
Chief Counsel to the Governor

**ASSEMBLY SUBSTITUTE FOR
ASSEMBLY BILL NO. 2578**

To the General Assembly:

The Assembly Substitute for Assembly Bill No. 2578 would revise and supplement the "Casino Control Act" to authorize Internet gaming through the licensed casinos operating in Atlantic City. This bill represents an important policy decision for the residents of New Jersey, and an historic opportunity to continue the State's leadership as a premiere destination for tourism and entertainment. Such a significant step must be carefully considered, balancing the benefits of job creation, economic development, and the continued revitalization of Atlantic City against the risks of addiction, corruption, and improper influence. It is my responsibility as Governor to make these determinations, always mindful of my duty to guarantee the continued welfare of our families, our neighbors, and the future generations who will call our State home.

With these goals in mind, I have concluded that now is the time for our State to move forward, again leading the way for the nation, by becoming one of the first States to permit Internet gaming. I authorize this step towards modernizing Atlantic City's entertainment attractions cautiously, with carefully constructed limitations that will ensure the highest integrity and the most robust oversight. Accordingly, pursuant to Article V, Section I, Paragraph 14 of the New Jersey Constitution, I am returning the Assembly Substitute for Assembly Bill No. 2578 with my recommendations for reconsideration.

The importance of the gaming and tourism industries in New Jersey cannot be overstated. Together, these businesses, and the tens of thousands of workers they employ, serve as a constant, critical engine of economic development. Since the first days of my Administration, I have stressed the need to confront the complex challenges threatening Atlantic City's unrivaled combination of natural seaside beauty, world-class attractions, and easy access from around the world. For these reasons, one of my earliest acts as Governor was to establish an Advisory Commission on Gaming, Sports and Entertainment to study the issues and to develop a comprehensive approach to preserving Atlantic City's stature as a premier resort destination. Through this effort, and working in collaboration with the Legislature, my Administration has implemented broad-based reforms to reinvigorate Atlantic City and create opportunities for economic growth in the region.

For example, in 2011, I signed into law the landmark legislation establishing a Tourism District in Atlantic City as the framework to launch comprehensive initiatives aimed at addressing blight and public safety. The Tourism District law has already led to a \$30 million marketing plan and the realignment of State gaming agencies to minimize bureaucracy while enhancing oversight. That same year, I signed a second bill into law enacting the most comprehensive overhaul of the State's casino regulations since 1977. This reform eliminated many significantly outdated regulatory burdens, allowing the casino industry to reinvest and redevelop throughout the Tourism District.

While still in their infancy, these initiatives have begun to take hold with tangible progress evident in new commercial and residential construction, demolition of blighted buildings,

investments in infrastructure, and an infusion of capital investment in new entertainment venues, convention facilities, retail and shopping attractions, and casinos. Our efforts have also led to the adoption of a Master Plan for the Tourism District, the establishment of a public safety task force, the formation of a Tourism Advisory Commission, and the creation of the Atlantic City Alliance to coordinate the collective marketing efforts of the casino industry.

Nonetheless, while these initiatives show that our shared commitment to the future of Atlantic City is bearing fruit, it is clear that much more work needs to be done. Since New Jersey took its first steps to authorize gaming in 1976, our State has been at the forefront of casino entertainment. Some experts predict that Internet gaming will infuse new opportunities and new development into Atlantic City, providing a mechanism to expand the State's already strong gaming options to a modern platform. Others caution that this type of convenience gaming will lead to declines in tourism, and a loss of visitors to the region. Moreover, important questions linger regarding what social impacts will follow the extension of casino wagering across the Internet. All of these issues counsel in favor of a narrowly tailored approach to Internet gaming that preserves the unique character of Atlantic City, while also embracing the tools that can reverse the trend of economic contraction in the State's gaming and tourism industries. Indeed, our State has a long history of sparingly granting the authorization for gambling, and only with the oversight and regulation that ensures entertainment does not descend into addiction.

Accordingly, I recommend that New Jersey's first Internet gaming law grant the Division of Gaming Enforcement in the Department of Law and Public Safety wide latitude and authority

to establish a regulatory framework that provides for the most effective controls, monitoring, and supervision. Moreover, I believe that Internet gaming should be developed in an open and transparent manner, free from suspicion of self-dealing and improper influence. I therefore recommend changes to this bill that will extend the existing prohibitions on casino-related employment for State employees and State legislators to Internet gaming licensees, and their promoters or affiliates. In addition, I propose a sensible requirement that State elected officials promptly disclose their past and present representation of entities seeking or holding Internet gaming licensees.

Next, the bill should be revised to do more to prevent the documented harms that can accompany excessive gambling. Our State cannot carelessly create a new generation of addicted gamers, sitting in their homes, using laptops or iPads, gambling away their salaries and their futures. For this reason, I recommend an enhanced level of funding for compulsive gambling treatment programs and additional financial support for other beneficial purposes for which casino gaming was originally authorized. I also recommend an annual analysis of the potential problems and harms associated with these new games to be undertaken at the expense of Internet gaming licensees.

Finally, I believe that Internet gaming in New Jersey should be carefully studied and periodically revisited. I recommend that this law authorizing Internet gaming in New Jersey sunset after a period of ten years, giving future leaders the perspective and opportunity to revise and renew Internet gaming as appropriate. Taken together, these recommendations will provide the balance of opportunity and oversight that has characterized gaming in New Jersey for more than three decades.

Like all of the most sensitive and significant policy matters, it is incumbent on the elected officials of this State to act with equal parts confidence and caution. In the wake of the devastating losses suffered by our residents in recent months, we must embrace new ideas to fuel our reconstruction and continued prosperity. Internet gaming should be a part of that effort. With the recommendations I propose today, we can revitalize one of our State's premier attractions, and reintroduce New Jersey and Atlantic City at the forefront of innovation and entertainment.

Accordingly, I herewith return the Assembly Substitute for Assembly Bill No. 2578 and recommend that it be amended as follows:

Page 2, Title, Line 3:

Before "and" insert
"amending P.L.1981, c.142,"

Page 4, Section 2, Lines 36-39:

Delete in their entirety

Page 4, Line 40:

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

"Authorized Game" or
"Authorized Gambling Game"
- Roulette, baccarat,
blackjack, craps, big six
wheel, slot machines,
minibaccarat, red dog,
paigow, and sic bo; any
variations or composites of
such games, provided that
such variations or
composites are found by the
division suitable for use
after an appropriate test
or experimental period
under such terms and
conditions as the division
may deem appropriate; and
any other game which is
determined by the division
to be compatible with the
public interest and to be
suitable for casino use
after such appropriate test
or experimental period as
the division may deem
appropriate. "Authorized
game" or "authorized
gambling game" includes
gaming tournaments in which

players compete against one another in one or more of the games authorized herein or by the division or in approved variations or composites thereof if the tournaments are authorized by the division. "Authorized game" or "Authorized gambling game" shall also include any game that the division may determine by regulation to be suitable for use for wagering through the Internet."

Page 4, Section 3, Line 47:

After "conducted" insert ", pursuant to rules established by the division"

Page 5, Section 5, Line 40:

After "State" insert ", as authorized by rules established by the division"

Page 5, Section 6, Line 45:

After "patrons" delete "and promotional Internet gaming credits;" and insert "."

Page 5, Section 6, Lines 46-47:

Delete in their entirety

Page 6, Section 6, Lines 1-2:

Delete in their entirety

Page 6, Section 7, Lines 4-13:

Delete in their entirety

Page 6, Line 14:

Insert new sections 7 through 11 as follows:
"7. Section 70 of P.L. 1977, c. 110 (C. 5:12-70) is amended to read as follows:

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

(1) Prescribing the methods and forms of application and registration which any applicant or registrant shall follow and complete;

(2) Prescribing the methods, procedures and form for delivery of information concerning any person's family, habits, character, associates, criminal record, business

activities and financial affairs;

(3) Prescribing such procedures for the fingerprinting of an applicant, employee of a licensee, or registrant, and methods of identification which may be necessary to accomplish effective enforcement of restrictions on access to the casino floor, the simulcasting facility, and other restricted areas of the casino hotel complex;

(4) Prescribing the method of notice to an applicant, registrant or licensee concerning the release of any information or data provided to the commission or division by such applicant, registrant or licensee;

(5) Prescribing the manner and procedure of all hearings conducted by the division or any hearing examiner, including special rules of evidence applicable thereto and notices thereof;

(6) Prescribing the manner and method of collection of payments of taxes, fees, and penalties;

(7) Defining and limiting the areas of operation, the rules of authorized games, including games played upon and wagered through the Internet, odds, and devices permitted, and the method of operation of such games and devices;

(8) Regulating the practice and procedures for negotiable transactions involving patrons, including limitations on the circumstances and amounts of such transactions, and the establishment of forms and procedures for negotiable instrument transactions, redemptions, and consolidations;

(9) Prescribing grounds and procedures for the revocation or suspension of

operating certificates,
licenses and registrations;

(10) Governing the
manufacture, distribution,
sale, deployment, and
servicing of gaming devices
and equipment;

(11) Prescribing for
gaming operations the
procedures, forms and
methods of management
controls, including
employee and supervisory
tables of organization and
responsibility, and minimum
security and surveillance
standards, including
security personnel
structure, alarm and other
electrical or visual
security measures;
provided, however, that the
division shall grant an
applicant for a casino
license or a casino
licensee broad discretion
concerning the organization
and responsibilities of
management personnel who
are not directly involved
in the supervision of
gaming or simulcast
wagering operations;

(12) Prescribing the
qualifications of, and the
conditions pursuant to
which, engineers,
accountants, and others
shall be permitted to
practice before the
division or to submit
materials on behalf of any
applicant or licensee;
provided, however, that no
member of the Legislature,
nor any firm with which
said member is associated,
shall be permitted to
appear or practice or act
in any capacity whatsoever
before the commission or
division regarding any
matter whatsoever, nor
shall any member of the
family of the Governor or
of a member of the
Legislature be permitted to
so practice or appear in
any capacity whatsoever
before the commission or
division regarding any
matter whatsoever;

(13) Prescribing minimum
procedures for the exercise
of effective control over

the internal fiscal affairs of a licensee, including provisions for the safeguarding of assets and revenues, the recording of cash and evidence of indebtedness, and the maintenance of reliable records, accounts, and reports of transactions, operations and events, including reports to the division;

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

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

(16) Governing the gaming-related advertising of casino licensees, their employees and agents, with the view toward assuring that such advertisements are in no way deceptive; provided, however, that such regulations shall require the words "Bet with your head, not over it," or some comparable language approved by the division, to appear on all billboards, signs, and other on-site advertising of a casino operation and

shall require the words "If you or someone you know has a gambling problem and wants help, call 1-800 GAMBLER," or some comparable language approved by the division, which language shall include the words "gambling problem" and "call 1-800 GAMBLER," to appear legibly on all print, billboard, and sign advertising of a casino operation; and

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

(18) Concerning the distribution and consumption of alcoholic beverages on the premises of the licensee, which regulations shall be insofar as possible consistent with Title 33 of the Revised Statutes, and shall deviate only insofar as necessary because of the unique character of the hotel casino premises and operations;

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

b. The commission shall, in its regulations, prescribe the manner and procedure of all hearings conducted by the commission, including special rules of evidence applicable thereto and notices thereof.

8. (New section) Reports regarding the impact of gaming through the Internet.

The division shall annually cause a report to be prepared and distributed to the Governor on the impact of Internet gaming on problem gamblers and gambling addiction in New Jersey. The report shall be prepared by a private organization or entity with expertise in serving the needs of persons with gambling addictions, which organization or entity shall be selected by the division. The report shall be prepared and distributed under the supervision of,

and in coordination with, the division. Any costs associated with the preparation and distribution of the report shall be borne by casino licensees who have been authorized by the division to conduct Internet gaming and the division shall be authorized to assess a fee against such licensees for these purposes. The division may also report periodically to the Governor on the effectiveness of the statutory and regulatory controls in place to ensure the integrity of gaming operations through the Internet.

9. Section 43 of P.L. 2011, c.19 (C.5:12-74.1) is amended to read as follows:

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

b. All information and data pertaining to an applicant's criminal record, family, and background furnished to or obtained by the division or the commission from any source shall be considered confidential and shall be withheld in whole or in part, except that any information shall be

released upon the lawful order of a court of competent jurisdiction or, with the approval of the Attorney General, to a duly authorized law enforcement agency.

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

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

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

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

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

(4) A list of the premises and the nature of improvements, costs thereof and the payees for all such

improvements, which were the subject of an investment required and allowed pursuant to section 144 of P.L.1977, c.110 (C.5:12-144) and section 3 of P.L.1984, c.218 (C.5:12-144.1);

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

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

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

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

Nothing in this subsection shall be construed to limit access by the public to those forms and documents required to be filed pursuant to Article 11 of this act.

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

76. General duties and powers.

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

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

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

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

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

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

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

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

h. Initiate and decide any actions against licensees or registrants for violation of this act or regulations promulgated hereunder, and impose

sanctions and levy and collect penalties upon finding violations;

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

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

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

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

m. Exchange fingerprint data with, and receive criminal history record information from, the Federal Bureau of Investigation for use in considering applicants for any license or registration issued pursuant to the provisions of P.L.1977, c.110 (C.5:12-1 et seq.);

n. Conduct audits of casino operations at such times, under such circumstances, and to such extent as the director shall determine, including reviews of accounting, administrative and financial records, and management control systems, procedures and records utilized by a casino licensee;

o. Request and receive information, materials and any other data from any

licensee or registrant, or applicant for a license or registration under this act; and

p. Report to the Attorney General recommendations that promote more efficient operations of the division.

q. Receive complaints from the public relating to the conduct of gaming and simulcasting operations, examine records and procedures, and conduct periodic reviews of operations and facilities for the purpose of evaluating current or suggested provisions of P.L.1977, c.110 (C.5:12-1 et. seq.) and the regulations promulgated thereunder, as the director deems appropriate;

r. Certify the revenue of any casino or simulcasting facility in such manner as the director deems appropriate;

s. Create and maintain a list of all excluded patrons;

t. Initiate and decide all actions for involuntary exclusion of patrons pursuant to section 71 of P.L.1977, c.110 (C.5:12-71);

u. Issue an operation certificate upon the commission's grant of an application for a casino license;

v. Recommend that the commission issue or revoke statements of compliance pursuant to section 81 of P.L.1977, c.110 (C.5:12-81) and the regulations promulgated thereunder;

w. Accept impact statements submitted by an applicant for a casino license pursuant to section 84 of P.L.1977, c.110 (C.5:12-84); [and]

x. Utilize, in its discretion, the services of a private entity for the purpose of expediting

criminal history record background checks required to be performed by the division pursuant to the provisions of P.L.1977, c.110 (C.5:12-1 et seq.), provided that the private entity has been awarded a contract in accordance with the public contracting laws of this State;

y. License, regulate, investigate and take any other action regarding all aspects of authorized games conducted through the Internet.

11. Section 85 of P.L. 1977 c. 110 (C. 5:12-85) is amended to read as follows:
85. Additional requirements.

a. In addition to other information required by this act, a corporation or other form of business organization applying for a casino license shall provide the following information, in such form as may be established by regulation:

(1) The organization, financial structure and nature of all businesses operated by the applicant; the names and personal employment and criminal histories of all officers, directors and such other employees of the applicant as the division may require; the names of all holding, intermediary and subsidiary companies of the applicant; and the organization, financial structure and nature of all businesses operated by such of its holding, intermediary and subsidiary companies as the division may require, including the names and personal employment and criminal histories of such corporate officers, directors and other employees of such holding, intermediary and subsidiary companies as the division may require;

(2) The rights and privileges acquired by the holders of different

classes of authorized securities of the applicant and such companies as the division may require, including the names, addresses and amounts held by all holders of such securities;

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

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

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

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

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

(8) Copies of all management and service contracts;

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

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

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

(1) If it is a corporation, register with the division and furnish

the division with all the information required of a corporate licensee as specified in subsection a. (1), (2) and (3) of this section and such other information as the division may require; or

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

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

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

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

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

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

h. Each applicant for or holder of a casino license, or any holding, intermediary and subsidiary company of an applicant for or holder of a casino license, and any affiliate thereof, and any other licensee, permit holder or vendor under P.L. 1977, c.110 (C.5:12-1 et seq.), including but not limited to an applicant or holder of any license, permit, or other approval to conduct Internet gaming, or any Internet gaming affiliate in accordance with the regulations of the division, shall provide to the division on a quarterly basis the following information with respect to games conducted through the internet:

(1) The name of any person, entity or firm to whom any payment, remuneration or other benefit or thing of value has been made or conferred for professional services, including but not limited to legal, consulting and lobbying services;

(2) The amount or value of such payments,

remuneration, benefit, or
thing of value;

(3) The date on which
such payments,
remuneration, benefit, or
thing of value were made;
and

(4) The reason or
purpose for the procurement
of such services.

Page 6, Section 8, Line 15:

Delete "8." and insert
"12."

Page 7, Section 8, Lines 22-44:

Delete in their entirety

Page 10, Section 9, Line 5:

Delete "9." and insert
"13."

Page 12, Section 9, Line 33:

Delete "Each game" and
insert "All gaming and
wagering"

Page 14, Section 9, Line 28:

Delete "All" and insert "A
casino's primary"

Page 14, Section 9, Line 28:

Delete "by a licensee"

Page 14, Section 9, Line 31:

Delete "and other"

Page 14, Section 9, Line 32:

Delete "not"

Page 14, Section 9, Line 32:

After "used" insert "on a
temporary basis pursuant to
rules established by the
division"

Page 14, Section 9, Lines 32-33:

After "may" delete ", with
the approval of the
division,"

Page 14, Section 9, Line 34:

After "Atlantic City"
insert ", provided no
Internet gaming shall occur
unless a wager is accepted
by a casino within the
territorial limits of
Atlantic City, New Jersey"

Page 15, Section 9, Line 7:

Delete "commission" and
insert "division"

Page 15, Section 9, Line 11:

Delete "confirm on a
continuous basis" and
insert "require by
regulation"

Page 16, Section 10, Line 31:

Delete "10." and insert
"14."

Page 20, Section 11, Line 8:

Delete "11." and insert
"15."

Page 21, Section 12, Line 4:

Delete "12." and insert
"16."

<u>Page 21, Section 13, Line 32:</u>	Delete "13." and insert "17."
<u>Page 21, Section 13, Line 33:</u>	Delete "10%" and insert "15%"
<u>Page 21, Section 14, Lines 42-48:</u>	Delete in their entirety
<u>Page 22, Section 14, Lines 1-5:</u>	Delete in their entirety
<u>Page 22, Section 15, Line 7:</u>	Delete "15." and insert "18."
<u>Page 22, Section 16, Line 14:</u>	Delete "16." and insert "19."
<u>Page 22, Section 16, Lines 24-48:</u>	Delete in their entirety
<u>Page 23, Section 16, Lines 1-11:</u>	Delete in their entirety and insert "by the division."
<u>Page 23, Section 17, Line 13:</u>	Delete "17." and insert "20."
<u>Page 23, Section 17, Line 13:</u>	Delete "The entire" and insert "A casino's primary"
<u>Page 23, Section 17, Line 17:</u>	Delete "Backup and other"
<u>Page 23, Section 17, Lines 18-20:</u>	Delete in their entirety and insert "Backup equipment used on a temporary basis pursuant to rules established by the division to conduct Internet gaming may, with the approval of the division, be located outside the territorial limits of Atlantic City, provided no internet gaming shall occur unless a wager is accepted by a casino within the territorial limits of Atlantic City, New Jersey."
<u>Page 23, Section 17, Line 27:</u>	Delete "commission or the"
<u>Page 23, Section 18, Lines 33-48:</u>	Delete in their entirety
<u>Page 24, Section 18, Lines 1-48:</u>	Delete in their entirety
<u>Page 25, Section 18, Lines 1-39:</u>	Delete in their entirety
<u>Page 25, Section 19, Lines 41-48:</u>	Delete in their entirety
<u>Page 26, Section 19, Lines 1-42:</u>	Delete in their entirety
<u>Page 26, Section 20, Lines 44-48:</u>	Delete in their entirety
<u>Page 27, Section 20, Lines 1-47:</u>	Delete in their entirety
<u>Page 28, Section 23, Lines 25-39:</u>	Delete in their entirety
<u>Page 28, Section 24, Lines 41-48:</u>	Delete in their entirety
<u>Page 29, Section 24, Lines 1-13:</u>	Delete in their entirety

<u>Page 29, Section 25, Line 15:</u>	Delete "25." and insert "23."
<u>Page 29, Section 26, Lines 43-48:</u>	Delete in their entirety
<u>Page 30, Section 26, Lines 1-22:</u>	Delete in their entirety
<u>Page 30, Section 27, Line 24:</u>	Delete "27." and insert "24."
<u>Page 30, Section 28, Line 33:</u>	Delete "28." and insert "25."
<u>Page 31, Section 29, Line 6:</u>	Delete "29." and insert "26."
<u>Page 31, Section 30, Lines 25-48:</u>	Delete in their entirety
<u>Page 32, Section 31, Line 1:</u>	Delete "31." and insert "27."
<u>Page 32, Section 31, Line 5:</u>	Delete "\$200,000" and insert "\$400,000"
<u>Page 32, Section 31, Line 7:</u>	Delete "\$150,000" and insert "\$250,000"
<u>Page 32, Section 31, Line 19:</u>	Delete "\$150,000" and insert "\$250,000"
<u>Page 32, Section 31, Line 21:</u>	Delete "\$85,000" and insert "\$140,000"
<u>Page 32, Section 31, Line 22:</u>	Delete "\$65,000" and insert "\$110,000"
<u>Page 32, Section 32, Line 25:</u>	Delete "32." and insert "28."
<u>Page 32, Section 33, Line 39:</u>	Delete "33." and insert "29."
<u>Page 32, Section 33, Line 47:</u>	Delete "an interstate compact" and insert "a reciprocal agreement"
<u>Page 33, Section 34, Line 1:</u>	Delete "34." and insert "30."
<u>Page 33, Section 35, Lines 3-44:</u>	Delete in their entirety
<u>Page 33, Section 36, Lines 46:</u>	Delete "36." And insert "31."
<u>Page 35, Section 37, Line 16:</u>	Delete "37." and insert "32."
<u>Page 41, Section 38, Line 14:</u>	Delete "38." and insert "33."
<u>Page 41, Section 39, Line 19:</u>	Delete "39." and insert "34."
<u>Page 41, Section 40, Lines 32-47:</u>	Delete in their entirety and insert "35. Section 4 of P.L.1981, c.142 (C.52:13D-17.2) is amended to read as follows:

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

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

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

b. (1) No State officer or employee, nor any person, nor any member of the immediate family of any State officer or employee, or person, nor any partnership, firm or corporation with which any such State officer or employee or person is associated or in which he has an interest, nor any partner, officer, director or employee while he is associated with such partnership, firm, or corporation, shall hold, directly or indirectly, an

interest in, or hold employment with, or represent, appear for, or negotiate on behalf of, any holder of, or applicant for, a casino license, in connection with any cause, application, or matter, except as provided in section 3 of P.L.2009, c.26 (C.52:13D-17.3), and except that (1) a State officer or employee other than a State officer or employee included in the definition of person, and (2) a member of the immediate family of a State officer or employee, or of a person, may hold employment with the holder of, or applicant for, a casino license if, in the judgment of the State Ethics Commission, the Joint Legislative Committee on Ethical Standards, or the Supreme Court, as appropriate, such employment will not interfere with the responsibilities of the State officer or employee, or person, and will not create a conflict of interest, or reasonable risk of the public perception of a conflict of interest, on the part of the State officer or employee, or person. No special State officer or employee without responsibility for matters affecting casino activity, excluding those serving in the Departments of Education, Health and Senior Services, and Human Services and the Commission on Higher Education, shall hold, directly or indirectly, an interest in, or represent, appear for, or negotiate on behalf of, any holder of, or applicant for, a casino license, or any holding or intermediary company with respect thereto, in connection with any cause, application, or matter. However, a special State officer or employee without responsibility for matters affecting casino activity may hold employment directly with any holder of or applicant for a casino license or any holding or intermediary

company thereof and if so employed may hold, directly or indirectly, an interest in, or represent, appear for, or negotiate on behalf of, his employer, except as otherwise prohibited by law.

(2) No State officer or employee, nor any person, nor any member of the immediate family of any State officer or employee, or person, nor any partnership, firm or corporation with which any such State officer or employee or person is associated or in which he has an interest, nor any partner, officer, director or employee while he is associated with such partnership, firm, or corporation, shall hold, directly or indirectly, an interest in, or hold employment with, or represent, appear for, or negotiate on behalf of, or derive any remuneration, payment, benefit or any other thing of value for any services, including but not limited to consulting or similar services, from any holder of, or applicant for, a license, permit, or other approval to conduct Internet gaming, or any holding or intermediary company with respect thereto, or any Internet gaming affiliate of any holder of, or applicant for, a casino license, or any holding or intermediary company with respect thereto, or any business, association, enterprise or other entity that is organized, in whole or in part, for the purpose of promoting, advocating for, or advancing the interests of the Internet gaming industry generally or any Internet gaming-related business or businesses in connection with any cause, application, or matter, except as provided in section 3 of P.L.2009, c.26 (C.52:13D-17.3), and except that (1) a State officer or employee other than a State officer or employee included in the definition

of person, and (2) a member of the immediate family of a State officer or employee, or of a person, may hold employment with the holder of, or applicant for, a license, permit, or other approval to conduct Internet gaming, or any holding or intermediary company with respect thereto, or any Internet gaming affiliate of any holder of, or applicant for, a casino license, or any holding or intermediary company with respect thereto if, in the judgment of the State Ethics Commission, the Joint Legislative Committee on Ethical Standards, or the Supreme Court, as appropriate, such employment will not interfere with the responsibilities of the State officer or employee, or person, and will not create a conflict of interest, or reasonable risk of the public perception of a conflict of interest, on the part of the State officer or employee, or person.

c. No person or any member of his immediate family, nor any partnership, firm or corporation with which such person is associated or in which he has an interest, nor any partner, officer, director or employee while he is associated with such partnership, firm or corporation, shall, within two years next subsequent to the termination of the office or employment of such person, hold, directly or indirectly, an interest in, or hold employment with, or represent, appear for or negotiate on behalf of, any holder of, or applicant for, a casino in connection with any cause, application or matter, or any holding or intermediary company with respect to such holder of, or applicant for, a casino license in connection with any phase of casino development, permitting, licensure or any other

matter whatsoever related to casino activity, except as provided in section 3 of P.L.2009, c.26 (C.52:13D-17.3), and except that:

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

(2) an employee who is terminated as a result of a reduction in the workforce at the agency where employed, other than an employee who held a policy-making management position at any time during the five years prior to termination of employment, may, at any time prior to the end of the two-year period, accept employment with the holder of, or applicant for, a casino license if, in the judgment of the State Ethics Commission, the Joint Legislative Committee on Ethical Standards, or the Supreme Court, as appropriate, such employment will not create a conflict of interest, or reasonable risk of the public perception of a conflict of interest, on the part of the employee. In no case shall the restrictions of this subsection apply to a secretarial or clerical employee. Nothing herein contained shall alter or amend the post-employment restrictions applicable to members and employees of the Casino Control Commission and employees and agents of the Division of Gaming Enforcement pursuant to subsection e.

(2) of section 59 and to section 60 of P.L.1977, c.110 (C.5:12-59 and C.5:12-60); and

(3) any partnership, firm or corporation engaged in the practice of law or in providing any other professional services with which any person included in paragraph (1) of subsection a. of this section, or a member of the immediate family of that person, is associated, and any partner, officer, director or employee thereof, other than that person, or immediate family member, may represent, appear for or negotiate on behalf of any holder of, or applicant for, a casino license in connection with any cause, application or matter or any holding company or intermediary company with respect to such holder of, or applicant for, a casino license in connection with any phase of casino development, permitting, licensure or any other matter whatsoever related to casino activity, and that person or immediate family member shall not be barred from association with such partnership, firm or corporation, if for a period of two years next subsequent to the termination of the person's office or employment, the person or immediate family member (a) is screened from personal participation in any such representation, appearance or negotiation; and (b) is associated with the partnership, firm or corporation in a position which does not entail any equity interest in the partnership, firm or corporation. The exception provided in this paragraph shall not apply to a former Governor, Lieutenant Governor, Attorney General, member of the Legislature, person included in paragraph (2) of subsection a. of this section, or to the members of their immediate families.

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

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

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

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

of this act or the regulations of the commission.

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

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

Page 42, Section 41, Line 1:

Delete "41." and insert "36."

Page 42, Section 41, Line 1:

After "(New section)" insert "a."

Page 42, Section 41, Line 13:

After "this bill)." Insert "b. The authorization to conduct games through the Internet as provided for in P.L. c. (pending before the Legislature as this bill) shall expire 10 years following the operative date established pursuant to subsection a. of this section, unless reauthorized by law."

Page 42, Section 42, Line 15:

Delete "42." and insert
"37."

Respectfully,

/s/ Chris Christie

Governor

[seal]

Attest:

/s/Charles B. McKenna

Chief Counsel to the Governor

CHAPTER 27

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

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

C.5:12-95.17 Findings, declarations relative to Internet gaming at Atlantic City casinos.

1. The Legislature finds and declares that:

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

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

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

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

e. As recognized in the State Constitution and the Casino Control Act, as well as in P.L.2011, c.18 and P.L.2011, c.19, an important component of the State's historical and ongoing commitment to Atlantic City involves creating and maintaining a robust casino gaming industry that is capable of competing regionally, nationally, and internationally at the highest levels of quality while, at the same time, fully retaining strict State regulatory oversight to ensure the integrity of all casino gaming operations conducted in this State; and

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

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

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

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

j. Internet gaming, as defined and strictly limited in P.L.2013, c.27 (C.5:12-95.17 et al.), is unlike pari-mutuel wagering and other forms of remote gambling and will take place entirely on the servers and computer equipment located in the casino based in Atlantic City. By contrast, in off-track pari-mutuel simulcast wagering, the customer places a wager at an off-track facility, the wager is accepted by the off-track facility, as evidenced by issuance of a ticket, and any amounts paid on a winning wager are paid out and received at the off-track facility. Any rights on the part of a customer in the event of a dishonored, misdirected or other frustrated pari-mutuel wager arise against the off-track facility where the wager is placed and received, not against the remote track at which the race is run; and

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

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

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

C.5:12-5 "Authorized game" or "authorized gambling game"

5. "Authorized Game" or "Authorized Gambling Game"-- Roulette, baccarat, blackjack, craps, big six wheel, slot machines, minibaccarat, red dog, pai gow, and sic bo; any variations or composites of such games, provided that such variations or composites are found by the division suitable for use after an appropriate test or experimental period under such terms and conditions as the division may deem appropriate; and any other game which is determined by the division to be compatible with the public interest and to be suitable for casino use after such appropriate test or experimental period as the division may deem appropriate. "Authorized game" or "authorized gambling game" includes gaming tournaments in which players compete against one another in one or more of the games authorized herein or by the division or in approved variations or composites thereof if the tournaments are authorized by the division.

"Authorized game" or "Authorized gambling game" shall also include any game that the division may determine by regulation to be suitable for use for wagering through the Internet.

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

C.5:12-6 "Casino" or "casino room" or "licensed 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 division for the conduct of casino gaming in accordance with the provisions of this act, including any part of the facility where Internet gaming is conducted, pursuant to rules established by the division. "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.).

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

C.5:12-12 "Casino service industry enterprise."

12. "Casino Service Industry Enterprise" -- Any vendor offering goods or services which directly relate to casino or gaming activity or Internet gaming activity, including gaming equipment and simulcast wagering equipment manufacturers, suppliers, repairers and independent testing laboratories, or any vendor providing to casino licensees or applicants goods and services ancillary to gaming activity, including, without limitation, junket enterprises and junket representatives, holders of casino hotel alcoholic beverage control licenses, lessors of casino property not required to hold a casino license pursuant to section 82 of P.L.1977, c.110 (C.5:12-82), licensors of authorized games, and suppliers of Internet gaming software or systems, and vendors who manage, control or administer the Internet games or the bets or wagers associated with the games. Notwithstanding the foregoing, any form of enterprise engaged in the manufacture, sale, distribution, testing or repair of slot machines within New Jersey, other than antique slot machines as defined in N.J.S.2C:37-7, shall be considered a casino service industry enterprise for the purposes of this act regardless of the nature of its business relationship, if any, with casino applicants and licensees in this State.

For the purposes of this section, "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 division for a casino license or any approval required under P.L.1977, c.110 (C.5:12-1 et seq.).

C.5:12-28.1 "Internet gaming."

5. "Internet gaming" means the placing of wagers with a casino licensee at a casino located in Atlantic City using a computer network of both federal and non-federal interoperable packet switched data networks through which the casino licensee may offer authorized games to individuals who have established a wagering account with the casino licensee and who are physically present in this State, as authorized by rules established by the division.

C.5:12-28.2 "Internet gaming gross revenue."

6. "Internet gaming gross revenue" means the total of all sums actually received by a casino licensee from Internet gaming operations, less only the total of all sums actually paid out as winnings to patrons.

7. Section 70 of P.L.1977, c.110 (C.5:12-70) is amended to read as follows:

C.5:12-70 Required regulations.

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

(1) Prescribing the methods and forms of application and registration which any applicant or registrant shall follow and complete;

(2) Prescribing the methods, procedures and form for delivery of information concerning any person's family, habits, character, associates, criminal record, business activities and financial affairs;

(3) Prescribing such procedures for the fingerprinting of an applicant, employee of a licensee, or registrant, and methods of identification which may be necessary to accomplish effective enforcement of restrictions on access to the casino floor, the simulcasting facility, and other restricted areas of the casino hotel complex;

(4) Prescribing the method of notice to an applicant, registrant or licensee concerning the release of any information or data provided to the commission or division by such applicant, registrant or licensee;

(5) Prescribing the manner and procedure of all hearings conducted by the division or any hearing examiner, including special rules of evidence applicable thereto and notices thereof;

(6) Prescribing the manner and method of collection of payments of taxes, fees, and penalties;

(7) Defining and limiting the areas of operation, the rules of authorized games, including games played upon and wagered through the Internet, odds, and devices permitted, and the method of operation of such games and devices;

(8) Regulating the practice and procedures for negotiable transactions involving patrons, including limitations on the circumstances and amounts of such transactions, and the establishment of forms and procedures for negotiable instrument transactions, redemptions, and consolidations;

(9) Prescribing grounds and procedures for the revocation or suspension of operating certificates, licenses and registrations;

(10) Governing the manufacture, distribution, sale, deployment, and servicing of gaming devices and equipment;

(11) Prescribing for gaming operations the procedures, forms and methods of management controls, including employee and supervisory tables of organization and responsibility, and

minimum security and surveillance standards, including security personnel structure, alarm and other electrical or visual security measures; provided, however, that the division shall grant an applicant for a casino license or a casino licensee broad discretion concerning the organization and responsibilities of management personnel who are not directly involved in the supervision of gaming or simulcast wagering operations;

(12) Prescribing the qualifications of, and the conditions pursuant to which, engineers, accountants, and others shall be permitted to practice before the division or to submit materials on behalf of any applicant or licensee; provided, however, that no member of the Legislature, nor any firm with which said member is associated, shall be permitted to appear or practice or act in any capacity whatsoever before the commission or division regarding any matter whatsoever, nor shall any member of the family of the Governor or of a member of the Legislature be permitted to so practice or appear in any capacity whatsoever before the commission or division regarding any matter whatsoever;

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

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

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

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

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

(18) Concerning the distribution and consumption of alcoholic beverages on the premises of the licensee, which regulations shall be insofar as possible consistent with Title 33 of the Revised Statutes, and shall deviate only insofar as necessary because of the unique character of the hotel casino premises and operations;

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

b. The commission shall, in its regulations, prescribe the manner and procedure of all hearings conducted by the commission, including special rules of evidence applicable thereto and notices thereof.

C.5:12-95.18 Reports regarding the impact of gaming through the Internet.

8. Reports regarding the impact of gaming through the Internet.

The division shall annually cause a report to be prepared and distributed to the Governor on the impact of Internet gaming on problem gamblers and gambling addiction in New Jersey. The report shall be prepared by a private organization or entity with expertise in serving the needs of persons with gambling addictions, which organization or entity shall be selected by the division. The report shall be prepared and distributed under the supervision of, and in coordination with, the division. Any costs associated with the preparation and distribution of the report shall be borne by casino licensees who have been authorized by the division to conduct Internet gaming and the division shall be authorized to assess a fee against such licensees for these purposes. The division may also report periodically to the Governor on the effectiveness of the statutory and regulatory controls in place to ensure the integrity of gaming operations through the Internet.

9. Section 43 of P.L.2011, c.19 (C.5:12-74.1) is amended to read as follows:

C.5:12-74.1 Information, data deemed confidential; exceptions.

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

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

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

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

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

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

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

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

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

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

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

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

Nothing in this subsection shall be construed to limit access by the public to those forms and documents required to be filed pursuant to Article 11 of this act.

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

C.5:12-76 General duties and powers.

76. General Duties and Powers.

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

- a. Enforce the provisions of this act and any regulations promulgated hereunder;
- b. Promptly and in reasonable order investigate all applications for licensure and all registrations under this act;
- c. Issue reports and recommendations to the commission with respect to all entities and natural persons required to qualify for a casino license, an application for interim casino authorization or a petition for a statement of compliance;
- d. Promptly and in reasonable order review and approve or deny all casino service industry enterprise license applications;
- e. Accept and maintain registrations for all casino employee and vendor registrants;
- f. Revoke any registration or casino service industry enterprise license upon findings pursuant to the disqualification criteria in section 86 of P.L.1977, c.110 (C.5:12-86);
- g. Promulgate such regulations as may be necessary to fulfill the policies of this act;
- h. Initiate and decide any actions against licensees or registrants for violation of this act or regulations promulgated hereunder, and impose sanctions and levy and collect penalties upon finding violations;
- i. Provide the commission with all information that the director deems necessary for any action to be taken by the commission under Article 6 of P.L.1977, c.110 (C.5:12-80 through 95);
- j. Initiate, prosecute and defend appeals, as the director may deem appropriate;

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

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

m. Exchange fingerprint data with, and receive criminal history record information from, the Federal Bureau of Investigation for use in considering applicants for any license or registration issued pursuant to the provisions of P.L.1977, c.110 (C.5:12-1 et seq.);

n. Conduct audits of casino operations at such times, under such circumstances, and to such extent as the director shall determine, including reviews of accounting, administrative and financial records, and management control systems, procedures and records utilized by a casino licensee;

o. Request and receive information, materials and any other data from any licensee or registrant, or applicant for a license or registration under this act; and

p. Report to the Attorney General recommendations that promote more efficient operations of the division.

q. Receive complaints from the public relating to the conduct of gaming and simulcasting operations, examine records and procedures, and conduct periodic reviews of operations and facilities for the purpose of evaluating current or suggested provisions of P.L.1977, c.110 (C.5:12-1 et seq.) and the regulations promulgated thereunder, as the director deems appropriate;

r. Certify the revenue of any casino or simulcasting facility in such manner as the director deems appropriate;

s. Create and maintain a list of all excluded patrons;

t. Initiate and decide all actions for involuntary exclusion of patrons pursuant to section 71 of P.L.1977, c.110 (C.5:12-71);

u. Issue an operation certificate upon the commission's grant of an application for a casino license;

v. Recommend that the commission issue or revoke statements of compliance pursuant to section 81 of P.L.1977, c.110 (C.5:12-81) and the regulations promulgated thereunder;

w. Accept impact statements submitted by an applicant for a casino license pursuant to section 84 of P.L.1977, c.110 (C.5:12-84);

x. Utilize, in its discretion, the services of a private entity for the purpose of expediting criminal history record background checks required to be performed by the division pursuant to the provisions of P.L.1977, c.110 (C.5:12-1 et seq.), provided that the private entity has been awarded a contract in accordance with the public contracting laws of this State; and

y. License, regulate, investigate and take any other action regarding all aspects of authorized games conducted through the Internet.

11. Section 85 of P.L.1977, c.110 (C.5:12-85) is amended to read as follows:

C.5:12-85 Additional requirements.

85. Additional Requirements.

a. In addition to other information required by this act, a corporation or other form of business organization applying for a casino license shall provide the following information, in such form as may be established by regulation:

(1) The organization, financial structure and nature of all businesses operated by the applicant; the names and personal employment and criminal histories of all officers, directors and such other employees of the applicant as the division may require; the names of all holding, intermediary and subsidiary companies of the applicant; and the organization, financial structure and nature of all businesses operated by such of its holding, intermediary and subsidiary companies as the division may require, including the names and personal employment and criminal histories of such corporate officers, directors and other employees of such holding, intermediary and subsidiary companies as the division may require;

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

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

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

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

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

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

(8) Copies of all management and service contracts;

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

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

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

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

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

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

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

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

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

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

h. Each applicant for or holder of a casino license, or any holding, intermediary and subsidiary company of an applicant for or holder of a casino license, and any affiliate thereof, and any other licensee, permit holder or vendor under P.L.1977, c.110 (C.5:12-1 et seq.), including but not limited to an applicant or holder of any license, permit, or other approval to conduct Internet gaming, or any Internet gaming affiliate in accordance with the regulations of the division, shall provide to the division on a quarterly basis the following information with respect to games conducted through the internet:

(1) The name of any person, entity or firm to whom any payment, remuneration or other benefit or thing of value has been made or conferred for professional services, including but not limited to legal, consulting and lobbying services;

(2) The amount or value of such payments, remuneration, benefit, or thing of value;

(3) The date on which such payments, remuneration, benefit, or thing of value were made; and

(4) The reason or purpose for the procurement of such services.

12. Section 92 of P.L.1977, c.110 (C.5:12-92) is amended to read as follows:

C.5:12-92 Licensing of casino service industry enterprises.

92. Licensing of casino service industry enterprises. a. (1) Any business to be conducted with a casino applicant or licensee by a vendor offering goods or services which directly relate to casino or gaming activity or Internet gaming activity, including gaming equipment and simulcast wagering equipment manufacturers, suppliers, repairers, and independent testing laboratories, shall require licensure as a casino service industry enterprise in accordance with the provisions of this act prior to conducting any business whatsoever with a casino applicant or licensee, its employees or agents; provided, however, that upon a showing of good cause by a casino applicant or licensee, the director may permit an applicant for a casino service industry enterprise license to conduct business transactions with such casino applicant or licensee prior to the licensure of that casino service industry enterprise applicant under this subsection for such periods as the division may establish by regulation. Companies providing services to casino licensees regarding Internet gaming shall, notwithstanding any other provision of P.L.1977, c.110 (C.5:12-1 et seq.), be responsible for the full cost of their licensure, including any investigative costs.

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

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

b. Each casino service industry enterprise required to be licensed pursuant to paragraph (1) of subsection a. of this section, as well as its owners; management and supervisory

personnel; and employees if such employees have responsibility for services to a casino applicant or licensee, must qualify under the standards, except residency, established for qualification of a casino key employee under this act.

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

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

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

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

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

e. No casino service industry enterprise license or ancillary casino service industry enterprise license shall be issued pursuant to subsection a. of this section to any person

unless that person shall provide proof of valid business registration with the Division of Revenue in the Department of the Treasury.

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

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

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

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

13. 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 or through Internet gaming 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 division 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 division regulations.

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 division. Gaming equipment which supports the conduct of gaming in a casino or simulcasting facility or through Internet gaming but does not permit or require patron access, such as computers, or gaming software or other gaming equipment used to conduct Internet gaming may be possessed and maintained by a casino licensee or a qualified holding or intermediary company of a casino licensee in restricted areas specifically approved by the division. 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 division, is under the exclusive control of a casino licensee or casino licensee's employees, or of any individually qualified employee of a holding company or casino licensee 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 division.

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

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

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

Notwithstanding any other provision of this act to the contrary, the division may authorize electronic versions of authorized games to be played within an approved hotel facility on mobile gaming devices to be approved by the division, provided the player has established an account with the casino licensee, the wager is placed by and the winnings are paid to the patron in person within the approved hotel facility, the mobile gaming device is inoperable outside the approved hotel facility, and the division authorizes the device for mobile gaming; provided that the division may establish any additional or more stringent licensing and other regulatory requirements necessary for the proper implementation and conduct of mobile gaming as authorized herein. For the purposes of this provision, the approved hotel facility shall include any area located within the property boundaries of the casino hotel facility, including the swimming pool area and an outdoor recreation area, where mobile gaming devices may be used by patrons in accordance with this provision, but excluding parking garages or parking areas of a casino hotel facility, provided that the division shall ascertain and ensure, pursuant to rules and regulations issued by it to implement mobile gaming pursuant to this provision, that mobile gaming shall not extend outside of the property boundaries of the casino hotel facility.

c. Each casino hotel shall contain a count room and such other secure facilities as may be required by the division for the counting and storage of cash, coins, tokens, checks, plaques, gaming vouchers, coupons, and other devices or items of value used in wagering and approved by the division that are received in the conduct of gaming and for the inspection, counting and storage of dice, cards, chips and other representatives of value. The division shall promulgate regulations for the security of drop boxes and other devices in which the foregoing items are deposited at the gaming tables or in slot machines, and all areas wherein such boxes and devices are kept while in use, which regulations may include certain locking devices. 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 division may require.

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

e. All gaming shall be conducted according to rules promulgated by the division. All wagers and pay-offs of winning wagers shall be made according to rules promulgated by the division, 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 division 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 division shall require. Each casino licensee shall prominently post within a casino room and simulcasting facility, as appropriate, according to regulations of the division 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 division shall require.

g. Each gaming table shall be equipped with a sign indicating the permissible minimum and maximum wagers pertaining thereto. All gaming and wagering offered through Internet gaming shall display online 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) Except as herein provided, 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 and licensed for use by the division. The division shall also test any other gaming device, gaming equipment, gaming-related device, hardware and software by which authorized gambling games are offered through the Internet, or gross-revenue related device, such as a slot management system, electronic transfer credit system or gaming voucher system as it deems appropriate. In its discretion and for the purpose of expediting the approval process, the division may utilize the services of a private testing laboratory that has obtained a plenary license as a casino service industry enterprise pursuant to subsection a. of section 92 of P.L.1977, c.110 (C.5:12-92) to perform the testing, and may also utilize applicable data from any such private testing laboratory or from a governmental agency of a state other than New Jersey authorized to regulate slot machines and other gaming devices, gaming equipment, gaming-related devices and gross-revenue related devices used in casino gaming, if the private testing laboratory or governmental agency uses a testing methodology

substantially similar to the methodology utilized by the division. The division, in its discretion, may rely upon the data provided by the private testing laboratory or governmental agency and adopt the conclusions of such private testing laboratory or governmental agency regarding any submitted device.

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

(3) The division 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 division of the settings.

(4) The division 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 division 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.

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

(6) A casino's primary equipment used to conduct Internet gaming shall be located, with the prior approval of the division, in a restricted area on the premises of the casino hotel

within the territorial limits of Atlantic City, New Jersey. Backup equipment used on a temporary basis pursuant to rules established by the division to conduct Internet gaming may be located outside the territorial limits of Atlantic City, provided no Internet gaming shall occur unless a wager is accepted by a casino within the territorial limits of Atlantic City, New Jersey. All Internet wagers shall be deemed to be placed when received in Atlantic City by the licensee. Any intermediate routing of electronic data in connection with a wager shall not affect the fact that the wager is placed in Atlantic City

No software, computer or other gaming equipment shall be used to conduct Internet gaming unless it has been specifically tested by the division. 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 enterprise 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 software, computers or other gaming equipment which a casino licensee has certified it will use to conduct Internet gaming in this State. The division shall, by regulation, establish such technical standards for approval of software, computers and other gaming equipment used to conduct Internet gaming, including mechanical, electrical or program 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. When appropriate, the licensee shall set the denominations of Internet games and shall simultaneously notify the division of the settings.

No software, computer or other gaming equipment shall be used to conduct Internet gaming unless it is able to verify that a player placing a wager is physically present in this State. The division shall require by regulation that the equipment used by every licensee to conduct Internet gaming is, in fact, verifying every player's physical presence in this State each time a player logs onto a new playing session.

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, slot vouchers or complimentary vouchers distributed by the casino licensee, or, if authorized by regulation of the division, 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 division.

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

(2) It shall be unlawful for any other employee of a casino licensee who, in the judgment of the division, is directly involved with the conduct of gaming operations, including but not limited to dealers, floor persons, box persons, security and surveillance employees, to wager in any 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 an affiliated licensee.

(3) The prohibition against wagering set forth in paragraphs (1) and (2) of this subsection shall continue for a period of 30 days commencing upon the date that the employee either leaves employment with a casino licensee or is terminated from employment with a 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, unless the tip or gratuity is authorized by a patron utilizing an automated wagering system approved by the division. All tips or gratuities shall be 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, except that the division may, by regulation, permit a separate pool to be established for dealers in the game of poker, or may permit tips or gratuities to be retained by individual dealers in the game of poker.

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

p. Any slot system operator that offers an annuity jackpot shall secure the payment of such jackpot by establishing an annuity jackpot guarantee in accordance with the requirements of P.L.1977, c.110 (C.5:12-1 et seq.), and the rules of the division.

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

C.5:12-104 Casino licensees, leases and contracts

104. a. Unless otherwise provided in this subsection, no agreement shall be lawful 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; any money or property derived from casino gaming activity or wagering at a simulcasting facility; or any revenues, profits or earnings of a casino or simulcasting facility. Notwithstanding the foregoing:

(1) 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.

(2) Agreements between a casino licensee and a junket enterprise or junket representative licensed, qualified or registered in accordance with the provisions of P.L.1977, c.110 (C.5:12-1 et seq.) and the regulations of the division which provide for the compensation of the junket enterprise or junket representative by the casino licensee based upon the actual

casino gaming or simulcast wagering activities of a patron procured or referred by the junket enterprise or junket representative shall be lawful if filed with the division prior to the conduct of any junket that is governed by the agreement.

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

(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 division 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 section 92 of P.L.1977, c.110 (C.5:12-92) shall be in writing, be filed with the division, and be lawful and effective only if expressly approved as to their terms by the division 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 this subsection.

(7) Agreements relating to simulcast racing and wagering between a casino licensee and a casino service industry enterprise 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 Division of Gaming Enforcement 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 this subsection.

(8) Agreements relating to simulcast racing and wagering between a casino licensee and a casino service industry enterprise 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 enterprise shall not be subject to the provisions of this subsection.

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

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

(11) A written agreement between a casino licensee holding an Internet gaming permit and a casino service industry enterprise licensed pursuant to subsection a. of section 92 of P.L.1977, c.110 (C.5:12-92), or an eligible applicant for such a license, in connection with the conduct of Internet gaming under P.L.2013, c.27 (C.5:12-95.17 et al.), which provides for a percentage of the casino licensee's Internet gaming gross revenue to be paid to the casino service industry enterprise licensee shall not be subject to the provisions of this subsection, provided that the agreement shall be in writing, filed with the division, and shall be lawful and effective only if the terms thereof are expressly approved by the division.

b. Each casino applicant or licensee shall maintain, in accordance with the rules of the division, 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 division 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 P.L.1977, c.110 (C.5:12-86). If the division disapproves such an agreement or the owners, officers, employees, or directors of any enterprise involved therein, the division 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 its authority under P.L.1977, c.110 (C.5:12-1 et seq.), 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 division regulations, or the disapproved agreement is not terminated, the division 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 division 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.

15. Section 109 of P.L.1977, c.110 (C.5:12-109) is amended to read as follows:

C.5:12-109 Emergency orders.

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

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

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

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

(3) Such action is necessary immediately for the preservation of the public peace, health, safety, morals, good order and general welfare or to preserve the public policies declared by this act.

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

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

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

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

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

C.5:12-129.1 Report of suspicious transaction.

1. The holder of any license issued under P.L.1977, c.110 (C.5:12-1 et seq.), or any person acting on behalf thereof, shall file a report of any suspicious transaction with the Director of the Division of Gaming Enforcement. For the purposes of P.L.1999, c.352 (C.5:12-129.1 et al.), "suspicious transaction" means the acceptance of cash, the redeeming

of chips or markers or other cash equivalents, or a payment to establish credits in an Internet gaming account involving or aggregating \$5,000 if the licensee or person knows or suspects that the transaction:

- a. involves funds derived from illegal activities or is intended or conducted in order to conceal or disguise funds or assets derived from illegal activities;
- b. is part of a plan to violate or evade any law or regulation or to avoid any transaction reporting requirement under the law or regulations of this State or the United States, including a plan to structure a series of transactions to avoid any transaction reporting requirement under the laws or regulations of this State or the United States; or
- c. has no business or other apparent lawful purpose or is not the sort of transaction in which a person would normally be expected to engage and the licensee or person knows of no reasonable explanation for the transaction after examining the available facts, including the background and possible purpose of the transaction.

C.5:12-95.19 Annual tax on Internet gaming gross revenues.

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

C.5:12-95.20 Federal law applicable.

18. Internet gaming in this State shall be subject to the provisions of, and preempted and superseded by, any applicable federal law.

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

C.5:12-95.21 Permit required to conduct Internet gaming.

19. a. No Internet gaming shall be opened to the public, and no gaming, except for test purposes, may be conducted therein, until a casino licensee with a valid operation certificate, or an Internet gaming affiliate thereof that is licensed pursuant to paragraph (5) of subsection b. of section 82 of P.L.1977, c.110 (C.5:12-82), receives from the division a permit to conduct Internet gaming. Such permit, valid for one year, shall be issued by the division upon a finding that the Internet gaming complies in all respects with the requirements of this act, P.L.2013, c.27 and regulations promulgated by the division.

C.5:12-95.22 Location of primary Internet gaming operation.

20. a. A casino's primary Internet gaming operation, including facilities, equipment and personnel who are directly engaged in the conduct of Internet gaming activity, shall be located within a restricted area on the premises of the casino hotel within the territorial limits of Atlantic City, New Jersey. Backup equipment used on a temporary basis pursuant to rules established by the division to conduct Internet gaming may, with the approval of the division, be located outside the territorial limits of Atlantic City, provided no internet gaming shall occur unless a wager is accepted by a casino within the territorial limits of Atlantic City, New Jersey.

- b. Facilities used to conduct and support Internet gaming shall:
 - (1) be arranged in a manner promoting optimum security for Internet gaming;
 - (2) include a closed circuit visual monitoring system according to specifications approved by the division, with access on the licensed premises to the system or its signal provided to the division;
 - (3) not be designed in any way that might interfere with the ability of the division to supervise Internet gaming operations; and
 - (4) comply in all respects with regulations of the division pertaining thereto.

C.5:12-95.23 Conditions for acceptance of Internet wagers.

- 21. A casino licensee may accept Internet gaming account wagers only as follows:
 - a. The account wager shall be placed directly with the casino licensee by the holder of the wagering account and the casino licensee has verified the account holder's physical presence in this State.
 - b. The account holder placing the account wager shall provide the casino licensee with the correct authentication information for access to the wagering account.
 - c. A casino licensee may not accept an account wager in an amount in excess of funds on deposit in the wagering account of the holder placing the wager. Funds on deposit include amounts credited under this act, P.L.2013, c.27 (C.5:12-95.17 et al.), and in the account at the time the wager is placed.

C.5:12-95.24 Disposition of inactive, dormant accounts.

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

C.5:12-95.25 Assistance to people with gambling problem.

- 23. In order to assist those persons who may have a gambling problem, a casino licensee shall:
 - a. cause the words "If you or someone you know has a gambling problem and wants help, call 1-800 GAMBLER," or some comparable language approved by the division, which language shall include the words "gambling problem" and "call 1-800 GAMBLER," to be displayed prominently at log on and log off times to any person visiting or logged onto Internet gaming; and
 - b. provide a mechanism by which a holder of a wagering account may establish the following controls on wagering activity through the wagering account:
 - (1) a limit on the amount of money deposited within a specified period of time and the length of time the holder will be unable to participate in gaming if the holder reaches the established deposit limit; and
 - (2) a temporary suspension of gaming through the account for any number of hours or days.

The casino licensee shall not send gaming-related electronic mail to an account holder while gaming through his or her wagering account is suspended, if the suspension is for at least 72 hours. The casino licensee shall provide a mechanism by which an account holder may change these controls, except that while gaming through the wagering account is

suspended, the account holder may not change gaming controls until the suspension expires, but the holder shall continue to have access to the account and shall be permitted to withdraw funds from the account upon proper application therefor.

C.5:12-95.26 Offering of Internet gaming without approval, fourth degree crime; fines.

24. Any person who offers games into play or displays such games through Internet gaming without approval of the division to do so is guilty of a crime of the fourth degree and notwithstanding the provisions of N.J.S.2C:43-3, shall be subject to a fine of not more than \$25,000 and in the case of a person other than a natural person, to a fine of not more than \$100,000 and any other appropriate disposition authorized by subsection b. of N.J.S.2C:43-2.

C.5:12-95.27 Tampering with equipment, third degree crime; fines.

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

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

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

C.5:12-95.28 Tampering affecting odds, payout, third degree crime; fines.

26. a. Any person who knowingly offers or allows to be offered any Internet game that has been tampered with in a way that affects the odds or the payout of a game or disables the game from operating according to the rules of the game as promulgated by the division is guilty of a crime of the third degree and notwithstanding the provisions of N.J.S.2C:43-3, shall be subject to a fine of not more than \$50,000 and in the case of a person other than a natural person, to a fine of not more than \$200,000 and any other appropriate disposition authorized by subsection b. of N.J.S.2C:43-2.

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

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

C.5:12-95.29 Annual fees for issuance, renewal of Internet gaming permits.

27. a. The division shall, by regulation, establish annual fees for the issuance or renewal of Internet gaming permits. The issuance fee shall be based upon the cost of investigation and consideration of the license application and shall be not less than \$400,000. The renewal fee shall be based upon the cost of maintaining enforcement, control and regulation of

Internet wagering operations and shall be not less than \$250,000.

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

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

d. In addition to the permit issuance and renewal fees, a casino licensee with an Internet gaming permit shall pay annually to the division \$250,000 to be deposited into the State General Fund for appropriation by the Legislature to the Department of Human Services, \$140,000 of which shall be allocated to the Council on Compulsive Gambling of New Jersey and \$110,000 of which shall be used for compulsive gambling treatment programs in the State.

C.5:12-95.30 Facilities permitted to conduct Internet gaming; violations, penalties.

28. No organization or commercial enterprise, other than a casino located in Atlantic City or its Internet gaming affiliate that has been issued a permit to conduct Internet gaming and has located all of its equipment used to conduct Internet gaming, including computers, servers, monitoring rooms, and hubs, in Atlantic City, shall make its premises available for placing wagers at casinos using the Internet or advertise that its premises may be used for such purpose. An organization or commercial enterprise that is determined by the division to have violated the provisions of this section shall be subject to a penalty of \$1,000 per player per day for making its premises available for placing wagers at casinos using the Internet and of \$10,000 per violation for advertising that its premises may be used for such purpose.

C.5:12-95.31 Acceptance of certain out-of-State wagers.

29. Notwithstanding any other provision of P.L.2013, c.27 (C.5:12-95.17 et al.), wagers may be accepted thereunder from persons who are not physically present in this State if the Division of Gaming Enforcement in the Department of Law and Public Safety determines that such wagering is not inconsistent with federal law or the law of the jurisdiction, including any foreign nation, in which any such person is located, or such wagering is conducted pursuant to a reciprocal agreement to which this State is a party that is not inconsistent with federal law.

Repealer.

30. Section 11 of P.L.2011, c.18 (C.5:12-225) is repealed.

31. Section 9 of P.L.2011, c.18 (C.5:12-223) is amended to read as follows:

C.5:12-223. Agreements; fees, use.

9. a. If the not-for-profit corporation is unable to perform its obligations under an agreement with the authority, or Convention Center Division, or if the agreement is terminated, as provided under that section, and is not renewed, the authority shall assess a fee payable by each casino licensee for the State fiscal year, for a period of five State fiscal years. The fee assessed under this subsection shall be in proportion to the casino licensee's gross revenues generated in the fiscal year preceding the assessment. The total fees assessed

collectively upon all casino licensees shall be no less than \$30,000,000 for each State fiscal year for which the fees are assessed.

b. Such fees shall be used exclusively to facilitate the development of the tourism district, enhance the cleanliness and safety of the tourism district, and fund the marketing efforts of the authority or of the Convention Center Division, as the case may be, concerning tourism in the district.

32. 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;

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

(5) Any person who is an Internet gaming affiliate of an owner or operator of a licensed casino, and such person is to own or operate an Internet gaming system for such licensed 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 and the division. 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 a significant portion of an 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 enterprise license and that such an agreement shall 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 or director, as the case may be, 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 enterprise license, 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 or a casino service industry enterprise license pursuant to subsection a. of section 92 of P.L.1977, c.110 (C.5:12-92), 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, provided that the provisions of this paragraph shall not apply to a slot system agreement between a group of casino licensees and a casino service industry enterprise licensed pursuant to subsection a. of section 92 of P.L.1977, c.110 (C.5:12-92), or an eligible applicant for such license, and that, with regard to such agreements, the casino service industry enterprise licensee or applicant may operate and administer the multi-casino progressive slot machine system, including, but not limited to, the operation of a monitor room or the payment of progressive, including annuity, jackpots, or both, and further provided that the obligation to pay a progressive jackpot or establish an annuity jackpot guarantee shall be the sole responsibility of the casino licensee or casino service industry

enterprise licensee or applicant designated in the slot system agreement and that no other party shall be jointly or severally liable for the payment or funding of such jackpots or guarantees unless such liability is specifically established in the slot system agreement;

(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) Notwithstanding any other provision of P.L.1977, c.110 (C.5:12-1 et seq.) to the contrary, the commission may permit an agreement between a casino licensee and a casino service industry enterprise 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 or for the operation of a multi-casino progressive slot machine system, to provide for the payment to the casino service industry enterprise of an interest, percentage or share of the money derived from the casino licensee's share of proceeds from simulcast wagering activity or the operation of a multi-casino progressive slot machine system; 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. Notwithstanding the foregoing, nothing in this paragraph shall require a casino licensee to be jointly and severally liable for any acts, omissions or violations of this act, P.L.1977, c.110 (C.5:12-1 et seq.), committed by any casino service industry enterprise licensee or applicant performing as a slot system operator pursuant to a slot system agreement.

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 division and the commission such adopted corporate charter provisions as may be necessary to establish the right of the commission pursuant to subsection a. of section 105 of P.L.1977, c.110 (C.5:12-105) to disapprove 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 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 division 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.

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. For the purpose of this subsection, "undue economic concentration" means that a person would have such actual or potential domination of the casino gaming market in Atlantic City as to substantially impede or suppress competition among casino licensees or adversely impact the economic stability of the casino industry in Atlantic City. In determining whether the issuance or holding of a casino license by a person will result in undue economic concentration, the commission shall consider the following criteria:

(1) The percentage share of the market presently controlled by the person in each of the following categories:

- The total number of licensed casinos in this State;
- Total casino and casino simulcasting facility square footage;
- Number of guest rooms;
- Number of slot machines;
- Number of table games;

Net revenue;
Table game win;
Slot machine win;
Table game drop;
Slot machine drop; and

Number of persons employed by the casino hotel;

(2) The estimated increase in the market shares in the categories in (1) above if the person is issued or permitted to hold the casino license;

(3) The relative position of other persons who hold casino licenses, as evidenced by the market shares of each such person in the categories in (1) above;

(4) The current and projected financial condition of the casino industry;

(5) Current market conditions, including level of competition, consumer demand, market concentration, any consolidation trends in the industry and any other relevant characteristics of the market;

(6) Whether the licensed casinos held or to be held by the person have separate organizational structures or other independent obligations;

(7) The potential impact of licensure on the projected future growth and development of the casino industry and Atlantic City;

(8) The barriers to entry into the casino industry, including the licensure requirements of this act, P.L.1977, c.110 (C.5:12-1 et seq.), and whether the issuance or holding of a casino license by the person will operate as a barrier to new companies and individuals desiring to enter the market;

(9) Whether the issuance or holding of the license by the person will adversely impact on consumer interests, or whether such issuance or holding is likely to result in enhancing the quality and customer appeal of products and services offered by casino licensees in order to maintain or increase their respective market shares;

(10) Whether a restriction on the issuance or holding of an additional license by the person is necessary in order to encourage and preserve competition and to prevent undue economic concentration in casino operations; and

(11) Any other evidence deemed relevant by the commission.

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 any additional 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 person required to be qualified in conjunction with such casino license.

C.5:12-95.32 "Internet gaming affiliate."

33. As used in P.L.1977, c.110 (C.5:12-1 et seq.), as amended and supplemented, "Internet gaming affiliate" means a business entity licensed under that act that owns or operates an Internet gaming system on the behalf of a licensed casino.

34. Section 1 of P.L.2008, c.12 (C.5:12-38a) is amended to read as follows:

C.5:12-38a "Promotional gaming credit."

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

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

C.52:13D-17.2 "person" defined; conflict of interest; violations, penalty.

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

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

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

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

employment directly with any holder of or applicant for a casino license or any holding or intermediary company thereof and if so employed may hold, directly or indirectly, an interest in, or represent, appear for, or negotiate on behalf of, his employer, except as otherwise prohibited by law.

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

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

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

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

(3) any partnership, firm or corporation engaged in the practice of law or in providing any other professional services with which any person included in paragraph (1) of subsection a. of this section, or a member of the immediate family of that person, is associated, and any partner, officer, director or employee thereof, other than that person, or immediate family member, may represent, appear for or negotiate on behalf of any holder of, or applicant for, a casino license in connection with any cause, application or matter or any holding company or intermediary company with respect to such holder of, or applicant for, a casino license in connection with any phase of casino development, permitting, licensure or any other matter whatsoever related to casino activity, and that person or immediate family member shall not be barred from association with such partnership, firm or corporation, if for a period of two years next subsequent to the termination of the person's office or employment, the person or immediate family member (a) is screened from personal participation in any such representation, appearance or negotiation; and (b) is associated with the partnership, firm or corporation in a position which does not entail any equity interest in the partnership, firm or corporation. The exception provided in this paragraph shall not apply to a former Governor, Lieutenant Governor, Attorney General, member of the Legislature, person included in paragraph (2) of subsection a. of this section, or to the members of their immediate families.

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

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

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

g. No person shall influence, or attempt to influence, by use of his official authority, the decision of the commission or the investigation of the division in any application for licensure or in any proceeding to enforce the provisions of this act or the regulations of the

commission. Any such attempt shall be promptly reported to the Attorney General; provided, however, that nothing in this section shall be deemed to proscribe a request for information by any person concerning the status of any application for licensure or any proceeding to enforce the provisions of this act or the regulations of the commission.

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

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

C.5:12-95.33 Determination of date law becomes operative, expires.

36. a. The Division of Gaming Enforcement shall select the date upon which the provisions of P.L.2013, c.27 (C.5:12-95.17 et al.) shall become operative which shall not be less than three months, nor more than nine months, after the date of enactment, except that upon application by the division, the Casino Control Commission may allow the division, for good cause, to extend the operative date beyond nine months. The division shall provide all casino licensees and applicants with 45 days' notice of the operative date. Notwithstanding this delayed operative date, the division and the commission may take such anticipatory administrative action in advance as may be necessary for the implementation of P.L.2013, c.27 (C.5:12-95.17 et al.).

b. The authorization to conduct games through the Internet as provided for in P.L.2013, c.27 shall expire 10 years following the operative date established pursuant to subsection a. of this section, unless reauthorized by law.

37. This act shall take effect immediately but remain inoperative until the date selected by the Division of Gaming Enforcement pursuant to section 41 of P.L.2013, c.27 (C.5:12-95.17 et al.).

Approved February 26, 2013.

ARTICLE 1. INTRODUCTION AND GENERAL PROVISIONS

5:12-1 Short title; declaration of policy and legislative findings

a. This act shall be known and may be cited as the "Casino Control Act."

b. The Legislature hereby finds and declares to be the public policy of this State, the following:

(1) The tourist, resort and convention industry of this State constitutes a critical component of its economic structure and, if properly developed, controlled and fostered, is capable of providing a substantial contribution to the general welfare, health and prosperity of the State and its inhabitants.

(2) By reason of its location, natural resources and worldwide prominence and reputation, the city of Atlantic City and its resort, tourist and convention industry represent a critically important and valuable asset in the continued viability and economic strength of the tourist, convention and resort industry of the State of New Jersey.

(3) The rehabilitation and redevelopment of existing tourist and convention facilities in Atlantic City, and the fostering and encouragement of new construction and the replacement of lost convention, tourist, entertainment and cultural centers in Atlantic City will offer a unique opportunity for the inhabitants of the entire State to make maximum use of the natural resources available in Atlantic City for the expansion and encouragement of New Jersey's hospitality industry, and to that end, the restoration of Atlantic City as the Playground of the World and the major hospitality center of the Eastern United States is found to be a program of critical concern and importance to the inhabitants of the State of New Jersey.

(4) Legalized casino gaming has been approved by the citizens of New Jersey as a unique tool of urban redevelopment for Atlantic City. In this regard, the introduction of a limited number of casino rooms in major hotel convention complexes, permitted as an additional element in the hospitality industry of

Atlantic City, will facilitate the redevelopment of existing blighted areas and the refurbishing and expansion of existing hotel, convention, tourist, and entertainment facilities; encourage the replacement of lost hospitality-oriented facilities; provide for judicious use of open space for leisure time and recreational activities; and attract new investment capital to New Jersey in general and to Atlantic City in particular.

(5) Restricting the issuance of casino licenses to major hotel and convention facilities is designed to assure that the existing nature and tone of the hospitality industry in New Jersey and in Atlantic City is preserved, and that the casino rooms licensed pursuant to the provisions of this act are always offered and maintained as an integral element of such hospitality facilities, rather than as the industry unto themselves that they have become in other jurisdictions.

(6) An integral and essential element of the regulation and control of such casino facilities by the State rests in the public confidence and trust in the credibility and integrity of the regulatory process and of casino operations. To further such public confidence and trust, the regulatory provisions of this act are designed to extend strict State regulation to all persons, locations, practices and associations related to the operation of licensed casino enterprises and all related service industries as herein provided. In addition, licensure of a limited number of casino establishments, with the comprehensive law enforcement supervision attendant thereto, is further designed to contribute to the public confidence and trust in the efficacy and integrity of the regulatory process.

(7) Legalized casino gaming in New Jersey can attain, maintain and retain integrity, public confidence and trust, and remain compatible with the general public interest only under such a system of control and regulation as insures, so far as practicable, the exclusion from participation therein of persons with known criminal records, habits or associations, and the exclusion or removal from any positions of authority or responsibility within casino

gaming operations and establishments of any persons known to be so deficient in business probity, either generally or with specific reference to gaming, as to create or enhance the dangers of unsound, unfair or illegal practices, methods and activities in the conduct of gaming or the carrying on of the business and financial arrangements incident thereto.

(8) Since the public has a vital interest in casino operations in Atlantic City and has established an exception to the general policy of the State concerning gaming for private gain, participation in casino operations as a licensee or registrant under this act shall be deemed a revocable privilege conditioned upon the proper and continued qualification of the individual licensee or registrant and upon the discharge of the affirmative responsibility of each such licensee or registrant to provide to the regulatory and investigatory authorities established by this act any assistance and information necessary to assure that the policies declared by this act are achieved. Consistent with this policy, it is the intent of this act to preclude the creation of any property right in any license, registration, certificate or reservation permitted by this act, the accrual of any value to the privilege of participation in gaming operations, or the transfer of any license, registration, certificate, or reservation, and to require that participation in gaming be solely conditioned upon the individual qualifications of the person seeking such privilege.

(9) Since casino operations are especially sensitive and in need of public control and supervision, and since it is vital to the interests of the State to prevent entry, directly or indirectly, into such operations or the ancillary industries regulated by this act of persons who have pursued economic gains in an occupational manner or context which are in violation of the criminal or civil public policies of this State, the regulatory and investigatory powers and duties shall be exercised to the fullest extent consistent with law to avoid entry of such persons into the casino operations or the ancillary industries regulated by this act.

(10) (Deleted by amendment, P.L. 1995, c. 18.)

(11) The facilities in which licensed casinos are to be located are of vital law enforcement interest to the State, and it is in the public interest that the regulatory and investigatory powers and duties conferred by this act include the power and duty to review architectural and site plans to assure that the proposal is suitable by law enforcement standards.

(12) Since the economic stability of casino operations is in the public interest and competition in the casino operations in Atlantic City is desirable and necessary to assure the residents of Atlantic City and of this State and other visitors to Atlantic City varied attractions and exceptional facilities, the regulatory and investigatory powers and duties conferred by this act shall include the power and duty to regulate, control and prevent economic concentration in the casino operations and the ancillary industries regulated by this act, and to encourage and preserve competition.

(13) It is in the public interest that the institution of licensed casino establishments in New Jersey be strictly regulated and controlled pursuant to the above findings and pursuant to the provisions of this act, which provisions are designed to engender and maintain public confidence and trust in the regulation of the licensed enterprises, to provide an effective method of rebuilding and redeveloping existing facilities and of encouraging new capital investment in Atlantic City, and to provide a meaningful and permanent contribution to the economic viability of the resort, convention, and tourist industry of New Jersey.

(14) Confidence in casino gaming operations is eroded to the extent the State of New Jersey does not provide a regulatory framework for casino gaming that permits and promotes stability and continuity in casino gaming operations.

(15) Continuity and stability in casino gaming operations cannot be achieved at the risk of permitting persons with unacceptable backgrounds and records of behavior to control casino gaming operations contrary to the vital law enforcement interest of the State.

(16) The aims of continuity and stability and of law enforcement will best be served by a system in which continuous casino operation can be assured under certain circumstances wherein there has been a transfer of property or another interest relating to an operating casino and the transferee has not been fully licensed or qualified, as long as control of the operation under such circumstances may be placed in the possession of a person or persons in whom the public may feel a confidence and a trust.

(17) A system whereby the suspension or revocation of casino operations under certain appropriate circumstances causes the imposition of a conservatorship upon the suspended or revoked casino operation serves both the economic and law enforcement interests involved in casino gaming operations.

(18) As recognized in the July 2010 Report of the Governor's Advisory Commission on New Jersey Gaming, Sports, and Entertainment, and as confirmed in subsequent legislative hearings held throughout the State, legalized casino gaming in New Jersey presently stands at a crossroads, facing critical challenges that jeopardize its important role in the State economy, and it is in the public interest to modernize and streamline the current outdated casino regulatory structure in order to achieve efficiencies and cost savings that are more appropriately directed to marketing and infrastructure improvement efforts while, at the same time, maintaining strict integrity in the regulation of casino operations.

(19) The ability of the legalized casino gaming industry in New Jersey to compete in an ever-expanding national gaming market requires a regulatory system that is sufficiently flexible to encourage persons and entities holding casino gaming licenses outside of New Jersey to participate in casino gaming in Atlantic City, to allow licensees to take full and timely advantage of advancements in technology, particularly in information technology, and business management, and to encourage the efficient utilization of resources between and among affiliated New Jersey licensees

operating casinos located in Atlantic City and between and among a New Jersey affiliate and its licensed affiliates in other jurisdictions.

L.1977, c. 110, § 1, eff. June 2, 1977.

Amended by:

L.1978, c. 7, § 1, eff. Mar. 17, 1978.

L.1981, c. 503, § 1, eff. Feb. 15, 1982.

L.1987, c. 409, § 1, eff. Jan. 14, 1988.

L.1987, c. 410, § 1, eff. Jan. 14, 1988.

L.1991, c. 182, § 1, eff. June 29, 1991.

L.1995, c. 18, § 1, eff. Jan. 25, 1995.

L.2011, c. 19, § 1, eff. Feb. 1, 2011.

5:12-1.1 Applicability of Casino Simulcasting Act throughout chapter

Any reference in the "Casino Control Act," P.L.1977, c.110 (C.5:12-1 et seq.) to "this act" or to "P.L.1977, c.110" shall be deemed to include, where appropriate, the "Casino Simulcasting Act," P.L.1992, c.19 (C.5:12-191 et seq.).

L.1993, c. 292, § 41, eff. Dec. 21, 1993.

5:12-2 Definitions

As used in this act, the words and terms have the meanings ascribed to them in P.L.1977, c.110 (C.5:12-1 et seq.), unless a different meaning clearly appears in the context.

L.1977, c. 110, § 2, eff. June 2, 1977.

Amended by:

L.2011, c. 19, § 2, eff. Feb. 1, 2011.

5:12-2.1 "Affiliate"

"Affiliate" - A person that directly or indirectly, through one or more intermediaries, controls or is controlled by, or is under common control with, the affiliated person.

L.1995, c. 18, § 2, eff. Jan. 25, 1995.

5:12-2.1a "Annuity jackpot"

"Annuity jackpot" - A slot machine jackpot offered by a casino licensee or multi-casino progressive slot machine system pursuant to which a patron wins the right to receive fixed cash payments at specified intervals in the future.

L.2004, c. 184, § 1, eff. Dec. 22, 2004.

5:12-2.2 "Annuity jackpot guarantee"

"Annuity jackpot guarantee" - A financial arrangement established in accordance with the rules of the division to assure that all payments that are due to the winner of an annuity jackpot are actually paid when due regardless of the future financial stability of the slot system operator that is responsible for making such payments.

L.1995, c. 18, § 3, eff. Jan. 25, 1995.

Amended by:

L.2004, c. 184, § 2, eff. Dec. 22, 2004.

L.2005, c. 46, § 2, eff. Mar. 21, 2005.

L.2011, c. 19, § 3, eff. Feb. 1, 2011.

5:12-3 "Applicant"

"Applicant" - Any person who on his own behalf or on behalf of another has applied for permission to engage in any act or activity which is regulated under the provisions of this act.

L.1977, c. 110, § 3, eff. June 2, 1977.

5:12-4 "Application"

"Application" - A written request for permission to engage in any act or activity which is regulated under the provisions of this act.

L.1977, c. 110, § 4, eff. June 2, 1977.

5:12-4.1 "Attorney"

"Attorney" — Any attorney licensed to practice law in this State or any other jurisdiction, including an employee of a casino licensee.

L.1995, c. 18, § 4, eff. Jan. 25, 1995.

5:12-5 "Authorized game" or "authorized gambling game"

"Authorized Game" or "Authorized Gambling Game"-- Roulette, baccarat, blackjack, craps, big six wheel, slot machines, minibaccarat, red dog, pai gow, and sic bo; any variations or composites of such games, provided that such variations or composites are found by the division suitable for use after an appropriate test or experimental period under such terms and conditions as the division may deem appropriate; and any other game which is determined by the division to be compatible with the public interest and to be suitable for casino use after such appropriate test or experimental period as the division may deem appropriate. "Authorized game" or "authorized gambling game" includes gaming tournaments in which players compete against one another in

one or more of the games authorized herein or by the division or in approved variations or composites thereof if the tournaments are authorized by the division.

"Authorized game" or "Authorized gambling game" shall also include any game that the division may determine by regulation to be suitable for use for wagering through the Internet.

L.1977, c. 110, § 5, eff. June 2, 1977.

Amended by:

L.1979, c. 282, § 1, eff. Jan. 9, 1980.

L.1985, c. 350, § 1, eff. Jan. 6, 1986.

L.1991, c. 182, § 2, eff. June 29, 1991.

L.1992, c. 9, § 1, eff. May 19, 1992.

L.1993, c. 292, § 1, eff. Dec. 21, 1993.

L.2011, c. 19, § 4, eff. Feb. 1, 2011.

L.2013, c. 27, § 2, eff. Feb. 26, 2013.

5:12-5.1 Repealed by L.1992, c. 9, § 13, eff. May 19, 1992.

5:12-5.2 "Cash equivalent value"

"Cash equivalent value" - The monetary value that a casino licensee shall assign to a jackpot or payout that consists of merchandise or any thing of value other than cash, tokens, chips or plaques. The division shall promulgate rules defining "cash equivalent value" in order to assure fairness, uniformity and comparability of valuation of jackpots and payoffs that include merchandise or any thing of value.

L.2002, c. 65, § 2, eff. Aug. 14, 2002.

Amended by:

L.2011, c. 19, § 5, eff. Feb. 1, 2011.

5:12-6 "Casino" or "casino room" or "licensed casino"

"Casino" or "casino room" or "licensed casino" -- One or more locations or rooms in a casino hotel facility that have been approved by the division for the conduct of casino gaming in accordance with the provisions of this act, including any part of the facility where Internet gaming is conducted, pursuant to rules established by the division. "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.).

L.1977, c. 110, § 6, eff. June 2, 1977.

Amended by:

L.1991, c. 182, § 4, eff. June 29, 1991.

L.1996, c. 84, § 1, eff. July 25, 1996.

L.2011, c. 19, § 6, eff. Feb. 1, 2011.

L.2013, c. 27, § 3, eff. Feb. 26, 2013.

5:12-6.1 "Casino bankroll"

"Casino bankroll" - Cash maintained in the casino, excluding any funds necessary for the normal operation of the casino, such as change banks, slot hopper fills, slot booths, cashier imprest funds and redemption area funds.

L.2011, c. 19, § 7, eff. Feb. 1, 2011.

5:12-7 "Casino employee"

"Casino Employee" - Any natural person, not otherwise included in the definition of casino key employee, who is employed by a casino licensee, or a holding or intermediary company of a casino licensee, and is involved in the

operation of a licensed casino or a simulcasting facility or performs services or duties in a casino, simulcasting facility or a restricted casino area, including, without limitation, boxmen; dealers or croupiers; floormen; machine mechanics; casino security employees; count room personnel; cage personnel; slot machine and slot booth personnel; collection personnel; casino surveillance personnel; simulcasting facility personnel involved in wagering-related activities in a simulcasting facility; data processing personnel; and information technology employees; or any other natural person whose employment duties predominantly involve the maintenance or operation of gaming activity or equipment and assets associated therewith or who, in the judgment of the commission, is so regularly required to work in a restricted casino area that registration as a casino employee is appropriate.

L.1977, c. 110, § 7, eff. June 2, 1977.

Amended by:

L.1979, c. 282, § 2, eff. Jan. 9, 1980.

L.1987, c. 353, § 1, eff. Jan. 4, 1988.

L.1991, c. 182, § 5, eff. June 29, 1991.

L.1992, c. 9, § 2, eff. May 19, 1992.

L.1992, c. 19, § 23, eff. June 12, 1992.

L.2011, c. 19, § 8, eff. Feb. 1, 2011.

5:12-8 Repealed by L.1995, c. 18, § 48, eff. Jan. 25, 1995.

5:12-8.1 Repealed by L.1995, c. 18, § 48, eff. Jan. 25, 1995.

5:12-9 "Casino key employee"

"Casino Key Employee" - Any natural person employed by a casino licensee or holding or intermediary company of a casino licensee, and involved in the operation of a licensed casino or a simulcasting facility in a supervisory capacity or empowered to make discretionary decisions which regulate casino or simulcasting facility operations, including, without limitation, pit bosses; shift bosses; credit executives; casino cashier supervisors; casino or simulcasting facility managers and managers and supervisors of information technology employees; junket supervisors; marketing directors; and managers or supervisors of casino security employees; or any other natural person empowered to make discretionary decisions which regulate the management of an approved hotel, including, without limitation, hotel managers; entertainment directors; and food and beverage directors; or any other employee so designated by the Casino Control Commission for reasons consistent with the policies of this act.

L.1977, c. 110, § 9, eff. June 2, 1977.

Amended by:

L.1987, c. 355, § 1, eff. Jan. 4, 1988.

L.1992, c. 19, § 24, eff. June 12, 1992.

L.2011, c. 19, § 9, eff. Feb. 1, 2011.

5:12-10 "Casino license"

Any license issued pursuant to this act which authorizes the holder thereof to own or operate a casino.

L.1977, c.110, § 10, eff. June 2, 1977.

Amended by:

L.1978, c. 7, § 2, eff. Mar. 17, 1978.

L.1987, c.410, § 2, eff. Jan. 14, 1988.

5:12-11 "Casino security employee"

"Casino security employee" - Any natural person employed by a casino licensee or its agent to provide physical security in a casino, casino simulcasting facility, or restricted casino area. "Casino security employee" shall not include any person who provides physical security solely in any other part of the casino hotel.

L.1977, c. 110, § 11, eff. June 2, 1977.

Amended by:

L.1991, c. 182, § 7, eff. June 29, 1991.

L.1993, c. 292, § 2, eff. Dec. 21, 1993.

L.1995, c. 18, § 5, eff. Jan. 25, 1995.

5:12-11.1 Repealed by L.2011, c. 19, § 133, eff. Feb. 1, 2011.

5:12-12 "Casino service industry enterprise"

"Casino Service Industry Enterprise" -- Any vendor offering goods or services which directly relate to casino or gaming activity or Internet gaming activity, including gaming equipment and simulcast wagering equipment manufacturers, suppliers, repairers and independent testing laboratories, or any vendor providing to casino licensees or applicants goods and services ancillary to gaming activity, including, without limitation, junket enterprises and junket representatives, holders of casino hotel alcoholic beverage control licenses, lessors of casino property not required to hold a casino license pursuant to section 82 of P.L.1977, c.110 (C.5:12-82), licensors of authorized games, and suppliers of Internet gaming software or systems, and vendors who manage, control or administer the Internet games or the bets or wagers associated with the games. Notwithstanding the foregoing, any form of

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

For the purposes of this section, "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 division for a casino license or any approval required under P.L.1977, c.110 (C.5:12-1 et seq.).

L.1977, c.110, § 12, eff. June 2, 1977.

Amended by:

L.1982, c. 57, § 1, eff. July 6, 1982.

L.1987, c.355, § 2, eff. Jan. 4, 1988.

L.1991, c.182, § 8, eff. June 29, 1991.

L.1992, c. 9, § 3, eff. May 19, 1992.

L.1992, c. 19, § 25, eff. June 12, 1992.

L.1995, c. 18, § 7, eff. Jan. 25, 1995.

L.2009, c. 36, § 1, eff. April 8, 2009.

L.2011, c. 19, § 10, eff. Feb. 1, 2011.

L.2012, c. 34, § 1, eff. Aug. 7, 2012.

L.2013, c. 27, § 4, eff. Feb. 26, 2013.

5:12-13 "Chairman" and "commissioner" or "member"

"Chairman" and "commissioner" or "member" - The chairman and any member of the Casino Control Commission, respectively.

L.1977, c. 110, § 13, eff. June 2, 1977.

5:12-14 "Commission"

"Commission" - The New Jersey Casino Control Commission.

L.1977, c. 110, § 14, eff. June 2, 1977.

5:12-14a "Complimentary service or item"

"Complimentary service or item" - A service or item provided at no cost or at a reduced price. The furnishing of a complimentary service or item by a casino licensee shall be deemed to constitute the indirect payment for the service or item by the casino licensee, and shall be valued in an amount based upon the retail price normally charged by the casino licensee for the service or item. The value of a complimentary service or item not normally offered for sale by a casino licensee or provided by a third party on behalf of a casino licensee shall be the cost to the casino licensee of providing the service or item, as determined in accordance with the rules of the division.

L.1983, c. 41, § 2, eff. Jan. 27, 1983.

Amended by:

L.2011, c. 19, § 12, eff. Feb. 1, 2011.

5:12-14.1 "Conservator"

"Conservator" - A fiduciary appointed pursuant to the Article concerning Casino License Conservatorship in the Casino Control Act.

L.1978, c. 7, § 8, eff. March 17, 1978.

5:12-14.2 "Conservatorship action"

"Conservatorship action" - An action brought pursuant to the Article concerning Casino License Conservatorship in the Casino Control Act for the appointment of a conservator.

L. 1978, c. 7, § 9, eff. March 17, 1978.

5:12-14.2a "Corporate officer"

"Corporate Officer" - The chief executive officer, chief financial officer, chief operating officer, chief information officer, chief compliance officer, and chief legal officer of a corporation, or their equivalents in any unincorporated entity.

L.2011, c. 19, § 11, eff. Feb. 1, 2011.

L.2012, c. 34, § 3, eff. Aug. 7, 2012.

5:12-14.3 "Creditor"

"Creditor" - The holder of any claim, of whatever character, against a person, whether secured or unsecured, matured or unmatured, liquidated or unliquidated, absolute, fixed or contingent.

L.1978, c. 7, § 3, eff. March 17, 1978.

5:12-14.4 "Debt"

"Debt" - Any legal liability, whether matured or unmatured, liquidated or unliquidated, absolute, fixed or contingent, including debt convertible into an equity security which has not yet been so converted, and any other debt carrying any warrant or right to subscribe to or purchase an equity security which warrant or right has not yet been exercised.

L.1978, c. 7, § 4, eff. March 17, 1978.

Amended by:

L.2011, c. 19, § 131, eff. Feb. 1, 2011.

5:12-15 "Director"

"Director" - The Director of the Division of Gaming Enforcement.

L.1977, c. 110, § 15, eff. June 2, 1977.

5:12-16 "Division"

"Division" - The Division of Gaming Enforcement.

L.1977, c. 110, § 16, eff. June 2, 1977.

5:12-16.1 "Encumbrance"

"Encumbrance"- A mortgage, security interest, lien or charge of any nature in or upon property.

L.1978, c. 7, § 5, eff. March 17, 1978.

5:12-17 "Equal employment opportunity"

"Equal employment opportunity" - Equality in opportunity for employment by any person licensed pursuant to the provisions of this act.

L.1977, c. 110, § 17, eff. June 2, 1977.

5:12-18 "Equity security"

"Equity security" - (a) Any voting stock of a corporation, or similar security; (b) any security which has been converted, with or without consideration, into such a security, or carrying any warrant or right to

subscribe to or purchase such a security which warrant or right has been exercised; or (c) any security having a direct or indirect participation in the profits of the issuer. The holder of a security described in subsection (b) of this section shall not be required to qualify as a holder of an equity security prior to any such conversion or exercise of any such warrant or rights.

L.1977, c. 110, § 18, eff. June 2, 1977.

Amended by:

L.2011, c. 19, § 132, eff. Feb. 1, 2011.

5:12-19 "Establishment" or "casino hotel" or "casino hotel facility"

"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.

L.1977, c. 110, § 19, eff. June 2, 1977.

Amended by:

L.1996, c. 84, § 2, eff. July 25, 1996.

5:12-20 "Family"

"Family" - Spouse, domestic partner, partner in a civil union, parents, grandparents, children, grandchildren, siblings, uncles, aunts, nephews, nieces, fathers-in-law, mothers-in-law, daughters-in-law, sons-in-law, brothers-in-law and sisters-in-law, whether by the whole or half blood, by marriage, adoption or natural relationship.

L.1977, c. 110, § 20, eff. June 2, 1977.

Amended by:

L.2011, c. 19, § 13, eff. Feb. 1, 2011.

5:12-21 "Game" or "gambling game"

"Game" or "gambling game" - Any banking or percentage game located within the casino or simulcasting facility played with cards, dice, tiles, dominoes, or any electronic, electrical, or mechanical device or machine for money, property, or any representative of value.

L.1977, c. 110, § 21, eff. June 2, 1977.

Amended by:

L.1979, c. 282, § 3, eff. Jan. 9, 1980.

L.1991, c. 182, § 9, eff. June 29, 1991.

L.1992, c. 19, § 26, eff. June 12, 1992.

5:12-22 "Gaming" or "gambling"

"Gaming or gambling" - The dealing, operating, carrying on, conducting, maintaining or exposing for pay of any game.

L.1977, c. 110, § 22, eff. June 2, 1977.

5:12-23 "Gaming device" or "gaming equipment"

"Gaming device" or "gaming equipment" - Any electronic, electrical, or mechanical contrivance or machine used in connection with gaming or any game.

L.1977, c. 110, § 23, eff. June 2, 1977.

Amended by:

L.1979, c. 282, § 4, eff. Jan. 9, 1980.

5:12-24 "Gross revenue"

"Gross Revenue" - The total of all sums actually received by a casino licensee from gaming operations, including operation of a sports pool, less only the total of all sums actually paid out as winnings to patrons; provided, however, that the cash equivalent value of any merchandise or thing of value included in a jackpot or payout shall not be included in the total of all sums paid out as winnings to patrons for purposes of determining gross revenue.

"Gross Revenue" shall not include any amount received by a casino from casino simulcasting pursuant to the "Casino Simulcasting Act," P.L.1992, c.19 (C.5:12-191 et al.).

L.1977, c. 110, § 24, eff. June 2, 1977.

Amended by:

L.1979, c. 282, § 5, eff. Jan. 9, 1980.

L.1987, c. 426, § 2, eff. Jan. 14, 1988.

L.1992, c. 19, § 27, eff. June 12, 1992.

L.2002, c. 65, § 3, eff. Aug. 14, 2002.

L.2003, c. 116, § 14, eff. July 1, 2003.

L.2009, c. 36, § 2, eff. April 8, 2009.

L.2011, c. 231, § 7, eff. Jan. 17, 2012.

5:12-25 "Hearing examiner"

"Hearing examiner" - The director, a commissioner or other person authorized by the director or the commission to conduct hearings.

L.1977, c. 110, § 25, eff. June 2, 1977.

Amended by:

L.2011, c. 19, § 14, eff. Feb. 1, 2011.

5:12-26 "Holding company"

"Holding company" - Any corporation, association, firm, partnership, trust or other form of business organization not a natural person which, directly or indirectly, owns, has the power or right to control, or has the power to vote any significant part of the outstanding voting securities of a corporation or other form of business organization which holds or applies for a casino license. For the purpose of this section, in addition to any other reasonable meaning of the words used, a "holding company" indirectly has, holds or owns any such power, right or security if it does so through any interest in a subsidiary or successive subsidiaries, however many such subsidiaries may intervene between the holding company and the casino licensee or applicant.

L.1977, c. 110, § 26, eff. June 2, 1977.

Amended by:

L.1979, c. 282, § 6, eff. Jan. 9, 1980.

L.2002, c. 65, § 4, eff. Aug. 14, 2002.

5:12-27 "Hotel" or "approved hotel"

"Hotel" or "approved hotel" - A single building, or two or more buildings which are physically connected in a manner deemed appropriate by the commission and which are operated as one casino-hotel facility under the provisions of the "Casino Control Act," P.L.1977, c. 110 (C. 5:12-1 et seq.), located within the limits of the city of Atlantic City as said limits were defined as of November 2, 1976, and containing not fewer than the number of sleeping units required by section 83 of P.L.1977, c. 110 (C. 5:12-83), each of which sleeping units shall: a. be at least 325 square feet measured to the center of perimeter walls, including bathroom and closet space and excluding hallways, balconies and lounges; b. contain private bathroom facilities; and c. be held available and used regularly for the lodging of tourists and convention guests.

L.1977, c. 110, § 27, eff. June 2, 1977.

Amended by:

L.1979, c. 282, § 7, eff. Jan. 9, 1980.

L.1991, c. 182, § 10, eff. June 29, 1991.

L.1993, c. 292, § 3, eff. Dec. 21, 1993.

L.2003, c. 65, § 5, eff. Aug. 14, 2002.

5:12-27a “Independent software contractor”

"Independent software contractor" - A person or entity not employed directly by a casino service industry enterprise who, pursuant to an agreement with the casino service industry enterprise, develops, designs, programs, produces, composes, or manufactures any software, source language, executable code, or content which a casino service industry enterprise acquires control over or ownership of and assumes legal responsibility for the gaming device in which the software or code is used.

L.2012, c.34, § 2, eff. Aug. 7, 2012.

5:12-27.1 “Institutional investor”

"Institutional investor" - Any retirement fund administered by a public agency for the exclusive benefit of federal, state, or local public employees; investment company registered under the Investment Company Act of 1940 (15 U.S.C. § 80a-1 et seq.); collective investment trust organized by banks under Part Nine of the Rules of the Comptroller of the Currency; closed end investment trust; chartered or licensed life insurance company or property and casualty insurance company; banking and other chartered or licensed lending institution; investment advisor registered under The Investment Advisors Act of 1940 (15 U.S.C. § 80b-1 et seq.); and such other persons as the division may

determine for reasons consistent with the policies of the "Casino Control Act," P.L.1977, c. 110 (C. 5:12-1 et seq.).

L.1991, c. 182, § 11, eff. June 29, 1991.

Amended by:

L.2011, c. 19, § 15, eff. Feb. 1, 2011.

5:12-28 "Intermediary company"

"Intermediary company" - Any corporation, association, firm, partnership, trust or any other form of business organization other than a natural person which:

- a. Is a holding company with respect to a corporation or other form of business organization which holds or applies for a casino license, and
- b. Is a subsidiary with respect to any holding company.

L.1977, c. 110, § 28, eff. June 2, 1977.

Amended by:

L.2002, c. 65, § 6, eff. Aug. 14, 2002.

5:12-28.1 "Internet gaming"

"Internet gaming" means the placing of wagers with a casino licensee at a casino located in Atlantic City using a computer network of both federal and non-federal interoperable packet switched data networks through which the casino licensee may offer authorized games to individuals who have established a wagering account with the casino licensee and who are physically present in this State, as authorized by rules established by the division.

L.2013, c. 27, § 5, eff. Feb. 26, 2013.

5:12-28.2 "Internet gaming gross revenue"

"Internet gaming gross revenue" means the total of all sums actually received by a casino licensee from Internet gaming operations, less only the total of all sums actually paid out as winnings to patrons.

L.2013, c. 27, § 6, eff. Feb. 26, 2013.

5:12-29 "Junket"

"Junket" - An arrangement the purpose of which is to induce any person, selected or approved for participation therein on the basis of his ability to satisfy a financial qualification obligation related to his ability or willingness to gamble or on any other basis related to his propensity to gamble, to come to a licensed casino hotel for the purpose of gambling and pursuant to which, and as consideration for which, any or all of the cost of transportation, food, lodging, and entertainment for said person is directly or indirectly paid by a casino licensee or employee or agent thereof.

L.1977, c. 110, § 29, eff. June 2, 1977.

Amended by:

L.1979, c. 282, § 8, eff. Jan. 9, 1980.

L.1983, c. 41, § 1, eff. Jan. 27, 1983.

L.1987, c. 426, § 1, eff. Jan. 14, 1988.

5:12-29.1 "Junket enterprise"

Any person, other than the holder of or an applicant for a casino license, who employs or otherwise engages the services of a junket representative in connection with a junket to a licensed casino, regardless of whether or not those activities occur within the State of New Jersey.

L.1983, c. 41, § 3, eff. Jan. 27, 1983.

Amended by:

L.1992, c. 9, § 4, eff. May 19, 1992.

5:12-29.2 "Junket representative"

"Junket representative" - Any natural person who negotiates the terms of, or engages in the referral, procurement or selection of persons who may participate in, any junket to a licensed casino, regardless of whether or not those activities occur within the State of New Jersey.

L.1983, c. 41, § 4, eff. Jan. 27, 1983.

Amended by:

L.1987, c. 426, § 3, eff. Jan. 14, 1988.

L.1995, c. 18, § 8, eff. Jan. 25, 1995.

5:12-30 "License"

"License" - Any license required by this act.

L.1977, c. 110, § 30, eff. June 2, 1977.

5:12-31 "License or Registration Fee"

"License or Registration Fee" - Any moneys required by law to be paid for the issuance or renewal of a casino license, or any other license or registration required by this act.

L.1977, c. 110, § 31, eff. June 2, 1977.

Amended by:

L.1981, c. 503, § 2, eff. Feb. 15, 1982.

5:12-32 "Licensed casino operation"

"Licensed casino operation" — Any casino licensed pursuant to the provisions of this act.

L.1977, c. 110, § 32, eff. June 2, 1977.

5:12-33 "Licensee"

"Licensee" -Any person who is licensed under any of the provisions of this act.

L.1977, c. 110, § 33, eff. June 2, 1977.

5:12-33a "Multi-casino employee"

"Multi-casino employee" - Any registered casino employee or licensed casino key employee who, upon the petition of two or more affiliated casino licensees, is endorsed by the commission or division, as applicable, to perform any compatible functions for any of the petitioning casino licensees.

L.2001, c. 19, § 16, eff. Feb. 1, 2011.

5:12-33.1 "Multi-casino progressive slot machine system"

"Multi-casino progressive slot machine system"- A slot machine gaming system approved by the commission pursuant to which a common progressive slot machine jackpot is offered on slot machines that are interconnected in more than one casino hotel facility.

L.2004, c. 184, § 3, eff. Dec. 22, 2004.

L.2005, c. 46, § 3, eff. Mar. 21, 2005.

5:12-34 "Operation"

"Operation" - The conduct of gaming as herein defined.

L.1977, c. 110, § 34, eff. June 2, 1977.

5:12-35 "Operation certificate"

"Operation certificate" - A certificate issued by the division which certifies that operation of a casino and, if applicable, a simulcasting facility conforms to the requirements of this act and applicable regulations and that its personnel and procedures are efficient and prepared to entertain the public.

L.1977, c. 110, § 35, eff. June 2, 1977.

Amended by:

L.1993, c. 292, § 4, eff. Dec. 21, 1993.

L.2011, c. 19, § 17, eff. Feb. 1, 2011.

5:12-36 "Party"

"Party" - The division, or any licensee, registrant, or applicant, or any person appearing of record for any licensee, registrant, or applicant in any proceeding before the division or the commission or in any proceeding for judicial review of any action, decision or order of the division or commission.

L.1977, c. 110, § 36, eff. June 2, 1977.

Amended by:

L.1981, c. 503, § 3, eff. Feb. 15, 1982.

L.2002, c. 65, § 7, eff. Aug. 14, 2002.

L.2011, c. 19, § 18, eff. Feb. 1, 2011.

5:12-37 "Person"

"Person"- Any corporation, association, operation, firm, partnership, trust or other form of business association, as well as a natural person.

L.1977, c. 110, § 37, eff. June 2, 1977.

5:12-38 Repealed by L.2011, c. 19, § 133, eff. Feb. 1, 2011.

5:12-38a "Promotional Gaming Credit"

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

L.2008, c. 12, § 1, eff. April 11, 2008.

Amended by:

L.2011, c. 19, § 19, eff. Feb. 1, 2011.

L.2013, c. 27, § 34, eff. Feb. 26, 2013.

5:12-38.1 "Property"

"Property" - Real property, tangible and intangible personal property, and rights, claims and franchises of every nature.

L.1978, c. 7, § 6, eff. March 17, 1978.

5:12-39 "Publicly traded corporation"

"Publicly traded corporation" - Any corporation or other legal entity, except a natural person, which

a. Has one or more classes of security registered pursuant to section 12 of the Securities Exchange Act of 1934, as amended (15 U.S.C. § 78l), or

b. Is an issuer subject to section 15(d) of the Securities Exchange Act of 1934, as amended (15 U.S.C. 78o.), or

c. Has one or more classes of securities traded in any open market in any foreign jurisdiction or regulated pursuant to a statute of any foreign jurisdiction which the division determines to be substantially similar to either or both of the aforementioned statutes.

L.1977, c. 110, § 39, eff. June 2, 1977.

Amended by:

L.1978, c. 7, § 7, eff. Mar. 17, 1978.

L.1992, c. 9, § 7, eff. May 19, 1992.

L.2011, c. 19, § 20, eff. Feb. 1, 2011.

5:12-40 "Registration"

"Registration" - Any requirement other than one which requires a license as a prerequisite to conduct a particular business as specified by this act.

L.1977, c. 110, § 40, eff. June 2, 1977.

5:12-41 "Registrant"

"Registrant" - Any person who is registered pursuant to the provisions of this act.

L.1977, c. 110, § 41, eff. June 2, 1977.

5:12-42 "Regulated complimentary service account"

"Regulated complimentary service account" - An account maintained by a casino licensee on a regular basis which itemizes complimentary services and includes, without limitation, a listing of the cost of junket activities and any other service provided at no cost or reduced price.

L.1977, c. 110, § 42, eff. June 2, 1977.

5:12-42.1 "Resident"

"Resident" - Any person who occupies a dwelling within the State, has a present intent to remain within the State for a period of time, and manifests the genuineness of that intent by establishing an ongoing physical presence within the State together with indicia that his presence within the State is something other than merely transitory in nature.

L.1978, c. 7, § 10, eff. Oct. 1, 1978.

5:12-43 "Respondent"

"Respondent" - Any person against whom a complaint has been filed or a written request for information served.

L.1977, c. 110, § 43, eff. June 2, 1977.

5:12-43.1 "Restricted casino areas"

"Restricted Casino Areas" - The cashier's cage, the soft count room, the hard count room, the slot cage booths and runway areas, the interior of table game pits, the surveillance room and catwalk areas, the slot machine repair room and any other area specifically designated by the division as restricted in a licensee's operation certificate.

L.1987, c. 353, § 3, eff. Jan. 4, 1988.

Amended by:

L.2011, c. 19, § 21, eff. Feb. 1, 2011.

5:12-44 "Security"

"Security" - Any instrument evidencing a direct or indirect beneficial ownership or creditor interest in a corporation or other form of business organization, including but not limited to, stock, common and preferred; bonds; mortgages; debentures; security agreements; notes; warrants; options and rights.

L.1977, c. 110, § 44, eff. June 2, 1977.

Amended by:

L.2002, c. 65, § 8, eff. Aug. 14, 2002.

5:12-44.1 "Simulcasting facility"

"Simulcasting facility" - A facility established in a casino hotel pursuant to section 4 of the "Casino Simulcasting Act," P.L.1992, c. 19 (C.5:12-194).

L.1992, c. 19, § 21, eff. June 12, 1992.

5:12-45 "Slot machine"

"Slot machine" - Any mechanical, electrical or other device, contrivance or machine which, upon insertion of a coin, token or similar object therein, or upon payment of any consideration whatsoever, is available to play or operate, the play or operation of which, whether by reason of the skill of the operator or application of the element of chance, or both, may deliver or entitle the person playing or operating the machine to receive cash or tokens to be exchanged for cash, or to receive merchandise or any thing of value whatsoever, whether the

payoff is made automatically from the machine or in any other manner whatsoever, except that the cash equivalent value of any merchandise or other thing of value shall not be included in determining the payout percentage of any slot machine.

L.1977, c. 110, § 45, eff. June 2, 1977.

Amended by:

L.1985, c. 350, § 2, eff. Jan. 6, 1986.

L.1987, c. 355, § 3, eff. Jan. 4, 1988.

L.1995, c. 18, § 9, eff. Jan. 25, 1995.

L.2002, c. 65, § 9, eff. Aug. 14, 2002.

5:12-45.1 "Slot system agreement"

"Slot system agreement" - A written agreement governing the operation and administration of a multi-casino progressive slot machine system that is approved by the division and executed by the participating casino licensees and any slot system operator.

L.2004, c. 184, § 4, eff. Dec. 22, 2004.

Amended by:

L.2011, c. 19, § 22, eff. Feb. 1, 2011.

5:12-45.2 "Slot system operator"

"Slot system operator" - Any person designated in a slot system agreement as being responsible for the operation and administration of a multi-casino progressive slot machine system, including a casino licensee, a group of casino licensees acting jointly or a casino service industry enterprise licensed pursuant to subsection a. of section 92 of P.L.1977, c.110 (C.5:12-92), or an eligible applicant for such license.

L.2004, c. 184, § 5, eff. Dec. 22, 2004.

Amended by:

L.2009, c. 36, § 3, eff. April 8, 2009.

5:12-45.3 "State of emergency"

"State of emergency" – Any emergency situation, including the failure to enact a general appropriation law by the deadline prescribed by Article VIII, Section II, paragraph 2 of the New Jersey Constitution, a state of emergency declared by the President of the United States or the Governor of the State of New Jersey and a State ordered State employee furlough, during which division and commission employees are unable to perform the duties and responsibilities required of them under this act.

L.2011, c. 19, § 23, eff. Feb. 1, 2011.

5:12-46 "Statement of compliance"

"Statement of compliance" - A statement by the commission, upon the input of the division, which may be issued to an applicant for a casino license or any person who must be qualified pursuant to this act in order to hold the securities of a casino licensee or any holding or intermediary company of a casino licensee, indicating satisfactory completion of a particular stage or stages of the license consideration process, and which states that unless there is a change of any material circumstance pertaining to such particular stage or stages of license consideration involved in the statement, such applicant has complied with requirements mandated by this act and is therefore approved for license qualification to the stage or stages for which the statement has been issued.

L.1977, c. 110, § 46, eff. June 2, 1977.

Amended by:

L.2011, c. 19, § 24, eff. Feb. 1, 2011.

5:12-47 "Subsidiary"

"Subsidiary"- a. Any corporation, any significant part of whose outstanding equity securities are owned, subject to a power or right of control, or held with power to vote, by a holding company or an intermediary company; or

b. A significant interest in any firm, association, partnership, trust or other form of business organization, not a natural person, which is owned, subject to a power or right of control, or held with power to vote, by a holding company or an intermediary company.

L.1977, c. 110, § 47, eff. June 2, 1977.

Amended by:

L.1979, c. 282, § 9, eff. Jan. 9, 1980.

5:12-47.1 Repealed by L.1987, c. 410, § 23, eff. Jan. 14, 1988.

5:12-47.2 "Transfer"

"Transfer" - The sale and every other method, direct or indirect, of disposing of or parting with property or with an interest therein, or with the possession thereof, or of fixing a lien upon property or upon an interest therein, absolutely or conditionally, voluntarily or involuntarily, by or without judicial proceedings, as a conveyance, sale, payment, pledge, mortgage, lien, encumbrance, gift, security or otherwise; the retention of a security interest in property delivered to a corporation shall be deemed a transfer suffered by such corporation.

L.1978, c. 7, § 12, eff. March 17, 1978.

5:12-48 Repealed by L.1991, c. 182, § 61, eff. June 29, 1991.

5:12-49 Words and terms: tense, number and gender

In construing the provisions of this act, save when otherwise plainly declared or clearly apparent from the context:

- a. Words in the present tense shall include the future tense.
- b. Words in the masculine shall include the feminine and neuter genders.
- c. Words in the singular shall include the plural and the plural shall include the singular.

L.1977, c. 110, § 49, eff. June 2, 1977.