

5:12-144.1

LEGISLATIVE HISTORY CHECKLIST

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LAWS OF: 2004 **CHAPTER:** 129

NJSA: 5:12-144.1 (Extends certain casino tax obligation to 50 years)

BILL NO: A3121 (Substituted for S1774)

SPONSOR(S) Van Drew and others

DATE INTRODUCED: June 21, 2004

COMMITTEE: **ASSEMBLY:** Budget
SENATE:

AMENDED DURING PASSAGE: No

DATE OF PASSAGE: **ASSEMBLY:** June 24, 2004

SENATE: June 24, 2004

DATE OF APPROVAL: August 25, 2004

FOLLOWING ARE ATTACHED IF AVAILABLE:

[FINAL TEXT OF BILL](#) Assembly Committee Substitute

A3121

[SPONSOR'S STATEMENT:](#) (Begins on page 19 of original bill) [Yes](#)

COMMITTEE STATEMENT: **ASSEMBLY:** [Yes](#)

SENATE: No

FLOOR AMENDMENT STATEMENT: No

LEGISLATIVE FISCAL ESTIMATE: No

S1774

[SPONSOR'S STATEMENT:](#) (Begins on page 19 of original bill) [Yes](#)

COMMITTEE STATEMENT: **ASSEMBLY:** No

SENATE: No

FLOOR AMENDMENT STATEMENT: No

LEGISLATIVE FISCAL ESTIMATE: No

VETO MESSAGE: No

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For clippings see legislative history of 2004 c.128

§4
C.5:12-162.1
§5
C.5:12-173.22a
§13
Repealer

P.L. 2004, CHAPTER 129, *approved August 25, 2004*
Assembly Committee Substitute for Assembly, No. 3121

1 AN ACT concerning the Casino Reinvestment Development Authority
2 and casino licensees, amending P.L.1995, c.18, P.L.2001, c.221
3 and P.L.2003, c.116, amending and supplementing P.L.1984,
4 c.218 (C.5:12-153 et seq.) and repealing section 13 of P.L.2001,
5 c.221 (C.5:12-173.21).

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

9
10 1. Section 3 of P.L.1984, c.218 (C.5:12-144.1) is amended to read
11 as follows:

12 3. a. (1) Commencing with the first annual tax return of a
13 licensee for any calendar year beginning after December 31, 1983,
14 there is imposed an investment alternative tax on the gross revenues
15 as defined in section 24 of P.L.1977, c.110 (C.5:12-24) of the licensee
16 in the amount of 2.5% of those gross revenues. The tax imposed with
17 respect to each calendar year shall be due and payable on the last day
18 of April next following the end of the calendar year. The State
19 Treasurer shall have a lien against the property constituting the casino
20 of a licensee for the amount of any tax not paid when due. No tax
21 shall be imposed, however, on the gross revenues received by a
22 licensee during the first 12 months of the operation of any casino that
23 commences operation after January 1, 1984, but prior to the effective
24 date of this act, P.L.1996, c.118 (C.5:12-173.3a et al.).

25 (2) A licensee shall pay to the State Treasurer on or before the
26 15th day of the first, fourth, seventh, and 10th months of each year as
27 partial payment of the investment alternative tax imposed pursuant to
28 paragraph (1) of this subsection an amount equal to 1.25% of the
29 estimated gross revenues for the three-month period immediately
30 preceding the first day of those months. The moneys received shall be
31 placed in an escrow account and shall be held until the licensee directs
32 that the moneys be transferred to the Casino Reinvestment
33 Development Authority for the purchase of bonds issued by or offered
34 through the Casino Reinvestment Development Authority or pursuant
35 to a contract for such a purchase, be made available to the licensee for
36 a direct investment approved by the authority, or be transferred to the
37 Casino Revenue Fund as partial payment of the investment alternative

EXPLANATION - Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

1 tax imposed pursuant to paragraph (1) of this subsection. Any interest
2 derived from the moneys in the escrow account shall be paid or made
3 available to the Casino Revenue Fund. If a licensee fails to pay the
4 amount due or underpays by an unjustifiable amount, the Casino
5 Control Commission shall impose a fine of 5% of the amount due or
6 of the underpayment, as the case may be, for each month or portion
7 thereof the licensee is in default of payment, up to 25% of the amount
8 in default. Any fine imposed shall be paid to the Casino Reinvestment
9 Development Authority and shall be used for the purposes of this 1984
10 amendatory and supplementary act.

11 b. Each licensee shall be entitled to an investment tax credit
12 against the tax imposed by subsection a. of this section, provided the
13 licensee shall pay over the moneys required pursuant to section 5 of
14 P.L.1993, c.159 (C.5:12-173.5): (1) for the first 10 years of a
15 licensee's tax obligation, in an amount equal to twice the purchase
16 price of bonds issued by the Casino Reinvestment Development
17 Authority pursuant to sections 14 and 15 of this 1984 amendatory and
18 supplementary act, purchased by the licensee, or twice the amount of
19 the investments authorized in lieu thereof, and (2) for the remainder of
20 a licensee's tax obligation, in an amount equal to twice the purchase
21 price of bonds issued by the Casino Reinvestment Development
22 Authority pursuant to sections 14 and 15 of this 1984 amendatory and
23 supplementary act, purchased by the licensee, or twice the amount of
24 the investments authorized in lieu thereof, and twice the amount of
25 investments made by a licensee in other approved eligible investments
26 made pursuant to section 25 of this act. The Casino Reinvestment
27 Development Authority shall have the power to enter into a contract
28 or contracts with a licensee pursuant to which the Casino
29 Reinvestment Development Authority agrees to issue and sell bonds
30 to the licensee, and the licensee agrees to purchase the bonds issued
31 by or offered through the Casino Reinvestment Development
32 Authority, in annual purchase price amounts as will constitute a credit
33 against at least 50% of the tax to become due in any future year or
34 years. The contract may contain those terms and conditions relating
35 to the terms of the bonds and to the issuance and sale of the bonds to
36 the licensee as the Casino Reinvestment Development Authority shall
37 deem necessary or desirable. The contract shall not be deemed to be
38 in violation of section 104 of P.L.1977, c.110 (C.5:12-104). After the
39 first 10 years of a licensee's investment alternative tax obligation, a
40 licensee will have the option of entering into a contract with the
41 Casino Reinvestment Development Authority to have its tax credit
42 comprised of direct investments in approved eligible projects. These
43 direct investments shall not comprise more than 50% of a licensee's
44 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

1 appropriate tax year.

2 c. A contract entered into between a licensee and the Casino
3 Reinvestment Development Authority may provide for a deferral of
4 payment for and delivery of bonds required to be purchased and for a
5 deferral from making approved eligible investments in any year, but no
6 deferral shall occur more than two years consecutively. A deferral of
7 payment for any bonds required to be purchased by a licensee and a
8 deferral from making approved eligible investments may be granted by
9 the Casino Reinvestment Development Authority only upon a
10 determination by the Casino Control Commission that purchase of
11 these bonds or making approved eligible investments would cause
12 extreme financial hardship to the licensee and a determination by the
13 Casino Reinvestment Development Authority that the deferral of the
14 payment would not violate any covenant or agreement or impair any
15 financial obligation of the Casino Reinvestment Development
16 Authority. The contract may establish a late payment charge to be
17 paid in the event of deferral or other late payment at a rate as shall be
18 agreed to by the Casino Reinvestment Development Authority. If a
19 deferral of purchase or investment is granted, the licensee shall be
20 deemed to have made the purchase or investment at the time required
21 by the contract, except that if the purchase is not made at the time to
22 which the purchase or investment was deferred, then the licensee shall
23 be deemed not to have made the purchase or investment. The Casino
24 Control Commission shall adopt regulations establishing a uniform
25 definition of extreme financial hardship applicable to all these
26 contracts. If a licensee petitions the Casino Reinvestment
27 Development Authority for a deferral, the Casino Reinvestment
28 Development Authority shall give notice of that petition to the Casino
29 Control Commission and to the Division of Gaming Enforcement
30 within three days of the filing of the petition. The Casino Control
31 Commission shall render a decision within 60 days of notice as to
32 whether the licensee has established extreme financial hardship, after
33 consultation with the Division of Gaming Enforcement. The Casino
34 Reinvestment Development Authority shall render a decision as to the
35 availability of the deferral within 10 days of the receipt by it of the
36 decision of the Casino Control Commission and shall notify the
37 Division of Gaming Enforcement and the Casino Control Commission
38 of that decision. If a deferral is granted, the Casino Reinvestment
39 Development Authority may determine whether the purchases or
40 investments shall be made in a lump sum, made over a period of years,
41 or whether the period of obligation shall be extended an additional
42 period of time equivalent to the period of time deferred.

43 d. The license of any licensee which has defaulted in its obligation
44 to make any purchase of bonds or investment in any approved eligible
45 project under a contract entered into pursuant to subsection b. of this
46 section for a period of 90 days may be suspended by the Casino

1 Control Commission until that purchase is made or deferred in
 2 accordance with subsection b. of this section, or a fine or other penalty
 3 may be imposed upon the licensee by the commission. If the Casino
 4 Control Commission elects not to suspend the license of a licensee
 5 after the licensee has first defaulted in its obligation but instead
 6 imposes some lesser penalty and the licensee continues to be in default
 7 of its obligation after a period of 30 additional days and after any
 8 additional 30-day period, the commission may impose another fine or
 9 penalty upon the licensee, which may include suspension of that
 10 licensee's license. The fine shall be 5% of the amount of the obligation
 11 owed for each month or portion thereof a licensee is in default, up to
 12 25% of that obligation; shall be paid to the Casino Reinvestment
 13 Development Authority; and shall be used for the purposes of this
 14 1984 amendatory and supplementary act.

15 e. A contract entered into by a licensee and the Casino
 16 Reinvestment Development Authority pursuant to subsection b. of this
 17 section may provide that after the first 10 years of a licensee's
 18 investment alternative tax obligation imposed by subsection a. of this
 19 section, the Casino Reinvestment Development Authority may
 20 repurchase bonds previously sold to the licensee, which were issued
 21 after the 10th year of a licensee's investment alternative tax obligation,
 22 by the Casino Reinvestment Development Authority, if the Casino
 23 Reinvestment Development Authority determines that the repurchase
 24 will not violate any agreement or covenant or impair any financial
 25 obligation of the Casino Reinvestment Development Authority and
 26 that the licensee will reinvest the proceeds of the resale in an eligible
 27 project approved by the Casino Reinvestment Development Authority.

28 f. (1) During the [35] 50 years a licensee is obligated to pay an
 29 investment alternative tax pursuant to subsection k. of this section, the
 30 total of (a) the proceeds of all bonds purchased by a licensee from or
 31 through the Casino Reinvestment Development Authority and (b) all
 32 approved investments in eligible projects by a licensee shall be devoted
 33 to the financing of projects in the following areas and amounts:

34

35 Areas	Yrs.	Yrs.	Yrs.	Yrs.	Yrs.	Yrs.	Yrs.	Yrs.	Yrs.	<u>Yrs.</u>
36	1-3	4-5	6-10	11-15	16-20	21-25	26-30	31-35	36-50	
37 a) Atlantic City	100%	90%	80%	50%	30%	20%				
38 b) South Jersey	8%	12%	28%	43%	45%				25%	<u>50%</u>
39 c) North Jersey	2%	8%	22%	27%	35%				35%	<u>50%</u>
40 d) Atlantic City										
41 through the Atlantic										
42 City Fund									65%	25%

43 except that, with respect to the obligations for calendar years 1994
 44 through 1998, the amount allocated for the financing of projects in
 45 North Jersey from each casino licensee's obligation shall be the amount
 46 allocated for calendar year 1993, and the difference between that
 47 amount and the amount to be allocated to North Jersey, on the basis
 48 of the above schedule, from each casino licensee's obligations for
 49 calendar years 1994 through 1998 shall be paid into or credited to the

1 Atlantic City Fund established by section 44 of P.L.1995, c.18
2 (C.5:12-161.1) and be devoted to the financing of projects in Atlantic
3 City through that fund. For the purposes of this paragraph, "South
4 Jersey" means the counties of Atlantic, Burlington, Camden, Cape
5 May, Cumberland, Gloucester, Mercer, Ocean, and Salem, except that
6 "South Jersey" shall not include the City of Atlantic City; and "North
7 Jersey" means the remaining 12 counties of the State. For the purposes
8 of this 1984 amendatory and supplementary act, bond "proceeds"
9 means all funds received from the sale of bonds and any funds
10 generated or derived therefrom.

11 In the financing of projects outside Atlantic City, the Casino
12 Reinvestment Development Authority shall give priority to the
13 revitalization of the urban areas of this State in the ways specified in
14 section 12 of this 1984 amendatory and supplementary act. Those
15 areas shall include, but not be limited to, all municipalities qualifying
16 for aid pursuant to P.L.1978, c.14 (C.52:27D-178 et seq.).

17 Within nine months from the effective date of this 1984 amendatory
18 and supplementary act, the Casino Reinvestment Development
19 Authority shall determine the allocation of projected available moneys
20 to municipalities in South Jersey for the first seven years of their
21 receipt of funds, giving priority to the revitalization of the urban areas
22 of the region. Municipalities receiving such an allocation shall present
23 to the Casino Reinvestment Development Authority for its approval
24 comprehensive plans or projects for which the allocations shall be
25 used. Any such comprehensive plan or project may be submitted to
26 the Casino Reinvestment Development Authority for a determination
27 of eligibility at any time prior to the year for which the funds are
28 allocated, and the Casino Reinvestment Development Authority shall
29 make a determination of eligibility of the plan or project within a
30 reasonable amount of time. If the Casino Reinvestment Development
31 Authority makes a positive determination of eligibility for any
32 comprehensive plan or project, or combination of comprehensive plans
33 or projects, for any municipality whose total cost exceeds the amount
34 allocated to that municipality for the first seven years of the receipt of
35 funds by South Jersey municipalities, the Casino Reinvestment
36 Development Authority shall make available sufficient funds in
37 subsequent years necessary to complete those plans or projects, or to
38 complete that portion of the plan or project originally agreed to be
39 funded through the Casino Reinvestment Development Authority, from
40 funds received by the Casino Reinvestment Development Authority in
41 the years following the seventh year of the receipt of funds by South
42 Jersey municipalities. If the comprehensive plan or project is
43 determined by the Casino Reinvestment Development Authority not to
44 be an eligible plan or project, the municipality may submit any other
45 comprehensive plan or project for a determination of eligibility. If,
46 however, the municipality fails to receive a positive determination of

1 eligibility for any comprehensive plan or project, or combination of
2 comprehensive plans or projects, sufficient to exhaust the total
3 allocation to that municipality for any year prior to April 30 of the
4 following year for which the allocation was made, the allocation to
5 that municipality for that year shall cease, and the Casino
6 Reinvestment Development Authority may apply those excess funds to
7 any other comprehensive plan or project in any other municipality in
8 the region whose comprehensive plan or project has received a
9 positive determination of eligibility by the Casino Reinvestment
10 Development Authority.

11 Within 36 months from the effective date of this 1984 amendatory
12 and supplementary act, the Casino Reinvestment Development
13 Authority shall determine the allocation of projected available moneys
14 to municipalities in North Jersey for the first five years of their receipt
15 of funds, giving priority to the revitalization of the urban areas of the
16 region. Municipalities receiving such an allocation shall present to the
17 Casino Reinvestment Development Authority for its approval
18 comprehensive plans or projects for which the allocations shall be
19 used. Any such comprehensive plan or project may be submitted to
20 the Casino Reinvestment Development Authority for a determination
21 of eligibility at any time prior to the year for which the funds are
22 allocated, and the Casino Reinvestment Development Authority shall
23 make a determination of eligibility of the plan or project within a
24 reasonable amount of time. If the Casino Reinvestment Development
25 Authority makes a positive determination of eligibility for any
26 comprehensive plan or project, or combination of comprehensive plans
27 or projects, for any municipality whose total cost exceeds the amount
28 allocated to that municipality for the first five years of the receipt of
29 funds by North Jersey municipalities, the Casino Reinvestment
30 Development Authority shall make available sufficient funds in
31 subsequent years necessary to complete those plans or projects, or to
32 complete that portion of the plan or project originally agreed to be
33 funded through the Casino Reinvestment Development Authority, from
34 funds received by the Casino Reinvestment Development Authority in
35 the years following the fifth year of the receipt of funds by North
36 Jersey municipalities. If the comprehensive plan or project is
37 determined by the Casino Reinvestment Development Authority not to
38 be an eligible plan or project, the municipality may submit any other
39 comprehensive plan or project for a determination of eligibility. If,
40 however, the municipality fails to receive a positive determination of
41 eligibility for any comprehensive plan or project, or combination of
42 comprehensive plans or projects, sufficient to exhaust the total
43 allocation to that municipality for any year prior to April 30 of the
44 following year for which the allocation was made, the allocation to
45 that municipality for that year shall cease, and the Casino
46 Reinvestment Development Authority may apply those excess funds to

1 any other comprehensive plan or project in any other municipality in
2 the region whose comprehensive plan or project has received a
3 positive determination of eligibility by the Casino Reinvestment
4 Development Authority.

5 (2) Commencing with the first year in which a licensee incurs a tax
6 obligation pursuant to this section, and for the period of two years
7 thereafter, 100% of the proceeds of all bonds purchased by a licensee
8 from the Casino Reinvestment Development Authority which are
9 devoted to the financing of projects in the city of Atlantic City
10 pursuant to paragraph (1) of this subsection shall be used exclusively
11 to finance the rehabilitation, development, or construction of, or to
12 provide mortgage financing of, housing facilities in the city of Atlantic
13 City for persons or families of low through middle income, as defined
14 in this subsection. For the purposes of this subsection, the
15 "rehabilitation, development, or construction of housing facilities"
16 shall include expenses attributable to site preparation, infrastructure
17 needs and housing-related community facilities and services, including
18 supporting commercial development. Commencing with the fourth
19 year in which a licensee incurs a tax obligation pursuant to this
20 subsection, 50% of the proceeds of all bonds purchased by a licensee
21 from the Casino Reinvestment Development Authority which are
22 devoted to the financing of projects in the city of Atlantic City shall be
23 used exclusively to finance the rehabilitation, development, or
24 construction of housing facilities in the city of Atlantic City for
25 persons or families of low through middle income. Commencing with
26 the 11th year in which a licensee incurs a tax obligation pursuant to
27 this section, 50% of the annual aggregate of the proceeds of bonds
28 purchased by a licensee from the Casino Reinvestment Development
29 Authority which are devoted to the financing of projects in the city of
30 Atlantic City and investments in approved eligible projects commenced
31 by a licensee in the city of Atlantic City shall be used exclusively to
32 finance the rehabilitation, development, or construction of, or to
33 provide mortgage financing of, housing facilities in the city of Atlantic
34 City for persons or families of low through middle income.

35 (3) The Legislature finds that it is necessary to provide for a
36 balanced community and develop a comprehensive housing program.
37 The Casino Reinvestment Development Authority shall determine the
38 need for housing in the city of Atlantic City, in consultation with the
39 city of Atlantic City and specifically its zoning and planning boards.
40 This shall include determining the types and classes of housing to be
41 constructed and the number of units of each type and class of housing
42 to be built. The Casino Reinvestment Development Authority shall
43 give priority to the housing needs of the persons and their families
44 residing in the city of Atlantic City in 1983 and continuing such
45 residency through the effective date of this 1984 amendatory and
46 supplementary act. The actual percentage of the proceeds of bonds

1 and investments in approved eligible projects commenced by a licensee
2 in the city of Atlantic City, which shall be used exclusively to finance
3 the rehabilitation, development, or construction of, or to provide
4 mortgage financing of, housing facilities in the city of Atlantic City for
5 persons or families of low through middle income, shall be based upon
6 the authority's determination of the need for housing in the city of
7 Atlantic City conducted pursuant to this subsection. Once the housing
8 needs of the persons residing in the city of Atlantic City in 1983 and
9 continuing such residency through the effective date of this 1984
10 amendatory and supplementary act have been met, as determined by
11 the Casino Reinvestment Development Authority pursuant to this
12 subsection, any required percentages for such housing in the city of
13 Atlantic City may, in its sole discretion, be waived by the Casino
14 Reinvestment Development Authority. To aid the Casino
15 Reinvestment Development Authority in making these determinations,
16 the Casino Reinvestment Development Authority shall review the
17 proposal for a housing redevelopment program and strategy for the
18 city of Atlantic City approved and adopted by the Casino Control
19 Commission and shall give priority to same and any other plan or
20 project which is consistent with the standards of this subsection and is
21 acceptable to the Casino Reinvestment Development Authority,
22 pursuant to section 25 of this 1984 amendatory and supplementary act.
23 The Casino Reinvestment Development Authority may determine
24 whether the funds used to finance housing facilities in the city of
25 Atlantic City for persons or families of low, moderate, median range,
26 and middle income are derived from the proceeds of bonds purchased
27 by a licensee from the Casino Reinvestment Development Authority to
28 be devoted to the financing of projects in the city of Atlantic City,
29 investments in approved eligible projects commenced by a licensee in
30 the city of Atlantic City, or a combination of both. Any investment
31 made by a licensee in excess of 100% of its eligible investment tax
32 credit during the first three years and in excess of 50% thereafter in
33 either the purchase of bonds or direct investments in approved eligible
34 projects for low, moderate, median range, and middle income family
35 housing facilities in the city of Atlantic City may be carried forward
36 and credited against the licensee's obligation to make a 100%
37 investment during the first three years and 50% thereafter in low,
38 moderate, median range, and middle income family housing in any
39 future year, with the approval of the Casino Reinvestment
40 Development Authority. For the purposes of this act, "low income
41 families" means families whose income does not exceed 50% of the
42 median income of the area, with adjustments for smaller and larger
43 families. "Moderate income families" means families whose income
44 does not exceed 80% and is not less than 50% of the median income
45 for the area, with adjustments for smaller and larger families. "Median
46 range income families" means families whose income does not exceed

1 120% and is not less than 80% of the median income for the area, with
2 adjustments for smaller and larger families. "Middle income families"
3 means families whose income does not exceed 150% and not less than
4 120% of the median income for the area, with adjustments for smaller
5 and larger families. "Median income" means an income defined as
6 median within the Standard Metropolitan Statistical Area for Atlantic
7 City by the United States Department of Housing and Urban
8 Development.

9 In order to achieve a balanced community, the authority shall
10 ensure that the development of housing for families of low and
11 moderate income shall proceed at the same time as housing for families
12 of median range and middle income, until such time as there is no
13 longer a need for such facilities in the city of Atlantic City, as
14 determined by the Casino Reinvestment Development Authority.

15 (4) Notwithstanding any other law or section to the contrary,
16 particularly this subsection regarding the waiver of the required
17 percentages for housing in the city of Atlantic City, subsection I. of
18 section 14, and sections 26, 27, 28, 29, and 31 of this 1984
19 amendatory and supplementary act, nothing shall be implemented or
20 waived by the Casino Reinvestment Development Authority which
21 would reduce, impair, or prevent the fulfillment of the priorities
22 established and contained in this subsection of this 1984 amendatory
23 and supplementary act.

24 g. If a person is a licensee with regard to more than one approved
25 hotel pursuant to section 82 of P.L.1977, c.110 (C.5:12-82), the
26 person shall separately account for the gross revenues, the investment
27 alternative tax obligations, and the investments for a tax credit against
28 the investment alternative tax for each approved hotel, and the tax
29 obligations of the licensee under this section shall be determined
30 separately for each approved hotel. The licensee may apportion
31 investments between its approved hotels; provided that no amount of
32 investment shall be credited more than once. If a licensee receives the
33 prior approval of the Casino Reinvestment Development Authority, the
34 licensee may make eligible investments in excess of the investments
35 necessary to receive a tax credit against the investment alternative tax
36 for a given calendar year, and the licensee may carry forward this
37 excess investment and have it credited to its next investment
38 alternative tax obligation. If the Casino Reinvestment Development
39 Authority approves of such excess investment and approves the carry
40 forward of this excess investment, and a licensee elects to purchase
41 bonds of the Casino Reinvestment Development Authority or makes
42 direct investments in approved eligible projects in excess of the
43 investments necessary to receive a tax credit against the investment
44 alternative tax for its current obligation, the licensee shall be entitled
45 to a reduction of the amount of investments necessary in future years,
46 which amount shall be determined annually by the Casino

1 Reinvestment Development Authority, taking into account a current
2 market discount rate from the date of the purchase or investment to
3 the date the purchase or investment would have been required to be
4 made.

5 h. Each casino licensee shall prepare and file, in a form prescribed
6 by the Casino Reinvestment Development Authority, an annual return
7 reporting that financial information as shall be deemed necessary by
8 the Casino Reinvestment Development Authority to carry out the
9 provisions of this act. This return shall be filed with the Casino
10 Reinvestment Development Authority and the Casino Control
11 Commission on or before April 30 following the calendar year on
12 which the return is based. The Casino Control Commission shall
13 verify to the Casino Reinvestment Development Authority the
14 information contained in the report, to the fullest extent possible.
15 Nothing in this subsection shall be deemed to affect the due dates for
16 making any investment or paying any tax under this section.

17 i. Any purchase by a licensee of bonds issued by or offered through
18 the Casino Reinvestment Development Authority pursuant to sections
19 14 and 15 of this act and subsection b. of this section and all approved
20 eligible investments made by a licensee pursuant to section 25 of this
21 act and subsection b. of this section are to be considered investments
22 and not taxes owed or grants to the State or any political subdivision
23 thereof. As such, a licensee shall have the possibility of the return of
24 principal and a return on the capital invested as with other
25 investments. Investors in the bonds issued by or offered through the
26 Casino Reinvestment Development Authority shall be provided with
27 an opinion from a recognized financial rating agency or a financial
28 advisory firm with national standing that each loan of bond proceeds
29 by the Casino Reinvestment Development Authority has the minimum
30 characteristics of an investment, in that a degree of assurance exists
31 that interest and principal payments can be made and other terms of
32 the proposed investment be maintained over the period of the
33 investment, and that the loan of the bond proceeds would qualify for
34 a bond rating of "C" or better. If an opinion cannot be obtained from
35 a recognized financial rating agency or a financial advisory firm with
36 national standing, an opinion shall be obtained from an expert financial
37 analyst with national standing, selected and hired by the Casino
38 Reinvestment Development Authority. In order to achieve a balanced
39 portfolio, assure the viability of the authority and the projects,
40 facilities and programs undertaken pursuant to this 1984 amendatory
41 and supplementary act, no more than 25% of the total investments
42 made by or through the Casino Reinvestment Development Authority
43 with the proceeds of bonds generated in each year shall be investments
44 which would qualify for a bond rating of "C," unless all holders of
45 obligations in each year agree to waive the 25% limit for that year.
46 Nothing herein shall be interpreted as limiting the Casino Reinvestment

1 Development Authority from taking any steps it deems appropriate to
2 protect the characteristics of its investment in projects or any other
3 investments from not being real investments with a prospect for the
4 return of principal and a return on the capital invested. Anything
5 contained in this section shall not be considered a guarantee by the
6 State or any political subdivision thereof of any return of principal or
7 interest, but any purchase by a licensee of bonds or approved eligible
8 investments made by a licensee pursuant to this act shall be at the risk
9 of the licensee. A licensee or the licensees purchasing an issue of
10 bonds issued by the Casino Reinvestment Development Authority in
11 any given year may arrange, at their option, for those bonds or the
12 investments, made by or through the Casino Reinvestment
13 Development Authority with the proceeds of those bonds, to be
14 insured. The cost of any such insurance purchased by a licensee or
15 licensees shall be paid by the licensee or licensees desiring such
16 insurance.

17 j. The Casino Reinvestment Development Authority shall
18 promulgate rules and regulations deemed necessary to carry out the
19 purposes of this section.

20 k. The obligation of a licensee to pay an investment alternative tax
21 pursuant to subsection a. of this section, including a casino licensee
22 subject to the provisions of section 13 of P.L.2001, c.221
23 (C.5:12-173.21), shall end for each licensed facility operated by the
24 licensee [35] 50 years after any investment alternative tax obligation
25 is first incurred in connection with each licensed facility operated by
26 the licensee, unless extended in connection with a deferral granted by
27 the Casino Reinvestment Development Authority pursuant to
28 subsection c. of this section.

29 l. Within 90 days of the effective date of this act, P.L. , c. (now
30 before the Legislature as this bill), the State Treasurer shall certify the
31 amounts that were invested pursuant to this section in South Jersey,
32 as defined in subsection f. of this section, for projects located in the
33 City of Atlantic City. Notwithstanding subsection f. of this section,
34 beginning in State fiscal year 2005, the amount of (a) proceeds of all
35 bonds purchased by a licensee from or through the Casino
36 Reinvestment Development Authority and (b) all approved investments
37 in eligible projects by a licensee devoted pursuant to subsection f.,
38 shall not exceed the amount devoted for those purposes in State fiscal
39 year 2004. Any amounts in excess of the amounts devoted in State
40 fiscal year 2004, after fulfilling all fund reservations, bonding and
41 contractual obligations, shall be devoted to the financing of projects
42 in South Jersey. For the purpose of this section, "South Jersey" means
43 the counties of Atlantic, Burlington, Camden, Cape May, Cumberland,
44 Gloucester, Mercer, Ocean, and Salem, except that the term shall not
45 include the City of Atlantic City. The provisions of this subsection
46 shall terminate when excess amounts devoted to the financing of

1 projects in South Jersey equal the amount certified by the State
2 Treasurer.

3 (cf: P.L.2002, c.65, s.32)

4

5 2. Section 6 of P.L.2003, c.116 (C.5:12-145.8) is amended to read
6 as follows:

7 6. Notwithstanding the provisions of any other law to the contrary
8 and in addition to any other tax or fee imposed by law, there is
9 imposed a fee of \$3.00 per day on each hotel room in a casino hotel
10 facility that is occupied by a guest, for consideration or as a
11 complimentary item. The amounts generated by this section shall be
12 paid to the State Treasurer for deposit in the Casino Revenue Fund
13 established pursuant to section 145 of P.L.1977, c.110 (C.5:12-145)
14 in State fiscal years 2004 through 2006. Beginning in State fiscal year
15 2007 and thereafter, \$1.00 of the fee shall be deposited by the State
16 Treasurer into a special fund established and held by the State
17 Treasurer and made available for the exclusive use of the Casino
18 Reinvestment Development Authority established pursuant to section
19 5 of P.L.1984, c.218 (C.5:12-153) for its purposes pursuant to law, as
20 approved by the membership of the authority, subject to the provisions
21 of subsection e. of section 5 of P.L. , c. (C.)(now before the
22 Legislature as this bill). Beginning in State fiscal year 2007 and
23 thereafter, the portion of the proceeds of \$2.00 of the fee necessary to
24 carry out the purpose of subsections a. through c. of section 5 of P.L.
25 , c. (C.)(now before the Legislature as this bill) shall be deposited
26 by the State Treasurer into a special fund established and held by the
27 State Treasurer and made available for the exclusive use of the
28 authority to carry out that purpose, and the remaining proceeds of the
29 \$2.00 fee shall be deposited by the State Treasurer into the Casino
30 Revenue Fund [and \$1.00 shall be transferred by the State Treasurer
31 to the Casino Reinvestment Development Authority established
32 pursuant to section 5 of P.L.1984, c.218 (C.5:12-153) for its purposes
33 pursuant to law, as approved by the membership of the authority].

34 (cf: P.L.2003, c.116, s.6)

35

36 3. Section 44 of P.L.1995, c.18 (C.5:12-161.1) is amended to read
37 as follows:

38 44. There is created and established in the Casino Reinvestment
39 Development Authority a special account to be known as the "Atlantic
40 City Fund," into which shall be deposited or credited the moneys
41 specified in section 45 of [this amendatory and supplementary act,]
42 P.L.1995, c.18 (C.5:12-161.2), and the moneys specified in subsection
43 f. of section 3 of P.L.1984, c.218 (C.5:12-144.1). The moneys in the
44 fund shall be expended by the authority for economic development
45 projects [of a revenue-producing nature] that foster the
46 redevelopment of Atlantic City [, other than the construction or

1 renovation of casino hotels]. The provisions of section 30 of
2 P.L.1984, c.218 (C.5:12-178) shall not apply to investments made out
3 of the Atlantic City Fund for projects to revitalize the boardwalk. The
4 moneys may also be expended for appropriate and reasonable
5 administrative expenses incurred in the administration of the fund by
6 the authority. At least 30 days before the authority votes on an
7 application for funding for a project, the authority shall provide to the
8 Chairpersons of the Senate Budget and Appropriations Committee and
9 the Assembly Appropriations Committee, or their successor
10 committees, all relevant information concerning the project.

11 (cf: P.L.1995, c.18, s.44)

12

13 4. (New section) a. In addition to the authorization contained in
14 any other statutory provisions relating to the issuance or sale of bonds,
15 notes or other obligations by the Casino Reinvestment Development
16 Authority, the authority may, upon written approval from the State
17 Treasurer, from time to time issue bonds, notes or other obligations
18 which are to be payable in all or part from any present or future funds,
19 moneys, income or revenues of the authority from any source
20 whatsoever. At least 14 days before the members of the authority
21 approve the issuance or sale of bonds, notes or other obligations, the
22 authority shall submit to the President of the Senate and the Speaker
23 of the General Assembly a proposed plan of finance for such sale or
24 issuance. The authority is authorized to issue its bonds, notes or other
25 obligations in such principal amounts as shall be necessary to provide
26 sufficient funds to finance eligible projects of the authority, and to
27 pay, fund, or refund any bonds, notes or other obligations issued by it,
28 whether the bonds, notes or other obligations to be funded or refunded
29 have or have not become due or to pay for the administrative costs of
30 the authority.

31 b. The bonds or notes or other obligations may be additionally
32 secured by a pledge of any grant or contribution from the federal
33 government or any State or any agency or public subdivision thereof
34 or any person or a pledge of any other funds, moneys, income or
35 revenues of the authority from any source whatsoever. The authority
36 may also enter into bank loan agreements, lines of credit or bond
37 insurance, bond purchase agreements and other security agreements
38 and obtain for or on its behalf letters of credit in each case for the
39 purpose of securing its bonds, notes or other obligations or to provide
40 direct payment of any costs which the authority is authorized to pay
41 by this act and to secure repayment of any borrowings under the loan
42 agreement, line of credit, letter of credit, bond insurance or other
43 security agreement by its bonds, notes or other obligations or the
44 proceeds thereof or by any or all of the moneys, income or revenues
45 of the authority pledged to the payment of the bonds or by any
46 appropriation, grant or reimbursement to be received by the authority

- 1 and other moneys or funds as the authority shall determine.
- 2 c. Any provision of any law to the contrary notwithstanding, any
3 bond or note issued pursuant to this act shall be fully negotiable within
4 the meaning and for all purposes of the negotiable instruments law of
5 the State, and each holder or owner of a bond or note, or of any
6 coupon appurtenant thereto, by accepting the bond, note or coupon
7 shall be conclusively deemed to have agreed that the bond, note or
8 coupon is and shall be fully negotiable within the meaning and for all
9 purposes of the negotiable instruments law.
- 10 d. Bonds or notes or other obligations of the authority shall be
11 authorized by resolution of the authority and may be issued in one or
12 more series and shall bear the date or dates, mature at the time or
13 times not exceeding 50 years from the date thereof, bear interest at a
14 rate or rates, as shall be determined by the authority, shall be in the
15 denomination or denominations, be in the form, either bearer or
16 registered, carry the conversion or registration privileges, have the
17 rank or priority, be executed in the manner, be payable from the
18 sources in the medium of payment at the place or places within or
19 without the State, and be subject to the terms of redemption, with or
20 without premium, as the resolution or resolutions may provide.
- 21 e. Bonds or notes of the authority may be sold at public or private
22 sale at the price or prices as the authority shall determine.
- 23 f. Any resolution authorizing the issuance of bonds or refunding
24 bonds pursuant to this section may also provide for the authority to
25 enter into any revolving credit agreement, agreement establishing a
26 line of credit or letter of credit, reimbursement agreement, interest rate
27 exchange agreement, currency exchange agreement, interest rate floor
28 or cap, options, puts or calls to hedge payment, currency, rate, spread
29 or similar exposure or similar agreements, float agreements, forward
30 agreements, insurance contracts, surety bonds, commitments to
31 purchase or sell bonds, purchase or sale agreements, or commitments
32 or other contracts or agreements and other security agreements
33 approved by the authority in connection with the issuance of the bonds
34 or refunding bonds pursuant to this section. The authority's payment
35 obligations under any such agreements may be secured by and payable
36 from any or all of the moneys, income or revenues of the authority
37 pledged to the payment of the bonds or by any appropriation, grant or
38 reimbursement to be received by the authority and other moneys or
39 funds as the authority shall determine.
- 40 g. The authority is authorized to engage the services of financial
41 advisors and experts, placement agents, underwriters, appraisers, and
42 other advisors, consultants and agents as may be necessary to
43 effectuate the financing of eligible projects of the authority.
- 44 h. Bonds and refunding bonds issued by the authority pursuant to
45 this section shall be special and limited obligations of the authority
46 payable from, and secured by, the funds, moneys, income or revenues

1 of the authority so specified in accordance with this section. Neither
2 the members of the authority nor any other person executing the bonds
3 or refunding bonds shall be personally liable with respect to payment
4 of principal, interest or redemption premium on the bonds or refunding
5 bonds. Bonds or refunding bonds issued pursuant to this section shall
6 not be a debt or liability of the State or any political subdivision
7 thereof, other than the authority, or any agency or instrumentality
8 thereof, except as otherwise provided by this subsection, either legal,
9 moral or otherwise, and nothing contained in this act shall be
10 construed to authorize the authority to incur any indebtedness on
11 behalf of or in any way to obligate the State or any political
12 subdivision thereof, and all bonds and refunding bonds issued by the
13 authority shall contain a statement to that effect on their face.

14 i. The State of New Jersey hereby covenants with the purchasers,
15 holders and owners, from time to time, of any bonds, notes or other
16 obligations secured in all or part from any funds, moneys, income or
17 revenues of the authority that it shall not repeal or reduce any fees,
18 charges or other sources of revenue securing such bonds while bonds
19 entitled to benefits from such fees, charges or other sources of revenue
20 so imposed are outstanding, and shall not modify or amend the
21 provisions of any law, so as to create any lien or charge on, or any
22 pledge, assignment, diversion, withholding payment or otherwise of or
23 deduction from the funds, moneys, income or revenues of the authority
24 securing such bonds which is prior in time or superior in right to any
25 payments required to be made pursuant to any bond covenants entered
26 into with the purchasers, holders and owners of the bonds so secured.

27 j. In any resolution of the authority authorizing or relating to the
28 issuance of bonds or notes or other obligations pursuant this act, the
29 authority, in order to secure the payment of the bonds or notes or
30 other obligations and in addition to its other powers, shall have power
31 by provisions therein which shall constitute covenants by the authority
32 and contracts with the holders of the bonds or notes or other
33 obligations:

34 (1) To pledge to any payment or purpose all or any part of its
35 revenues to which its right then exists or may thereafter come into
36 existence, and the moneys derived therefrom and the proceeds of any
37 bonds or notes or other obligations.

38 (2) To covenant against pledging all or any part of its revenues, or
39 against mortgaging all or any part of its real or personal property then
40 owned or thereafter acquired, or against permitting or suffering any
41 lien on its revenues or property.

42 (3) To covenant with respect to limitations on any right to sell,
43 lease or otherwise dispose of any project or any part thereof or any
44 property of any kind.

45 (4) To covenant as to any bonds and notes to be issued and the
46 limitations thereon and the terms and conditions thereof and as to the

1 custody, application, investment and disposition of the proceeds
2 thereof.

3 (5) To covenant as to the issuance of additional bonds or notes or
4 other obligations or as to limitations on the issuance of additional
5 bonds or notes and on the incurring of other debts by the authority.

6 (6) To covenant as to the payment of the principal of or interest on
7 the bonds or notes or any other obligations, as to the sources and
8 methods of that payment, as to the rank or priority of any bonds, notes
9 or other obligations with respect to any lien or security or as to the
10 acceleration of the maturity of any bonds, notes or obligations.

11 (7) To provide for the replacement of lost, stolen, destroyed or
12 mutilated bonds or notes.

13 (8) To covenant against extending the time for the payment of
14 bonds or notes or interest thereon.

15 (9) To covenant as to the redemption of bonds or notes or other
16 obligations and privileges of exchange thereof for other bonds or notes
17 or other obligations of the authority.

18 (10) To covenant to create or authorize the creation of special
19 funds or moneys to be held in pledge or otherwise for construction,
20 operating expenses, payment or redemption of bonds or notes or other
21 obligations, reserves or other purposes and as to the use and
22 disposition of the moneys held in the funds.

23 (11) To establish the procedure, if any, by which the terms of any
24 contract or covenant with or for the benefit of the holders of bonds or
25 notes or other obligations may be amended or abrogated, the amount
26 of bonds or notes the holders of which must consent thereto, and the
27 manner in which the consent may be given.

28 (12) To covenant as to the construction, operation or maintenance
29 of real property and personal property, the replacement thereof, the
30 insurance to be carried thereon, and the use and disposition of
31 insurance moneys.

32 (13) To provide for the release of property, leases or other
33 agreements, or revenues and receipts from any pledge or mortgage and
34 to reserve rights and powers in, or the right to dispose of, property
35 which is subject to a pledge or mortgage.

36 (14) To mortgage all or any part of its property, real or personal,
37 then owned or thereafter to be acquired.

38 (15) To provide for the rights and liabilities, powers and duties
39 arising upon the breach of any covenant, condition or obligation and
40 to prescribe the events of default and the terms and conditions upon
41 which any or all of the bonds, notes or other obligations of the
42 authority shall become or may be declared due and payable before
43 maturity and the terms and conditions upon which any declaration and
44 its consequences may be waived.

45 (16) To vest in a trustee or trustees within or without the State
46 such property, rights, powers and duties in trust as the authority may

1 determine and to limit the rights, powers and duties of the trustee.

2 (17) To pay the costs or expenses incident to the enforcement of
3 the bonds or notes or other obligations or of the provisions of the
4 resolution or of any covenant or agreement of the authority with the
5 holders of its bonds or notes.

6 (18) To limit the rights of the holder of any bonds or notes to
7 enforce any pledge or covenant securing bonds or notes.

8 (19) To make covenants other than and in addition to the
9 covenants herein expressly authorized, of like or different character,
10 and to make the covenants to do or refrain from doing any acts and
11 things as may be necessary, or convenient and desirable, in order to
12 better secure bonds or notes or other obligations or which, in the
13 absolute discretion of the authority, will tend to make bonds or notes
14 or other obligations more marketable, notwithstanding that the
15 covenants, acts or things may not be enumerated herein.

16

17 5. (New section) a. The Casino Reinvestment Development
18 Authority shall issue, upon the approval of the State Treasurer, bonds,
19 notes or other obligations, in an amount not to exceed \$62 million, the
20 proceeds of which shall be deposited into the Atlantic City Expansion
21 Fund created pursuant to subsection b. of this section. The principal
22 and interest of such bonds, notes or other obligations shall be repaid
23 exclusively from the revenues dedicated to the authority for this
24 purpose pursuant to section 6 of P.L.2003, c.116 (C.5:12-145.8).

25 b. The authority shall establish an Atlantic City Expansion Fund
26 into which the authority shall deposit the amount directed to be
27 deposited into the fund pursuant to subsection a. of this section.
28 Notwithstanding section 30 of P.L.1984, c.218 (C.5:12-178), the
29 authority shall make moneys on deposit in the fund available, in
30 amounts determined pursuant to subsection c. of this section, to each
31 casino licensee operating a casino hotel facility as of June 30, 2004 for
32 investment in an eligible casino hotel expansion project approved by
33 the authority which increases the number of casino hotel rooms in the
34 licensee's casino hotel facility. The authority shall not authorize
35 investment of moneys in the fund for a project that receives or is
36 anticipated to receive funding pursuant to the Casino Reinvestment
37 Development Authority Urban Revitalization Act, P.L. 2001, c.221
38 (C.5:12-173.9 et seq.), or section 8 of P.L.1993, c.159 (C.5:12-
39 173.8). The authority shall promulgate regulations establishing the
40 criteria governing the approval of eligible projects.

41 c. The authority shall determine the amount each casino licensee
42 shall be eligible to receive from the Atlantic City Expansion Fund. The
43 form, terms and maximum percentage of the cost of an eligible
44 expansion project to be received by each casino licensee shall be
45 determined by the authority by resolution. In the event that a casino
46 licensee has not submitted by June 30, 2014 an application that, if

1 approved, would exhaust its share of the Atlantic City Expansion
2 Fund, the remainder of such casino licensee's share of the fund shall be
3 transferred to its Atlantic City non-housing obligations pursuant to
4 section 3 of P.L.1984, c.218 (C.5:12-144.1).

5 d. The authority may, in its discretion, advance any of the funds in
6 the Atlantic City Expansion Fund to make a grant to an eligible project
7 located in North Jersey approved by the authority provided that the
8 authority has executed an agreement with casino licensees for the
9 repayment of the advanced amount from the funds devoted to the
10 financing of projects in North Jersey pursuant to the Casino
11 Reinvestment Development Authority Urban Revitalization Act,
12 P.L.2001, c.221 (C.5:12-173.9 et seq.) or from casino licensees'
13 investment alternative tax obligations devoted to the financing of
14 projects in North Jersey pursuant to section 3 of P.L.1984, c.218
15 (C.5:12-144.1).

16 e. (1) The Casino Reinvestment Development Authority shall issue,
17 upon the approval of the State Treasurer, bonds, notes or other
18 obligations, in an amount not to exceed \$31 million, which shall be
19 deposited into a special fund created pursuant to this subsection. The
20 principal and interest of such bonds, notes or other obligations shall be
21 repaid exclusively from revenues dedicated to the authority for this
22 purpose pursuant to section 6 of P.L.2003, c.116 (C.5:12-145.8).

23 (2) The authority shall establish a special fund into which the
24 authority shall deposit the amount directed to be deposited into the
25 fund pursuant to this subsection. The authority shall make half of the
26 moneys on deposit in the fund available for investment in projects
27 located in North Jersey, and half of the moneys on deposit in the fund
28 available for investment in projects located in South Jersey. For the
29 purposes of this paragraph, "South Jersey" means the counties of
30 Atlantic, Burlington, Camden, Cape May, Cumberland, Gloucester,
31 Mercer, Ocean, and Salem, except that "South Jersey" shall not
32 include the City of Atlantic City; and "North Jersey" means the
33 remaining 12 counties of the State.

34
35 6. Section 3 of P.L.2001, c.221 (C.5:12-173.11) is amended to
36 read as follows:

37 3. As used in this act:

38 "Authority" means the Casino Reinvestment Development Authority
39 established pursuant to P.L.1984, c.218 (C.5:12-153 et seq.);

40 "Baseline luxury tax revenue amount" or "baseline luxury tax"
41 means the annual amount of luxury tax receipts received pursuant to
42 P.L.1947, c.71 (C.40:48-8.15 et seq.) from the taxation of retail sales
43 or sales at retail originating from transactions at an
44 entertainment-retail district project for the last full calendar year
45 preceding the year in which the district project opens under the
46 incentive program;

1 "Casino hotel room fee fund" or "room fund" means the fund
2 established by the State Treasurer pursuant to section 8 of P.L.2001,
3 c.221 (C.5:12-173.16) into which shall be deposited the proceeds of
4 the hotel room use fees as specified pursuant to section 6 of P.L.2001,
5 c.221 (C.5:12-173.14);

6 "Casino reinvestment development authority urban revitalization
7 incentive program" or "incentive program" means the program
8 established pursuant to section 4 of P.L.2001, c.221 (C. 5:12-173.12)
9 and administered by the authority to facilitate the development of
10 entertainment-retail districts for the city of Atlantic City and to
11 promote urban revitalization throughout the State;

12 "Commissioner" means the Commissioner of Community Affairs;

13 "Department" means the Department of Community Affairs;

14 "District project grant" or "grant" means an amount rebated to the
15 authority pursuant to sections 7 or 8 of P.L.2001, c.221
16 (C.5:12-173.15 or 5:12-173.16) for disbursement to a casino licensee
17 that is approved by the authority for a district project or for retention
18 by the authority for an approved district project sponsored by the
19 authority;

20 "Entertainment-retail district" or "district" means one of ~~[six]~~
21 eleven areas within Atlantic City, designated by the authority under the
22 incentive program;

23 "Entertainment-retail district project" or "district project" means a
24 project or projects to be developed by the authority or any casino
25 licensed to operate in Atlantic City prior to ~~[January 1, 2001]~~ June
26 30, 2004, including, but not necessarily limited to, a minimum of
27 150,000 square feet of public space, retail stores, entertainment venues
28 ~~[and]~~ , restaurants, hotel rooms in non-casino hotels, residential units
29 or commercial office space, and may include, in addition, casino hotels
30 ~~[and]~~ , public parking facilities approved by the authority under the
31 incentive program, and may also include: the purchasing, leasing,
32 condemning, or otherwise acquiring of land or other property, or an
33 interest therein, approved by the authority pursuant to a project grant
34 agreement or as an authority sponsored project, or as necessary for a
35 right-of-way or other easement to or from the land or property, or the
36 relocating and moving of persons displaced by the acquisition of the
37 land or property; the rehabilitation and redevelopment of land or
38 property, approved pursuant to a project grant agreement or as an
39 authority sponsored project, including demolition, clearance, removal,
40 relocation, renovation, alteration, construction, reconstruction,
41 installation or repair of a building, street, highway, alley, utility,
42 service or other structure or improvement; the acquisition,
43 construction, reconstruction, rehabilitation, or installation of parking
44 and other improvements approved pursuant to a project grant
45 agreement or as an authority sponsored project; and the costs
46 associated therewith including the costs of an administrative appraisal,

1 economic and environmental analyses or engineering, planning, design,
2 architectural, surveying or other professional services approved
3 pursuant to a project grant agreement or as part of an authority
4 sponsored project;

5 "Entertainment-retail district project fund" or "project fund" means
6 the fund established by the State Treasurer pursuant to section 7 of
7 P.L.2001, c.221 (C.5:12-173.15) into which shall be deposited an
8 amount equivalent to the amount of receipts received from the taxation
9 of retail sales from a district project and from the taxation of
10 construction materials used for building a district project, as specified
11 pursuant to section 5 of P.L.2001, c.221 (C.5:12-173.13);

12 "Incremental luxury tax revenue amount" or "incremental luxury
13 tax" means the amount by which the annual luxury tax receipts
14 received pursuant to P.L.1947, c.71 (C.40:48-8.15 et seq.) from the
15 taxation of retail sales or sales at retail originating from transactions
16 at a district project in the year in which the district project opens under
17 the incentive program, and in each year thereafter, exceed the baseline
18 luxury tax, as determined by the State Treasurer; and

19 "Project grant agreement" means an agreement entered into
20 between the authority and a casino licensee, pursuant to section 4 of
21 P.L.2001, c.221 (C.5:12-173.12), that sets forth the terms and
22 conditions of approval for a district project and of eligibility for
23 district project grants, as determined by the authority.

24 (cf: P.L.2001, c.221, s.3)

25

26 7. Section 4 of P.L.2001, c.221 (C.5:12-173.12) is amended to
27 read as follows:

28 4. a. There is established the incentive program that shall be
29 administered by the authority. The purpose of the incentive program
30 is to facilitate the development of entertainment-retail districts for the
31 city of Atlantic City and to promote revitalization of other urban areas
32 in the State. The provisions of section 30 of P.L.1984, c.218
33 (C.5:12-178) shall not apply to the incentive program established
34 pursuant to this section. In order to implement the incentive program,
35 the authority is authorized to accept applications from casino licensees
36 ~~[on or before September 1, 2001]~~ on or before June 30, 2014 for
37 approval of a district project and to designate by resolution up to ~~[six]~~
38 eleven districts ~~[on or before September 30, 2001]~~ and to enter into
39 project grant agreements with casino licensees to develop district
40 projects within each district or to approve a district project sponsored
41 by the authority pursuant to section 12 of P.L.2001, c.221 (C.5:12-
42 173.20). The authority may disburse district project grants in
43 accordance with sections 7 and 8 of P.L.2001, c.221 (C.5:12-173.15
44 and 5:12-173.16) to casino licensees with approved district projects
45 or to the authority for ~~[an authority sponsored]~~ a district project
46 sponsored by the authority pursuant to section 12 of P.L.2001, c.221

1 (C.5:12-173.20) under the incentive program, if the authority
2 determines that:

3 (1) construction of the district project will commence [no later
4 than June 30, 2002] within two years of the authority's approval of the
5 district project, or as otherwise provided pursuant to the project grant
6 agreement with the authority, or pursuant to the district project plan
7 approved by the authority for an authority sponsored district project;

8 (2) a proposed district project plan submitted pursuant to section
9 10 of P.L.2001, c.221 (C.5:12-173.18) is economically sound and will
10 assist in the overall development of the city of Atlantic City and will
11 benefit the people of New Jersey by increasing employment
12 opportunities and strengthening New Jersey's economy;

13 (3) the disbursement of grants to a casino licensee is a material
14 factor in the licensee's decision to go forward with a district project;
15 and

16 (4) the casino licensee has agreed to invest a minimum of \$20
17 million in its investment alternative tax obligations under section 3 of
18 P.L.1984, c.218 (C.5:12-144.1), such obligation to be made in \$10
19 million increments to one or more entertainment-retail projects, or
20 housing and community development projects, approved by the
21 authority and the department, in an urban area outside of Atlantic City,
22 and designated by the commissioner as eligible for, and in need of the
23 project, pursuant to section 11 of P.L.2001, c.221 (C.5:12-173.19).
24 Notwithstanding the foregoing, the requirements of this paragraph
25 shall not apply with regard to the five district projects authorized by
26 this amendatory and supplementary act, P.L. , c. (now before the
27 Legislature as this bill).

28 b. Notwithstanding any provision to the contrary in P.L.2001,
29 c.221 (C.5:12-173.9 et al.), the authority and the commissioner jointly
30 may, in their discretion, also designate two entertainment-retail
31 projects, one in North Jersey and one in South Jersey, as eligible for
32 funds under the incentive program.

33 c. If construction of a designated district project does not
34 commence within the time required pursuant to this section, the
35 authority may remove that designation and, in accordance with
36 procedures adopted by the authority by resolution, accept applications
37 for and designate another district project of another casino licensee
38 notwithstanding the application time requirements of this section.

39 d. The authority may by resolution amend its designation of a
40 district project to increase the area of the district project by up to 50%
41 with the agreement of the casino licensee.

42 e. Notwithstanding any provision to the contrary in P.L.2001,
43 c.221 (C.5:12-173.9 et seq.), the authority is authorized to accept an
44 application from an entity other than a casino licensee on or before
45 June 30, 2014 for approval of a district project and to designate by
46 resolution an entertainment-retail district, enter into a project grant

1 agreement with such entity to develop a district project within the
2 district, maintain separate accounts as appropriate, and disburse
3 district project grants in accordance with sections 7 and 8 of P.L.2001,
4 c.221 (C.5:12-173.15 and 5:12-173.16) to such entity with an
5 approved district project under the incentive program.
6 (cf: P.L.2002, c.65, s.33)

7

8 8. Section 7 of P.L.2001, c.221 (5:12-173.15) is amended to read
9 as follows:

10 7. a. There is created a dedicated, nonlapsing project fund to be
11 held by the State Treasurer, which shall be the repository for all
12 moneys required to be deposited therein under section 5 of P.L.2001,
13 c.221 (C.5:12-173.13) and any moneys appropriated or otherwise
14 made available to the project fund.

15 b. All moneys deposited in the project fund shall be held and
16 disbursed, subject to the requirements of section 11 of P.L.2001, c.221
17 (C.5:12-173.19), in the form of district project grants as follows:

18 (1) an amount from the project fund equivalent to the total
19 revenues received pursuant to the "Sales and Use Tax Act," P.L.1966,
20 c.30 (C.54:32B-1 et seq.) from the taxation of construction materials
21 used for building a district project approved by the authority pursuant
22 to a project grant agreement, or for building a district project
23 sponsored by the authority, shall be rebated in the form of a one-time
24 grant to the authority for disbursement to the casino licensee with an
25 approved district project or to the authority for an authority sponsored
26 district project;

27 (2) an amount from the project fund equivalent to the total
28 revenues received pursuant to the "Sales and Use Tax Act," P.L.1966,
29 c.30 (C.54:32B-1 et seq.) from the taxation of retail sales of tangible
30 property and services originating from and delivered from business
31 locations in a district project approved by the authority pursuant to a
32 project grant agreement or from business locations in a district project
33 sponsored by the authority, shall be rebated in the form of annual
34 grants (a) to the authority for disbursement to the casino licensee with
35 an approved district project, or to the authority for an authority
36 sponsored district project, with each annual grant not to exceed \$2.5
37 million per district project and payable annually for 20 years from the
38 date of completion of the district project, or until such time as the
39 combined total of grants disbursed under this section and under
40 section 8 of P.L.2001, c.221 (C.5:12-173.16) equals the approved cost
41 of the district project, as determined by the authority, whichever is
42 earlier, and (b) from the amounts remaining after such disbursement
43 in (a), to the authority for its purposes pursuant to law, as approved
44 by the membership of the authority, with each annual grant not to
45 exceed \$2.5 million per district project and payable annually for 20
46 years from the date of completion of the district project;

1 (3) the balance of the revenues in the project fund shall be
2 deposited in the General Fund if the authority, in consultation with the
3 State Treasurer, determines that the revenues are no longer needed for
4 the purposes of the project fund or for the uses prescribed in
5 P.L.2001, c.221 (C.5:12-173.9 et al.).

6 c. The State Treasurer may invest and reinvest any moneys in the
7 project fund, or any portion thereof, in legal obligations of the United
8 States or of the State or any political subdivision thereof. Any income
9 from, interest on, or increment to moneys so invested or reinvested
10 shall be included in the project fund.

11 (cf: P.L.2002, c.65, s.34)

12

13 9. Section 8 of P.L.2001, c.221 (C.5:12-173.16) is amended to
14 read as follows:

15 8. a. There is created a dedicated, nonlapsing room fund to be held
16 by the State Treasurer, which shall be the repository for all moneys
17 required to be deposited therein under section 6 of P.L.2001, c.221
18 (C.5:12-173.14) and any moneys appropriated or otherwise made
19 available to the room fund.

20 b. All moneys deposited in the room fund shall be held and
21 disbursed, subject to the requirements of section 11 of P.L.2001, c.221
22 (C.5:12-173.19), in the form of district projects grants as follows:

23 (1) an amount from the room fund equivalent to the incremental
24 luxury tax for a district project approved by the authority pursuant to
25 a project grant agreement or for a district project sponsored by the
26 authority, shall be rebated in the form of annual grants from the room
27 fund to the authority for disbursement to the casino licensee with an
28 approved district project, or to the authority for an authority
29 sponsored district project, and shall be payable annually [until
30 December 31, 2022] for 20 years from the date of completion of the
31 district project, or until [the date on which] such time as the
32 combined total of grants disbursed under this section and under
33 section 7 of P.L.2001, c.221 (C.5:12-173.15) equals the approved cost
34 of the district project, as determined by the authority, whichever is
35 earlier;

36 (2) the balance of the revenues in the room fund shall be deposited
37 in the special fund established pursuant to section 3 of P.L.1991, c.376
38 (C.40:48-8.47) if the authority, in consultation with the State
39 Treasurer, determines that the revenues are no longer needed for the
40 purposes of the room fund or for the uses prescribed in P.L.2001,
41 c.221 (C.5:12-173.9 et al.).

42 c. The State Treasurer may invest and reinvest any moneys in the
43 room fund, or any portion thereof, in legal obligations of the United
44 States or of the State or any political subdivision thereof. Any income
45 from, interest on, or increment to moneys so invested or reinvested
46 shall be included in the room fund.

47 (cf: P.L.2001, c.221, s.8)

1 10. Section 12 of P.L.2001, c.221 (C.5:12-173.20) is amended to
2 read as follows:

3 12. Notwithstanding any provision to the contrary in P.L.2001,
4 c.221 (C.5:12-173.9 et al.), [in the event that fewer than six district
5 projects are proposed by casino licensees, and approved by the
6 authority,] the authority may sponsor a district project which meets
7 the criteria of paragraphs (1) and (2) of subsection a. of section 4 of
8 P.L.2001, c.221 (C.5:12-173.12), and in that event, paragraphs (3)
9 and (4) of subsection a. of section 4 of P.L.2001, c.221
10 (C.5:12-173.12) are not applicable to the authority and the grants
11 otherwise payable to a casino licensee pursuant to paragraphs (1) and
12 (2) of subsection b. of section 7 and paragraph (1) of subsection b. of
13 section 8 of P.L.2001, c.221 (C.5:12-173.15 and 5:12-173.16) shall be
14 payable to the authority.

15 (cf: P.L.2001, c.221, s.12)

16

17 11. Section 5 of P.L.1984, c.218 (C.5:12-153) is amended to read
18 as follows:

19 5. a. There is established in, but not of, the Department of the
20 Treasury a Casino Reinvestment Development Authority to consist of
21 the following members:

22 (1) Six members appointed by the Governor with the advice and
23 consent of the Senate for terms of four years, except that of the initial
24 members to be appointed pursuant to this 1991 amendatory act,
25 P.L.1991, c.219, one shall be appointed for a term of two years and
26 one for a term of four years;

27 (2) ~~One member~~ Two members appointed by the Governor upon
28 the recommendation of the President of the Senate for a term of four
29 years [, except that the initial member to be appointed shall be
30 appointed for a term of three years];

31 (3) ~~One member~~ Two members appointed by the Governor upon
32 the recommendation of the Speaker of the General Assembly for a
33 term of four years[, except that the initial member to be appointed
34 shall be appointed for a term of one year];

35 (4) A member of the Casino Control Commission, who shall be
36 appointed by the Governor and shall be a voting member of the
37 authority;

38 (5) The mayor of Atlantic City, ex officio and voting;

39 (6) The Attorney General and the State Treasurer, ex officio and
40 voting;

41 (7) Two casino industry representatives, both of whom shall be
42 voting members, appointed by the Governor for terms of two years,
43 except that of the initial appointees, one shall serve for a term of one
44 year and one for a term of two years. No person shall be reappointed
45 to succeed himself as a casino industry representative member, and no
46 person appointed shall be an employee, officer or agent of the same

1 casino licensee as the person whom he succeeds as a casino industry
2 representative member; and

3 (8) One member appointed by the Governor to serve ex officio as
4 a voting member, who shall be either the Commissioner of the
5 Department of Commerce and Economic Development or the
6 Commissioner of the Department of Community Affairs, or the
7 Governor may appoint, in lieu thereof, an additional member of the
8 Casino Control Commission as a voting member.

9 No more than four of the voting members appointed by the
10 Governor pursuant to paragraph (1) of this subsection shall be of the
11 same political party.

12 In the appointment of members of the authority, consideration
13 should be given to achieving a membership of high quality and varied
14 experience, with special emphasis on the fields of banking, finance,
15 investment, and housing and urban development.

16 b. Each member appointed by the Governor shall hold office for
17 the term of his appointment and until his successor shall have been
18 appointed and qualified. A member shall be eligible for reappointment.
19 Any vacancy in the membership occurring other than by expiration of
20 term shall be filled in the same manner as the original appointment but
21 for the unexpired term only.

22 c. The member or members of the Casino Control Commission
23 appointed by the Governor shall serve as a member or members of the
24 Casino Reinvestment Development Authority at the pleasure of the
25 Governor, subject to the limitations in subsections c., f., and h. of
26 section 52 of P.L.1977, c.110 (C.5:12-52). Such a member may be
27 removed or suspended from office as a member of the Casino
28 Reinvestment Development Authority as provided in section 6 of this
29 act. Any removal or suspension from office of a member of the Casino
30 Control Commission from the Casino Reinvestment Development
31 Authority shall not affect his office held as a member of the Casino
32 Control Commission. Removal from office as a member of the Casino
33 Control Commission may only be done in accordance with subsection
34 g. of section 52 of P.L.1977, c.110 (C.5:12-52).

35 (cf: P.L.1996, c.118, s.4)

36

37 12. Section 7 of P.L.1984, c.218 (C.5:12-155) is amended to read
38 as follows:

39 7. The Governor shall designate from among the appointed and
40 voting public members, a chairman and a vice chairman of the Casino
41 Reinvestment Development Authority, who shall serve in those
42 capacities at the pleasure of the Governor. The powers of the Casino
43 Reinvestment Development Authority shall be vested in the members
44 thereof in office from time to time and [~~eight~~] nine voting members
45 of the Casino Reinvestment Development Authority shall constitute a
46 quorum at any meeting thereof. Action may be taken by motions and

1 resolutions adopted by the Casino Reinvestment Development
2 Authority at any meeting thereof by the affirmative vote of at least
3 ~~[eight]~~ nine members of the Casino Reinvestment Development
4 Authority. No vacancy in the membership of the Casino Reinvestment
5 Development Authority shall impair the right of a quorum of the
6 members to exercise all the powers and perform all the duties of the
7 Casino Reinvestment Development Authority.

8 (cf: P.L.1996, c.118, s.5)

9

10 13. Section 13 of P.L.2001, c.221 (C.5:12-173.21) is repealed.

11

12 14. This act shall take effect immediately.

13

14

15

16

17 _____
18 Extends certain casino tax obligation to 50 years; gives CRDA general
19 bonding authority; authorizes CRDA to bond for certain purposes;
20 extends incentive program and adds five districts under CRDA Urban
Revitalization Act; expands CRDA board.

ASSEMBLY, No. 3121

STATE OF NEW JERSEY 211th LEGISLATURE

INTRODUCED JUNE 21, 2004

Sponsored by:

Assemblyman JEFF VAN DREW

District 1 (Cape May, Atlantic and Cumberland)

Assemblyman JOSEPH J. ROBERTS, JR.

District 5 (Camden and Gloucester)

Assemblyman FRANCIS J. BLEE

District 2 (Atlantic)

Co-Sponsored by:

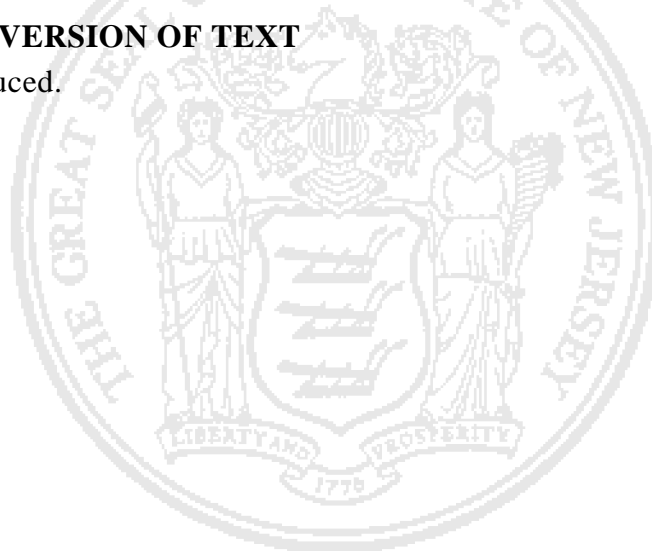
Assemblyman Vas

SYNOPSIS

Extends casino investment alternative tax obligation to 50 years; authorizes CRDA to bond for certain purposes; extends incentive program and adds five districts under CRDA Urban Revitalization Act.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 6/22/2004)

A3121 VAN DREW ROBERTS

2

1 AN ACT concerning the Casino Reinvestment Development Authority
2 and casino licensees, amending P.L.2001, c.221 and P.L.2003,
3 c.116, and amending and supplementing P.L.1984, c.218 (C.5:12-
4 153 et seq.).

5

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

8

9 1. Section 3 of P.L.1984, c.218 (C.5:12-144.1) is amended to read
10 as follows:

11 3. a. (1) Commencing with the first annual tax return of a licensee
12 for any calendar year beginning after December 31, 1983, there is
13 imposed an investment alternative tax on the gross revenues as defined
14 in section 24 of P.L.1977, c.110 (C.5:12-24) of the licensee in the
15 amount of 2.5% of those gross revenues. The tax imposed with
16 respect to each calendar year shall be due and payable on the last day
17 of April next following the end of the calendar year. The State
18 Treasurer shall have a lien against the property constituting the casino
19 of a licensee for the amount of any tax not paid when due. No tax
20 shall be imposed, however, on the gross revenues received by a
21 licensee during the first 12 months of the operation of any casino that
22 commences operation after January 1, 1984, but prior to the effective
23 date of this act, P.L.1996, c.118 (C.5:12-173.3a et al.).

24 (2) A licensee shall pay to the State Treasurer on or before the 15th
25 day of the first, fourth, seventh, and 10th months of each year as
26 partial payment of the investment alternative tax imposed pursuant to
27 paragraph (1) of this subsection an amount equal to 1.25% of the
28 estimated gross revenues for the three-month period immediately
29 preceding the first day of those months. The moneys received shall be
30 placed in an escrow account and shall be held until the licensee directs
31 that the moneys be transferred to the Casino Reinvestment
32 Development Authority for the purchase of bonds issued by or offered
33 through the Casino Reinvestment Development Authority or pursuant
34 to a contract for such a purchase, be made available to the licensee for
35 a direct investment approved by the authority, or be transferred to the
36 Casino Revenue Fund as partial payment of the investment alternative
37 tax imposed pursuant to paragraph (1) of this subsection. Any interest
38 derived from the moneys in the escrow account shall be paid or made
39 available to the Casino Revenue Fund. If a licensee fails to pay the
40 amount due or underpays by an unjustifiable amount, the Casino
41 Control Commission shall impose a fine of 5% of the amount due or
42 of the underpayment, as the case may be, for each month or portion
43 thereof the licensee is in default of payment, up to 25% of the amount

EXPLANATION - Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

1 in default. Any fine imposed shall be paid to the Casino Reinvestment
2 Development Authority and shall be used for the purposes of this 1984
3 amendatory and supplementary act.

4 b. Each licensee shall be entitled to an investment tax credit against
5 the tax imposed by subsection a. of this section, provided the licensee
6 shall pay over the moneys required pursuant to section 5 of P.L.1993,
7 c.159 (C.5:12-173.5): (1) for the first 10 years of a licensee's tax
8 obligation, in an amount equal to twice the purchase price of bonds
9 issued by the Casino Reinvestment Development Authority pursuant
10 to sections 14 and 15 of this 1984 amendatory and supplementary act,
11 purchased by the licensee, or twice the amount of the investments
12 authorized in lieu thereof, and (2) for the remainder of a licensee's tax
13 obligation, in an amount equal to twice the purchase price of bonds
14 issued by the Casino Reinvestment Development Authority pursuant
15 to sections 14 and 15 of this 1984 amendatory and supplementary act,
16 purchased by the licensee, or twice the amount of the investments
17 authorized in lieu thereof, and twice the amount of investments made
18 by a licensee in other approved eligible investments made pursuant to
19 section 25 of this act. The Casino Reinvestment Development
20 Authority shall have the power to enter into a contract or contracts
21 with a licensee pursuant to which the Casino Reinvestment
22 Development Authority agrees to issue and sell bonds to the licensee,
23 and the licensee agrees to purchase the bonds issued by or offered
24 through the Casino Reinvestment Development Authority, in annual
25 purchase price amounts as will constitute a credit against at least 50%
26 of the tax to become due in any future year or years. The contract
27 may contain those terms and conditions relating to the terms of the
28 bonds and to the issuance and sale of the bonds to the licensee as the
29 Casino Reinvestment Development Authority shall deem necessary or
30 desirable. The contract shall not be deemed to be in violation of
31 section 104 of P.L.1977, c.110 (C.5:12-104). After the first 10 years
32 of a licensee's investment alternative tax obligation, a licensee will
33 have the option of entering into a contract with the Casino
34 Reinvestment Development Authority to have its tax credit comprised
35 of direct investments in approved eligible projects. These direct
36 investments shall not comprise more than 50% of a licensee's eligible
37 tax credit in any one year.

38 The entering of a contract pursuant to this section shall be sufficient
39 to entitle a licensee to an investment tax credit for the appropriate tax
40 year.

41 c. A contract entered into between a licensee and the Casino
42 Reinvestment Development Authority may provide for a deferral of
43 payment for and delivery of bonds required to be purchased and for a
44 deferral from making approved eligible investments in any year, but no
45 deferral shall occur more than two years consecutively. A deferral of
46 payment for any bonds required to be purchased by a licensee and a

1 deferral from making approved eligible investments may be granted by
2 the Casino Reinvestment Development Authority only upon a
3 determination by the Casino Control Commission that purchase of
4 these bonds or making approved eligible investments would cause
5 extreme financial hardship to the licensee and a determination by the
6 Casino Reinvestment Development Authority that the deferral of the
7 payment would not violate any covenant or agreement or impair any
8 financial obligation of the Casino Reinvestment Development
9 Authority. The contract may establish a late payment charge to be
10 paid in the event of deferral or other late payment at a rate as shall be
11 agreed to by the Casino Reinvestment Development Authority. If a
12 deferral of purchase or investment is granted, the licensee shall be
13 deemed to have made the purchase or investment at the time required
14 by the contract, except that if the purchase is not made at the time to
15 which the purchase or investment was deferred, then the licensee shall
16 be deemed not to have made the purchase or investment. The Casino
17 Control Commission shall adopt regulations establishing a uniform
18 definition of extreme financial hardship applicable to all these
19 contracts. If a licensee petitions the Casino Reinvestment
20 Development Authority for a deferral, the Casino Reinvestment
21 Development Authority shall give notice of that petition to the Casino
22 Control Commission and to the Division of Gaming Enforcement
23 within three days of the filing of the petition. The Casino Control
24 Commission shall render a decision within 60 days of notice as to
25 whether the licensee has established extreme financial hardship, after
26 consultation with the Division of Gaming Enforcement. The Casino
27 Reinvestment Development Authority shall render a decision as to the
28 availability of the deferral within 10 days of the receipt by it of the
29 decision of the Casino Control Commission and shall notify the
30 Division of Gaming Enforcement and the Casino Control Commission
31 of that decision. If a deferral is granted, the Casino Reinvestment
32 Development Authority may determine whether the purchases or
33 investments shall be made in a lump sum, made over a period of years,
34 or whether the period of obligation shall be extended an additional
35 period of time equivalent to the period of time deferred.

36 d. The license of any licensee which has defaulted in its obligation
37 to make any purchase of bonds or investment in any approved eligible
38 project under a contract entered into pursuant to subsection b. of this
39 section for a period of 90 days may be suspended by the Casino
40 Control Commission until that purchase is made or deferred in
41 accordance with subsection b. of this section, or a fine or other penalty
42 may be imposed upon the licensee by the commission. If the Casino
43 Control Commission elects not to suspend the license of a licensee
44 after the licensee has first defaulted in its obligation but instead
45 imposes some lesser penalty and the licensee continues to be in default
46 of its obligation after a period of 30 additional days and after any

1 additional 30-day period, the commission may impose another fine or
 2 penalty upon the licensee, which may include suspension of that
 3 licensee's license. The fine shall be 5% of the amount of the obligation
 4 owed for each month or portion thereof a licensee is in default, up to
 5 25% of that obligation; shall be paid to the Casino Reinvestment
 6 Development Authority; and shall be used for the purposes of this
 7 1984 amendatory and supplementary act.

8 e. A contract entered into by a licensee and the Casino
 9 Reinvestment Development Authority pursuant to subsection b. of this
 10 section may provide that after the first 10 years of a licensee's
 11 investment alternative tax obligation imposed by subsection a. of this
 12 section, the Casino Reinvestment Development Authority may
 13 repurchase bonds previously sold to the licensee, which were issued
 14 after the 10th year of a licensee's investment alternative tax obligation,
 15 by the Casino Reinvestment Development Authority, if the Casino
 16 Reinvestment Development Authority determines that the repurchase
 17 will not violate any agreement or covenant or impair any financial
 18 obligation of the Casino Reinvestment Development Authority and
 19 that the licensee will reinvest the proceeds of the resale in an eligible
 20 project approved by the Casino Reinvestment Development Authority.

21 f. (1) During the first 35 years a licensee is obligated to pay an
 22 investment alternative tax pursuant to subsection k. of this section, the
 23 total of (a) the proceeds of all bonds purchased by a licensee from or
 24 through the Casino Reinvestment Development Authority and (b) all
 25 approved investments in eligible projects by a licensee shall be devoted
 26 to the financing of projects in the following areas and amounts:

27

28 Areas	Yrs.	Yrs.	Yrs.	Yrs.	Yrs.	Yrs.	Yrs.	Yrs.	Yrs.
29	1-3	4-5	6-10	11-15	16-20	21-25	26-30	31-35	
30 a) Atlantic City	100%	90%	80%	50%	30%	20%			
31 b) South Jersey		8%	12%	28%	43%	45%		25%	
32 c) North Jersey		2%	8%	22%	27%	35%	35%	50%	
33 d) Atlantic City									
34 through the Atlantic									
35 City Fund							65%	25%	

36 except that, with respect to the obligations for calendar years 1994
 37 through 1998, the amount allocated for the financing of projects in
 38 North Jersey from each casino licensee's obligation shall be the amount
 39 allocated for calendar year 1993, and the difference between that
 40 amount and the amount to be allocated to North Jersey, on the basis
 41 of the above schedule, from each casino licensee's obligations for
 42 calendar years 1994 through 1998 shall be paid into or credited to the
 43 Atlantic City Fund established by section 44 of P.L.1995, c.18
 44 (C.5:12-161.1) and be devoted to the financing of projects in Atlantic
 45 City through that fund. For the purposes of this paragraph, "South
 46 Jersey" means the counties of Atlantic, Burlington, Camden, Cape

1 May, Cumberland, Gloucester, Mercer, Ocean, and Salem; and "North
2 Jersey" means the remaining 12 counties of the State. For the purposes
3 of this 1984 amendatory and supplementary act, bond "proceeds"
4 means all funds received from the sale of bonds and any funds
5 generated or derived therefrom.

6 In the financing of projects outside Atlantic City, the Casino
7 Reinvestment Development Authority shall give priority to the
8 revitalization of the urban areas of this State in the ways specified in
9 section 12 of this 1984 amendatory and supplementary act. Those
10 areas shall include, but not be limited to, all municipalities qualifying
11 for aid pursuant to P.L.1978, c.14 (C.52:27D-178 et seq.).

12 Within nine months from the effective date of this 1984 amendatory
13 and supplementary act, the Casino Reinvestment Development
14 Authority shall determine the allocation of projected available moneys
15 to municipalities in South Jersey for the first seven years of their
16 receipt of funds, giving priority to the revitalization of the urban areas
17 of the region. Municipalities receiving such an allocation shall present
18 to the Casino Reinvestment Development Authority for its approval
19 comprehensive plans or projects for which the allocations shall be
20 used. Any such comprehensive plan or project may be submitted to
21 the Casino Reinvestment Development Authority for a determination
22 of eligibility at any time prior to the year for which the funds are
23 allocated, and the Casino Reinvestment Development Authority shall
24 make a determination of eligibility of the plan or project within a
25 reasonable amount of time. If the Casino Reinvestment Development
26 Authority makes a positive determination of eligibility for any
27 comprehensive plan or project, or combination of comprehensive plans
28 or projects, for any municipality whose total cost exceeds the amount
29 allocated to that municipality for the first seven years of the receipt of
30 funds by South Jersey municipalities, the Casino Reinvestment
31 Development Authority shall make available sufficient funds in
32 subsequent years necessary to complete those plans or projects, or to
33 complete that portion of the plan or project originally agreed to be
34 funded through the Casino Reinvestment Development Authority, from
35 funds received by the Casino Reinvestment Development Authority in
36 the years following the seventh year of the receipt of funds by South
37 Jersey municipalities. If the comprehensive plan or project is
38 determined by the Casino Reinvestment Development Authority not to
39 be an eligible plan or project, the municipality may submit any other
40 comprehensive plan or project for a determination of eligibility. If,
41 however, the municipality fails to receive a positive determination of
42 eligibility for any comprehensive plan or project, or combination of
43 comprehensive plans or projects, sufficient to exhaust the total
44 allocation to that municipality for any year prior to April 30 of the
45 following year for which the allocation was made, the allocation to
46 that municipality for that year shall cease, and the Casino

1 Reinvestment Development Authority may apply those excess funds to
2 any other comprehensive plan or project in any other municipality in
3 the region whose comprehensive plan or project has received a
4 positive determination of eligibility by the Casino Reinvestment
5 Development Authority.

6 Within 36 months from the effective date of this 1984 amendatory
7 and supplementary act, the Casino Reinvestment Development
8 Authority shall determine the allocation of projected available moneys
9 to municipalities in North Jersey for the first five years of their receipt
10 of funds, giving priority to the revitalization of the urban areas of the
11 region. Municipalities receiving such an allocation shall present to the
12 Casino Reinvestment Development Authority for its approval
13 comprehensive plans or projects for which the allocations shall be
14 used. Any such comprehensive plan or project may be submitted to
15 the Casino Reinvestment Development Authority for a determination
16 of eligibility at any time prior to the year for which the funds are
17 allocated, and the Casino Reinvestment Development Authority shall
18 make a determination of eligibility of the plan or project within a
19 reasonable amount of time. If the Casino Reinvestment Development
20 Authority makes a positive determination of eligibility for any
21 comprehensive plan or project, or combination of comprehensive plans
22 or projects, for any municipality whose total cost exceeds the amount
23 allocated to that municipality for the first five years of the receipt of
24 funds by North Jersey municipalities, the Casino Reinvestment
25 Development Authority shall make available sufficient funds in
26 subsequent years necessary to complete those plans or projects, or to
27 complete that portion of the plan or project originally agreed to be
28 funded through the Casino Reinvestment Development Authority, from
29 funds received by the Casino Reinvestment Development Authority in
30 the years following the fifth year of the receipt of funds by North
31 Jersey municipalities. If the comprehensive plan or project is
32 determined by the Casino Reinvestment Development Authority not to
33 be an eligible plan or project, the municipality may submit any other
34 comprehensive plan or project for a determination of eligibility. If,
35 however, the municipality fails to receive a positive determination of
36 eligibility for any comprehensive plan or project, or combination of
37 comprehensive plans or projects, sufficient to exhaust the total
38 allocation to that municipality for any year prior to April 30 of the
39 following year for which the allocation was made, the allocation to
40 that municipality for that year shall cease, and the Casino
41 Reinvestment Development Authority may apply those excess funds to
42 any other comprehensive plan or project in any other municipality in
43 the region whose comprehensive plan or project has received a
44 positive determination of eligibility by the Casino Reinvestment
45 Development Authority.

46 (2) Commencing with the first year in which a licensee incurs a tax

1 obligation pursuant to this section, and for the period of two years
2 thereafter, 100% of the proceeds of all bonds purchased by a licensee
3 from the Casino Reinvestment Development Authority which are
4 devoted to the financing of projects in the city of Atlantic City
5 pursuant to paragraph (1) of this subsection shall be used exclusively
6 to finance the rehabilitation, development, or construction of, or to
7 provide mortgage financing of, housing facilities in the city of Atlantic
8 City for persons or families of low through middle income, as defined
9 in this subsection. For the purposes of this subsection, the
10 "rehabilitation, development, or construction of housing facilities"
11 shall include expenses attributable to site preparation, infrastructure
12 needs and housing-related community facilities and services, including
13 supporting commercial development. Commencing with the fourth
14 year in which a licensee incurs a tax obligation pursuant to this
15 subsection, 50% of the proceeds of all bonds purchased by a licensee
16 from the Casino Reinvestment Development Authority which are
17 devoted to the financing of projects in the city of Atlantic City shall be
18 used exclusively to finance the rehabilitation, development, or
19 construction of housing facilities in the city of Atlantic City for
20 persons or families of low through middle income. Commencing with
21 the 11th year in which a licensee incurs a tax obligation pursuant to
22 this section, 50% of the annual aggregate of the proceeds of bonds
23 purchased by a licensee from the Casino Reinvestment Development
24 Authority which are devoted to the financing of projects in the city of
25 Atlantic City and investments in approved eligible projects commenced
26 by a licensee in the city of Atlantic City shall be used exclusively to
27 finance the rehabilitation, development, or construction of, or to
28 provide mortgage financing of, housing facilities in the city of Atlantic
29 City for persons or families of low through middle income.

30 (3) The Legislature finds that it is necessary to provide for a
31 balanced community and develop a comprehensive housing program.
32 The Casino Reinvestment Development Authority shall determine the
33 need for housing in the city of Atlantic City, in consultation with the
34 city of Atlantic City and specifically its zoning and planning boards.
35 This shall include determining the types and classes of housing to be
36 constructed and the number of units of each type and class of housing
37 to be built. The Casino Reinvestment Development Authority shall
38 give priority to the housing needs of the persons and their families
39 residing in the city of Atlantic City in 1983 and continuing such
40 residency through the effective date of this 1984 amendatory and
41 supplementary act. The actual percentage of the proceeds of bonds
42 and investments in approved eligible projects commenced by a licensee
43 in the city of Atlantic City, which shall be used exclusively to finance
44 the rehabilitation, development, or construction of, or to provide
45 mortgage financing of, housing facilities in the city of Atlantic City for
46 persons or families of low through middle income, shall be based upon

1 the authority's determination of the need for housing in the city of
2 Atlantic City conducted pursuant to this subsection. Once the housing
3 needs of the persons residing in the city of Atlantic City in 1983 and
4 continuing such residency through the effective date of this 1984
5 amendatory and supplementary act have been met, as determined by
6 the Casino Reinvestment Development Authority pursuant to this
7 subsection, any required percentages for such housing in the city of
8 Atlantic City may, in its sole discretion, be waived by the Casino
9 Reinvestment Development Authority. To aid the Casino
10 Reinvestment Development Authority in making these determinations,
11 the Casino Reinvestment Development Authority shall review the
12 proposal for a housing redevelopment program and strategy for the
13 city of Atlantic City approved and adopted by the Casino Control
14 Commission and shall give priority to same and any other plan or
15 project which is consistent with the standards of this subsection and is
16 acceptable to the Casino Reinvestment Development Authority,
17 pursuant to section 25 of this 1984 amendatory and supplementary act.
18 The Casino Reinvestment Development Authority may determine
19 whether the funds used to finance housing facilities in the city of
20 Atlantic City for persons or families of low, moderate, median range,
21 and middle income are derived from the proceeds of bonds purchased
22 by a licensee from the Casino Reinvestment Development Authority to
23 be devoted to the financing of projects in the city of Atlantic City,
24 investments in approved eligible projects commenced by a licensee in
25 the city of Atlantic City, or a combination of both. Any investment
26 made by a licensee in excess of 100% of its eligible investment tax
27 credit during the first three years and in excess of 50% thereafter in
28 either the purchase of bonds or direct investments in approved eligible
29 projects for low, moderate, median range, and middle income family
30 housing facilities in the city of Atlantic City may be carried forward
31 and credited against the licensee's obligation to make a 100%
32 investment during the first three years and 50% thereafter in low,
33 moderate, median range, and middle income family housing in any
34 future year, with the approval of the Casino Reinvestment
35 Development Authority. For the purposes of this act, "low income
36 families" means families whose income does not exceed 50% of the
37 median income of the area, with adjustments for smaller and larger
38 families. "Moderate income families" means families whose income
39 does not exceed 80% and is not less than 50% of the median income
40 for the area, with adjustments for smaller and larger families. "Median
41 range income families" means families whose income does not exceed
42 120% and is not less than 80% of the median income for the area, with
43 adjustments for smaller and larger families. "Middle income families"
44 means families whose income does not exceed 150% and not less than
45 120% of the median income for the area, with adjustments for smaller
46 and larger families. "Median income" means an income defined as

1 median within the Standard Metropolitan Statistical Area for Atlantic
2 City by the United States Department of Housing and Urban
3 Development.

4 In order to achieve a balanced community, the authority shall
5 ensure that the development of housing for families of low and
6 moderate income shall proceed at the same time as housing for families
7 of median range and middle income, until such time as there is no
8 longer a need for such facilities in the city of Atlantic City, as
9 determined by the Casino Reinvestment Development Authority.

10 (4) Notwithstanding any other law or section to the contrary,
11 particularly this subsection regarding the waiver of the required
12 percentages for housing in the city of Atlantic City, subsection I. of
13 section 14, and sections 26, 27, 28, 29, and 31 of this 1984
14 amendatory and supplementary act, nothing shall be implemented or
15 waived by the Casino Reinvestment Development Authority which
16 would reduce, impair, or prevent the fulfillment of the priorities
17 established and contained in this subsection of this 1984 amendatory
18 and supplementary act.

19 g. If a person is a licensee with regard to more than one approved
20 hotel pursuant to section 82 of P.L.1977, c.110 (C.5:12-82), the
21 person shall separately account for the gross revenues, the investment
22 alternative tax obligations, and the investments for a tax credit against
23 the investment alternative tax for each approved hotel, and the tax
24 obligations of the licensee under this section shall be determined
25 separately for each approved hotel. The licensee may apportion
26 investments between its approved hotels; provided that no amount of
27 investment shall be credited more than once. If a licensee receives the
28 prior approval of the Casino Reinvestment Development Authority, the
29 licensee may make eligible investments in excess of the investments
30 necessary to receive a tax credit against the investment alternative tax
31 for a given calendar year, and the licensee may carry forward this
32 excess investment and have it credited to its next investment
33 alternative tax obligation. If the Casino Reinvestment Development
34 Authority approves of such excess investment and approves the carry
35 forward of this excess investment, and a licensee elects to purchase
36 bonds of the Casino Reinvestment Development Authority or makes
37 direct investments in approved eligible projects in excess of the
38 investments necessary to receive a tax credit against the investment
39 alternative tax for its current obligation, the licensee shall be entitled
40 to a reduction of the amount of investments necessary in future years,
41 which amount shall be determined annually by the Casino
42 Reinvestment Development Authority, taking into account a current
43 market discount rate from the date of the purchase or investment to
44 the date the purchase or investment would have been required to be
45 made.

46 h. Each casino licensee shall prepare and file, in a form prescribed

1 by the Casino Reinvestment Development Authority, an annual return
2 reporting that financial information as shall be deemed necessary by
3 the Casino Reinvestment Development Authority to carry out the
4 provisions of this act. This return shall be filed with the Casino
5 Reinvestment Development Authority and the Casino Control
6 Commission on or before April 30 following the calendar year on
7 which the return is based. The Casino Control Commission shall
8 verify to the Casino Reinvestment Development Authority the
9 information contained in the report, to the fullest extent possible.
10 Nothing in this subsection shall be deemed to affect the due dates for
11 making any investment or paying any tax under this section.

12 i. Any purchase by a licensee of bonds issued by or offered through
13 the Casino Reinvestment Development Authority pursuant to sections
14 14 and 15 of this act and subsection b. of this section and all approved
15 eligible investments made by a licensee pursuant to section 25 of this
16 act and subsection b. of this section are to be considered investments
17 and not taxes owed or grants to the State or any political subdivision
18 thereof. As such, a licensee shall have the possibility of the return of
19 principal and a return on the capital invested as with other
20 investments. Investors in the bonds issued by or offered through the
21 Casino Reinvestment Development Authority shall be provided with
22 an opinion from a recognized financial rating agency or a financial
23 advisory firm with national standing that each loan of bond proceeds
24 by the Casino Reinvestment Development Authority has the minimum
25 characteristics of an investment, in that a degree of assurance exists
26 that interest and principal payments can be made and other terms of
27 the proposed investment be maintained over the period of the
28 investment, and that the loan of the bond proceeds would qualify for
29 a bond rating of "C" or better. If an opinion cannot be obtained from
30 a recognized financial rating agency or a financial advisory firm with
31 national standing, an opinion shall be obtained from an expert financial
32 analyst with national standing, selected and hired by the Casino
33 Reinvestment Development Authority. In order to achieve a balanced
34 portfolio, assure the viability of the authority and the projects,
35 facilities and programs undertaken pursuant to this 1984 amendatory
36 and supplementary act, no more than 25% of the total investments
37 made by or through the Casino Reinvestment Development Authority
38 with the proceeds of bonds generated in each year shall be investments
39 which would qualify for a bond rating of "C," unless all holders of
40 obligations in each year agree to waive the 25% limit for that year.
41 Nothing herein shall be interpreted as limiting the Casino Reinvestment
42 Development Authority from taking any steps it deems appropriate to
43 protect the characteristics of its investment in projects or any other
44 investments from not being real investments with a prospect for the
45 return of principal and a return on the capital invested. Anything
46 contained in this section shall not be considered a guarantee by the

1 State or any political subdivision thereof of any return of principal or
2 interest, but any purchase by a licensee of bonds or approved eligible
3 investments made by a licensee pursuant to this act shall be at the risk
4 of the licensee. A licensee or the licensees purchasing an issue of
5 bonds issued by the Casino Reinvestment Development Authority in
6 any given year may arrange, at their option, for those bonds or the
7 investments, made by or through the Casino Reinvestment
8 Development Authority with the proceeds of those bonds, to be
9 insured. The cost of any such insurance purchased by a licensee or
10 licensees shall be paid by the licensee or licensees desiring such
11 insurance.

12 j. The Casino Reinvestment Development Authority shall
13 promulgate rules and regulations deemed necessary to carry out the
14 purposes of this section.

15 k. The obligation of a licensee to pay an investment alternative tax
16 pursuant to subsection a. of this section, including a casino licensee
17 subject to the provisions of section 13 of P.L.2001, c.221
18 (C.5:12-173.21), shall end for each licensed facility operated by the
19 licensee ~~[35]~~ 50 years after any investment alternative tax obligation
20 is first incurred in connection with each licensed facility operated by
21 the licensee, unless extended in connection with a deferral granted by
22 the Casino Reinvestment Development Authority pursuant to
23 subsection c. of this section.

24 1. For the 36th through the 50th year of a casino licensee's
25 investment alternative tax obligation pursuant to subsection k. of this
26 section, the total of approved investments shall be used pursuant to
27 section 3 of P.L. , c. (C.)(now before the Legislature as this bill).
28 (cf: P.L.2002, c.65, s.32)

29
30 2. Section 6 of P.L.2003, c.116 (C.5:12-145.8) is amended to read
31 as follows:

32 6. Notwithstanding the provisions of any other law to the contrary
33 and in addition to any other tax or fee imposed by law, there is
34 imposed a fee of \$3.00 per day on each hotel room in a casino hotel
35 facility that is occupied by a guest, for consideration or as a
36 complimentary item. The amounts generated by this section shall be
37 paid to the State Treasurer for deposit in the Casino Revenue Fund
38 established pursuant to section 145 of P.L.1977, c.110 (C.5:12-145)
39 in State fiscal years 2004 through 2006. Beginning in State fiscal year
40 2007 and thereafter, ~~[\$2.00]~~ \$1.00 of the fee shall be deposited by the
41 State Treasurer into ~~[the Casino Revenue Fund and \$1.00 shall be~~
42 ~~transferred by the State Treasurer to]~~ a special fund established and
43 held by the State Treasurer and made available for the exclusive use
44 of the Casino Reinvestment Development Authority established
45 pursuant to section 5 of P.L.1984, c.218 (C.5:12-153) for its purposes
46 pursuant to law, as approved by the membership of the authority , and,

1 until December 31, 2017, the portion of the proceeds from \$2.00 of
2 the fee necessary for the Casino Reinvestment Development Authority
3 to carry out the purpose of section 3 of P.L. , c. (C.)(now before
4 the Legislature as this bill) shall be paid by the State Treasurer to the
5 authority, and the remaining proceeds of the fee shall be deposited by
6 the State Treasurer into the Casino Revenue Fund. Beginning on
7 January 1, 2018, \$2.00 of the fee shall be deposited by the State
8 Treasurer into the Casino Revenue Fund.

9 (cf: P.L.2003, c.116, s.6)

10

11 3. (New section) a. The Casino Reinvestment Development
12 Authority shall issue, upon the approval of the State Treasurer, bonds,
13 notes or other obligations, the first \$62 million of the proceeds of
14 which shall be deposited into the Atlantic City Expansion Fund created
15 pursuant to subsection b. of this section. The principal and interest of
16 such bonds, notes or other obligations shall be repaid exclusively from
17 the revenue dedicated to the authority for this purpose pursuant to
18 section 6 of P.L.2003, c.116 (C.5:12-145.8), and the approved
19 investments pursuant to subsection l. of section 3 of P.L.1984, c.218
20 (C.5:12-144.1).

21 b. The authority shall establish an Atlantic City Expansion Fund
22 into which the authority shall deposit the amount directed to be
23 deposited into the fund pursuant to subsection a. of this section.
24 Notwithstanding section 30 of P.L.1984, c.218 (C.5:12-178), the
25 authority shall make moneys on deposit in the fund available to each
26 casino licensee in operation as of June 30, 2004 for investment in an
27 eligible casino hotel expansion project approved by the authority that
28 increases the number of hotel rooms in the licensee's casino hotel
29 facility. The authority shall not authorize investment of moneys in the
30 fund for a project that receives or is anticipated to receive funding
31 pursuant to the Casino Reinvestment Development Authority Urban
32 Revitalization Act, P.L. 2001, c.221 (C.5:12-173.9 et seq.), or section
33 8 of P.L.1993, c.159 (C.5:12-173.8). The authority shall promulgate
34 regulations establishing the criteria governing the approval of eligible
35 projects.

36 c. The authority shall determine the amount each casino licensee
37 shall be eligible to receive from the Atlantic City Expansion Fund. The
38 form, terms and maximum percentage of the cost of an eligible
39 expansion project to be received by each casino licensee shall be
40 determined by the authority by resolution. The share of the moneys in
41 the Atlantic City Expansion Fund reserved for a casino licensee that
42 has not been distributed by June 30, 2010 shall be forfeit, and the
43 authority shall transfer such forfeited moneys to the State Treasurer
44 for deposit into the Casino Revenue Fund.

45

46 4. Section 3 of P.L.2001, c.221 (C.5:12-173.11) is amended to

1 read as follows:

2 3. As used in this act:

3 "Authority" means the Casino Reinvestment Development Authority
4 established pursuant to P.L.1984, c.218 (C.5:12-153 et seq.);

5 "Baseline luxury tax revenue amount" or "baseline luxury tax"
6 means the annual amount of luxury tax receipts received pursuant to
7 P.L.1947, c.71 (C.40:48-8.15 et seq.) from the taxation of retail sales
8 or sales at retail originating from transactions at an
9 entertainment-retail district project for the last full calendar year
10 preceding the year in which the district project opens under the
11 incentive program;

12 "Casino hotel room fee fund" or "room fund" means the fund
13 established by the State Treasurer pursuant to section 8 of P.L.2001,
14 c.221 (C.5:12-173.16) into which shall be deposited the proceeds of
15 the hotel room use fees as specified pursuant to section 6 of P.L.2001,
16 c.221 (C.5:12-173.14);

17 "Casino reinvestment development authority urban revitalization
18 incentive program" or "incentive program" means the program
19 established pursuant to section 4 of P.L.2001, c.221 (C. 5:12-173.12)
20 and administered by the authority to facilitate the development of
21 entertainment-retail districts for the city of Atlantic City and to
22 promote urban revitalization throughout the State;

23 "Commissioner" means the Commissioner of Community Affairs;

24 "Department" means the Department of Community Affairs;

25 "District project grant" or "grant" means an amount rebated to the
26 authority pursuant to sections 7 or 8 of P.L.2001, c.221
27 (C.5:12-173.15 or 5:12-173.16) for disbursement to a casino licensee
28 that is approved by the authority for a district project or for retention
29 by the authority for an approved district project sponsored by the
30 authority;

31 "Entertainment-retail district" or "district" means one of ~~[six]~~
32 eleven areas within Atlantic City, designated by the authority under the
33 incentive program;

34 "Entertainment-retail district project" or "district project" means a
35 project or projects to be developed by the authority or any casino
36 licensed to operate in Atlantic City prior to January 1, 2001, including,
37 but not necessarily limited to, a minimum of 150,000 square feet of
38 public space, retail stores, entertainment venues ~~[and]~~ , restaurants,
39 hotel rooms in non-casino hotels, residential units or commercial office
40 space, and may include, in addition, casino hotels and public parking
41 facilities approved by the authority under the incentive program, and
42 may also include: the purchasing, leasing, condemning, or otherwise
43 acquiring of land or other property, or an interest therein, approved by
44 the authority pursuant to a project grant agreement or as an authority
45 sponsored project, or as necessary for a right-of-way or other
46 easement to or from the land or property, or the relocating and moving

1 of persons displaced by the acquisition of the land or property; the
2 rehabilitation and redevelopment of land or property, approved
3 pursuant to a project grant agreement or as an authority sponsored
4 project, including demolition, clearance, removal, relocation,
5 renovation, alteration, construction, reconstruction, installation or
6 repair of a building, street, highway, alley, utility, service or other
7 structure or improvement; the acquisition, construction,
8 reconstruction, rehabilitation, or installation of parking and other
9 improvements approved pursuant to a project grant agreement or as
10 an authority sponsored project; and the costs associated therewith
11 including the costs of an administrative appraisal, economic and
12 environmental analyses or engineering, planning, design, architectural,
13 surveying or other professional services approved pursuant to a
14 project grant agreement or as part of an authority sponsored project;

15 "Entertainment-retail district project fund" or "project fund" means
16 the fund established by the State Treasurer pursuant to section 7 of
17 P.L.2001, c.221 (C.5:12-173.15) into which shall be deposited an
18 amount equivalent to the amount of receipts received from the taxation
19 of retail sales from a district project and from the taxation of
20 construction materials used for building a district project, as specified
21 pursuant to section 5 of P.L.2001, c.221 (C.5:12-173.13);

22 "Incremental luxury tax revenue amount" or "incremental luxury
23 tax" means the amount by which the annual luxury tax receipts
24 received pursuant to P.L.1947, c.71 (C.40:48-8.15 et seq.) from the
25 taxation of retail sales or sales at retail originating from transactions
26 at a district project in the year in which the district project opens under
27 the incentive program, and in each year thereafter, exceed the baseline
28 luxury tax, as determined by the State Treasurer; and

29 "Project grant agreement" means an agreement entered into
30 between the authority and a casino licensee, pursuant to section 4 of
31 P.L.2001, c.221 (C.5:12-173.12), that sets forth the terms and
32 conditions of approval for a district project and of eligibility for
33 district project grants, as determined by the authority.

34 (cf: P.L.2001, c.221, s.3)

35

36 5. Section 4 of P.L.2001, c.221 (C.5:12-173.12) is amended to
37 read as follows:

38 4. a. There is established the incentive program that shall be
39 administered by the authority. The purpose of the incentive program
40 is to facilitate the development of entertainment-retail districts for the
41 city of Atlantic City and to promote revitalization of other urban areas
42 in the State. The provisions of section 30 of P.L.1984, c.218
43 (C.5:12-178) shall not apply to the incentive program established
44 pursuant to this section. In order to implement the incentive program,
45 the authority is authorized to accept applications from casino licensees
46 [on or before September 1, 2001] on or before June 30, 2014 for

1 approval of a district project and to designate by resolution up to [six]
2 ~~eleven~~ districts [on or before September 30, 2001] and to enter into
3 project grant agreements with casino licensees to develop district
4 projects within each district or to approve a district project sponsored
5 by the authority. The authority may disburse district project grants in
6 accordance with sections 7 and 8 of P.L.2001, c.221 (C.5:12-173.15
7 and 5:12-173.16) to casino licensees with approved district projects
8 or to the authority for an authority sponsored district project under the
9 incentive program, if the authority determines that:

10 (1) construction of the district project will commence [no later than
11 June 30, 2002] within two years of the authority's approval of the
12 district project, or as otherwise provided pursuant to the project grant
13 agreement with the authority, or pursuant to the district project plan
14 approved by the authority for an authority sponsored district project;

15 (2) a proposed district project plan submitted pursuant to section
16 10 of P.L.2001, c.221 (C.5:12-173.18) is economically sound and will
17 assist in the overall development of the city of Atlantic City and will
18 benefit the people of New Jersey by increasing employment
19 opportunities and strengthening New Jersey's economy;

20 (3) the disbursement of grants to a casino licensee is a material
21 factor in the licensee's decision to go forward with a district project;
22 and

23 (4) the casino licensee has agreed to invest a minimum of \$20
24 million in its investment alternative tax obligations under section 3 of
25 P.L.1984, c.218 (C.5:12-144.1), such obligation to be made in \$10
26 million increments to one or more entertainment-retail projects, or
27 housing and community development projects, approved by the
28 authority and the department, in an urban area outside of Atlantic City,
29 and designated by the commissioner as eligible for, and in need of the
30 project, pursuant to section 11 of P.L.2001, c.221 (C.5:12-173.19).

31 b. Notwithstanding any provision to the contrary in P.L.2001,
32 c.221 (C.5:12-173.9 et al.), the authority and the commissioner jointly
33 may, in their discretion, also designate two entertainment-retail
34 projects, one in North Jersey and one in South Jersey, as eligible for
35 funds under the incentive program.

36 c. If construction of a designated district project does not
37 commence within the time required pursuant to this section, the
38 authority may remove that designation and, in accordance with
39 procedures adopted by the authority by resolution, accept applications
40 for and designate another district project of another casino licensee
41 notwithstanding the application time requirements of this section.

42 d. The authority may by resolution amend its designation of a
43 district project to increase the area of the district project by up to 50%
44 with the agreement of the casino licensee.

45 (cf: P.L.2002, c.65, s.33)

1 6. Section 7 of P.L.2001, c.221 (5:12-173.15) is amended to read
2 as follows:

3 7. a. There is created a dedicated, nonlapsing project fund to be
4 held by the State Treasurer, which shall be the repository for all
5 moneys required to be deposited therein under section 5 of P.L.2001,
6 c.221 (C.5:12-173.13) and any moneys appropriated or otherwise
7 made available to the project fund.

8 b. All moneys deposited in the project fund shall be held and
9 disbursed, subject to the requirements of section 11 of P.L.2001, c.221
10 (C.5:12-173.19), in the form of district project grants as follows:

11 (1) an amount from the project fund equivalent to the total revenues
12 received pursuant to the "Sales and Use Tax Act," P.L.1966, c.30
13 (C.54:32B-1 et seq.) from the taxation of construction materials used
14 for building a district project approved by the authority pursuant to a
15 project grant agreement, or for building a district project sponsored by
16 the authority, shall be rebated in the form of a one-time grant to the
17 authority for disbursement to the casino licensee with an approved
18 district project or to the authority for an authority sponsored district
19 project;

20 (2) an amount from the project fund equivalent to the total revenues
21 received pursuant to the "Sales and Use Tax Act," P.L.1966, c.30
22 (C.54:32B-1 et seq.) from the taxation of retail sales of tangible
23 property and services originating from and delivered from business
24 locations in a district project approved by the authority pursuant to a
25 project grant agreement or from business locations in a district project
26 sponsored by the authority, shall be rebated in the form of annual
27 grants (a) to the authority for disbursement to the casino licensee with
28 an approved district project, or to the authority for an authority
29 sponsored district project, with each annual grant not to exceed \$2.5
30 million per district project and payable annually for 20 years from the
31 date of completion of the district project, or until such time as the
32 combined total of grants disbursed under this section and under
33 section 8 of P.L.2001, c.221 (C.5:12-173.16) equals the approved cost
34 of the district project, as determined by the authority, whichever is
35 earlier, and (b) from the amounts remaining after such disbursement
36 in (a), to the authority for its purposes pursuant to law, as approved
37 by the membership of the authority, with each annual grant not to
38 exceed \$2.5 million per district project and payable annually for 20
39 years from the date of completion of the district project;

40 (3) the balance of the revenues in the project fund shall be
41 deposited in the General Fund if the authority, in consultation with the
42 State Treasurer, determines that the revenues are no longer needed for
43 the purposes of the project fund or for the uses prescribed in
44 P.L.2001, c.221 (C.5:12-173.9 et al.).

45 c. The State Treasurer may invest and reinvest any moneys in the
46 project fund, or any portion thereof, in legal obligations of the United

1 States or of the State or any political subdivision thereof. Any income
2 from, interest on, or increment to moneys so invested or reinvested
3 shall be included in the project fund.

4 (cf: P.L.2002, c.65, s.34)

5

6 7. Section 8 of P.L.2001, c.221 (C.5:12-173.16) is amended to
7 read as follows:

8 8. a. There is created a dedicated, nonlapsing room fund to be held
9 by the State Treasurer, which shall be the repository for all moneys
10 required to be deposited therein under section 6 of P.L.2001, c.221
11 (C.5:12-173.14) and any moneys appropriated or otherwise made
12 available to the room fund.

13 b. All moneys deposited in the room fund shall be held and
14 disbursed, subject to the requirements of section 11 of P.L.2001, c.221
15 (C.5:12-173.19), in the form of district projects grants as follows:

16 (1) an amount from the room fund equivalent to the incremental
17 luxury tax for a district project approved by the authority pursuant to
18 a project grant agreement or for a district project sponsored by the
19 authority, shall be rebated in the form of annual grants from the room
20 fund to the authority for disbursement to the casino licensee with an
21 approved district project, or to the authority for an authority
22 sponsored district project, and shall be payable annually [until
23 December 31, 2022] for 20 years from the date of completion of the
24 district project, or until [the date on which] such time as the
25 combined total of grants disbursed under this section and under
26 section 7 of P.L.2001, c.221 (C.5:12-173.15) equals the approved cost
27 of the district project, as determined by the authority, whichever is
28 earlier;

29 (2) the balance of the revenues in the room fund shall be deposited
30 in the special fund established pursuant to section 3 of P.L.1991, c.376
31 (C.40:48-8.47) if the authority, in consultation with the State
32 Treasurer, determines that the revenues are no longer needed for the
33 purposes of the room fund or for the uses prescribed in P.L.2001,
34 c.221 (C.5:12-173.9 et al.).

35 c. The State Treasurer may invest and reinvest any moneys in the
36 room fund, or any portion thereof, in legal obligations of the United
37 States or of the State or any political subdivision thereof. Any income
38 from, interest on, or increment to moneys so invested or reinvested
39 shall be included in the room fund.

40 (cf: P.L.2001, c.221, s.8)

41

42 8. Section 12 of P.L.2001, c.221 (C.5:12-173.20) is amended to
43 read as follows:

44 12. Notwithstanding any provision to the contrary in P.L.2001,
45 c.221 (C.5:12-173.9 et al.), in the event that fewer than [six] eleven
46 district projects are proposed by casino licensees, and approved by the

1 authority, the authority may sponsor a district project which meets the
2 criteria of paragraphs (1) and (2) of subsection a. of section 4 of
3 P.L.2001, c.221 (C.5:12-173.12), and in that event, paragraphs (3)
4 and (4) of subsection a. of section 4 of P.L.2001, c.221
5 (C.5:12-173.12) are not applicable to the authority and the grants
6 otherwise payable to a casino licensee pursuant to paragraphs (1) and
7 (2) of subsection b. of section 7 and paragraph (1) of subsection b. of
8 section 8 of P.L.2001, c.221 (C.5:12-173.15 and 5:12-173.16) shall be
9 payable to the authority.

10 (cf: P.L.2001, c.221, s.12)

11

12 9. Section 13 of P.L.2001, c.221 (C.5:12-173.21) is amended to
13 read as follows:

14 13. a. [Notwithstanding the provisions of any other law to the
15 contrary, if a district project of a casino licensee is approved by the
16 authority under the incentive program established by section 4 of
17 P.L.2001, c.221 (C.5:12-173.12), the investment alternative tax
18 imposed by subsection a. of section 3 of P.L.1984, c.218
19 (C.5:12-144.1), and any credits which may by law be applied against
20 that tax, shall end for the casino licensee's licensed facility, as
21 determined by the authority, 35 years after any investment alternative
22 tax obligation is first incurred in connection with the licensed facility
23 operated by the licensee.] (Deleted by amendment, P.L. , c. .) (now
24 before the Legislature as this bill)

25 b. If a district project of a casino licensee is approved by the
26 authority under the incentive program established by section 4 of
27 P.L.2001, c.221 (C.5:12-173.12), then during the [last five] 31st
28 through the 35th years of a casino licensee's investment alternative tax
29 obligations, the total of the proceeds of all bonds purchased by a
30 licensee from or through the authority and all approved investments in
31 eligible projects by a licensee shall not be devoted as set forth in
32 subsection f.(1) of section 3 of P.L.1984, c.218 (C.5:12-144.1) and
33 instead shall be devoted to the financing of projects in the following
34 areas and amounts: a) 25% for the city of Atlantic City; b) 25% for
35 South Jersey; and c) 50% for North Jersey.

36 (cf: P.L.2002, c.65, s.36)

37

38 10. This act shall take effect immediately.

39

40

41

STATEMENT

42

43 This bill makes several changes concerning the Casino
44 Reinvestment Development Authority (CRDA), casino licensee tax
45 obligations and the CRDA urban revitalization incentive program. In
46 particular, the bill:

1 extends a casino licensee's investment alternative tax obligation
2 from 35 to 50 years.

3 directs the CRDA to issue, upon approval of the State Treasurer,
4 bonds, notes or other obligations, the first \$62 million of the proceeds
5 of which will be used by licensed casinos for construction of casino
6 hotel rooms approved by the CRDA.

7 authorizes the CRDA to approve an additional five entertainment-
8 retail districts under the CRDA Urban Revitalization Act. Under the
9 act, a casino licensee is given tax incentives to develop new
10 entertainment and retail venues.

11 provides that the CRDA will receive for its purposes annual grants
12 of up to \$2.5 million for 20 years from the sales tax generated in an
13 entertainment-retail district under the CRDA Urban Revitalization Act.
14 Under current law, grants equal to the sales tax generated in an
15 entertainment-retail district, or \$2.5 million, whichever is less, is the
16 primary incentive for a casino licensee to establish entertainment-retail
17 districts. Under this bill, the CRDA would receive grants only if there
18 is revenue left after the relevant casino licensees have received their
19 grants.

ASSEMBLY BUDGET COMMITTEE

STATEMENT TO

ASSEMBLY COMMITTEE SUBSTITUTE FOR ASSEMBLY, No. 3121

STATE OF NEW JERSEY

DATED: JUNE 23, 2004

The Assembly Budget Committee reports favorably an Assembly Committee Substitute for Assembly Bill No. 3121.

This committee substitute makes several changes concerning the Casino Reinvestment Development Authority (CRDA), casino licensee tax obligations and the CRDA urban revitalization incentive program. In particular, the substitute:

- C extends a casino licensee's investment alternative tax obligation from 35 to 50 years. Half of the investments in years 36 through 50 will be in projects in North Jersey, and the other half will be in projects in South Jersey, excluding Atlantic City.
- C redefines "South Jersey" to exclude Atlantic City for the purpose of determining the location of CRDA-authorized projects, and establishes a mechanism to essentially "reimburse" South Jersey for certain projects that should have been located outside of Atlantic City but that were instead located inside of Atlantic City.
- C authorizes the CRDA to approve investments of moneys in the Atlantic City Fund for projects to revitalize the boardwalk.
- C gives the CRDA the power to issue bonds, notes or other obligations against its revenues, upon approval of the State Treasurer and notice to the Legislature of a proposed plan of finance. Under current law, the CRDA has only limited bonding authority.
- C directs the CRDA to issue, upon approval of the State Treasurer, \$62 million in bonds, notes or other obligations, to establish the Atlantic City Expansion Fund, which will be used by licensed casinos for construction of additional casino hotel rooms. The bonds, notes and other obligations will be repaid exclusively from a portion of the \$3 casino hotel occupancy fee.
- C authorizes the CRDA to approve an advance on a portion of the Atlantic City Expansion Fund for investment in North Jersey projects, provided an agreement is reached with the casino licensees to repay the advanced amount from other North Jersey investment obligations.
- C directs the CRDA to issue, upon approval of the State Treasurer, \$31 million in bonds, notes or other obligations, half of which will

fund CRDA-approved projects in North Jersey and the other half of which will be used to fund CRDA-approved projects in South Jersey, excluding Atlantic City. The bonds, notes and other obligations will be repaid exclusively from a portion of the \$3 casino hotel occupancy fee.

- C increases the membership of the CRDA board from 15 members to 17. One of the additional members will be appointed by the Governor upon the recommendation of the Senate President and the other upon the recommendation of the Speaker of the General Assembly.
- C authorizes the CRDA to approve an additional five entertainment-retail districts under the CRDA Urban Revitalization Act, which is an incentive program for the establishment of new entertainment and retail areas, primarily in Atlantic City, and allows non-casino entities to apply for entertainment-retail districts.
- C provides that the CRDA will receive for its purposes annual grants of up to \$2.5 million for 20 years from the sales tax generated in an entertainment-retail district under the CRDA Urban Revitalization Act. Under current law, grants equal to the sales tax generated in an entertainment-retail district, or \$2.5 million, whichever is less, is the primary incentive for a casino licensee to undertake entertainment-retail districts. Under this substitute, the CRDA would receive grants only if there is revenue left after the relevant casino licensees have received their grants.
- C repeals an obsolete section of law regarding an extension of the investment alternative tax for casino licensees that participated in the CRDA Urban Revitalization Act. The tax had subsequently been extended to all casino licensees.

FISCAL IMPACT:

The Executive Branch has not provided any fiscal information on this bill.

SENATE, No. 1774

STATE OF NEW JERSEY
211th LEGISLATURE

INTRODUCED JUNE 17, 2004

Sponsored by:

Senator RICHARD J. CODEY

District 27 (Essex)

Senator WILLIAM L. GORMLEY

District 2 (Atlantic)

Co-Sponsored by:

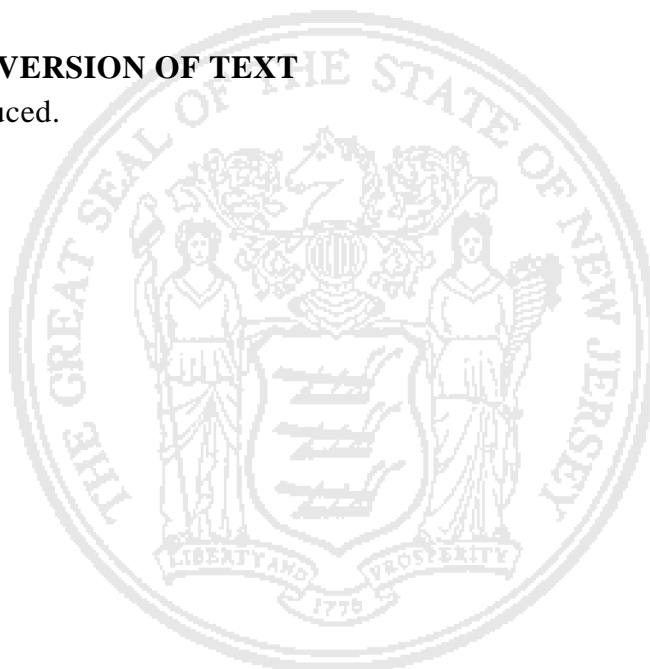
Senator Sweeney

SYNOPSIS

Extends casino investment alternative tax obligation to 50 years; authorizes CRDA to bond for certain purposes; extends incentive program and adds five districts under CRDA Urban Revitalization Act.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 6/22/2004)

1 AN ACT concerning the Casino Reinvestment Development Authority
2 and casino licensees, amending P.L.2001, c.221 and P.L.2003,
3 c.116, and amending and supplementing P.L.1984, c.218 (C.5:12-
4 153 et seq.).

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

8
9 1. Section 3 of P.L.1984, c.218 (C.5:12-144.1) is amended to read
10 as follows:

11 3. a. (1) Commencing with the first annual tax return of a licensee
12 for any calendar year beginning after December 31, 1983, there is
13 imposed an investment alternative tax on the gross revenues as defined
14 in section 24 of P.L.1977, c.110 (C.5:12-24) of the licensee in the
15 amount of 2.5% of those gross revenues. The tax imposed with
16 respect to each calendar year shall be due and payable on the last day
17 of April next following the end of the calendar year. The State
18 Treasurer shall have a lien against the property constituting the casino
19 of a licensee for the amount of any tax not paid when due. No tax
20 shall be imposed, however, on the gross revenues received by a
21 licensee during the first 12 months of the operation of any casino that
22 commences operation after January 1, 1984, but prior to the effective
23 date of this act, P.L.1996, c.118 (C.5:12-173.3a et al.).

24 (2) A licensee shall pay to the State Treasurer on or before the
25 15th day of the first, fourth, seventh, and 10th months of each year as
26 partial payment of the investment alternative tax imposed pursuant to
27 paragraph (1) of this subsection an amount equal to 1.25% of the
28 estimated gross revenues for the three-month period immediately
29 preceding the first day of those months. The moneys received shall be
30 placed in an escrow account and shall be held until the licensee directs
31 that the moneys be transferred to the Casino Reinvestment
32 Development Authority for the purchase of bonds issued by or offered
33 through the Casino Reinvestment Development Authority or pursuant
34 to a contract for such a purchase, be made available to the licensee for
35 a direct investment approved by the authority, or be transferred to the
36 Casino Revenue Fund as partial payment of the investment alternative
37 tax imposed pursuant to paragraph (1) of this subsection. Any interest
38 derived from the moneys in the escrow account shall be paid or made
39 available to the Casino Revenue Fund. If a licensee fails to pay the
40 amount due or underpays by an unjustifiable amount, the Casino
41 Control Commission shall impose a fine of 5% of the amount due or
42 of the underpayment, as the case may be, for each month or portion
43 thereof the licensee is in default of payment, up to 25% of the amount

EXPLANATION - Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

1 in default. Any fine imposed shall be paid to the Casino Reinvestment
2 Development Authority and shall be used for the purposes of this 1984
3 amendatory and supplementary act.

4 b. Each licensee shall be entitled to an investment tax credit against
5 the tax imposed by subsection a. of this section, provided the licensee
6 shall pay over the moneys required pursuant to section 5 of P.L.1993,
7 c.159 (C.5:12-173.5): (1) for the first 10 years of a licensee's tax
8 obligation, in an amount equal to twice the purchase price of bonds
9 issued by the Casino Reinvestment Development Authority pursuant
10 to sections 14 and 15 of this 1984 amendatory and supplementary act,
11 purchased by the licensee, or twice the amount of the investments
12 authorized in lieu thereof, and (2) for the remainder of a licensee's tax
13 obligation, in an amount equal to twice the purchase price of bonds
14 issued by the Casino Reinvestment Development Authority pursuant
15 to sections 14 and 15 of this 1984 amendatory and supplementary act,
16 purchased by the licensee, or twice the amount of the investments
17 authorized in lieu thereof, and twice the amount of investments made
18 by a licensee in other approved eligible investments made pursuant to
19 section 25 of this act. The Casino Reinvestment Development
20 Authority shall have the power to enter into a contract or contracts
21 with a licensee pursuant to which the Casino Reinvestment
22 Development Authority agrees to issue and sell bonds to the licensee,
23 and the licensee agrees to purchase the bonds issued by or offered
24 through the Casino Reinvestment Development Authority, in annual
25 purchase price amounts as will constitute a credit against at least 50%
26 of the tax to become due in any future year or years. The contract
27 may contain those terms and conditions relating to the terms of the
28 bonds and to the issuance and sale of the bonds to the licensee as the
29 Casino Reinvestment Development Authority shall deem necessary or
30 desirable. The contract shall not be deemed to be in violation of
31 section 104 of P.L.1977, c.110 (C.5:12-104). After the first 10 years
32 of a licensee's investment alternative tax obligation, a licensee will
33 have the option of entering into a contract with the Casino
34 Reinvestment Development Authority to have its tax credit comprised
35 of direct investments in approved eligible projects. These direct
36 investments shall not comprise more than 50% of a licensee's eligible
37 tax credit in any one year.

38 The entering of a contract pursuant to this section shall be sufficient
39 to entitle a licensee to an investment tax credit for the appropriate tax
40 year.

41 c. A contract entered into between a licensee and the Casino
42 Reinvestment Development Authority may provide for a deferral of
43 payment for and delivery of bonds required to be purchased and for a
44 deferral from making approved eligible investments in any year, but no
45 deferral shall occur more than two years consecutively. A deferral of
46 payment for any bonds required to be purchased by a licensee and a

1 deferral from making approved eligible investments may be granted by
2 the Casino Reinvestment Development Authority only upon a
3 determination by the Casino Control Commission that purchase of
4 these bonds or making approved eligible investments would cause
5 extreme financial hardship to the licensee and a determination by the
6 Casino Reinvestment Development Authority that the deferral of the
7 payment would not violate any covenant or agreement or impair any
8 financial obligation of the Casino Reinvestment Development
9 Authority. The contract may establish a late payment charge to be
10 paid in the event of deferral or other late payment at a rate as shall be
11 agreed to by the Casino Reinvestment Development Authority. If a
12 deferral of purchase or investment is granted, the licensee shall be
13 deemed to have made the purchase or investment at the time required
14 by the contract, except that if the purchase is not made at the time to
15 which the purchase or investment was deferred, then the licensee shall
16 be deemed not to have made the purchase or investment. The Casino
17 Control Commission shall adopt regulations establishing a uniform
18 definition of extreme financial hardship applicable to all these
19 contracts. If a licensee petitions the Casino Reinvestment
20 Development Authority for a deferral, the Casino Reinvestment
21 Development Authority shall give notice of that petition to the Casino
22 Control Commission and to the Division of Gaming Enforcement
23 within three days of the filing of the petition. The Casino Control
24 Commission shall render a decision within 60 days of notice as to
25 whether the licensee has established extreme financial hardship, after
26 consultation with the Division of Gaming Enforcement. The Casino
27 Reinvestment Development Authority shall render a decision as to the
28 availability of the deferral within 10 days of the receipt by it of the
29 decision of the Casino Control Commission and shall notify the
30 Division of Gaming Enforcement and the Casino Control Commission
31 of that decision. If a deferral is granted, the Casino Reinvestment
32 Development Authority may determine whether the purchases or
33 investments shall be made in a lump sum, made over a period of years,
34 or whether the period of obligation shall be extended an additional
35 period of time equivalent to the period of time deferred.

36 d. The license of any licensee which has defaulted in its obligation
37 to make any purchase of bonds or investment in any approved eligible
38 project under a contract entered into pursuant to subsection b. of this
39 section for a period of 90 days may be suspended by the Casino
40 Control Commission until that purchase is made or deferred in
41 accordance with subsection b. of this section, or a fine or other penalty
42 may be imposed upon the licensee by the commission. If the Casino
43 Control Commission elects not to suspend the license of a licensee
44 after the licensee has first defaulted in its obligation but instead
45 imposes some lesser penalty and the licensee continues to be in default
46 of its obligation after a period of 30 additional days and after any

1 additional 30-day period, the commission may impose another fine or
 2 penalty upon the licensee, which may include suspension of that
 3 licensee's license. The fine shall be 5% of the amount of the obligation
 4 owed for each month or portion thereof a licensee is in default, up to
 5 25% of that obligation; shall be paid to the Casino Reinvestment
 6 Development Authority; and shall be used for the purposes of this
 7 1984 amendatory and supplementary act.

8 e. A contract entered into by a licensee and the Casino
 9 Reinvestment Development Authority pursuant to subsection b. of this
 10 section may provide that after the first 10 years of a licensee's
 11 investment alternative tax obligation imposed by subsection a. of this
 12 section, the Casino Reinvestment Development Authority may
 13 repurchase bonds previously sold to the licensee, which were issued
 14 after the 10th year of a licensee's investment alternative tax obligation,
 15 by the Casino Reinvestment Development Authority, if the Casino
 16 Reinvestment Development Authority determines that the repurchase
 17 will not violate any agreement or covenant or impair any financial
 18 obligation of the Casino Reinvestment Development Authority and
 19 that the licensee will reinvest the proceeds of the resale in an eligible
 20 project approved by the Casino Reinvestment Development Authority.

21 f. (1) During the first 35 years a licensee is obligated to pay an
 22 investment alternative tax pursuant to subsection k. of this section, the
 23 total of (a) the proceeds of all bonds purchased by a licensee from or
 24 through the Casino Reinvestment Development Authority and (b) all
 25 approved investments in eligible projects by a licensee shall be devoted
 26 to the financing of projects in the following areas and amounts:

27

28 Areas	Yrs.	Yrs.	Yrs.	Yrs.	Yrs.	Yrs.	Yrs.	Yrs.	Yrs.
	1-3	4-5	6-10	11-15	16-20	21-25	26-30	31-35	
30 a) Atlantic City	100%	90%	80%	50%	30%	20%			
31 b) South Jersey		8%	12%	28%	43%	45%		25%	
32 c) North Jersey		2%	8%	22%	27%	35%	35%	50%	
33 d) Atlantic City									
34 through the Atlantic									
35 City Fund							65%	25%	

36 except that, with respect to the obligations for calendar years 1994
 37 through 1998, the amount allocated for the financing of projects in
 38 North Jersey from each casino licensee's obligation shall be the amount
 39 allocated for calendar year 1993, and the difference between that
 40 amount and the amount to be allocated to North Jersey, on the basis
 41 of the above schedule, from each casino licensee's obligations for
 42 calendar years 1994 through 1998 shall be paid into or credited to the
 43 Atlantic City Fund established by section 44 of P.L.1995, c.18
 44 (C.5:12-161.1) and be devoted to the financing of projects in Atlantic
 45 City through that fund. For the purposes of this paragraph, "South
 46 Jersey" means the counties of Atlantic, Burlington, Camden, Cape

1 May, Cumberland, Gloucester, Mercer, Ocean, and Salem; and "North
2 Jersey" means the remaining 12 counties of the State. For the purposes
3 of this 1984 amendatory and supplementary act, bond "proceeds"
4 means all funds received from the sale of bonds and any funds
5 generated or derived therefrom.

6 In the financing of projects outside Atlantic City, the Casino
7 Reinvestment Development Authority shall give priority to the
8 revitalization of the urban areas of this State in the ways specified in
9 section 12 of this 1984 amendatory and supplementary act. Those
10 areas shall include, but not be limited to, all municipalities qualifying
11 for aid pursuant to P.L.1978, c.14 (C.52:27D-178 et seq.).

12 Within nine months from the effective date of this 1984 amendatory
13 and supplementary act, the Casino Reinvestment Development
14 Authority shall determine the allocation of projected available moneys
15 to municipalities in South Jersey for the first seven years of their
16 receipt of funds, giving priority to the revitalization of the urban areas
17 of the region. Municipalities receiving such an allocation shall present
18 to the Casino Reinvestment Development Authority for its approval
19 comprehensive plans or projects for which the allocations shall be
20 used. Any such comprehensive plan or project may be submitted to
21 the Casino Reinvestment Development Authority for a determination
22 of eligibility at any time prior to the year for which the funds are
23 allocated, and the Casino Reinvestment Development Authority shall
24 make a determination of eligibility of the plan or project within a
25 reasonable amount of time. If the Casino Reinvestment Development
26 Authority makes a positive determination of eligibility for any
27 comprehensive plan or project, or combination of comprehensive plans
28 or projects, for any municipality whose total cost exceeds the amount
29 allocated to that municipality for the first seven years of the receipt of
30 funds by South Jersey municipalities, the Casino Reinvestment
31 Development Authority shall make available sufficient funds in
32 subsequent years necessary to complete those plans or projects, or to
33 complete that portion of the plan or project originally agreed to be
34 funded through the Casino Reinvestment Development Authority, from
35 funds received by the Casino Reinvestment Development Authority in
36 the years following the seventh year of the receipt of funds by South
37 Jersey municipalities. If the comprehensive plan or project is
38 determined by the Casino Reinvestment Development Authority not to
39 be an eligible plan or project, the municipality may submit any other
40 comprehensive plan or project for a determination of eligibility. If,
41 however, the municipality fails to receive a positive determination of
42 eligibility for any comprehensive plan or project, or combination of
43 comprehensive plans or projects, sufficient to exhaust the total
44 allocation to that municipality for any year prior to April 30 of the
45 following year for which the allocation was made, the allocation to
46 that municipality for that year shall cease, and the Casino

1 Reinvestment Development Authority may apply those excess funds to
2 any other comprehensive plan or project in any other municipality in
3 the region whose comprehensive plan or project has received a
4 positive determination of eligibility by the Casino Reinvestment
5 Development Authority.

6 Within 36 months from the effective date of this 1984 amendatory
7 and supplementary act, the Casino Reinvestment Development
8 Authority shall determine the allocation of projected available moneys
9 to municipalities in North Jersey for the first five years of their receipt
10 of funds, giving priority to the revitalization of the urban areas of the
11 region. Municipalities receiving such an allocation shall present to the
12 Casino Reinvestment Development Authority for its approval
13 comprehensive plans or projects for which the allocations shall be
14 used. Any such comprehensive plan or project may be submitted to
15 the Casino Reinvestment Development Authority for a determination
16 of eligibility at any time prior to the year for which the funds are
17 allocated, and the Casino Reinvestment Development Authority shall
18 make a determination of eligibility of the plan or project within a
19 reasonable amount of time. If the Casino Reinvestment Development
20 Authority makes a positive determination of eligibility for any
21 comprehensive plan or project, or combination of comprehensive plans
22 or projects, for any municipality whose total cost exceeds the amount
23 allocated to that municipality for the first five years of the receipt of
24 funds by North Jersey municipalities, the Casino Reinvestment
25 Development Authority shall make available sufficient funds in
26 subsequent years necessary to complete those plans or projects, or to
27 complete that portion of the plan or project originally agreed to be
28 funded through the Casino Reinvestment Development Authority, from
29 funds received by the Casino Reinvestment Development Authority in
30 the years following the fifth year of the receipt of funds by North
31 Jersey municipalities. If the comprehensive plan or project is
32 determined by the Casino Reinvestment Development Authority not to
33 be an eligible plan or project, the municipality may submit any other
34 comprehensive plan or project for a determination of eligibility. If,
35 however, the municipality fails to receive a positive determination of
36 eligibility for any comprehensive plan or project, or combination of
37 comprehensive plans or projects, sufficient to exhaust the total
38 allocation to that municipality for any year prior to April 30 of the
39 following year for which the allocation was made, the allocation to
40 that municipality for that year shall cease, and the Casino
41 Reinvestment Development Authority may apply those excess funds to
42 any other comprehensive plan or project in any other municipality in
43 the region whose comprehensive plan or project has received a
44 positive determination of eligibility by the Casino Reinvestment
45 Development Authority.

46 (2) Commencing with the first year in which a licensee incurs a tax

1 obligation pursuant to this section, and for the period of two years
2 thereafter, 100% of the proceeds of all bonds purchased by a licensee
3 from the Casino Reinvestment Development Authority which are
4 devoted to the financing of projects in the city of Atlantic City
5 pursuant to paragraph (1) of this subsection shall be used exclusively
6 to finance the rehabilitation, development, or construction of, or to
7 provide mortgage financing of, housing facilities in the city of Atlantic
8 City for persons or families of low through middle income, as defined
9 in this subsection. For the purposes of this subsection, the
10 "rehabilitation, development, or construction of housing facilities"
11 shall include expenses attributable to site preparation, infrastructure
12 needs and housing-related community facilities and services, including
13 supporting commercial development. Commencing with the fourth
14 year in which a licensee incurs a tax obligation pursuant to this
15 subsection, 50% of the proceeds of all bonds purchased by a licensee
16 from the Casino Reinvestment Development Authority which are
17 devoted to the financing of projects in the city of Atlantic City shall be
18 used exclusively to finance the rehabilitation, development, or
19 construction of housing facilities in the city of Atlantic City for
20 persons or families of low through middle income. Commencing with
21 the 11th year in which a licensee incurs a tax obligation pursuant to
22 this section, 50% of the annual aggregate of the proceeds of bonds
23 purchased by a licensee from the Casino Reinvestment Development
24 Authority which are devoted to the financing of projects in the city of
25 Atlantic City and investments in approved eligible projects commenced
26 by a licensee in the city of Atlantic City shall be used exclusively to
27 finance the rehabilitation, development, or construction of, or to
28 provide mortgage financing of, housing facilities in the city of Atlantic
29 City for persons or families of low through middle income.

30 (3) The Legislature finds that it is necessary to provide for a
31 balanced community and develop a comprehensive housing program.
32 The Casino Reinvestment Development Authority shall determine the
33 need for housing in the city of Atlantic City, in consultation with the
34 city of Atlantic City and specifically its zoning and planning boards.
35 This shall include determining the types and classes of housing to be
36 constructed and the number of units of each type and class of housing
37 to be built. The Casino Reinvestment Development Authority shall
38 give priority to the housing needs of the persons and their families
39 residing in the city of Atlantic City in 1983 and continuing such
40 residency through the effective date of this 1984 amendatory and
41 supplementary act. The actual percentage of the proceeds of bonds
42 and investments in approved eligible projects commenced by a licensee
43 in the city of Atlantic City, which shall be used exclusively to finance
44 the rehabilitation, development, or construction of, or to provide
45 mortgage financing of, housing facilities in the city of Atlantic City for
46 persons or families of low through middle income, shall be based upon

1 the authority's determination of the need for housing in the city of
2 Atlantic City conducted pursuant to this subsection. Once the housing
3 needs of the persons residing in the city of Atlantic City in 1983 and
4 continuing such residency through the effective date of this 1984
5 amendatory and supplementary act have been met, as determined by
6 the Casino Reinvestment Development Authority pursuant to this
7 subsection, any required percentages for such housing in the city of
8 Atlantic City may, in its sole discretion, be waived by the Casino
9 Reinvestment Development Authority. To aid the Casino
10 Reinvestment Development Authority in making these determinations,
11 the Casino Reinvestment Development Authority shall review the
12 proposal for a housing redevelopment program and strategy for the
13 city of Atlantic City approved and adopted by the Casino Control
14 Commission and shall give priority to same and any other plan or
15 project which is consistent with the standards of this subsection and is
16 acceptable to the Casino Reinvestment Development Authority,
17 pursuant to section 25 of this 1984 amendatory and supplementary act.
18 The Casino Reinvestment Development Authority may determine
19 whether the funds used to finance housing facilities in the city of
20 Atlantic City for persons or families of low, moderate, median range,
21 and middle income are derived from the proceeds of bonds purchased
22 by a licensee from the Casino Reinvestment Development Authority to
23 be devoted to the financing of projects in the city of Atlantic City,
24 investments in approved eligible projects commenced by a licensee in
25 the city of Atlantic City, or a combination of both. Any investment
26 made by a licensee in excess of 100% of its eligible investment tax
27 credit during the first three years and in excess of 50% thereafter in
28 either the purchase of bonds or direct investments in approved eligible
29 projects for low, moderate, median range, and middle income family
30 housing facilities in the city of Atlantic City may be carried forward
31 and credited against the licensee's obligation to make a 100%
32 investment during the first three years and 50% thereafter in low,
33 moderate, median range, and middle income family housing in any
34 future year, with the approval of the Casino Reinvestment
35 Development Authority. For the purposes of this act, "low income
36 families" means families whose income does not exceed 50% of the
37 median income of the area, with adjustments for smaller and larger
38 families. "Moderate income families" means families whose income
39 does not exceed 80% and is not less than 50% of the median income
40 for the area, with adjustments for smaller and larger families. "Median
41 range income families" means families whose income does not exceed
42 120% and is not less than 80% of the median income for the area, with
43 adjustments for smaller and larger families. "Middle income families"
44 means families whose income does not exceed 150% and not less than
45 120% of the median income for the area, with adjustments for smaller
46 and larger families. "Median income" means an income defined as

1 median within the Standard Metropolitan Statistical Area for Atlantic
2 City by the United States Department of Housing and Urban
3 Development.

4 In order to achieve a balanced community, the authority shall
5 ensure that the development of housing for families of low and
6 moderate income shall proceed at the same time as housing for families
7 of median range and middle income, until such time as there is no
8 longer a need for such facilities in the city of Atlantic City, as
9 determined by the Casino Reinvestment Development Authority.

10 (4) Notwithstanding any other law or section to the contrary,
11 particularly this subsection regarding the waiver of the required
12 percentages for housing in the city of Atlantic City, subsection I. of
13 section 14, and sections 26, 27, 28, 29, and 31 of this 1984
14 amendatory and supplementary act, nothing shall be implemented or
15 waived by the Casino Reinvestment Development Authority which
16 would reduce, impair, or prevent the fulfillment of the priorities
17 established and contained in this subsection of this 1984 amendatory
18 and supplementary act.

19 g. If a person is a licensee with regard to more than one approved
20 hotel pursuant to section 82 of P.L.1977, c.110 (C.5:12-82), the
21 person shall separately account for the gross revenues, the investment
22 alternative tax obligations, and the investments for a tax credit against
23 the investment alternative tax for each approved hotel, and the tax
24 obligations of the licensee under this section shall be determined
25 separately for each approved hotel. The licensee may apportion
26 investments between its approved hotels; provided that no amount of
27 investment shall be credited more than once. If a licensee receives the
28 prior approval of the Casino Reinvestment Development Authority, the
29 licensee may make eligible investments in excess of the investments
30 necessary to receive a tax credit against the investment alternative tax
31 for a given calendar year, and the licensee may carry forward this
32 excess investment and have it credited to its next investment
33 alternative tax obligation. If the Casino Reinvestment Development
34 Authority approves of such excess investment and approves the carry
35 forward of this excess investment, and a licensee elects to purchase
36 bonds of the Casino Reinvestment Development Authority or makes
37 direct investments in approved eligible projects in excess of the
38 investments necessary to receive a tax credit against the investment
39 alternative tax for its current obligation, the licensee shall be entitled
40 to a reduction of the amount of investments necessary in future years,
41 which amount shall be determined annually by the Casino
42 Reinvestment Development Authority, taking into account a current
43 market discount rate from the date of the purchase or investment to
44 the date the purchase or investment would have been required to be
45 made.

46 h. Each casino licensee shall prepare and file, in a form prescribed

1 by the Casino Reinvestment Development Authority, an annual return
2 reporting that financial information as shall be deemed necessary by
3 the Casino Reinvestment Development Authority to carry out the
4 provisions of this act. This return shall be filed with the Casino
5 Reinvestment Development Authority and the Casino Control
6 Commission on or before April 30 following the calendar year on
7 which the return is based. The Casino Control Commission shall
8 verify to the Casino Reinvestment Development Authority the
9 information contained in the report, to the fullest extent possible.
10 Nothing in this subsection shall be deemed to affect the due dates for
11 making any investment or paying any tax under this section.

12 i. Any purchase by a licensee of bonds issued by or offered through
13 the Casino Reinvestment Development Authority pursuant to sections
14 14 and 15 of this act and subsection b. of this section and all approved
15 eligible investments made by a licensee pursuant to section 25 of this
16 act and subsection b. of this section are to be considered investments
17 and not taxes owed or grants to the State or any political subdivision
18 thereof. As such, a licensee shall have the possibility of the return of
19 principal and a return on the capital invested as with other
20 investments. Investors in the bonds issued by or offered through the
21 Casino Reinvestment Development Authority shall be provided with
22 an opinion from a recognized financial rating agency or a financial
23 advisory firm with national standing that each loan of bond proceeds
24 by the Casino Reinvestment Development Authority has the minimum
25 characteristics of an investment, in that a degree of assurance exists
26 that interest and principal payments can be made and other terms of
27 the proposed investment be maintained over the period of the
28 investment, and that the loan of the bond proceeds would qualify for
29 a bond rating of "C" or better. If an opinion cannot be obtained from
30 a recognized financial rating agency or a financial advisory firm with
31 national standing, an opinion shall be obtained from an expert financial
32 analyst with national standing, selected and hired by the Casino
33 Reinvestment Development Authority. In order to achieve a balanced
34 portfolio, assure the viability of the authority and the projects,
35 facilities and programs undertaken pursuant to this 1984 amendatory
36 and supplementary act, no more than 25% of the total investments
37 made by or through the Casino Reinvestment Development Authority
38 with the proceeds of bonds generated in each year shall be investments
39 which would qualify for a bond rating of "C," unless all holders of
40 obligations in each year agree to waive the 25% limit for that year.
41 Nothing herein shall be interpreted as limiting the Casino Reinvestment
42 Development Authority from taking any steps it deems appropriate to
43 protect the characteristics of its investment in projects or any other
44 investments from not being real investments with a prospect for the
45 return of principal and a return on the capital invested. Anything
46 contained in this section shall not be considered a guarantee by the

1 State or any political subdivision thereof of any return of principal or
2 interest, but any purchase by a licensee of bonds or approved eligible
3 investments made by a licensee pursuant to this act shall be at the risk
4 of the licensee. A licensee or the licensees purchasing an issue of
5 bonds issued by the Casino Reinvestment Development Authority in
6 any given year may arrange, at their option, for those bonds or the
7 investments, made by or through the Casino Reinvestment
8 Development Authority with the proceeds of those bonds, to be
9 insured. The cost of any such insurance purchased by a licensee or
10 licensees shall be paid by the licensee or licensees desiring such
11 insurance.

12 j. The Casino Reinvestment Development Authority shall
13 promulgate rules and regulations deemed necessary to carry out the
14 purposes of this section.

15 k. The obligation of a licensee to pay an investment alternative tax
16 pursuant to subsection a. of this section, including a casino licensee
17 subject to the provisions of section 13 of P.L.2001, c.221
18 (C.5:12-173.21), shall end for each licensed facility operated by the
19 licensee ~~[35]~~ 50 years after any investment alternative tax obligation
20 is first incurred in connection with each licensed facility operated by
21 the licensee, unless extended in connection with a deferral granted by
22 the Casino Reinvestment Development Authority pursuant to
23 subsection c. of this section.

24 1. For the 36th through the 50th year of a casino licensee's
25 investment alternative tax obligation pursuant to subsection k. of this
26 section, the total of approved investments shall be used pursuant to
27 section 3 of P.L. , c. (C.)(now before the Legislature as this bill).
28 (cf: P.L.2002, c.65, s.32)

29
30 2. Section 6 of P.L.2003, c.116 (C.5:12-145.8) is amended to read
31 as follows:

32 6. Notwithstanding the provisions of any other law to the contrary
33 and in addition to any other tax or fee imposed by law, there is
34 imposed a fee of \$3.00 per day on each hotel room in a casino hotel
35 facility that is occupied by a guest, for consideration or as a
36 complimentary item. The amounts generated by this section shall be
37 paid to the State Treasurer for deposit in the Casino Revenue Fund
38 established pursuant to section 145 of P.L.1977, c.110 (C.5:12-145)
39 in State fiscal years 2004 through 2006. Beginning in State fiscal year
40 2007 and thereafter, ~~[\$2.00]~~ \$1.00 of the fee shall be deposited by the
41 State Treasurer into ~~[the Casino Revenue Fund and \$1.00 shall be~~
42 ~~transferred by the State Treasurer to]~~ a special fund established and
43 held by the State Treasurer and made available for the exclusive use
44 of the Casino Reinvestment Development Authority established
45 pursuant to section 5 of P.L.1984, c.218 (C.5:12-153) for its purposes
46 pursuant to law, as approved by the membership of the authority , and.

1 until December 31, 2017, the portion of the proceeds from \$2.00 of
2 the fee necessary for the Casino Reinvestment Development Authority
3 to carry out the purpose of section 3 of P.L. , c. (C.)(now before
4 the Legislature as this bill) shall be paid by the State Treasurer to the
5 authority, and the remaining proceeds of the fee shall be deposited by
6 the State Treasurer into the Casino Revenue Fund. Beginning on
7 January 1, 2018, \$2.00 of the fee shall be deposited by the State
8 Treasurer into the Casino Revenue Fund.

9 (cf: P.L.2003, c.116, s.6)

10

11 3. (New section) a. The Casino Reinvestment Development
12 Authority shall issue, upon the approval of the State Treasurer, bonds,
13 notes or other obligations, the first \$62 million of the proceeds of
14 which shall be deposited into the Atlantic City Expansion Fund created
15 pursuant to subsection b. of this section. The principal and interest of
16 such bonds, notes or other obligations shall be repaid exclusively from
17 the revenue dedicated to the authority for this purpose pursuant to
18 section 6 of P.L.2003, c.116 (C.5:12-145.8), and the approved
19 investments pursuant to subsection l. of section 3 of P.L.1984, c.218
20 (C.5:12-144.1).

21 b. The authority shall establish an Atlantic City Expansion Fund
22 into which the authority shall deposit the amount directed to be
23 deposited into the fund pursuant to subsection a. of this section.
24 Notwithstanding section 30 of P.L.1984, c.218 (C.5:12-178), the
25 authority shall make moneys on deposit in the fund available to each
26 casino licensee in operation as of June 30, 2004 for investment in an
27 eligible casino hotel expansion project approved by the authority that
28 increases the number of hotel rooms in the licensee's casino hotel
29 facility. The authority shall not authorize investment of moneys in the
30 fund for a project that receives or is anticipated to receive funding
31 pursuant to the Casino Reinvestment Development Authority Urban
32 Revitalization Act, P.L. 2001, c.221 (C.5:12-173.9 et seq.), or section
33 8 of P.L.1993, c.159 (C.5:12-173.8). The authority shall promulgate
34 regulations establishing the criteria governing the approval of eligible
35 projects.

36 c. The authority shall determine the amount each casino licensee
37 shall be eligible to receive from the Atlantic City Expansion Fund. The
38 form, terms and maximum percentage of the cost of an eligible
39 expansion project to be received by each casino licensee shall be
40 determined by the authority by resolution. The share of the moneys in
41 the Atlantic City Expansion Fund reserved for a casino licensee that
42 has not been distributed by June 30, 2010 shall be forfeit, and the
43 authority shall transfer such forfeited moneys to the State Treasurer
44 for deposit into the Casino Revenue Fund.

45

46 4. Section 3 of P.L.2001, c.221 (C.5:12-173.11) is amended to

1 read as follows:

2 3. As used in this act:

3 "Authority" means the Casino Reinvestment Development Authority
4 established pursuant to P.L.1984, c.218 (C.5:12-153 et seq.);

5 "Baseline luxury tax revenue amount" or "baseline luxury tax"
6 means the annual amount of luxury tax receipts received pursuant to
7 P.L.1947, c.71 (C.40:48-8.15 et seq.) from the taxation of retail sales
8 or sales at retail originating from transactions at an
9 entertainment-retail district project for the last full calendar year
10 preceding the year in which the district project opens under the
11 incentive program;

12 "Casino hotel room fee fund" or "room fund" means the fund
13 established by the State Treasurer pursuant to section 8 of P.L.2001,
14 c.221 (C.5:12-173.16) into which shall be deposited the proceeds of
15 the hotel room use fees as specified pursuant to section 6 of P.L.2001,
16 c.221 (C.5:12-173.14);

17 "Casino reinvestment development authority urban revitalization
18 incentive program" or "incentive program" means the program
19 established pursuant to section 4 of P.L.2001, c.221 (C. 5:12-173.12)
20 and administered by the authority to facilitate the development of
21 entertainment-retail districts for the city of Atlantic City and to
22 promote urban revitalization throughout the State;

23 "Commissioner" means the Commissioner of Community Affairs;

24 "Department" means the Department of Community Affairs;

25 "District project grant" or "grant" means an amount rebated to the
26 authority pursuant to sections 7 or 8 of P.L.2001, c.221
27 (C.5:12-173.15 or 5:12-173.16) for disbursement to a casino licensee
28 that is approved by the authority for a district project or for retention
29 by the authority for an approved district project sponsored by the
30 authority;

31 "Entertainment-retail district" or "district" means one of ~~[six]~~
32 eleven areas within Atlantic City, designated by the authority under the
33 incentive program;

34 "Entertainment-retail district project" or "district project" means a
35 project or projects to be developed by the authority or any casino
36 licensed to operate in Atlantic City prior to January 1, 2001, including,
37 but not necessarily limited to, a minimum of 150,000 square feet of
38 public space, retail stores, entertainment venues ~~[and]~~ , restaurants,
39 hotel rooms in non-casino hotels, residential units or commercial office
40 space, and may include, in addition, casino hotels and public parking
41 facilities approved by the authority under the incentive program, and
42 may also include: the purchasing, leasing, condemning, or otherwise
43 acquiring of land or other property, or an interest therein, approved by
44 the authority pursuant to a project grant agreement or as an authority
45 sponsored project, or as necessary for a right-of-way or other
46 easement to or from the land or property, or the relocating and moving

1 of persons displaced by the acquisition of the land or property; the
2 rehabilitation and redevelopment of land or property, approved
3 pursuant to a project grant agreement or as an authority sponsored
4 project, including demolition, clearance, removal, relocation,
5 renovation, alteration, construction, reconstruction, installation or
6 repair of a building, street, highway, alley, utility, service or other
7 structure or improvement; the acquisition, construction,
8 reconstruction, rehabilitation, or installation of parking and other
9 improvements approved pursuant to a project grant agreement or as
10 an authority sponsored project; and the costs associated therewith
11 including the costs of an administrative appraisal, economic and
12 environmental analyses or engineering, planning, design, architectural,
13 surveying or other professional services approved pursuant to a
14 project grant agreement or as part of an authority sponsored project;

15 "Entertainment-retail district project fund" or "project fund" means
16 the fund established by the State Treasurer pursuant to section 7 of
17 P.L.2001, c.221 (C.5:12-173.15) into which shall be deposited an
18 amount equivalent to the amount of receipts received from the taxation
19 of retail sales from a district project and from the taxation of
20 construction materials used for building a district project, as specified
21 pursuant to section 5 of P.L.2001, c.221 (C.5:12-173.13);

22 "Incremental luxury tax revenue amount" or "incremental luxury
23 tax" means the amount by which the annual luxury tax receipts
24 received pursuant to P.L.1947, c.71 (C.40:48-8.15 et seq.) from the
25 taxation of retail sales or sales at retail originating from transactions
26 at a district project in the year in which the district project opens under
27 the incentive program, and in each year thereafter, exceed the baseline
28 luxury tax, as determined by the State Treasurer; and

29 "Project grant agreement" means an agreement entered into
30 between the authority and a casino licensee, pursuant to section 4 of
31 P.L.2001, c.221 (C.5:12-173.12), that sets forth the terms and
32 conditions of approval for a district project and of eligibility for
33 district project grants, as determined by the authority.

34 (cf: P.L.2001, c.221, s.3)

35

36 5. Section 4 of P.L.2001, c.221 (C.5:12-173.12) is amended to
37 read as follows:

38 4. a. There is established the incentive program that shall be
39 administered by the authority. The purpose of the incentive program
40 is to facilitate the development of entertainment-retail districts for the
41 city of Atlantic City and to promote revitalization of other urban areas
42 in the State. The provisions of section 30 of P.L.1984, c.218
43 (C.5:12-178) shall not apply to the incentive program established
44 pursuant to this section. In order to implement the incentive program,
45 the authority is authorized to accept applications from casino licensees
46 [on or before September 1, 2001] on or before June 30, 2014 for

1 approval of a district project and to designate by resolution up to [six]
2 eleven districts [on or before September 30, 2001] and to enter into
3 project grant agreements with casino licensees to develop district
4 projects within each district or to approve a district project sponsored
5 by the authority. The authority may disburse district project grants in
6 accordance with sections 7 and 8 of P.L.2001, c.221 (C.5:12-173.15
7 and 5:12-173.16) to casino licensees with approved district projects
8 or to the authority for an authority sponsored district project under the
9 incentive program, if the authority determines that:

10 (1) construction of the district project will commence [no later
11 than June 30, 2002] within two years of the authority's approval of the
12 district project, or as otherwise provided pursuant to the project grant
13 agreement with the authority, or pursuant to the district project plan
14 approved by the authority for an authority sponsored district project;

15 (2) a proposed district project plan submitted pursuant to section
16 10 of P.L.2001, c.221 (C.5:12-173.18) is economically sound and will
17 assist in the overall development of the city of Atlantic City and will
18 benefit the people of New Jersey by increasing employment
19 opportunities and strengthening New Jersey's economy;

20 (3) the disbursement of grants to a casino licensee is a material
21 factor in the licensee's decision to go forward with a district project;
22 and

23 (4) the casino licensee has agreed to invest a minimum of \$20
24 million in its investment alternative tax obligations under section 3 of
25 P.L.1984, c.218 (C.5:12-144.1), such obligation to be made in \$10
26 million increments to one or more entertainment-retail projects, or
27 housing and community development projects, approved by the
28 authority and the department, in an urban area outside of Atlantic City,
29 and designated by the commissioner as eligible for, and in need of the
30 project, pursuant to section 11 of P.L.2001, c.221 (C.5:12-173.19).

31 b. Notwithstanding any provision to the contrary in P.L.2001,
32 c.221 (C.5:12-173.9 et al.), the authority and the commissioner jointly
33 may, in their discretion, also designate two entertainment-retail
34 projects, one in North Jersey and one in South Jersey, as eligible for
35 funds under the incentive program.

36 c. If construction of a designated district project does not
37 commence within the time required pursuant to this section, the
38 authority may remove that designation and, in accordance with
39 procedures adopted by the authority by resolution, accept applications
40 for and designate another district project of another casino licensee
41 notwithstanding the application time requirements of this section.

42 d. The authority may by resolution amend its designation of a
43 district project to increase the area of the district project by up to 50%
44 with the agreement of the casino licensee.

45 (cf: P.L.2002, c.65, s.33)

1 6. Section 7 of P.L.2001, c.221 (5:12-173.15) is amended to read
2 as follows:

3 7. a. There is created a dedicated, nonlapsing project fund to be
4 held by the State Treasurer, which shall be the repository for all
5 moneys required to be deposited therein under section 5 of P.L.2001,
6 c.221 (C.5:12-173.13) and any moneys appropriated or otherwise
7 made available to the project fund.

8 b. All moneys deposited in the project fund shall be held and
9 disbursed, subject to the requirements of section 11 of P.L.2001, c.221
10 (C.5:12-173.19), in the form of district project grants as follows:

11 (1) an amount from the project fund equivalent to the total
12 revenues received pursuant to the "Sales and Use Tax Act," P.L.1966,
13 c.30 (C.54:32B-1 et seq.) from the taxation of construction materials
14 used for building a district project approved by the authority pursuant
15 to a project grant agreement, or for building a district project
16 sponsored by the authority, shall be rebated in the form of a one-time
17 grant to the authority for disbursement to the casino licensee with an
18 approved district project or to the authority for an authority sponsored
19 district project;

20 (2) an amount from the project fund equivalent to the total
21 revenues received pursuant to the "Sales and Use Tax Act," P.L.1966,
22 c.30 (C.54:32B-1 et seq.) from the taxation of retail sales of tangible
23 property and services originating from and delivered from business
24 locations in a district project approved by the authority pursuant to a
25 project grant agreement or from business locations in a district project
26 sponsored by the authority, shall be rebated in the form of annual
27 grants (a) to the authority for disbursement to the casino licensee with
28 an approved district project, or to the authority for an authority
29 sponsored district project, with each annual grant not to exceed \$2.5
30 million per district project and payable annually for 20 years from the
31 date of completion of the district project, or until such time as the
32 combined total of grants disbursed under this section and under
33 section 8 of P.L.2001, c.221 (C.5:12-173.16) equals the approved cost
34 of the district project, as determined by the authority, whichever is
35 earlier, and (b) from the amounts remaining after such disbursement
36 in (a), to the authority for its purposes pursuant to law, as approved
37 by the membership of the authority, with each annual grant not to
38 exceed \$2.5 million per district project and payable annually for 20
39 years from the date of completion of the district project;

40 (3) the balance of the revenues in the project fund shall be
41 deposited in the General Fund if the authority, in consultation with the
42 State Treasurer, determines that the revenues are no longer needed for
43 the purposes of the project fund or for the uses prescribed in
44 P.L.2001, c.221 (C.5:12-173.9 et al.).

45 c. The State Treasurer may invest and reinvest any moneys in the
46 project fund, or any portion thereof, in legal obligations of the United

1 States or of the State or any political subdivision thereof. Any income
2 from, interest on, or increment to moneys so invested or reinvested
3 shall be included in the project fund.

4 (cf: P.L.2002, c.65, s.34)

5

6 7. Section 8 of P.L.2001, c.221 (C.5:12-173.16) is amended to
7 read as follows:

8 8. a. There is created a dedicated, nonlapsing room fund to be held
9 by the State Treasurer, which shall be the repository for all moneys
10 required to be deposited therein under section 6 of P.L.2001, c.221
11 (C.5:12-173.14) and any moneys appropriated or otherwise made
12 available to the room fund.

13 b. All moneys deposited in the room fund shall be held and
14 disbursed, subject to the requirements of section 11 of P.L.2001, c.221
15 (C.5:12-173.19), in the form of district projects grants as follows:

16 (1) an amount from the room fund equivalent to the incremental
17 luxury tax for a district project approved by the authority pursuant to
18 a project grant agreement or for a district project sponsored by the
19 authority, shall be rebated in the form of annual grants from the room
20 fund to the authority for disbursement to the casino licensee with an
21 approved district project, or to the authority for an authority
22 sponsored district project, and shall be payable annually [until
23 December 31, 2022] for 20 years from the date of completion of the
24 district project, or until [the date on which] such time as the
25 combined total of grants disbursed under this section and under
26 section 7 of P.L.2001, c.221 (C.5:12-173.15) equals the approved cost
27 of the district project, as determined by the authority, whichever is
28 earlier;

29 (2) the balance of the revenues in the room fund shall be deposited
30 in the special fund established pursuant to section 3 of P.L.1991, c.376
31 (C.40:48-8.47) if the authority, in consultation with the State
32 Treasurer, determines that the revenues are no longer needed for the
33 purposes of the room fund or for the uses prescribed in P.L.2001,
34 c.221 (C.5:12-173.9 et al.).

35 c. The State Treasurer may invest and reinvest any moneys in the
36 room fund, or any portion thereof, in legal obligations of the United
37 States or of the State or any political subdivision thereof. Any income
38 from, interest on, or increment to moneys so invested or reinvested
39 shall be included in the room fund.

40 (cf: P.L.2001, c.221, s.8)

41

42 8. Section 12 of P.L.2001, c.221 (C.5:12-173.20) is amended to
43 read as follows:

44 12. Notwithstanding any provision to the contrary in P.L.2001,
45 c.221 (C.5:12-173.9 et al.), in the event that fewer than [six] eleven
46 district projects are proposed by casino licensees, and approved by the

1 authority, the authority may sponsor a district project which meets the
2 criteria of paragraphs (1) and (2) of subsection a. of section 4 of
3 P.L.2001, c.221 (C.5:12-173.12), and in that event, paragraphs (3)
4 and (4) of subsection a. of section 4 of P.L.2001, c.221
5 (C.5:12-173.12) are not applicable to the authority and the grants
6 otherwise payable to a casino licensee pursuant to paragraphs (1) and
7 (2) of subsection b. of section 7 and paragraph (1) of subsection b. of
8 section 8 of P.L.2001, c.221 (C.5:12-173.15 and 5:12-173.16) shall be
9 payable to the authority.

10 (cf: P.L.2001, c.221, s.12)

11

12 9. Section 13 of P.L.2001, c.221 (C.5:12-173.21) is amended to
13 read as follows:

14 13. a. [Notwithstanding the provisions of any other law to the
15 contrary, if a district project of a casino licensee is approved by the
16 authority under the incentive program established by section 4 of
17 P.L.2001, c.221 (C.5:12-173.12), the investment alternative tax
18 imposed by subsection a. of section 3 of P.L.1984, c.218
19 (C.5:12-144.1), and any credits which may by law be applied against
20 that tax, shall end for the casino licensee's licensed facility, as
21 determined by the authority, 35 years after any investment alternative
22 tax obligation is first incurred in connection with the licensed facility
23 operated by the licensee.] (Deleted by amendment, P.L. , c. .) (now
24 before the Legislature as this bill)

25 b. If a district project of a casino licensee is approved by the
26 authority under the incentive program established by section 4 of
27 P.L.2001, c.221 (C.5:12-173.12), then during the [last five] 31st
28 through the 35th years of a casino licensee's investment alternative tax
29 obligations, the total of the proceeds of all bonds purchased by a
30 licensee from or through the authority and all approved investments in
31 eligible projects by a licensee shall not be devoted as set forth in
32 subsection f.(1) of section 3 of P.L.1984, c.218 (C.5:12-144.1) and
33 instead shall be devoted to the financing of projects in the following
34 areas and amounts: a) 25% for the city of Atlantic City; b) 25% for
35 South Jersey; and c) 50% for North Jersey.

36 (cf: P.L.2002, c.65, s.36)

37

38 10. This act shall take effect immediately.

39

40

41

STATEMENT

42

43 This bill makes several changes concerning the Casino
44 Reinvestment Development Authority (CRDA), casino licensee tax
45 obligations and the CRDA urban revitalization incentive program. In
46 particular, the bill:

1 extends a casino licensee's investment alternative tax obligation
2 from 35 to 50 years.

3 directs the CRDA to issue, upon approval of the State Treasurer,
4 bonds, notes or other obligations, the first \$62 million of the proceeds
5 of which will be used by licensed casinos for construction of casino
6 hotel rooms approved by the CRDA.

7 authorizes the CRDA to approve an additional five entertainment-
8 retail districts under the CRDA Urban Revitalization Act. Under the
9 act, a casino licensee is given tax incentives to develop new
10 entertainment and retail venues.

11 provides that the CRDA will receive for its purposes annual grants
12 of up to \$2.5 million for 20 years from the sales tax generated in an
13 entertainment-retail district under the CRDA Urban Revitalization Act.
14 Under current law, grants equal to the sales tax generated in an
15 entertainment-retail district, or \$2.5 million, whichever is less, is the
16 primary incentive for a casino licensee to establish entertainment-retail
17 districts. Under this bill, the CRDA would receive grants only if there
18 is revenue left after the relevant casino licensees have received their
19 grants.