

5:12-140; 5:12-144

LEGISLATIVE HISTORY CHECKLIST

WJSA 5:12-140; 5:12-144 (Casinos -- Taxation rates)  
LAWS OF 1979 CHAPTER 198  
Bill No. A3602  
Sponsor(s) Jackman and others  
Date Introduced August 23, 1979  
Committee: Assembly -----  
Senate -----  
Amended during passage  Yes  No  
Date of Passage: Assembly Aug. 23, 1979  
Senate Sept. 10, 1979  
Date of approval Sept. 18, 1979

Following statements are attached if available:

Sponsor statement	Yes	<del>No</del> (Below)
Committee Statement: Assembly	<del>Yes</del>	No
Senate	<del>Yes</del>	No
Fiscal Note	<del>Yes</del>	No
Veto message	<del>Yes</del>	No
Message on signing	<del>Yes</del>	No

Following were printed:

Reports	<del>Yes</del>	No
Hearings	Yes	<del>No</del>

Sponsor's statement:

This bill increases the tax on the gross revenues of casinos, increases the license fee on slot machines, changes the percentage of local investments required by the casinos and makes various other amendments to the "Casino Control Act".

(over)

9/1/79

A.3318 (substantially same as A.3602) was conditionally vetoed by Governor Byrne. Subsequently, A.3602 was introduced and enacted as a compromise.

Hearing held on A.3318:

974.90 NJ. Assembly. State Government, Federal and Interstate Relations and Veterans  
G191 Affairs Committee.  
1979 Public hearing on A.3318, held 6-6-79. Orange, NJ, 1979.

ASSEMBLY, No. 3602

STATE OF NEW JERSEY

INTRODUCED AUGUST 23, 1979

By Assemblymen JACKMAN, CODEY, BORNHEIMER, PATERO,  
BROWN, Assemblywoman GARVIN, Assemblymen STOCKMAN,  
KARCHER, THOMPSON and Assemblywoman SCANLON

(Without Reference)

AN ACT concerning the taxation of casinos, and amending the  
"Casino Control Act," approved June 2, 1977 (P. L. 1977, c.  
110).

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

1 1. Section 140 of P. L. 1977, c. 110 (C. 5:12-140) is amended  
2 to read as follows:

3 140. License Fee on Slot Machines.

4 a. In addition to any other tax or fee imposed by this act, there  
5 is also hereby imposed an annual license fee of **[\$200.00]** *\$500.00*  
6 upon every slot machine **[***which is subject to the occupational tax*  
7 *on coin operated devices under the provisions of the Federal In-*  
8 *ternal Revenue Code of 1954 and the amendments thereof and*  
9 *supplements thereto***]; maintained for use or in use in any licensed**  
10 *casino establishment in this State.*

11 b. License fees imposed under the provisions of this section shall  
12 be imposed as of the first day of July of each year with regard to  
13 all slot machines *maintained for use or in use on that date, and*  
14 *on a pro rata basis thereafter during the year with regard to all*  
15 *slot machines maintained for use or placed in use after July 1.*

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

3 144. Tax on Gross Revenues. a. There is hereby imposed an  
4 annual tax on gross revenues as defined in section 24 of this act  
5 in the amount of 8% of such gross revenues; *but upon the effective*  
6 *date of this amendatory act, the tax shall be 12% of such gross*  
7 *revenues when two or three licensed casinos are in operation, 10%*  
8 *when four licensed casinos are in operation, and 8% when five or*  
9 *more licensed casinos are in operation, provided, however, that if*

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

10 *a third casino is not in operation by April 1, 1980, the tax rate for*  
11 *two casinos shall be 14% for that portion of fiscal year 1980 that*  
12 *the third casino is not in operation and the full tax payment shall*  
13 *be made prior to July 1, 1980.*

14 b. Commencing with the **[third]** *first* annual tax return of a  
15 licensee for any calendar year beginning after December 31, 1978,  
16 and based upon a determination that in said return or any annual  
17 return thereafter the gross revenue of a licensee in the calendar  
18 year upon which the tax is based exceeds the cumulative invest-  
19 ments in this State of said licensee as of that year, such licensee  
20 shall make investments in an amount not less than 2% of the gross  
21 revenue for said calendar year within a period of 5 years from the  
22 end of said calendar year. **[Investments]** *Fifty percent of the*  
23 *investments* required as a result of any of the **[five]** *three* annual  
24 tax returns commencing with the **[third]** *first* annual tax return  
25 *for any calendar year beginning after December 31, 1978* shall be  
26 made in the municipality in which the licensed premises are lo-  
27 cated, *and 50% of such investment shall be made in any other*  
28 *municipality of this State.* **[Not less than 50%]** *Twenty-five per-*  
29 *cent* of investments required as a result of any annual tax return  
30 subsequent to the **[seventh]** *third* such return *in a series of returns*  
31 *the first of which is for a calendar year beginning after December*  
32 *31, 1978 shall be made in the municipality in which the licensed*  
33 *premises are located, and 75% shall be made in any other muni-*  
34 *city of this State.*

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

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

53 d. For the purposes of satisfying the amount of investments in  
54 any given year and of determining cumulative investments as of  
55 any given year, pursuant to subsection b., [actual monetary] con-  
56 tributions of money or realty shall be included if the commission  
57 determines that such contributions *best serve the public interest*  
58 *and either (1) directly relate to the improvement, furtherance, and*  
59 *promotion of the tourist industry in this State through the plan-*  
60 *ning, acquisition, construction, improvement, maintenance and*  
61 *operation of recreational [and], entertainment, and other facilities*  
62 *for the public, including, without limitation, a performing arts*  
63 *center, the beaches and shore front of this State, and transporta-*  
64 *tion facilities providing or enhancing service in resort areas of*  
65 *this State, or (2) directly relate to the improvement, furtherance,*  
66 *and promotion of the health and well-being of the people of this*  
67 *State through the planning, acquisition, construction, improvement,*  
68 *maintenance, and operation of a facility, project or program ap-*  
69 *proved by the commission.*

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

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

1 3. Section 153 of P. L. 1977, c. 110 is amended to read as follows:

2 153. [a. Notwithstanding the provisions of P. L. 1976, c. 67  
3 (C. 52:9H-5 et seq.), there is hereby appropriated the sum of  
4 \$800,000.00 for initial expenses of the commission.

5 b. Notwithstanding the provisions of P. L. 1976, c. 67 (C. 52:9H-5  
6 et seq.), there is hereby appropriated the sum of \$3,300,000.00 to  
7 the Department of Law and Public Safety for the operating ex-  
8 penses of the division and other agencies therein directly related  
9 to the enforcement of this act.

10 c. The sums hereinabove appropriated shall be repaid to the  
11 General State Fund from the first proceeds received in the Casino  
12 Control Fund during the first 6 years of its operation.] *Any out-*  
13 *standing loan to the Casino Control Fund from the General Fund*  
14 *as of July 1, 1980 shall be repaid, including interest, to the General*  
15 *Fund from a special assessment to casinos in operation or with*  
16 *applications pending on that date. Such assessment shall be deter-*  
17 *mined by the Casino Control Commission and shall be payable in*  
18 *full by December 31, 1980.*

1 4. This act shall take effect immediately, but shall remain in-  
2 operative until enactment of P. L. . . . ., c. . . . (now pending be-  
3 fore the Legislature as Assembly No. 3601) establishing a Lifeline  
4 Credit Program, and shall be applied retroactively to July 1, 1979.

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STATEMENT

This bill increases the tax on the gross revenues of casinos,  
increases the license fee on slot machines, changes the percentage  
of local investments required by the casinos and makes various  
other amendments to the "Casino Control Act."

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FROM THE OFFICE OF THE GOVERNOR

FOR IMMEDIATE RELEASE

FOR FURTHER INFORMATION

SEPTEMBER 18, 1979

KATHRYN FORSYTH

Governor Brendan Byrne today signed into law A-3601, the "Lifeline" bill, sponsored by Assemblyman John Paul Doyle (D-Ocean).

The bill establishes a "Lifeline Credit Program" which provides a \$100.00 line of credit to be used to help pay utility bills of eligible customers.

The Governor also signed A-3602, sponsored by Assemblyman Christopher J. Jackman (D-Hudson), which temporarily raises the tax on casino revenues from eight percent to twelve percent. The additional revenues will go to the Casino Revenue Fund for aid to senior citizens and handicapped.

All utility customers who are enrolled in the Pharmaceutical Assistance to the Aged (PAA) program, or receive benefits from the Supplemental Security Income (SSI) program, or are disabled according to the federal Social Security Act and earn less than \$9,000 a year if single, or \$12,000 if married, will qualify for the program.

"This is an important day for the elderly and disabled in New Jersey," said Governor Byrne. "In these times of rapidly escalating fuel costs, this legislation will provide vitally needed relief to those New Jerseyans who need it most."

"Regardless of what type of heating is used, this legislation will put an extra \$100.00 in the budgets of eligible senior citizens and the handicapped to pay utility costs."

"This is the latest in a long series of aid programs for senior citizens in our State," Byrne said. "New Jersey provides more assistance to our elderly than virtually any other state."

Byrne signed the legislation at a ceremony at Holiday City, a senior citizen center in Berkeley Township, Ocean County.

A question and answer sheet on the "Lifeline Credit Program" is attached.

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## LIFELINE CREDIT PROGRAM

### 1. Who is eligible for a Lifeline credit?

To be eligible you must either be enrolled in the Pharmaceutical Assistance to the Aged (PAA) program, receive Supplemental Security Income (SSI), or be classified as disabled under Title II of the Social Security Act, receive a Social Security disability check, and have an annual income of less than \$9,000 if single or \$12,000 if married. You must also be the customer of record with the utility company; that is, your name must appear on the utility bill.

### 2. How do I apply?

If you are enrolled in PAA or receive SSI, you will receive a letter in the mail by October 1. The letter will contain an application card and waiver certification. If you are the customer of record, fill out the forms and mail them in according to the instructions.

### 3. How do I apply if I am classified as Social Security Disabled (SSD) under Title II?

Application forms will be available by October 1. You may pick them up at local Social Security offices, county welfare agencies, local Medicaid Assistance Units, county Offices on Aging, and local legislative offices. You may also write or call the Board of Public Utilities, P.O. Box 853, Newark, New Jersey 07102 (800) 242-6703 and an application will be sent.

### 4. What kind of information will the application require?

You will be asked to provide the name(s) of your electric and gas company(ies), your account numbers and your social security numbers. You must also provide a customer receipt portion or photocopy of your utility bill(s).

If you are applying as Social Security Disabled (SSD), you will also be required to provide proof of Social Security Disability such as a copy of your Social Security disability check or your 1979 Social Security Award Certificate.

### 5. Why do I have to sign a waiver form?

In order to verify that you are eligible for the program, the Board of Public Utilities may have to obtain information from the Division of Medical Assistance and Health Services or the Social Security Administration regarding your eligibility for PAA, SSI, or SSD. To do this you must waive the appropriate confidentiality requirement and authorize those agencies to release this information to the Board of Public Utilities.

### 6. How do I receive the Lifeline credit?

You will not receive a check in the mail. The \$100 Lifeline credit will be credited directly on your utility bill. If you have separate gas and electric companies you will receive a \$50 credit on your electric bill and a \$50 credit on your gas bill.



When will I receive that credit?

If you are enrolled in PAA or receive SSI, you should receive your credit by December 1, 1979.

If you are SSD, you should receive your credit or a letter notifying you that you do not meet the eligibility requirements approximately two months after you file your application.

If this does not happen, call the Board of Public Utilities Hotline (800) 242-6703.

8. My wife and I are both enrolled in PAA. Will we get two Lifeline credits?

No. There will be one credit per household. It will be given to the person who is the customer of record with the utility company.

9. My wife is enrolled in PAA; I am not. The utility bill is in my name. Are we eligible for Lifeline?

No. In order to be eligible, your wife would have to be the customer of record with the utility company.

10. If I have questions, who should I call?

Contact the Board of Public Utilities Hotline at (800) 242-6703.