

ASSEMBLY, No. 4031

STATE OF NEW JERSEY 219th LEGISLATURE

INTRODUCED MAY 4, 2020

Sponsored by:

Assemblyman LOUIS D. GREENWALD

District 6 (Burlington and Camden)

SYNOPSIS

Requires State Treasurer to make loans to casino gaming properties for making required payments in lieu of property taxes to Atlantic City during current public health emergency and state of emergency.

CURRENT VERSION OF TEXT

As introduced.



A4031 GREENWALD

1 AN ACT requiring the State Treasurer to make short term loans to
2 casino gaming properties for the purpose of making required
3 payments in lieu of property taxes to Atlantic City during the
4 COVID-19 public health emergency and state of emergency, and
5 supplementing P.L.2016, c.5 (C.52:27BBBB-18 et seq.).
6

7 **BE IT ENACTED** by the Senate and General Assembly of the State
8 of New Jersey:
9

10 1. a. As used in this section, “casino gaming property” means
11 one or more parcels of real property located in Atlantic City, and
12 any adjacent property utilized in connection with such property,
13 upon which there is located a facility licensed to be used for casino
14 gaming in 2014 or thereafter, whether or not in actual operation,
15 which has more than 500 guest hotel rooms, is not subject to
16 recorded covenants prohibiting casino gaming, and is required to
17 make payments in lieu of property taxes to Atlantic City pursuant to
18 the provisions of P.L.2016, c.5 (C.52:27BBBB-18 et seq.).

19 b. Due to the public health emergency and the state of
20 emergency declared by Governor Murphy in Executive Order 103
21 on March 9, 2020 in response to the worldwide COVID-19
22 pandemic, and the required shutdown of the casino gaming
23 properties in Atlantic City on March 16, 2020, the State Treasurer
24 shall make funds available from the “Property Tax Relief Fund” as
25 a short term loan to the owner or licensee of any casino gaming
26 property that may request such a loan, pursuant to the provisions of
27 this section.

28 These available loan funds shall be used by a casino gaming
29 property owner or licensee solely for the purpose of meeting that
30 person’s obligation to make either, or both, of the payments in lieu
31 of property taxes due and owing to Atlantic City on May 1, 2020
32 and August 1, 2020 for the casino gaming property pursuant to
33 subsection c. of section 3 of P.L.2016, c.5 (C.52:27BBBB-20).

34 c. A loan made to a casino gaming property owner or licensee
35 pursuant to this section shall not accrue interest or penalty if repaid
36 by the casino gaming property owner or licensee not later than the
37 first day of the 36th month following the date that the loan
38 proceeds were provided to the casino gaming property owner or
39 licensee. If the loan has not been repaid in full by a casino gaming
40 property owner or licensee by that date, the State Treasurer shall
41 immediately impose a penalty equal to 10 percent of the original
42 loan amount, and shall notify the casino gaming property owner or
43 licensee that the outstanding balance of the loan together with the
44 amount of the penalty shall be due and payable to the State within
45 60 days. If, by the close of business on the 60th day, the loan and
46 penalty have not been paid in full to the State by the casino gaming
47 property owner or licensee, the State Treasurer shall notify the
48 Casino Control Commission and the Division of Gaming

1 Enforcement. Notwithstanding any provision of the “Casino
2 Control Act,” P.L.1977, c.110 (C.5:12-1 et seq.) or any other law,
3 rule or regulation to the contrary, upon receiving notification from
4 the State Treasurer of the owner or licensee’s failure to pay the loan
5 and penalty as specified under this subsection, the commission shall
6 deem the owner or licensee disqualified to hold a casino license,
7 and the division shall suspend the owner or licensee’s operation
8 certificate for the casino gaming property and, shall order the casino
9 gaming property to be shut down until the outstanding amount of
10 the loan and the penalty are paid in full to the State Treasurer. If a
11 casino gaming property remains shut down due to the suspension of
12 the property’s operation certificate under this subsection for a
13 period in excess of 120 days, the commission may order the casino
14 gaming property to be placed in a period of conservatorship as
15 provided under the “Casino Control Act,” P.L.1977, c.110 (C.5:12-
16 1 et seq.).

17 d. Notwithstanding any provision of the “Administrative
18 Procedure Act,” P.L.1968, c.410 (C.52:14B-1 et seq.) to the
19 contrary, the State Treasurer shall adopt immediately upon filing
20 with the Office of Administrative Law such rules and regulations as
21 the State Treasurer determines to be necessary and appropriate to
22 implement and administer the short term loan program created by
23 subsection b. of this section, which rules and regulations shall be
24 effective for a period not to exceed 360 days following the date of
25 filing and may thereafter be amended, adopted, or readopted by the
26 director in accordance with the requirements of P.L.1968, c.410
27 (C.52:14B-1 et seq.).

28

29 2. This act shall take effect immediately.

30

31

32

STATEMENT

33

34 Due to the public health emergency and the state of emergency
35 declared by Governor Murphy in Executive Order 103 on March 9,
36 2020 in response to the worldwide COVID-19 pandemic, and the
37 required shutdown of casino gaming properties in Atlantic City on
38 March 16, 2020, the owners or licensees of the casino gaming
39 properties that are required to make payments in lieu of property
40 taxes to Atlantic City pursuant to the provisions of P.L.2016, c.5
41 (C.52:27BBBB-18 et seq.) are concerned that they may not have
42 sufficient funds on hand to make the quarterly payments in lieu of
43 property taxes to Atlantic City that are due and owing to the city on
44 May 1, 2020 and August 1, 2020. This bill would require the State
45 Treasurer to make funds available from the “Property Tax Relief
46 Fund” to the owners or licensees of those casino gaming properties
47 as short term loans to be used solely for the purpose of paying those

A4031 GREENWALD

1 payments in lieu of property taxes due and owing to Atlantic City
2 on May 1, 2020 and August 1, 2020.

3 A loan made to a casino gaming property owner or licensee
4 under the bill would not accrue interest or penalty if repaid by the
5 casino gaming property owner or licensee not later than the first day
6 of the 36th month following the date that the loan proceeds were
7 provided to the casino gaming property. If the loan has not been
8 repaid in full by a casino gaming property owner or licensee by that
9 date, the bill would require the State Treasurer to immediately
10 impose a penalty equal to 10 percent of the original loan amount,
11 and notify the casino gaming property owner or licensee that the
12 outstanding balance of the loan together with the amount of the
13 penalty would be due and payable to the State within 60 days. If,
14 by the close of business on the 60th day, the loan and penalty have
15 not been paid in full to the State by the casino gaming property
16 owner or licensee, the State Treasurer would be required to notify
17 the Casino Control Commission and the Division of Gaming
18 Enforcement of the owner or licensee's nonpayment. This bill
19 requires the commission to deem the owner or licensee disqualified
20 to hold a casino license and the division to suspend the owner or
21 licensee's operation certificate for the casino gaming property and
22 to order the casino gaming property to be shut down until the
23 outstanding amount of the loan and the penalty are paid in full to
24 the State Treasurer.

25 The bill further permits the commission to place the casino
26 gaming property under an appointed conservator if it remains shut
27 down due to the suspension of the property's operation certificate
28 for a period in excess of 120 days. Under the "Casino Control Act,"
29 P.L.1977, c.100 (C.5:12-1 et seq.), a conservator is empowered by
30 the commission to, among other duties, continue the business of the
31 former or suspended casino licensee.