

40:48-8.17 et al

LEGISLATIVE HISTORY CHECKLIST

NJSA 40:48-8.17 et al. (Atlantic City Luxury Tax--increases rate to pay for county improvement authority projects)

LAWS 1982 CHAPTER 125

Bill No. A1729

Sponsor(s) Gormley

Date Introduced July 1, 1982

Committee: Assembly

Senate Revenue, Finance & Appropriations

Amended during passage Yes ~~No~~ Amendments during passage denoted by asterisks

Date of Passage: Assembly July 8, 1982

Senate July 22, 1982

Date of approval Sept. 2, 1982

Following statements are attached if available:

Sponsor statement Yes ~~No~~ Also attached: Senate amendments, adopted 7-22-82 (with statement)

Committee Statement: Assembly Yes ~~No~~

Senate Yes ~~No~~

Fiscal Note Yes ~~No~~

Veto Message Yes ~~No~~

Message on signing Yes ~~No~~

Following were printed:

Reports Yes ~~No~~

Hearings Yes ~~No~~

See:

974.90 Atlantic City Convention Hall. Blue Ribbon Committee.

3191 Report and recommendations. April 1, 1982.

1982b Atlantic City, 1982.

Note: The above report is a summary from 400+ page report of the Blue Ribbon Committee. For further information on this report, contact Atlantic City Improvement Authority, 1 South New York Avenue, Atlantic City, (609) 347-0339.

6/22/81

(over)

7-22-82
RECEIVED
LEGISLATIVE HISTORY
SECTION

See also:

newspaper clipping files in "N.J. - Atlantic City Convention Hall - 1982"
in New Jersey Reference Section.

125 82
9-2-82

[OFFICIAL COPY REPRINT]
ASSEMBLY, No. 1729

STATE OF NEW JERSEY

INTRODUCED JULY 1, 1982

By Assemblyman GORMLEY

AN ACT concerning State aid for certain county improvement authority projects, amending and supplementing P. L. 1947, c. 71, and amending P. L. 1980, c. 105.

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

1 1. Section 3 of P. L. 1947, c. 71 (C. 40:48-8.17) is amended to
2 read as follows:

3 3. Any such ordinance may impose such tax at a rate not to
4 exceed 3% from July 1, 1981 through December 31, 1981; and at
5 a rate not to exceed 7% **[on and after]** *from* January 1, 1982
6 *through August 31, 1982; and at a rate not to exceed 9% on and*
7 *after September 1, 1982; except that the sale of alcoholic beverages*
8 **[from premises other than those located in facilities licensed under*
9 *the "Casino Control Act," P. L. 1977, c. 110 (C. 5:12-1 et seq.)]**
10 shall continue to be taxed under subsection (1) of section 2 of
11 P. L. 1947, c. 71 (C. 40:48-8.16) at a rate not to exceed 3% on and
12 after January 1, 1982.

1 2. (New section) In any municipality in which the provisions of
2 P. L. 1947, c. 71 (C. 40:48-8.15 et seq.) are presently operative
3 pursuant to an ordinance and referendum thereon approving the
4 same heretofore adopted and held in accordance with the provisions
5 of that act, any ordinance to adopt the provisions of this amenda-
6 tory and supplementary act shall, upon adoption, become operative
7 within the municipality without any requirement to submit the
8 same to the voters for their approval or disapproval. Such mu-
9 nicipality may also provide and covenant by ordinance that the

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 printed in italics *thus* is new matter.

Matter enclosed in asterisks or stars has been adopted as follows:

*—Senate amendment adopted July 22, 1982.

10 ordinance authorizing such tax will not be amended so as to repeal
 11 or reduce such tax while bonds entitled to the benefits of this
 12 amendatory and supplementary act are outstanding with the
 13 holders of such bonds, unless the resolution authorizing such bonds
 14 shall provide otherwise. Such covenant shall constitute a valid and
 15 legally binding contract between such municipality and such
 16 holders.

1 3. Section 7 of P. L. 1947, c. 71 (C. 40:48-8.21) is amended to
 2 read as follows:

3 7. All revenues collected under any such ordinance by the
 4 Director of the Division of Taxation pursuant to section 1 of P. L.
 5 1980, c. 60 (C. 54:32B-24.1) shall be apportioned according to the
 6 following schedule:

7 (a) Through June 30, 1981, all such revenues shall be deposited
 8 in the general fund of the municipality and may be used for general
 9 municipal purposes, including the reduction and liquidation of
 10 bonded indebtedness, the payment of salaries, construction, recon-
 11 struction, maintenance and repair of municipal buildings, installa-
 12 tions and properties, and for such other purposes as may be
 13 provided by existing ordinance or ordinances hereafter enacted for
 14 general municipal purposes;

15 (b) For revenues collected during the period from July 1, 1981
 16 through February 28, 66 $\frac{2}{3}$ % of such revenues shall be paid
 17 to the municipality and deposited and used as provided in sub-
 18 section (a) of this section and 33 $\frac{1}{3}$ % of such revenues shall be
 19 retained by the State Treasurer for deposit in the fund established
 20 pursuant to the provisions of section 5 of P. L. 1979, c. 273 [(C.
 21 40:48-8.3)] (C. 40:48-8.30), to be used and distributed according
 22 to the terms herein provided;

23 (c) For revenues collected during the period from March 1, 1982
 24 through June 30, 1982, 2/7ths of such revenues shall be paid
 25 to the municipality and deposited and used as provided in sub-
 26 section (a) of this section, and 5/7ths of such revenues shall be
 27 retained by the State Treasurer for deposit in the fund established
 28 pursuant to section 5 of P. L. 1979, c. 273 (C. 40:48-8.30) and be
 29 distributed according to the terms of this [amendatory and
 30 supplementary] act;

31-32 (d) *For revenues collected during the period from July 1, 1982*
 33 *through August 31, 1982, all such revenues shall be retained by the*
 34 *State Treasurer for deposit in the fund established pursuant to*
 35 *section 5 of P. L. 1979, c. 273 (C. 40:48-8.30) and distributed*
 36 *according to the terms of P. L. 1981, c. 461 (C. 40:48-8.16a et al.);*

37 (e) *For revenues collected during the period from September 1,*

38 1982 through December 31, 1982, 2/9ths of such revenues shall be
 39 paid to the municipality and deposited and used as provided in
 40 subsection (a) of this section, and 7/9ths of such revenues shall
 41 be retained by the State Treasurer for deposit in the fund estab-
 42 lished pursuant to section 5 of P. L. 1979, c. 273 (C. 40:48-8.30) and
 43 be distributed according to the terms of P. L. 1981, c. 461 (C.
 44 40:48-8.16a et al.);

45 (f) On and after **July 1, 1982** January 1, 1983, all such reve-
 46 nues shall be retained by the State Treasurer for deposit in the
 47 fund established pursuant to section 5 of P. L. 1979, c. 273 (C.
 48 40:48-8.30) and distributed according to the terms herein provided.

1 4. (New section) Notwithstanding the provisions of P. L. 1981,
 2 c. 461 (C. 40:48-8.16a et al.), the State Treasurer may apply an
 3 amount not to exceed 1/6th of the revenues collected by the State
 4 Treasurer pursuant to P. L. 1947, c. 71 (C. 40:48-8.15 et seq.) on
 5 or after January 1, 1983, to the payment of any deficiency between
 6 the operating expense budget and the anticipated operating reve-
 7 nues available for the operation of a convention hall facility located
 8 in a municipality which has adopted an ordinance pursuant to
 9 P. L. 1947, c. 71. The payment shall be made upon the approval by
 10 the State Treasurer of an application therefor by the county
 11 improvement authority or other public agency operating the
 12 facility. The State Treasurer shall limit the amount of payment to
 13 be made under this section, if such limitation is necessary to ensure
 14 the payment of principal and interest on any bonds or other obli-
 15 gations issued by, or any lease payments of, the county improve-
 16 ment authority with respect to that facility. The State Treasurer
 17 may, in approving an application pursuant to this section, attach
 18 such conditions thereto, including the reduction or limitation of
 19 items included in the operating expense budget of the facility, as
 20 the State Treasurer shall deem appropriate.

21 The State Treasurer may promulgate such rules and regulations
 22 as may be necessary to effectuate the provisions of this section.

1 5. Section 31 of P. L. 1980, c. 105 (C. 54:32B-8.19) is amended
 2 to read as follows:

3 31. Receipts from sales of tangible personal property and ser-
 4 vices taxable under any municipal ordinance which was adopted
 5 pursuant to P. L. 1947, c. 71 (C. 40:48-8.15 et seq.) and was in
 6 in effect on April 27, 1966 are exempt from the tax imposed under
 7 the Sales and Use Tax Act subject to the following conditions:

8 a. To the extent that the tax is or would be imposed under
 9 section 3 of P. L. 1966, c. 30 (C. 54:32B-3) is greater than the
 10 tax imposed by such ordinance, such sales shall not be exempt
 11 under this section; and

12. b. To the extent permitted in the following schedule, irrespective
13. of the rate of tax imposed by such ordinance:

14. (1) From July 1, 1981 through December 31, 1981, such sales
15. shall not be exempt from this act; **[and]**

16. (2) From January 1, 1982 **[and thereafter]**, *through August 31,*
17. *1982*, such sales shall be exempt only to the extent that the rate of
18. taxation imposed by the ordinance exceeds the rate of taxation
19. otherwise imposed pursuant to P. L. 1966, c. 30 (C. 54:32B-1
20. et seq.); *and*

21. (3) *From September 1, 1982 and thereafter, such sales shall be*
22. *exempt only to the extent that the rate of taxation imposed by*
23. *the ordinance exceeds 7%, except that the combined rate of*
24. *taxation imposed under the ordinance and under this section shall*
25. *not exceed 12%.*

1 6. This act shall take effect immediately.

12 b. To the extent permitted in the following schedule, irrespective
13 of the rate of tax imposed by such ordinance :

14 (1) From July 1, 1981 through December 31, 1981, such sales
15 shall not be exempt from this act; **[and]**

16 (2) From January 1, 1982 **[and thereafter]**, *through August 31,*
17 *1982*, such sales shall be exempt only to the extent that the rate of
18 taxation imposed by the ordinance exceeds the rate of taxation
19 otherwise imposed pursuant to P. L. 1966, c. 30 (C. 54:32B-1
20 et seq.); *and*

21 (3) *From September 1, 1982 and thereafter, such sales shall be*
22 *exempt only to the extent that the rate of taxation imposed by*
23 *the ordinance exceeds 7%, except that the combined rate of*
24 *taxation imposed under the ordinance and under this section shall*
25 *not exceed 12%.*

1 6. This act shall take effect immediately.

STATEMENT

This bill would increase the rate of sales tax imposed under P. L. 1947, c. 71 (C. 40:48-8.15 et seq.), commonly known as the "Atlantic City Luxury Tax," from 7% to 9% commencing September 1, 1982. The State sales tax as imposed in the city would not be reduced from the current 3%, and the combined rate of taxation could not exceed 12%. In addition, the bill would bring the sale of alcoholic beverages by the drink in licensed casinos under the luxury tax.

The bill, further, permits the State Treasurer to apply up to 1/6th of the revenues collected under the luxury tax to the payment of the operating deficit of the convention hall facility located in the city, upon the application of the authority or entity operating the convention hall, and if he determines that the luxury tax revenues are not necessary to ensure the payment of county improvement authority bonds or other authority payments.

A1729(1982)

SENATE REVENUE, FINANCE AND APPROPRIATIONS
COMMITTEE

STATEMENT TO
ASSEMBLY, No. 1729

STATE OF NEW JERSEY

DATED: JULY 12, 1982

This bill would increase the rate of sales tax imposed under P. L. 1947, c. 71 (C. 40:48-8.15 et seq.), commonly known as the "Atlantic City Luxury Tax," from 7% to 9% commencing September 1, 1982. The State sales tax as imposed in the city would not be reduced from the current 3%, and the combined rate of taxation could not exceed 12%. In addition, the bill would bring the sale of alcoholic beverages by the drink in licensed casinos under the luxury tax.

The bill, further, permits the State Treasurer to apply up to one-sixth of the revenues collected under the luxury tax to the payment of the operating deficit of the convention hall facility located in the city, upon the application of the authority or entity operating the convention hall, and if he determines that the luxury tax revenues are not necessary to ensure the payment of county improvement authority bonds or other authority payments.

ADOPTED
JUL 22 1982

SENATE Amendments

to

ASSEMBLY Bill No. 1729
by Senator Perskie
(Bill sponsor-Assemblyman Gormley)

Amend:

Page	Sec.	Line
1	1	8-9

Omit ~~these lines~~ *in their entirety*

STATEMENT

These amendments delete the provision of the bill which would subject the sale of alcoholic beverages by the drink in casino facilities to a higher rate of taxation under the "Atlantic City luxury tax" than sales of alcoholic beverages by the drink in other premises in the city. Under the bill, sales of alcoholic beverages in casinos would have been subject to a luxury tax of 9% while sales from other premises would have been subject to a 3% luxury tax. With this amendment, all sales of alcoholic beverages by the drink would be subject to a 3% luxury tax. As amended, the new 9% luxury tax rate in the bill would apply principally to hotel and motel room rentals, cover charges, and theater and amusement ticket sales.