

5:12-74 et al

LEGISLATIVE HISTORY CHECKLIST

NJSA: 5:12-74 et al

(Casinos-reinvestment
in Atlantic City-revise
requirements)

LAWS OF: 1984

CHAPTER: 218

Bill No: A688

Sponsor(s): Fortunato and others

Date Introduced: Pre-filed

Committee: Assembly: Independent Authorities and Commissions; Revenue,
Finance & Appropriations

Senate: State Government, Federal and Interstate Relations
& Veteran Affairs

Amended during passage: Yes Assembly Committee substitute
(2nd OCR) enacted. Amendments
denoted by asterisks. Substituted
for S1402 and S592 (not attached
since identical to A688)

Date of Passage: Assembly: Jun. 25, 1984

Senate: Dec. 6, 1984

Date of Approval: December 19, 1984

Following statements are attached if available:

Sponsor statement: Yes Attached: Senate
amendments, adopted
12-6-84.

Committee statement: Assembly Yes 5-7-84 and 6-21-84
Senate Yes

Fiscal Note: No

Veto Message: No

Message on Signing: Yes

Following were printed:

Reports: No

Hearings: No

See: Levin and Casiello, "The Casino Reinvestment Act, a plan for a new New
Jersey" in 115 N.J.L.J. 253 (1985)

See also:

974.901 New Jersey Economic Policy Council and Office of Economic Policy
E18 Annual report...Sept. 5, 1984.
Trenton, 1984.
(pp. 83-111)

See newspaper clipping file under "N.J.-Casino Gambling-Reinvestment tax-1984" (in
New Jersey Reference Department.)

218 84
12-19-84

[SECOND OFFICIAL COPY REPRINT]
ASSEMBLY COMMITTEE SUBSTITUTE FOR
ASSEMBLY, No. 688

STATE OF NEW JERSEY

ADOPTED MAY 7, 1984

Sponsored by Assemblymen FORTUNATO, BRYANT, RILEY,
SCHUBER and HARDWICK

AN ACT concerning reinvestments required of casino licensees**,
*amending P. L. 1981, c. 142,*** and amending and supplementing
P. L. 1977, c. 110.

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

1 1. Section 74 of P. L. 1977, c. 110 (C. 5:12-74) is amended to read
2 as follows:

3 74. Minutes and Records. a. The commission shall cause to be
4 made and kept a verbatim record of all proceedings held at public
5 meetings of the commission, which record shall be open to public
6 inspection.

7 A true copy of the minutes of every meeting of the commission
8 and of any regulations finally adopted by the commission shall be
9 forthwith delivered, by and under the certification of the executive
10 secretary, to the Governor, the Secretary of the Senate, and the
11 Clerk of the General Assembly.

12 b. The commission shall keep and maintain a list of all appli-
13 cants for licenses and registrations under this act together with a
14 record of all actions taken with respect to such applicants, which
15 file and record shall be open to public inspection; provided, how-
16 ever, that the foregoing information regarding any applicant whose
17 license or registration has been denied, revoked, or not renewed
18 shall be removed from such list after five years from the date of
19 such action.

20 c. The commission shall maintain such other files and records
21 as may be deemed desirable.

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:

*—Assembly committee amendments adopted June 21, 1984.

**—Senate committee amendments adopted November 29, 1984.

***—Senate amendments adopted December 6, 1984.

22 d. Except as provided in paragraph h. of this section, all in-
23 formation and data required by the commission to be furnished
24 hereunder, or which may otherwise be obtained, relative to the
25 internal controls specified in section 99 a. of this act or to the earn-
26 ings or revenue of any applicant, registrant, or licensee shall be
27 considered to be confidential and shall not be revealed in whole or
28 in part except in the course of the necessary administration of this
29 act, or upon the lawful order of a court of competent jurisdiction,
30 or, with the approval of the Attorney General, to a duly authorized
31 law enforcement agency.

32 e. All information and data pertaining to an applicant's criminal
33 record, family, and background furnished to or obtained by the
34 commission from any source shall be considered confidential and
35 may be withheld in whole or in part, except that any information
36 shall be released upon the lawful order of a court of competent
37 jurisdiction or, with the approval of the Attorney General, to a
38 duly authorized law enforcement agency.

39 f. Notice of the contents of any information or data released,
40 except to a duly authorized law enforcement agency pursuant to
41 subsection d. or e. of this section, may be given to any applicant,
42 registrant, or licensee in a manner prescribed by the rules and
43 regulations adopted by the commission.

44 g. Files, records, reports and other information in the possession
45 of the New Jersey Division of Taxation pertaining to licensees
46 shall be made available to the commission and the division as may
47 be necessary to the effective administration of this act.

48 h. The following information to be reported periodically to the
49 commission shall not be considered confidential and shall be made
50 available for public inspection:

51 (1) A licensee's operating revenues and expenses from all au-
52 thorized games as herein defined;

53 (2) (a) The dollar amount of patron checks initially accepted by
54 a licensee, (b) the dollar amount of patron checks deposited to the
55 licensee's bank account, (c) the dollar amount of such checks
56 initially dishonored by the bank and returned to the licensee as
57 "uncollected," and (d) the dollar amount ultimately uncollected
58 after all reasonable efforts;

59 (3) The amount of gross revenue tax or investment alternative
60 tax actually paid and the amount of investment, if any, required and
61 allowed, pursuant to section 144 of P. L. 1977, c. 110 (C. 5:12-144)
62 and section 3 of P. L. 1984, c. . . . (C.) (now pending before
63 the Legislature as ****Assembly Committee Substitute for**** Assem-
63A bly Bill No. 688 **** (OCR) **** of 1984);

64 (4) A list of the premises and the nature of improvements, costs
 65 thereof and the payees for all such improvements, which were the
 66 subject of an investment required and allowed pursuant to section
 67 144 of P. L. 1977, c. 110 (C. 5:12-144) and section 3 of P. L. 1984,
 68 c. (C.) (now pending before the Legislature as
 69 **Assembly Committee Substitute for** Assembly Bill No. 688
 69A **(OCR)** of 1984);

70 (5) The amount, if any, of tax in lieu of full local real property
 71 tax paid pursuant to section 146, and the amount of profits, if any,
 72 recaptured pursuant to section 147;

73 (6) A list of the premises, nature of improvements and costs
 74 thereof which constitute the cumulative investments by which a
 75 licensee has recaptured profits pursuant to section 147; and

76 (7) All information and data submitted to the commission re-
 77 lating to the licensee's annual revenues and expenditures, including
 78 annual audits.

79 Nothing in this subsection shall be construed to limit access by
 80 the public to those forms and documents required to be filed pur-
 81 suant to Article 11 of this act.

1 2. Section 144 of P. L. 1977, c. 110 (C. 5:12-144) is amended to
 2 read as follows:

3 144. Tax on Gross Revenues. a. There is hereby imposed an
 4 annual tax on gross revenues as defined in section 24 of this act
 5 in the amount of 8% of such gross revenues¹; but upon the effective
 6 date of this amendatory act, the tax shall be 12% of such gross
 7 revenues when two or three licensed casinos are in operation, 10%
 8 when four licensed casinos are in operation, and 8% when five or
 9 more licensed casinos are in operation, provided, however, that if
 10 a third casino is not in operation by April 1, 1980, the tax rate for
 11 two casinos shall be 14% for that portion of fiscal year 1980 that
 12 the third casino is not in operation and the full tax payment shall
 13 be made prior to July 1, 1980².

14 b. Commencing with the first annual tax return of a licensee for
 15 any calendar year beginning after December 31, 1978, and ending
 16 before January 1, 1984 and based upon a determination that in said
 17 return or any annual return ³thereafter⁴ for a calendar year during
 18 that period the gross revenue of a licensee in the calendar year
 19 upon which the tax is based exceeds the cumulative investments
 20 in this State of said licensee as of that year, such licensee shall
 21 make investments in an amount not less than 2% of the gross
 22 revenue for said calendar year within a period of five years from the
 23 end of said calendar year. Fifty percent of the investments re-

24 quired *by this subsection* as a result of any of the three annual tax
25 returns commencing with the first annual tax return for any
26 calendar year beginning after December 31, 1978 shall be made in
27 the municipality in which the licensed premises are located, and 50%
28 of such investment shall be made in any other municipality of this
29 State. Twenty-five percent of *the investments required by this sub-*
30 *section* as a result of any annual tax return subsequent to the third
31 such return in a series of returns the first of which is for a calendar
32 year beginning after December 31, 1978 shall be made in the munic-
33 ipality in which the licensed premises are located, and 75% shall be
34 made in any other municipality of this State.

35 All investments and cumulative investments made pursuant to
36 this [article] *subsection* shall be subject to a determination by the
37 commission as to the eligibility of such investments. In determining
38 eligibility, the commission shall consider the public interest, includ-
39 ing the social and economic benefits to be derived from such in-
40 vestments for the people of this State.

41 c. For the purposes of this [article] *section* "investments" means
42 equity investments in land and real property on which improve-
43 ments are made and in real property improvements. For the purpose
44 of this [article] *section*, "cumulative investments" means invest-
45 ments in and debt financing of the licensed premises, plus other
46 investments in and debt financing of land and real property on
47 which improvements are made and real property improvements;
48 provided, however, that the investments and debt financing not
49 associated with the licensed premises have been subsequent to July
50 6, 1976. Real property and real property improvements sold or
51 otherwise disposed of by the licensee shall not be included for the
52 purposes of determining cumulative investments.

53 d. For the purposes of satisfying the amount of investments in
54 any given year and of determining cumulative investments as of
55 any given year, pursuant to subsection b., contributions of money
56 or realty shall be included if the commission determines that such
57 contributions best serve the public interest and either (1) directly
58 relate to the improvement, furtherance, and promotion of the tour-
59 ist industry in this State through the planning, acquisition, con-
60 struction, improvement, maintenance and operation of recreational,
61 entertainment, and other facilities for the public, including, without
62 limitation, a performing arts center, the beaches and shore front
63 of this State, and transportation facilities providing or enhancing
64 service in resort areas of this State, or (2) directly relate to the
65 improvement, furtherance, and promotion of the health and well-
66 being of the people of this State through the planning, acquisition,

67 construction, improvement, maintenance, and operation of a fa-
68 cility, project or program approved by the commission.

69 c. In the event that the investments required in subsection b. of
70 this section are not made within the time set forth herein, there
71 shall be imposed an investment alternative tax in an amount equiv-
72 alent to 2% of gross revenue, which tax shall be added to the tax
73 determined under subsection a. of this section and shall be due and
74 payable in accordance with **[this]** section 148 of P. L. 1977, c. 110
75 (C. 5:12-148). For the purposes of determining whether the invest-
76 ment alternative tax shall be paid, the State Treasurer shall certify,
77 under such rules and regulations as he shall promulgate consistent
78 with the provisions of this article, the amount of cumulative invest-
79 ments made by each licensee. In the event of the sale or other dis-
80 position of the licensed premises, any investment obligation im-
81 posed by subsection b. which is not satisfied shall be immediately
82 deemed due and payable as investment alternative tax, and said
83 amount shall constitute a lien upon the licensed premises until paid,
84 together with interest at the rate specified in the "State Tax Uni-
85 form Procedure Law," Subtitle 9 of Title 54 of the Revised Stat-
86 utes; provided, however, that the appointment of a conservator
87 under section 31 of P. L. 1978, c. 7, shall not constitute a sale or
88 other disposition of the licensed premises within the meaning of
89 this subsection, and provided further, that if, in the judgment of
90 the commission, a sale or other disposition does not significantly
91 affect the operations of a casino licensee with respect to such
92 premises, the commission may permit the investment obligation
93 imposed on such licensee to continue under such conditions as the
94 commission may deem appropriate.

95 f. The commission shall promulgate rules and regulations con-
96 sistent with the provisions of this article as to the eligibility of
97 the investments and cumulative investments required by this
98 **[article]** section.

99 g. **[The commission shall determine no later than 90 days after*
100 *the effective date of this 1984 amendatory and supplementary act*
101 *the amount of the investment obligation, if any, of each licensee*
102 *operating on the effective date for each year of the period 1979*
103 *through 1983 and the amount of the investments that have been*
104 *made or commenced to satisfy that obligation as of the effective*
105 *date. All determinations of the commission shall be final and sub-*
106 *ject only to alteration by a decision of a court.]* *The Casino*
106A *Reinvestment Development Authority shall, simultaneous with the*
106B *initial exercise of its general powers and responsibilities pursuant*

107 to section ****[31]** **39**** of P. L. 1984, c. (C.)
 108 (now pending before the Legislature as Assembly Committee Sub-
 109 stitute for Assembly Bill No. 688 **** (OCR) **** of 1984), assume and
 110 exercise all powers and responsibilities and make all determina-
 111 tions necessary to the administration of subsections b. through f.
 112 of section 144 of P. L. 1977, c. 110 (C. 5:12-144) theretofore exer-
 113 cised or made by the commission, including the resolution of all
 114 matters then pending before the commission. Subsequent to the
 115 **** [effective date of this 1984 amendatory and supplementary act] ****
 116 **** initial exercise of its general powers and responsibilities by the**
 117 **Casino Reinvestment Development Authority****, the commission
 118 shall make no further determinations of eligibility under this sec-
 119 tion except as may be necessary to enable a licensee to satisfy an
 120 investment obligation which is due in calendar year 1984**, and
 121 shall have no further responsibility for planning or redevelopment
 122 activity with regards to the use of reinvestment funds generated
 123 by either subsections b. through f. of section 144 of P. L. 1977,
 124 c. 110 (C. 5:12-144) or subsection b. of section 3 of P. L. 1984,
 125 c. (C.) (now pending before the Legislature as
 126 Assembly Committee Substitute for Assembly Bill No. 688 OCR
 127 of 1984)**. All determinations of the commission made in accor-
 128 dance with this section shall be final and subject only to alteration
 129 by a decision of a court.*

130 h. Notwithstanding any other provision of this section to the
 131 contrary, any investment required by this section which has not
 132 **** [been determined by the commission to have] **** been commenced by
 133 a licensee as of the effective date of this 1984 amendatory and sup-
 134 plementary act **** [shall be made in Atlantic City and shall be sub-**
 135 **ject to the requirements of sections 3, 25, 26, and 27 of] ** ****, other
 136 than an investment which is necessary to enable a licensee to satisfy
 137 an investment obligation which is due in calendar year 1984, may
 138 only be satisfied through the purchase of bonds of the Casino Re-
 139 investment Development Authority issued pursuant to sections 14
 140 and 15 of** P. L. 1984, c. (C.) (now pending before
 141 the Legislature as **** Assembly Committee Substitute for**** Assem-
 142 bly Bill No. 688 **** (OCR) **** of 1984), except that the date by which
 143 the investment shall be made, and the amount of the investment
 144 or investment alternative tax obligation, shall be that set forth in
 145 subsections b. and e. of this section.

146 **** Notwithstanding the provisions of subsections b. and c. of this**
 147 **section, any investment obligation which is due in calendar year**

148 1984 which has not been commenced or satisfied by December 31,
 149 1984 may, at the option of the licensee and with the approval of
 150 the Casino Control Commission, and in lieu of or in addition to
 151 making any other investment or contribution authorized by this
 152 section, be satisfied subsequent thereto by the purchase, or the agree-
 153 ment to make a purchase, of bonds of the Casino Reinvestment
 154 Development Authority. Any licensee desiring to exercise this
 155 option, with the approval of the Casino Control Commission, shall
 156 transfer and entrust the necessary amount to the State Treasurer,
 157 who shall maintain the funds until the initial exercise by the Casino
 158 Reinvestment Development Authority of its general powers and
 159 responsibilities pursuant to section 39 of P. L. 1984, c.
 160 (C.) (now pending before the Legislature as Assembly
 161 Committee Substitute for Assembly Bill No. 688 (OCR) of 1984).
 162 Immediately subsequent to the initial exercise of its general powers
 163 and responsibilities by the Casino Reinvestment Development Au-
 164 thority, the State Treasurer shall transfer any such entrusted
 165 funds to the Casino Reinvestment Development Authority for the
 166 purchase of bonds by the licensee in amounts equivalent to the
 167 amount of the funds deposited by the licensee with the State Trea-
 168 surer. Until he transfers the funds to the Casino Reinvestment
 169 Development Authority, the State Treasurer shall be authorized
 170 to invest and reinvest such funds through the Director of the Di-
 171 vision of Investment, who shall make such investments in accor-
 172 dance with written directions of the State Treasurer, without re-
 173 gard to any other law relating to investments by the Director of
 174 the Division of Investment. Any interest earned on the funds while
 175 they are entrusted to the State Treasurer shall accrue to the li-
 176 censee and the Casino Reinvestment Development Authority in the
 177 same proportion as if the funds were held and invested by the
 178 Casino Reinvestment Development Authority pursuant to subsec-
 179 tion m. of section 13 of P. L. 1984, c. . . . (C.) (now pend-
 180 ing before the Legislature as Assembly Committee Substitute for
 181 Assembly Bill No. 688 (OCR) of 1984).

182 The proceeds of all bond purchases made pursuant to this sub-
 183 section shall be used exclusively to finance the rehabilitation, de-
 184 velopment, or construction of housing facilities in the city of At-
 185 lantic City for persons or families of low through middle income
 186 in accordance with the provisions of subsection f. of section 3 of
 187 P. L. 1984, c. . . . (C.) (now pending before the Legis-
 188 lature as Assembly Committee Substitute for Assembly Bill No.
 189 688 (OCR) of 1984).**

190 *i. If a licensee has incurred an investment obligation which*
 191 *requires **[investments to be made in Atlantic City]** **bonds*
 192 *to be purchased** pursuant to the provisions of subsection h. of*
 193 *this section and the licensee purchases bonds of the *[South Jer-*
 194 *sey]* *Casino Reinvestment* Development Authority issued pur-*
 195 *suant to sections 14 and 15 of P. L. 1984, c. (C.) (now*
 196 *pending before the Legislature as **Assembly Committee Substi-*
 197 *tute for** Assembly Bill No. 688 **(OCR)** of 1984) **[or invests*
 198 *in other approved eligible investments pursuant to section 25 of*
 199 *P. L. 1984, c. (C.) (now pending before the Legis-*
 200 *lature as Assembly Bill No. 688 (OCR) of 1984)]** in satisfaction of*
 201 *that obligation no later than six months after the adoption by the*
 202 **[South Jersey]* *Casino Reinvestment* Development Authority*
 203 *of rules and regulations pursuant to subsection j. of section 3 of*
 204 *P. L. 1984, c. (C.) (now pending before the Legis-*
 205 *islature as **Assembly Committee Substitute for** Assembly Bill*
 206 *No. 688 **(OCR)** of 1984), the licensee shall be entitled to a re-*
 207 *duction of its investment obligation in an amount determined by*
 208 *the *[South Jersey]* *Casino Reinvestment* Development Au-*
 209 *thority taking into account a current market discount rate from the*
 210 *date of the purchase **[or investment]** to the date the purchase*
 211 ***[or investment]** would have been required to be made. Any*
 212 ***[investment]** **purchase of bonds** made pursuant to this sub-*
 213 *section shall first be used to satisfy the licensee's most recently in-*
 214 *curring investment obligation. That purchase of bonds **[or in-*
 215 *vestments]** shall not constitute a credit against the tax provided*
 216 *for in subsection a. of section 3 of this 1984 amendatory and sup-*
 217 *plementary act.*

1 3. (New section) a. **(1)** Commencing with the first annual tax
 2 return of a licensee for any calendar year beginning after December
 3 31, 1983, there is imposed an investment alternative tax on the gross
 4 revenues as defined in section 24 of P. L. 1977, c. 110 (C. 5:12-24)
 5 of the licensee in the amount of 2.5% of those gross revenues. The
 6 tax imposed with respect to each calendar year shall be due and
 7 payable on the last day of April next following the end of the
 8 calendar year. The State Treasurer shall have a lien against the
 9 property constituting the casino of a licensee for the amount of
 10 any tax not paid when due. No tax shall be imposed, however, on
 11 the gross revenues received by a licensee during the first 12 months
 12 of the operation of any casino that commences operation after
 13 January 1, 1984. **[*Any licensee which does not have an invest-**
 13A **ment obligation for calendar year 1984 pursuant to subsection b.**

13B of section 144 of P. L. 1977, c. 110 (C: 5:12-144) shall not be subject
 13C to the tax imposed by this subsection for the calendar year 1984
 13D but will be responsible for and subject to the tax for a 20 year
 13E period.***

14 **(2) A licensee shall pay to the State Treasurer on or before
 14A the 15th day of the first, fourth, seventh, and 10th months of each
 14B year as partial payment of the investment alternative tax imposed
 14C pursuant to paragraph (1) of this subsection an amount equal to
 14D 1.25% of the estimated gross revenues for the three-month period
 14E immediately preceding the first day of those months. The moneys
 15 received shall be placed in an escrow account and shall be held
 15A until the licensee directs that the moneys be transferred to the
 15B Casino Reinvestment Development Authority for the purchase of
 15C bonds issued by or offered through the Casino Reinvestment De-
 15D velopment Authority or pursuant to a contract for such a purchase,
 15E be made available to the licensee for a direct investment approved
 15F by the authority, or be transferred to the Casino Revenue Fund
 16 as partial payment of the investment alternative tax imposed pur-
 16A suant to paragraph (1) of this subsection. Any interest derived
 16B from the moneys in the escrow account shall be paid or made avail-
 16C able to the Casino Revenue Fund. If a licensee fails to pay the
 16D amount due or underpays by an unjustifiable amount, the Casino
 16E Control Commission shall impose a fine of 1/2 of 1% of the amount
 17 due or of the underpayment, as the case may be, for each month
 17A or portion thereof the licensee is in default of payment, up to 25%
 17B of the amount in default. Any fine imposed shall be paid to the
 17C Casino Reinvestment Development Authority and shall be used
 17D for the purposes of this 1984 amendatory and supplementary act.**

18 b. Each licensee shall be entitled to an investment tax credit
 19 against the tax imposed by subsection a. of this section **(1) for
 19A the first 10 years of a licensee's tax obligation,** in an amount
 20 equal to twice the purchase price of bonds issued by the ***[South**
 21 **Jersey]*** **Casino Reinvestment*** Development Authority pursuant
 22 to sections 14 and 15 of this 1984 amendatory and supplementary
 23 act purchased by the licensee**, or twice the amount of the invest-
 23A ments authorized in lieu thereof, and (2) for the remainder of a
 23B licensee's tax obligation, in an amount equal to twice the purchase
 23C price of bonds issued by the Casino Reinvestment Development
 23D Authority pursuant to sections 14 and 15 of this 1984 amendatory
 23E and supplementary act purchased by the licensee, or twice the
 23F amount of the investments authorized in lieu thereof,** and twice
 24 the amount of investments made by a licensee in other approved
 25 eligible investments made pursuant to section 25 of this act. The

26 ***[South Jersey]*** *Casino Reinvestment** Development Authority
 27 shall have the power to enter into a contract or contracts****[**, with
 28 terms not to exceed 35 years,**]**** with a licensee pursuant to which
 29 the ***[South Jersey]*** *Casino Reinvestment** Development Au-
 30 thority agrees to issue and sell ****[its]**** bonds to the licensee,
 31 and the licensee agrees to purchase the bonds ****[of]**** *issued*
 31A *by or offered through*** the ***[South Jersey]*** *Casino Reinvest-*
 32 *ment** Development Authority, in annual purchase price amounts
 33 as will ****[constitute]**** *constitute*** a credit against at least
 34 50% of the tax to become due in any future year or years. The
 35 contract may contain those terms and conditions relating to the
 36 terms of the bonds and to the issuance and sale of the bonds to the
 37 licensee as the ***[South Jersey]*** *Casino Reinvestment** Develop-
 38 ment Authority shall deem necessary or desirable. The contract
 39 shall not be deemed to be in violation of section 104 of P. L. 1977,
 40 c. 110 (C. 5:12-104). ****[A]**** *After the first 10 years of a li-*
 41 *cencee's investment alternative tax obligation, a*** licensee will have
 42 the option of entering into a contract with the ***[South Jersey]***
 43 *Casino Reinvestment** Development Authority to have its tax
 44 credit comprised of direct investments in approved eligible proj-
 44A ects. These direct investments shall not comprise more than 50%
 44B of a licensee's eligible tax credit in any one year.

45 The entering of a contract pursuant to this section shall be
 46 sufficient to entitle a licensee to an investment tax credit for the
 47 appropriate tax year.

48 c. A contract entered into between a licensee and the ***[South**
 49 **Jersey]*** *Casino Reinvestment** Development Authority may
 50 provide for a deferral of payment for and delivery of bonds
 51 required to be purchased and for a deferral from making approved
 52 eligible investments in any year ****[for a period not to exceed two**
 53 **years]**** *, but no deferral shall occur more than two years con-*
 53A *secutively***. A deferral of payment for any bonds required to be
 54 purchased by a licensee and a deferral from making approved eligi-
 55 ble investments may be granted by the ***[South Jersey]*** *Casino*
 56 *Reinvestment** Development Authority only upon a determination
 57 by the Casino Control Commission that purchase of these bonds or
 58 making approved eligible investments would cause extreme financial
 59 hardship to the licensee and a determination by the ***[South**
 60 **Jersey]*** *Casino Reinvestment** Development Authority that the
 61 deferral of the payment would not violate any covenant or agree-
 62 ment or impair any financial obligation of the ***[South Jersey]***
 63 *Casino Reinvestment** Development Authority. The contract may
 64 establish a late payment charge to be paid in the event of deferral

65 or other late payment at a rate as shall be agreed to by the ***[South**
 66 **Jersey]*** **Casino Reinvestment** Development Authority. If a
 67 deferral of purchase or investment is granted, the licensee shall be
 68 deemed to have made the purchase or investment at the time
 69 required by the contract, except that if the purchase is not made at
 70 the time to which the purchase or investment was deferred, then
 71 the licensee shall be deemed not to have made the purchase or
 72 investment. The Casino Control Commission shall adopt regula-
 73 tions establishing a uniform definition of extreme financial hardship
 74 applicable to all these contracts. If a licensee petitions the ***[South**
 75 **Jersey]*** **Casino Reinvestment** Development Authority for a
 76 deferral, the ***[South Jersey]*** **Casino Reinvestment** Develop-
 77 ment Authority shall give notice of that petition to the Casino
 78 Control Commission and to the Division of Gaming Enforcement
 79 within three days of the filing of the petition. The Casino Control
 80 Commission shall render a decision within 60 days of notice as to
 81 whether the licensee has established extreme financial hardship
 82 after consultation with the Division of Gaming Enforcement. The
 83 ***[South Jersey]*** **Casino Reinvestment** Development Authority
 84 shall render a decision as to the availability of the deferral within
 85 10 days of the receipt by it of the decision of the Casino Control
 86 Commission and shall notify the Division of Gaming Enforcement
 87 and the Casino Control Commission of that decision. If a deferral
 88 is granted, the ***[South Jersey]*** **Casino Reinvestment** Develop-
 89 ment Authority may determine whether the purchases or invest-
 90 ments shall be made in a lump sum, made over a period of years, or
 91 whether the period of obligation shall be extended an additional
 92 period of time equivalent to the period of time deferred.

93 d. The license of any licensee which has defaulted in its obligation
 94 to make any purchase of bonds or investment in any approved
 95 eligible project under a contract entered into pursuant to subsection
 96 b. of this section for a period of 90 days ****[shall]**** ****may**** be
 96A suspended by the Casino Control Commission until that purchase
 96B is made or deferred in accordance with subsection b. of this sec-
 96C tion******, *or a fine or other penalty may be imposed upon the licensee*
 96D *by the commission. If the Casino Control Commission elects not*
 96E *to suspend the license of a licensee after the licensee has first de-*
 96F *faulted in its obligation but instead imposes some lesser penalty*
 97 *and the licensee continues to be in default of its obligation after a*
 97A *period of 30 additional days and after any additional 30-day period,*
 97B *the commission may impose another fine or penalty upon the li-*
 97C *cencee, which may include suspension of that licensee's license**.*
 98 ****The fine shall be 1/2 of 1% of the amount of the obligation owed**

98A *for each month or portion thereof a licensee is in default, up to*
 98B *25% of that obligation; shall be paid to the Casino Reinvestment*
 98C *Development Authority; and shall be used for the purposes of this*
 98D *1984 amendatory and supplementary act.***

99 e. A contract entered into by a licensee and the ***[South Jersey]***
 100 **Casino Reinvestment** Development Authority pursuant to sub-
 101 section b. of this section may provide that ***after the first 10 years*
 102 *of a licensee's investment alternative tax obligation imposed by*
 103 *subsection a. of this section,*** the ***[South Jersey]*** **Casino Rein-*
 104 *vestment** Development Authority may repurchase bonds previ-
 105 ously sold to the licensee ***which were issued after the tenth year*
 106 *of a licensee's investment alternative tax obligation*** by the
 107 ***[South Jersey]*** **Casino Reinvestment** Development Authority
 108 if the ***[South Jersey]*** **Casino Reinvestment** Development Au-
 108A thority determines that the repurchase will not violate any agree-
 108B ment or covenant or impair any financial obligation of the ***[South**
 108C **Jersey]*** **Casino Reinvestment** Development Authority and that
 109 the licensee will reinvest the proceeds of the resale in an eligible
 110 project approved by the ***[South Jersey]*** **Casino Reinvestment**
 111 Development Authority.

112 ***[f. Commencing with the first year in which a licensee incurs any*
 113 *tax obligation pursuant to this section, and for the period of four*
 114 *years thereafter, the proceeds of all bonds purchased by a licensee*
 115 *from the ***[South Jersey]*** *Casino Reinvestment** Development
 116 *Authority and all approved investments in eligible projects by a*
 117 *licensee shall be devoted to ***[the financing of]**** projects in the
 118 *city of Atlantic City. For the period of 10 years thereafter, the*
 119 *proceeds of at least ***[75%]*** *50%** of all bonds purchased by the
 120 *licensee from the ***[South Jersey]*** *Casino Reinvestment** De-
 121 *velopment Authority and at least ***[75%]*** *50%** of all approved
 122 *investments in eligible projects by the licensee shall be devoted to*
 123 ****[the financing of]**** projects in the city of Atlantic City. There-
 124 *after, the proceeds of at least ***[50%]*** *25%** of all bonds pur-
 125 *chased by the licensee from the ***[South Jersey]*** *Casino Reinvest-*
 126 *ment** Development Authority and at least ***[50%]*** **25%** of all
 127 *approved investments in eligible projects by the licensee shall be*
 128 *devoted to ***[the financing of]**** projects in the city of Atlantic
 129 *City. The proceeds of any bonds purchased by the licensee from*
 130 *the ***[South Jersey]*** *Casino Reinvestment** Development Autho-
 131 *rity and any investments in eligible projects by the licensee not*
 132 *devoted to ***[the financing of]**** projects in the city of Atlantic
 133 *City shall be devoted to ***[the financing of]**** eligible projects in
 134 ****[any of]**** the following ***[eight counties located in southern New**

135 Jersey: Atlantic, Burlington, Camden, Cape May, Cumberland,
 136 Gloucester, Ocean, and Salem] * manner, after the initial five
 137 years:

	<u>Areas</u>	<u>10 Year Period</u>	<u>Last 5 Years</u>
138	(1) Atlantic, Burlington, Camden, Cape		
139	May, Cumberland, Gloucester, Ocean,		
140	Salem	25%	50%
141	(2) Other 13 Counties	25%	25%

142 No elected or appointed official in the State of New Jersey or their
 143 spouses shall be involved as an officer, agent or principal in a
 144 corporation that is a recipient of Casino Reinvestment Develop-
 145 ment Authority moneys pursuant to this 1984 amendatory and
 146 supplementary act*.]**

147 ***f. (1) During the 25 years a licensee is obligated to pay an
 148 investment alternative tax pursuant to subsection k. of this section,
 149 the total of (a) the proceeds of all bonds purchased by a licensee
 150 from or through the Casino Reinvestment Development Authority
 151 and (b) all approved investments in eligible projects by a licensee
 152 shall be devoted to the financing of projects in the following areas
 153 and amounts:

	Areas	Years 1-3	Years 4-5	Years 6-10	Years 11-15	Years 16-20	Years 21-25
154	(a) Atlantic						
154A	City	100%	90%	80%	50%	30%	20%
155	***[(b) South						
155A	Jersey		10%	10%	25%	40%	40%
156	(c) North						
156A	Jersey			10%	25%	30%	40%]**
156B	*** (b) South						
156C	Jersey		8%	12%	28%	43%	45%
156D	(c) North						
156E	Jersey		2%	8%	22%	27%	35%***

157 For the purpose of this paragraph, "South Jersey" means the
 158 the counties of Atlantic, Burlington, Camden, Cape May, Cumber-
 159 land, Gloucester, Mercer, Ocean, and Salem; and "North Jersey"
 160 means the remaining 12 counties of the State. For the purposes
 161 of this 1984 amendatory and supplementary act, bond "proceeds"
 162 means all funds received from the sale of bonds and any funds
 163 generated or derived therefrom.

164 In the financing of projects outside Atlantic City, the Casino
 165 Reinvestment Development Authority shall give priority to the
 166 revitalization of the urban areas of this State in the ways specified
 167 in section 12 of this 1984 amendatory and supplementary act. Those

168 areas shall include, but not be limited to, all municipalities qualify-
169 ing for aid pursuant to P. L. 1978, c. 14 (C. 52:27D-178 et seq.).
170 Within nine months from the effective date of this 1984 amenda-
171 tory and supplementary act, the Casino Reinvestment Development
172 Authority shall determine the allocation of projected available
173 moneys to municipalities in South Jersey for the first seven years
174 of their receipt of funds, giving priority to the revitalization of the
175 urban areas of the region. Municipalities receiving such an allo-
176 cation shall present to the Casino Reinvestment Development Au-
177 thority for its approval, comprehensive plans or projects for which
178 the allocations shall be used. Any such comprehensive plan or
179 project may be submitted to the Casino Reinvestment Development
180 Authority for a determination of eligibility at any time prior to
181 the year for which the funds are allocated, and the Casino Rein-
182 vestment Development Authority shall make a determination of
183 eligibility of the plan or project within a reasonable amount of
184 time. If the Casino Reinvestment Development Authority makes
185 a positive determination of eligibility for any comprehensive plan
186 or project, or combination of comprehensive plans or projects, for
187 any municipality whose total cost exceeds the amount allocated to
188 that municipality for the first seven years of the receipt of funds
189 by South Jersey municipalities, the Casino Reinvestment Develop-
190 ment Authority shall make available sufficient funds in subsequent
191 years necessary to complete those plans or projects, or to complete
192 that portion of the plan or project originally agreed to be funded
193 through the Casino Reinvestment Development Authority, from
194 funds received by the Casino Reinvestment Development Authority
195 in the years following the seventh year of the receipt of funds by
196 South Jersey municipalities. If the comprehensive plan or project
197 is determined by the Casino Reinvestment Development Authority
198 not to be an eligible plan or project, the municipality may submit
199 any other comprehensive plan or project for a determination of
200 eligibility. If, however, the municipality fails to receive a positive
201 determination of eligibility for any comprehensive plan or project,
202 or combination of comprehensive plans or projects, sufficient to
203 exhaust the total allocation to that municipality for any year prior
204 to April 30 of the following year for which the allocation was made,
205 the allocation to that municipality for that year shall cease, and
206 the Casino Reinvestment Development Authority may apply those
207 excess funds to any other comprehensive plan or project in any other
208 municipality in the region whose comprehensive plan or project
209 has received a positive determination of eligibility by the Casino
210 Reinvestment Development Authority.

211 ~~Within 36 months from the effective date of this 1984 amend-~~
212 ~~atory and supplementary act, the Casino Reinvestment Development~~
213 ~~Authority shall determine the allocation of projected available~~
214 ~~moneys to municipalities in North Jersey for the first five years~~
215 ~~of their receipt of funds, giving priority to the revitalization of the~~
216 ~~urban areas of the region. Municipalities receiving such an allo-~~
217 ~~cation shall present to the Casino Reinvestment Development Au-~~
218 ~~thority for its approval, comprehensive plans or projects for which~~
219 ~~the allocations shall be used. Any such comprehensive plan or proj-~~
220 ~~ect may be submitted to the Casino Reinvestment Development~~
221 ~~Authority for a determination of eligibility at any time prior to~~
222 ~~the year for which the funds are allocated, and the Casino Rein-~~
223 ~~vestment Development Authority shall make a determination of~~
224 ~~eligibility of the plan or project within a reasonable amount of~~
225 ~~time. If the Casino Reinvestment Development Authority makes~~
226 ~~a positive determination of eligibility for any comprehensive plan~~
227 ~~or project, or combination of comprehensive plans or projects, for~~
228 ~~any municipality whose total cost exceeds the amount allocated to~~
229 ~~that municipality for the first five years of the receipt of funds by~~
230 ~~North Jersey municipalities, the Casino Reinvestment Development~~
231 ~~Authority shall make available sufficient funds in subsequent years~~
232 ~~necessary to complete those plans or projects, or to complete that~~
233 ~~portion of the plan or project originally agreed to be funded through~~
234 ~~the Casino Reinvestment Development Authority, from funds re-~~
234A ~~ceived by the Casino Reinvestment Development Authority in the~~
235 ~~years following the fifth year of the receipt of funds by North Jersey~~
236 ~~municipalities. If the comprehensive plan or project is determined~~
237 ~~by the Casino Reinvestment Development Authority not to be an~~
238 ~~eligible plan or project, the municipality may submit any other com-~~
239 ~~prehensive plan or project for a determination of eligibility. If, how-~~
240 ~~ever, the municipality fails to receive a positive determination of~~
241 ~~eligibility for any comprehensive plan or project, or combination~~
242 ~~of comprehensive plans or projects, sufficient to exhaust the total~~
243 ~~allocation to that municipality for any year prior to April 30 of~~
244 ~~the following year for which the allocation was made, the allocation~~
245 ~~to that municipality for that year shall cease, and the Casino Re-~~
246 ~~investment Development Authority may apply those excess funds~~
247 ~~to any other comprehensive plan or project in any other munici-~~
248 ~~pality in the region whose comprehensive plan or project has re-~~
249 ~~ceived a positive determination of eligibility by the Casino Rein-~~
250 ~~vestment Development Authority.**~~

251 . **~~Not less than 20% of the annual aggregate of the proceeds of~~
252 ~~bonds purchased by a licensee from the *~~South Jersey~~* Casino~~

253 *Reinvestment** Development Authority ***[to be devoted to the**
 254 **financing of projects in the city of Atlantic City]*** and investments
 255 in approved eligible projects commenced by a licensee ***[in the city**
 256 **of Atlantic City]*** shall be used exclusively to finance **the rehabili-*
 257 *tation, development, construction or operation of** housing facilities
 258 in the city of Atlantic City for persons or families of low through
 259 middle income, which shall include expenses for site preparation
 260 and infrastructure needs for those housing facilities. **After the*
 261 *first five years, no less than 25% shall be used for housing.********

262 ******(2) *Commencing with the first year in which a licensee incurs*
 263 *a tax obligation pursuant to this section, and for the period of two*
 264 *years thereafter, 100% of the proceeds of all bonds purchased by*
 265 *a licensee from the Casino Reinvestment Development Authority*
 266 *which are devoted to the financing of projects in the city of Atlantic*
 267 *City pursuant to paragraph (1) of this subsection shall be used*
 268 *exclusively to finance the rehabilitation, development, or construc-*
 269 *tion of, or to provide mortgage financing of, housing facilities in*
 270 *the city of Atlantic City for persons or families of low through*
 271 *middle income, as defined in this subsection. For the purposes of*
 272 *this subsection, the "rehabilitation, development, or construction*
 273 *of housing facilities" shall include expenses attributable to site*
 274 *preparation, infrastructure needs and housing-related community*
 275 *facilities and services, including supporting commercial develop-*
 276 *ment. Commencing with the fourth year in which a licensee incurs*
 277 *a tax obligation pursuant to this subsection, 50% of the proceeds of*
 278 *all bonds purchased by a licensee from the Casino Reinvestment*
 279 *Development Authority which are devoted to the financing of proj-*
 280 *ects in the city of Atlantic City shall be used exclusively to finance*
 281 *the rehabilitation, development, or construction of housing facili-*
 282 *ties in the city of Atlantic City for persons or families of low*
 283 *through middle income. Commencing with the eleventh year in*
 284 *which a licensee incurs a tax obligation pursuant to this section,*
 285 *50% of the annual aggregate of the proceeds of bonds purchased*
 286 *by a licensee from the Casino Reinvestment Development Authority*
 287 *which are devoted to the financing of projects in the city of Atlan-*
 288 *tic City and investments in approved eligible projects commenced*
 289 *by a licensee in the city of Atlantic City shall be used exclusively*
 290 *to finance the rehabilitation, development, or construction of, or*
 291 *to provide mortgage financing of, housing facilities in the city of*
 292 *Atlantic City for persons or families of low through middle in-*
 293 *come.*******

294 ******(3)****** The Legislature finds that it is necessary to provide for a
 295 balanced community and develop a comprehensive housing program.

296 The **South Jersey** *Casino Reinvestment* Development Author-
297 ity shall determine the needs for housing in the city of Atlantic
298 City *in consultation with the city of Atlantic City and specifically*
299 *its zoning and planning boards*. This shall include determining
300 the types and classes of housing to be constructed and the number
301 of units of each type and class of housing to be built. The **South**
302 **Jersey** *Casino Reinvestment* Development Authority shall give
303 priority to the housing needs of the persons *and their families*
304 residing in the city of Atlantic City *on the effective date of this*
305 *act* *in 1983 and continuing such residency through the effec-*
306 *tive date of this 1984 amendatory and supplementary act*. *The*
307 *actual percentage of the proceeds of bonds and investments in ap-*
308 *proved eligible projects commenced by a licensee in the city of*
309 *Atlantic City which shall be used exclusively to finance the re-*
310 *habilitation, development, or construction of, or to provide mort-*
311 *gage financing of, housing facilities in the city of Atlantic City for*
312 *persons or families of low through middle income shall be based*
313 *upon the authority's determination of the needs for housing in the*
314 *city of Atlantic City conducted pursuant to this subsection. Once*
315 *the housing needs of the persons residing in the city of Atlantic*
316 *City in 1983 and continuing such residency through the effective*
317 *date of this 1984 amendatory and supplementary act have been*
318 *met as determined by the Casino Reinvestment Development Au-*
319 *thority pursuant to this subsection, any required percentages for*
320 *such housing in the city of Atlantic City may, in its sole discretion,*
321 *be waived by the Casino Reinvestment Development Authority.*
322 To aid the **South Jersey** *Casino Reinvestment* Development
323 Authority in making these determinations, the **South Jersey**
324 *Casino Reinvestment* Development Authority *may consult the*
325 *Atlantic City Task Force on Housing and Community Development*
326 *or rely on any report prepared by the Task Force and may*
327 *shall* review the *proposals* *proposal* for a housing rede-
328 *velopment program and strategy for the city of Atlantic City*
329 *prepared under a contract with* *approved and adopted by*
330 the Casino Control Commission *and shall give priority to same*
331 *and any other plan or project which is consistent with the stan-*
332 *dards of this subsection and is acceptable to the Casino Reinvest-*
333 *ment Development Authority pursuant to section 25 of this 1984*
334 *amendatory and supplementary act*. The **South Jersey** *Ca-*
335 *sino Reinvestment* Development Authority may determine whether
336 the funds used to finance housing facilities in the city of Atlantic
337 City for persons or families of low, moderate, median range, and

338 middle income are derived from the proceeds of bonds purchased
 339 by a licensee from the ***[South Jersey]*** **Casino Reinvestment**
 340 Development Authority to be devoted to the financing of projects
 341 in the city of Atlantic City, investments in approved eligible proj-
 342 ects commenced by a licensee in the city of Atlantic City, or a com-
 343 bination of both. Any investment made by a licensee in excess of
 344 ****[20%]**** ***100% of its eligible investment tax credit*** **during**
 345 *the first* ****[five]**** ***three*** years and in excess of ****[25%]****
 345A ***50%*** thereafter ***[in any given year]*** in either the pur-
 345B chase of bonds or direct investments in approved eligible projects
 345C for low, moderate, median range, and middle income family hous-
 345D ing facilities in the city of Atlantic City may be carried forward
 345E and credited against the licensee's obligation to make a ****[20%]****
 345F ***100%*** investment **during the first* ****[five]**** ***three*** years
 346 and ****[25%]**** ***50%*** thereafter in low, moderate, median
 347 range, and middle income family housing in any future year **with**
 348 *the approval of the Casino Reinvestment Development Authority**.
 349 For the purposes of this act, "low income families" means families
 350 whose income does not exceed 50% of the median income of the area,
 351 with adjustments for smaller and larger families. "Moderate income
 352 families" means families whose income does not exceed 80% and
 353 ***[are]*** **is** no less than 50% of the median income for the area,
 354 with adjustments for smaller and larger families. "Median range
 355 income families" means families whose income does not exceed
 356 120% and ***[are]*** **is** not less than 80% of the median income
 357 for the area, with adjustments for smaller and larger families.
 358 "Middle income families" means families whose income does not
 359 exceed 150% and no less than 120% of the median income for the
 360 area, with adjustments for smaller and larger families. "Median
 361 income" means an income defined as median within the Standard
 362 Metropolitan Statistical Area for Atlantic City by the United
 363 States Department of Housing and Urban Development.

364 In order to achieve a balanced community the authority shall
 365 ensure that the development of housing for families of low and
 366 moderate income shall proceed at the same time as housing for
 367 families of median range and middle income, until such time as
 368 there is no longer a ****[market]**** need for such facilities in the
 369 city of Atlantic City**, *as determined by the Casino Reinvestment*
 370 *Development Authority***.

371 *** (4) Notwithstanding any other law or section to the contrary,*
 372 *particularly this subsection regarding the waiver of the required*
 373 *percentages for housing in the city of Atlantic City, subsection i.*

374 of section 14, and sections 26, 27, 28, 29, and 31 of this 1984 amenda-
 375 tory and supplementary act, nothing shall be implemented or waived
 376 by the Casino Reinvestment Development Authority which would
 377 reduce, impair, or prevent the fulfillment of the priorities estab-
 378 lished and contained in this subsection of this 1984 amendatory
 379 and supplementary act.**

380 g. If a person is a licensee with regard to more than one ap-
 381 proved hotel pursuant to section 82 of P. L. 1977, c. 110 (C. 5:12-82),
 382 the person shall separately account for the gross revenues, the
 383 investment alternative tax obligations, and the investments for a
 384 tax credit against the investment alternative tax for each approved
 385 hotel, and the tax obligations of the licensee under this section shall
 386 be determined separately for each approved hotel. The licensee
 387 may apportion investments between its approved hotels provided
 388 that no amount of investment shall be credited more than once.
 389 If a licensee****[makes]**** **receives the prior approval of the
 390 Casino Reinvestment Development Authority, the licensee may
 391 make** eligible investments in excess of the investments necessary
 392 to receive a tax credit against the investment alternative tax for
 393 a given calendar year**, and** the licensee may carry forward this
 394 excess investment and have it credited to its next investment alter-
 395 native tax obligation. If **the Casino Reinvestment Development
 396 Authority approves of such excess investment and approves the
 397 carry forward of this excess investment, and** a licensee elects
 398 to purchase bonds of the ***[South Jersey]*** *Casino Reinvestment*
 399 Development Authority or makes **direct** investments in ap-
 400 proved eligible projects in excess of the investments necessary to
 401 receive a tax credit against the investment alternative tax for its
 402 current obligation, the licensee shall be entitled to a reduction of
 403 the amount of investments necessary in future years, which amount
 404 shall be determined annually by the ***[South Jersey]*** *Casino
 405 Reinvestment* Development Authority taking into account a cur-
 406 rent market ***[compound]*** *discount* rate from the date of the
 407 purchase or investment to the date the purchase or investment
 408 would have been required to be made.

409 h. Each casino licensee shall prepare and file, in a form pre-
 410 scribed by the ***[South Jersey]*** *Casino Reinvestment* Develop-
 411 ment Authority, an annual return reporting that financial informa-
 412 tion as shall be deemed necessary by the ***[South Jersey]*** *Casino
 413 Reinvestment* Development Authority to carry out the provisions
 414 of this act. This return shall be filed with the ***[South Jersey]***
 415 *Casino Reinvestment* Development Authority and the Casino

416 Control Commission on or before ****[March 15]**** ****April 30****
417 following the calendar year on which the return is based. The
418 Casino Control Commission shall verify to the ****[South Jersey]****
419 **Casino Reinvestment** Development Authority the information
420 contained in the report to the fullest extent possible. Nothing in
421 this subsection shall be deemed to affect the due dates for making
422 any investment or paying any tax under this section.

423 i. Any purchase by a licensee of bonds issued by ****or offered**
424 *through*** the ****[South Jersey]**** **Casino Reinvestment** Develop-
425 ment Authority pursuant to sections 14 and 15 of this act and sub-
426 section b. of this section and all approved eligible investments made
427 by a licensee pursuant to section 25 of this act and subsection b.
428 of this section are to be considered investments and not taxes owed
429 or grants to the State or any political subdivision thereof. As such,
430 a licensee shall have the possibility of the return of principal and
431 a return on the capital invested as with other investment. Investors
432 in the bonds ****[of]**** ****issued by or offered through**** the ****[South**
433 **Jersey]**** **Casino Reinvestment** Development Authority shall be
434 provided with an opinion from a recognized financial rating agency
435 or a financial advisory firm with national standing that each loan
436 of bond proceeds by the ****[South Jersey]**** **Casino Reinvestment**
437 Development Authority has the minimum characteristics of an
438 investment, in that a degree of assurance exists that interest and
439 principal payments can be made and other terms of the proposed
440 investment be maintained over the period of the investment,
441 ****[although the character of the loan may be highly speculative]****
442 ****and that the loan of the bond proceeds would qualify for a bond**
443 **rating of "C" or better****. ****[Notwithstanding anything to the**
444 **contrary in this act, the loan of the proceeds of bonds issued by the**
445 **Casino Reinvestment Development Authority to meet the housing**
446 **requirements of this section shall be deemed to have the minimum**
447 **characteristics of an investment pursuant to this act if such loan**
448 **is deemed by the Casino Reinvestment Development Authority to**
449 **have terms substantially equivalent to those loans to assist hous-**
450 **ing projects in Atlantic City made by the Atlantic County Improve-**
451 **ment Authority with the approval of the Local Finance Board in**
452 **the Department of Community Affairs prior to the date of this act.**
453 **Notwithstanding anything to the contrary in section 14 of this act,**
454 **the Casino Reinvestment Development Authority may issue bonds**
455 **at such rates and on such terms as shall be necessary to be com-**
456 **mensurate with such loans]****. ****If an opinion cannot be obtained**
457 **from a recognized financial rating agency or a financial advisory**

458 *firm with national standing, an opinion shall be obtained from an*
 459 *expert financial analyst with national standing selected and hired*
 460 *by the Casino Reinvestment Development Authority. In order to*
 461 *achieve a balanced portfolio, assure the viability of the authority*
 462 *and the projects, facilities and programs undertaken pursuant to*
 463 *this 1984 amendatory and supplementary act, no more than 25%*
 464 *of the total investments made by or through the Casino Reinvest-*
 465 *ment Development Authority with the proceeds of bonds generated*
 466 *in each year shall be investments which would qualify for a bond*
 467 *rating of "C" unless all holders of obligations in each year agree*
 468 *to waive the 25% limit for that year. Nothing herein shall be in-*
 469 *terpreted as limiting the Casino Reinvestment Development Au-*
 470 *thority from taking any steps it deems appropriate to protect the*
 471 *characteristics of its investment in projects or any other invest-*
 472 *ments from not being real investments with a prospect for the*
 473 *return of principal and a return on the capital invested.** Any-*
 474 *thing contained in this section shall not be considered a guarantee*
 475 *by the State or any political subdivision thereof of any return of*
 476 *principal or interest, but any purchase by a licensee of bonds or*
 477 *approved eligible investments made by a licensee pursuant to this*
 478 *act shall be at the risk of the licensee. **A licensee or the licensees*
 479 *purchasing an issue of bonds issued by the Casino Reinvestment*
 480 *Development Authority in any given year may arrange, at their*
 481 *option, for those bonds or the investments made by or through the*
 482 *Casino Reinvestment Development Authority with the proceeds*
 483 *of those bonds to be insured. The cost of any such insurance pur-*
 484 *chased by a licensee or licensees shall be paid by the licensee or*
 485 *licensees desiring such insurance.***

486 j. The ***[South Jersey]*** **Casino Reinvestment** Development
 487 Authority shall promulgate rules and regulations deemed necessary
 488 to carry out the purposes of this section.

489 k. The obligation of a licensee to pay an investment alternative
 490 tax pursuant to subsection a. of this section shall end for each
 491 licensed facility operated by the licensee ****[20]**** ****25**** years
 492 after any investment alternative tax obligation is first incurred in
 493 connection with each licensed facility operated by the licensee **un-*
 494 *less extended in connection with a deferral granted by the Casino*
 495 *Reinvestment Development Authority pursuant to subsection c. of*
 496 *this section*.*

1 4. Section 145 of P. L. 1977, c. 110 (C. 5:12-145) is amended to
 2 read as follows:

3 145. Casino Revenue Fund. a. There is hereby created and
 4 established in the Department of the Treasury a separate special

5 account to be known as the "Casino Revenue Fund," into which
 6 shall be deposited all revenues from the tax imposed by section 144
 7 of this act *and the investment alternative tax imposed by section 3*
 8 *of P. L. 1984, c. . . . (C.) (now pending before the Legis-*
 9 *lature as **Assembly Committee Substitute for ** Assembly Bill*
 9A *No. 688 **(OCR)** of 1984).*

10 b. The commission shall require at least monthly deposits by the
 11 licensee of the tax *established pursuant to subsection a. of section*
 12 *144 of P. L. 1977, c. 110 (C. 5:12-144) at such times, under such*
 13 *conditions, and in such depositories as shall be prescribed by the*
 14 *State Treasurer. The deposits shall be deposited to the credit of*
 15 *the Casino Revenue Fund. The commission may require a monthly*
 16 *report and reconciliation statement, to be filed with it on or before*
 17 *the 10th day of each month, with respect to gross revenues and*
 18 *deposits received and made, respectively, during the preceding*
 19 *month.*

20 c. Moneys in the Casino Revenue Fund shall be appropriated[,
 21 notwithstanding the provisions of P. L. 1976, c. 67 (C. 52:9H-5
 22 et seq.),] exclusively for reductions in property taxes, rentals,
 23 telephone, gas, electric, and municipal utilities charges of eligible
 24 senior citizens and disabled residents of the State, **and for*
 25 *additional or expanded health services or benefits or transportation*
 26 *services or benefits to eligible senior citizens and disabled resi-*
 27 *dents,* as shall be provided by law. **On or about March 15 and*
 28 *September 15 of each year, the State Treasurer shall publish in at*
 29 *least 10 newspapers circulating generally in the State a report*
 30 *accounting for the total revenues received in the Casino Revenue*
 31 *Fund and the specific amounts of money appropriated there from*
 32 *for specific expenditures during the preceding six months ending*
 33 *December 31 and June 30.***

1 5. (New section) a. There is established in, but not of, the De-
 2 partment of the Treasury a **[South Jersey]* *Casino Reinvest-*
 3 *ment* Development Authority to consist of the following members:*

4 (1) **[Four]* **[*Two*]** **Five** members appointed by the*
 5 *Governor with the advice and consent of the Senate for terms of*
 6 *four years, except that of the initial members to be appointed, one*
 7 *shall be appointed for a term of one year*[,]* **[*and*]** **,***
 8 *one for a term of two years*[, one for a term of three years, and*
 9 *one for a term of four years]* ** , one for a term of three years,*
 9A *and two for a term of four years**.*

10 **(2) One member appointed by the Governor upon the recom-*
 11 *mendation of the President of the Senate for a term of four*
 11A ***[years]** ** , except that the initial member to be appointed shall*
 11B *be appointed for a term of three years**;*

12 (3) One member appointed by the Governor upon the recommen-
 13 dation of the Speaker of the General Assembly for a term of four
 14 years, except that the initial member to be appointed shall be
 15 appointed for a term of **three years** **one year**;

16 **(2)** **4.** The Chairman of the Casino Control Commis-
 17 sion, ex officio and voting;

18 **(3)** **5.** **(4)** A member of the Casino Control
 19 Commission **other than the chairman and not of the same po-**
 20 **litical party as the chairman**, who shall be appointed by the
 21 Governor and shall be a voting member of the authority;

22 **(4)** **6.** **(5)** The mayor of Atlantic City, ex
 22A officio and voting;

23 **(5)** **7.** **(6)** The State Treasurer, ex officio and
 23A nonvoting;

24 **(6)** **8.** **(7)** Two nonvoting casino industry rep-
 25 resentatives appointed by the Governor for terms of two years,
 26 except that of the initial appointees, one shall serve for a term of
 27 one year and one for a term of two years.

28 *No more than **four** **five** of the **seven** voting*
 28A *members other than the members appointed pursuant to para-*
 28B *graphs (2) and (3) of this subsection shall be of the same political*
 29 *party.*

29A *In the appointment of members of the authority, consideration*
 29B *should be given to achieving a membership of high quality and*
 29C *varied experience, with special emphasis on the fields of banking,*
 29D *finance, investments, and housing and urban development.*

30 b. Each member appointed by the Governor **the President of**
 31 **the Senate, and the Speaker of the General Assembly** shall hold
 32 office for the term of his appointment and until his successor shall
 33 have been appointed and qualified. A member shall be eligible for
 34 reappointment. Any vacancy in the membership occurring other
 35 than by expiration of term shall be filled in the same manner as the
 36 original appointment but for the unexpired term only.

37 c. The member of the Casino Control Commission appointed by
 38 the Governor shall serve as a member of the **South Jersey**
 39 **Casino Reinvestment** Development Authority for the duration
 40 of his term as a member of the Casino Control Commission and
 41 until his successor shall be appointed and qualified, subject to the
 42 limitations in subsections c., f., and h. of section 52 of P. L. 1977,
 43 c. 110 (C. 5:12-52). The member may be removed or suspended
 44 from office as a member of the **South Jersey** **Casino Reinvest-**
 45 **ment** Development Authority as provided in section 6 of this act.
 46 Any removal or suspension from office of the member of the Casino

47 Control Commission from the ***[South Jersey]*** *Casino Reinvest-*
 48 *ment** Development Authority shall not affect his office held as a
 49 member of the Casino Control Commission. Removal from office
 50 as a member of the Casino Control Commission may only be done
 51 in accordance with subsection g. of section 52 of P. L. 1977, c. 110
 52 (C. 5:12-52).

1 6. (New section) Each *appointed** member may be removed
 2 from office by the Governor****[**, *the President of the Senate, or the*
 3 *Speaker of the General Assembly, as the case may be,*****]** for cause,
 4 after a public hearing, and may be suspended by **[the Governor]***
 5 ****[that official]**** *the Governor*** pending the completion of
 6 that hearing. Each member before entering upon his duties shall
 7 take and subscribe an oath to perform the duties of his office faith-
 8 fully, impartially and justly to the best of his ability. A record of
 9 those oaths shall be filed in the office of the Secretary of State.

1 7. (New section) The Governor shall designate from among the
 2 appointed and voting public members, a chairman and a vice chair-
 3 man of the **[South Jersey]*** *Casino Reinvestment** Development
 4 Authority, who shall serve in those capacities during each member's
 5 entire term and until his successor shall have been duly appointed
 6 and qualified. The powers of the **[South Jersey]*** *Casino Re-*
 7 *investment** Development Authority shall be vested in the members
 8 thereof in office from time to time and **[four]**** *five*** voting
 9 members of the **[South Jersey]*** *Casino Reinvestment** Devel-
 10 opment Authority shall constitute a quorum at any meeting thereof.
 11 Action may be taken by motions and resolutions adopted by the
 12 **[South Jersey]*** *Casino Reinvestment** Development Authority
 13 at any meeting thereof by the affirmative vote of at least **[four]****
 14 *five*** members of the **[South Jersey]*** *Casino Reinvestment**
 15 Development Authority. No vacancy in the membership of the
 16 **[South Jersey]*** *Casino Reinvestment** Development Authority
 17 shall impair the right of a quorum of the members to exercise all
 18 the powers and perform all the duties of the **[South Jersey]***
 19 *Casino Reinvestment** Development Authority.

1 8. (New section) Each appointed and voting public member of
 2 the **[South Jersey]*** *Casino Reinvestment** Development Autho-
 3 rity other than the chairman shall receive compensation of
 4 \$18,000.00 per annum. The compensation of the chairman shall be
 5 \$23,000.00 per annum. All members shall be reimbursed for actual
 6 expenses necessarily incurred in the discharge of their duties.
 7 Notwithstanding the provisions of any other law, no officer or
 8 employee of the State shall be deemed to have forfeited or shall
 9 forfeit his office or employment, or any benefits or emoluments
 10 thereof by reason of his acceptance of the office of an *ex officio* or

11 appointed member of the ***South Jersey** * *Casino Reinvestment*
12 Development Authority or his services therein.

1 9. (New section) The State Treasurer may designate an officer
2 or employee of his department, and the Chairman of the Casino
3 Control Commission and the Casino Control Commission member
4 on the ***South Jersey** * *Casino Reinvestment* Development
5 Authority may designate another commissioner or employee of the
6 commission, and the casino industry representatives on the ***South**
7 **Jersey** * *Casino Reinvestment* Development Authority may des-
8 ignate another person to represent them at meetings of the ***South**
9 **Jersey** * *Casino Reinvestment* Development Authority**, **
10 and each designee may lawfully vote and otherwise act on behalf
11 of the member for whom he constitutes the designee. Any desig-
12 nation shall be in writing delivered to the ***South Jersey** *
13 *Casino Reinvestment* Development Authority and shall continue
14 in effect until revoked or amended by writing delivered to the
15 ***South Jersey** * *Casino Reinvestment* Development Authority.

1 10. (New section) Other than the casino industry representatives,
2 no member, officer, employee or agent of the ***South Jersey** *
3 *Casino Reinvestment* Development Authority shall be interested
4 either directly or indirectly in any project or in any contract, sale,
5 purchase, lease or transfer of real or personal property to which
6 the ***South Jersey** * *Casino Reinvestment* Development Autho-
7 rity is a party. The casino industry representatives appointed shall
8 not be subject to section 4 of P. L. 1981, c. 142 (C. 52:13D-17.2).

1 11. (New section) The ***South Jersey** * *Casino Reinvestment*
2 Development Authority may be dissolved by an act of the Legisla-
3 ture on the condition that the ***South Jersey** * *Casino Reinvest-*
4 *ment* Development Authority has no debts or obligations outstand-
5 ing or that provision has been made for the payment and retirement
6 of its debts or obligations. Upon any dissolution of the ***South**
7 **Jersey** * *Casino Reinvestment* Development Authority, all pro-
8 perty, funds and assets thereof shall be vested in the State.

1 12. (New section) The purposes of the ***South Jersey** * *Casino*
2 *Reinvestment* Development Authority shall be: a. to maintain
3 public confidence in the casino gaming industry ***as a unique tool*
4 *of urban redevelopment for the city of Atlantic City and to directly*
5 *facilitate the redevelopment of existing blighted areas and to ad-*
6 *dress the pressing social and economic needs of the residents of*
7 *the city of Atlantic City and the State of New Jersey*** by provid-
8 ing eligible projects in which licensees shall invest; b. to provide
9 licensees ***with*** an effective method of encouraging new capital
10 investment in Atlantic City ***which investment capital would not*

11 *otherwise be attracted by major casino-hotel convention complexes*
12 *or by normal market conditions and which will not supplant capital,*
13 *either public or private, that would otherwise be invested in the*
14 *city of Atlantic City or in the jurisdiction in which the investment*
15 *is to be made and which will have the effect of benefiting the public*
16 *at large and increasing opportunities and choices of those of low*
17 *and moderate income in particular***; c. to provide, further and
18 promote tourist industries in New Jersey and especially Atlantic
19 county, by providing financial assistance for the planning, acquisi-
20 tion, construction, improvement, maintenance and operation of
21 facilities for the recreation and entertainment of the public **which*
22 *may include an arts center, **cultural center,** historic site **or*
23 *landmark**, or sports center**; d. to provide loans and other finan-
24 cial assistance for the ***planning, acquisition,*** construction, re-
25 construction, demolition, rehabilitation, ***[*operation,*]*** con-
26 version, repair or alteration of buildings or facilities to provide
27 decent, safe and sanitary dwelling units for persons of low, moder-
28 ate, median range, and middle income in need of housing**, *and to*
29 *provide mortgage financing for such units***; e. to assist in the
30 financing of structures, franchises, equipment and facilities for
31 operation of**, *expansion of and the development of*** public trans-
32 portation or for terminal purposes, including ***but not limited to***
33 development and improvement of port terminal structures, facilities
34 and equipment for public use; f. to provide loans and other financial
35 assistance for the construction, reconstruction, demolition, rehabili-
36 tation, conversion, repair or alteration of convention halls in At-
37 lantic county ***and the State of New Jersey***, including but not
38 limited to office facilities, commercial facilities, community service
38A facilities, parking facilities, hotel facilities and other facilities
39 for the accommodation and entertainment of tourists and visitors;
40 g. to make loans and assist in the financing of the construction,
41 reconstruction, rehabilitation, repair or acquisition of infrastruc-
42 ture projects, including but not limited to sewage disposal facilities,
43 water facilities, solid waste disposal facilities, roads, highways
44 and bridges; h. to assist in financing buildings, structures and other
45 property to increase opportunities in manufacturing, industrial,
46 commercial, recreational, retail and service enterprises in the State
47 so as to induce and to accelerate opportunity for employment in
48 these enterprises**, *particularly of unemployed and underemployed*
49 *residents of the jurisdiction in which the investment is to be made;*
50 *to provide loans and other financial assistance for the planning,*
51 *development or preservation of new and existing small businesses*
52 *as well as the planning, acquisition, construction, reconstruction,*

53 *rehabilitation, conversion or alteration of the facilities that house*
 54 *these enterprises, particularly those which provide services or em-*
 55 *ployment to unemployed or underemployed residents of the State;*
 56 *and to provide loans and other financial assistance to provide em-*
 57 *ployment training and retraining, particularly for unemployed and*
 58 *underemployed residents of the State***; i. to cooperate with and
 59 assist local governmental units in financing any eligible project;
 60 **j. to **[allow]** **encourage** investment in, or financing of,*
 61 *any **plan,** project facility, or program which directly serves*
 62 *pressing social and economic needs of the residents of the **[city*
 63 *of Atlantic City]** **jurisdiction or region in which the invest-*
 64 *ment is to be made***, including but not limited to schools, super-
 65 *markets, commercial establishments, day care centers, parks and*
 66 *community service centers, and any other **plan,** project**,***
 67 *facility or program which best serves the interest of the public in*
 68 *accordance with section 25 of this 1984 amendatory and supple-*
 69 *mentary act; k. to **[allow]** **encourage** investment in, or*
 70 *financing of, projects which are made as part of a comprehensive*
 71 *plan to improve blighted or redevelopment areas **[in the city of*
 72 *Atlantic City]** **or are targeted to benefit low through middle*
 73 *income residents of the jurisdiction or region in which the invest-*
 74 *ments are to be made***; l. to make loans for those eligible projects
 75 *according to the projected allocated amounts to be available,** and
 76 **[j.]* *m.* any combination of the foregoing.*

1 13. (New section) The ***[South Jersey]* *Casino Reinvestment***
 2 Development Authority shall have the following powers:
 3 a. To adopt and have a common seal and to alter the same at
 4 pleasure;
 5 b. To sue or be sued;
 6 c. To acquire, hold, use and dispose of any eligible project in
 7 which it is making an investment;
 8 d. To acquire, rent, hold, use, and dispose of other personal prop-
 9 erty for the purposes of the ***[South Jersey]* *Casino Reinvest-**
 9A **ment*** Development Authority;
 10 e. To acquire by purchase, gift, or otherwise, or lease as lessee,
 11 real property or easements or interests therein necessary or useful
 12 and convenient for the purposes of the ***[South Jersey]* *Casino**
 13 **Reinvestment*** Development Authority which real property, ease-
 14 ments or interests may be subject to mortgages, deeds or trust, or
 15 other liens or otherwise, and to hold and to use the same, and to
 16 dispose of the property so acquired no longer necessary for the
 17 purposes of the ***[South Jersey]* *Casino Reinvestment*** Develop-
 17A ment Authority;

18 f. To make and enforce bylaws or rules and regulations for the
19 management and regulation of its business and affairs and for the
20 use, maintenance, and operation of any facility, and to amend the
21 same;

22 g. To enter into any agreements or contracts, execute any instru-
23 ments, and do and perform any acts or things necessary, convenient,
24 or desirable for the purposes of the ***[South Jersey]*** *Casino*
25 *Reinvestment** Development Authority, including the entering into
26 of agreements or contracts with any governmental unit to provide
27 for the payment of principal of and interest on any obligation
28 issued by that governmental unit, the maintenance of necessary
29 reserves in connection with these obligations or the payments
30 under any lease entered into in connection with any eligible project;

31 h. To determine eligibility for investments in eligible projects in
32 order to accomplish the purposes of the ***[South Jersey]*** *Casino*
33 *Reinvestment** Development Authority;

34 i. To collect and invest any proceeds received under subsection b.
35 of section 3 and section 14 of this act;

36 j. To invest in obligations of local governmental units issued to
37 finance eligible projects, provided that the investment shall only be
38 effected through direct negotiation by the ***[South Jersey]***
39 *Casino Reinvestment** Development Authority with the local
39A governmental unit;

40 k. To make agreements of any kind with any governmental unit
41 or person for the use or operation of all or any part of any eligible
42 project for consideration and for periods of time and upon other
43 terms and conditions as the ***[South Jersey]*** *Casino Reinvest-*
44 *ment** Development Authority may fix and agree upon, which
45 agreements may include a partnership, limited partnership, joint
46 venture or association in which the ***[South Jersey]*** *Casino*
47 *Reinvestment** Development Authority is a general or limited
48 partner or participant;

49 l. To require and collect fees and charges as the ***[South Jersey]***
50 *Casino Reinvestment** Development Authority shall determine to
51 be reasonable in connection with the exercise of any power given
52 to the ***[South Jersey]*** *Casino Reinvestment** Development
53 Authority under the act;

54 ***m. To the extent permitted under a contract of the Casino*
55 *Reinvestment Development Authority with purchasers of its bonds*
56 *entered into pursuant to section 3 of this 1984 amendatory and*
57 *supplementary act, to invest and reinvest any of its moneys not*
58 *required for immediate use, including moneys received for the pur-*
59 *chase of its bonds prior to the bonds being issued as it shall deem*

60 prudent. A pro rata share of 66 2/3% of all interest earned by the
 61 Casino Reinvestment Development Authority on any such invest-
 62 ments shall be paid to the licensees who entered into a contract
 63 with the Casino Reinvestment Development Authority for the pur-
 64 chase of its bonds and who contributed to the moneys which were
 65 received by the Casino Reinvestment Development Authority and
 66 were invested pursuant to this subsection. All functions, powers
 67 and duties relating to the investment or reinvestment of these
 68 funds, including the purchase, sale or exchange of any investments
 69 or securities, may, upon the request of the Casino Reinvestment
 70 Development Authority, be exercised and performed by the Direc-
 71 tor of the Division of Investment, in accordance with written di-
 72 rections of the Casino Reinvestment Development Authority signed
 73 by an authorized officer, without regard to any other law relating
 74 to investments by the Director of the Division of Investment; **

75 **[m.]** **n.** To the extent permitted under the contract of
 76 the ***[South Jersey]*** *Casino Reinvestment** Development Au-
 77 thority with the holders of its bonds, to invest and reinvest any of
 78 its moneys not required for immediate use, including proceeds from
 79 the sale of any obligations, securities or other investments as it
 80 shall deem prudent. All functions, powers and duties relating to
 81 the investment or reinvestment of these funds, including the pur-
 82 chase, sale or exchange of any investments or securities may, upon
 83 the request of the ***[South Jersey]*** *Casino Reinvestment** De-
 84 velopment Authority be exercised and performed by the Director
 85 of the Division of Investment, in accordance with written directions
 86 of the ***[South Jersey]*** *Casino Reinvestment** Development Au-
 87 thority signed by an authorized officer, without regard to any other
 88 law relating to investments by the Director of the Division of In-
 89 vestment;

90 **[n.]** **o.** To enter into all agreements or contracts with
 91 any governmental unit or person, execute any instruments, and do
 92 and perform any acts or things necessary, convenient or desirable
 93 for the purposes of the ***[South Jersey]*** *Casino Reinvestment**
 94 Development Authority to carry out any power expressly given in
 95 this act; and

96 **p. To exercise the right of eminent domain in the city of At-
 97 lantic City; **

98 **[o.]** **q.** To meet and hold hearings at places as it shall
 99 designate.

1 14. (New section) a. The ***[South Jersey]*** *Casino Reinvest-*
 2 *ment** Development Authority shall have the power and is author-

3 ized from time to time to issue its bonds to licensees in principal
 4 amounts as in the opinion of the ***[South Jersey]*** *Casino*
 4A *Reinvestment* Development Authority shall be necessary to provide
 5 sufficient funds for achieving any of its corporate purposes, or for
 6 the payment, funding or refunding of the principal of, or interest
 7 or redemption premiums on, any bonds issued by it, whether the
 8 bonds or interest to be funded or refunded have or have not become
 9 due, the establishment or increase of reserves to secure or to pay
 10 the bonds or interest thereon, and all other costs or expenses of the
 11 ***[South Jersey]*** *Casino Reinvestment** Development Authority
 12 incident to and necessary or convenient to carry out its corporate
 13 purposes and powers.

14 ***b. A contract for purchase of Casino Reinvestment Develop-*
 15 *ment Authority bonds entered into pursuant to sections 3 and 13*
 16 *of this 1984 amendatory and supplementary act shall provide that*
 17 *an investment for any tax credit shall be paid by the licensee to the*
 18 *Casino Reinvestment Development Authority upon entering into*
 19 *the contract or at any other times specified in the contract but not*
 20 *later than April 30 of each year. The Casino Reinvestment Devel-*
 21 *opment Authority shall invest any moneys so received as provided*
 22 *in subsection m. of section 13 of this 1984 amendatory and supple-*
 23 *mentary act until such time as the Casino Reinvestment Develop-*
 24 *ment Authority determines what projects it will invest in or what*
 25 *other investments it will make and issues its bonds to the licensees*
 26 *to finance those projects or investments.***

27 ***[b.]** **c.*** Except as may be otherwise expressly provided
 28 herein or by the ***[South Jersey]*** *Casino Reinvestment** Devel-
 29 opment Authority, every issue of bonds shall be general obligations
 30 payable out of any moneys or revenues of the ***[South Jersey]***
 31 *Casino Reinvestment** Development Authority, subject only to
 32 any agreements with the holders of particular bonds pledging any
 33 particular moneys or revenues, but interest on the bonds shall not
 34 be payable out of proceeds of bonds issued by the ***[South Jersey]***
 35 *Casino Reinvestment** Development Authority. The ***[South**
 36 **Jersey]*** *Casino Reinvestment** Development Authority may
 37 issue the types of bonds as it may determine, including but not
 38 limited to bonds on which the principal and interest are payable
 39 (1) exclusively from the income and revenues of certain designated
 40 projects whether or not they are financed in whole or in part with
 41 the proceeds of those bonds or (2) from its revenues generally.

42 ***[c.]** **d.*** Bonds of the ***[South Jersey]*** *Casino Rein-*
 43 *vestment** Development Authority shall be authorized by or in
 44 accordance with a resolution of the ***[South Jersey]*** *Casino*

45 *Reinvestment** Development Authority and may be issued in one
 46 or more series and shall bear dates, mature at times not exceeding
 47 50 years from the date thereof, bear interest at ***the*** rates ****[or
 48 bear interest at variable or formula rate or rates not to exceed
 49 the maximum rate or rates]*** specified in this subsection***, be
 50 in denominations, be in registered form only, have a rank or
 51 priority, be executed in a manner, be payable from sources in a
 52 medium of payment at places within or without the State, and be
 53 subject to terms of redemption, with or without premium, as the
 54 resolutions may provide. ****[In establishing a rate of interest, the
 55 authority is directed not to issue bonds at a rate that is confisca-
 56 tory.]*** The bonds issued by the authority shall bear interest*
 57 *at the rate of 7% for those bonds issued for purchase by a licensee*
 58 *to satisfy the requirements of subsection h. of section 144 of P. L.*
 59 *1977, c. 110 (C. 5:12-144) and at the rate of 66 2/3% of the average*
 60 *rate of the Bond Buyer Weekly 25 Revenue Bond Index for bonds*
 61 *available for purchase during the last 26 weeks preceding the date*
 62 *the Casino Reinvestment Development Authority issues its bonds*
 63 *to a licensee to satisfy the requirements of subsection b. of sec-*
 64 *tion 3 of this 1984 amendatory and supplementary act. Notwith-*
 65 *standing the provisions of section 19 of this 1984 amendatory and*
 66 *supplementary act, if, however, for bonds issued by the Casino*
 67 *Reinvestment Development Authority to satisfy the requirements*
 68 *of subsection b. of section 3 of this 1984 amendatory and supple-*
 69 *tary act, either (1) the Casino Reinvestment Development Author-*
 70 *ity, pursuant to section 17 of this 1984 amendatory and supple-*
 71 *mentary act, consents, on any of its bonds being issued, to the*
 72 *inclusion of interest, or (2) the Internal Revenue Service deter-*
 73 *mines that any of the interest on any of the bonds issued by the*
 74 *Casino Reinvestment Development Authority must be included in*
 75 *the gross income of holders of those bonds under the Internal Rev-*
 76 *enue Code of 1954, as amended, or any subsequent federal law, to*
 77 *the same extent and in the same manner as the interest on bills,*
 78 *notes, bonds and other obligations of the United States, then those*
 79 *bonds issued by the authority shall bear interest at the rate of*
 80 *66 2/3% of the average rate of Moody's A-rated Utility Index for*
 81 *bonds available for purchase during the last 26 weeks preceding*
 82 *the date the Casino Reinvestment Development Authority issues*
 83 *its bonds to a licensee to satisfy the requirements of subsection b.*
 84 *of section 3 of this 1984 amendatory and supplementary act.***
 85 The written approval of the State Treasurer shall be obtained be-
 86 fore the **[South Jersey]* Casino Reinvestment** Development

87 Authority adopts any bond resolution or supplement to a bond
88 resolution.

89 ***e. Interest earned on bonds issued by the Casino Reinvestment*
90 *Development Authority shall be paid annually. If, however, a li-*
91 *cencee enters into a long-term contract with the Casino Reinvest-*
92 *ment Development Authority pursuant to subsection b. of section 3*
93 *of this 1984 amendatory and supplementary act in which the licen-*
94 *see agrees to purchase bonds issued by the Casino Reinvestment*
95 *Development Authority in each year for a period of at least 10*
96 *continuous years, the contract shall provide for the payment of*
97 *interest earned on the bonds quarterly or at any other time agreed*
98 *upon by the licensee and the Casino Reinvestment Development*
99 *Authority.***

100 ***[d.]** **f.*** Whether or not bonds of the **[South Jersey]**
101 **Casino Reinvestment* Development Authority* are of the form
102 and character as to be negotiable instruments under the terms of
103 Title 12A of the New Jersey Statutes, the bonds are made negotiable
104 instruments within the meaning of and for all the purposes of
105 Title 12A of the New Jersey Statutes, subject only to the provi-
106 sions of the bonds for registration.

107 ***[e.]** **g.*** Bonds of the **[South Jersey]* *Casino Rein-*
108 *vestment* Development Authority* may be sold at prices as the
109 **[South Jersey]* *Casino Reinvestment* Development Authority*
110 shall determine. Bonds of the **[South Jersey]* *Casino Reinvest-*
111 *ment* Development Authority* may be sold at less than the current
112 market rate of return ***but not less than the rate specified in sub-*
113 *section c. of this section**.*

114 ***[f.]** **h.*** Bonds may be issued ***by the Casino Reinvest-*
115 *ment Development Authority*** under the provisions of this act
116 without obtaining the consent of any department, division, commis-
117 sion, board, bureau or other agency of the State, and without any
118 other proceeding or the happening of any other conditions or things
119 other than those proceedings, conditions or things which are
120 specifically required by this act.

121 ***[g.]** **i.*** Bonds of the **[South Jersey]* *Casino Rein-*
122 *vestment* Development Authority* issued under the provisions of
123 this act shall not be in any way a debt or liability of the State or
124 of any political subdivision thereof other than the **[South Jersey]**
125 **Casino Reinvestment* Development Authority* and shall not cre-
126 ate or constitute any indebtedness, liability or obligation of the
127 State or of any of its political subdivisions or be or constitute a
128 pledge of the faith and credit of the State or of any of its political

129 subdivisions but all the bonds, unless funded or refunded by bonds,
 130 shall be payable solely from revenues or funds pledged or avail-
 131 able for their payment as authorized in this act. Each bond shall
 132 contain on its face a statement to the effect that the ***[South Jer-**
 133 **sey]*** *Casino Reinvestment** Development Authority is obligated
 134 to pay the principal thereof or the interest thereon only from rev-
 135 enues or funds of the ***[South Jersey]*** *Casino Reinvestment**
 136 Development Authority**,** that neither the State ****[no]****
 137 ***nor*** any political subdivision thereof is obligated to pay the
 138 principal or interest**,** and that neither the faith and credit nor
 139 the taxing power of the State or any political subdivision thereof
 140 is pledged in the payment of the principal of or the interest on the
 141 bonds.

142 ***j.* *As an alternative to bonds issued by the Casino Reinvest-*
 143 *ment Development Authority, the Casino Reinvestment Develop-*
 144 *ment Authority may, in its sole discretion, offer for purchase by*
 145 *licensees bonds of the State of New Jersey, any political subdivi-*
 146 *sion thereof, or any authority created by the State or any political*
 147 *subdivision thereof, as a means of fulfilling any investment obliga-*
 148 *tion required of a licensee, provided those bonds fulfill the purposes*
 149 *of the Casino Reinvestment Development Authority and are in*
 150 *accordance with the requirements established pursuant to this sec-*
 151 *tion. A licensee may purchase such bonds through the Casino Re-*
 152 *investment Development Authority only after approval by and in*
 153 *the sole discretion of the Casino Reinvestment Development Au-*
 154 *thority.***

155 ****[h.]**** ***k.*** All expenses incurred in carrying out the pro-
 156 visions of this act shall be payable solely from revenues or funds
 157 provided or to be provided under the provisions of this act and
 158 nothing in this act shall be construed to authorize the ***[South Jer-**
 159 **sey]*** *Casino Reinvestment** Development Authority to incur any
 160 indebtedness or liability on behalf of or payable by the State or
 161 any political subdivision thereof.

1 15. (New section) Any resolution of the ***[South Jersey]***
 2 *Casino Reinvestment** Development Authority authorizing the
 3 issuance ***or offering*** of bonds may contain provisions, except as
 4 expressly limited in this act and except as otherwise limited by
 5 existing agreements with the holders of the bonds, which shall be a
 6 part of the contract with the holders thereof, as to the following:
 7 a. The pledging of or creating of a lien on, as security for the
 8 payment of the principal and redemption price of and interest on
 9 any bonds ****[of]**** ***issued by or offered through*** the ***[South**

10 Jersey]* **Casino Reinvestment** Development Authority, all or
 11 any part of its revenues or assets to which ****[its]**** ***the issuing*
 11A *authority's*** right then exists or may thereafter come into exis-
 11B tence, and the moneys derived therefrom, and all or any part of the
 12 and the moneys derived therefrom, and all or any part of the
 13 proceeds of any bonds, and covenanting against pledging all or any
 14 part of the revenues, assets, moneys, funds or property, or against
 15 permitting or suffering any lien thereon;

16 b. Otherwise providing for the custody, collection, securing, in-
 17 vestment and payment of any revenues, assets, moneys, funds or
 18 property of the ***[South Jersey]*** **Casino Reinvestment** Develop-
 19 ment Authority ***or of the issuing authority,*** or with respect to
 20 which the ***[South Jersey]*** **Casino Reinvestment** Development
 21 Authority ***or the issuing authority*** may have any rights or
 21A interest;

22 c. The use and disposition of any payments of principal or
 23 interest received by the ***[South Jersey]*** **Casino Reinvestment**
 24 Development Authority ***or the issuing authority*** with respect
 25 to investments made by the ***[South Jersey]*** **Casino Reinvest-*
 25A *ment** Development Authority ***or the issuing authority*** or
 25B other income, revenues or receipts of the ***[South Jersey]*** **Ca-*
 25C *sino Reinvestment** Development Authority ***or the issuing au-*
 25D *thority***;

26 d. The establishment of reserves or sinking funds, and the regula-
 27 tion and disposition thereof;

28 e. The custody, application and disposition of the proceeds of any
 29 bonds;

30 f. The rank or priority of any bonds with respect to any lien or
 31 security or the acceleration of the maturity of any bonds;

32 g. The creation of special funds or moneys to be held in trust or
 33 otherwise for operating expenses, payment or redemption of bonds,
 34 reserves against defaults or prepayments of investments made by
 35 the ***[South Jersey]*** **Casino Reinvestment** Development Author-
 36 ity ***or the issuing authority*** or for other purposes, and the use
 36A and disposition of the moneys held in these funds;

37 h. Limitations on the purpose to which the proceeds of sale of
 38 bonds may be applied and pledging the proceeds to secure the pay-
 39 ment of the bonds;

40 i. Limitations on the issuance of additional bonds, the terms
 41 upon which additional bonds may be issued and secured, the re-
 42 funding or purchase of outstanding bonds of the ***[South Jersey]***
 43 **Casino Reinvestment** Development Authority ***or the issuing*
 43A *authority***;

44 j. The procedure, if any, by which the terms of any contract with
 45 the holders of any bonds of the ***[South Jersey]*** *Casino Reinvest-*
 46 *ment** Development Authority ***or the issuing authority*** may be
 47 amended, the amount of bonds the holders of which must consent
 48 thereto, and the manner in which the consent may be given;

49 k. Provision for a trust agreement by and between the ***[South**
 50 **Jersey]*** *Casino Reinvestment** Development Authority ***or the*
 51 *issuing authority*** and a corporate trustee which may be any trust
 52 company or bank having the powers of a trust company within or
 53 without the State, which agreement may provide (1) for the pledg-
 54 ing or assigning of any assets or income from assets to which or
 55 in which the ***[South Jersey]*** *Casino Reinvestment** Develop-
 56 ment Authority ***or the issuing authority*** has any rights or in-
 57 terest, (2) for any other rights and remedies exercisable by the
 58 trustee as may be proper for the protection of the holders of any
 59 bonds of the ***[South Jersey]*** *Casino Reinvestment** Development
 60 Authority ***or the issuing authority*** and not otherwise in vio-
 61 lation of the law, and (3) for the restriction of the rights of any
 62 individual holder of bonds of the ***[South Jersey]*** *Casino Rein-*
 63 *vestment** Development Authority ***or the issuing authority***.
 64 All expenses incurred in carrying out the provisions of the trust
 64A agreement may be treated as a part of the costs of operation of
 64B the ***[South Jersey]*** *Casino Reinvestment** Development Au-
 65 thority ***or the issuing authority***. The trust agreement may con-
 66 tain any further provisions which are reasonable to delineate fur-
 67 ther the respective rights, duties, safeguards, responsibilities and
 68 liabilities of the ***[South Jersey]*** *Casino Reinvestment** Develop-
 68A ment Authority ***or the issuing authority***, individual and collec-
 68B tive holders of bonds of the ***[South Jersey]*** *Casino Reinvest-*
 68C *ment** Development Authority ***or the issuing authority***, and
 68D the trustee;

69 l. The custody of any of its properties or investments, the safe-
 70 keeping thereof, the insurance to be carried thereon, and the use
 71 and disposition of insurance moneys;

72 m. The time or manner of enforcement or restraint from enforce-
 73 ment of any rights of the ***[South Jersey]*** *Casino Reinvestment**
 74 Development Authority ***or the issuing authority*** arising by
 75 reason of or with respect to nonpayment of principal or interest
 76 with respect to investments made by the ***[South Jersey]*** *Casino*
 77 *Reinvestment** Development Authority ***or its issuing authority***
 78 or any rights to or security interest in the collateral securing the
 79 investments made by the ***[South Jersey]*** *Casino Reinvestment**
 80 Development Authority ***or the issuing authority*** or arising

81 with respect to the default with respect to any investments made
 81A by the ***[South Jersey]*** **Casino Reinvestment** Development
 81B Authority ***or the issuing authority***;

82 n. Defining the acts or omissions to act which shall constitute a
 83 default in the obligations and duties of the ***[South Jersey]***
 84 **Casino Reinvestment** Development Authority ***or the issuing*
 84A *authority*** and providing for the rights and remedies of the holders
 84B of bonds in the event of a default;

85 o. Covenants to do or refrain from doing any acts or things as
 86 may be necessary or convenient or desirable in order to better
 87 secure any bonds of the ***[South Jersey]*** **Casino Reinvestment**
 88 Development Authority ***or the issuing authority*** or which, in
 89 the discretion of the ***[South Jersey]*** **Casino Reinvestment**
 90 Development Authority, will tend to make any bonds to be issued
 91 more marketable notwithstanding that the covenants, acts or things
 91A may not be enumerated herein; and

92 p. Any other matters or the like of different character, which in
 93 any way affect the security or protection of the bonds issued by ***or*
 94 *offered through*** the ***[South Jersey]*** **Casino Reinvestment**
 95 Development Authority.

1 16. (New section) Any pledge made by the ***[South Jersey]***
 2 **Casino Reinvestment** Development Authority of income, reve-
 3 nues or other property shall be valid and binding from the time the
 4 pledge is made. The income, revenue or other property so pledged
 5 by the ***[South Jersey]*** **Casino Reinvestment** Development
 6 Authority shall immediately be subject to the lien of the pledge
 7 without any physical delivery thereof or further act, and the lien
 8 of any pledge shall be valid and binding as against all parties
 9 having claims of any kind in tort, contract or otherwise against the
 10 ***[South Jersey]*** **Casino Reinvestment** Development Authority
 11 irrespective of whether the parties have notice thereof. Neither the
 12 resolution nor any other instrument by which a pledge is created
 13 need be filed or recorded except in the records of the ***[South**
 14 **Jersey]*** **Casino Reinvestment** Development Authority.

1 17. (New section) The ***[South Jersey]*** **Casino Reinvestment**
 2 Development Authority may consent, at or prior to the time of
 3 issuance of any issue of its bonds, to the inclusion of interest on
 4 those bonds in the gross income of holders of those bonds under the
 5 Internal Revenue Code of 1954 to the same extent and in the same
 6 manner as the interest on bills, notes, bonds and other obligations
 7 of the United States is includable in the gross income of the holders
 8 thereof under the Internal Revenue Code of 1954. Nothing con-
 9 tained in this act shall be construed to waive or to authorize the

10 ***[South Jersey]*** *Casino Reinvestment** Development Authority
 11 to waive any other exemption, privilege or immunity of the State
 12 or to consent or to authorize the ***[South Jersey]*** *Casino* ****[Re-**
 13 *vestment**** ***Reinvestment*** Development Authority to consent
 14 to the application of any other provision of any other laws, federal
 15 or State, to the ***[South Jersey]*** *Casino Reinvestment** Devel-
 16 opment Authority or to its bonds, which would not otherwise be
 17 so applicable.

1 18. (New section) Neither the members of the ***[South Jersey]***
 2 *Casino Reinvestment** Development Authority nor any person
 3 executing bonds issued pursuant to this act shall be liable personally
 4 on those bonds by reason of the issuance thereof.

1 19. (New section) All property of the ***[South Jersey]*** *Casino*
 2 *Reinvestment** Development Authority is declared to be public
 3 property devoted to an essential public and governmental function
 4 and purpose and shall be exempt from all taxes and special assess-
 5 ments of the State or any subdivision thereof. All bonds issued
 6 pursuant to this act are declared to be issued by an instrumentality
 7 of this State and for an essential public and governmental purpose
 8 and the bonds, and the interest thereon and the income therefrom,
 9 and all fees, charges, funds, revenues, income and other moneys
 10 pledged or available to pay or secure the payment of the bonds, or
 11 interest thereof, shall at all times be exempt from taxation.

1 20. (New section) All property of the ***[South Jersey]*** *Casino*
 2 *Reinvestment** Development Authority shall be exempt from levy
 3 and sale by virtue of an execution and no execution or other judicial
 4 process shall issue against the same nor shall any judgment against
 5 the ***[South Jersey]*** *Casino Reinvestment** Development Author-
 6 ity be a charge or lien upon its property; but nothing herein
 7 contained shall apply to or limit the rights of the holder of any
 8 bonds to pursue any remedy for the enforcement of any pledge or
 9 lien given by the ***[South Jersey]*** *Casino Reinvestment** De-
 10 velopment Authority on its revenues or other moneys.

1 21. (New section) On or before the last day of February in each
 2 year, the ***[South Jersey]*** *Casino Reinvestment** Development
 3 Authority shall make an annual report of its activities for the
 4 preceding calendar year to the Governor and to the Legislature.
 5 Each report shall set forth a complete operating and financial
 6 statement covering its operations during the year. The ***[South**
 7 **Jersey]*** *Casino Reinvestment** Development Authority shall
 8 cause an audit of its books and accounts to be made at least once
 9 in each year by certified public accountants and the cost thereof
 10 shall be considered an expense of the ***[South Jersey]*** *Casino*

11 *Reinvestment** Development Authority and a copy thereof shall be
 12 filed with the State Treasurer.

1 22. (New section) The ***South Jersey**)* *Casino Reinvestment**
 2 Development Authority shall be entitled to call to its assistance
 3 and avail itself of the services of the employees of any State,
 4 county or municipal department, board, bureau, commission or
 5 agency as it may require and as may be available to it for that
 6 purpose. The cost and expense of any of these services shall be met
 7 and provided for by the ***South Jersey**)* *Casino Reinvestment**
 8 Development Authority. The ***South Jersey**)* *Casino Reinvest-*
 9 *ment** Development Authority shall also be entitled to employ
 10 professional, stenographic, and clerical assistants and incur travel-
 11 ing and other miscellaneous expenses as it may deem necessary in
 12 order to perform its duties, and as may be within the limits of funds
 13 appropriated or otherwise made available to it for those purposes.
 14 To the maximum extent feasible, the ***South Jersey**)* *Casino*
 15 *Reinvestment** Development Authority shall avail itself of the
 16 staffs of the Casino Control Commission**, *the Department of*
 17 *Community Affairs, the Department of Environmental Protection,*
 18 *the Department of Transportation,*** and the Department of the
 19 Treasury. ***Any use of the staff of the Casino Control Commission*
 20 *shall be subject to the approval of the chairman of the commission.*
 21 *In addition, the Casino Reinvestment Development Authority may*
 22 *accept the voluntary services of any person in the private sector. If*
 23 *a need is shown by the Casino Reinvestment Development Authority*
 24 *and approved by the Casino Control Commission, the members of*
 25 *the Casino Reinvestment Development Authority may have access*
 26 *to information which is regarded as confidential pursuant to section*
 27 *74 of P. L. 1977, C. 110 (C. 5:12-74) and to the staffs of the Casino*
 28 *Control Commission and the Division of Gaming Enforcement in*
 29 *connection with that information.*** The casino industry repre-
 30 sentatives, however, shall not have access to information which is
 31 regarded as confidential pursuant to section 74 of P. L. 1977, c. 110
 32 (C. 5:12-74) or to the staffs of the Casino Control Commission or
 33 the Division of Gaming Enforcement in connection with that infor-
 34 mation.

1 23. (New section) The annual budget of the ***South Jersey**)*
 2 *Casino Reinvestment** Development Authority for administrative
 3 and operating costs shall be submitted to the State Treasurer for
 4 his approval 90 days after the effective date of this act and there-
 5 after, on or before the last day of October in each year. The State
 6 Treasurer shall have 30 days to review and approve the requested
 7 budget. He may object in whole or in part to any item or items

8 contained in the budget while approving the other portions of the
 9 budget. In such a case he shall append to the budget at the time
 10 of signing it, a statement of each item or part thereof to which he
 11 objects, and each item or part so objected to shall not take effect.
 12 A copy of the budget and any statement shall be transmitted by
 13 him to the ***[South Jersey]*** *Casino Reinvestment** Development
 14 Authority. The costs associated with a specific bond issue or
 15 investment, such as underwriting, and counsel fees, shall be con-
 16 sidered costs of the issue and not operating costs of the ***[South**
 17 **Jersey]*** *Casino Reinvestment** Development Authority.

1 24. (New section) The ***[South Jersey]*** *Casino Reinvestment**
 2 Development Authority shall have the power to guarantee the
 3 obligations of any other person, corporation, association or of any
 4 instrumentality, municipality or political subdivision of the State
 5 which ****[acre]**** **are** issued to finance an eligible project as
 6 defined in accordance with section 25 of this act. ****[Any guaran-**
 7 **tee]**** *Such a guarantee*** shall be authorized by a resolution of
 8 the ***[South Jersey]*** *Casino Reinvestment** Development Author-
 9 ity which resolution may contain agreements, covenants and pledges
 10 of the ***[South Jersey]*** *Casino Reinvestment** Development
 11 Authority as it may deem necessary or desirable to provide security
 12 for the guarantee, including but not limited to the establishment of
 13 reserves derived from proceeds of bonds issued by the ***[South**
 14 **Jersey]*** *Casino Reinvestment** Development Authority to licen-
 15 sees or from the revenues of the ***[South Jersey]*** *Casino Rein-*
 16 *vestment** Development Authority**, the subordination of bonds
 17 and other obligations of the ***[South Jersey]*** *Casino Reinvest-*
 18 *ment** Development Authority to the guarantee, limitations on the
 19 amount of obligations of the ***[South Jersey]*** *Casino Reinvest-*
 20 *ment** Development Authority which can be issued which would be
 21 senior to or on a parity with the guarantee, the pledge of contracts
 22 with licensees and of proceeds of bonds issued to licensees as secur-
 23 ity for the payment of guaranteed obligations and limitations on the
 24 total amount of annual debt service payable by the ***[South**
 25 **Jersey]*** *Casino Reinvestment** Development Authority on all of
 26 its obligations.

1 25. (New section) The ***[South Jersey]*** *Casino Reinvestment**
 2 Development Authority shall have the power to invest in projects,
 3 in the form of equity investments or loans, or a combination of both,
 4 and to approve ***[direct]**** *direct*** investments *in the form of*
 5 *equity investments*** or loans ****[**(or the purchase of bonds of
 6 other State, county or local agencies to meet the housing require-
 7 ments of this act)**]**** **, or a combination of both,** by licensees

8 in projects which best serve the public interest *,* which are in
 9 furtherance of the ***public*** purposes set forth in section 12 of this
 10 act and which promote the health or social or economic well being of
 10A the people of this State and, in particular, of the residents of the
 11 local governmental unit in which the investment is being made. **For*
 12 *investments by licensees required to be made in the city of Atlantic*
 13 *City, the Casino Reinvestment Development Authority shall con-*
 14 *sider financing and approving those investments which serve the*
 15 *most pressing social and economic needs of the city of Atlantic City*
 16 *or which directly respond to the impact of legalized gambling on*
 17 *the residents of the city of Atlantic City.** The ***[South Jersey]***
 18 **Casino Reinvestment** Development Authority shall adopt regu-
 19 lations establishing criteria ** and priorities** for eligible projects
 20 and investments. The criteria should also apply to projects con-
 21 sidered for guarantees pursuant to section 24 of this 1984 amenda-
 22 tory and supplementary act and to projects considered for the
 23 reinvestment by licensees of proceeds of bonds repurchased by the
 24 ***[South Jersey]*** **Casino Reinvestment** Development Authority
 25 from licensees pursuant to subsection e. of section 3 of this 1984
 26 amendatory and supplementary act. No project shall be financed by
 27 the ***[South Jersey]*** **Casino Reinvestment** Development Autho-
 28 rity by investment, guarantee or repurchase of bonds nor shall
 29 a licensee commence a direct investment unless the project has
 30 been determined to be an eligible project meeting the criteria. The
 31 determination shall be made only after a public hearing on the
 32 merits of the project held in the jurisdiction of the local govern-
 33 ment unit in which the project is to be located. No investment or
 34 guarantee shall be made by the ***[South Jersey]*** **Casino Reinvest-*
 35 *ment** Development Authority unless the terms of the investment
 36 or guarantee have been approved by the State Treasurer.

1 26. (New section) Upon a showing of good cause by a licensee,
 2 the ***[South Jersey]*** **Casino Reinvestment** Development Author-
 3 ity may waive the requirements of ****[subsection b. of section 3**
 4 **of]**** ***section 25 of this 1984 amendatory and supplementary act*
 5 *requiring*** a prior determination of an eligible project and approve
 6 as an eligible project or investment a project or investment already
 7 commenced by a licensee if the project or investment meets the
 8 other requirements contained in section 25 of this act.

1 27. (New section) Upon a showing of good cause by a licensee,
 2 the ***[South Jersey]*** **Casino Reinvestment** Development Author-
 3 ity may ****, *in its sole discretion,* **** waive the requirements of sub-
 4 section b. of section 3 of this act requiring that at least ***100% or***
 5 *50% **as the case may be*** of the investment tax credit against the

6 tax imposed by subsection a. of section 3 be composed of the pur-
 7 chase of bonds of the ***[South Jersey]*** *Casino Reinvestment**
 8 Development Authority, *provided the licensee shall make an*
 9 *equivalent investment in an eligible project approved by the Casino*
 10 *Reinvestment Development Authority and** *provided the authority*
 11 *determines** that the amount waived does not impair the amount to
 12 be set aside pursuant to section ****[28]**** ****33**** of this act *and*
 13 *that the waiver will not violate any agreement or covenant or impair*
 14 *any financial obligation of the Casino Reinvestment Development*
 15 *Authority.**

1 ****28. (New section)** *Upon a showing of good cause by a licensee,*
 2 *the Casino Reinvestment Development Authority may, in its sole*
 3 *discretion, waive the requirements of subsection b. of section 3 of*
 4 *this act that, during the first 10 years of a licensee's obligation to*
 5 *pay the investment alternative tax imposed by subsection a. of*
 6 *section 3 of this act, at least 100% of the investment tax credit*
 7 *against the tax imposed by subsection a. of section 3 be composed*
 8 *of the purchase of bonds of the Casino Reinvestment Development*
 9 *Authority, provided the licensee shall make an equivalent invest-*
 10 *ment in or guarantee of infrastructure requirements, such as public*
 11 *roads, streets, intersections and sewer and water facilities, which*
 12 *are dedicated to the public use and benefit society as a whole. To the*
 13 *extent any such investment in or guarantee of infrastructure*
 14 *requirements exceeds the demand for such requirements created*
 15 *by an approved casino hotel or related facility and thus does not*
 16 *finance infrastructure improvements required to be made by a*
 17 *casino licensee pursuant to subsection e. of section 84 of P. L. 1977,*
 18 *c. 110 (C. 5:12-84), the excess investment or guarantee may, in the*
 19 *sole discretion of the Casino Reinvestment Development Authority,*
 20 *be considered an eligible investment or project if the authority finds*
 21 *that the investment or guarantee serves the most pressing social*
 22 *and economic needs of the residents of the city of Atlantic City and*
 23 *otherwise satisfies the requirements of section 25 of this 1984*
 24 *amendatory and supplementary act, and if the authority determines*
 25 *that the amount waived does not impair the amount to be set aside*
 26 *pursuant to section 33 of this act and that the waiver will not*
 27 *violate any agreement or covenant or impair any financial obligation*
 28 *of the Casino Reinvestment Development Authority.*

1 **29. (New section)** *In lieu of buying the bonds of the Casino*
 2 *Reinvestment Development Authority or in lieu of making a direct*
 3 *investment, the Casino Reinvestment Development Authority may,*
 4 *in its sole discretion, permit a licensee to obtain an investment tax*
 5 *credit by making a donation of money or realty to an eligible project,*
 6 *facility or program. For the purposes of applying this section, a*

7 donation shall be deemed to be an investment and shall be subject to
 8 any provision of this 1984 amendatory and supplementary act which
 9 is relevant to an investment. No donation shall qualify for invest-
 10 ment tax credit unless it has been approved and determined to be
 11 eligible for investment tax credit by the Casino Reinvestment
 12 Development Authority prior to the making of the donation and
 13 provided that the granting of the waiver to make the donation will
 14 not violate any agreement or covenant or impair any financial
 15 obligation of the Casino Reinvestment Development Authority.

1 30. (New section) The Casino Reinvestment Development Author-
 2 ity shall not invest in, issue a guarantee in support of, or approve
 3 any investment or project which directly and exclusively benefits,
 4 improves, or increases the assessed value of a casino hotel or
 5 related facility. Notwithstanding the foregoing, to the extent that
 6 an investment in or guarantee of infrastructure requirements, such
 7 as public roads, streets, intersections and sewer and water facilities,
 8 which are dedicated to the public use and benefit society as a whole
 9 exceeds the demand for such requirements created by an approved
 10 casino hotel or related facility and thus does not finance infrastruc-
 11 ture improvements required to be made by a casino licensee pur-
 12 suant to subsection e. of section 84 of P. L. 1977, c. 110 (C. 5:12-84),
 13 the excess investment or guarantee may be considered an eligible
 14 investment or project if the authority finds that the investment or
 15 guarantee serves the most pressing social and economic needs of
 16 the residents of the city of Atlantic City and otherwise satisfies the
 17 requirements of section 25 of this 1984 amendatory and supple-
 18 mentary act.

1 31. (New section) a. Notwithstanding any other law or any other
 2 section of this 1984 amendatory and supplementary act to the
 3 contrary, a casino licensee may seek a determination of eligibility
 4 from the Casino Reinvestment Development Authority for an equity
 5 investment commenced or a donation made prior to the adoption by
 6 the Casino Reinvestment Development Authority of its rules and
 7 regulations pursuant to subsection h. of section 3 of P. L. 1984,
 8 c. () (now pending before the Legislature as
 9 Assembly Committee Substitute for Assembly Bill No. 688 (OCR)
 10 of 1984) if:

11 (1) The application concerns an equity investment in, or donation
 12 of money or realty in support of, the rehabilitation, development or
 13 construction of housing facilities in the Inlet section of the city of
 14 Atlantic City for persons or families of low through middle income
 15 as defined and required by subsection f. of section 3 of P. L. 1984,
 16 c. (C.) (now pending before the Legislature as

17 *Assembly Committee Substitute for Assembly Bill No. 688 (OCR)*
18 *of 1984);*

19 *(2) The Casino Reinvestment Development Authority finds that*
20 *the investment or donation is consistent with the requirements of*
21 *section 25 of P. L. 1984, c. (C.) (now pending*
22 *before the Legislature as Assembly Committee Substitute for*
23 *Assembly Bill No. 688 (OCR) of 1984) and in particular, that the*
24 *housing facilities which are the recipient of the investment or*
25 *donation are compatible with the proposal for the development of a*
26 *balanced residential community in the Inlet section of the city of*
27 *Atlantic City approved and adopted by the Casino Control Com-*
28 *mission; and*

29 *(3) The licensee applies to the Casino Reinvestment Development*
30 *Authority for a determination of eligibility for the investment or*
31 *donation within 90 days of the adoption by the Casino Reinvestment*
32 *Development Authority of its rules and regulations pursuant to*
33 *subsection h. of section 3 of P. L. 1984, c. (C.)*
34 *(now pending before the Legislature as Assembly Committee*
35 *Substitute for Assembly Bill No. 688 of 1984), and subsequently*
36 *obtains a determination of eligibility for the investment or donation*
37 *in accordance with the rules and regulations of the Casino Reinvest-*
38 *ment Development Authority.*

39 *b. Notwithstanding any other law or section of this 1984 amenda-*
40 *tory and supplementary act to the contrary, a casino licensee may*
41 *seek a determination of eligibility from the Casino Reinvestment*
42 *Development Authority for an investment in, guarantee of, or a con-*
43 *tractual commitment for an investment in or guarantee of infra-*
44 *structure requirements, such as public roads, streets, intersections*
45 *and sewer and water facilities, made prior to the adoption by the*
46 *Casino Reinvestment Development Authority of its rules and regu-*
47 *lations pursuant to subsection h. of section 3 of P. L. 1984, c.*
48 *(C.) (now pending before the Legislature as Assembly*
49 *Committee Substitute for Assembly Bill No. 688 (OCR) of 1984)*
50 *which are dedicated to the public use and benefit society as a whole.*
51 *To the extent any such investment in or guarantee of infrastructure*
52 *requirements exceeds the demand for such requirements created*
53 *by an approved casino-hotel or related facility and thus does not*
54 *finance infrastructure improvements required to be made by a*
55 *casino licensee pursuant to subsection e. of section 84 of P. L. 1977,*
56 *c. 110 (C. 5:12-84), the excess investment or guarantee may, in the*
57 *sole discretion of the Casino Reinvestment Development Authority,*
58 *be considered an eligible investment or project if the authority finds*
59 *that the investment or guarantee serves the most pressing social*
60 *and economic needs of the residents of the city of Atlantic City and*

61 otherwise satisfies the requirements of section 25 of this 1984
62 amendatory and supplementary act.

63 c. If a casino licensee obtains a determination of eligibility for an
64 investment or donation pursuant to subsection a. or b. of this
65 section, the investment or donation shall first be used to satisfy the
66 licensee's most recently incurred investment obligation under sub-
67 section b. of section 144 of P. L. 1977, c. 110 (C 5:12-144). If the
68 licensee has no outstanding investment obligations under subsection
69 b. of section 144 of P. L. 1977, c. 110 (C. 5:12-144) at the time the
70 determination of eligibility is obtained, the licensee shall be entitled
71 to an investment tax credit against the tax imposed by subsection a.
72 of section 3 of P. L. 1984, c. (C.) (now pending
73 before the Legislature as Assembly Committee Substitute for
74 Assembly Bill No. 688 (OCR) of 1984) in an amount equal to twice
75 the amount of the eligible equity investment or donation made by
76 the licensee.

1 32. (New section) Notwithstanding any other law or section of
2 this 1984 amendatory and supplementary act to the contrary, the
3 Casino Reinvestment Development Authority shall not grant any
4 waiver or invest in, guarantee support for or approve any invest-
5 ments or contributions by licensees as provided for in sections 26,
6 27, 28, 29, 30 and 31 of this 1984 amendatory and supplementary act
7 which would reduce, impair or prevent the fulfillment of the
8 priorities contained in subsection f. of section 3 or any priorities
9 established by the Casino Reinvestment Development Authority
10 pursuant to section 25 of this 1984 amendatory and supplementary
11 act.**

1 **[28.]** **33.** (New section) *a.* Beginning with the proceeds
2 received by the authority for the calendar year 1984 from the sale
3 of bonds and for **[19]** **24** years thereafter, the authority
4 shall set aside \$1,200,000.00 annually for the purpose of investing in
5 *[businesses owned by women and minorities]* *obligations of the
6 New Jersey Development Authority for Small Businesses, Minori-
7 ties and Women's Enterprise established pursuant to P. L. 1984,
8 c. (C.) (now pending before the Legislature as
9 Assembly Committee Substitute for Assembly Bill No. 1828 of
10 1984)*. **[F]or the first five years, 100% of the amount shall be
11 used *by that authority* to finance *the establishment of minority*
12 businesses, or the operation or expansion of existing minority*
13 businesses *[which operate exclusively in the city of Atlantic City]*
14 *, as defined pursuant to section 2 of P. L. 1984, c. (C.)
15 (now pending before the Legislature as Assembly Committee Sub-
16 stitute for Assembly Bill No. 1828 of 1984)* or projects to be con-
17 structed in the city of Atlantic City; for the next 10 years, *[75%]*

18 *50%* of the amount shall be so used; and for the last five years,
 19 ***[50%]*** *25%* shall be so used. The remaining amounts shall be
 20 used to finance ***[such]*** *minority and women's* businesses ***[or]***
 21 projects in any of the following eight counties located in southern
 22 New Jersey: Atlantic, Burlington, Camden, Cape May, Cumberland,
 23 Gloucester, Ocean and Salem.]* *in the following manner, after the
 24 initial five years:

<u>Areas</u>	<u>10 Year Period</u>	<u>Last 5 Years</u>
25 (1) Atlantic, Burlington, Camden, Cape 26 May, Cumberland, Gloucester, Ocean, 27 Salem	25%	50%
28 (2) Other 13 Counties	25%	25%]**

29 **That amount shall be used by that authority to finance the
 30 establishment of minority and women's businesses, as defined
 31 pursuant to section 2 of P. L. 1984, c. (C.) (now
 32 pending before the Legislature as Assembly Committee Substitute
 33 for Assembly Bill No. 1828 of 1984), or the operation or expansion
 34 of existing minority or women's businesses, or projects to be con-
 35 structed by minority and women's businesses; and shall be allocated
 36 to those businesses and projects in the following areas and time
 37 periods:

Areas	Years 1-3	Years 4-5	Years 6-10	Years 11-15	Years 16-20	Years 21-25
38 (a) Atlantic						
38A City	100%	90%	80%	50%	30%	20%
39 *** (b) South						
39A Jersey		10%	10%	25%	40%	40%
40 (c) North						
40A Jersey			10%	25%	30%	40%]***
40B *** (b) South						
40C Jersey		8%	12%	28%	43%	45%
40D (c) North						
40E Jersey		2%	8%	22%	27%	35%***

41 For the purpose of this paragraph, "South Jersey" means the
 42 counties of Atlantic, Burlington, Camden, Cape May, Cumberland,
 43 Gloucester, Mercer, Ocean, and Salem; and "North Jersey" means
 44 the remaining 12 counties of the State.** No more than 50% of the
 45 above amounts shall be made available to women, and no more than
 46 50% of this amount shall be made available to minorities.*

47 *b. **(1)**** The authority shall **[require, as a condition of pro-**
 48 **viding financing for any eligible projects,]***** **ensure**** that **[at**
 49 **least 20% of the construction be done by]***** minority or women's
 50 businesses which are in the construction industry ****or related**

51 industries or services, including suppliers of materials and profes-
52 sional construction engineering and design services, shall receive at
53 least 20% of the total expenditures on the total number of eligible
54 projects financed each year by the authority.** A business shall be
55 deemed to be a minority or ****[woman's]**** ****women's**** business
56 if it meets the definition of that term in section 2 of P. L. 1984, c. . . .
57 (C.) (now pending before the Legislature as Assembly
58 Committee Substitute for Assembly Bill No. 1828 of 1984). **The
59 authority shall, in providing financing for eligible projects, impose
60 such conditions as necessary to effectuate this 20% requirement.
61 (2) The primary obligation for carrying out the 20% minority
62 and women's business set-aside rests with the borrowers of the
63 proceeds of bonds of the Casino Reinvestment Development Author-
64 ity or the licensees in the case of a direct investment. Nothing
65 contained herein, however, shall relieve the Casino Reinvestment
66 Development Authority from the obligation of enforcing the re-
67 quirement of the 20% set-aside for minority and women's busi-
68 nesses. The borrower or licensee and those of its contractors which
69 will make subcontracts with or purchase substantial supplies from
70 or seek engineering or design services from other firms must seek
71 out all available minority and women's businesses and make every
72 effort to use as many of them as possible on the project in order to
73 satisfy the set-aside requirement. A minority or women's business
74 is available if the project is located in the market area of the
75 minority or women's business and the minority or women's business
76 can perform project services or supply project materials or provide
77 engineering and design services at the time they are needed and at
78 a competitive price. The relevant market area depends on the kind
79 of services or supplies which are needed. The authority will require
80 borrowers, licensees and prime contractors to engage minority and
81 women's businesses from as wide a market area as is economically
82 feasible. A minority or women's business is qualified if it can
83 perform the service or supply the materials that are needed.
84 Borrowers, licensees, and prime contractors will be expected to use
85 minority and women's businesses with less experience than avail-
86 able nonminority enterprises and should expect to provide technical
87 assistance to minority and women's businesses as needed. The
88 authority may waive up to 10% of this 20% set-aside requirement
89 if the borrower of the proceeds of bonds of the Casino Reinvestment
90 Development Authority or the licensee in the case of a direct
91 investment demonstrates at a public hearing of the authority that
92 there are not sufficient, relevant, or qualified minority and women's
93 business enterprises whose market areas include the project location
94 to justify a waiver. The borrower or licensee must detail in its
95 waiver request the efforts the borrower or licensee and its potential

96 contractors have exerted to locate and enlist minority and women's
 97 business enterprises. The request must indicate the specific
 98 minority and women's business enterprises which were contracted
 99 and the reason each was not used. Such a waiver request should
 100 ordinarily be made after the initial bidding or negotiation proce-
 101 dures prove unsuccessful; however, a borrower or licensee whose
 102 eligible project is situated in an area where the minority population
 103 is very small may apply for a waiver before requesting bids on its
 104 project. The Casino Reinvestment Development Authority shall
 105 only approve a waiver under exceptional circumstances. (3)** The
 106 authority may waive bonding requirements in full or in part in
 107 order to facilitate the use of such a business if the business has been
 108 rejected by two surety companies authorized to do business in this
 109 State. The authority may require a cash deposit, increase the
 110 amount of retention, or limit or eliminate periodic payments.
 111 ****[No]**** ****Such a**** waiver may ****not**** be extended more than
 112 three times.*

1 ****34.** (New section) a. The Legislaure finds and declares that
 2 the achievement of the beneficial purposes of this 1984 amendatory
 3 and supplementary act requires the granting to the Casino Rein-
 4 vestment Development Authority of the right of condemnation
 5 and the exercise by it of the rights of eminent domain in the city
 6 of Atlantic City because special problems may arise or exist in
 7 that city concerning the necessity for the acquisition of the prop-
 8 erty for projects for the public good under this 1984 amendatory and
 9 supplementary act, including inflated land values resulting from
 10 speculation and intentional obstruction of a land owner or specu-
 11 lator to the acquisition of needed property in order to exact an
 12 unreasonable and prohibitive purchase price.

13 b. In the event the Casino Reinvestment Development Authority
 14 finds it is necessary to complete a project in the city of Atlantic
 15 City, the authority may acquire any real property in the city,
 16 whether a fee simple absolute or lesser interest and whether for
 17 immediate use, that the authority may find and determine is re-
 18 quired for public use, and upon such a determination, the property
 19 shall be deemed to be required for a public use until otherwise
 20 determined by the authority; and with the exceptions hereinafter
 21 specifically noted, the determination shall not be affected by the
 22 fact that such property has theretofore been taken for, or is then
 23 devoted to, a public use, but the public use in the hands or under
 24 the control of the authority shall be deemed superior to the public
 25 use in the hands or under the control of any other person, associa-
 26 tion or corporation.

27 c. If the Casino Reinvestment Development Authority is unable
28 to agree with the owner or owners thereof upon terms for the ac-
29 quisition of any such real property in the city for any reason what-
30 soever, then the authority may acquire, and is hereby authorized
31 to acquire, after consultation with the appropriate agency of the
32 city by way of notification 30 days prior to the filing of condemna-
33 tion proceedings, such property, whether a fee simple absolute or
34 lesser interest, by condemnation or the exercise of the right of
35 eminent domain pursuant to the provisions of the "Eminent Domain
36 Act of 1971," P. L. 1971, c. 361 (C. 20:3-1 et seq.) and the "Reloca-
37 tion Assistance Act," P. L. 1971, c. 362 (C. 20:4-1 et seq.).

38 d. The power of the authority to acquire real property by con-
39 demnation or the exercise of the power of eminent domain in the
40 city shall be a continuing power and no exercise thereof shall be
41 deemed to exhaust it.

42 e. The Casino Reinvestment Development Authority and its duly
43 authorized agents and employees may enter upon any land in the
44 State for the purpose of making such surveys, maps or other ex-
45 aminations thereof as it may deem necessary or convenient for
46 its authorized purposes.

47 f. Notwithstanding anything to the contrary contained in this
48 1984 amendatory and supplementary act, no property now or here-
49 after vested in or held by any county, city, borough, village, town-
50 ship or other municipality shall be taken by the Casino Reinvest-
51 ment Development Authority without the consent of such municipi-
52 pality, unless expressly authorized so to do by the State. All coun-
53 ties, cities, boroughs, villages, townships, and other municipalities,
54 and all public agencies and commissions of the State, notwithstand-
55 ing any contrary provision of law, are hereby authorized and em-
56 powered to grant and convey to the Casino Reinvestment Develop-
57 ment Authority upon its request, but not otherwise, and upon rea-
58 sonable terms and conditions, any real property which may be
59 necessary or convenient to the effectuation of its authorized pur-
60 poses, including real property already devoted to public use.

61 g. The term "real property" as used in this 1984 amendatory
62 and supplementary act includes lands, structures, franchises and
63 interests in land, including lands under water and riparian rights,
64 and any and all things and rights usually included within that term
65 and includes not only fees simple absolute, but also any and all
66 lesser interests such as easements, rights of way, uses, leases, li-
67 censes and all other incorporeal hereditaments, and every estate,
68 interest or right, legal or equitable, including terms of years and

69 *liens thereon by way of judgments, mortgages or otherwise, and*
 70 *also claims for damage to real estate.***

1 ****[29.]** (New section) For the purposes of this act, any investment
 2 or project which directly and exclusively benefits, improves, or in-
 3 creases the assessed value of a casino hotel facility is not an
 4 eligible investment. This section shall not be interpreted to include
 5 investments in infrastructure requirements such as public roads,
 6 streets, and intersections, as well as sewer and water facilities
 7 which are dedicated to the public use and benefit society as a whole
 8 **and serves the most pressing social and economic needs of the*
 9 *residents of the city of Atlantic City.*]***

1 ****[30.]** **35.**** (New section) A true copy of the minutes of
 2 every meeting of the ***[South Jersey]* *Casino Reinvestment***
 3 Development Authority shall be forthwith delivered by and under
 4 the certification of the secretary thereof to the Governor. ****No**
 5 *action taken at such meeting by the Casino Reinvestment Develop-*
 6 *ment Authority shall have force and effect until the earlier of 10*
 7 *days, exclusive of Saturdays, Sundays and public holidays, after*
 8 *such copy of the minutes shall have been so delivered, or the ap-*
 9 *proval thereof by the Governor. If, in the 10-day period, the Gov-*
 10 *ernor returns such copy of the minutes with veto of any action*
 11 *taken by the authority or any member thereof at such meeting,*
 12 *such action shall be null and void and of no effect. The Governor*
 13 *may approve all or part of the action taken at such meeting prior*
 14 *to the expiration of the 10-day period.***

1 ****36.** Section 4 of P. L. 1981, c. 142 (C. 52:13D-17.2) is amended
 2 to read as follows:

3 4. a. As used in this section "person" means any State officer or
 4 employee subject to financial disclosure by law or executive order
 5 and any other State officer or employee with responsibility for
 6 matters affecting casino activity; any special State officer or em-
 7 ployee with responsibility for matters affecting casino activity; the
 8 Governor; any member of the Legislature or full-time member of
 9 the Judiciary; any full-time professional employee of the Office of
 10 the Governor, or the Legislature; *members of the Casino Rein-*
 11 *vestment Development Authority*; the head of a principal depart-
 12 ment; the assistant or deputy heads of a principal department,
 13 including all assistant and deputy commissioners; the head of any
 14 division of a principal department; any member of the governing
 15 body, or the municipal judge or the municipal attorney of a municipi-
 16 pality wherein a casino is located; any member of or attorney for
 17 the planning board or zoning board of adjustment of a municipality

18 wherein a casino is located, or any professional planner, or con-
19 sultant regularly employed or retained by such planning board or
20 zoning board of adjustment.

21 b. No State officer or employee, nor any person, nor any member
22 of the immediate family of any State officer or employee, or person,
23 nor any partnership, firm or corporation with which any such State
24 officer or employee or person is associated or in which he has an
25 interest, nor any partner, officer, director or employee while he is
26 associated with such partnership, firm, or corporation, shall hold,
27 directly or indirectly, an interest in, or hold employment with, or
28 represent, appear for, or negotiate on behalf of, any holder of, or
29 applicant for, a casino license, or any holding or intermediary
30 company with respect thereto, in connection with any cause, appli-
31 cation, or matter. No special State officer or employee without
32 responsibility for matters affecting casino activity, excluding those
33 serving in the Departments of Education, Health, Higher Education
34 and Human Services, shall hold, directly or indirectly, an interest
35 in, or hold employment with, or represent, appear for, or negotiate
36 on behalf of, any holder of, or applicant for, a casino license, or any
37 holding or intermediary company with respect thereto, in connec-
38 tion with any cause, application, or matter.

39 c. No person or any member of his immediate family, nor any
40 partnership, firm or corporation with which such person is asso-
41 ciated or in which he has an interest, nor any partner, officer,
42 director or employee while he is associated with such partnership,
43 firm or corporation, shall, within two years next subsequent to
44 the termination of the office or employment of such person, hold,
45 directly or indirectly, an interest in, or hold employment with, or
46 represent, appear for or negotiate on behalf of, any holder of, or
47 applicant for, a casino license in connection with any cause, appli-
48 cation or matter, or any holding or intermediary company with
49 respect to such holder of, or applicant for, a casino license in con-
50 nection with any phase of casino development, permitting, licensure
51 or any other matter whatsoever related to casino activity. Nothing
52 herein contained shall alter or amend the post-employment restric-
53 tions applicable to members and employees of the Casino Control
54 Commission and employees and agents of the Division of Gaming
55 Enforcement pursuant to subsection b. (2) of section 59 and to
56 section 60 of P. L. 1977, c. 110 (C. 5:12-59b. (2) and C. 5:12-60).

57 d. This section shall not apply to the spouse of a State officer or
58 employee, which State officer or employee is without responsibility
59 for matters affecting casino activity, who becomes the spouse sub-

60 sequent to the State officer or employee's appointment or employ-
61 ment as a State officer or employee and who is not individually or
62 directly employed by a holder of, or applicant for, a casino license,
63 or any holding or intermediary company.

64 e. The Joint Legislative Committee on Ethical Standards and
65 the Executive Commission on Ethical Standards, as appropriate,
66 shall forthwith determine and publish, and periodically update,
67 a list of those positions in State government with responsibility
68 for matters affecting casino activity.

69 f. No person shall solicit or accept, directly or indirectly, any
70 complimentary service or discount from any casino applicant or
71 licensee which he knows or has reason to know is other than a
72 service or discount that is offered to members of the general public
73 in like circumstance.

74 g. No person shall influence, or attempt to influence, by use of
75 his official authority, the decision of the commission or the investi-
76 gation of the division in any application for licensure or in any pro-
77 ceeding to enforce the provisions of this act or the regulations of the
78 commission. Any such attempt shall be promptly reported to the
79 Attorney General; provided, however, that nothing in this section
80 shall be deemed to proscribe a request for information by any
81 person concerning the status of any application for licensure or any
82 proceeding to enforce the provisions of this act or the regulations
83 of the commission.

84 h. Any person who willfully violates the provisions of this sec-
85 tion is a disorderly person and shall be subject to a fine not to
86 exceed \$500.00 or imprisonment not to exceed six months, or both.

1 37. Section 102 of P. L. 1977, c. 110 (C. 5:12-102) is amended
2 to read as follows:

3 102. Junkets and Complimentary Services. a. No junkets may
4 be organized or permitted except in accordance with the provisions
5 of this act. No person may act as a junket representative or junket
6 enterprise except in accordance with this section. Notwithstanding
7 any other provisions of this act, junket enterprises engaged in
8 activities governed by this section shall not be subject to the pro-
9 visions of sections 92 and 104b. of this act (C. 5:12-92 and 104b.)
10 with regard to those activities, unless otherwise directed by the
11 commission pursuant to subsection k. of this section.

12 b. A junket representative shall be licensed as a casino employee
13 in accordance with the provisions of this act; provided, however,
14 that said licensee need not be a resident of this State. Any person
15 who holds a current and valid casino key employee license or casino

16 employee license in a position directly related to gaming activity
17 may act as a junket representative while employed by a casino
18 licensee without further endorsement of his license. No casino
19 licensee or junket enterprise may employ or otherwise engage a
20 junket representative who is not so licensed.

21 c. A junket enterprise shall be licensed in accordance with the
22 provisions of this section prior to conducting any business what-
23 soever with a casino licensee, its employees or agents. A junket
24 enterprise, as well as such of its owners, management and super-
25 visory personnel and other principal employees as the commission
26 may consider appropriate for qualification, must qualify under the
27 standards, except residency, established for qualification of a casino
28 employee under this act. No casino licensee or junket enterprise
29 may employ or otherwise engage the services of a junket enterprise
30 who is not so licensed.

31 Notwithstanding the foregoing, any licensed junket representa-
32 tive who is the sole owner and operator of a junket enterprise shall
33 not be required to be licensed as a junket enterprise pursuant to
34 this section if his junket representative license is endorsed as such.

35 d. Prior to the issuance of any license required by this section,
36 an applicant for licensure shall submit to the jurisdiction of the
37 State of New Jersey and shall demonstrate to the satisfaction of
38 the commission that he is amenable to service of process within this
39 State. Failure to establish or maintain compliance with the re-
40 quirements of this subsection shall constitute sufficient cause for
41 the denial, suspension or revocation of any license issued pursuant
42 to this section.

43 e. An applicant for junket representative or junket enterprise
44 licensure may be issued a temporary license by the commission
45 provided that:

46 (1) The applicant for licensure has filed a complete application
47 as required by the commission;

48 (2) The division either certifies to the commission that the com-
49 plete application for licensure as specified in paragraph (1) of this
50 subsection has been in the possession of the division for at least 45
51 days or agrees to allow the commission to consider the application
52 in some lesser time; and

53 (3) The division does not object to the temporary licensure of
54 the applicant; provided, however, that failure of the division to
55 object prior to the temporary licensure of the applicant shall not
56 be construed to reflect in any manner upon the qualifications of the
57 applicant for licensure.

58 In addition to any other authority granted by this act, the com-
59 mission shall have the authority, upon receipt of a representation
60 by the division that it possesses information which raises a reason-
61 able possibility that a junket representative or enterprise does not
62 qualify for licensure, to immediately suspend, limit or condition
63 any temporary license issued pursuant to this subsection, pending
64 a hearing on the qualification of the junket representative or enter-
65 prise, in accordance with the provisions of this act. Unless other-
66 wise agreed by the commission and the junket representative or
67 enterprise, such a hearing shall be initiated no later than 60 days
68 after commission receipt of a demand for the hearing from the
69 junket representative or enterprise.

70 Unless otherwise terminated pursuant to this act, any temporary
71 license issued pursuant to this subsection shall expire 12 months
72 from the date of its issuance, and shall be renewable by the commis-
73 sion, in the absence of an objection by the division, as specified in
74 paragraph (3) of this subsection, for one additional six month
75 period.

76 f. Every agreement concerning junkets entered into by a casino
77 licensee and a junket representative or junket enterprise shall be
78 deemed to include a provision for its termination without liability
79 on the part of the casino licensee, if the commission orders the
80 termination upon the suspension, limitation, conditioning, denial or
81 revocation of the licensure of the junket representative or junket
82 enterprise, in accordance with the provisions of this act. Failure to
83 expressly include such a condition in the agreement shall not con-
84 stitute a defense in any action brought to terminate the agreement.

85 g. A casino licensee shall be responsible for the conduct of any
86 junket representative or junket enterprise associated with it and
87 for the terms and conditions of any junket engaged in on its prem-
88 ises, regardless of the fact that the junket may involve persons
89 not employed by such a casino licensee.

90 h. A casino licensee shall be responsible for any violation or
91 deviation from the terms of a junket. Notwithstanding any other
92 provisions of this act, the commission may, after hearings in ac-
93 cordance with this act, order restitution to junket participants,
94 assess penalties for such violations or deviations, prohibit future
95 junkets by the casino licensee, junket enterprise or junket repre-
96 sentatives, and order such further relief as it deems appropriate.

97 i. The commission shall, by regulation, prescribe methods, pro-
98 cedures and forms for the delivery and retention of information
99 concerning the conduct of junkets by casino licensees. Without

100 limitation of the foregoing, each casino licensee, in accordance with
101 the rules of the commission, shall:

102 (1) Maintain on file a report describing the operation of any
103 junket engaged in or its premises, which report may include ac-
104 knowledgments by the participants, signed on the date of arrival,
105 that they understand the terms of the particular junket;

106 (2) Submit to the commission and division a report on those ar-
107 rangements which would be junkets but for the fact that those
108 arrangements do not include a selection or approval of participants
109 in accordance with the terms of section 29 of P. L. 1977, c. 110 (C.
110 5:12-29); and

111 (3) Submit to the commission and division a list of all its em-
112 ployees who are acting as junket representatives but whose licenses
113 are not endorsed as such.

114 j. Each casino licensee, junket representative or junket enterprise
115 shall, in accordance with the rules of the commission, file a report
116 with the division with respect to each list of junket patrons or
117 potential junket patrons purchased directly or indirectly by the
118 casino licensee, junket representative or enterprise.

119 k. The commission shall have the authority to determine, either
120 by regulation, or upon petition by the holder of a casino license, that
121 a type of arrangement otherwise included within the definition of
122 "junket" established by section 29 of P. L. 1977, c. 110 (C. 5:12-29)
123 shall not require compliance with any or all of the requirements of
124 this section. The commission shall seek the opinion of the division
125 prior to granting any exemption. In granting exemptions, the
126 commission shall consider such factors as the nature, volume and
127 significance of the particular type of arrangement, and whether
128 the exemption would be consistent with the public policies estab-
129 lished by this act. In applying the provisions of this subsection,
130 the commission may condition, limit, or restrict any exemption as
131 the commission may deem appropriate.

132 l. No junket enterprise or junket representative or person acting
133 as a junket representative may:

134 (1) Engage in efforts to collect upon checks that have been re-
135 turned by banks without full and final payment; or

136 (2) Exercise approval authority with regard to the authorization
137 or issuance of credit pursuant to section 101 of P. L. 1977, c. 110
138 (C. 5:12-101).

139 m. Each casino licensee shall maintain a regulated complimen-
140 tary service account and shall submit a quarterly report to the
141 commission based upon such account and covering all complimen-

142 tary services offered or engaged in by the licensee during the
143 immediately preceding quarter. Such reports shall include identi-
144 fication of the regulated complimentary services and their respec-
145 tive costs, the number of persons by category of service who re-
146 ceived the same, and such other information as the commission may
147 require.

148 n. As used in this subsection, "person" means any State officer
149 or employee subject to financial disclosure by law or executive order
150 and any other State officer or employee with responsibility for
151 matters affecting casino activity; any special State officer or em-
152 ployee with responsibility for matters affecting casino activity;
153 the Governor; any member of the Legislature or full-time member
154 of the Judiciary; any full-time professional employee of the Office
155 of the Governor; or the Legislature; *members of the Casino Rein-*
156 *vestment Development Authority*; the head of a principal depart-
157 ment; the assistant or deputy heads of a principal department,
157A including all assistant and deputy commissioners; the head
158 of any division of a principal department; any member of the gov-
159 erning body, or the municipal judge or the municipal attorney
160 of a municipality wherein a casino is located; any member of or
161 attorney for the planning board or zoning board of adjustment of
162 a municipality wherein a casino is located, or any professional
163 planner or consultant regularly employed or retained by such plan-
164 ning board or zoning board of adjustment.

165 No casino applicant or licensee shall provide directly or indi-
166 rectly to any person any complimentary service or discount which
167 is other than such service or discount that is offered to members
168 of the general public in like circumstance.

169 o. (1) Any person who, on the effective date of this 1983 amend-
170 atory and supplementary act, holds a current and valid junket rep-
171 resentative license or a casino service industry license pursuant
172 to subsection a. of section 92 of P. L. 1977, c. 110 (C. 5:12-92)
173 authorizing the conduct of junket activities, shall be considered
174 licensed in accordance with the provisions of this section as a junket
175 representative or junket enterprise, respectively, for the remain-
176 ing term of their current license.

177 (2) Any person who, prior to the effective date of this 1983
178 amendatory and supplementary act, has filed a complete application
179 as required by the commissioner for a junket representative casino
180 key employee license or a casino service industry license pursuant
181 to subsection a. of section 92 of P. L. 1977, c. 110 (C. 5:12-92) au-
182 thorizing the conduct of junket activities, may be issued a tempo-
183 rary license in accordance with the provisions of this section as a

184 junket representative or junket enterprise, respectively, if the com-
185 mission finds that the requirements of paragraphs (1) through (3)
186 of subsection e. of this section have been satisfied.

187 (3) Any person who, prior to the effective date of this 1983
188 amendatory and supplementary act, has filed a complete applica-
189 tion as required by the commission for a junket representative
190 casino employee license or a junket enterprise license, may be
191 issued a temporary license in accordance with the provisions of this
192 section as a junket representative or junket enterprise, respec-
193 tively, if the commission finds that the requirements of paragraphs
194 (2) and (3) of subsection e. of this section have been satisfied.

1 38. (New section) The State Treasurer is authorized to make
2 a no-interest loan not to exceed \$300,000.00 from the General Fund
3 to the Casino Reinvestment Development Authority for the pur-
4 pose of start-up costs. This loan shall be repaid to the General
5 Fund at the close of the last business day of fiscal year 1985.**

1 **[31.]** **39.** This act shall take effect immediately, except
2 that the *[South Jersey]* *Casino Reinvestment* Development
3 Authority shall not exercise its powers and responsibilities other
4 than the promulgation of rules and regulations until it has adopted
5 those rules and regulations.

ASSEMBLY, No. 688

STATE OF NEW JERSEY

PRE-FILED FOR INTRODUCTION IN THE 1984 SESSION

By Assemblymen FORTUNATO, RILEY, BRYANT and SCHUBER

AN ACT concerning casino reinvestments and amending and supplementing P. L. 1977, c. 110.

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

1 1. Section 144 of P. L. 1977, c. 110 (C. 5:12-144) is amended to
2 read as follows:

3 144. Tax on Gross Revenues. a. There is hereby imposed an
4 annual tax on gross revenues as defined in section 24 of this act
5 in the amount of 8% of such gross revenues; but upon the effective
6 date of this amendatory act, the tax shall be 12% of such gross
7 revenues when two or three licensed casinos are in operation, 10%
8 when four licensed casinos are in operation, and 8% when five or
9 more licensed casinos are in operation, provided, however, that if
10 a third casino is not in operation by April 1, 1980, the tax rate for
11 two casinos shall be 14% for that portion of fiscal year 1980 that
12 the third casino is not in operation and the full tax payment shall
13 be made prior to July 1, 1980.

14 b. Commencing with the first annual tax return of a licensee for
15 any calendar year beginning after December 31, 1978 *and ending*
16 *before January 1, 1984*, and based upon a determination that in
17 said return or any annual return **[thereafter]** *during that period*
18 the gross revenue of a licensee in the calendar year upon which
19 the tax is based exceeds the cumulative investments in this State
20 of said licensee as of that year, such licensee shall make investments
21 in an amount not less than 2% of the gross revenue for said

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.

22 calendar year within a period of five years from the end of said
 23 calendar year. *Commencing with the annual tax return of a*
 24 *licensee for the calendar year 1984 and with the first annual tax*
 25 *return of a licensee for any subsequent calendar year, each licensee*
 26 *shall make investments in an amount not less than 1% of the gross*
 27 *revenue for the calendar year upon which the tax is based, which*
 28 *investments shall be made no later than December 31 of the year*
 28A *during which the tax return is filed.*

29 Fifty percent of the investments required as a result of any of
 30 the three annual tax returns commencing with the first annual tax
 31 return for any calendar year beginning after December 31, 1978
 32 shall be made in the municipality in which the licensed premises
 33 are located, and 50% of such investment shall be made in any other
 34 municipality of this State. Twenty-five percent of investments
 35 required as a result of any annual tax return subsequent to the
 36 third such return in a series of returns the first of which is for a
 37 calendar year beginning after December 31, 1978 shall be made in
 38 the municipality in which the licensed premises are located, and
 39 75% shall be made in any other municipality of this State.

40 All investments and cumulative investments made pursuant to
 41 this article shall be subject to a determination by the **[commission]**
 42 *Commission on Casino Reinvestments created pursuant to P. L.*
 43 *....., c. (now pending before the Legislature as Assembly Bill*
 44 *No. 688 of 1984) as to the eligibility of such investments. In*
 45 *determining eligibility, [the] that commission shall consider the*
 46 *public interest, including the social and economic benefits to be*
 47 *derived from such investments for the people of this State.*

48 c. For the purposes of this article, "investments" means equity
 49 investments in land and real property on which improvements are
 50 made and in real property improvements, *and investments in any*
 51 *bonds or other obligations issued by any agency or authority of the*
 52 *State or any political subdivision thereof, including any regional*
 53 *agency or authority within the State. For the purpose of this*
 54 *article, "cumulative investments" means investments in and debt*
 55 *financing of the licensed premises, plus other investments in and*
 56 *debt financing of land and real property on which improvements*
 57 *are made and real property improvements, and investments in any*
 58 *bonds or other obligations issued by any agency or authority of*
 59 *the State or any political subdivision thereof, including any re-*
 60 *gional agency or authority within the State; provided, however,*
 61 *that the investments and debt financing not associated with the*
 62 *licensed premises have been subsequent to July 6, 1976. Real prop-*
 63 *erty and real property improvements sold or otherwise disposed*

64 of by the licensee *and bonds or other obligations authorized herein*
65 *which are sold or redeemed* shall not be included for the purposes
66 of determining cumulative investments. *Investments in the bonds*
67 *or other obligations authorized under this subsection shall be*
68 *applied to satisfying the obligation specified in subsection b. of*
69 *this section for investments in the municipality in which the licensed*
70 *premises are located only to the extent those bonds or other obli-*
71 *gations are issued or the proceeds are used specifically for a project*
72 *or projects located in that municipality.*

73 d. For the purposes of satisfying the amount of investments in
74 any given year and of determining cumulative investments as of
75 any given year, pursuant to subsection b., contributions of money
76 or realty shall be included if the **[commission]** *Commission on*
77 *Casino Reinvestments* determines that such contributions best
78 serve the public interest and either (1) directly relate to the
79 improvement, furtherance, and promotion of the tourist industry
80 in this State through the planning, acquisition, construction,
81 improvement, maintenance and operation of recreational, enter-
82 tainment, and other facilities for the public, including, without
83 limitation, a performing arts center, the beaches and shore front
84 of this State, and transportation facilities providing or enhancing
85 service in resort areas of this State, or (2) directly relate to the
86 improvement, furtherance, and promotion of the health and well-
87 being of the people of this State through the planning, acquisition,
88 construction, improvement, maintenance, and operation of a fa-
89 cility, project or program approved by **[the]** *that* commission.

90 e. In the event that the investments required in subsection b. of
91 this section are not made within the time set forth therein, there
92 shall be imposed an investment alternative tax in an amount equi-
93 valent to 2% of gross revenue *or 1% of gross revenue, as the case*
94 *may be*, which tax shall be added to the tax determined under
95 subsection a. of this section and shall be due and payable in accord-
96 ance with this section. For purposes of determining whether the
97 investment alternative tax shall be paid, the State Treasurer shall
98 certify, under such rules and regulations as he shall promulgate
99 consistent with the provisions of this article, the amount of cumula-
100 tive investments made by each licensee *with respect to any calendar*
101 *year beginning after December 31, 1978 and ending before January*
102 *1, 1984, and the amount of investments made by each licensee during*
103 *each calendar year thereafter.* In the event of the sale or other
104 disposition of the licensed premises, any investment obligation
105 imposed by subsection b. which is not satisfied shall be immediately
106 deemed due and payable as investment alternative tax, and said

107 amount shall constitute a lien upon the licensed premises until paid,
 108 together with interest at the rate specified in the "State Tax
 109 Uniform Procedure Law," Subtitle 9 of Title 54 of the Revised
 110 Statutes; provided, however, that the appointment of a conservator
 111 under section 31 of P. L. 1978, c. 7, shall not constitute a sale or
 112 other disposition of the licensed premises within the meaning of
 113 this subsection, and provided further, that if, in the judgment of
 114 the [commission] *Casino Control Commission*, a sale or other
 115 disposition does not significantly affect the operations of a casino
 116 licensee with respect to such premises, the [commission] *Commis-*
 117 *sion on Casino Reinvestments* may permit the investment obligation
 118 imposed on such licensee to continue under such conditions as the
 119 *latter* commission may deem appropriate.

120 f. The [commission] *Commission on Casino Reinvestments* shall
 121 promulgate rules and regulations consistent with the provisions
 122 of this article as to the eligibility of the investments and cumulative
 123 investments required by this article.

1 2. (New section) There is established a Commission on Casino
 2 Reinvestments, hereafter referred to as "the commission", to
 3 consist of the following members:

4 a. Two public members appointed by the President of the
 5 Senate, no more than one of whom shall be of the same political
 6 party;

7 b. Two public members appointed by the Speaker of the General
 8 Assembly, no more than one of whom shall be of the same political
 9 party;

10 c. Two public members appointed by the Governor with the
 11 advice and consent of the Senate, no more than one of whom shall
 12 be of the same political party; and

13 d. Two bond counsel appointed by the Governor with the advice
 14 and consent of the Senate.

15 The members shall serve for a term of four years, except that of
 16 the first appointees, one of each group of two shall serve for a term
 17 of two years. Vacancies in the membership of the commission shall
 18 be filled in the same manner as the original appointments and shall
 19 be for the unexpired term only. Members shall serve without
 20 compensation, except for reimbursement of any traveling expenses
 21 incurred in the course of their duties.

1 3. (New section) The Governor shall designate a chairman with
 2 the advice and consent of the Senate. The member so designated
 3 shall serve as chairman for the term for which he has been ap-
 4 pointed. The commission shall elect annually by a majority of the
 5 full commission one of its members, other than the chairman, to

6 serve as vice-chairman during the ensuing year. The commission
7 may also select a secretary, who need not be a member of the
8 commission.

1 4. (New section) The commission shall be entitled to call to its
2 assistance and avail itself of the services of such employees of any
3 state, county or municipal department, board, bureau, commission
4 or agency as it may require and as may be available to it for that
5 purpose, and to employ such professional, stenographic, and
6 clerical assistants and incur such traveling and other miscellaneous
7 expenses as it may deem necessary in order to perform its duties,
8 and as may be within the limits of funds appropriated or otherwise
9 made available to it for those purposes.

1 5. (New section) The commission may meet and hold hearings
2 at such place or places as it shall designate and shall report
3 annually to the Governor and the Legislature concerning its acti-
4 vities and the investments it has approved.

1 6. This act shall take effect immediately.

STATEMENT

At present, a casino licensee is obligated to reinvest 2% of its gross revenue in Atlantic City and other municipalities in the State if the casino's gross revenue in a calendar year exceeds its cumulative investments in New Jersey. If this requirement is not satisfied, the licensee must pay the 2% into the "Casino Revenue Fund."

This bill reduces the 2% to 1% of gross revenue and requires all casinos, whether or not their gross revenue exceeds their cumulative investments, to reinvest that 1% in Atlantic City and other municipalities. If those investments are not made, the 1% amount must be paid into the "Casino Revenue Fund."

The bill extends the present kinds of investments that casino licensees may make to satisfy the reinvestment requirement by permitting the purchase of bonds or other obligations issued by any agency or authority of the State or any political subdivision thereof.

A Commission on Casino Reinvestments, consisting of eight members, is created to review and determine the eligibility of the investments licensees make to satisfy the requirement.

ASSEMBLY INDEPENDENT AUTHORITIES AND
COMMISSIONS COMMITTEE

STATEMENT TO
ASSEMBLY COMMITTEE SUBSTITUTE FOR
ASSEMBLY, No. 688

STATE OF NEW JERSEY

DATED: MAY 7, 1984

The Committee Substitute for Assembly Bill No. 688 imposes on each casino licensee in Atlantic City an investment alternative tax of 2.5% of the gross casino revenues of that licensee beginning with calendar year 1984. However, if investments are made in the amount of 1.25% of gross casino revenues, an investment tax credit of twice that amount will be made against the payment of the tax. A casino licensee which commences the operation of a casino after January 1, 1984 is exempted from the tax for the first 12 months of the casino's operation. Once the obligation is incurred the licensee's obligation continues for a 20-year period. For licensees with casinos in operation as of January 1, 1984, the 20-year period begins with the calendar year 1984.

The bill requires that 100% of investments must be made in Atlantic City for the first five years of the 20-year period, 75% for the next 10 years, and 25% for the final five years. The remainder must be made in the eight south Jersey counties of Atlantic, Burlington, Camden, Cape May, Cumberland, Gloucester, Ocean, and Salem. These investments must be made, or agreements to make the investments must be executed, by the end of April following the calendar year for which the tax obligation is incurred.

The bill creates a South Jersey Development Authority to review, approve, and oversee the investments to be made. This authority is empowered to issue bonds, and each licensee must use at least 50% of its annual investment for the purchase of these bonds (this requirement may be waived under certain conditions). The remaining amount must be invested in "eligible projects" approved by the authority, that is, projects "which best serve the public interest . . . and which promote the health or social or economic well-being of the people of this State and, in particular, of the residents of the local governmental unit in which the investment is being made." (An investment which "directly and exclusively benefits, improves, or increases the assessed value of a casino hotel facility" is not regarded as an eligible investment or project.)

The authority may use the proceeds of its bonds for equity invest-

ments or loans or a combination of both. It may also guarantee "the obligations of any other person, corporation, association or of any instrumentality, municipality or political subdivision of the State which are issued to finance an eligible project. . . ."

The authority consists of seven voting members and three nonvoting members. Four of the voting members are public members appointed by the Governor; the remainder are the Mayor of Atlantic City, the Chairman of the Casino Control Commission, and another member of the commission appointed by the Governor. The nonvoting members are the State Treasurer and two nonvoting casino representatives. The chairman and the vice chairman shall be designated by the Governor from among the four appointed and voting public members.

Other provisions of the bill include:

1. A mandate that at least 20% of the investments required to be made in Atlantic City shall be used for finance housing facilities in the city for persons or families of low through middle income;

2. A requirement that the South Jersey Development Authority set aside from the proceeds of its bond sales \$1,200,000.00 annually for 20 years for the purpose of investing in businesses in Atlantic City and South Jersey which are owned by women and minorities;

3. A requirement that all investment obligations for 1979 through 1983 which have been incurred by casinos under the present provisions of the "Casino Control Act" and which have not yet been made or commenced shall be made in Atlantic City;

4. An opportunity for existing casinos with investment obligations which have not yet been satisfied to receive a discount in the amount of those obligations if the casinos purchase South Jersey Development Authority bonds within a specified period of time (if the purchase is not made, the casinos may use the five-year period presently provided in which to make their investments).

**ASSEMBLY REVENUE, FINANCE AND APPROPRIATIONS
COMMITTEE**

STATEMENT TO
ASSEMBLY COMMITTEE SUBSTITUTE FOR

ASSEMBLY, No. 688

with committee amendments

STATE OF NEW JERSEY

DATED: JUNE 21, 1984

The Assembly Committee Substitute for Assembly Bill No. 688, as amended, concerns reinvestment required of casino licensees. Major provisions are:

- An investment alternative tax is imposed at the rate of 2.5% of gross revenues. Licensees are entitled to an investment tax credit equal to twice the amount invested and applied to the tax. The amount invested can then be 1.25% of gross revenues to equate with the tax rate.
- The name of the authority was amended to be the "Casino Reinvestment Development Authority." Of the seven voting members, no more than four shall be of the same political party. The Assembly Speaker and Senate President shall each recommend one member. The Governor shall appoint two additional public members.
- Annually reserved for contractors and businesses owned by minorities and women will be \$1.2 million, to be allocated in the same manner as described below. Also, at least 20% of all construction shall be done by minority or women's businesses.
- During the first five years, at least 20% of the investments in Atlantic City must be used for housing in Atlantic City for low, moderate, median range and middle income persons for families, of which that housing will proceed at the same time as housing for median range and middle income. The committee amended this provision by requiring at least 25%, after the first five years, be used for housing.
- Casinos must make one-half of their investments through purchase of Authority bonds, unless waived for good cause by the authority.
- During the first five years, 100% of the investment will be in Atlantic City, during the next 10 years - 50% will be in Atlantic City and during the last five years - 25% will be in Atlantic City.

The balance will be allocated in the following manner after the first five years:

Areas		10 Year Period	Last Five Years
(1) Atlantic	Cumberland		
	Burlington Gloucester		
	Camden Ocean	25%	50%
	Cape May Salem		
(2) Other 13 Counties		25%	25%

- In general, the bill provides the assistance for investment in blighted and redevelopment areas of Atlantic City, and eventually, Statewide for eligible projects. Housing investment requirements are expressed as a minimum level, in which case, casinos may invest in excess of the percentage required. Bonds may be sold at less than market rate which will aid in the financing of the housing which is part of the comprehensive plan to improve blighted or redevelopment areas in Atlantic City.

SENATE STATE GOVERNMENT, FEDERAL AND
INTERSTATE RELATIONS AND VETERANS AFFAIRS
COMMITTEE

STATEMENT TO
ASSEMBLY COMMITTEE SUBSTITUTE FOR

ASSEMBLY, No. 688

[OFFICIAL COPY REPRINT]

with Senate committee amendments

STATE OF NEW JERSEY

DATED: NOVEMBER 26, 1984

This bill, as amended, imposes on each casino licensee in Atlantic City an investment alternative tax of 2.5% of the gross casino revenues of that licensee beginning with calendar year 1984. However, if investments are made in the amount of 1.25% of gross casino revenues, an investment tax credit of twice that amount will be made against the payment of the tax. A casino licensee which commences the operation of a casino after January 1, 1984 is exempted from the tax for the first 12 months of the casino's operation. Once the obligation is incurred the licensee's obligation continues for a 25-year period. For licensees with casinos in operation as of January 1, 1984, the 25-year period begins with the calendar year 1984.

The bill requires that 100% of investments must be made in Atlantic City for the first three years of the 25-year period; thereafter the amount declines by stages to 20% during the final five years of each licensee's obligation. The remaining amount is divided between nine counties in South Jersey and the remaining 12 counties of the State, with priority to be given to the revitalization of urban areas. These investments must be made, or agreements to make the investments must be executed, by the end of April following the calendar year for which the tax obligation is incurred.

The bill creates a Casino Reinvestment Development Authority to review, approve, and oversee the investments to be made. This authority is empowered to issue bonds, and each licensee must use 100% of its annual investment for the purchase of these bonds for 10 years, and thereafter at least 50% of its annual investment (this requirement may be waived under certain conditions). The remaining amount may be used to purchase more authority bonds or to invest in "eligible projects" approved by the authority, that is, projects "which best serve the public interest . . . and which promote the health or social or economic well-being of the people of this State and, in particular, of the residents of the local governmental unit in which the investment is being made."

The authority may use the proceeds of its bonds for equity investments in projects or loans for projects or a combination of both. It may also guarantee "the obligations of any other person, corporation, association or of any instrumentality, municipality or political subdivision of the State which are issued to finance an eligible project..."

The authority consists of nine voting members and three nonvoting members. Seven of the voting members are public members appointed by the Governor, one of whom upon the recommendation of the President of the Senate and one of whom upon the recommendation of the Speaker of the General Assembly. The remaining voting members are a member of the Casino Control Commission, appointed by the Governor, and the Mayor of Atlantic City. The nonvoting members are the State Treasurer and two casino industry representatives appointed by the Governor. The chairman and the vice chairman shall be designated by the Governor from among the appointed and voting public members.

Other provisions of the bill include:

1. A mandate that 100% of the investments required to be made in Atlantic City during the first three years of each 25-year period and 50% for the remainder of that period shall be used to finance housing facilities in the city for persons or families of low through middle income (A waiver is possible after certain needs are met.);
2. Priority for the housing needs of persons and families residing in Atlantic City in 1983 and continuing their residency through the effective date of this act;
3. Inclusion of housing-related community facilities and services including supporting commercial development, among the expenses to be covered under housing investments;
4. A requirement that all investment obligations for 1979 through 1983 which have been incurred by casinos under the present provisions of the "Casino Control Act" and which have not yet been made or commenced can only be satisfied by the purchase of authority bonds, the proceeds of which shall be used to finance housing in Atlantic City;
5. A requirement that the Casino Reinvestment Development Authority set aside from the proceeds of its bond sales \$1,200,000.00 annually for 25 years for the purpose of investing in businesses which are owned by women and minorities or projects constructed by those businesses;
6. A requirement that at least 20% of the total expenditures on the total number of eligible projects financed each year by the authority shall go to minority or women's businesses in the construction industry or related industries and services;
7. A grant of power to CRDA to exercise the right of eminent domain in Atlantic City;

8. Specified rates of interest on CRDA bonds at below-market rates; and

9. Permission for a casino licensee to purchase, in lieu of CRDA bonds, bonds of the State or any political subdivision or any authority thereof, or to make donations of money or realty, subject to CRDA approval.

COMMITTEE ACTION

The committee amended the bill to:

1. Clarify that the Casino Control Commission will have no further role with respect to the use of reinvestment funds after the Casino Reinvestment Development Authority assumes responsibility;

2. Require that obligations for 1979-1983 not already commenced can only be met through the purchase of CRDA bonds, the proceeds of which are to be used to finance housing in Atlantic City;

3. Require casinos to make quarterly payments of the 1.25% investment obligation, which will be placed in an escrow account pending final disposition of the money at the direction of the casino licensee;

4. Require *all* existing casinos to begin their investment obligation with calendar year 1984;

5. Restrict all investments during the first 10 years to the purchase of CRDA bonds; no *direct* investment by casino licensees in eligible projects would be permitted (This will ensure the "pooling" of funds for the redevelopment of Atlantic City, in particular, the implementation of the American City plan.);

6. Permit the authority to buy back bonds sold to casino licensees only in the case of bonds sold after the first 10 years of a casino's obligation;

7. Delete the limitation of 35 years on the terms of contracts between the CRDA and a casino licensee;

8. Clarify that no deferral of a casino licensee's investment obligation may occur more than two years consecutively;

9. Permit rather than require the Casino Control Commission to suspend the license of a casino in default on its investment obligations; also permit the commission to impose a fine or other penalty rather than a suspension (The fine is specified as $\frac{1}{2}$ of 1% for each month in default, up to 25%.);

10. Distribute the investment moneys as follows:

Areas	Years	Years	Years	Years	Years	Years
	1-3	4-5	6-10	11-15	16-20	21-25
(a) Atlantic City	100%	90%	80%	50%	30%	20%
(b) South Jersey		10%	10%	25%	40%	40%
(c) North Jersey			10%	25%	30%	40%

(“South Jersey” means the counties of Atlantic, Burlington, Camden, Cape May, Cumberland, Gloucester, Mercer, Ocean, and Salem; and “North Jersey” means the remaining 12 counties of the State. Mercer County was added to the South Jersey counties by committee amendment.);

11. Require the CRDA, within specified time periods, to allocate to municipalities outside Atlantic City moneys projected during the first 10 years of the authority’s existence, and to give priority to the revitalization of urban areas;

12. Specify that bond proceeds shall include all funds received from the sale of bonds and any funds generated or derived from the bonds;

13. Delete the prohibition on elected or appointed officials or their spouses from being an officer, agent, or principal in a corporation receiving authority moneys, but require members of the CRDA to be subject to the prohibitions of the “Conflicts of Interest Law” on involvement with casinos;

14. a. Require 100% of the bond moneys devoted to Atlantic City during the first three years of each 10-year period of 100% investment in CRDA bonds to be in housing for low through middle income persons and families and 50% during the remainder of that period, and 50% of Atlantic City’s share of bond proceeds and direct investments to be for housing during the last 15 years of a 25-year period;

b. Expand the expenses that can be covered under housing investments to include housing-related community facilities and services, as well as site preparation and infrastructure needs; supporting commercial development would also be covered as part of the expanded expenses;

15. Specify that priority shall be given to the housing needs of persons and their families residing in Atlantic City in 1983 and continuing their residency through the effective date of this act, as those needs are determined by the authority (Once those needs have been met, the CRDA may waive any required percentages.);

16. Permit carry forward of excess investments in housing in Atlantic City;

17. Restrict the waiver power of the CRDA with respect to required housing investment in Atlantic City;

18. Require prior approval of the authority for a licensee to carry over excess investments made in one year to the next year;

19. Change from March 15 to April 30 the date for a licensee to file an annual return reporting required financial information;

20. Insert new language concerning the quality of investments by the authority, and place a limit of 25% on the CRDA investments each year in projects which would qualify for a bond rating of “C”;

21. State that a casino licensee or licensees may arrange for insurance on their investments, to be paid by them;

22. Extend the period of a casino licensee's obligation to invest from 20 years to 25 years;

23. With respect to the Casino Reinvestment Development Authority:

a. Have the Governor appoint five rather than two members (the Senate President and the Assembly Speaker would, in addition, each recommend a member for appointment by the Governor);

b. Remove the chairman of the Casino Control Commission as an ex officio member of the CRDA;

c. Require that no more than five of the members other than those appointed upon the recommendation of the President of the Senate and the Speaker of the General Assembly be of the same political party; and

d. Direct that consideration be given "to achieving a membership of high quality and varied experience, with special emphasis on the fields of banking, finance, investments, and housing and urban development".

24. Add to or alter the stated purposes of the Casino Reinvestment Development Authority;

25. Require the authority to invest and reinvest moneys from the casino licensees not required for immediate use for the purchase of authority bonds (with the licensees receiving a pro rata share of the interest);

26. Authorize the CRDA to exercise the right of eminent domain in Atlantic City to obtain needed property for projects;

27. Specify the rates of interest that CRDA bonds will pay to casino licensees;

28. Permit a casino licensee to purchase, as an alternative to CRDA bonds, bonds of the State or any political subdivision thereof, or any authority created by the State or any political subdivision, subject to the approval of the CRDA (The bonds must be offered through the CRDA, however.);

29. a. Authorize the CRDA to use the staffs of the Department of Community Affairs, the Department of Environmental Protection, and the Department of Transportation as well as the CCC and Treasury; and specify that use of CCC staff is subject to the approval of the CCC chairman;

b. Authorize the CRDA to accept voluntary service of persons in the private sector;

c. Authorize members of the authority to have access to confidential information maintained by the Casino Control Commission and to the

staffs of the CCC and the Division of Gaming Enforcement if a need is shown by the authority and the commission approves;

30. Authorize the waiving of the 10-year requirement to purchase CRDA bonds if "an equivalent investment in or guarantee of" infrastructure requirements is made (In the case of Atlantic City, these requirements have to be in excess of a casino licensee's needs.);

31. Permit a licensee to obtain an investment tax credit by making a donation of money or realty to an eligible project, facility, or program, subject to the prior approval of the authority;

32. With respect to minorities:

a. Specify that minority and women's businesses in the construction industry and related industries and services, including suppliers of materials and professional construction engineering and design services, shall receive at least 20% of the total expenditures on the total number of projects financed by the authority each year;

b. Place the obligation for carrying out this set-aside on the borrowers of the proceeds of authority bonds and the licensees in the case of direct investments; however, the authority is not relieved of the responsibility for ensuring that the 20% set-aside is satisfied;

c. Define what constitutes the availability of minority and women's businesses;

d. Permit the authority to waive up to 10% of the 20% set-aside requirement, and specify the conditions under which the authority may grant a waiver.

33. Refine the provision presently in the bill allowing for infrastructure investments in Atlantic City so that a casino licensee can receive credit only for those investments which *exceed* the infrastructure investments required for the casino hotel facility or for the satisfaction of environmental requirements;

34. Permit a casino licensee to receive credit for equity investments or donations made prior to the implementation of this act if the investments support the development of the inlet section and are compatible with the American City plan, and if application is made within 90 days after the Casino Reinvestment Development Authority adopts its rules and regulations; also to receive credit for prior infrastructure investments, but only, in the case of Atlantic City, to the extent they exceed casino needs;

35. Empower the Governor to veto the CRDA minutes;

36. Appropriate \$300,000.00 as start-up money for the CRDA, to be repaid at the end of FY 1985.

ADOPTED

DEC 6 1984

R-24
12/6/84/ps

*ok
mly
9*

Senate Amendments

Proposed by Senators Codey, Lipman,
to Rand and Stockman

Assembly Bill No. 688 ACS (OCR) SCA

Sponsored by Assemblyman Fortunato

Amend:

Page	Sec.	Line
10	3	After 146
30	28	After 28

Omit lines 12 and 13 of the amendment inserting subsection f., found on page 10 of the Senate Committee amendments, and insert the following under the following categories which are found in lines 9 and 10:

*note to Printer:
Do not insert this material*

Areas	Years 1-3	Years 4-5	Years 6-10	Years 11-15	Years 16-20	Years 21-25
"(b) South Jersey		8%	12%	28%	43%	45%
(c) North Jersey		.2%	8%	22%	27%	35%

Omit lines 15 and 16 of the amendment found on page 47 of the Senate Committee amendments and insert the following under the following categories which are found in lines 12 and 13:

*note to Printer:
Do not insert this material*

Areas	Years 1-3	Years 4-5	Years 6-10	Years 11-15	Years 16-20	Years 21-25
"(b) South Jersey		8%	12%	28%	43%	45%
(c) North Jersey		.2%	8%	22%	27%	35%

STATEMENT

This amendment changes the distribution formula for the casino reinvestment moneys going to South Jersey and North Jersey.

ADOPTED

DEC 6 1984

[Signature]



OFFICE OF THE GOVERNOR

NEWS RELEASE

CN-001

Contact: CARL GOLDEN
609-292-8956

TRENTON, N.J. 08625

Release: WED., DECEMBER 19, 1984

Governor Thomas H. Kean today signed legislation which will require casinos operating in Atlantic City to reinvest more than \$1.6 billion in the City, the region and the State over the next 25 years.

At the ceremony held in the Senate Chamber, Kean hailed the legislation as "the start of a process which will fulfill the promise of casino development --- a revitalization of Atlantic City and the South Jersey region impacted by that development."

The bill, A-688, was sponsored by Assemblyman Buddy Fortunato, D-Essex, and merged with S-1402, sponsored by Senator William Gormley, R-Atlantic, and S-592, sponsored by Senator Wynona Lipman, D-Essex.

The legislation establishes a 2.5 percent tax on the gross revenue of operating casinos and provides for the creation of a 12-member Casino Reinvestment Development Authority to oversee the reinvestment program.

Under the distribution formula, Atlantic City will receive the entire amount of reinvestment funds for the first three years, all of which will be dedicated to housing programs. Of the remaining funds allocated to Atlantic City, half will be dedicated to housing programs.

- more -

DECEMBER 19, 1984

The remainder of the distribution formula is as follows:

Years four and five: 90 percent to Atlantic City; eight percent to South Jersey; two percent to North Jersey.

Years six through 10: 80 percent to Atlantic City; 12 percent to South Jersey; eight percent to North Jersey.

Years 11 through 15: 50 percent to Atlantic City; 28 percent to South Jersey; 22 percent to North Jersey.

Years 16 through 20: 30 percent to Atlantic City; 43 percent to South Jersey; 27 percent to North Jersey.

Years 20 through 25: 20 percent to Atlantic City; 45 percent to South Jersey; 35 percent to North Jersey.

The Casino Reinvestment Development Authority established by the legislation will consist of nine voting members and three non-voting members. Five are to be appointed by the Governor; one by the Governor on the recommendation of the President of the Senate; one by the Governor on the recommendation of the Speaker of the Assembly; one member of the Casino Control Commission, and the Mayor of Atlantic City. The non-voting members are the State Treasurer, and two representatives of the casino industry, appointed by the Governor.

The voting members of the Authority will be paid \$18,000 per year and the Chairman will receive \$23,000 per year.

- more -

A-688 SIGNED

PAGE THREE

DECEMBER 19, 1984

The Reinvestment Authority will be responsible for developing a comprehensive housing program, including low and moderate income units as well as median and middle income units.

Under the terms of the legislation, casinos will be required to pay the reinvestment tax after one year of operation.

The legislation also sets aside \$1.2 million per year for the New Jersey Development Authority for Small Business, Minorities and Women's Enterprise under the same general distribution formula contained in the bill.

#