

SENATE, No. 3062

STATE OF NEW JERSEY
221st LEGISLATURE

INTRODUCED APRIL 8, 2024

Sponsored by:

Senator JOHN F. MCKEON
District 27 (Essex and Passaic)

Co-Sponsored by:

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SYNOPSIS

Prohibits casino licensees from using non-wagering casino games to solicit future gaming.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 9/12/2024)

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1 AN ACT concerning the use of non-wagering casino games by
2 casino licensees to solicit future gaming, and amending
3 P.L.1977, c.110.

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

7
8 1. Section 100 of P.L.1977, c.110 (C.5:12-100) is amended to
9 read as follows:

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

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

42 Notwithstanding any other provision of this section, computer
43 equipment used by the slot system operator of a multi-casino
44 progressive slot system to link and communicate with the slot
45 machines of two or more casino licensees for the purpose of

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 calculating and displaying the amount of a progressive jackpot,
2 monitoring the operation of the system, and any other purpose that
3 the division deems necessary and appropriate to the operation or
4 maintenance of the multi-casino progressive slot machine system
5 may, with the prior approval of the division, be possessed,
6 maintained and operated by the slot system operator either in a
7 restricted area on the premises of a casino hotel or in a secure
8 facility inaccessible to the public and specifically designed for that
9 purpose off the premises of a casino hotel but within the territorial
10 limits of Atlantic County, New Jersey.

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

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

28 Notwithstanding any other provision of this act to the contrary,
29 the division may authorize electronic versions of authorized games
30 to be played within an approved hotel facility on mobile gaming
31 devices to be approved by the division, provided the player has
32 established an account with the casino licensee, the wager is placed
33 by and the winnings are paid to the patron in person within the
34 approved hotel facility, the mobile gaming device is inoperable
35 outside the approved hotel facility, and the division authorizes the
36 device for mobile gaming; provided that the division may establish
37 any additional or more stringent licensing and other regulatory
38 requirements necessary for the proper implementation and conduct
39 of mobile gaming as authorized herein. For the purposes of this
40 provision, the approved hotel facility shall include any area located
41 within the property boundaries of the casino hotel facility, including
42 the swimming pool area and an outdoor recreation area, where
43 mobile gaming devices may be used by patrons in accordance with
44 this provision, but excluding parking garages or parking areas of a
45 casino hotel facility, provided that the division shall ascertain and
46 ensure, pursuant to rules and regulations issued by it to implement
47 mobile gaming pursuant to this provision, that mobile gaming shall

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1 not extend outside of the property boundaries of the casino hotel
2 facility.

3 c. Each casino hotel shall contain a count room and such other
4 secure facilities as may be required by the division for the counting
5 and storage of cash, coins, tokens, checks, plaques, gaming
6 vouchers, coupons, and other devices or items of value used in
7 wagering and approved by the division that are received in the
8 conduct of gaming and for the inspection, counting and storage of
9 dice, cards, chips and other representatives of value. The division
10 shall promulgate regulations for the security of drop boxes and
11 other devices in which the foregoing items are deposited at the
12 gaming tables or in slot machines, and all areas wherein such boxes
13 and devices are kept while in use, which regulations may include
14 certain locking devices. Said drop boxes and other devices shall not
15 be brought into or removed from a casino room or simulcasting
16 facility, or locked or unlocked, except at such times, in such places,
17 and according to such procedures as the division may require.

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

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

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

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

45 h. (1) Except as herein provided, no slot machine shall be used
46 to conduct gaming unless it is identical in all electrical, mechanical
47 and other aspects to a model thereof which has been specifically
48 tested and licensed for use by the division. The division shall also

1 test any other gaming device, gaming equipment, gaming-related
2 device, hardware and software by which authorized gambling
3 games are offered through the Internet, or gross-revenue related
4 device, such as a slot management system, electronic transfer credit
5 system or gaming voucher system as it deems appropriate. In its
6 discretion and for the purpose of expediting the approval process,
7 the division may utilize the services of a private testing laboratory
8 that has obtained a plenary license as a casino service industry
9 enterprise pursuant to subsection a. of section 92 of P.L.1977, c.110
10 (C.5:12-92) to perform the testing, and may also utilize applicable
11 data from any such private testing laboratory or from a
12 governmental agency of a state other than New Jersey authorized to
13 regulate slot machines and other gaming devices, gaming
14 equipment, gaming-related devices and gross-revenue related
15 devices used in casino gaming, if the private testing laboratory or
16 governmental agency uses a testing methodology substantially
17 similar to the methodology utilized by the division. The division, in
18 its discretion, may rely upon the data provided by the private testing
19 laboratory or governmental agency and adopt the conclusions of
20 such private testing laboratory or governmental agency regarding
21 any submitted device.

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

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

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

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

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

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

31 (6) A casino's primary equipment used to conduct Internet
32 gaming shall be located, with the prior approval of the division, in a
33 restricted area on the premises of the casino hotel or in another
34 facility owned or leased by the casino licensee that is secure,
35 inaccessible to the public, and specifically designed to house that
36 equipment, and where the equipment shall be under the complete
37 control of the casino licensee or its Internet gaming affiliate, within
38 the territorial limits of Atlantic City, New Jersey. Backup
39 equipment used on a temporary basis pursuant to rules established
40 by the division to conduct Internet gaming may be located outside
41 the territorial limits of Atlantic City, provided no Internet gaming
42 shall occur unless a wager is accepted by a casino within the
43 territorial limits of Atlantic City, New Jersey. All Internet wagers
44 shall be deemed to be placed when received in Atlantic City by the
45 licensee. Any intermediate routing of electronic data in connection
46 with a wager shall not affect the fact that the wager is placed in
47 Atlantic City. For the purposes of this section, a secure facility
48 within Atlantic City that is owned or leased by the casino licensee

1 to house Internet gaming equipment shall be considered to be part
2 of the casino hotel facility notwithstanding that the facility may not
3 be contiguous with the premises of the casino hotel.

4 No software, computer or other gaming equipment shall be used
5 to conduct Internet gaming unless it has been specifically tested by
6 the division. The division may, in its discretion, and for the
7 purpose of expediting the approval process, refer testing to any
8 testing laboratory with a plenary license as a casino service industry
9 enterprise pursuant to subsection a. of section 92 of P.L.1977, c.110
10 (C.5:12-92). The division shall give priority to the testing of
11 software, computers or other gaming equipment which a casino
12 licensee has certified it will use to conduct Internet gaming in this
13 State. The division shall, by regulation, establish such technical
14 standards for approval of software, computers and other gaming
15 equipment used to conduct Internet gaming, including mechanical,
16 electrical or program reliability, security against tampering, the
17 comprehensibility of wagering, and noise and light levels, as it may
18 deem necessary to protect the player from fraud or deception and to
19 insure the integrity of gaming. When appropriate, the licensee shall
20 set the denominations of Internet games and shall simultaneously
21 notify the division of the settings.

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

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

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

31 k. (1) It shall be unlawful for any person to exchange or
32 redeem chips for anything whatsoever, except for currency,
33 negotiable personal checks, negotiable counter checks, other chips,
34 coupons, slot vouchers or complimentary vouchers distributed by
35 the casino licensee, or, if authorized by regulation of the division, a
36 valid charge to a credit or debit card account. A casino licensee
37 shall, upon the request of any person, redeem that licensee's gaming
38 chips surrendered by that person in any amount over \$100 with a
39 check drawn upon the licensee's account at any banking institution
40 in this State and made payable to that person.

41 (2) It shall be unlawful for a casino licensee, through its agents,
42 employees, or any contracted operator, or any party with which the
43 casino licensee has a relationship, to conduct a non-wagering casino
44 game that provides a reward for immediate or continued
45 participation or that serves to solicit future participation in wagering
46 activities.

47 As used in this subsection, "non-wagering casino game" means
48 any game, conducted in person or via the Internet, which offers

1 participants an experience equivalent to, or with similar odds of
2 winning as, a game that ordinarily requires a casino license to be
3 conducted, except that the game does not require any initial
4 monetary investment on behalf of the participants to play.

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

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

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

15 (2) It shall be unlawful for any other employee of a casino
16 licensee who, in the judgment of the division, is directly involved
17 with the conduct of gaming operations, including but not limited to
18 dealers, floor persons, box persons, security and surveillance
19 employees, to wager in any casino or simulcasting facility in the
20 casino hotel in which the employee is employed or in any other
21 casino or simulcasting facility in this State which is owned or
22 operated by an affiliated licensee.

23 (3) The prohibition against wagering set forth in paragraphs (1)
24 and (2) of this subsection shall continue for a period of 30 days
25 commencing upon the date that the employee either leaves
26 employment with a casino licensee or is terminated from
27 employment with a casino licensee.

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

33 (2) A dealer may accept tips or gratuities from a patron at the
34 table at which such dealer is conducting play, subject to the
35 provisions of this subsection. All such tips or gratuities shall be
36 immediately deposited in a lockbox reserved for that purpose,
37 unless the tip or gratuity is authorized by a patron utilizing an
38 automated wagering system approved by the division. All tips or
39 gratuities shall be accounted for, and placed in a pool for
40 distribution pro rata among the dealers, with the distribution based
41 upon the number of hours each dealer has worked, except that the
42 division may, by regulation, permit a separate pool to be established
43 for dealers in the game of poker, or may permit tips or gratuities to
44 be retained by individual dealers in the game of poker.

45 (3) Notwithstanding the provisions of paragraph (1) of this
46 subsection, a casino licensee may require that a percentage of the
47 prize pool offered to participants pursuant to an authorized poker

1 tournament be withheld for distribution to the tournament dealers as
2 tips or gratuities as the division by regulation may approve.

3 p. Any slot system operator that offers an annuity jackpot shall
4 secure the payment of such jackpot by establishing an annuity
5 jackpot guarantee in accordance with the requirements of P.L.1977,
6 c.110 (C.5:12-1 et seq.), and the rules of the division.
7 (cf: P.L.2014, c.23, s.3)

8

9 2. This act shall take effect immediately.

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STATEMENT

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14 Under this bill, a casino licensee, through its agents, employees,
15 or any contracted operator, or any party with which the casino
16 licensee has a relationship, to conduct a non-wagering casino game
17 that provides a reward for immediate or continued participation or
18 that serves to solicit future participation in wagering activities.

19 As used in this bill, “non-wagering casino game” means any
20 game, conducted in person or via the Internet, which offers
21 participants an experience equivalent to, or with similar odds of
22 winning as, a game that ordinarily requires a casino license to be
23 conducted, except that the game does not require any initial
24 monetary investment on behalf of the participants to play.

25 This bill is intended to address a practice whereby casinos may
26 engage with applications with games that simulate the experience of
27 playing real casino games, but for fictitious points or credits rather
28 than real world things of value. The participants in these games,
29 some of whom may be underage at the time, are incentivized to
30 “practice” playing the games with the promise that one day they
31 may be able redeem those points or credits for better terms, or
32 something else of value, received from the casino licensee. This
33 bill would make it unlawful for any casino licensee to engage in this
34 practice.