

Gov. Christie may have dealt the state a bad hand in his zeal to boost Atlantic City's struggling casinos and aid North Jersey's horse tracks.

Oversight of the state's 11 casinos, including licensing them and fining

them, will be shifted from the Casino Control Commission to the Division of Gaming Enforcement, which is part of the Attorney General's Office.

Combining the investigative role of the DGE and the quasi-judicial authority of the commission will be like letting the police also serve as judges. The current two-tier system being abandoned creates checks and balances that better ensure fairness.

Christie lobbied hard for the Legislature's approval Monday of bills that may water down New Jersey's regulation of casinos. The casinos pay for their oversight by the state, so they argued for fewer rules and overseers to reduce their costs.

The casinos pay about \$24.5 million annually to fund the commission. But that is a drop in the bucket from the \$3.6 billion in revenues that this declining industry raked in from gamblers in 2010.

Former Gov. Brendan Byrne, a critic of the deregulation bills, noted that New Jersey's current regulatory system has been a model for other gaming states.

Commission chairwoman Linda M. Kassekert pointed out that there are technological changes that could be made to reduce personnel and costs without gutting that board's authority.

But those arguments didn't matter to lawmakers. The deregulation bills easily won approval.

South Jersey legislators were swayed by the casinos' promise to spend some of the money they save on regulatory costs to market the new Atlantic City tourism district that Christie envisions.

North Jersey lawmakers liked that the bills earmark some casino revenue for horse-racing purses, which they hope will help save that declining industry. Purse subsidies that the Meadowlands Racetrack and Monmouth Park were receiving expired last year.

The casino deregulation measures also end requirements that commission inspectors be present whenever a casino is open and that most casino employees undergo background checks. It will be left to the casinos to count their revenue and give the state its fair share. That's like turning the key to the henhouse over to the fox.

One wonders just how far the state will go to keep its gambling interests alive with the competition in nearby states increasing. Atlantic City casinos saw their revenue drop 9.6 percent last year. It was the fourth straight year of reduced revenues and a 31 percent decline since 2006.

Pennsylvania's 10 casinos, meanwhile, posted a nearly 13 percent increase in gross slots revenue last month from a year ago, according to that state's Gaming Control Board.

New Jersey legislators trying to reduce the bleeding of gambling dollars also approved a measure that will allow online betting in the state. The Legislature is also being pressed to consider allowing a North Jersey casino.

The state has become too dependent on casino revenue not to address competition. But if New Jersey must rely on gambling, it should do more, not less, to ensure the industry is adequately monitored. The deregulation Christie pushed isn't a winning hand.

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