

**LAW AND PUBLIC SAFETY**

**DIVISION OF GAMING ENFORCEMENT**

**Casino Licensees**

**Prohibited Concurrent Positions**

**Proposed Amendment: N.J.A.C. 13:69C-8.8**

Authorized By: David Rebeck, Director, Division of Gaming Enforcement.

Authority: N.J.S.A. 5:12-69, 70, 76, and 144.

Calendar Reference: See Summary below for explanation of exception to calendar requirement.

Proposal Number: PRN 2013-077.

Submit written comments by July 19, 2013 to:

Lon E. Mamolen, Deputy Attorney General  
Division of Gaming Enforcement  
1300 Atlantic Avenue  
Atlantic City, NJ 08401

The agency proposal follows:

**Summary**

Proposed new N.J.A.C. 13:69C-8.8(i), to augment the rule governing a casino licensee's compliance system, imposes a prohibition on an individual serving concurrently as (1) the compliance officer, (2) a member of the compliance committee, and (3) a legal officer of the casino licensee, its holding companies or affiliates.

This notice of proposal is not required to be referenced in a rulemaking calendar since a public comment period of 60 days is being provided. See N.J.A.C. 1:30-3.3(a)5.

**Social Impact**

The proposed amendment at N.J.A.C. 13:69C-8.8(i) prohibiting an individual from serving concurrently in the three positions instills confidence in the process by which casino licensees govern themselves.

**Economic Impact**

The proposed amendment helps to foster enhanced confidence in the Atlantic City casino industry by the financial community. As such, the amendment benefits casino licensees, their affiliates, investors and, ultimately, the citizens of Atlantic City and the State of New Jersey. It is possible that casino licensees, and their holding companies or affiliates, may be required to hire additional personnel and thus pay more in salary and benefits than if they were able to employ one person to perform all three functions referenced in the regulation. The Division believes few if any casinos intended to fill all three jobs with the same person and that this proposed amendment will therefore not have a significant economic impact.

**Federal Standards Statement**

A Federal standards analysis is not required because the proposed amendment is authorized by the provisions of the Casino Control Act, N.J.S.A. 5:12-1 et seq., and is not subject to any Federal requirements or standards.

**Jobs Impact**

The proposed amendment is not anticipated to result in the generation or loss of jobs.

**Agriculture Industry Impact**

The proposed amendment will have no impact on agriculture in New Jersey.

### **Regulatory Flexibility Statement**

The proposed amendment to N.J.A.C. 13:69C-8.8 will impact casino licensees and their holding companies and affiliates. Casino licensees do not qualify as a "small business" as defined in the Regulatory Flexibility Act, N.J.S.A. 52:14B-16 et seq. It is not known if and how many such holding companies and affiliates may qualify as small businesses. If they do qualify, it is not expected that the prohibition on an individual's concurrent service in multiple positions will cause these entities to undertake and incur additional costs associated with the proposed amendment, as the amendment only imposes a prohibition on holding concurrent positions.

### **Housing Affordability Impact Analysis**

The proposed amendment will have no impact on the affordability of housing in the State of New Jersey because it affects the regulation of casinos in Atlantic City.

### **Smart Growth Development Impact Analysis**

The proposed amendment will have no impact on housing production in Planning Areas 1 and 2, or within designated centers, under the State Development and Redevelopment Plan because it affects the regulation of casinos in Atlantic City.

**Full text** of the proposal follows (additions indicated in boldface **thus**):

13:69C-8.8 Compliance system

(a) - (h) (No change.)

(i) No person shall concurrently serve in the following three positions of a casino licensee, its holding companies, or affiliates:

1. Compliance officer;
2. Member of the compliance committee; and
3. Legal officer.