

**ASSEMBLY, No. 757**

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**STATE OF NEW JERSEY**

**218th LEGISLATURE**

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PRE-FILED FOR INTRODUCTION IN THE 2018 SESSION

**Sponsored by:**

**Assemblyman RALPH R. CAPUTO**

**District 28 (Essex)**

**Assemblyman GARY S. SCHAER**

**District 36 (Bergen and Passaic)**

**Assemblyman JOSEPH A. LAGANA**

**District 38 (Bergen and Passaic)**

**Co-Sponsored by:**

**Assemblywomen Tucker, Quijano, Assemblymen Prieto, McKeon,  
Gusciora and Johnson**

**SYNOPSIS**

Permits State Lottery Commission to authorize video lottery terminals at Meadowlands racetrack, upon voter approval; dedicates 1/3 net proceeds to General Fund, 1/3 to State education aid, and 1/3 to horse racing industry.

**CURRENT VERSION OF TEXT**

Introduced Pending Technical Review by Legislative Counsel.



1   **AN ACT** providing for lottery games using video lottery terminals at  
2       the Meadowlands horse racetrack, subject to voter approval,  
3       amending and supplementing various parts of the statutory law,  
4       and repealing P.L.1983, c.80.

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

8  
9       1. (New section) a. The State Lottery Commission, established  
10      pursuant to section 4 of P.L.1970, c.13 (C.5:9-4) may authorize  
11      lottery games using video lottery terminals at a racetrack facility  
12      that is part of the meadowlands complex as defined in subsection d.  
13      of section 3 of P.L.1971, c.137 (C.5:10-3). The commission shall  
14      enter into an agreement with the New Jersey Sports and Exposition  
15      Authority, established pursuant to section 4 of P.L.1971, c.137  
16      (C.5:10-4), for the facility or facilities necessary or desirable to  
17      conduct games using video lottery terminals authorized under this  
18      section. Revenue generated from the establishment of video lottery  
19      terminals shall be deposited into the Video Lottery Terminal Fund,  
20      established pursuant to section 2 of this act, P.L.     , c. (C.     )  
21      (pending before the Legislature as this bill).

22      b. Prior to the establishment of video lottery terminals pursuant  
23      to subsection a. of this section, the State Lottery Commission shall  
24      conduct a study to determine the optimal number of video lottery  
25      terminals to be established, any capital costs associated with the  
26      establishment of the optimal number of video lottery terminals, and  
27      revenue projections for the video lottery terminals.

28  
29      2. (New section) a. There is hereby created in the Department  
30      of the Treasury a non-lapsing revolving fund to be known as the  
31      “Video Lottery Terminal Fund,” to be held separate and apart from  
32      all other funds of the State, and to be deposited in such depositories  
33      as the State Treasurer may select. Such fund shall consist of all  
34      amounts received from the establishment of video lottery terminals  
35      authorized pursuant to section 1 of this act, P.L.     , c. (C.     )  
36      (pending before the Legislature as this bill). All earnings received  
37      from the investment or deposit of moneys in the fund shall be  
38      credited to the fund.

39      b. The moneys in the Video Lottery Terminal Fund shall be  
40      appropriated only:

41        (1) for the payment of prizes to the holders of winning video  
42        lottery tickets or shares;

43        (2) for the expenses of the division in its operation of games  
44        using video lottery terminals;

**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 (3) for payment to the New Jersey Sports and Exposition  
2 Authority for its administrative expenses relating to the video  
3 lottery terminal project; and

4 (4) for other necessary administrative expenses associated with  
5 the operation of video lottery terminals.

6 c. The amounts in the Video Lottery Terminal Fund remaining  
7 after the payment of winnings and other expenses pursuant to  
8 subsection b. of this section, shall be distributed as follows: (1) 1/3  
9 shall be transferred to the "Horse Racing Special Fund," for the  
10 horse racing industry as provided by section 3 of this act,  
11 P.L. , c. (C. ) (pending before the Legislature as this bill); (2)  
12 1/3 shall be transferred to the General Fund for general State  
13 purposes; and (3) 1/3 shall be dedicated to the funding of State aid  
14 for education.

15 d. On or about March 15 and September 15 of each year, the  
16 State Treasurer shall publish in at least 10 newspapers circulating  
17 generally in the State a report accounting for the total revenues  
18 received in the Video Lottery Terminal Fund and the specific  
19 amounts of money appropriated therefrom for specific expenditures  
20 during the preceding six months ending December 31 and June 30.

21  
22 3. (New section) a. The New Jersey Racing Commission shall  
23 establish and administer a separate fund to be known as the "Horse  
24 Racing Special Fund," into which shall be transferred monthly from  
25 the Video Lottery Terminal Fund established pursuant to section 2  
26 of this act, P.L. , c. (C. ) (pending before the Legislature as  
27 this bill) the amounts from the establishment of video lottery  
28 terminals dedicated to it for allocation by the commission to the  
29 benefit of the horse racing industry. Money deposited into the fund  
30 shall be disbursed monthly by the New Jersey Racing Commission  
31 and used as provided in subsection b. of this section.

32 b. The proceeds allocated to the benefit of the horse racing  
33 industry shall be distributed as follows: 41.7 percent to permit  
34 holders conducting thoroughbred racing pursuant to P.L.1940, c.17  
35 (C.5:5-22 et seq.) for the purpose of supplementing purses, 41.7  
36 percent to permit holders conducting standardbred racing pursuant  
37 to P.L.1940, c.17 (C.5:5-22 et seq.) for the purpose of  
38 supplementing purses, 8.3 percent for thoroughbred breeding and  
39 development and 8.3 percent for the Sire Stakes Program  
40 established pursuant to section 1 of P.L.1971, c.85 (C.5:5-91).

41  
42 4. Section 2 of P.L.1970, c.13 (C.5:9-2) is amended to read as  
43 follows:

44 2. This act is enacted to implement the amendment of Article  
45 IV, Section VII, paragraph 2, of the Constitution of New Jersey,  
46 approved by the people in the general election of November, 1969,  
47 and to carry out the mandate thereof by establishing a lottery to be  
48 operated by the State, the entire net proceeds of which are to be

1 used for State institutions and State aid for education, and to  
 2 implement P.L. , c. (C. ) (pending before the Legislature as  
 3 this bill), establishing video lottery terminals.

4 (cf: P.L.1970, c.13, s.2)

5

6 5. Section 3 of P.L.1970, c.13 (C.5:9-3) is amended to read as  
 7 follows:

8 3. For the purposes of this act:

9 a. "Commission" shall mean the State Lottery Commission  
 10 established by this act.

11 b. "Division" shall mean the Division of the State Lottery  
 12 created by this act.

13 c. "Lottery" or "State lottery" shall mean the lottery established  
 14 and operated pursuant to this act.

15 d. "Director" shall mean the Director of the Division of the  
 16 State Lottery.

17 e. "Video lottery terminals" shall mean the type of lottery  
 18 games authorized to be operated at a racetrack facility that is part of  
 19 the meadowlands complex, as defined in subsection d. of section 3  
 20 of P.L.1971, c.137 (C.5:10-3), pursuant to section 1 of  
 21 P.L. , c. (C. ) (pending before the Legislature as this bill).

22 (cf: P.L.1970, c.13, s.3)

23

24 6. Section 7 of P.L.1970, c.13 (C.5:9-7) is amended to read as  
 25 follows:

26 7. The commission shall have the power, and it shall be its  
 27 duty:

28 a. After full and thorough study of the report and  
 29 recommendations of the State Lottery Planning Commission  
 30 established pursuant to Joint Resolution Number 11, approved  
 31 November 20, 1969, and such other pertinent information as may be  
 32 available, to promulgate such rules and regulations governing the  
 33 establishment and operation of a State lottery as it deems necessary  
 34 and desirable in order that the mandate of the people expressed in  
 35 their approval of the amendment to Article IV, Section VII,  
 36 paragraph 2, of the Constitution in the general election of  
 37 November, 1969, may be fully implemented, in order that such a  
 38 lottery shall be initiated at the earliest feasible and practicable time,  
 39 and in order that such lottery shall produce the maximum amount of  
 40 net revenues for State institutions and State aid for education  
 41 consonant with the dignity of the State and the general welfare of  
 42 the people.

43 The commission shall also promulgate rules and regulations  
 44 governing the establishment and operation of video lottery  
 45 terminals, authorized pursuant to section 1 of P.L. , c. (C. )  
 46 (pending before the Legislature as this bill).

47 Such rules and regulations may include, but shall not be limited  
 48 to, the following:

- 1 (1) The type of lottery to be conducted.
- 2 (2) The price, or prices, of tickets or shares in the lottery.
- 3 (3) The number and sizes of the prizes on the winning tickets or  
4 shares.
- 5 (4) The manner of selecting the winning tickets or shares.
- 6 (5) The manner of payment of prizes to the holders of winning  
7 tickets or shares, including, subject to the approval of the State  
8 Treasurer, provision for payment of prizes not to exceed \$599.00 by  
9 agents licensed hereunder out of moneys received from sales of  
10 tickets or shares.
- 11 (6) The frequency of the drawings or selections of winning  
12 tickets or shares, without limitation.
- 13 (7) Without limit as to number, except in the case of video  
14 lottery terminals, the type or types of locations at which tickets or  
15 shares may be sold.
- 16 (8) The method to be used in selling tickets or shares.
- 17 (9) The licensing of agents or operators to sell tickets or shares,  
18 provided that no person under the age of 21 shall be licensed as an  
19 agent.
- 20 (10) The manner and amount of compensation, if any, to be paid  
21 licensed sales agents or operators necessary to provide for the  
22 adequate availability of tickets or shares to prospective buyers and  
23 for the convenience of the public.
- 24 (11) **【The】** Except in the case of the video lottery terminals  
25 established pursuant to section 1 of P.L. ,c. (C. ) (pending  
26 before the Legislature as this bill), the apportionment of the total  
27 revenues accruing from the sale of lottery tickets or shares and from  
28 all other sources among (a) the payment of prizes to the holders of  
29 winning tickets or shares, (b) the payment of costs incurred in the  
30 operation and administration of the lottery, including the expenses  
31 of the division and the costs resulting from any contract or contracts  
32 entered into for promotional, advertising or operational services or  
33 for the purchase or lease of lottery equipment and materials, (c) for  
34 the repayment of the money appropriated to the State Lottery Fund  
35 pursuant to section 23 of this act, and (d) for transfer to the general  
36 fund for State institutions and State aid for education; provided,  
37 however, that no less than 30% of the total revenues accruing from  
38 the sale of lottery tickets or shares shall be dedicated to (d), above.
- 39 (12) In the case of the video lottery terminals established  
40 pursuant to section 1 of P.L. , c. (C. ) (pending before the  
41 Legislature as this bill), the apportionment of the total revenues  
42 accruing from the sale of lottery tickets or shares and from all other  
43 sources among (a) the payment of prizes to the holders of winning  
44 tickets or shares, (b) the payment of costs incurred in the operation  
45 and administration of the lottery, including the expenses of the  
46 division and the costs resulting from any contract or contracts  
47 entered into for promotional, advertising or operational services or  
48 for the purchase or lease of lottery equipment and materials, and (c)

1 for transfer into the Video Lottery Terminal fund, established  
2 pursuant to section 2 of P.L. , c. (C. ) (pending before the  
3 Legislature as this bill) the revenues from the video lottery  
4 terminals for such purposes as may be provided by law.

5 (13) Such other matters necessary or desirable for the efficient  
6 and economical operation and administration of the lottery and for  
7 the convenience of the purchasers of tickets or shares and the  
8 holders of winning tickets or shares.

9 Notwithstanding the provisions of any other law to the contrary,  
10 no rule or regulation establishing a lottery game shall be considered  
11 an "administrative rule" or "rule" pursuant to P.L.1968, c.410  
12 (C.52:14B-1 et seq.).

13 b. To amend, repeal, or supplement any such rules and  
14 regulations from time to time as it deems necessary or desirable.

15 c. To advise and make recommendations to the director  
16 regarding the operation and administration of the lottery.

17 d. To report monthly to the Governor and the Legislature the  
18 total lottery revenues, prize disbursements and other expenses for  
19 the preceding month, and to make an annual report, which shall  
20 include a full and complete statement of lottery revenues, prize  
21 disbursements and other expenses, to the Governor and the  
22 Legislature, and including such recommendations for changes in  
23 this act as it deems necessary or desirable.

24 e. To report immediately to the Governor and the Legislature  
25 any matters which shall require immediate changes in the laws of  
26 this State in order to prevent abuses and evasions of this act or rules  
27 and regulations promulgated thereunder or to rectify undesirable  
28 conditions in connection with the administration or operation of the  
29 lottery.

30 f. To carry on a continuous study and investigation of the  
31 lottery throughout the State (1) for the purpose of ascertaining any  
32 defects in this act or in the rules and regulations issued thereunder  
33 by reason whereof any abuses in the administration and operation of  
34 the lottery or any evasion of this act or the rules and regulations  
35 may arise or be practiced, (2) for the purpose of formulating  
36 recommendations for changes in this act and the rules and  
37 regulations promulgated thereunder to prevent such abuses and  
38 evasions, (3) to guard against the use of this act and the rules and  
39 regulations issued thereunder as a cloak for the carrying on of  
40 organized gambling and crime, and (4) to insure that said law and  
41 rules and regulations shall be in such form and be so administered  
42 as to serve the true purposes of this act.

43 g. To make a continuous study and investigation of (1) the  
44 operation and the administration of similar laws which may be in  
45 effect in other states or countries, (2) any literature on the subject  
46 which from time to time may be published or available, (3) any  
47 Federal laws which may affect the operation of the lottery, and (4)  
48 the reaction of New Jersey citizens to existing and potential features

1 of the lottery with a view to recommending or effecting changes  
2 that will tend to serve the purposes of this act.

3 (cf: P.L.1981, c.182, s.1)

4  
5 7. Section 8 of P.L.1970, c.13 (C.5:9-8) is amended to read as  
6 follows:

7 8. The director shall have the power, and it shall be **【his】** the  
8 director's duty to:

9 a. Supervise and administer the operation of the lottery in  
10 accordance with the provisions of this act and with the rules and  
11 regulations of the commission.

12 b. Subject to the approval of the commission, appoint such  
13 deputy directors as may be required to carry out the functions and  
14 duties of the division, which deputy directors shall be in the  
15 unclassified service of the civil service.

16 c. Subject to the approval of the commission and Title 11 of  
17 the Revised Statutes, Civil Service, appoint such professional,  
18 technical and clerical assistants and employees as may be necessary  
19 to perform the duties imposed upon the division by this act.

20 d. Act as secretary and executive officer of the commission.

21 e. In accordance with the provisions of this act and the rules  
22 and regulations of the commission, to license as agents or, in the  
23 case of video lottery terminals, operators to sell lottery tickets such  
24 persons as in **【his】** the director's opinion will best serve the public  
25 convenience and promote the sale of tickets or shares. The director  
26 may require a bond from every licensed agent or operator, in such  
27 amount as provided in the rules and regulations of the commission.  
28 Every licensed agent or operator shall prominently display **【his】** the  
29 agent or operator's license, or a copy thereof, as provided in the  
30 rules and regulations of the commission.

31 f. Shall confer regularly as necessary or desirable and not less  
32 than once every month with the commission on the operation and  
33 administration of the lottery; shall make available for inspection by  
34 the commission, upon request, all books, records, files, and other  
35 information and documents of the division; shall advise the  
36 commission and recommend such matters as he deems necessary  
37 and advisable to improve the operation and administration of the  
38 lottery.

39 g. Suspend or revoke any license issued pursuant to this act or  
40 the rules and regulations promulgated thereunder.

41 h. Subject to the approval of the commission and the applicable  
42 laws relating to public contracts, to act on behalf of the commission  
43 as using agency with respect to purchases made by the Division of  
44 Purchase and Property of goods and services required in the  
45 operation of the lottery.

1 i. To certify monthly to the State Treasurer and the  
2 commission a full and complete statement of lottery revenues, prize  
3 disbursements and other expenses for the preceding month.

4 (cf: P.L.1983, c.60, s.2)

5  
6 8. Section 14 of P.L.1970, c.13 (C.5:9-14) is amended to read  
7 as follows:

8 14. No person shall sell a ticket or share at a price greater than  
9 that fixed by rule or regulation of the commission. No person other  
10 than a licensed lottery sales agent or operator shall sell lottery  
11 tickets or shares, except that nothing in this section shall be  
12 construed to prevent any person from giving lottery tickets or shares  
13 to another as a gift.

14 Any person convicted of violating this section shall be guilty of a  
15 misdemeanor.

16 (cf: P.L.1970, c.13, s.14)

17  
18 9. Section 15 of P.L.1970, c.13 (C.5:9-15) is amended to read  
19 as follows:

20 15. a. No ticket or share shall be sold to any person under the  
21 age of 18, but this shall not be deemed to prohibit the purchase of a  
22 ticket or share for the purpose of making a gift by a person 18 years  
23 of age or older to a person less than that age. Any licensee who  
24 knowingly sells or offers to sell a lottery ticket or share to any  
25 person under the age of 18 is a disorderly person.

26 b. Notwithstanding the provisions of subsection a. of this  
27 section, any person under the age of 21 shall be prohibited from  
28 playing lottery games using video lottery terminals authorized  
29 pursuant to section 1 of P.L. , c. (C. )(pending before the  
30 Legislature as this bill).

31 (cf: P.L.1970, c.13, s.15)

32  
33 10. Section 17 of P.L.1970, c.13 (C.5:9-17) is amended to read  
34 as follows:

35 17. Unclaimed prize money for the prize on a winning ticket or  
36 share shall be retained by the director for the person entitled thereto  
37 for 1 year after the drawing in which the prize was won. If no claim  
38 is made for said money within such year, the prize money shall be  
39 allocated to State institutions and State aid for education in the  
40 same manner as lottery revenues are allocated for such purposes  
41 under this act , except that if the prize money was won on a video  
42 lottery terminal authorized pursuant to section 1 of P.L. ,  
43 c. (C. ) (pending before the Legislature as this bill), the prize  
44 money shall be allocated to the Video Lottery Terminal Fund  
45 established pursuant to section 2 of that act.

46 (cf: P.L.1970, c.13, s.17)



1        11. Section 21 of P.L.1970, c.13 (C.5:9-21) is amended to read  
2 as follows:

3        21. There is hereby created and established in the Department of  
4 the Treasury a separate fund, to be known as the "State Lottery  
5 Fund," to be deposited in such depositories as the State Treasurer  
6 may select. Such fund shall consist of all revenues received from  
7 the sale of lottery tickets or shares, except video lottery terminals,  
8 established pursuant to section 1 of P.L. , c. (C. ) (pending  
9 before the Legislature as this bill), and all other moneys credited or  
10 transferred thereto from any other fund or source pursuant to law.  
11 (cf: P.L.1970, c.13, s.21)

12

13        12. Section 76 of P.L.1977, c.110 (C.5:12-76) is amended to  
14 read as follows:

15        76. General Duties and Powers.

16        a. The Division of Gaming Enforcement shall:

17        (1) promptly and in reasonable order investigate all applications,  
18 enforce the provisions of this act and any regulations promulgated  
19 hereunder, and prosecute before the commission all proceedings for  
20 violations of this act or any regulations promulgated hereunder;

21        (2) provide the commission with all information necessary for  
22 all action under Article 6 of this act and for all proceedings  
23 involving enforcement of the provisions of this act or any  
24 regulations promulgated hereunder; and

25        (3) ensure that there is no duplication of duties and  
26 responsibilities between it and the commission.

27        b. The division shall:

28        (1) Investigate the qualifications of each applicant before any  
29 license, certificate, or permit is issued pursuant to the provisions of  
30 this act;

31        (2) Investigate the circumstances surrounding any act or  
32 transaction for which commission approval is required;

33        (3) Investigate violations of this act and regulations promulgated  
34 hereunder;

35        (4) Initiate, prosecute and defend such proceedings before the  
36 commission, or appeals therefrom, as the division may deem  
37 appropriate;

38        (5) Provide assistance upon request by the commission in the  
39 consideration and promulgation of rules and regulations;

40        (6) Conduct continuing reviews of casino operations through  
41 on-site observation and other reasonable means to assure  
42 compliance with this act and regulations promulgated hereunder,  
43 subject to subsection h. of section 63 of this act;

44        (7) Receive and take appropriate action on any referral from the  
45 commission relating to any evidence of a violation of P.L.1977,  
46 c.110 (C.5:12-1 et seq.) or the regulations promulgated thereunder;

47        (8) Exchange fingerprint data with, and receive criminal history  
48 record information from, the Federal Bureau of Investigation for

1 use in considering applicants for any license or registration issued  
2 pursuant to the provisions of P.L.1977, c.110 (C.5:12-1 et seq.);

3 (9) Conduct audits of casino operations at such times, under  
4 such circumstances, and to such extent as the director shall  
5 determine, including reviews of accounting, administrative and  
6 financial records, and management control systems, procedures and  
7 records utilized by a casino licensee;

8 (10) Be entitled to request and receive information, materials and  
9 any other data from any licensee or registrant, or applicant for a  
10 license or registration under this act; and

11 (11) Report to the Attorney General recommendations that  
12 promote more efficient operations of the division.

13 c. The division shall:

14 (1) Investigate the qualifications of each applicant to operate  
15 video lottery terminals before any license is issued by the State  
16 Lottery Commission pursuant to the provisions of P.L. \_\_\_\_\_,  
17 c. (pending before the Legislature as this bill);

18 (2) Investigate violations of P.L.1970, c.13 (C.5:9-1 et seq.) or  
19 the regulations promulgated thereunder relating to video lottery  
20 terminals;

21 (3) Provide assistance upon request by the State Lottery  
22 Commission in the consideration and promulgation of rules and  
23 regulations relating to video lottery terminals;

24 (4) Conduct continuing reviews of video lottery terminal  
25 operations through on-site observation and other reasonable means  
26 to assure compliance with P.L.1970, c.13 (C.5:9-1 et seq.) and the  
27 regulations promulgated thereunder;

28 (5) Receive and take appropriate action on any referral from the  
29 State Lottery Commission relating to any evidence of a violation of  
30 P.L.1970, c.13 (C.5:9-1 et seq.) or the regulations promulgated  
31 thereunder relating to video lottery terminals;

32 (6) Exchange fingerprint data with, and receive criminal history  
33 record information from, the Federal Bureau of Investigation for  
34 use in considering applicants for any license relating to video  
35 lottery terminals issued pursuant to the provisions of P.L.1970, c.13  
36 (C.5:9-1 et seq.);

37 (7) Conduct audits of video lottery terminal operations at such  
38 times, under such circumstances, and to such extent as the director  
39 shall determine, including reviews of accounting, administrative  
40 and financial records, and management control systems, procedures  
41 and records utilized by a video lottery terminal licensee; and

42 (8) Be entitled to request and receive information, materials and  
43 any other data from any video lottery terminal licensee, or applicant  
44 for a license, under P.L.1970, c.13 (C.5:9-1 et seq.).

45 (cf: P.L.1995, c.18, s.20)

46  
47 13. Section 78 of P.L.1977, c.110 (C.5:12-78) is amended to  
48 read as follows:

1        78. Each licensee or registrant or video lottery terminal licensee,  
2        or applicant for a license or registration under this act , or applicant  
3        for a video lottery terminal license under P.L.1970, c.13 (C.5:9-1 et  
4        seq.), shall cooperate with the division in the performance of its  
5        duties.  
6        (cf: P.L.1977, c.110, s.78)

7  
8        14. Section 79 of P.L.1977, c.110 (C.5:12-79) is amended to  
9        read as follows:

10       79. a. The division and its employees and agents, upon approval  
11       of the director, shall have the authority, without notice and without  
12       warrant:

13       (1) To inspect and examine all premises wherein casino gaming  
14       or casino simulcasting, as defined in section 2 of the "Casino  
15       Simulcasting Act," P.L.1992, c.19 (C.5:12-192), or lottery games  
16       using video lottery terminals, authorized pursuant to section 1 of  
17       P.L. , c. (C. ) (pending before the Legislature as this bill), is  
18       conducted; or gaming devices or equipment are manufactured, sold,  
19       distributed, or serviced; or wherein any records of such activities  
20       are prepared or maintained;

21       (2) To inspect all equipment and supplies in, about, upon or  
22       around such premises;

23       (3) To seize summarily and remove from such premises and  
24       impound any such equipment or supplies for the purposes of  
25       examination and inspection;

26       (4) To inspect, examine and audit all books, records, and  
27       documents pertaining to a casino or video lottery terminal licensee's  
28       operation;

29       (5) To seize, impound or assume physical control of any book,  
30       record, ledger, game, device, cash box and its contents, counting  
31       room or its equipment, or casino or video lottery operations; and

32       (6) To inspect the person, and personal effects present in a  
33       casino facility licensed under this act, or a video lottery terminal  
34       facility licensed under P.L.1970, c.13 (C.5:9-1 et seq.), of any  
35       holder of a license or registration issued pursuant to this act or  
36       holder of a video lottery terminal license issued under P.L.1970,  
37       c.13 (C.5:9-1 et seq.) while that person is present in a licensed  
38       casino or video lottery facility.

39       b. The provisions of subsection a. of this section shall in no  
40       way be deemed to limit warrantless inspections except in  
41       accordance with constitutional requirements.

42       c. To effectuate further the purposes of this act, the division  
43       and its employees and agents may obtain administrative warrants  
44       for the inspection and seizure of any property possessed, controlled,  
45       bailed or otherwise held by any applicant, licensee, video lottery  
46       terminal licensee, registrant, intermediary company, or holding  
47       company.

1 d. Issuance and execution of warrants for administrative  
2 inspection shall be in accordance with the following:

3 (1) Any judge of a court having jurisdiction in the municipality  
4 where the inspection or seizure is to be conducted may, upon proper  
5 oath or affirmation showing probable cause, issue warrants for the  
6 purpose of conducting administrative inspections authorized by this  
7 act or regulations thereunder and seizures of property appropriate to  
8 such inspections. For the purposes of this section, "probable cause"  
9 means a valid public interest in the effective enforcement of the act  
10 or regulations sufficient to justify administrative inspection of the  
11 area, premises, building or conveyance in the circumstances  
12 specified in the application for the warrant.

13 (2) A warrant shall issue only upon an affidavit of a person duly  
14 designated and having knowledge of the facts alleged, sworn to  
15 before the judge and establishing the grounds for issuing the  
16 warrant. If the judge is satisfied that grounds for the application  
17 exist or that there is probable cause to believe they exist, he shall  
18 issue a warrant identifying the area, premises, building, or  
19 conveyance to be inspected; the purpose of such inspection; and,  
20 where appropriate, the type of property to be inspected, if any. The  
21 warrant shall identify the item or types of property to be seized, if  
22 any. The warrant shall be directed to a person authorized to execute  
23 it. The warrant shall state the grounds for its issuance and the name  
24 of the person or persons whose affidavit has been taken in support  
25 thereof. It shall command the person to whom it is directed to  
26 inspect the area, premises, building, or conveyance identified for  
27 the purpose specified, and where appropriate, shall direct the  
28 seizure of the property specified. The warrant shall direct that it be  
29 served during normal business hours of the licensee. It shall  
30 designate the judge to whom it shall be returned.

31 (3) A warrant issued pursuant to this section must be executed  
32 and returned within 10 days of its date. If property is seized  
33 pursuant to a warrant, the person executing the warrant shall give to  
34 the person from whom or from whose premises the property was  
35 taken a copy of the warrant and a receipt for the property taken or  
36 shall leave the copy and receipt at the place from which the  
37 property was taken. The return of the warrant shall be made  
38 promptly and shall be accompanied by a written inventory of any  
39 property taken. The inventory shall be made in the presence of the  
40 person executing the warrant and of the person from whose  
41 possession or premises the property was taken, if they are present,  
42 or in the presence of at least one credible person other than the  
43 person executing the warrant. The clerk of the court, upon request,  
44 shall deliver a copy of the inventory to the person from whom or  
45 from whose premises the property was taken and to the applicant  
46 for the warrant.

47 (4) The judge who has issued a warrant under this section shall  
48 attach to the warrant a copy of the return and all papers filed in

1 connection therewith and shall cause them to be filed with the court  
2 which issued such warrant.

3 e. The division is authorized to make administrative  
4 inspections to check for compliance by any applicant, licensee,  
5 video lottery terminal licensee, registrant, intermediary company or  
6 holding company with the provisions of this act or regulations  
7 promulgated thereunder, or P.L.1970, c.13 (C.5:9-1 et seq.) or  
8 regulations promulgated thereunder relating to video lottery  
9 terminals, and to investigate any violations thereof.

10 f. This section shall not be construed to prevent entries and  
11 administrative inspections, including seizures of property, without a  
12 warrant:

13 (1) With the consent of the owner, operator or agent in charge of  
14 the controlled premises;

15 (2) In situations presenting imminent danger to health or safety;

16 (3) In situations involving inspection of conveyances where  
17 there is reasonable cause to believe that the mobility of the  
18 conveyance makes it impractical to obtain a warrant or in any other  
19 exceptional or emergency circumstance where time or opportunity  
20 to apply for a warrant is lacking;

21 (4) In accordance with the provisions of this act; or

22 (5) In all other situations where a warrant is not constitutionally  
23 required.

24 (cf: P.L.1992, c.19, s.29)

25  
26 15. Section 1 of P.L.1999, c.352 (C.5:12-129.1) is amended to  
27 read as follows:

28 1. The holder of any license issued under P.L.1977, c.110  
29 (C.5:12-1 et seq.), or the holder of any video lottery terminal  
30 license issued under P.L.1970, c.13 (C.5:9-1 et seq.), or any person  
31 acting on behalf thereof, shall file a report of any suspicious  
32 transaction with the Director of the Division of Gaming  
33 Enforcement. For the purposes of P.L.1999, c.352 (C.5:12-129.1 et  
34 al.), "suspicious transaction" means the acceptance of cash or the  
35 redeeming of chips or markers involving or aggregating \$5,000 if  
36 the licensee or person knows or suspects that the transaction:

37 a. involves funds derived from illegal activities or is intended  
38 or conducted in order to conceal or disguise funds or assets derived  
39 from illegal activities;

40 b. is part of a plan to violate or evade any law or regulation or  
41 to avoid any transaction reporting requirement under the law or  
42 regulations of this State or the United States, including a plan to  
43 structure a series of transactions to avoid any transaction reporting  
44 requirement under the laws or regulations of this State or the United  
45 States; or

46 c. has no business or other apparent lawful purpose or is not  
47 the sort of transaction in which a person would normally be  
48 expected to engage and the licensee or person knows of no

1 reasonable explanation for the transaction after examining the  
2 available facts, including the background and possible purpose of  
3 the transaction.

4 (cf: P.L.1999, c.352, s.1)

5  
6 16. Section 6 of P.L.1971, c.137 (C.5:10-6) is amended to read  
7 as follows:

8 6. a. The authority, pursuant to the provisions of P.L.1971,  
9 c.137 (C.5:10-1 et seq.), is hereby authorized and empowered,  
10 either alone or in conjunction with others, and provided that, in the  
11 case of an arrangement with respect to any of the projects set forth  
12 in this section which shall be in conjunction with others, the  
13 authority shall have sufficient right and power to carry out the  
14 public purposes set forth in P.L.1971, c.137 (C.5:10-1 et seq.):

15 (1) To establish, develop, construct, operate, acquire, own,  
16 manage, promote, maintain, repair, reconstruct, restore, improve  
17 and otherwise effectuate, either directly or indirectly through  
18 lessees, licensees or agents, a project to be located in the  
19 Hackensack meadowlands upon a site not to exceed 750 acres and  
20 upon a site or sites outside of that acreage, but either immediately  
21 contiguous thereto or immediately across any public road which  
22 borders that acreage, consisting of one or more stadiums, coliseums,  
23 arenas, pavilions, stands, field houses, playing fields, recreation  
24 centers, courts, gymnasiums, clubhouses, a racetrack for the holding  
25 of horse race meetings, and other buildings, structures, facilities,  
26 properties and appurtenances related to, incidental to, necessary for,  
27 or complementary to a complex suitable for the holding of athletic  
28 contests or other sporting events, or trade shows, exhibitions,  
29 spectacles, public meetings, entertainment events or other  
30 expositions, including, but not limited to, driveways, roads,  
31 approaches, parking areas, parks, recreation areas, lodging  
32 facilities, vending facilities, restaurants, transportation structures,  
33 systems and facilities, and equipment, furnishings, and all other  
34 structures and appurtenant facilities, related to, incidental to,  
35 necessary for, or complementary to the purposes of that project or  
36 any facility thereof.

37 (2) To establish, develop, construct, acquire, lease or own,  
38 operate, manage, promote, maintain, repair, reconstruct, restore,  
39 improve and otherwise effectuate, either directly or indirectly  
40 through lessees, licensees or agents, a project, at a site within the  
41 State of New Jersey, consisting of a baseball stadium and other  
42 buildings, structures, facilities, properties and appurtenances related  
43 thereto, or incidental to, necessary for, or complementary to a  
44 complex suitable for the holding of professional baseball games and  
45 other athletic contests or sporting events, or trade shows,  
46 exhibitions, spectacles, public meetings, entertainment events or  
47 other expositions, such project to include driveways, roads,  
48 approaches, parking areas, parks, recreation areas, vending

1 facilities, restaurants, transportation structures, systems and  
2 facilities, and equipment, furnishings and all other structures and  
3 appurtenant facilities related to, incidental to, necessary for, or  
4 complementary to the purposes of that project or any facility  
5 thereof.

6 (3) To establish, develop, construct, acquire, lease or own,  
7 operate, manage, promote, maintain, repair, reconstruct, restore,  
8 improve and otherwise effectuate, either directly or indirectly  
9 through lessees, licensees or agents, projects located within the  
10 State of New Jersey, consisting of aquariums and the buildings,  
11 structures, facilities, properties and appurtenances related thereto,  
12 or incidental to, necessary for, or complementary to those  
13 aquariums, such project to include driveways, roads, approaches,  
14 parking areas, parks, recreation areas, vending facilities,  
15 restaurants, transportation structures, systems and facilities, and  
16 equipment, furnishings and all other structures and appurtenant  
17 facilities related to, incidental to, necessary for, or complementary  
18 to the purposes of that project or any facility thereof. To provide  
19 for a project authorized under this paragraph:

20 (a) (Deleted by amendment, P.L.1988, c.172.)

21 (b) With regard to an aquarium project located outside of the  
22 meadowlands complex, the authority is authorized to enter into  
23 agreements with the State Treasurer providing for the acquisition  
24 and construction of an aquarium by the authority, including the land  
25 necessary for the aquarium, and the costs thereof, ownership of the  
26 aquarium and its land which shall be conveyed to the State upon  
27 completion, and the operation by the authority of the aquarium  
28 pursuant to a lease or other agreement with the State containing  
29 such terms and conditions as the State Treasurer may establish prior  
30 to the acquisition and construction by the authority of the aquarium  
31 and the disbursements of funds therefor. The State Treasurer is  
32 authorized to enter into a lease or other agreement to effectuate the  
33 provisions of this subparagraph.

34 (c) With regard to an aquarium project located within the  
35 meadowlands complex, the authority is authorized to enter into such  
36 agreements as it determines are necessary for the construction of the  
37 aquarium, including agreements providing for the acquisition of any  
38 land that may be necessary, for the ownership and for payment of  
39 costs of the aquarium, and for the operation thereof.

40 (4) To establish, develop, construct, acquire, own, operate,  
41 manage, promote, maintain, repair, reconstruct, restore, improve  
42 and otherwise effectuate, either directly or indirectly through  
43 lessees, licensees or agents, a project consisting of an exposition or  
44 entertainment center or hotel or office complex, including any  
45 buildings, structures, properties and appurtenances related thereto,  
46 incidental thereto, necessary therefor, or complementary thereto,  
47 such project to include driveways, roads, approaches, parking areas,  
48 parks, recreation areas, vending facilities, restaurants, transportation

1 structures, systems, and equipment, furnishings and all other  
2 structures and appurtenances related to, incidental to, necessary for,  
3 or complementary to, the purposes of that project. A project  
4 authorized under this paragraph may be located within, immediately  
5 contiguous to, or immediately across any public road which borders  
6 the site of any other project of the authority, except the site of a  
7 racetrack authorized by paragraph (5) of this subsection and  
8 acquired by the authority prior to 1986.

9 (5) To establish, develop, construct, acquire, own, operate,  
10 manage, promote, maintain, repair, reconstruct, restore, improve  
11 and otherwise effectuate, either directly or indirectly through  
12 lessees, licensees or agents, projects consisting of (a) racetrack  
13 facilities located within the State of New Jersey, but outside of the  
14 meadowlands complex, (b) their contiguous properties, and (c) their  
15 auxiliary facilities, including, without limitation, pavilions, stands,  
16 field houses, clubhouses, training tracks for horses, racetracks for  
17 the holding of horse race meetings, fairgrounds, other exposition  
18 facilities, and other buildings, structures, facilities, properties and  
19 appurtenances related to, incidental to, necessary for, or  
20 complementary to a complex suitable for the holding of horse race  
21 meetings, other sporting events, or trade shows, exhibitions,  
22 spectacles, public meetings, entertainment events or other  
23 expositions, including, but not limited to, driveways, roads,  
24 approaches, parking areas, parks, recreation areas, lodging  
25 facilities, vending facilities, restaurants, transportation structures,  
26 systems and facilities, equipment, furnishings, and all other  
27 structures and appurtenant facilities related to, incidental to,  
28 necessary for, or complementary to the purposes of any of those  
29 projects or any facility thereof.

30 Notwithstanding any law to the contrary, the acquisition of any  
31 existing racetrack facility in and licensed by the State of New  
32 Jersey shall be permitted on the condition that payments equivalent  
33 to all municipal, school board and county taxes due to each entity  
34 shall be paid by the authority to the extent and in accordance with  
35 the same payment schedule as taxes would have been paid each  
36 year, as though the racetrack facility remained in private ownership.  
37 In the event the authority conveys lands or other parts of the  
38 racetrack facility to others, the authority shall receive a reduction of  
39 such payments commensurate with the amount required to be paid  
40 by the subsequent owner of the lands and improvements disposed of  
41 by the authority. In addition, the authority shall be responsible for  
42 paying all existing local franchise fees, license and parking tax fees  
43 in effect at the time of the acquisition.

44 (6) To establish, develop, acquire, own, operate, manage,  
45 promote and otherwise effectuate, in whole or in part, either directly  
46 or indirectly through lessees, licensees or agents, projects consisting  
47 of events, expositions, teams, team franchises or membership in  
48 professional sports leagues.



1       (7) To establish, develop, construct, acquire, own, operate,  
2 manage, promote, maintain, repair, reconstruct, restore, improve  
3 and otherwise effectuate, either directly or indirectly through  
4 lessees, licensees or agents, projects consisting of facilities, at a site  
5 or sites within the State of New Jersey and either within or without  
6 the meadowlands complex, that are related to, incidental to,  
7 necessary for, or complementary to the accomplishment or purpose  
8 of any project of the authority authorized by this section, including  
9 any buildings, structures, properties and appurtenances related  
10 thereto, incidental thereto, necessary therefor, or complementary  
11 thereto, such projects to include driveways, roads, approaches,  
12 parking areas, parks, recreation areas, off-track and account  
13 wagering systems and facilities or any interest therein, vending  
14 facilities, restaurants, transportation structures, systems, and  
15 equipment, furnishings and all other structures and appurtenances  
16 related to, incidental to, necessary for, or complementary to the  
17 purposes of those projects.

18       (8) To establish, develop, acquire, construct, reconstruct,  
19 improve and otherwise effectuate for transfer to, and for use and  
20 operation by, Rutgers, the State University, either directly or  
21 indirectly through lessees, licensees or agents, facilities located or  
22 to be located on property owned, leased, or otherwise used by  
23 Rutgers, the State University, consisting of an upgraded and  
24 expanded football stadium and a new track and field, soccer and  
25 lacrosse facility and the buildings, structures, properties and  
26 appurtenances related thereto, or incidental to, necessary for, or  
27 complementary to the football stadium and track and field, soccer  
28 and lacrosse facility, such facilities to include driveways, access  
29 roads, approaches, parking areas, parks, recreation areas, vending  
30 facilities, restaurants, transportation structures, systems and  
31 equipment, furnishings and all other structures and appurtenances  
32 related or incidental to, necessary for, or complementary to the  
33 purposes of those facilities; provided however that construction  
34 shall not begin on the expansion of the seating capacity of Rutgers  
35 Stadium until the Commissioner of Transportation certifies that all  
36 funding necessary to complete the Route 18 project in Piscataway  
37 Township has been appropriated and construction has begun on the  
38 Route 18 project in Piscataway Township under the Department of  
39 Transportation's capital program.

40       (9) To acquire by purchase, lease or otherwise, and to develop,  
41 construct, operate, own, lease, manage, repair, reconstruct, restore,  
42 improve, enlarge or otherwise effectuate, either directly or through  
43 lessees, licensees or agents, a project which may hereinafter be  
44 referred to as either the Atlantic City convention center project or a  
45 convention center project in the city of Atlantic City, Atlantic  
46 County, consisting of the existing convention hall and a new  
47 convention hall or center, and associated parking areas and railroad  
48 terminal facilities and including the leasing of adjacent land for

1 hotel facilities. In connection therewith, the authority is authorized  
2 to:

3 (a) Assume existing leasehold or other contractual obligations  
4 pertaining to any such facilities or properties or to make provision  
5 for the payment or retirement of any debts and obligations of the  
6 governmental entity operating any such convention hall or center or  
7 of any bonds or other obligations payable from and secured by a  
8 lien on or pledge of the luxury tax revenues;

9 (b) Make loans or payments in aid of construction with respect  
10 to infrastructure and site development for properties located in the  
11 area between the sites of the existing convention hall and a new  
12 convention center or located contiguous to or across any public road  
13 which borders the area;

14 (c) Convert the existing convention hall or any facilities,  
15 structures or properties thereof, or any part thereof, not disposed of  
16 by the authority, to any sports, exposition, exhibition, or  
17 entertainment use or to use as a forum for public events or  
18 meetings, or to any other use which the authority shall determine to  
19 be consistent with its operation of the Atlantic City convention  
20 center project;

21 (d) Transfer, as soon as practicable, its ownership interest or  
22 other rights and obligations, other than any bonds, notes, or other  
23 obligations, including any credit agreement, of the authority issued  
24 and outstanding, or then in effect, on the date of such transfer under  
25 the Luxury Tax Bond Resolution, in the Atlantic City convention  
26 center project to the Atlantic City Convention and Visitors  
27 Authority created under section 3 of P.L.1981, c.459 (C.52:27H-  
28 31), and cease any supervision of the Atlantic City Convention and  
29 Visitors Authority, to the extent permitted by the terms of the  
30 bonds, notes, leases or other financing documents, assignments,  
31 agreements or arrangements issued or entered into to finance or  
32 refinance, in whole or in part, or incurred in connection with the  
33 Atlantic City convention center project, as reasonably determined  
34 by the authority but subject to the diligence and reasonable  
35 determination provisions of paragraph (6) of subsection f. of this  
36 section.

37 (10) To provide a feasibility study for the use and development  
38 of the existing convention center in the city of Asbury Park, county  
39 of Monmouth and to provide a feasibility study for the construction,  
40 use and development of a convention center or recreational facility  
41 in any other municipality.

42 (11) To provide funding to public or private institutions of  
43 higher education in the State to establish, develop, acquire,  
44 construct, reconstruct or improve facilities located or to be located  
45 on property owned, leased, or otherwise used by an institution,  
46 consisting of sports facilities and the buildings, structures,  
47 properties and appurtenances related thereto, or incidental to,  
48 necessary for, or complementary to those sports facilities, such

1 facilities to include driveways, access roads, approaches, parking  
2 areas, parks, recreation areas, vending facilities, restaurants,  
3 transportation structures, systems and equipment, furnishings and  
4 all other structures and appurtenances related or incidental to,  
5 necessary for, or complementary to the purposes of those facilities.

6 (12) To acquire by purchase, lease, or otherwise, including all  
7 right, title and interest of the Greater Wildwood Tourism  
8 Improvement Development Authority in any property, and to  
9 develop, construct, operate, own, lease, manage, repair, reconstruct,  
10 restore, improve, enlarge or otherwise effectuate, either directly or  
11 through lessees, licensees or agents, a convention center facility in  
12 the City of Wildwood, Cape May County, consisting of and  
13 including any existing and acquired buildings, structures, properties  
14 and appurtenances and including restaurants, retail businesses,  
15 access roads, approaches, parking areas, transportation structures  
16 and systems, recreation areas, equipment, furnishings, vending  
17 facilities, and all other structures and appurtenances incidental to,  
18 necessary for, or complementary to the purpose of such Wildwood  
19 convention center facility. In connection therewith, the authority is  
20 expressly authorized to:

21 (a) assume any existing mortgages, leaseholds or other  
22 contractual obligations or encumbrances with respect to the site of  
23 the Wildwood convention center facility and any other existing and  
24 acquired buildings, structures, properties, and appurtenances;

25 (b) enter into agreements with a local public body or bodies  
26 providing for any necessary financial support or other assistance for  
27 the operation and maintenance of such Wildwood convention center  
28 facility from taxes or other sources of the local public body or  
29 bodies as shall be made available for such purposes;

30 (c) to the extent permitted by law and by the terms of the bonds  
31 or notes issued to finance the Wildwood convention center facility,  
32 transfer its ownership interest or other rights with respect to the  
33 convention center facility to another State authority or agency;

34 (d) upon payment of all outstanding bonds and notes issued  
35 therefor, transfer its ownership interest and other rights with respect  
36 thereto to such other public body as shall be authorized to own and  
37 operate such a facility; and

38 (e) convert any existing convention hall or any facilities,  
39 structures or properties thereof, or any part thereof, not disposed of  
40 by the authority, to any use which the authority shall determine to  
41 be consistent with the operation of the Wildwood convention center  
42 facility.

43 (13) To acquire by purchase, lease or otherwise, and to develop,  
44 construct, own, lease, manage, repair, reconstruct, restore, improve,  
45 enlarge or otherwise effectuate, either directly or through lessees,  
46 licensees, or agents, all right, title, or interest in the Garden State  
47 Arts Center in Holmdel, Monmouth County, and any related or  
48 auxiliary facilities and to transfer its interest in the Garden State

1 Arts Center and any related or auxiliary facilities to such other  
2 public body that is authorized to own and operate such a facility, or  
3 other entity, according to such terms and process as the authority  
4 may establish in its discretion.

5 (14) (a) To establish, develop, construct, acquire, lease or own,  
6 operate, manage, promote, maintain, repair, reconstruct, restore,  
7 improve and otherwise effectuate, either directly or indirectly  
8 through lessees, licensees or agents, projects located within the  
9 State of New Jersey, but outside the meadowlands complex,  
10 provided that the authority first obtains the consent of the  
11 municipality or municipalities in which the projects are to be  
12 located, consisting of football training facilities that are comparable  
13 in quality to National Football League professional football training  
14 facilities and the buildings, structures, facilities, uses, properties  
15 and appurtenances related thereto, or identical to, necessary for, or  
16 complementary to those National Football League-quality  
17 professional football league training facilities, such projects to  
18 include driveways, roads, approaches, parking areas, parks,  
19 recreation areas, restaurants, transportation structures, systems and  
20 facilities, and equipment, furnishings and all other structures and  
21 appurtenant facilities related to, incidental to, necessary for, or  
22 complementary to the purposes of such projects or any facility  
23 thereof.

24 (b) For projects developed pursuant to subparagraph (a) of  
25 paragraph (14) of this subsection, the authority shall make in-lieu-  
26 of-tax payments in each municipality affected in amounts  
27 negotiated by the authority and each municipality.

28 (15) To establish, develop, construct, acquire, own, operate,  
29 manage, promote, maintain, repair, reconstruct, restore, improve  
30 and otherwise effectuate, either directly or indirectly through  
31 lessees, licensees or agents, a video lottery terminal project  
32 consisting of a facility or facilities, including any real or personal  
33 property, furnishings and equipment, necessary or desirable to  
34 conduct lottery games using video lottery terminals as authorized  
35 and regulated by the State Lottery Commission pursuant to section  
36 1 of P.L. , c. (C. ) (pending before the Legislature as this bill),  
37 such facility or facilities to be located at a racetrack facility that is  
38 part of the meadowlands complex as defined in subsection d. of  
39 section 3 of P.L.1971, c.137 (C.5:10-3). In connection therewith,  
40 the authority may enter into an agreement with the State Lottery  
41 Commission to effectuate the video lottery terminal project and to  
42 receive payment for its administrative expenses relating to the video  
43 lottery terminal project from the Video Lottery Terminal Fund,  
44 established pursuant to section 2 of P.L. , c. (C. ) (pending  
45 before the Legislature as this bill).

46 b. The authority, pursuant to the provisions of P.L.1971, c.137  
47 (C.5:10-1 et seq.), is authorized (1) to make, as part of any of the  
48 projects, capital contributions to others for transportation and other

1 facilities, and accommodations for the public's use of any of those  
2 projects, (2) to lease any part of any of those project sites not  
3 occupied or to be occupied by the facilities of any of those projects,  
4 for purposes determined by the authority to be consistent with or  
5 related to the purposes of those projects, including, but not limited  
6 to, hotels and other accommodations for transients and other  
7 facilities related to or incidental to any of those projects, and (3) to  
8 sell or dispose of any real or personal property, including, but not  
9 limited to, such portion of the site of any of those projects not  
10 occupied or to be occupied by the facilities of any of those projects,  
11 at not less than the fair market value of the property, except in the  
12 case of sale or disposition to the State, any political subdivision of  
13 the State or any agency or instrumentality of the State or any  
14 political subdivision of the State.

15 c. Revenues, moneys or other funds, if any, derived from the  
16 operation or ownership of the meadowlands complex, including the  
17 conduct of horse race meetings, but excluding revenues from the  
18 video lottery terminal project authorized pursuant to paragraph (15)  
19 of subsection a. of this section, shall be applied, in accordance with  
20 the resolution or resolutions authorizing or relating to the issuance  
21 of bonds or notes of the authority, to the following purposes and in  
22 the following order:

23 (1) The costs of operation and maintenance of the meadowlands  
24 complex and reserves therefor;

25 (2) Principal, sinking fund installments and redemption  
26 premiums of and interest on any bonds or notes of the authority  
27 payable from such revenues, moneys or other funds and issued for  
28 the purposes of the meadowlands complex or for the purposes of  
29 refunding the same, including reserves and payments with respect to  
30 credit agreements therefor;

31 (3) The costs of any major or extraordinary repairs, renewals or  
32 replacements with respect to the meadowlands complex or  
33 incidental improvements thereto, not paid pursuant to paragraph (1)  
34 above, including reserves therefor;

35 (4) Payments required to be made pursuant to section 18b.;

36 (5) Payments authorized to be made pursuant to section 18c.;

37 (6) Except to the extent payments with respect to bonds or notes  
38 are provided with priority in accordance with paragraph (2) of this  
39 subsection, payments required to be made in accordance with the  
40 resolution authorizing or relating to the issuance of bonds or notes  
41 of the authority, for the purposes of any project authorized by this  
42 act, including payments and reserves with respect to any bonds or  
43 notes of the authority with respect to the meadowlands complex  
44 which are not provided with priority in accordance with paragraph  
45 (2) of this subsection;

46 (7) Payments required to be made to repay any obligation  
47 incurred by the authority to the State;

1       (8) The balance remaining after application in accordance with  
2 the above shall be deposited in the General State Fund, provided  
3 that (a) there shall be appropriated for authorized State purposes  
4 from the amount so deposited that amount which shall be calculated  
5 by the State Treasurer to be the debt service savings realized with  
6 respect to the refinancing of the initial project as defined in section  
7 1 of P.L.1973, c.286 (C.5:10-14.1) at the meadowlands complex, by  
8 the issuance of bonds of the authority guaranteed by the State, and  
9 (b) after such appropriation, 40% of any balance remaining from the  
10 amounts so deposited shall be appropriated to the Meadowlands  
11 Commission for any of its purposes authorized by P.L.1968, c.404,  
12 and any amendments or supplements thereto.

13       d. Revenues, moneys or other funds, if any, derived from the  
14 operation or ownership of any project other than the meadowlands  
15 complex, the Atlantic City convention center project, or the  
16 Wildwood convention center facility and other than a baseball  
17 stadium project or an office complex project located on the site of a  
18 baseball stadium shall be applied for such purposes, in such manner  
19 and subject to such conditions as shall be provided in the resolution  
20 authorizing or relating to the issuance of bonds or notes of the  
21 authority for the purposes of such project, and the balance, if any,  
22 remaining after such application may be applied, to the extent not  
23 contrary to or inconsistent with the resolution, in the following  
24 order: (1) to the purposes of the meadowlands complex, unless  
25 otherwise agreed upon by the State Treasurer and the authority, (2)  
26 to the purposes of any other project of the authority; and, the  
27 balance remaining, if any, shall be deposited in the General Fund.

28       e. Revenues, moneys or other funds, if any, derived from the  
29 operation, ownership, or leasing of a baseball stadium project or an  
30 office complex project located on the site of a baseball stadium  
31 shall be applied for the purposes, in the manner and subject to the  
32 conditions as shall be provided in the resolution authorizing or  
33 relating to the issuance of bonds or notes of the authority for the  
34 purposes of a baseball stadium project or an office complex project  
35 located on the site of a baseball stadium, if any, and the balance, if  
36 any, remaining after such application shall be applied, to the extent  
37 not contrary to or inconsistent with the resolution, to the following  
38 purposes and in the following order:

39       (1) The costs of operation and maintenance of a baseball  
40 stadium project and an office complex project located on the site of  
41 a baseball stadium and reserves therefor;

42       (2) Payments made to repay the bonded indebtedness incurred  
43 by the authority for the purposes of a baseball stadium project or an  
44 office complex project located on the site of a baseball stadium;

45       (3) Payments equivalent to an amount required to be made by  
46 the State for payments in lieu of taxes pursuant to P.L.1977, c.272  
47 (C.54:4-2.2a et seq.);

1       (4) The balance remaining after application in accordance with  
2 the above shall be deposited in the General Fund.

3       f. Revenues, moneys or other funds, if any, including earned  
4 interest, derived from the operation, ownership or leasing of the  
5 Atlantic City convention center project shall be applied to the costs  
6 of operating, maintaining and promoting the Atlantic City  
7 convention center project and to the other purposes set forth in  
8 paragraphs (1) through (5) of this subsection, except as provided in  
9 paragraph (6) of this subsection.

10       Subject to paragraph (6) of this subsection, luxury tax revenues  
11 paid to the authority by the State Treasurer pursuant to section 14 of  
12 P.L.1991, c.375 (C.5:10-14.4), including earned interest, shall be  
13 deposited by the authority in a separate fund or account and applied  
14 to the following purposes and in the following order:

15       (1) To pay the principal, sinking fund installments and  
16 redemption premiums of and interest on any bonds or notes of the  
17 authority, including bonds or notes of the authority issued for the  
18 purpose of refunding bonds or notes, issued for purposes of (i) the  
19 initial acquisition of the existing properties which will constitute  
20 part of the Atlantic City convention center project, if the bonds or  
21 notes shall be payable under the terms of the resolution of the  
22 authority relating thereto from luxury tax revenues, or (ii) providing  
23 improvements, additions or replacements to the Atlantic City  
24 convention center project, if the bonds or notes shall be payable  
25 under the terms of the resolution of the authority relating thereto  
26 from luxury tax revenues; and to pay any amounts due from the  
27 authority under any credit agreement entered into by the authority  
28 in connection with the bonds or notes.

29       (2) To pay the costs of operation, maintenance and promotion of  
30 the Atlantic City convention center project, including amounts  
31 payable as operating expenses under the Luxury Tax Bond  
32 Resolution or the terms of the bonds, notes, leases or other  
33 financing documents, assignments, agreements or arrangements  
34 issued or entered into to finance or refinance, in whole or in part, or  
35 incurred in connection with, the Atlantic City convention center  
36 project.

37       (3) To establish and maintain a working capital and maintenance  
38 reserve fund for the Atlantic City convention center project in an  
39 amount as shall be determined by the authority to be necessary.

40       (4) To repay to the State those amounts paid by the State with  
41 respect to bonds or notes of the authority issued for the purposes of  
42 the Atlantic City convention center project.

43       (5) The balance of any luxury tax revenues not required for any  
44 of the foregoing purposes and remaining at the end of any calendar  
45 year shall be paid to the State Treasurer for application to purposes  
46 in the city of Atlantic City pursuant to section 5 of P.L.1981, c.461  
47 (C.40:48-8.30a).

1       The authority may pledge the luxury tax revenues paid to it as  
2       provided for in section 14 of P.L.1991, c.375 (C.5:10-14.4) as  
3       security for the payment of the principal of and interest or premium  
4       on the bonds or notes issued for the purposes set forth above in  
5       paragraph (1) of this subsection f. in the same manner, to the same  
6       extent and with the same effect as the pledge of any of its other  
7       revenues, receipts and funds authorized by P.L.1971, c.137 (C.5:10-  
8       1 et seq.).

9       (6) (a) The authority shall promptly and diligently pursue all  
10      consents, approvals, waivers or non-objections under the bonds,  
11      notes, leases, or other financing documents, assignments,  
12      agreements or arrangements issued or entered into to finance or  
13      refinance, in whole or in part, or incurred in connection with, the  
14      Atlantic City convention center project, that are required for the  
15      following actions, which actions may be implemented at the same  
16      or at different times:

17      (i) to permit the State Treasurer to remit to the authority, for  
18      deposit to the Luxury Tax Revenue Fund established under the  
19      Luxury Tax Bond Resolution, luxury tax revenues held by the State  
20      Treasurer in the fund established pursuant to section 5 of P.L.1979,  
21      c.273 (C.40:48-8.30) in an amount sufficient to (A) pay the  
22      principal, sinking fund installments and redemption premiums, if  
23      any, of and interest on any bonds, notes, or other obligations,  
24      including any credit agreement, of the authority issued and  
25      outstanding or entered into pursuant to the Luxury Tax Bond  
26      Resolution, and (B) maintain any reserves required to be held by the  
27      trustee pursuant to the Luxury Tax Bond Resolution, and to remit  
28      the balance of the luxury tax revenues held by the State Treasurer in  
29      such fund, including interest thereon, to the Atlantic City  
30      Convention and Visitors Authority to be applied as provided in  
31      section 25 of P.L.2008, c.47 (C.52:27H-41.13) subject, however, to  
32      the lien of the Luxury Tax Bond Resolution, until all bonds, notes,  
33      and other obligations, including any credit agreement, of the  
34      authority issued and outstanding or entered into pursuant to the  
35      Luxury Tax Bond Resolution have been paid or defeased in full.

36      (ii) to permit the authority to transfer its ownership interest or  
37      other rights and obligations, other than any bonds, notes, or other  
38      obligations, including any credit agreement, of the authority issued  
39      and outstanding, or then in effect, on the date of such transfer under  
40      the Luxury Tax Bond Resolution, in the Atlantic City convention  
41      center project to the Atlantic City Convention and Visitors  
42      Authority, and cease any supervision of the Atlantic City  
43      Convention and Visitors Authority.

44      (iii) to implement any other provisions of P.L.2008, c.47  
45      (C.52:27H-31.1 et al.).

46      (b) Upon obtaining such consents, approvals, waivers or non-  
47      objections or upon the reasonable determination by the authority or



1 the State Treasurer that such consents, approvals or non-objections  
2 have been obtained, are unnecessary or that the absence of such  
3 consents, approvals or non-objections shall not result in a material  
4 default, the State Treasurer shall thereafter remit to the authority  
5 from the fund only those monies required to satisfy the obligations  
6 of subparagraphs (a)(i)(A) and (a)(i)(B) of this paragraph; the  
7 balance of the luxury tax revenues held by the State Treasurer in  
8 such fund, including interest thereon, shall be paid promptly to the  
9 Atlantic City Convention and Visitors Authority to be applied as  
10 provided in section 25 of P.L.2008, c.47 (C.52:27H-41.13), subject,  
11 however, to the lien of the Luxury Tax Bond Resolution until all  
12 bonds, notes, and other obligations, including any credit agreement,  
13 of the authority issued and outstanding or entered into pursuant to  
14 the Luxury Tax Bond Resolution have been paid or defeased in full.

15 (c) When all bonds, notes, or other obligations, including any  
16 credit agreement, of the authority issued and outstanding or entered  
17 into pursuant to the Luxury Tax Bond Resolution have been paid or  
18 defeased in full, any amounts received by the authority from the  
19 funds and accounts held under the Luxury Tax Bond Resolution  
20 shall forthwith be transferred to the Atlantic City Convention and  
21 Visitors Authority to be applied as provided in section 25 of  
22 P.L.2008, c.47 (C.52:27H-41.13).

23 g. Revenues, moneys or other funds, if any, derived from the  
24 ownership or operation of the Wildwood convention center facility  
25 shall be applied to the costs of operating and maintaining the  
26 Wildwood convention center facility and to the other purposes set  
27 forth in this subsection as shall be provided by resolution of the  
28 authority.

29 The tourism related tax revenues paid to the authority pursuant to  
30 subsection f. of section 14 of P.L.1992, c.165 (C.40:54D-14) shall  
31 be deposited by the authority in a separate fund or account and  
32 applied to any or all of the following purposes pursuant to an  
33 allocation of funds approved by the State Treasurer in writing and  
34 in advance of any application of such funds:

35 (1) to pay amounts due with respect to any obligations  
36 transferred to the authority pursuant to section 17 of P.L.1997,  
37 c.273 (C.40:54D-25.1) pertaining to the Wildwood convention  
38 center facility;

39 (2) to repay to the State those amounts paid with respect to  
40 bonds or notes of the authority issued for the purposes of the  
41 Wildwood convention center facility;

42 (3) to pay the cost of operation and maintenance reserve for the  
43 Wildwood convention center facility;

44 (4) to establish and maintain a working capital and maintenance  
45 reserve for the Wildwood convention center facility.

46 The balance, if any, of any tourism related tax revenues not  
47 allocated to any of the purposes set forth in the previous paragraphs

1 and remaining at the end of the calendar year shall be paid to the  
2 State Treasurer for deposit in the General Fund.  
3 (cf: P.L.2008, c.66, s.1)  
4

5 17. Section 12 of P.L.1991, c.375 (C.5:10-14.3) is amended to  
6 read as follows:

7 12. a. The State Treasurer shall establish a special fund to be  
8 known as the "Sports Authority Fund" and shall pay into the fund  
9 amounts from the General Fund as shall be necessary to pay the  
10 principal and interest on bonds or notes of the authority issued  
11 pursuant to this section and to pay any amounts due from the  
12 authority under any credit agreement entered into by the authority  
13 in connection with the bonds or notes, provided that all payments  
14 from the General Fund shall be subject to and dependent upon  
15 appropriations made from time to time for those purposes.

16 b. (1) The State Treasurer and the authority are authorized to  
17 enter into agreements as shall be necessary to effectuate the  
18 purposes of this section, including without limitation, provisions for  
19 securing the payment of bonds or notes issued by the authority  
20 pursuant to subsection d. of this section and the interest thereon and  
21 providing for the investment of moneys in the fund; provided that  
22 the agreements shall be subject to approval by the presiding officers  
23 of both houses of the Legislature, and provided further that when  
24 the purposes of this section have been satisfied, and upon the earlier  
25 of:

26 (a) the certification by the State Treasurer that the revenues of  
27 the authority are sufficient to satisfy the requirements of paragraphs  
28 (1), (2), (3), (4), (5) and (6) of subsection c. of section 6 of  
29 P.L.1971, c.137 (C.5:10-6) for the term of bonds or notes issued  
30 pursuant to subsection d. of this section; or

31 (b) the satisfaction of the requirements for the payment of bonds  
32 or notes issued pursuant to P.L.1991, c.375 (C.5:10-3 et al.) or  
33 pursuant to P.L.1997, c.273 (C.40:54D-25.1 et al.); the State  
34 Treasurer and the authority shall not, except for the refunding of  
35 bonds or notes issued pursuant to subsection d. of this section which  
36 produces debt service savings, enter into any further agreements  
37 regarding payments by the State Treasurer into the "Sports  
38 Authority Fund" for any reason, including but not limited to, the  
39 financing or restructuring of the debt of the authority.

40 (2) The agreements shall indicate the nature and scope of the  
41 projects to be financed pursuant to this section.

42 (3) The agreements shall provide that with respect to the  
43 Atlantic City convention center project, the authority shall review  
44 all existing expert studies that present options as to the scope and  
45 nature of the project and the linkages between the project and the  
46 economic development of Atlantic City. Based upon its analysis of  
47 the available studies and such other expert studies as the authority  
48 may authorize, the authority shall report to the Legislature and

1 include in the minutes of the authority its proposal for the  
2 development of the Atlantic City convention center. The report  
3 shall include an explanation for the selection of the project option  
4 proposed by the authority.

5 c. Notwithstanding anything to the contrary in P.L.1991, c.375  
6 (C.5:10-3 et al.), if and to the extent provided in any agreement  
7 between the State Treasurer and the authority, all or part of the  
8 revenues of the authority, other than luxury tax revenues or  
9 revenues of the Atlantic City convention center project and other  
10 than tourism related tax revenues or other revenues of the  
11 Wildwood convention center facility, in excess of the requirements  
12 of the resolutions authorizing or relating to the issuance of any of  
13 the authority's bonds or notes, except those issued pursuant to this  
14 section, shall be paid into the General Fund in repayment to the  
15 State for amounts previously paid by the State pursuant to this  
16 section with respect to the payment of principal and interest on  
17 bonds or notes issued for any of the purposes set forth in this  
18 section, except the purposes set forth in paragraphs (3), (4), (5), and  
19 (8) of subsection d. of this section, and any payments on account of  
20 any credit agreements with respect to the bonds or notes. Except as  
21 otherwise provided in this section, bonds or notes of the authority  
22 issued pursuant to this section shall be authorized, sold and issued  
23 in the manner and be entitled to the benefits, protection and  
24 provisions as apply to bonds and notes of the authority authorized  
25 to be issued pursuant to P.L.1971, c.137 (C.5:10-1 et seq.).

26 d. In addition to its other powers to issue bonds and notes, the  
27 authority shall have power to issue from time to time bonds and  
28 notes payable from amounts in the Sports Authority Fund  
29 established pursuant to subsection a. of this section, as follows:

30 (1) To provide sufficient funds to refund from time to time  
31 outstanding bonds or notes of the authority issued for the  
32 meadowlands complex or the Monmouth racetrack project  
33 authorized pursuant to paragraph (5) of subsection a. of section 6 of  
34 P.L.1971, c.137 (C.5:10-6), whether or not the bonds or notes or  
35 interest thereon have become due, to provide for the establishment  
36 of funds or reserves to secure payment of the bonds or notes or any  
37 other bonds or notes issued or to be issued for those purposes or  
38 interest thereon, and to provide for the payment of all other costs or  
39 expenses of the authority incident to or necessary to carry out the  
40 refunding; provided that the refunding bonds issued at any time  
41 pursuant to this paragraph shall not exceed that amount estimated to  
42 be necessary so that subsequent to the refunding, the revenues from  
43 the meadowlands complex or the Monmouth racetrack project, as  
44 the case may be, shall be sufficient to pay all costs payable from  
45 those revenues, as shall be estimated in a determination by the  
46 authority made in accordance with the agreement between the  
47 authority and the State Treasurer;

1 (2) To finance or refinance a capital program or programs for  
2 the meadowlands complex and the Monmouth racetrack project  
3 authorized pursuant to paragraph (5) of subsection a. of section 6 of  
4 P.L.1971, c.137 (C.5:10-6), adopted by the authority to provide for  
5 major repairs, reconstruction and improvements which are legally  
6 mandated or otherwise needed to meet environmental or safety  
7 requirements, to prevent a loss of revenues, to augment revenues or  
8 to continue or enhance the operations of any of the facilities  
9 thereof, or to upgrade any of the facilities thereof;

10 (3) To provide for the financing or refinancing of the facilities  
11 for Rutgers, The State University pursuant to paragraph (8) of  
12 subsection a. of section 6 of P.L.1971, c.137 (C.5:10-6);

13 (4) To provide for the financing or refinancing of the Atlantic  
14 City convention center project;

15 (5) To finance or refinance feasibility studies for public projects  
16 consistent with the purposes of the authority;

17 (6) To provide for the financing or refinancing of any other  
18 project of the authority, but only if and to the extent expressly  
19 authorized by law enacted subsequent to the enactment of P.L.1991,  
20 c.375 (C.5:10-3 et al.);

21 (7) To provide for the financing of the facilities at institutions of  
22 higher education pursuant to paragraph (11) of subsection a. of  
23 section 6 of P.L.1971, c.137 (C.5:10-6), based upon a list of  
24 projects recommended by the Commission on Higher Education  
25 following a competitive application process, provided that the  
26 aggregate financing of the projects undertaken pursuant to this  
27 paragraph shall not exceed \$5,000,000;

28 (8) To provide for the financing or refinancing of a convention  
29 center facility in the City of Wildwood pursuant to paragraph (12)  
30 of subsection a. of section 6 of P.L.1971, c.137 (C.5:10-6); **[and]**

31 (9) To provide for the financing or refinancing of the  
32 professional football training facility project and associated  
33 facilities authorized pursuant to paragraph (14) of subsection a. of  
34 section 6 of P.L.1971, c.137 (C.5:10-6); and

35 (10) To provide for the financing or refinancing of a video  
36 lottery terminal project under paragraph (15) of subsection a. of  
37 section 6 of P. L. 1971, c. 137 (C.5:10-6).

38 e. Bonds and notes authorized pursuant to this section shall be  
39 special obligations of the authority payable as herein provided.  
40 Bonds and notes shall not be deemed to constitute a debt or liability  
41 of the State or a pledge of the faith and credit of the State but are  
42 dependent for repayment upon appropriations as provided by law  
43 from time to time. These bonds and notes and the interest thereon  
44 may also be payable from the proceeds thereof set aside for that  
45 purpose and income accruing therefrom.

46 (cf: P.L.2005, c.302, s.2)

1       18. For the purpose of complying with Article IV, Section VII,  
2 paragraph 2 of the State Constitution, this act shall be submitted to  
3 the people for their approval or rejection at the next general election  
4 to be held 70 or more days following the date of its enactment.  
5

6       19. This voter referendum shall be submitted to the people in the  
7 following manner and form:

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

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

12       If you favor the proposition printed below make a cross (X), plus  
13 (+), or check (T) in the square opposite the word "Yes." If you are  
14 opposed thereto make a cross (X), plus (+) or check (T) in the  
15 square opposite the word "No."

16      b. In every municipality the following question:

	YES	<p style="text-align: center;"><b>AUTHORIZATION FOR VIDEO LOTTERY TERMINALS AT MEADOWLANDS RACETRACK, UNDER REGULATION BY THE STATE LOTTERY COMMISSION</b></p> <p>Shall P.L.      , c.      (pending before the Legislature as this bill), approved by the Legislature, permitting the establishment of video lottery terminals at the site of the Meadowlands racetrack, under regulation by the State Lottery Commission, be approved and become operative?</p>
	NO	<p style="text-align: center;"><b>INTERPRETIVE STATEMENT</b></p> <p>Voter approval of this question would permit video lottery terminals at the site of the Meadowlands horse racetrack, under regulation by the State Lottery Commission. Revenue generated by the video lottery terminals would be deposited into a newly created “Video Lottery Terminal Fund,” to be used only for the payment of prizes to the winners of video lottery games, the expenses of the Division of the State Lottery, the administrative expenses of the New Jersey Sports and Exposition Authority in developing the facility for the video lottery terminals, and such other necessary administrative expenses. Of the revenue amounts remaining, 1/3 would be transferred to the newly created “Horse Racing Special Fund,” for the benefit of the horse racing industry, 1/3 would be transferred to the General Fund of the State for the funding of State expenses, and 1/3 would be used to fund State aid for education.</p>

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21. Sections 18 and 19 shall take effect immediately and the remainder of this act shall take effect immediately upon voter approval of this act at the general election.

This bill permits the State Lottery Commission to authorize lottery games using video lottery terminals at a facility located at Meadowlands horse racetrack. The facility for the video lottery

1 terminal project would be developed by the New Jersey Sports and  
2 Exposition Authority. The Division of Gaming Enforcement, which  
3 has investigatory and enforcement responsibilities over casino  
4 gaming in Atlantic City, would perform similar functions over the  
5 video lottery terminal licensees and games.

6 Revenue generated by the video lottery terminals would be  
7 deposited into a newly created "Video Lottery Terminal Fund," to  
8 be appropriated only for the payment of prizes to the winners of  
9 video lottery games, the expenses of the division of the State  
10 Lottery, the administrative expenses of the New Jersey Sports and  
11 Exposition Authority in developing the facility for the video lottery  
12 terminals, and such other necessary administrative expenses. Of the  
13 revenue amounts remaining in the fund, 1/3 would be transferred to  
14 the newly created "Horse Racing Special Fund," for the benefit of  
15 the horse racing industry, and 1/3 would be transferred into the  
16 General Fund of the State for the funding of State expenses, and 1/3  
17 would fund State aid for education.

18 The bill will only take effect upon approval by the voters at a  
19 referendum held at a general election.