

[First Reprint]

SENATE CONCURRENT RESOLUTION No. 1

STATE OF NEW JERSEY 217th LEGISLATURE

INTRODUCED JANUARY 12, 2016

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SYNOPSIS

Proposes constitutional amendment to authorize Legislature to permit by law establishment and operation of casinos in certain counties.

CURRENT VERSION OF TEXT

As reported by the Senate Budget and Appropriations Committee on February 4, 2016, with amendments.

(Sponsorship Updated As Of: 3/15/2016)

1 **A CONCURRENT RESOLUTION** proposing to amend Article IV,
2 Section VII, paragraph 2 of the New Jersey Constitution.

3
4 **BE IT RESOLVED** *by the Senate of the State of New Jersey (the*
5 *General Assembly concurring):*

6
7 1. The following proposed amendment to the Constitution of
8 the State of New Jersey is hereby agreed to:

9
10 **PROPOSED AMENDMENT**

11
12 Amend Article IV, Section VII, paragraph 2 to read as follows:

13 2. No gambling of any kind shall be authorized by the
14 Legislature unless the specific kind, restrictions and control thereof
15 have been heretofore submitted to, and authorized by a majority of
16 the votes cast by, the people at a special election or shall hereafter
17 be submitted to, and authorized by a majority of the votes cast
18 thereon by, the legally qualified voters of the State voting at a
19 general election, except that, without any such submission or
20 authorization:

21 A. It shall be lawful for bona fide veterans, charitable,
22 educational, religious or fraternal organizations, civic and service
23 clubs, senior citizen associations or clubs, volunteer fire companies
24 and first-aid or rescue squads to conduct, under such restrictions
25 and control as shall from time to time be prescribed by the
26 Legislature by law, games of chance of, and restricted to, the selling
27 of rights to participate, the awarding of prizes, in the specific kind
28 of game of chance sometimes known as bingo or lotto, played with
29 cards bearing numbers or other designations, 5 or more in one line,
30 the holder covering numbers as objects, similarly numbered, are
31 drawn from a receptacle and the game being won by the person who
32 first covers a previously designated arrangement of numbers on
33 such a card, when the entire net proceeds of such games of chance
34 are to be devoted to educational, charitable, patriotic, religious or
35 public-spirited uses, and in the case of bona fide veterans'
36 organizations and senior citizen associations or clubs to the support
37 of such organizations, in any municipality, in which a majority of
38 the qualified voters, voting thereon, at a general or special election
39 as the submission thereof shall be prescribed by the Legislature by
40 law, shall authorize the conduct of such games of chance therein;

41 B. It shall be lawful for the Legislature to authorize, by law,
42 bona fide veterans, charitable, educational, religious or fraternal
43 organizations, civic and service clubs, senior citizen associations or
44 clubs, volunteer fire companies and first-aid or rescue squads to
45 conduct games of chance of, and restricted to, the selling of rights

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:

¹Senate SBA committee amendments adopted February 4, 2016.

1 to participate, and the awarding of prizes, in the specific kinds of
2 games of chance sometimes known as raffles, conducted by the
3 drawing for prizes or by the allotment of prizes by chance, when the
4 entire net proceeds of such games of chance are to be devoted to
5 educational, charitable, patriotic, religious or public-spirited uses,
6 and in the case of bona fide veterans' organizations and senior
7 citizen associations or clubs to the support of such organizations, in
8 any municipality, in which such law shall be adopted by a majority
9 of the qualified voters, voting thereon, at a general or special
10 election as the submission thereof shall be prescribed by law and
11 for the Legislature, from time to time, to restrict and control, by
12 law, the conduct of such games of chance;

13 C. It shall be lawful for the Legislature to authorize the conduct
14 of State lotteries restricted to the selling of rights to participate
15 therein and the awarding of prizes by drawings when the entire net
16 proceeds of any such lottery shall be for State institutions and State
17 aid for education; provided, however, that it shall not be competent
18 for the Legislature to borrow, appropriate or use, under any pretense
19 whatsoever, lottery net proceeds for the confinement, housing,
20 supervision or treatment of, or education programs for, adult
21 criminal offenders or juveniles adjudged delinquent or for the
22 construction, staffing, support, maintenance or operation of an adult
23 or juvenile correctional facility or institution;

24 D. (1) It shall be lawful for the Legislature to authorize by law
25 the establishment and operation, under regulation and control by the
26 State, of gambling houses or casinos within the boundaries, as
27 heretofore established, of the city of Atlantic City, county of
28 Atlantic, and to license and tax such operations and equipment used
29 in connection therewith. Any law authorizing the establishment and
30 operation of such gambling establishments shall provide for the
31 State revenues derived therefrom to be applied solely for the
32 purpose of providing funding for reductions in property taxes,
33 rental, telephone, gas, electric, and municipal utilities charges of
34 eligible senior citizens and disabled residents of the State, and for
35 additional or expanded health services or benefits or transportation
36 services or benefits to eligible senior citizens and disabled
37 residents, in accordance with such formulae as the Legislature shall
38 by law provide. The type and number of such casinos or gambling
39 houses and of the gambling games which may be conducted in any
40 such establishment shall be determined by or pursuant to the terms
41 of the law authorizing the establishment and operation thereof.

42 (2) It shall also be lawful for the Legislature to authorize by law
43 wagering at casinos or gambling houses in Atlantic City on the
44 results of any professional, college, or amateur sport or athletic
45 event, except that wagering shall not be permitted on a college sport
46 or athletic event that takes place in New Jersey or on a sport or
47 athletic event in which any New Jersey college team participates
48 regardless of where the event takes place.

1 (3) (a) It shall also be lawful for the Legislature to authorize by
2 law the establishment and operation, under regulation and control
3 by the State, of no more than two gambling houses or casinos, each
4 one to be located in different counties of this State, and to license
5 and tax such operations and equipment used in connection
6 therewith. The boundaries of each municipality in which each
7 gambling house or casino is located shall be partially or completely
8 outside a 72 mile radius calculated from the outermost boundary, as
9 heretofore established, of the city of Atlantic City in the county of
10 Atlantic.

11 (b) (i) Any law authorizing the establishment and operation of
12 such gambling establishments shall provide that, in the first State
13 fiscal year in which State revenues are derived under part (3) of
14 subparagraph D. of this paragraph, those State revenues shall be
15 credited to a special account and dedicated for the purposes
16 specified under part (1) of subparagraph D. of this paragraph and
17 shall be used for those purposes.

18 (ii) Any law authorizing the establishment and operation of such
19 gambling establishments shall provide that, commencing in the
20 second State fiscal year in which State revenues are derived under
21 part (3) of subparagraph D. of this paragraph and thereafter, State
22 revenues derived under part (1) and part (3) of subparagraph D. of
23 this paragraph shall be credited to a special New Jersey Investment
24 Fund. The revenues credited to the investment fund in each State
25 fiscal year shall be applied solely as follows.

26 Two percent of the amount so credited in each State fiscal year
27 first shall be dedicated as State aid with each half of the two percent
28 allocated to the locality in which each of the two gambling
29 establishments is located and operating. Locality shall mean the
30 host municipality, county, or both.

31 Then, there shall be the following incremental allocations for
32 each State fiscal year. The remaining revenues credited to the
33 investment fund in each State fiscal year up to \$150,000,000 shall
34 be dedicated 50 percent for the purposes of the recovery,
35 stabilization, or improvement of the city of Atlantic City, and 50
36 percent for the following purposes: 60 percent for the purposes
37 specified under part (1) of subparagraph D. of this paragraph to be
38 used for those purposes, and 40 percent for State aid to each county
39 and municipality in the State for programs and property tax relief
40 for senior citizens and disabled residents and for such other
41 purposes as the Legislature shall by law provide.

42 Then, remaining revenues credited to the investment fund in each
43 State fiscal year up to an additional \$150,000,000 shall be dedicated
44 40 percent for the purposes of the recovery, stabilization, or
45 improvement of the city of Atlantic City, and 60 percent for the
46 following purposes: 60 percent for the purposes specified under part
47 (1) of subparagraph D. of this paragraph to be used for those
48 purposes, and 40 percent for State aid to each county and

1 municipality in the State for programs and property tax relief for
2 senior citizens and disabled residents and for such other purposes as
3 the Legislature shall by law provide.

4 Then, remaining revenues credited to the investment fund in each
5 State fiscal year up to an additional \$150,000,000 shall be dedicated
6 30 percent for the purposes of the recovery, stabilization, or
7 improvement of the city of Atlantic City, and 70 percent for the
8 following purposes: 60 percent for the purposes specified under part
9 (1) of subparagraph D. of this paragraph to be used for those
10 purposes, and 40 percent for State aid to each county and
11 municipality in the State for programs and property tax relief for
12 senior citizens and disabled residents and for such other purposes as
13 the Legislature shall by law provide.

14 Then, remaining additional revenues credited to the investment
15 fund in each State fiscal year shall be dedicated 20 percent for the
16 purposes of the recovery, stabilization, or improvement of the city
17 of Atlantic City, and 80 percent for the following purposes: 60
18 percent for the purposes specified under part (1) of subparagraph D.
19 of this paragraph to be used for those purposes, and 40 percent for
20 State aid to each county and municipality in the State for programs
21 and property tax relief for senior citizens and disabled residents and
22 for such other purposes as the Legislature shall by law provide.

23 Commencing in the 17th State fiscal year and for the next
24 subsequent nine State fiscal years, the percentages dedicated above
25 for the purposes of the recovery, stabilization, or improvement of
26 the city of Atlantic City shall decrease by, and the percentage
27 dedicated above for the purposes specified under part (1) of
28 subparagraph D. of this paragraph, for State aid to each county and
29 municipality in the State for programs and property tax relief for
30 senior citizens and disabled residents, and for such other purposes
31 as the Legislature shall by law provide shall increase by, the same
32 number of percentage points from the prior State fiscal year
33 percentage, to achieve a final dedication of 10 percent/90 percent, 8
34 percent/92 percent, 6 percent/94 percent, and 4 percent/96 percent,
35 respectively, for each of the four incremental allocations of the
36 remaining revenues credited to the investment fund, and shall
37 remain at those levels for each State fiscal year thereafter.

38 Of the percentage of revenues from the investment fund
39 dedicated for State aid to each county and municipality in the State
40 for programs and property tax relief for senior citizens and disabled
41 residents and for such other purposes as the Legislature shall by law
42 provide, not less than two percentage points in each State fiscal year
43 shall be dedicated for the purposes of programs designed to aid the
44 thoroughbred and standardbred horsemen in this State.

45 Notwithstanding the dedications above, the total amount
46 dedicated in each State fiscal year for the purposes of the recovery,
47 stabilization, or improvement of the city of Atlantic City shall not
48 exceed one third of the total revenues credited to the investment

1 fund in each State fiscal year. Any amounts allocated pursuant to
2 the dedications in (b) (ii) in excess of this limitation shall be
3 reallocated for the purposes specified under part (1) of
4 subparagraph D. of this paragraph.

5 If in any State fiscal year the allocations of revenue pursuant to
6 the dedications in (b) (ii) for the purposes specified under part (1)
7 of subparagraph D. of this paragraph are less than the amount of
8 State revenues derived under and for the purposes specified in part
9 (1) of subparagraph D. of this paragraph in State fiscal year 2015,
10 the amounts allocated to all other purposes shall be proportionately
11 reduced by an amount not exceeding the difference between the
12 amount of State revenues derived under and for the purposes
13 specified in part (1) of subparagraph D. of this paragraph in State
14 fiscal year 2015 and the amount allocated pursuant to the
15 dedications in (b) (ii) for the purposes specified under part (1) of
16 subparagraph D. of this paragraph.

17 (c) The eligibility for each initial license to establish a gambling
18 house or casino under part (3) of subparagraph D. of this paragraph
19 shall be limited to persons whose majority equity owners: a) are
20 holders of a New Jersey casino license that were operating a casino
21 which was conducting gambling as of the date of passage by the
22 Legislature of the concurrent resolution that proposed the
23 amendment that added part (3) of subparagraph D. of this paragraph
24 to this Constitution; or b) were principal owners of a holder of a
25 New Jersey casino license that was operating a casino which was
26 conducting gambling as of the date of passage by the Legislature of
27 the concurrent resolution that proposed the amendment that added
28 part (3) of subparagraph D. of this paragraph to this Constitution, if
29 that principal owner or subsidiary also holds a valid license to own
30 and operate a casino in another jurisdiction with licensing standards
31 similar to those in New Jersey. A principal owner shall mean any
32 person who, directly or indirectly, owns 50 percent or more of a
33 holder of a New Jersey casino license that was operating a casino
34 which was conducting gambling as of the date of passage by the
35 Legislature of the concurrent resolution that proposed the
36 amendment that added part (3) of subparagraph D. of this paragraph
37 to this Constitution.

38 (d) If a person described under (c) above does not apply for a
39 license within '180' 60' days following the date on which the
40 licensing entity indicates that applications are being accepted, or
41 does apply but fails to meet certain progress requirements that shall
42 be prescribed by law, within the time periods that shall be
43 prescribed by law, toward the establishment and operation of a
44 gambling house or casino, any person may apply for that license in
45 accordance with law.

46 (e) An application for a license to establish a gambling house or
47 casino shall be approved only if the applicant commits to and makes
48 an investment of at least \$1,000,000,000 in the acquisition,

1 construction, and development of the facility, which amount shall
2 be ascertained as provided by law, in which the gambling house or
3 casino is located prior to the commencement of gambling
4 operations in that facility.

5 (f) The location and type of such casinos or gambling houses,
6 and of the gambling games which may be conducted in any such
7 establishment, shall be determined by or pursuant to the terms of
8 the law authorizing the establishment and operation thereof.

9 E. It shall be lawful for the Legislature to authorize, by law, (1)
10 the simultaneous transmission by picture of running and harness
11 horse races conducted at racetracks located within or outside of this
12 State, or both, to gambling houses or casinos in the city of Atlantic
13 City and (2) the specific kind, restrictions and control of wagering
14 at those gambling establishments on the results of those races. The
15 State's share of revenues derived therefrom shall be applied for
16 services to benefit eligible senior citizens as shall be provided by
17 law; and

18 F. It shall be lawful for the Legislature to authorize, by law, the
19 specific kind, restrictions and control of wagering on the results of
20 live or simulcast running and harness horse races conducted within
21 or outside of this State. The State's share of revenues derived
22 therefrom shall be used for such purposes as shall be provided by
23 law.

24 It shall also be lawful for the Legislature to authorize by law
25 wagering at current or former running and harness horse racetracks
26 in this State on the results of any professional, college, or amateur
27 sport or athletic event, except that wagering shall not be permitted
28 on a college sport or athletic event that takes place in New Jersey or
29 on a sport or athletic event in which any New Jersey college team
30 participates regardless of where the event takes place.

31 (cf: Art. IV, Sec. VII, par. 2; amended effective December 5, 2013)

32
33 2. When this proposed amendment to the Constitution is finally
34 agreed to pursuant to Article IX, paragraph 1 of the Constitution, it
35 shall be submitted to the people at the next general election
36 occurring more than three months after the final agreement and
37 shall be published at least once in at least one newspaper of each
38 county designated by the President of the Senate, the Speaker of the
39 General Assembly and the Secretary of State, not less than three
40 months prior to the general election.

41
42 3. This proposed amendment to the Constitution shall be
43 submitted to the people at that election in the following manner and
44 form:

45 There shall be printed on each official ballot to be used at the
46 general election, the following:

47 a. In every municipality in which voting machines are not used,
48 a legend which shall immediately precede the question as follows:

- 1 If you favor the proposition printed below make a cross (X), plus
- 2 (+), or check (✓) in the square opposite the word "Yes." If you are
- 3 opposed thereto make a cross (X), plus (+) or check (✓) in the
- 4 square opposite the word "No."
- 5 b. In every municipality the following question:

1

	YES	<p>CONSTITUTIONAL AMENDMENT TO PERMIT CASINO GAMBLING IN TWO COUNTIES OTHER THAN ATLANTIC COUNTY</p> <p>Do you approve amending the Constitution to permit casino gambling in two additional counties in this State? At present, casino gambling is allowed only in Atlantic City in Atlantic County.</p> <p>Only one casino in each of the two counties would be permitted. Each casino is to be located in a town that is at least 72 miles from Atlantic City. The amendment would allow certain persons to apply first for a casino license.</p>
	NO	<p>INTERPRETIVE STATEMENT</p> <p>At present, casino gambling is allowed only in Atlantic City in Atlantic County. This amendment would allow the Legislature to pass laws to permit casino gambling to take place in two other counties in this State.</p> <p>Only one casino in each of the two counties would be permitted. Each casino is to be located in a town that is at least 72 miles from Atlantic City. The amendment would allow certain persons to apply first for a casino license.</p> <p>The laws passed by the Legislature would provide for the location and type of casinos and the licensing and taxing of the operation and equipment.</p> <p>The amendment provides that the State’s share of revenue from the operation of the two casinos and of the casinos in Atlantic City would be used for programs and property tax relief for senior citizens and disabled residents. It would also be used for the recovery, stabilization, or improvement of Atlantic City and other purposes as provided by law. Lesser portions would be used to aid the thoroughbred and standardbred horsemen in this State and each town and county in which a casino is located.</p>

2