

# 5:12-173.22a

## LEGISLATIVE HISTORY CHECKLIST

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**LAWS OF:** 2005 **CHAPTER:** 30

**NJSA:** 5:12-173.22a (Revises eligibility criteria for two CRDA-administered programs)

**BILL NO:** A3217 (Substituted for S1896)

**SPONSOR(S):** Van Drew

**DATE INTRODUCED:** September 23, 2004

**COMMITTEE:** **ASSEMBLY:** Tourism and Gaming  
**SENATE:**

**AMENDED DURING PASSAGE:** Yes

**DATE OF PASSAGE:** **ASSEMBLY:** December 13, 2004

**SENATE:** December 6, 2004

**DATE OF APPROVAL:** January 26, 2005

**FOLLOWING ARE ATTACHED IF AVAILABLE:**

[FINAL TEXT OF BILL](#) 2nd reprint enacted

**A3217**

**[SPONSOR'S STATEMENT:](#)** (Begins on page 5 of original bill) [Yes](#)

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

**SENATE:** No

**[FLOOR AMENDMENT STATEMENT:](#)** [Yes](#)

**LEGISLATIVE FISCAL ESTIMATE:** No

**S1896**

**[SPONSOR'S STATEMENT:](#)** (Begins on page 5 of original bill) [Yes](#)

**COMMITTEE STATEMENT:** **ASSEMBLY:** No

**[SENATE:](#)** [Yes](#)

**FLOOR AMENDMENT STATEMENT:** No

**LEGISLATIVE FISCAL ESTIMATE:** No

**VETO MESSAGE:** No

**GOVERNOR'S PRESS RELEASE ON SIGNING:** No

**FOLLOWING WERE PRINTED:**

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No

IS 2/22/07

P.L. 2005, CHAPTER 30, *approved January 26, 2005*  
Assembly, No. 3217 (*Second Reprint*)

1 AN ACT concerning expansion projects under the supervision of the  
2 Casino Reinvestment Development Authority and amending  
3 P.L.2001, c.221 and P.L.2004, c.129.

4  
5 **BE IT ENACTED** by the Senate and General Assembly of the State  
6 of New Jersey:

7  
8 1. Section 5 of P.L.2004, c.129 (C.5:12-173.22a) is amended to  
9 read as follows:

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

18 b. The authority shall establish an Atlantic City Expansion Fund  
19 into which the authority shall deposit the amount directed to be  
20 deposited into the fund pursuant to subsection a. of this section.  
21 Notwithstanding section 30 of P.L.1984, c.218 (C.5:12-178), the  
22 authority shall make moneys on deposit in the fund available, in  
23 amounts determined pursuant to subsection c. of this section, to each  
24 casino licensee operating a casino hotel facility as of June 30, 2004 for  
25 investment in an eligible **[casino hotel]** expansion project approved by  
26 the authority **[which increases the number of casino]**. An eligible  
27 project approved by August 25, 2006 shall add hotel rooms [in the  
28 licensee's casino hotel facility], retail, dining or non-gaming  
29 entertainment venues, or other non-gaming amenities, <sup>1</sup>[except]  
30 including<sup>1</sup> parking <sup>1</sup>[facilities] spaces<sup>1</sup>, in the City of Atlantic City <sup>1</sup>,  
31 provided that the moneys received pursuant to this subsection may be  
32 used for parking spaces only if the authority determines that the  
33 addition of parking spaces is an essential component of a  
34 comprehensive development plan<sup>1</sup>. An eligible project approved  
35 thereafter shall add hotel rooms in the City of Atlantic City. The  
36 authority shall not authorize investment of moneys in the fund for a  
37 project that receives or is anticipated to receive funding pursuant to  
38 the Casino Reinvestment Development Authority Urban Revitalization  
39 Act, P.L. 2001, c.221 (C.5:12-173.9 et seq.), or section 8 of P.L.1993,

**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.**

**Matter enclosed in superscript numerals has been adopted as follows:**

<sup>1</sup> Assembly ATG committee amendments adopted September 23, 2004.

<sup>2</sup> Senate floor amendments adopted December 6, 2004.

1 c.159 (C.5:12-173.8) , unless the casino licensee demonstrates to the  
2 satisfaction of the authority that the funding from the Atlantic City  
3 Expansion Fund will result in a significant improvement in or  
4 expansion of that project <sup>2</sup>, and the casino licensee invests additional  
5 private funds in the project in an amount deemed appropriate by the  
6 authority<sup>2</sup>. The authority shall promulgate regulations establishing the  
7 criteria governing the approval of eligible projects.

8 c. The authority shall determine the amount each casino licensee  
9 shall be eligible to receive from the Atlantic City Expansion Fund. The  
10 form, terms and maximum percentage of the cost of an eligible  
11 expansion project to be received by each casino licensee shall be  
12 determined by the authority by resolution. In the event that a casino  
13 licensee has not submitted by June 30, 2014 an application that, if  
14 approved, would exhaust its share of the Atlantic City Expansion  
15 Fund, the remainder of such casino licensee's share of the fund shall be  
16 transferred to its Atlantic City non-housing obligations pursuant to  
17 section 3 of P.L.1984, c.218 (C.5:12-144.1) , provided that such  
18 transferred share shall not reduce the licensee's investment alternative  
19 tax obligation pursuant to section f. of P.L.1984, c.218 (C.5:12-  
20 144.1).

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

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

39 (2) The authority shall establish a special fund into which the  
40 authority shall deposit the amount directed to be deposited into the  
41 fund pursuant to this subsection. The authority shall make half of the  
42 moneys on deposit in the fund available for investment in projects  
43 located in North Jersey, and half of the moneys on deposit in the fund  
44 available for investment in projects located in South Jersey. For the  
45 purposes of this paragraph, "South Jersey" means the counties of  
46 Atlantic, Burlington, Camden, Cape May, Cumberland, Gloucester,

1 Mercer, Ocean, and Salem, except that "South Jersey" shall not  
2 include the City of Atlantic City; and "North Jersey" means the  
3 remaining 12 counties of the State.

4 (cf: P.L.2004, c.129, s.5)

5

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

8 3. As used in this act:

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

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

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

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

29 "Commissioner" means the Commissioner of Community Affairs;

30 "Department" means the Department of Community Affairs;

31 "District project grant" or "grant" means an amount rebated to the  
32 authority pursuant to sections 7 or 8 of P.L.2001, c.221  
33 (C.5:12-173.15 or 5:12-173.16) for disbursement to a casino licensee  
34 that is approved by the authority for a district project or for retention  
35 by the authority for an approved district project sponsored by the  
36 authority;

37 "Entertainment-retail district" or "district" means one of eleven  
38 areas within Atlantic City, designated by the authority under the  
39 incentive program;

40 "Entertainment-retail district project" or "district project" means a  
41 project or projects to be developed by the authority or any casino  
42 licensed to operate in Atlantic City prior to June 30, 2004, including,  
43 but not necessarily limited to, a minimum of 150,000 square feet of  
44 public space, retail stores, entertainment venues [.] <sup>1</sup>[and].<sup>1</sup>  
45 restaurants, [hotel rooms in non-casino hotels, residential units or  
46 commercial office space,] <sup>1</sup>[and] hotel rooms in non-casino hotels

1 <sup>2</sup>[and] or<sup>2</sup> residential units, provided that such rooms and residential  
2 units shall constitute not more than 50% of the required minimum  
3 square footage. The project<sup>1</sup> may include, in addition, casino hotels,  
4 public parking facilities <sup>1</sup>[, hotel rooms in non-casino hotels,  
5 residential units]<sup>1</sup> or commercial office space, approved by the  
6 authority under the incentive program, and may also include: the  
7 purchasing, leasing, condemning, or otherwise acquiring of land or  
8 other property, or an interest therein, approved by the authority  
9 pursuant to a project grant agreement or as an authority sponsored  
10 project, or as necessary for a right-of-way or other easement to or  
11 from the land or property, or the relocating and moving of persons  
12 displaced by the acquisition of the land or property; the rehabilitation  
13 and redevelopment of land or property, approved pursuant to a project  
14 grant agreement or as an authority sponsored project, including  
15 demolition, clearance, removal, relocation, renovation, alteration,  
16 construction, reconstruction, installation or repair of a building, street,  
17 highway, alley, utility, service or other structure or improvement; the  
18 acquisition, construction, reconstruction, rehabilitation, or installation  
19 of parking and other improvements approved pursuant to a project  
20 grant agreement or as an authority sponsored project; and the costs  
21 associated therewith including the costs of an administrative appraisal,  
22 economic and environmental analyses or engineering, planning, design,  
23 architectural, surveying or other professional services approved  
24 pursuant to a project grant agreement or as part of an authority  
25 sponsored project;

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

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

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

45 (cf: P.L.2004, c.129, s.6)

1       3. This act shall take effect immediately.

2

3

4

5

6       Revises eligibility criteria for two CRDA-administered programs:

7       Atlantic City Expansion Fund and Urban Revitalization Act.

# ASSEMBLY, No. 3217

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## STATE OF NEW JERSEY

### 211th LEGISLATURE

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INTRODUCED SEPTEMBER 23, 2004

**Sponsored by:**

**Assemblyman JEFF VAN DREW**

**District 1 (Cape May, Atlantic and Cumberland)**

**Co-Sponsored by:**

**Assemblymen Conover and Blee**

**SYNOPSIS**

Revises eligibility criteria for two CRDA-administered programs: Atlantic City Expansion Fund and Urban Revitalization Act.

**CURRENT VERSION OF TEXT**

As introduced.



**(Sponsorship Updated As Of: 9/24/2004)**



1 AN ACT concerning expansion projects under the supervision of the  
2 Casino Reinvestment Development Authority and amending  
3 P.L.2001, c.221 and P.L.2004, c.129.

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5 **BE IT ENACTED** by the Senate and General Assembly of the State  
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11 upon the approval of the State Treasurer, bonds, notes or other  
12 obligations, in an amount not to exceed \$62 million, the proceeds of  
13 which shall be deposited into the Atlantic City Expansion Fund created  
14 pursuant to subsection b. of this section. The principal and interest of  
15 such bonds, notes or other obligations shall be repaid exclusively from  
16 the revenues dedicated to the authority for this purpose pursuant to  
17 section 6 of P.L.2003, c.116 (C.5:12-145.8).

18 b. The authority shall establish an Atlantic City Expansion Fund  
19 into which the authority shall deposit the amount directed to be  
20 deposited into the fund pursuant to subsection a. of this section.  
21 Notwithstanding section 30 of P.L.1984, c.218 (C.5:12-178), the  
22 authority shall make moneys on deposit in the fund available, in  
23 amounts determined pursuant to subsection c. of this section, to each  
24 casino licensee operating a casino hotel facility as of June 30, 2004 for  
25 investment in an eligible [casino hotel] expansion project approved by  
26 the authority [which increases the number of casino] . An eligible  
27 project approved by August 25, 2006 shall add hotel rooms [in the  
28 licensee's casino hotel facility] , retail, dining or non-gaming  
29 entertainment venues, or other non-gaming amenities, except parking  
30 facilities, in the City of Atlantic City. An eligible project approved  
31 thereafter shall add hotel rooms in the City of Atlantic City. The  
32 authority shall not authorize investment of moneys in the fund for a  
33 project that receives or is anticipated to receive funding pursuant to  
34 the Casino Reinvestment Development Authority Urban Revitalization  
35 Act, P.L. 2001, c.221 (C.5:12-173.9 et seq.), or section 8 of P.L.1993,  
36 c.159 (C.5:12-173.8) , unless the casino licensee demonstrates to the  
37 satisfaction of the authority that the funding from the Atlantic City  
38 Expansion Fund will result in a significant improvement in or  
39 expansion of that project. The authority shall promulgate regulations  
40 establishing the 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

**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 expansion project to be received by each casino licensee shall be  
2 determined by the authority by resolution. In the event that a casino  
3 licensee has not submitted by June 30, 2014 an application that, if  
4 approved, would exhaust its share of the Atlantic City Expansion  
5 Fund, the remainder of such casino licensee's share of the fund shall be  
6 transferred to its Atlantic City non-housing obligations pursuant to  
7 section 3 of P.L.1984, c.218 (C.5:12-144.1) , provided that such  
8 transferred share shall not reduce the licensee's investment alternative  
9 tax obligation pursuant to section f. of P.L.1984, c.218 (C.5:12-  
10 144.1).

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

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

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

40 (cf: P.L.2004, c.129, s.5)

41

42 2. Section 3 of P.L.2001, c.221 (C.5:12-173.11) is amended to  
43 read as follows:

44 3. As used in this act:

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

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

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

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

19 "Commissioner" means the Commissioner of Community Affairs;

20 "Department" means the Department of Community Affairs;

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

27 "Entertainment-retail district" or "district" means one of eleven  
28 areas within Atlantic City, designated by the authority under the  
29 incentive program;

30 "Entertainment-retail district project" or "district project" means a  
31 project or projects to be developed by the authority or any casino  
32 licensed to operate in Atlantic City prior to June 30, 2004, including,  
33 but not necessarily limited to, a minimum of 150,000 square feet of  
34 public space, retail stores, entertainment venues [.] and restaurants,  
35 [hotel rooms in non-casino hotels, residential units or commercial  
36 office space,] and may include, in addition, casino hotels, public  
37 parking facilities, hotel rooms in non-casino hotels, residential units  
38 or commercial office space, approved by the authority under the  
39 incentive program, and may also include: the purchasing, leasing,  
40 condemning, or otherwise acquiring of land or other property, or an  
41 interest therein, approved by the authority pursuant to a project grant  
42 agreement or as an authority sponsored project, or as necessary for a  
43 right-of-way or other easement to or from the land or property, or the  
44 relocating and moving of persons displaced by the acquisition of the  
45 land or property; the rehabilitation and redevelopment of land or  
46 property, approved pursuant to a project grant agreement or as an

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

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

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

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

32 (cf: P.L.2004, c.129, s.6)

33

34 3. This act shall take effect immediately.

35

36

37

#### STATEMENT

38

39 This bill revises the eligibility criteria for two programs  
40 administered by the Casino Reinvestment Development Authority  
41 (CRDA). The bill allows the CRDA to approve the use of the recently  
42 established \$62 million Atlantic City Expansion Fund for casino  
43 expansion projects that add hotel rooms, retail, dining or non-gaming  
44 entertainment venues, or other non-gaming amenities, except parking  
45 facilities, to Atlantic City, provided the project is approved by August  
46 25, 2006. A project approved thereafter can only be for hotel room

1 expansion. Under current law, expansion fund money can be used only  
2 for casino hotel expansions. More hotel rooms are vital to the growth  
3 of Atlantic City, but so are more retail, dining and non-gaming  
4 entertainment and amenities.

5 In addition, the bill gives the CRDA the flexibility to combine  
6 expansion fund money with existing incentive programs provided that  
7 the additional incentive from the expansion fund results in a  
8 significantly larger or better project.

9 The bill clarifies that if a casino licensee does not use its designated  
10 share of the Atlantic City Expansion Fund by June 30, 2014, the  
11 money will be used for a CRDA-approved Atlantic City project, other  
12 than housing, and that project will not be counted as a credit against  
13 that licensee's investment alternative tax obligation. This was the  
14 legislative intent of the expansion fund provision, enacted August 25,  
15 2004, and this bill changes that provision to more clearly reflect the  
16 intent.

17 Finally, the bill clarifies that an entertainment-retail district project  
18 approved under the CRDA Urban Revitalization Act must include a  
19 minimum of 150,000 square feet of public, entertainment, retail and  
20 dining space, and square footage in the district project beyond that  
21 minimum amount may include hotel rooms, office space, residential  
22 units, and other elements specified in statute.

# ASSEMBLY TOURISM AND GAMING COMMITTEE

## STATEMENT TO

### **ASSEMBLY, No. 3217**

with committee amendments

# **STATE OF NEW JERSEY**

DATED: SEPTEMBER 23, 2004

The Assembly Tourism and Gaming Committee reports favorably and with committee amendments Assembly, No. 3217.

As amended by the committee, this bill revises the eligibility criteria for two programs administered by the Casino Reinvestment Development Authority (CRDA). The bill allows the CRDA to approve the use of the recently established \$62 million Atlantic City Expansion Fund for casino expansion projects that add hotel rooms, retail, dining or non-gaming entertainment venues, other non-gaming amenities or parking spaces to Atlantic City, provided the project is approved by August 25, 2006 and provided that the money received from the fund may be used for parking spaces only if the CRDA determines that the addition of parking spaces is an essential component of an overall development plan. A project approved after August 25, 2006 can only be for hotel room expansion. Under current law, expansion fund money can be used only for casino hotel expansions. More hotel rooms are vital to the growth of Atlantic City, but so are more retail, dining and non-gaming entertainment and amenities.

In addition, the bill gives the CRDA the flexibility to combine expansion fund money with existing incentive programs provided that the additional incentive from the expansion fund results in a significantly larger or better project.

The bill clarifies that if a casino licensee does not use its designated share of the Atlantic City Expansion Fund by June 30, 2014, the money will be used for a CRDA-approved Atlantic City project, other than housing, and that project will not be counted as a credit against that licensee's investment alternative tax obligation. This was the legislative intent of the expansion fund provision, enacted August 25, 2004, and this bill changes the language of that provision to more clearly reflect the intent.

Finally, the bill clarifies that an entertainment-retail district project approved under the CRDA Urban Revitalization Act must include a minimum of 150,000 square feet of public, entertainment, retail and dining space, non-casino hotel rooms and residential units, provided that non-casino hotel rooms and residential units account for no more

than 50% of the required minimum square footage. The amended bill provides that square footage in the district project beyond that minimum amount may include office space and other elements specified in statute.

#### COMMITTEE AMENDMENTS

The committee amended the bill to clarify that a casino licensee can receive money from the Atlantic City Expansion Fund to add parking spaces, provided that the CRDA determines that the addition of parking spaces is an essential part of an overall development plan. The committee also amended the bill to allow non-casino hotel rooms and residential units to comprise up to 50% of the required minimum square footage in an entertainment-retail district project under the CRDA Urban Revitalization Act.

# STATEMENT TO

[First Reprint]

## **ASSEMBLY, No. 3217**

with Senate Floor Amendments  
(Proposed By Senator BUONO)

ADOPTED: DECEMBER 6, 2004

These amendments provide that a casino non-gaming expansion project is eligible to receive additional public funds only if the casino licensee invests additional private funds in the project in an amount deemed appropriate by the Casino Reinvestment Development Authority (CRDA). In addition, the amendments clarify that an entertainment-retail district project under the CRDA Urban Revitalization Act is required to contain "a minimum of 150,000 square feet of public space, retail stores, entertainment venues, restaurants, hotel rooms in non-casino hotels **or** residential units," (emphasis added) provided that hotel rooms and residential units constitute no more than half of this required minimum square footage. The "or" was an "and" under the previous language of the bill. The intent is to allow for flexibility in the constitution of entertainment-retail district projects. These amendments make this bill identical to Senate, No.1896.



**SENATE, No. 1896**

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**STATE OF NEW JERSEY**  
**211th LEGISLATURE**

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INTRODUCED OCTOBER 4, 2004

**Sponsored by:**

**Senator BARBARA BUONO**

**District 18 (Middlesex)**

**Senator WILLIAM L. GORMLEY**

**District 2 (Atlantic)**

**SYNOPSIS**

Revises eligibility criteria for two CRDA-administered programs: Atlantic City Expansion Fund and Urban Revitalization Act.

**CURRENT VERSION OF TEXT**

As introduced.



1 AN ACT concerning expansion projects under the supervision of the  
2 Casino Reinvestment Development Authority and amending  
3 P.L.2001, c.221 and P.L.2004, c.129.

4  
5 **BE IT ENACTED** by the Senate and General Assembly of the State  
6 of New Jersey:

7  
8 1. Section 5 of P.L.2004, c.129 (C.5:12-173.22a) is amended to  
9 read as follows:

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

18 b. The authority shall establish an Atlantic City Expansion Fund  
19 into which the authority shall deposit the amount directed to be  
20 deposited into the fund pursuant to subsection a. of this section.  
21 Notwithstanding section 30 of P.L.1984, c.218 (C.5:12-178), the  
22 authority shall make moneys on deposit in the fund available, in  
23 amounts determined pursuant to subsection c. of this section, to each  
24 casino licensee operating a casino hotel facility as of June 30, 2004 for  
25 investment in an eligible [casino hotel] expansion project approved by  
26 the authority [which increases the number of casino] . An eligible  
27 project approved by August 25, 2006 shall add hotel rooms [in the  
28 licensee's casino hotel facility] , retail, dining or non-gaming  
29 entertainment venues, or other non-gaming amenities, including  
30 parking spaces, in the City of Atlantic City, provided that the moneys  
31 received pursuant to this subsection may be used for parking spaces  
32 only if the authority determines that the addition of parking spaces is  
33 an essential component of a comprehensive development plan. An  
34 eligible project approved thereafter shall add hotel rooms in the City  
35 of Atlantic City. The authority shall not authorize investment of  
36 moneys in the fund for a project that receives or is anticipated to  
37 receive funding pursuant to the Casino Reinvestment Development  
38 Authority Urban Revitalization Act, P.L. 2001, c.221 (C.5:12-173.9  
39 et seq.), or section 8 of P.L.1993, c.159 (C.5:12-173.8) , unless the  
40 casino licensee demonstrates to the satisfaction of the authority that  
41 the funding from the Atlantic City Expansion Fund will result in a  
42 significant improvement in or expansion of that project, and the casino  
43 licensee invests additional private funds in the project in an 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 deemed appropriate by the authority. The authority shall promulgate  
2 regulations establishing the criteria governing the approval of eligible  
3 projects.

4 c. The authority shall determine the amount each casino licensee  
5 shall be eligible to receive from the Atlantic City Expansion Fund. The  
6 form, terms and maximum percentage of the cost of an eligible  
7 expansion project to be received by each casino licensee shall be  
8 determined by the authority by resolution. In the event that a casino  
9 licensee has not submitted by June 30, 2014 an application that, if  
10 approved, would exhaust its share of the Atlantic City Expansion  
11 Fund, the remainder of such casino licensee's share of the fund shall be  
12 transferred to its Atlantic City non-housing obligations pursuant to  
13 section 3 of P.L.1984, c.218 (C.5:12-144.1) , provided that such  
14 transferred share shall not reduce the licensee's investment alternative  
15 tax obligation pursuant to section f. of P.L.1984, c.218 (C.5:12-  
16 144.1).

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

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

35 (2) The authority shall establish a special fund into which the  
36 authority shall deposit the amount directed to be deposited into the  
37 fund pursuant to this subsection. The authority shall make half of the  
38 moneys on deposit in the fund available for investment in projects  
39 located in North Jersey, and half of the moneys on deposit in the fund  
40 available for investment in projects located in South Jersey. For the  
41 purposes of this paragraph, "South Jersey" means the counties of  
42 Atlantic, Burlington, Camden, Cape May, Cumberland, Gloucester,  
43 Mercer, Ocean, and Salem, except that "South Jersey" shall not  
44 include the City of Atlantic City; and "North Jersey" means the  
45 remaining 12 counties of the State.

46 (cf: P.L.2004, c.129, s.5)

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

3       3. As used in this act:

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

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

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

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

24       "Commissioner" means the Commissioner of Community Affairs;

25       "Department" means the Department of Community Affairs;

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

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

35       "Entertainment-retail district project" or "district project" means a  
36 project or projects to be developed by the authority or any casino  
37 licensed to operate in Atlantic City prior to June 30, 2004, including,  
38 but not necessarily limited to, a minimum of 150,000 square feet of  
39 public space, retail stores, entertainment venues, restaurants, hotel  
40 rooms in non-casino hotels [,] or residential units [or commercial  
41 office space, and] , provided that such rooms and residential units  
42 shall constitute not more than 50% of the required minimum square  
43 footage. The project may include, in addition, casino hotels, public  
44 parking facilities or commercial office space, approved by the  
45 authority under the incentive program, and may also include: the  
46 purchasing, leasing, condemning, or otherwise acquiring of land or

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

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

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

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

38 (cf: P.L.2004, c.129, s.6)

39

40 3. This act shall take effect immediately.

41

42

43

#### STATEMENT

44

45 This bill revises the eligibility criteria for two programs  
46 administered by the Casino Reinvestment Development Authority

1 (CRDA). The bill allows the CRDA to approve the use of the recently  
2 established \$62 million Atlantic City Expansion Fund for casino  
3 expansion projects that add hotel rooms, retail, dining or non-gaming  
4 entertainment venues, or other non-gaming amenities, including  
5 parking spaces, to Atlantic City, provided the project is approved by  
6 August 25, 2006 and provided that the money received from the fund  
7 may be used for parking spaces only if the CRDA determines that the  
8 addition of parking spaces is an essential component of an overall  
9 development plan. A project approved thereafter can only be for hotel  
10 room expansion. Under current law, expansion fund money can be  
11 used only for casino hotel expansions. More hotel rooms are vital to  
12 the growth of Atlantic City, but so are more retail, dining and non-  
13 gaming entertainment and amenities.

14 In addition, the bill gives the CRDA the flexibility to combine  
15 expansion fund money with existing incentive programs provided that  
16 the additional incentive from the expansion fund results in a  
17 significantly larger or better project and an increase in private  
18 investment in the project, in an amount deemed appropriate by the  
19 CRDA. With an increase in public funding for a project, there ought  
20 to be an increase in private funding for that same project.

21 The bill clarifies that if a casino licensee does not use its designated  
22 share of the Atlantic City Expansion Fund by June 30, 2014, the  
23 money will be used for a CRDA-approved Atlantic City project, other  
24 than housing, and that project will not be counted as a credit against  
25 that licensee's investment alternative tax obligation. This was the  
26 legislative intent of the expansion fund provision, enacted August 25,  
27 2004, and this bill changes that provision to more clearly reflect the  
28 intent.

29 Finally, the bill clarifies that an entertainment-retail district project  
30 approved under the CRDA Urban Revitalization Act must include a  
31 minimum of 150,000 square feet of public, entertainment, retail and  
32 dining space, non-casino hotel rooms and residential units, provided  
33 that non-casino hotel rooms and residential units account for no more  
34 than 50% of the required minimum square footage. Under the bill,  
35 square footage in the district project beyond that minimum amount  
36 may include office space and other elements specified in statute.

SENATE WAGERING, TOURISM AND HISTORIC  
PRESERVATION COMMITTEE

STATEMENT TO

**SENATE, No. 1896**

**STATE OF NEW JERSEY**

DATED: OCTOBER 14, 2004

The Senate Wagering, Tourism and Historic Preservation Committee reports favorably Senate, No. 1896.

This bill revises the eligibility criteria for two programs administered by the Casino Reinvestment Development Authority (CRDA). The bill allows the CRDA to approve the use of the recently established \$62 million Atlantic City Expansion Fund for casino expansion projects that add hotel rooms, retail, dining or non-gaming entertainment venues, or other non-gaming amenities, including parking spaces, to Atlantic City, provided the project is approved by August 25, 2006 and provided that the money received from the fund may be used for parking spaces only if the CRDA determines that the addition of parking spaces is an essential component of an overall development plan. A project approved thereafter can only be for hotel room expansion. Under current law, expansion fund money can be used only for casino hotel expansions. More hotel rooms are vital to the growth of Atlantic City, but so is more retail, dining and non-gaming entertainment and amenities.

In addition, the bill gives the CRDA the flexibility to combine expansion fund money with existing incentive programs provided that the additional incentive from the expansion fund results in a significantly larger or better project and an increase in private investment in the project, in an amount deemed appropriate by the CRDA. With an increase in public funding for a project, there ought to be an increase in private funding for that same project.

The bill clarifies that if a casino licensee does not use its designated share of the Atlantic City Expansion Fund by June 30, 2014, the money will be used for a CRDA-approved Atlantic City project, other than housing, and that project will not be counted as a credit against that licensee's investment alternative tax obligation. This was the legislative intent of the expansion fund provision, enacted August 25, 2004, and this bill changes that provision to more clearly reflect the intent.

Finally, the bill clarifies that an entertainment-retail district project approved under the CRDA Urban Revitalization Act must include a minimum of 150,000 square feet of public, entertainment, retail and

dining space, non-casino hotel rooms and residential units, provided that non-casino hotel rooms and residential units account for no more than 50% of the required minimum square footage. Under the bill, square footage in the district project beyond that minimum amount may include office space and other elements specified in statute.