

P.L.1993, CHAPTER 159, approved June 29, 1993
1993 Senate No. 1744

1 AN ACT regarding the redevelopment of Atlantic City,
2 establishing minimum charges and imposing fees on casino
3 parking facilities therein, providing for the development of
4 hotel rooms therein amending and supplementing P.L.1984,
5 c.218 and amending P.L.1977, c.110.
6

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

9 1. (New Section) The Legislature finds that the single most
10 significant factor contributing to the cost of constructing,
11 maintaining, operating and supporting highways, roads and
12 infrastructure, in Atlantic City, and particularly in the "corridor"
13 region of the city, is the heavy volume of motor vehicular traffic
14 occasioned by the attraction of casino gambling in Atlantic City.
15 This traffic is encouraged by the provision of free parking by
16 casino operations, by the relative underdevelopment of public
17 transportation services, and by the shortage of hotel
18 accommodations in the city. While the Legislature has taken
19 various measures, most notably the "South Jersey Transportation
20 Authority Act," P.L.1991, c.252 (C.27:25A-1 et al.), to provide
21 and improve public transportation services in the South Jersey
22 region as an alternative to the use of motor vehicles, the heavy
23 capital costs associated with reconstruction of the corridor
24 region's infrastructure require a continuous source of public
25 funding. The Legislature declares, therefore, that it is in the
26 public interest to require a standard minimum charge for casino
27 parking within Atlantic City, and to impose fees on amounts
28 received from those charges, with the proceeds of those fees to
29 be used by the Casino Reinvestment Development Authority for
30 projects which are related to improving the highways, roads,
31 infrastructure, traffic regulation and public safety of the city, or
32 which are otherwise necessary or useful to the economic
33 development and redevelopment of the city in this regard. It is
34 also in the public interest to establish a special temporary fund
35 for the use of existing moneys of the authority for the provision
36 of financial assistance to casinos and casino hotels to construct,
37 reconstruct or rehabilitate hotel rooms in Atlantic City.

38 2. (New Section) On and after July 1, 1993, there is
39 established a minimum amount which shall be charged in the City
40 of Atlantic City for the use of a parking space for the purpose of
41 parking, garaging or storing a motor vehicle in a parking facility
42 or property owned or leased by a casino hotel licensed under the
43 "Casino Control Act," P.L.1977, c.110 (C.5:12-1 et seq.), or by

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 any person on behalf of a casino hotel. The charge shall be not
 2 less than \$2.00 per day for each motor vehicle parked, garaged or
 3 stored in the parking space. The charge shall be made for all
 4 motor vehicles so parked, garaged or stored, except for motor
 5 vehicles owned or leased by the owner or operator of the parking
 6 facility or property, or by an employee of the casino hotel which
 7 owns or leases the parking facility or property. A parking space
 8 is considered to be that of a licensed casino hotel if the facility
 9 or property in which the space is located is owned, wholly or in
 10 part, or leased by the casino hotel, and is utilized in whole or in
 11 part in conjunction with the operations of the casino hotel. A
 12 parking space shall be considered to be on behalf of a casino hotel
 13 if spaces within the facility or property are kept under lease or
 14 contract for the use of visitors or guests of the casino hotel. No
 15 motor vehicle shall be required, upon proof of payment of the
 16 \$2.00 charge, to pay the charge again in the same calendar day,
 17 either for use of a parking space in the same parking facility or
 18 property, or for use of a parking space in another casino hotel
 19 parking facility or property.

20 3. (New Section) On and after July 1, 1993, there is imposed in
 21 the City of Atlantic City a fee upon the use of spaces for the
 22 parking, garaging or storing of motor vehicles in a parking
 23 facility or property owned or leased by a casino hotel licensed
 24 under the "Casino Control Act," P.L.1977, c.110 (C.5:12-1 et
 25 seq.), or by any person on behalf of a casino hotel. The fee so
 26 imposed is \$1.50 of the amount received by the casino hotel or
 27 person from each charge made for the use of a parking space;
 28 provided, however, that if the casino hotel or person shall fail to
 29 collect, or shall rebate, all or a portion of the charge required
 30 herein to be imposed for the use of any parking space, the full
 31 amount of the fee shall be payable by the casino hotel or person.

32 4. (New Section) Proceeds from fees collected pursuant to
 33 section 3 of this act, P.L., c. (C.) shall
 34 be paid by the State Treasurer into a special fund established and
 35 held by the State Treasurer and made available for the exclusive
 36 use of the Casino Reinvestment Development Authority
 37 established pursuant to P.L.1984, c.218 (C.5:12-153 et al.).
 38 Amounts in this special fund shall be expended by that authority
 39 for eligible projects in the corridor region of the City of Atlantic
 40 City in Atlantic County as defined by regulation of the authority,
 41 which are related to improving the highways, roads,
 42 infrastructure, traffic regulation and public safety of that city or
 43 which are otherwise necessary or useful to the economic
 44 development and redevelopment of the city in this regard.

45 The State Treasurer may require that a financial plan
 46 demonstrating the need, schedule and use for moneys placed in
 47 the special fund be approved by the State Treasurer prior to
 48 allocation.

49 Pending application of moneys held in this special fund for
 50 these purposes, the moneys shall be invested in accordance with
 51 applicable law and income therefrom shall be credited exclusively
 52 to the special fund.

53 5. (New Section) Each person subject to the provisions of
 54 section 3 of this act, P.L., c. (C.), shall

1 be responsible for the collection of the fees imposed pursuant
2 thereto, which shall be collected as part of the charge made for
3 the use of a parking space. Amounts so collected shall be
4 forwarded to the Director of the Division of Taxation in the
5 Department of the Treasury. The director, in administering the
6 provisions of this act, shall have all the powers granted in
7 P.L.1966, c.30 (C.54:32B-1 et seq.). The director shall determine
8 and certify to the State Treasurer on a monthly basis the amount
9 of revenues collected by the director pursuant to this section
10 which are payable to the special fund established by this act. The
11 State Treasurer, upon certification of the director and upon
12 warrant of the State Comptroller, and subject to the pertinent
13 requirements of section 4 of this act, P.L., c.
14 (C.) shall pay and distribute on a monthly basis to the
15 special fund established by this act the amount so certified.

16 6. (New Section) a. Notwithstanding any provisions of
17 P.L.1984, c.218 (C.5:12-153 et al.) restricting the issuance or sale
18 of bonds, notes or other obligations by the Casino Reinvestment
19 Development Authority, the authority may from time to time
20 issue bonds or notes, the principal, interest or redemption
21 premiums on which are to be payable in all or part from amounts
22 then on deposit or to be deposited in the special fund established
23 pursuant to section 4 of this act, P.L., c.
24 (C.). The authority is authorized to issue its bonds in
25 such principal amounts as shall be necessary to provide sufficient
26 funds for eligible projects to be financed from that special fund,
27 and to pay, fund, or refund principal or interest or redemption
28 premiums on any bonds or notes issued by it which are payable
29 from that special fund, whether the bonds or notes or interest to
30 be funded or refunded have or have not become due.

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

48 c. Any provision of any law to the contrary notwithstanding,
49 any bond or note issued pursuant to this act shall be fully
50 negotiable within the meaning and for all purposes of the
51 negotiable instruments law of the State, and each holder or owner
52 of a bond or note, or of any coupon appurtenant thereto, by
53 accepting the bond, note or coupon shall be conclusively deemed
54 to have agreed that the bond, note or coupon is and shall be fully

1 negotiable within the meaning and for all purposes of the
2 negotiable instruments law.

3 d. Bonds or notes of the authority shall be authorized by
4 resolution of the authority and may be issued in one or more
5 series and shall bear the date or dates, mature at the time or
6 times not exceeding 50 years from the date thereof, bear interest
7 at a rate or rates within the maximum rate, as shall be
8 determined by the authority, shall be in the denomination or
9 denominations, be in the form, either coupon or registered, carry
10 the conversion or registration privileges, have the rank or
11 priority, be executed in the manner, be payable from the sources
12 in the medium of payment at the place or places within or
13 without the State, and be subject to the terms of redemption,
14 with or without premium, as the resolution or resolutions may
15 provide.

16 e. Bonds or notes of the authority may be sold at public or
17 private sale at the price or prices as the authority shall
18 determine.

19 7. (New Section) In any resolution of the authority authorizing
20 or relating to the issuance of bonds or notes pursuant to section 6
21 of this act, P.L., c. (C.), the
22 authority, in order to secure the payment of the bonds or notes
23 and in addition to its other powers, shall have power by provisions
24 therein which shall constitute covenants by the authority and
25 contracts with the holders of the bonds or notes:

26 a. To pledge to any payment or purpose all or any part of its
27 revenues to which its right then exists or may thereafter come
28 into existence, and the moneys derived therefrom, and the
29 proceeds of any bonds or notes.

30 b. To covenant against pledging all or any part of its revenues,
31 or against mortgaging all or any part of its real or personal
32 property then owned or thereafter acquired, or against permitting
33 or suffering any lien on its revenues or property.

34 c. To covenant with respect to limitations on any right to sell,
35 lease or otherwise dispose of any project or any part thereof or
36 any property of any kind.

37 d. To covenant as to any bonds and notes to be issued and the
38 limitations thereon and the terms and conditions thereof and as
39 to the custody, application, investment and disposition of the
40 proceeds thereof.

41 e. To covenant as to the issuance of additional bonds or notes
42 or as to limitations on the issuance of additional bonds or notes
43 and on the incurring of other debts by the authority.

44 f. To covenant as to the payment of the principal of or
45 interest on the bonds or notes, or any other obligations, as to the
46 sources and methods of that payment, as to the rank or priority
47 of any bonds, notes or obligations with respect to any lien or
48 security or as to the acceleration of the maturity of any bonds,
49 notes or obligations.

50 g. To provide for the replacement of lost, stolen, destroyed or
51 mutilated bonds or notes.

52 h. To covenant against extending the time for the payment of
53 bonds or notes or interest thereon.

54 i. To covenant as to the redemption of bonds or notes and

1 privileges of exchange thereof for other bonds or notes of the
2 authority.

3 j. To covenant to create or authorize the creation of special
4 funds or moneys to be held in pledge or otherwise for
5 construction, operating expenses, payment or redemption of
6 bonds or notes, reserves or other purposes and as to the use and
7 disposition of the moneys held in the funds.

8 k. To establish the procedure, if any, by which the terms of
9 any contract or covenant with or for the benefit of the holders of
10 bonds or notes may be amended or abrogated, the amount of
11 bonds or notes the holders of which much consent thereto, and
12 the manner in which the consent may be given.

13 l. To covenant as to the construction, operation or
14 maintenance of real property and personal property, the
15 replacement thereof, the insurance to be carried thereon, and the
16 use and disposition of insurance moneys.

17 m. To provide for the release of property, leases or other
18 agreements, or revenues and receipts from any pledge or
19 mortgage and to reserve rights and powers in, or the right to
20 dispose of, property which is subject to a pledge or mortgage.

21 n. To mortgage all or any part of its property, real or personal,
22 then owned or thereafter to be acquired.

23 o. To provide for the rights and liabilities, powers and duties
24 arising upon the breach of any covenant, condition or obligation
25 and to prescribe the events of default and the terms and
26 conditions upon which any or all of the bonds, notes or other
27 obligations of the authority shall become or may be declared due
28 and payable before maturity and the terms and conditions upon
29 which any declaration and its consequences may be waived.

30 p. To vest in a trustee or trustees within or without the State
31 such property, rights, powers and duties in trust as the authority
32 may determine and to limit the rights, powers and duties of the
33 trustee.

34 q. To pay the costs or expenses incident to the enforcement of
35 the bonds or notes or of the provisions of the resolution or of any
36 covenant or agreement of the authority with the holders of its
37 bonds or notes.

38 r. To limit the rights of the holder of any bonds or notes to
39 enforce any pledge or covenant securing bonds or notes.

40 s. To make covenants other than and in addition to the
41 covenants herein expressly authorized, of like or different
42 character, and to make the covenants to do or refrain from doing
43 any acts and things as may be necessary, or convenient and
44 desirable, in order to better secure bonds or notes or which, in
45 the absolute discretion of the authority, will tend to make bonds
46 or notes more marketable, notwithstanding that the covenants,
47 acts or things may not be enumerated herein.

48 8. (New Section) From the moneys made available to the
49 Casino Reinvestment Development Authority pursuant to section
50 3 of P.L. 1984, c.218 (C.5:12-144.1), the authority shall, in such
51 manner as it may reasonably determine, set aside \$100,000,000
52 for investment on hotel development projects in Atlantic City
53 undertaken by a casino licenses under the "Casino Control Act,"
54 P.L.1977, c.110 (C.5:12-1 et seq.), operating an approved hotel

1 on the effective date of this amendatory and supplementary act,
2 P.L., c. (C.)(now pending before the Legislature as
3 Senate Bill 1744), which result in the construction, reconstruction
4 or rehabilitation of at least 200 hotel rooms in the City of
5 Atlantic City. The authority shall, by regulation, adopt standards
6 for determining the extent of construction, reconstruction or
7 rehabilitation of hotel rooms or appurtenant facilities required in
8 order to qualify for authority investment, which standards shall
9 require at least that the hotel rooms be operated as part of a
10 licensed casino facility or be first class hotel rooms located and
11 operated in a manner consistent with an authority approved
12 project. The provisions of section 30 of the P.L.1984, c.218
13 (C.5:12-178) shall not apply to investments made out of the
14 moneys so set aside.

15 The authority shall determine the amount each casino licensee
16 shall be eligible to receive out of the moneys so set aside. The
17 form, amount and terms of the investment made by the authority
18 shall be determined by the authority, but the amount of the
19 investment shall not exceed the amount which the casino licensee
20 applying therefor is eligible to receive, or an amount equal to
21 35% of the costs reasonably related to constructing,
22 reconstructing or rehabilitating the hotel rooms or appurtenant
23 facilities in the project, whichever is less.

24 For the purposes of determining each casino licensee's
25 eligibility for authority investments from the monies so set aside,
26 the authority may by resolution permit the transfer of obligation
27 to make payment under section 3 of P.L.1984, c.218
28 (C.5:12-144.1) to any other casino licensee which has received
29 approval for investment in a project to construct, reconstruct or
30 rehabilitate hotel rooms.

31 In approving a hotel development project, the authority shall
32 establish a schedule for investments to be made by the authority
33 as progressive stages of construction, reconstruction or
34 rehabilitation are accomplished. A schedule so established shall
35 provide for the completion of the project on or before December
36 31, 1996, unless the authority shall prior to that date find, by
37 resolution, that a time extension for project completion is
38 warranted by special circumstances or unforeseen occurrences.
39 Any moneys remaining in the special fund thereafter shall be
40 available for investment in otherwise eligible projects of the
41 authority.

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

44 3. a. (1) Commencing with the first annual tax return of a
45 licensee for any calendar year beginning after December 31,
46 1983, there is imposed an investment alternative tax on the gross
47 revenues as defined in section 24 of P.L.1977, c.110 (C.5:12-24)
48 of the licensee in the amount of 2.5% of those gross revenues.
49 The tax imposed with respect to each calendar year shall be due
50 and payable on the last day of April next following the end of the
51 calendar year. The State Treasurer shall have a lien against the
52 property constituting the casino of a licensee for the amount of
53 any tax not paid when due. No tax shall be imposed, however, on
54 the gross revenues received by a licensee during the first

1 12 months of the operation of any casino that commences
2 operation after January 1, 1984.

3 (2) A licensee shall pay to the State Treasurer on or before the
4 15th day of the first, fourth, seventh, and 10th months of each
5 year as partial payment of the investment alternative tax
6 imposed pursuant to paragraph (1) of this subsection an amount
7 equal to 1.25% of the estimated gross revenues for the
8 three-month period immediately preceding the first day of those
9 months. The moneys received shall be placed in an escrow
10 account and shall be held until the licensee directs that the
11 moneys be transferred to the Casino Reinvestment Development
12 Authority for the purchase of bonds issued by or offered through
13 the Casino Reinvestment Development Authority or pursuant to a
14 contract for such a purchase, be made available to the licensee
15 for a direct investment approved by the authority, or be
16 transferred to the Casino Revenue Fund as partial payment of the
17 investment alternative tax imposed pursuant to paragraph (1) of
18 this subsection. Any interest derived from the moneys in the
19 escrow account shall be paid or made available to the Casino
20 Revenue Fund. If a licensee fails to pay the amount due or
21 underpays by an unjustifiable amount, the Casino Control
22 Commission shall impose a fine of 5% of the amount due or of the
23 underpayment, as the case may be, for each month or portion
24 thereof the licensee is in default of payment, up to 25% of the
25 amount in default. Any fine imposed shall be paid to the Casino
26 Reinvestment Development Authority and shall be used for the
27 purposes of this 1984 amendatory and supplementary act.

28 b. Each licensee shall be entitled to an investment tax credit
29 against the tax imposed by subsection a. of this section, provided
30 the licensee shall pay over the moneys required pursuant to
31 section 5 of P.L., G.(C.) (now
32 pending before the Legislature as Senate Bill 1744): (1) for the
33 first 10 years of a licensee's tax obligation, in an amount equal
34 to twice the purchase price of bonds issued by the Casino
35 Reinvestment Development Authority pursuant to sections 14 and
36 15 of this 1984 amendatory and supplementary act, purchased by
37 the licensee, or twice the amount of the investments authorized
38 in lieu thereof, and (2) for the remainder of a licensee's tax
39 obligation, in an amount equal to twice the purchase price of
40 bonds issued by the Casino Reinvestment Development Authority
41 pursuant to sections 14 and 15 of this 1984 amendatory and
42 supplementary act, purchased by the licensee, or twice the
43 amount of the investments authorized in lieu thereof, and twice
44 the amount of investments made by a licensee in other approved
45 eligible investments made pursuant to section 25 of this act. The
46 Casino Reinvestment Development Authority shall have the
47 power to enter into a contract or contracts with a licensee
48 pursuant to which the Casino Reinvestment Development
49 Authority agrees to issue and sell bonds to the licensee, and the
50 licensee agrees to purchase the bonds issued by or offered
51 through the Casino Reinvestment Development Authority, in
52 annual purchase price amounts as will constitute a credit against
53 at least 50% of the tax to become due in any future year or
54 years. The contract may contain those terms and conditions

1 relating to the terms of the bonds and to the issuance and sale of
2 the bonds to the licensee as the Casino Reinvestment
3 Development Authority shall deem necessary or desirable. The
4 contract shall not be deemed to be in violation of section 104 of
5 P.L.1977, c.110 (C.5:12-104). After the first 10 years of a
6 licensee's investment alternative tax obligation, a licensee will
7 have the option of entering into a contract with the Casino
8 Reinvestment Development Authority to have its tax credit
9 comprised of direct investments in approved eligible projects.
10 These direct investments shall not comprise more than 50% of a
11 licensee's eligible tax credit in any one year.

12 The entering of a contract pursuant to this section shall be
13 sufficient to entitle a licensee to an investment tax credit for the
14 appropriate tax year.

15 c. A contract entered into between a licensee and the Casino
16 Reinvestment Development Authority may provide for a deferral
17 of payment for and delivery of bonds required to be purchased
18 and for a deferral from making approved eligible investments in
19 any year, but no deferral shall occur more than two years
20 consecutively. A deferral of payment for any bonds required to
21 be purchased by a licensee and a deferral from making approved
22 eligible investments may be granted by the Casino Reinvestment
23 Development Authority only upon a determination by the Casino
24 Control Commission that purchase of these bonds or making
25 approved eligible investments would cause extreme financial
26 hardship to the licensee and a determination by the Casino
27 Reinvestment Development Authority that the deferral of the
28 payment would not violate any covenant or agreement or impair
29 any financial obligation of the Casino Reinvestment Development
30 Authority. The contract may establish a late payment charge to
31 be paid in the event of deferral or other late payment at a rate as
32 shall be agreed to by the Casino Reinvestment Development
33 Authority. If a deferral of purchase or investment is granted, the
34 licensee shall be deemed to have made the purchase or
35 investment at the time required by the contract, except that if
36 the purchase is not made at the time to which the purchase or
37 investment was deferred, then the licensee shall be deemed not
38 to have made the purchase or investment. The Casino Control
39 Commission shall adopt regulations establishing a uniform
40 definition of extreme financial hardship applicable to all these
41 contracts. If a licensee petitions the Casino Reinvestment
42 Development Authority for a deferral, the Casino Reinvestment
43 Development Authority shall give notice of that petition to the
44 Casino Control Commission and to the Division of Gaming
45 Enforcement within three days of the filing of the petition. The
46 Casino Control Commission shall render a decision within 60 days
47 of notice as to whether the licensee has established extreme
48 financial hardship, after consultation with the Division of Gaming
49 Enforcement. The Casino Reinvestment Development Authority
50 shall render a decision as to the availability of the deferral within
51 10 days of the receipt by it of the decision of the Casino Control
52 Commission and shall notify the Division of Gaming Enforcement
53 and the Casino Control Commission of that decision. If a
54 deferral is granted, the Casino Reinvestment Development

1 Authority may determine whether the purchases or investments
2 shall be made in a lump sum, made over a period of years, or
3 whether the period of obligation shall be extended an additional
4 period of time equivalent to the period of time deferred.

5 d. The license of any licensee which has defaulted in its
6 obligation to make any purchase of bonds or investment in any
7 approved eligible project under a contract entered into pursuant
8 to subsection b. of this section for a period of 90 days may be
9 suspended by the Casino Control Commission until that purchase
10 is made or deferred in accordance with subsection b. of this
11 section, or a fine or other penalty may be imposed upon the
12 licensee by the commission. If the Casino Control Commission
13 elects not to suspend the license of a licensee after the licensee
14 has first defaulted in its obligation but instead imposes some
15 lesser penalty and the licensee continues to be in default of its
16 obligation after a period of 30 additional days and after any
17 additional 30-day period, the commission may impose another
18 fine or penalty upon the licensee, which may include suspension
19 of that licensee's license. The fine shall be 5% of the amount of
20 the obligation owed for each month or portion thereof a licensee
21 is in default, up to 25% of that obligation; shall be paid to the
22 Casino Reinvestment Development Authority; and shall be used
23 for the purposes of this 1984 amendatory and supplementary act.

24 e. A contract entered into by a licensee and the Casino
25 Reinvestment Development Authority pursuant to subsection b.
26 of this section may provide that after the first 10 years of a
27 licensee's investment alternative tax obligation imposed by
28 subsection a. of this section, the Casino Reinvestment
29 Development Authority may repurchase bonds previously sold to
30 the licensee, which were issued after the 10th year of a
31 licensee's investment alternative tax obligation, by the Casino
32 Reinvestment Development Authority, if the Casino
33 Reinvestment Development Authority determines that the
34 repurchase will not violate any agreement or covenant or impair
35 any financial obligation of the Casino Reinvestment Development
36 Authority and that the licensee will reinvest the proceeds of the
37 resale in an eligible project approved by the Casino Reinvestment
38 Development Authority.

39 f. (1) During the 25 years a licensee is obligated to pay an
40 investment alternative tax pursuant to subsection k. of this
41 section, the total of (a) the proceeds of all bonds purchased by a
42 licensee from or through the Casino Reinvestment Development
43 Authority and (b) all approved investments in eligible projects by
44 a licensee shall be devoted to the financing of projects in the
45 following areas and amounts:

46	47 Areas	Years	Years	Years	Years	Years	Years
48		1-3	4-5	6-10	11-15	16-20	21-25
49	(a) Atlantic City	100%	90%	80%	50%	30%	20%
50	(b) South Jersey		8%	12%	28%	43%	45%
51	(c) North Jersey		2%	6%	22%	27%	35%

52
53 For the purposes of this paragraph, "South Jersey" means the
54 counties of Atlantic, Burlington, Camden, Cape May,

1 Cumberland, Gloucester, Mercer, Ocean, and Salem; and "North
2 Jersey" means the remaining 12 counties of the State. For the
3 purposes of this 1984 amendatory and supplementary act, bond
4 "proceeds" means all funds received from the sale of bonds and
5 any funds 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
9 specified in section 12 of this 1984 amendatory and
10 supplementary act. Those areas shall include, but not be limited
11 to, all municipalities qualifying for aid pursuant to P.L.1978, c.14
12 (C.52:27D-178 et seq.).

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

1 positive determination of eligibility by the Casino Reinvestment
2 Development Authority.

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

46 (2) Commencing with the first year in which a licensee incurs
47 a tax obligation pursuant to this section, and for the period of
48 two years thereafter, 100% of the proceeds of all bonds
49 purchased by a licensee from the Casino Reinvestment
50 Development Authority which are devoted to the financing of
51 projects in the city of Atlantic City pursuant to paragraph (1) of
52 this subsection shall be used exclusively to finance the
53 rehabilitation, development, or construction of, or to provide
54 mortgage financing of, housing facilities in the city of Atlantic

1 City for persons or families of low through middle income, as
2 defined in this subsection. For the purposes of this subsection,
3 the "rehabilitation, development, or construction of housing
4 facilities" shall include expenses attributable to site preparation,
5 infrastructure needs and housing-related community facilities
6 and services, including supporting commercial development.
7 Commencing with the fourth year in which a licensee incurs a tax
8 obligation pursuant to this subsection, 50% of the proceeds of all
9 bonds purchased by a licensee from the Casino Reinvestment
10 Development Authority which are devoted to the financing of
11 projects in the city of Atlantic City shall be used exclusively to
12 finance the rehabilitation, development, or construction of
13 housing facilities in the city of Atlantic City for persons or
14 families of low through middle income. Commencing with the
15 11th year in which a licensee incurs a tax obligation pursuant to
16 this section, 50% of the annual aggregate of the proceeds of
17 bonds purchased by a licensee from the Casino Reinvestment
18 Development Authority which are devoted to the financing of
19 projects in the city of Atlantic City and investments in approved
20 eligible projects commenced by a licensee in the city of Atlantic
21 City shall be used exclusively to finance the rehabilitation,
22 development, or construction of, or to provide mortgage
23 financing of, housing facilities in the city of Atlantic City for
24 persons or families of low through middle income. (3) The
25 Legislature finds that it is necessary to provide for a balanced
26 community and develop a comprehensive housing program. The
27 Casino Reinvestment Development Authority shall determine the
28 need for housing in the city of Atlantic City, in consultation with
29 the city of Atlantic City and specifically its zoning and planning
30 boards. This shall include determining the types and classes of
31 housing to be constructed and the number of units of each type
32 and class of housing to be built. The Casino Reinvestment
33 Development Authority shall give priority to the housing needs of
34 the persons and their families residing in the city of Atlantic City
35 in 1983 and continuing such residency through the effective date
36 of this 1984 amendatory and supplementary act. The actual
37 percentage of the proceeds of bonds and investments in approved
38 eligible projects commenced by a licensee in the city of Atlantic
39 City, which shall be used exclusively to finance the
40 rehabilitation, development, or construction of, or to provide
41 mortgage financing of, housing facilities in the city of Atlantic
42 City for persons or families of low through middle income, shall
43 be based upon the authority's determination of the need for
44 housing in the city of Atlantic City conducted pursuant to this
45 subsection. Once the housing needs of the persons residing in the
46 city of Atlantic City in 1983 and continuing such residency
47 through the effective date of this 1984 amendatory and
48 supplementary act have been met, as determined by the Casino
49 Reinvestment Development Authority pursuant to this subsection,
50 any required percentages for such housing in the city of Atlantic
51 City may, in its sole discretion, be waived by the Casino
52 Reinvestment Development Authority. To aid the Casino
53 Reinvestment Development Authority in making these
54 determinations, the Casino Reinvestment Development Authority

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

42 In order to achieve a balanced community, the authority shall
43 ensure that the development of housing for families of low and
44 moderate income shall proceed at the same time as housing for
45 families of median range and middle income, until such time as
46 there is no longer a need for such facilities in the city of Atlantic
47 City, as determined by the Casino Reinvestment Development
48 Authority.

49 (4) Notwithstanding any other law or section to the contrary,
50 particularly this subsection regarding the waiver of the required
51 percentages for housing in the city of Atlantic City, subsection i.
52 of section 14, and sections 26, 27, 28, 29, and 31 of this 1984
53 amendatory and supplementary act, nothing shall be implemented
54 or waived by the Casino Reinvestment Development Authority

1 which would reduce, impair, or prevent the fulfillment of the
2 priorities established and contained in this subsection of this 1984
3 amendatory and supplementary act.

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

34 h. Each casino licensee shall prepare and file, in a form
35 prescribed by the Casino Reinvestment Development Authority,
36 an annual return reporting that financial information as shall be
37 deemed necessary by the Casino Reinvestment Development
38 Authority to carry out the provisions of this act. This return shall
39 be filed with the Casino Reinvestment Development Authority
40 and the Casino Control Commission on or before April 30
41 following the calendar year on which the return is based. The
42 Casino Control Commission shall verify to the Casino
43 Reinvestment Development Authority the information contained
44 in the report, to the fullest extent possible. Nothing in this
45 subsection shall be deemed to affect the due dates for making
46 any investment or paying any tax under this section.

47 i. Any purchase by a licensee of bonds issued by or offered
48 through the Casino Reinvestment Development Authority
49 pursuant to sections 14 and 16 of this act and subsection b. of this
50 section and all approved eligible investments made by a licensee
51 pursuant to section 25 of this act and subsection b. of this section
52 are to be considered investments and not taxes owed or grants to
53 the State or any political subdivision thereof. As such, a licensee
54 shall have the possibility of the return of principal and a return

1 on the capital invested as with other investments. Investors in
2 the bonds issued by or offered through the Casino Reinvestment
3 Development Authority shall be provided with an opinion from a
4 recognized financial rating agency or a financial advisory firm
5 with national standing that each loan of bond proceeds by the
6 Casino Reinvestment Development Authority has the minimum
7 characteristics of an investment, in that a degree of assurance
8 exists that interest and principal payments can be made and other
9 terms of the proposed investment be maintained over the period
10 of the investment, and that the loan of the bond proceeds would
11 qualify for a bond rating of "C" or better. If an opinion cannot be
12 obtained from a recognized financial rating agency or a financial
13 advisory firm with national standing, an opinion shall be obtained
14 from an expert financial analyst with national standing, selected
15 and hired by the Casino Reinvestment Development Authority. In
16 order to achieve a balanced portfolio, assure the viability of the
17 authority and the projects, facilities and programs undertaken
18 pursuant to this 1984 amendatory and supplementary act, no more
19 than 25% of the total investments made by or through the Casino
20 Reinvestment Development Authority with the proceeds of bonds
21 generated in each year shall be investments which would qualify
22 for a bond rating of "C," unless all holders of obligations in each
23 year agree to waive the 25% limit for that year. Nothing herein
24 shall be interpreted as limiting the Casino Reinvestment
25 Development Authority from taking any steps it deems
26 appropriate to protect the characteristics of its investment in
27 projects or any other investments from not being real
28 investments with a prospect for the return of principal and a
29 return on the capital invested. Anything contained in this section
30 shall not be considered a guarantee by the State or any political
31 subdivision thereof of any return of principal or interest, but any
32 purchase by a licensee of bonds or approved eligible investments
33 made by a licensee pursuant to this act shall be at the risk of the
34 licensee. A licensee or the licensees purchasing an issue of bonds
35 issued by the Casino Reinvestment Development Authority in any
36 given year may arrange, at their option, for those bonds or the
37 investments, made by or through the Casino Reinvestment
38 Development Authority with the proceeds of those bonds, to be
39 insured. The cost of any such insurance purchased by a licensee
40 or licensees shall be paid by the licensee or licensees desiring
41 such insurance.

42 j. The Casino Reinvestment Development Authority shall
43 promulgate rules and regulations deemed necessary to carry out
44 the purposes of this section.

45 k. The obligation of a licensee to pay an investment
46 alternative tax pursuant to subsection a. of this section shall end
47 for each licensed facility operated by the licensee 25 years after
48 any investment alternative tax obligation is first incurred in
49 connection with each licensed facility operated by the licensee,
50 unless extended in connection with a deferral granted by the
51 Casino Reinvestment Development Authority pursuant to
52 subsection c. of this section.

53 (cf: P.L.1985, c.183, s.1.)

54 10. Section 5 of P.L.1984, c.218 (C.5:12-153) is amended to

1 read as follows:

2 5. a. There is established in, but not of, the Department of
3 the Treasury a Casino Reinvestment Development Authority to
4 consist of the following members:

5 (1) ~~[Seven]~~ Six members appointed by the Governor with the
6 advice and consent of the Senate for terms of four years, except
7 that of the initial members to be appointed pursuant to this 1991
8 amendatory act, P.L.1991, c.219, one shall be appointed for a
9 term of two years and one for a term of four years;

10 (2) One member appointed by the Governor upon the
11 recommendation of the President of the Senate for a term of four
12 years, except that the initial member to be appointed shall be
13 appointed for a term of three years;

14 (3) One member appointed by the Governor upon the
15 recommendation of the Speaker of the General Assembly for a
16 term of four years, except that the initial member to be
17 appointed shall be appointed for a term of one year;

18 (4) A member of the Casino Control Commission, who shall be
19 appointed by the Governor and shall be a voting member of the
20 authority;

21 (5) The mayor of Atlantic City, ex officio and voting; [and]

22 (6) The State Treasurer, ex officio and ~~[nonvoting]~~ voting; and

23 (7) Two casino industry representatives, both of whom shall be
24 voting members, appointed by the Governor for terms of two
25 years, except that of the initial appointees, one shall serve for a
26 term of one year and one for a term of two years.

27 No more than four of the voting members appointed by the
28 Governor pursuant to paragraph (1) of this subsection shall be of
29 the same political party[, and no more than two of the members
30 appointed by the Governor pursuant to paragraphs (1), (2), and (3)
31 of this subsection shall be representatives of the casino hotel
32 industry].

33 In the appointment of members of the authority, consideration
34 should be given to achieving a membership of high quality and
35 varied experience, with special emphasis on the fields of banking,
36 finance, investment, and housing and urban development [and on
37 participation by representatives of the casino hotel industry].

38 b. Each member appointed by the Governor shall hold office
39 for the term of his appointment and until his successor shall have
40 been appointed and qualified. A member shall be eligible for
41 reappointment. Any vacancy in the membership occurring other
42 than by expiration of term shall be filled in the same manner as
43 the original appointment but for the unexpired term only.

44 c. The member of the Casino Control Commission appointed
45 by the Governor shall serve as a member of the Casino
46 Reinvestment Development Authority at the pleasure of the
47 Governor, subject to the limitations in subsections c., f., and h. of
48 section 52 of P.L.1977, c.110 (C.5:12-52). The member may be
49 removed or suspended from office as a member of the Casino
50 Reinvestmen' Development Authority as provided in section 6 of
51 this act. Any removal or suspension from office of the member
52 of the Casino Control Commission from the Casino Reinvestment
53 Development Authority shall not affect his office held as a
54 member of the Casino Control Commission. Removal from office

1 as a member of the Casino Control Commission may only be done
2 in accordance with subsection g. of section 52 of P.L.1977, c.110
3 (C.5:12-52).

4 (cf: P.L.1991, c.219, s.1)

5 11. Section 83 of P.L.1977, c.110 (C.5:12-83) is amended to
6 read as follows:

7 83. Approved Hotel. a. An approved hotel for purposes of this
8 act shall be a hotel providing facilities in accordance with this
9 section. Nothing in this section shall be construed to limit the
10 authority of the commission to determine the suitability of
11 facilities as provided in this act, and nothing in this section shall
12 be construed to require a casino to be smaller than the maximum
13 size herein provided.

14 b. (1) In the case of a casino hotel in operation on [the
15 effective date of this amendatory and supplementary act,
16 P.L.1991, c.182] June 29, 1991, an approved hotel shall:

17 (a) contain at least the number of qualifying sleeping units, as
18 defined in section 27 of P.L.1977, c.110 (C.5:12-27), which it
19 [has] had on [the effective date of this amendatory and
20 supplementary act] that date, except that those units may be
21 consolidated and reconfigured in order to form suites so long as
22 there remain at least 500 qualifying sleeping units; and

23 (b) contain a casino of not more than the amount of casino
24 space authorized on the basis of the provisions of this section
25 which were in effect on [the day before the effective date of this
26 amendatory and supplementary act] June 28, 1991 and applicable
27 to that casino at that time, unless the number of qualifying
28 sleeping units under subparagraph (a) of this paragraph and the
29 number of any qualifying sleeping units added after [the effective
30 date of this amendatory and supplementary act] June 29, 1991
31 permit an increase on the following basis: 50,000 square feet for
32 the first 500 qualifying sleeping units and 10,000 square feet for
33 each additional 100 qualifying sleeping units above 500, up to a
34 maximum of 200,000 square feet. No casino hotel in operation on
35 [the effective date of this amendatory and supplementary act]
36 June 29, 1991 shall be required to reduce the amount of its casino
37 space below the amount authorized as of [the day before the
38 effective date of this amendatory and supplementary act] June
39 28, 1991 unless the number of qualifying sleeping units is reduced
40 below the number required in subparagraph (a) of this paragraph.

41 For the purpose of increasing casino space, an agreement
42 approved by the commission for the addition of qualifying
43 sleeping units within two years after the commencement of
44 gaming operations in the additional casino space shall be deemed
45 an addition of those rooms, but if the agreement is not fulfilled
46 due to conditions within the control of the casino licensee, the
47 casino licensee shall close the additional casino space or any
48 portion thereof as directed by the commission.

49 The calculation of the number of qualifying sleeping units
50 added with respect to any such casino hotel shall not include any
51 qualifying sleeping unit or other hotel or motel room in existence
52 in Atlantic City on [the effective date of this amendatory and
53 supplementary act] June 29, 1991, whether or not that unit or
54 room [is] was offered or usable for occupancy on [the effective]

1 that date, or any replacement for such a unit or room which
2 results from construction or renovation after [the effective] that
3 date, except that any hotel room in existence in Atlantic City on
4 June 29, 1991 which was not used or available for use on that
5 date and for at least 10 years prior to that date and which is
6 reconstructed or replaced after the effective date of this
7 amendatory act, P.L., c. (now pending before the
8 Legislature as Senate Bill 1744), and meets the specifications of a
9 sleeping unit prescribed in section 27 of P.L.1977, c.110
10 (C.5:12-27) may be included in such calculation.

11 (2) In the case of a hotel in operation on [the effective date of
12 this amendatory and supplementary act, P.L.1991, c.182,] June
13 29, 1991 in which a licensed casino was located and operated
14 prior to, but not as of, that [effective] date, and in which a casino
15 is reestablished after that [effective] date, an approved hotel
16 shall:

17 (a) contain at least the number of qualifying sleeping units, as
18 defined in section 27 of P.L.1977, c.110 (C.5:12-27), which it had
19 on the date the casino ceased operations prior to [the effective
20 date of this amendatory and supplementary act] June 29, 1991,
21 except that those units may be consolidated and reconfigured in
22 order to form suites so long as there remain at least 500
23 qualifying sleeping units; and

24 (b) contain a casino of not more than the amount of casino
25 space the casino had on the date it ceased operations prior to [the
26 effective date of this amendatory and supplementary act,] June
27 29, 1991 unless the number of qualifying sleeping units under
28 subparagraph (a) of this paragraph and the number of any
29 qualifying sleeping units added after [the effective date of this
30 amendatory and supplementary act] that date permit an increase
31 on the following basis: 50,000 square feet for the first 500
32 qualifying sleeping units and 10,000 square feet for each
33 additional 100 qualifying sleeping units above 500, up to a
34 maximum of 200,000 square feet. No casino hotel which operates
35 pursuant to this paragraph shall be required to reduce the amount
36 of its casino space below the amount it had on the date it ceased
37 operations unless the number of qualifying sleeping units is
38 reduced below the number required in subparagraph (a) of this
39 paragraph.

40 For the purpose of increasing casino space, an agreement
41 approved by the commission for the addition of qualifying
42 sleeping units within two years after the commencement of
43 gaming operations in the additional casino space shall be deemed
44 an addition of those rooms, but if the agreement is not fulfilled
45 due to conditions within the control of the casino licensee, the
46 casino licensee shall close the additional casino space or any
47 portion thereof as directed by the commission.

48 The calculation of the number of qualifying sleeping units
49 added with respect to any such hotel shall not include any
50 qualifying sleeping unit or other hotel or motel room in existence
51 in Atlantic City on [the effective date of this amendatory and
52 supplementary act] June 29, 1991, whether or not that unit or
53 room [is] was offered or usable for occupancy on the effective
54 date, or any replacement for such a unit or room which results

1 from construction or renovation after [the effective] that date,
2 except that any hotel room in existence in Atlantic City on
3 June 29, 1991 which was not used or available for use on that
4 date and for at least 10 years prior to that date and which is
5 reconstructed or replaced after the effective date of this
6 amendatory act, P.L., c. (now pending before the
7 Legislature as Senate Bill 1744), and meets the specifications of a
8 sleeping unit prescribed in section 27 of P.L.1977, c.110
9 (C.5:12-27) may be included in such calculation.

10 c. In the case of a casino hotel not in operation prior to or on
11 [the effective date of this amendatory and supplementary act,
12 P.L.1991, c.182] June 29, 1991, an approved hotel shall contain at
13 least 500 qualifying sleeping units, as defined in section 27 of the
14 "Casino Control Act," P.L.1977, c.110 (C.5:12-27), and a single
15 casino room of not more than 50,000 square feet, except that for
16 each additional 100 qualifying sleeping units above 500, the
17 maximum size of the casino room may be increased by 10,000
18 square feet, up to a maximum of 200,000 square feet. The
19 calculation of the number of qualifying sleeping units with
20 respect to any such casino hotel shall not include any qualifying
21 sleeping unit or other hotel or motel room in existence in
22 Atlantic City on [the effective date of this amendatory and
23 supplementary act] June 29, 1991, whether or not that unit or
24 room [is] was offered or usable for occupancy on [the effective]
25 that date, or any replacement for such a unit or room which
26 results from construction or renovation after [the effective] that
27 date, except that any hotel room in existence in Atlantic City on
28 June 29, 1991 which was not used or available for use on that
29 date and for at least 10 years prior to that date and which is
30 reconstructed or replaced after the effective date of this
31 amendatory act, P.L., c. (now pending before the
32 Legislature as Senate Bill 1744), and meets the specifications of a
33 sleeping unit prescribed in section 27 of P.L.1977, c.110
34 (C.5:12-27) may be included in such calculation.

35 d. Once a hotel is initially approved, the commission shall
36 thereafter rely on the certification of the casino licensee with
37 regard to the number of rooms and shall permit rehabilitation,
38 renovation and alteration of any part of the approved hotel even
39 if the rehabilitation, renovation, or alteration will mean that the
40 casino licensee does not temporarily meet the requirements of
41 subsection c. so long as the licensee certifies that the
42 rehabilitation, renovation, or alteration shall be completed within
43 one year.

44 e. (Deleted by amendment, P.L.1987, c.352).

45 f. (Deleted by amendment, P.L.1991, c.182).

46 g. (Deleted by amendment, P.L.1991, c.182).

47 h. (Deleted by amendment, P.L.1991, c.182).

48 i. The commission shall not impose any criteria or
49 requirements regarding the contents of the hotel in addition to
50 the criteria and requirements expressly specified in the "Casino
51 Control Act," P.L.1977, c.110 (C.5:12-1 et seq.); provided,
52 however, that the commission shall be authorized to require each
53 casino licensee to establish and maintain an approved hotel which
54 is in all respects a superior, first-class facility of exceptional

1 quality which will help restore Atlantic City as a resort, tourist
2 and convention destination.

3 (cf: P.L.1992, c.9, s.6.)

4 12. This act shall take effect immediately.

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STATEMENT

8

9 This bill addresses the public problems resulting from heavy
10 motor vehicular traffic into Atlantic City, particularly in the
11 "corridor" region of the city, which is attracted by casino
12 gambling and encouraged by the shortage of suitable hotel
13 accommodations in the city and the provision of free parking by
14 casinos. This constant traffic results in significant public costs in
15 terms of deterioration of highways, roads, streets and
16 infrastructure. The public effort necessary to meet these costs
17 detracts from the ability to make greater progress towards the
18 declared public policy of the "Casino Control Act," P.L.1977,
19 c.110 (C.5:12-1 et seq.) to facilitate the urban redevelopment of
20 the city and to strengthen the tourist, convention and resort
21 industry of New Jersey.

22 This bill amends and supplements the law establishing the
23 Casino Reinvestment Development Authority, P.L.1984, c.218
24 (C.5:12-163 et al.) to require that a minimum charge be made by
25 casino parking facilities in Atlantic City and to impose fees upon
26 the use of those spaces. A casino parking facility would be
27 required to charge a minimum of \$2.00 for use of a parking space,
28 of which \$1.50 would constitute a fee. The fees would be
29 collected by the State and placed in a special fund held by the
30 State Treasurer, which would be available to the Casino
31 Reinvestment Development Authority to finance public
32 improvements in the Atlantic City corridor region.

33 In addition, the Casino Reinvestment Development Authority is
34 required to establish a \$100 million hotel development fund, to be
35 used to encourage casino hotels to construct, reconstruct or
36 rehabilitate hotel rooms in the city. The authority may provide
37 financial assistance or investment tax credits for up to 35% of
38 the project costs reasonably related to the construction,
39 reconstruction or rehabilitation of at least 200 hotel rooms.

40 The bill also restores to the Casino Reinvestment Development
41 Authority membership the requirement that two voting members
42 of the authority be representatives of the casino hotel industry.
43 At the same time it makes the State Treasurer an ex officio and
44 voting member of the authority. The State Treasurer now has
45 non-voting representation.

46 This bill also encourages hotel room development by amending
47 the Casino Control Act to provide an exception to the prohibition
48 on using qualifying sleeping units in existence on June 20, 1991
49 (the effective date of P.L.1991, c.182, which changed various
50 requirements to qualify as an approved casino hotel) as additional
51 units for the purpose of calculating the amount of permissible
52 casino space. The exception is for hotel rooms in existence on
53 that date which were not used or available for use on that date
54 and for at least 10 years previously and which are reconstructed

1 or replaced and meet the specifications of a qualifying sleeping
2 unit under the Casino Control Act.

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8 Revises Casino Reinvestment Development Authority law,
9 establishes minimum casino parking charges and imposes casino
10 parking fees, and provides for development of hotel rooms.

SENATE JUDICIARY COMMITTEE

STATEMENT TO

SENATE, No. 1744

STATE OF NEW JERSEY

DATED: MAY 6, 1993

The Senate Judiciary Committee reports favorably Senate Bill No. 1744.

The bill amends and supplements the law establishing the Casino Reinvestment Development Authority, P.L.1984, c.218 (C.5:12-153 et al.) to require that a minimum charge be made by casino parking facilities in Atlantic City and to impose fees upon the use of those spaces. A casino parking facility would be required to charge a minimum of \$2.00 for use of a parking space, of which \$1.50 would constitute a fee. The fees would be collected by the State and placed in a special fund held by the State Treasurer, which would be available to the Casino Reinvestment Development Authority to finance public improvements in the Atlantic City corridor region.

In addition, the bill requires the Casino Reinvestment Development Authority to establish a \$100 million hotel development fund, to be used to encourage casino hotels to construct, reconstruct or rehabilitate hotel rooms in the city. The authority may provide financial assistance or investment tax credits for up to 35% of the project costs reasonably related to the construction, or reconstruction or rehabilitation of at least 200 hotel rooms.

The bill also adds one additional casino industry representative to the Casino Reinvestment Development Authority and provides that the Treasurer, who presently serves ex officio, would serve as a voting member of that authority.

[CORRECTED COPY]

ASSEMBLY ECONOMIC AND COMMUNITY DEVELOPMENT
AGRICULTURE AND TOURISM COMMITTEE

STATEMENT TO

SENATE, No. 1744

STATE OF NEW JERSEY

DATED: JUNE 1, 1993

The Assembly Economic and Community Development, Agriculture and Tourism Committee reports favorably Senate Bill No. 1744.

As reported, this bill addresses the public problems resulting from heavy motor vehicular traffic into Atlantic City, particularly in the "corridor" region of the city, which is attracted by casino gambling and encouraged by the shortage of suitable hotel accommodations in the city and the provision of free parking by casinos. This constant traffic results in significant public costs in terms of deterioration of highways, roads, streets and infrastructure. The public effort necessary to meet these costs detracts from the ability to make greater progress towards the declared public policy of the "Casino Control Act," P.L.1977, c.110 (C.5:12-1 et seq.) to facilitate the urban redevelopment of the city and to strengthen the tourist, convention and resort industry of New Jersey.

This bill amends and supplements the law establishing the Casino Reinvestment Development Authority, P.L.1984, c.218 (C.5:12-153 et al.) to require that a minimum charge be made by casino parking facilities in Atlantic City and to impose fees upon the use of those spaces. A casino parking facility would be required to charge a minimum of \$2.00 for use of a parking space, of which \$1.50 would constitute a fee. The casino may determine to not collect from, or to rebate to, a patron the \$2.00 parking charge, but is required still to pay the \$1.50 fee. The fees would be collected by the State and placed in a special fund held by the State Treasurer, which would be available to the Casino Reinvestment Development Authority to finance public improvements in the Atlantic City corridor region.

In addition, the Casino Reinvestment Development Authority is required to establish a \$100 million hotel development fund, to be used to encourage casino hotels to construct, reconstruct or rehabilitate hotel rooms in the city. The authority may provide financial assistance or investment tax credits for up to 35% of the project costs reasonably related to the construction, reconstruction or rehabilitation of at least 200 hotel rooms.

The bill also restores to the Casino Reinvestment Development Authority membership the requirement that two voting members of the authority be representatives of the casino hotel industry. At the same time it makes the State Treasurer an ex officio and voting member of the authority. The State Treasurer now has non-voting representation.

This bill also encourages hotel room development by amending the Casino Control Act to provide an exception to the prohibition

on using qualifying sleeping units in existence on June 29, 1991 (the effective date of P.L.1991, c.182, which changed various requirements to qualify as an approved casino hotel) as additional units for the purpose of calculating the amount of permissible casino space. The exception is for hotel rooms in existence on that date which were not used or available for use on that date and for at least 10 years previously and which are reconstructed or replaced and meet the specifications of a qualifying sleeping unit under the Casino Control Act.

LEGISLATIVE FISCAL ESTIMATE TO
SENATE, No. 1744

STATE OF NEW JERSEY

DATED: July 8, 1993

Senate Bill No. 1744 of 1993 requires that a minimum charge be made by casino parking facilities in Atlantic City and imposes fees upon the use of those spaces. A casino parking facility would be required to charge a minimum of \$2 for use of a parking space, of which \$1.50 would constitute a fee to be paid to the State Treasurer. These fees would be deposited in a special fund for the Casino Reinvestment Development Authority to finance public improvements in the Atlantic City corridor region.

This bill contains other provisions concerning casino hotel room construction, reconstruction and rehabilitation in the city.

According to a spokesperson from the Casino Control Commission in, but not of, the Department of Treasury, casino hotels currently own or lease approximately 30,000 parking spaces which would be affected by the enactment of this bill. The commission estimates that the \$1.50 fee to be paid to the State Treasurer under this bill would yield approximately \$16,425,000 annually. This figure is derived by multiplying the \$1.50 fee by the number of parking spaces and the number of days in a year, assuming that the number of vehicles parked in these spaces averages 30,000 daily.

The Office of Legislative Services concurs.

This fiscal estimate has been prepared pursuant to P.L.1980, c.67.