

ASSEMBLY, No. 1532

STATE OF NEW JERSEY 210th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2002 SESSION

Sponsored by:

Assemblyman JOSEPH AZZOLINA

District 13 (Middlesex and Monmouth)

Assemblyman NICHOLAS ASSELTA

District 1 (Cape May, Atlantic and Cumberland)

SYNOPSIS

Authorizes Casino Control Commission to permit Atlantic City casinos to accept wagers from remote locations on live games conducted in their casinos.

CURRENT VERSION OF TEXT

Introduced Pending Technical Review by Legislative Counsel.



1 AN ACT authorizing the Casino Control Commission to permit
2 Atlantic City casinos to offer remote live casino gambling, and
3 amending and supplementing the "Casino Control Act", P.L.1977,
4 c.110 (C.5:12-1 et seq.).

5

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

8

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

11 6. "Casino" or "casino room" or "licensed casino" -- One or more
12 locations or rooms in a casino hotel facility that have been approved
13 by the commission for the conduct of casino gaming, including remote
14 live gaming, in accordance with the provisions of this act. "Casino"
15 or "casino room" or "licensed casino" shall not include any casino
16 simulcasting facility authorized pursuant to the "Casino Simulcasting
17 Act," P.L.1992, c.19 (C.5:12-191 et seq.).
18 (cf: P.L.1996, c.84, s.1)

19

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

22 5. "Authorized Game" or "Authorized Gambling Game"-- Roulette,
23 baccarat, blackjack, craps, big six wheel, slot machines, minibaccarat,
24 red dog, pai gow, and sic bo; any variations or composites of such
25 games, provided that such variations or composites are found by the
26 commission suitable for use after an appropriate test or experimental
27 period under such terms and conditions as the commission may deem
28 appropriate; **[and]** any other game which is determined by the
29 commission to be compatible with the public interest and to be suitable
30 for casino use after such appropriate test or experimental period as the
31 commission may deem appropriate ; and any of the foregoing games,
32 except slot machines or a variation or composite thereof, determined
33 by the commission to be suitable to be offered through remote live
34 gaming, after an appropriate test or experimental period as the
35 commission may deem appropriate. "Authorized game" or "authorized
36 gambling game" includes gaming tournaments in which players
37 compete against one another in one or more of the games authorized
38 herein or by the commission or in approved variations or composites
39 thereof if the tournaments are authorized by the commission.
40 (cf: P.L.1993, c.292, s.1)

41

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

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

Matter underlined thus is new matter.

1 3. "Restricted Casino Areas"--The cashier's cage, the soft count
2 room, the hard count room, the slot cage booths and runway areas, the
3 interior of table game pits, the surveillance room and catwalk areas,
4 the slot machine repair room, any room or area related to remote live
5 gaming operations and any other area specifically designated by the
6 commission as restricted in a licensee's operation certificate.
7 (cf: P.L.1987, c.353, s.3)

8
9 4. Section 100 of P.L.1977, c.110 (C.5:12-100) is amended to read
10 as follows:

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

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

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

46 c. Each casino hotel shall contain a count room and such other

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

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

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

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

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

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

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

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

15 (a) promote optimum security for casino operations;

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

18 (c) promote the comfort of patrons;

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

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

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

29 (3) No software, computer or other gaming equipment shall be used
30 to conduct remote live gaming unless it is has been specifically tested
31 by the division and approved by the commission. The division may, in
32 its discretion, and for the purpose of expediting the approval process,
33 refer testing to any testing laboratory with a plenary license as a casino
34 service industry pursuant to subsection a. of section 92 of P.L.1977,
35 c.110 (C.5:12-92). The commission shall, by regulation, establish such
36 technical standards for approval of software, computers and other
37 gaming equipment used to conduct remote live gaming, including
38 mechanical, electrical or program reliability, security against
39 tampering, the comprehensibility of wagering, and noise and light
40 levels, as it may deem necessary to protect the player from fraud or
41 deception and to insure the integrity of gaming.

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

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

44 k. It shall be unlawful for any person to exchange or redeem chips
45 for anything whatsoever, except for currency, negotiable personal
46 checks, negotiable counter checks, other chips, coupons or

1 complimentary vouchers distributed by the casino licensee, or, if
2 authorized by regulation of the commission, a valid charge to a credit
3 or debit card account. A casino licensee shall, upon the request of any
4 person, redeem that licensee's gaming chips surrendered by that person
5 in any amount over \$100 with a check drawn upon the licensee's
6 account at any banking institution in this State and made payable to
7 that person.

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

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

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

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

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

1 established for dealers in the game of poker, or may permit tips or
2 gratuities to be retained by individual dealers in the game of poker.
3 (cf: P.L.1998, c.141, s.1)

4
5 5. Section 109 of P.L.1977, c.110 (5:12-109) is amended to read
6 as follows:

7 109. Notwithstanding any provisions of this article, the commission
8 may issue an emergency order for the suspension, limitation or
9 conditioning of any operation certificate or any license, other than a
10 casino license, or any registration, or any permit to offer remote live
11 gaming, or may issue an emergency order requiring the licensed casino
12 to keep an individual from the premises of such licensed casino or
13 from using or maintaining a remote live gaming account, or not to pay
14 such individual any remuneration for services or any profits, income
15 or accruals on his investment in such casino, in the following manner:

16 a. An emergency order shall be issued only when the commission
17 finds that:

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

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

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

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

28 c. The emergency order shall be effective immediately upon
29 issuance and service upon the licensee, registrant, or resident agent of
30 the licensee. The emergency order may suspend, limit, condition or
31 take other action in relation to the approval of one or more individuals
32 who were required to be approved in any operation, without
33 necessarily affecting any other individuals or the licensed casino
34 establishment. The emergency order shall remain effective until
35 further order of the commission or final disposition of the case.

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

39 e. Thereafter, the person or entity against whom the emergency
40 order has been issued and served shall be entitled to a hearing before
41 the commission in accordance with the provisions of this act.

42 (cf: P.L.1981, c.503, s.18)

43
44 6. Section 1 of P.L.1999, c.352 (C.5:12-129.1) is amended to read
45 as follows:

46 1. The holder of any license issued under P.L.1977, c.110

1 (C.5:12-1 et seq.), or any person acting on behalf thereof, shall file a
2 report of any suspicious transaction with the Director of the Division
3 of Gaming Enforcement. For the purposes of P.L.1999, c.352
4 (C.5:12-129.1 et al.), "suspicious transaction" means the acceptance
5 of cash [or], the redeeming of chips or markers, a payment to
6 establish credit in a remote live gaming account or the placement of a
7 remote live gaming wager involving or aggregating \$5,000 if the
8 licensee or person knows or suspects that the transaction:

9 a. involves funds derived from illegal activities or is intended or
10 conducted in order to conceal or disguise funds or assets derived from
11 illegal activities;

12 b. is part of a plan to violate or evade any law or regulation or to
13 avoid any transaction reporting requirement under the law or
14 regulations of this State or the United States, including a plan to
15 structure a series of transactions to avoid any transaction reporting
16 requirement under the laws or regulations of this State or the United
17 States; or

18 c. has no business or other apparent lawful purpose or is not the
19 sort of transaction in which a person would normally be expected to
20 engage and the licensee or person knows of no reasonable explanation
21 for the transaction after examining the available facts, including the
22 background and possible purpose of the transaction.

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

24

25 7. (New section) "Remote Live Gaming" - The real-time offering
26 pursuant to this act, P.L. c. (C.) (now pending before the
27 Legislature as this bill), by a casino licensee of an authorized game, to
28 a player who has established a remote live gaming account with the
29 casino licensee, through the transmission from the casino to the player
30 of game information and video of live game play.

31

32 8. (New section) a. No remote live gaming shall be offered to the
33 public, and no remote live gaming shall be conducted, except for test
34 purposes, until a casino licensee with a valid operation certificate
35 receives from the commission a permit to conduct remote live gaming.
36 A remote live gaming permit, valid for one year, shall be issued by the
37 commission upon a finding that a casino licensee's remote live gaming
38 operations comply in all respects with the requirements of this act,
39 P.L. c. (C.) (now pending before the Legislature as this bill)
40 and regulations promulgated hereunder, that the casino licensee has
41 implemented necessary management controls and security precautions
42 for the efficient operation of remote live gaming, that casino personnel
43 having duties relating to remote live gaming are licensed for the
44 performance of their respective responsibilities, and that the casino
45 licensee is prepared in every respect to offer remote live gaming to the
46 public.

1 b. The permit shall include an itemized list by category and number
2 of the authorized games offered through remote live gaming.

3 c. A casino licensee shall, in accordance with regulations
4 promulgated by the commission, file any changes in the number of
5 authorized games offered through remote live gaming with the
6 commission and the division.

7 d. It shall be an express condition of the continued operation of
8 remote live gaming that a casino licensee maintain all books, records,
9 and documents pertaining to the licensee's remote live gaming
10 operations in a manner and location within this State approved by the
11 commission. All such books, records and documents shall be
12 immediately available for inspection during all hours of operation in
13 accordance with the rules of the commission and shall be maintained
14 for such period of time as the commission shall require.

15 e. Subject to the power of the commission to deny, revoke, or
16 suspend permits, a remote live gaming permit in force shall be renewed
17 by the commission for one year upon proper application for renewal,
18 completion of a review of remote live gaming operations for
19 compliance with this act, a review of all controls required under
20 section 9 of this act and payment of permit fees and taxes as required
21 by law and the regulations of the commission. Upon renewal of a
22 remote live gaming permit, the commission shall issue an appropriate
23 renewal certificate or validating device or sticker which shall be
24 attached to the remote live gaming permit.

25 f. Notwithstanding subsections a. and e. of this section, a remote
26 live gaming permit shall remain in force only if the casino licensee that
27 holds the permit also holds a valid operation certificate.

28
29 9. (New section) a. The entire remote live gaming operation,
30 including facilities, equipment and personnel, shall be located within
31 the licensees' casino hotel.

32 b. Facilities used to conduct and support remote live gaming shall:

33 (1) be arranged in a manner promoting optimum security for the
34 remote live gaming operation;

35 (2) include a closed circuit visual monitoring system according to
36 specifications approved by the commission, with access on the licensed
37 premises to the system or its signal provided to the commission or the
38 division;

39 (3) not be designed in a way that might interfere with the ability of
40 the commission or the division to supervise remote live gaming
41 operations; and

42 (4) comply in all respects with regulations of the commission
43 pertaining thereto.

44
45 10. (New section) a. Notwithstanding section 99 of P.L.1977,
46 c.110 (C.5:12-99), each casino licensee who holds or has applied for

1 a permit to offer remote live gaming shall submit to the commission a
2 description of its system of internal procedures and administrative and
3 accounting controls for remote live gaming and a description of any
4 changes thereof. The submission shall be made at least 30 days before
5 such operations are to commence or at least 30 days before any change
6 in those procedures or controls is to take effect, unless otherwise
7 directed by the commission. Notwithstanding the foregoing, the
8 internal controls described in paragraph (3) of this subsection may be
9 implemented by a casino licensee upon the filing of such internal
10 controls with the commission. Each internal procedure or control
11 submission shall contain both narrative and diagrammatic
12 representations of the internal control system to be utilized with regard
13 to remote live gaming, including, but not limited to:

14 (1) accounting controls, including the standardization of forms and
15 definition of terms to be utilized in remote live gaming operations.

16 (2) procedures, forms, and, where appropriate, formulas covering
17 the calculation of hold percentages; revenue drop; expense and
18 overhead schedules; complimentary services; and cash equivalent
19 transactions.

20 (3) job descriptions and the system of personnel and
21 chain-of-command, establishing a diversity of responsibility among
22 employees engaged in remote live gaming operations and identifying
23 primary and secondary supervisory positions for areas of
24 responsibility; salary structure; and personnel practices.

25 (4) procedures for the establishment of remote live gaming
26 accounts, including a procedure for authenticating the age, identity and
27 principal residence of an applicant for a remote live gaming account.

28 (5) procedures for the termination of a remote live gaming account
29 by the account holder and the return of remaining funds in the account
30 to the account holder.

31 (6) procedures for the termination of a dormant account.

32 (7) procedures for the logging in and authentication of the identity
33 and current location of a remote live gaming account holder in order
34 to enable the holder to commence remote live gaming, and the logging
35 off of the holder of the account when the holder has finished gaming,
36 including a procedure to automatically log off the holder after a
37 specified period of inactivity.

38 (8) procedures for the crediting and debiting of remote live gaming
39 accounts, if the casino licensee intends to allow a holder of a remote
40 live gaming account to transfer funds to the casino licensee to establish
41 credit in the gaming account.

42 (9) procedures for the cashing of checks to establish credit in a
43 remote live gaming account; the receipt and security of cash to
44 establish credit in a remote live gaming account, whether the cash is
45 received by wire transfer, electronic transfer, transfer from a stored
46 value card, advance on a credit card or debit card or by other

1 electronic means approved by the commission; and receipt of other
2 electronic negotiable instruments approved by the commission to
3 establish credit in a remote live gaming account.

4 (10) procedures for the withdrawal of funds from a remote live
5 gaming account by the account holder.

6 (11) procedures for the electronic crediting and debiting of an
7 account at a third-party financial institution belonging to a remote live
8 gaming account holder, if the casino licensee intends to allow a holder
9 of a remote live gaming account to place wagers from, and receive
10 winnings at, the holder's account at a third-party financial institution.

11 (12) procedures for ensuring the security of the transactions
12 described in paragraphs (8) and (11) of this subsection.

13 (13) the recording of transactions pertaining to remote live gaming,
14 including the name of the person placing the wager or receiving
15 payment; the person's remote live gaming account number; if
16 appropriate, the person's third-party financial institution account
17 number and the transaction number of the debit or credit to the third-
18 party financial institution account if one is assigned by the financial
19 institution or the electronic network over which the transaction is
20 processed; and the date, time and amount of the debit or credit.

21 (14) procedures for the security of information and funds in a
22 remote live gaming account.

23 (15) procedures for the transfer of funds generated from remote live
24 gaming to the counting process.

25 (16) procedures and security for the counting and recordation of
26 revenue.

27 (17) procedures for the security of remote live gaming operations
28 within the casino hotel.

29 (18) procedures and security standards for the handling and storage
30 of software, computers and other electronic equipment used to
31 conduct remote live gaming.

32 (19) procedures and security standards to protect software,
33 computers and other gaming equipment used to conduct remote live
34 gaming from tampering by casino employees or any other person, from
35 a location inside or outside of the casino hotel.

36 (20) procedures for responding to tampering with software,
37 computers and other gaming equipment used to conduct remote live
38 gaming or any gaming-related equipment or hardware used in support
39 of gaming, including partial or complete suspension of remote live
40 gaming operations or the suspension of any or all remote live gaming
41 accounts when warranted.

42 (21) procedures to assist problem and compulsive gamblers.

43 b. The commission shall review each submission required by
44 subsection a. of this section, and determine whether it conforms to the
45 requirements of this act, P.L. c. (C.) (now pending before the
46 Legislature as this bill), and to the regulations promulgated thereunder

1 and whether the system submitted provides adequate and effective
2 procedures and controls for the remote live gaming operations of the
3 particular casino hotel submitting it. If the commission finds any
4 insufficiencies, it shall specify the insufficiencies in writing to the
5 casino licensee, who shall make appropriate alterations. When the
6 commission determines a submission to be adequate in all respects, it
7 shall notify the casino licensee. No casino licensee shall commence or
8 alter gaming operations unless and until the system of procedures and
9 controls is approved by the commission.

10

11 11. (New section) a. To establish a remote live gaming account
12 with a casino licensee that offers remote live gaming, a person shall be
13 an individual at least 21 years of age and a resident of this State or of
14 a jurisdiction from which it is lawful to engage in remote live gaming.

15 b. The account shall be in the name of a natural person and shall
16 not be in the name of any beneficiary, custodian, joint trust,
17 corporation, partnership or other organization or entity.

18 c. An account may be established by a person submitting an
19 application form approved by the commission along with proof of age
20 and principal residency. The commission shall specify by regulation
21 what types of proof are sufficient to authenticate age and principal
22 residency. The application form shall include an electronic mail
23 address of the prospective account holder and a statement that a false
24 statement made in regard to an application shall subject the applicant
25 to prosecution.

26 d. As part of the application process, the casino licensee shall
27 provide the prospective account holder with a password to access the
28 remote live gaming account, or shall establish some other mechanism
29 approved by the commission to authenticate the player as the holder
30 of a remote live gaming account and allow the holder access to the
31 account.

32 e. The prospective account holder shall submit the completed
33 application to the casino licensee. The casino licensee shall accept or
34 reject an application after receipt and review of the application and
35 proof of age for compliance with this act, P.L. c. (C.) (now
36 pending before the Legislature as this bill).

37 f. Any prospective account holder who provides false or misleading
38 information on the application is subject to rejection of the application
39 or cancellation of the account by the casino licensee.

40 g. The licensee shall have the right to suspend or close any remote
41 live gaming account at its discretion.

42 h. Any person on the list established by section 71 of P.L.1977,
43 c.110 (C.5:12-71) of persons who are to be excluded or ejected from
44 any licensed casino shall not be entitled to maintain a remote live
45 gaming account.

46 i. The following persons shall not be permitted to maintain a

1 remote live gaming account:

- 2 (1) the Governor;
- 3 (2) a State officer or employee or special State officer or employee;
- 4 (3) a member of the Judiciary;
- 5 (4) a member of the Legislature;
- 6 (5) a officer of Atlantic City;

7 (6) a casino key employee or principal employee of a casino
8 licensee that holds a remote live gaming permit; or

9 (7) a casino employee, other than a junket representative, bartender,
10 waiter, waitress or other casino employee who, in the judgement of the
11 commission, is not directly involved with the conduct of gaming
12 operations, shall not maintain a remote live gaming account with the
13 casino licensee with which he or she is employed.

14 j. The postal and electronic addresses provided by the applicant in
15 the application shall be deemed the proper addresses for the purposes
16 of mailing notices and other materials.

17 k. A remote live gaming account shall not be assignable or
18 otherwise transferable.

19 l. The casino licensee may at any time declare all or any part of its
20 remote live gaming operation closed for wagering.

21
22 12. (New section) A financial transaction between a casino licensee
23 with a permit to conduct remote live gaming and a holder of a remote
24 live gaming account shall be conducted in one or both of the following
25 ways:

26 a. The holder of the remote live gaming account shall establish
27 credit in the remote live gaming account by deposit with the casino
28 licensee, and shall authorize the casino licensee to debit or credit, as
29 appropriate, the remote live gaming account.

30 b. The holder of the remote live gaming account shall authorize the
31 casino licensee to debit or credit, as appropriate, the holder's account
32 with a third-party financial institution.

33
34 13. (New section) a. Credits to a remote live gaming account
35 described in paragraph a. of section 12 of P.L. , c. (C.)(now
36 before the Legislature as this bill) shall not be made except as provided
37 by this subsection.

38 (1) The remote live gaming account holder's deposits to the
39 remote live gaming account shall be submitted by the account holder
40 to the casino licensee and shall be in the form of one of the following:

41 (a) cash given to the casino licensee, including a transfer from a
42 stored value card;

43 (b) check, money order, negotiable order of withdrawal, wire or
44 electronic transfer, payable and remitted to the casino licensee;

45 (c) charges made to an account holder's debit or credit card upon
46 the account holder's direct and personal instruction, which instruction

1 may be given by telephone communication or other electronic means
2 to the casino licensee by the account holder if the use of the card has
3 been approved by the casino licensee; or

4 (d) any other method approved by the commission.

5 (2) When an account holder wins a wager on a remote live game,
6 the casino licensee shall credit the appropriate amount to the holder's
7 remote live gaming account.

8 (3) The casino licensee shall have the right to credit a remote live
9 gaming account as part of a promotion scheme.

10 (4) The casino licensee shall have the right to refuse all or part of
11 a deposit to the account.

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

14 b. Debits to a remote live gaming account described in paragraph
15 a. of section 12 of P.L. , c. (C.)(now before the Legislature as
16 this bill) shall not be made except as provided by this subsection.

17 (1) Upon receipt by a casino licensee of an account wager, the
18 casino licensee shall debit the appropriate amount from the holder's
19 remote live gaming account.

20 (2) A casino licensee shall authorize a withdrawal from a remote
21 live gaming account when the account holder submits to the casino
22 licensee:

23 (a) proper identification;

24 (b) the correct authentication information for access to the account;
25 and

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

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

35

36 14. (New section) a. Credits to a third-party financial institution
37 account used in remote live gaming shall not be made except as
38 provided by this subsection.

39 (1) When an account holder wins a wager on a remote live game,
40 the casino licensee shall credit the appropriate amount to the holder's
41 third-party financial institution account.

42 (2) When an account holder is logged onto his or her remote live
43 gaming account and has provided the casino licensee authorization to
44 access the holder's third-party financial institution account, the casino
45 licensee shall have the right to credit that third-party financial
46 institution account as part of a promotion scheme.

1 b. A casino licensee shall debit the appropriate amount from a third-
2 party financial institution account used in remote live gaming only
3 when the licensee receives a wager on a remote live game from the
4 holder of the remote live gaming and third-party financial institution
5 accounts.

6
7 15. (New section) A casino licensee shall allow a person to
8 participate in remote live gaming only as follows.

9 a. A wager on a remote live game shall be placed directly with the
10 casino licensee by the holder of the wagering account.

11 b. The account holder shall be in a jurisdiction from which it is
12 lawful to engage in remote live wagering.

13 c. The account holder shall provide the casino licensee with the
14 correct authentication information for access to the remote live gaming
15 account.

16 d. If appropriate, the remote live gaming account holder shall
17 provide the casino licensee with the correct authorization information
18 to access his or her account at a third-party financial institution. A
19 casino licensee shall not accept a wager on a remote live game in an
20 amount in excess of funds on deposit in the remote live gaming
21 account holder's third-party financial institution account. A person
22 shall not place a wager, and the casino licensee shall not accept a
23 wager, on a remote live game if the casino licensee does not have
24 communication with the third-party financial institution sufficient to
25 verify the balance of, and make debits and credits to, the person's
26 third-party financial institution account.

27 e. A casino licensee shall not accept a wager on a remote live game
28 in an amount in excess of funds on deposit in the remote live gaming
29 account of the holder placing the wager, for an account described in
30 paragraph a. of section 12 of P.L. , c. (C.)(now before the
31 Legislature as this bill). Funds on deposit include amounts credited
32 under section 13 of this act, P.L. c. (C.)(now before the
33 Legislature as this bill), and in the account at the time the wager is
34 placed.

35 f. Only the holder of a remote live gaming account shall place a
36 wager on a remote live game.

37 g. The casino licensee shall have the right to refuse a wager.

38
39 16. (New section) The casino licensee shall establish a log in
40 procedure for a holder of a remote live gaming account to participate
41 in remote live gaming. Part of the log in procedure shall be the
42 provision by the account holder of the appropriate authentication
43 information for access to remote live gaming. The casino licensee
44 shall not allow an account holder to participate in remote live gaming
45 before logging in and providing: (1) the proper authentication
46 information to access the holder's wagering account; and, if

1 appropriate, (2) the proper authorization information for the casino
2 licensee to access the holder's third-party institution account. The
3 casino licensee also shall not allow an account holder to participate in
4 remote live gaming until the licensee has authenticated that the
5 account holder is in a jurisdiction from which it is lawful to engage in
6 remote live wagering.

7

8 17. (New section) The casino licensee shall provide to a holder of
9 a remote live gaming account who is logged in to the account access
10 to a display of all of the following information:

11 a. the current amount of money in the holder's remote live gaming
12 account for an account described in paragraph a. of P.L. , c.
13 (C.) (now before the Legislature as this bill);

14 b. the amount of money the account holder has won or lost on
15 remote live gaming since the account was established;

16 c. the amount of money the account holder has won or lost on
17 remote live gaming during the current gaming session, where a gaming
18 session begins at log on and ends at log off;

19 d. a detailed accounting of all other remote live gaming sessions,
20 where a session begins at log on and ends at log off, including time
21 and date of log on and log off and the amount of money won or lost
22 on gaming; and

23 e. the complete text of the rules of the commission regarding
24 games and the conduct of remote live gaming, pay-offs of winning
25 wagers, an approximation of the odds of winning for each wager, and
26 such other advice and information to the account holder as the
27 commission shall require.

28

29 18. (New section) Credit in a remote live gaming account
30 described in paragraph a. of section 12 of P.L. c. (C.)(now before
31 the Legislature as this bill) that is inactive or dormant for a period of
32 time established by regulation of the commission shall be paid 50% to
33 the casino licensee and 50% to the Casino Control Fund. Before
34 closing a remote live gaming account pursuant to this section, the
35 casino licensee shall attempt to contact the account holder
36 electronically and also by mail and phone.

37

38 19. (New section) In order to assist those persons who may have
39 a gambling problem, a casino licensee shall:

40 a. cause the words "If you or someone you know has a gambling
41 problem and wants help, call 1-800 GAMBLER," or some comparable
42 language approved by the commission, which language shall include
43 the words "gambling problem" and "call 1-800 GAMBLER," to be
44 prominently and continuously displayed to a person logged into a
45 remote live gaming account;

46 b. provide a mechanism by which a holder of a remote live gaming

1 account may establish the following controls on his or her account:

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

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

7 (3) a temporary suspension of remote live gaming for any number
8 of hours or days.

9 The casino licensee shall not send gaming-related mail or electronic
10 mail to an account holder while he or she is suspended from remote
11 live gaming. The casino licensee shall provide a mechanism by which
12 an account holder may change these controls, except that while remote
13 live gaming is suspended, the changes will not take effect until the
14 suspension expires. During a self-imposed suspension, the holder shall
15 continue to have access to the remote live gaming account and shall be
16 permitted to withdraw funds from the account upon proper application
17 therefor; and

18 c. establish a system by which a holder of a remote live gaming
19 account who sustains continuous losses of a sufficient level according
20 to standards set by the commission by regulation, will have sent to his
21 or her postal address and electronic mail address a list detailing all
22 gaming winnings and losses through remote live wagering, contact
23 information for assistance with identifying a potential gambling
24 problem and other information about gambling problems and
25 compulsive gambling deemed appropriate by the commission.

26

27 20. (New section) a. Except as provided in this section, no casino
28 licensee or any person licensed under P.L.1977, c.110 (C.5:12-1 et
29 seq.) and no person acting on behalf of, or under arrangement with, a
30 casino licensee or other person licensed under P.L.1977, c.110, shall:

31 (1) cash a check, make a loan, or otherwise provide credit to a
32 person for the purpose of crediting a remote live gaming account; or

33 (2) release or discharge debt, either in whole or in part, or make a
34 loan which represents losses incurred by a remote live gaming account
35 holder in remote live gaming, without maintaining a written record
36 thereof in accordance with the rules of the commission.

37 b. Notwithstanding section 101 of P.L.1977, c.110 (C.5:12-101),
38 no casino licensee or person licensed under P.L.1977, c.110 (C.5:12-1
39 et seq.), and no person acting on behalf of, or under an arrangement
40 with, a casino licensee or person licensed under P.L.1977, c.110, shall
41 accept a check, other than a recognized traveler's check or other cash
42 equivalent from a person for the purpose of crediting a remote live
43 gaming account unless:

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

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

46 (3) the check is transmitted to the casino licensee and received by

1 the licensee in a manner approved by the commission and is exchanged
2 for credit in a remote live gaming account established by the drawer
3 of the check; and

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

6
7 21. (New section) A person who offers or displays games through
8 remote live gaming without approval of the commission to do so is
9 guilty of a crime of the fourth degree and notwithstanding the
10 provisions of N.J.S.2C:43-3, shall be subject to a fine of not more than
11 \$25,000 and in the case of a person other than a natural person, to a
12 fine of not more than \$100,000 and any other appropriate disposition
13 authorized by subsection b. of N.J.S.2C:43-2.

14
15 22. (New section) a. A person who knowingly offers or allows to
16 be offered through remote live gaming a casino game that has been
17 tampered with in a way that affects the odds or the payout of a game
18 or disables the game from operating according to the rules of the game
19 as promulgated by the commission is guilty of a crime of the third
20 degree and notwithstanding the provisions of N.J.S.2C:43-3, shall be
21 subject to a fine of not more than \$50,000 and in the case of a person
22 other than a natural person, to a fine of not more than \$200,000 and
23 any other appropriate disposition authorized by subsection b. of
24 N.J.S.2C:43-2.

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

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

32
33 23. (New section) a. No person under the age of 21 shall be
34 permitted to maintain a remote live gaming account. A casino licensee
35 or employee of a casino licensee who allows a person under the age of
36 21 to maintain a remote live gaming account is guilty of a crime of the
37 fourth degree and subject to the penalties therefor; except that the
38 establishment of all of the following facts by a licensee or employee
39 allowing an underage person to maintain an account shall constitute a
40 defense to any prosecution therefor:

41 (1) that the underage person falsely represented during the
42 application process for a remote live gaming account that he or she
43 was at least 21 years of age; and

44 (2) that the establishment of the remote live gaming account was
45 made in good faith, relying upon such representation, and in the
46 reasonable belief that the underage person was actually 21 years of age

1 or older.

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

5 c. In addition to the penalties provided in subsection a., a casino
6 licensee that violates the provisions of this section more than once
7 shall have its permit to conduct remote live gaming revoked.

8

9 24. (New section) a. The commission shall, by regulation,
10 establish annual fees for the issuance or renewal of remote live gaming
11 permits. The issuance fee shall be based upon the cost of investigation
12 and consideration of the license application. The renewal fee shall be
13 based upon the cost of maintaining enforcement, control and
14 regulation of remote live gaming operations.

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

20 c. A nonrefundable deposit in an amount established by the
21 commission shall be required to be posted with each application for a
22 remote live gaming permit and shall be applied to the initial permit fee
23 if the application is approved.

24 d. In addition to the permit issuance and renewal fees, a casino
25 licensee with a remote live gaming permit shall pay annually to the
26 commission \$100,000 to be deposited into the General Fund for
27 appropriation by the Legislature to the Department of Health and
28 Senior Services, \$85,000 of which shall be allocated to the Council on
29 Compulsive Gambling of New Jersey and \$15,000 of which shall be
30 used for compulsive gambling treatment programs in the State.

31

32 25. This act shall take effect on the January 1 next following the
33 approval of the people of the State of New Jersey of an authorizing
34 amendment to Article IV, Section VII, paragraph 2 of the Constitution
35 of the State of New Jersey that would permit the Legislature to
36 authorize remote live gaming.

37

38

39

STATEMENT

40

41 This bill authorizes the Casino Control Commission to issue a
42 permit to a licensed casino in Atlantic City to conduct remote live
43 gaming, which would enable a casino to offer casino games to a player
44 through the transmission from the casino to the player of game
45 information and video of live play. To engage in remote live gaming,
46 a player must be located in this State or other jurisdiction where

- 1 remote live gaming is legal.
- 2 In particular, the bill provides:
- 3 C the application process for a licensed casino to obtain a permit to
4 offer remote live gaming, with the permit valid for one year and
5 subject to renewal. As part of the application process, a casino
6 licensee must submit to the commission for its approval a
7 description of its system of internal procedures (including security
8 procedures) and administrative and accounting controls for remote
9 live gaming.
- 10 C the process to allow individual players to establish remote live
11 gaming accounts;
- 12 C two ways for a casino to accept wagers from remote live gaming
13 account holders: accept a wager placed directly from the player's
14 third-party financial institution account, or accept a wager with
15 funds deposited in the player's remote live gaming account.
- 16 C required features to assist the remote live gaming account holder;
- 17 C required features to assist problem gamblers and potential problem
18 gamblers;
- 19 C penalties for violations of the provisions of the bill;
- 20 C an annual fee for remote live gaming permit holders for the initial
21 permit and permit renewal to cover the costs of regulation by the
22 commission and the division; and
- 23 C an annual fee for remote live gaming permit holders of \$100,000
24 to be allocated to programs to prevent compulsive gambling and to
25 assist compulsive gamblers.
- 26 In addition, a licensed casino's remote live gaming operations would
27 be subject to the existing provisions of the Casino Control Act and the
28 regulations of the commission, including, but not limited to:
- 29 C the 8% tax on gross revenues and the 2.5% investment alternative
30 tax on gross revenues;
- 31 C the licensure of all employees with gaming-related duties or
32 responsibilities;
- 33 C penalties for a violation of the act; and
- 34 C supplemental sanctions deemed appropriate by the commission, for
35 a violation of a provision of the existing casino control act or this
36 amendatory and supplementary bill.
- 37 Finally, the bill maintains the commission's authority to promulgate
38 regulations for remote live gaming and the commission's and the
39 division's authority to protect the integrity of gaming.