

**ASSEMBLY, No. 4032**

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**STATE OF NEW JERSEY**

**219th LEGISLATURE**

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INTRODUCED MAY 4, 2020

**Sponsored by:**  
**Assemblyman LOUIS D. GREENWALD**  
**District 6 (Burlington and Camden)**

**SYNOPSIS**

Provides temporary modifications to payment and use of certain casino gaming taxes and fees due to COVID-19 Public Health Emergency and State of Emergency; allows full deduction of promotional gaming credits and certain coupons from gross revenues.

**CURRENT VERSION OF TEXT**

As introduced.



1    **AN ACT** concerning temporary modifications to the payment and use  
2        of certain casino gaming taxes and fees due to COVID-19 Public  
3        Health Emergency and State of Emergency, and permanent  
4        modifications to the types and taxation of promotional gaming  
5        credits and amending P.L.2008, c.12.

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

9  
10       1.    a.    Notwithstanding the provisions of the “Casino Control  
11       Act,” P.L.1977, c.110 (C.5:12-1 et seq.), or any law, rule, or  
12       regulation to the contrary, any license or other fee imposed on a  
13       casino licensee required to be deposited in the Casino Control Fund  
14       established by section 143 of P.L.1977, c.110 (C.5:12-143), other  
15       than as provided under subsections b. and c. of this section, shall be  
16       deferred during the period the licensee’s casino hotel facility remains  
17       closed due to the COVID-19 Public Health Emergency and State of  
18       Emergency declared by the Governor in Executive Order No. 103 of  
19       2020, and during the six-month period immediately following the  
20       date that the casinos are permitted to reopen after the declarations.  
21       The amounts deferred shall be paid by each casino licensee in equal  
22       monthly installments over the 12-month period following the  
23       deferment period.

24       b.    The annual license fee of \$500 imposed under section 140 of  
25       P.L.1977, c.110 (C.5:12-140) on each slot machine maintained for  
26       use or in use at a licensed casino establishment, and that fee imposed  
27       on a pro-rata basis, shall be waived from July 1, 2020 through June  
28       30, 2021, inclusive. If a fee due on July 1, 2020, or a pro-rata fee, is  
29       paid by a casino licensee on each slot machine maintained for use or  
30       in use during that period, the licensee shall receive a reimbursement  
31       of that fee within 30 days following the effective date of this act,  
32       P.L.     , c.     (pending before the Legislature as this bill).

33       c.    This section shall not apply to any fees imposed on a casino  
34       licensee or its Internet gaming affiliate for the issuance or renewal of  
35       any Internet gaming license or permit under section 27 of  
36       P.L.2013, c.27 (C.5:12-95.29), or any amounts required to be  
37       deposited in the Casino Control Fund under section 22 of  
38       P.L.2013, c.27 (5:12-95.24).

39  
40       2.    Notwithstanding the provisions of the “Casino Control Act,”  
41       P.L.1977, c.110 (C.5:12-1 et seq.), or any law, rule, or regulation to  
42       the contrary, any surplus funds held by the Division of Gaming  
43       Enforcement in the Casino Control Fund, or held by the division due  
44       to an overpayment of the investment alternative tax imposed pursuant  
45       to section 3 of P.L.1984, c.218 (C.5:12-144.1) in the case of a

**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 downward adjustment of a casino licensee's audited gross revenues,  
2 shall be returned to each casino licensee in proportion to the  
3 licensee's share of the surplus or overpayment, if any, within five  
4 business days following the effective date of this act,  
5 P.L. , c. (pending before the Legislature as this bill), and then,  
6 for the six months following the effective date of this act, within 30  
7 days following the end of each fiscal quarter, to mitigate the impacts  
8 on the casino licensee due to the COVID-19 Public Health  
9 Emergency and State of Emergency declared by the Governor in  
10 Executive Order No. 103 of 2020.

11  
12 3. Notwithstanding the provisions of the "Casino Control Act,"  
13 P.L.1977, c.110 (C.5:12-1 et seq.), section 7 of P.L.1996, c.118  
14 (C.5:12-173.3a), and sections 2 and 3 of P.L.1993, c.159 (C.5:12-  
15 173.2 and C.5:12-173.3), the minimum charge for and minimum fee  
16 imposed upon the use of a parking space for the purpose of parking,  
17 garaging, or storing a motor vehicle in a parking facility or property  
18 owned or leased by a licensed casino hotel, or by any person on  
19 behalf of a casino hotel, shall not be in effect and shall not be  
20 collected from the period beginning on the date that the casinos are  
21 permitted to reopen after the COVID-19 Public Health Emergency  
22 and State of Emergency declarations, and ending on the first day of  
23 the 25th month thereafter.

24 The Casino Reinvestment Development Authority may use or  
25 redirect any funds under its purview, notwithstanding that such funds  
26 may be dedicated to other purposes, to replace the amounts from the  
27 minimum charge or fee for the payment of any bonds secured by  
28 proceeds from such charges or fees.

29  
30 4. Notwithstanding the provisions of the "Casino Control Act,"  
31 P.L.1977, c.110 (C.5:12-1 et seq.), section 6 of P.L.2003, c.116  
32 (C.5:12-145.8), or any other law, rule, or regulation to the contrary,  
33 the fee of \$3 per day imposed on each hotel room in a casino hotel  
34 facility that is occupied by a guest, for consideration or as a  
35 complimentary item, shall be waived commencing on the effective  
36 date of this act, P.L. , c. (pending before the Legislature as this  
37 bill) through December 31, 2020. The fee shall be imposed again  
38 commencing January 1, 2021 and thereafter. The Casino  
39 Reinvestment Development Authority may use or redirect any funds  
40 under its purview, notwithstanding that such funds may be dedicated  
41 to other purposes, to replace the amounts from the hotel room fee for  
42 the payment of any bonds secured by the fee's proceeds.

43  
44 5. Notwithstanding the provisions of P.L.1991, c.376 (C.40:48-  
45 8.45 et seq.), or any other law, rule, or regulation to the contrary, the  
46 fee of \$2 per day for each occupied room in the case of any hotel in  
47 the eligible municipality which provides casino gaming, and the fee

1 of \$1 per day for each occupied room in the case of the other hotels  
2 or transient accommodations in the eligible municipality shall be  
3 waived commencing on the effective date of this act,  
4 P.L. , c. (pending before the Legislature as this bill) through  
5 December 31, 2020. The fees shall be imposed again commencing  
6 January 1, 2021 and thereafter.

7  
8 6. a. Notwithstanding the provisions of the “Casino Control  
9 Act,” P.L.1977, c.110 (C.5:12-1 et seq.), or any law, rule, or  
10 regulation to the contrary, a casino licensee reopening a casino  
11 property following the property’s closure due to the COVID-19  
12 Public Health Emergency and State of Emergency declarations  
13 issued by the Governor under Executive Order No. 103 of 2020, shall  
14 be entitled during the twenty-four-month period commencing on the  
15 date that the casinos are permitted to reopen after the declarations  
16 and ending on the last day of the 24th month thereafter to receive a  
17 reduction in their tax liability on the 8 percent tax on gross revenues,  
18 as that term is defined in section 24 of P.L.1977, c.110 (C.5:12-24)  
19 and imposed under section 144 of P.L.1977, c.110 (C.5:12-144), and  
20 on the investment alternative tax on such gross revenues imposed  
21 under section 3 of P.L.1984, c.218 (C.5:12-144.1). The reduced tax  
22 liability required to be provided under this act, P.L. , c. (pending  
23 before the Legislature as this bill), shall be calculated in accordance  
24 with subsection b. of this section, and shall be subject to the  
25 provisions specified under subsection c. of this section.

26 b. A casino licensee reopening a casino property following its  
27 closure due to the emergency declarations as provided under  
28 subsection a. of this section shall be entitled to a reduction of the  
29 licensee’s gross revenues tax and investment alternative tax liabilities  
30 on a monthly basis, which obligations shall be calculated subject to  
31 rounding, as follows:

32 (1) for each calendar month in which the gross revenues are less  
33 than 25 percent of the gross revenues for the same calendar month  
34 immediately prior to March 1, 2020, the gross revenues tax and  
35 investment alternative tax obligations shall be zero for each tax;

36 (2) for each calendar month in which the gross revenues are at  
37 least 25 percent and not more than 49 percent of the gross revenues  
38 for the same calendar month immediately prior to March 1, 2020, the  
39 gross revenues tax and investment alternative tax obligations shall be  
40 25 percent of the full amounts that would normally be due for each  
41 tax;

42 (3) for each calendar month in which the gross revenues are at  
43 least 50 percent and not more than 74 percent of the gross revenues  
44 for the same calendar month immediately prior to March 1, 2020, the  
45 gross revenues tax and investment alternative tax obligations shall be  
46 50 percent of the full amounts that would normally be due for each  
47 tax; and

1 (4) for each calendar month in which the gross revenues are at  
2 least 75 percent and not more than 99 percent of the gross revenues  
3 for the same calendar month immediately prior to March 1, 2020, the  
4 gross revenues tax and investment alternative tax obligations shall be  
5 75 percent of the full amounts that would normally be due for each  
6 tax.

7 The reductions in the tax liabilities enumerated under paragraphs  
8 (1) through (4) of this subsection shall not apply in each calendar  
9 month in which the gross revenues are 100 percent or more of the  
10 gross revenues for the same calendar month immediately prior to  
11 March 1, 2020, in which case the gross revenues tax and investment  
12 alternative tax obligations shall be the full amounts that would  
13 normally be due for each tax.

14 c. Each casino licensee entitled to receive a reduction in their  
15 tax liability under this section shall submit to the State Treasurer and  
16 the Division of Gaming Enforcement, at the same time that the  
17 reduced tax payments are made, a report documenting that an amount  
18 equal to the entire dollar amount reduced under this act that was not  
19 subject to collection by the State is being expended by the licensee  
20 for any of the following purposes:

21 (1) the prompt re-hiring and employment of the casino licensee's  
22 former employees and new applicants;

23 (2) attracting tourists, gaming, and hospitality patrons to visit and  
24 stay at the casino hotel property;

25 (3) marketing and promotion for events that would draw visitors  
26 to the property or Atlantic City, such as entertainment and  
27 conventions; and

28 (4) any other activity deemed by the State Treasurer or the  
29 division to be beneficial to the return of pre-emergency economic,  
30 gaming, and tourism levels to Atlantic City.

31 A casino licensee's failure to submit the report required under this  
32 subsection shall deem the licensee ineligible to receive the reduced  
33 tax liabilities under this act.

34  
35 7. Section 1 of P.L.2008, c.12 (C.5:12-38a) is amended to read  
36 as follows:

37 1. "Promotional gaming credit" - A slot machine credit, sports  
38 wagering credit, match play coupon, table game wager coupon, or  
39 other item approved by the division that is issued by a licensee to a  
40 patron for the purpose of enabling the placement of a wager at a slot  
41 machine, a gaming table, or in a sports pool in the licensee's casino  
42 or through the licensee's Internet gaming system. No such credit shall  
43 be reported as a promotional gaming credit unless the casino licensee  
44 can establish that the credit was issued by the casino licensee and  
45 received from a patron as a wager at a slot machine, a gaming table,  
46 or in a sports pool in the licensee's casino or Internet gaming system.  
47 (cf: P.L.2018, c.33, s.13)

1       8. Section 2 of P.L.2008, c.12 (C.5:12-144.2) is amended to read  
2 as follows:

3       2. a. A casino licensee shall receive **[an annual]** a deduction  
4 from the gross revenue taxed pursuant to subsection a. of section 144  
5 of P.L.1977, c.110 (C.5:12-144) in an amount equal to **[either (1)]**  
6 the promotional gaming credits, including match play coupons and  
7 table game wager coupons, reported by that licensee **[in its annual**  
8 tax return or (2) such other portion of the promotional gaming credits  
9 reported by all casino licensees as the division may allocate to a  
10 particular licensee to reflect that licensee's pro rata share of the costs  
11 of the 2008 agreement executed between the New Jersey Sports and  
12 Exposition Authority and the Casino Association of New Jersey for  
13 the benefit of the horse racing industry**].**

14       b. **[Casino licensees]** A casino licensee shall be allowed a  
15 deduction from gross revenues **[for a tax year]** pursuant to  
16 subsection a. of this section for the total value of promotional gaming  
17 credits, match play coupons, and table game wager coupons  
18 redeemed by its patrons **[at all licensed casinos for that tax year in**  
19 excess of \$90,000,000. For the first tax year in which this act  
20 becomes operative pursuant to section 3 of this act, P.L.2008, c.12,  
21 the division shall reduce the \$90,000,000 deduction threshold for that  
22 tax year in proportion to the part of the tax year that has elapsed prior  
23 to that operative date**].**

24       c. **[The division shall establish, by regulation, procedures and**  
25 standards for allocating the deduction established pursuant to this  
26 section to reflect each licensee's pro rata share of the costs of the 2008  
27 agreement executed between the New Jersey Sports and Exposition  
28 Authority and the Casino Association of New Jersey for the benefit  
29 of the horse racing industry and procedures and standards for each  
30 licensee to take the deduction established pursuant to this section to  
31 reflect those deductions that exceed the costs of the 2008 agreement.  
32 Such regulations shall include standards for the allocation of the  
33 \$90,000,000 deduction threshold established in subsection b. of this  
34 section, the timing of the application of deductions, and all other  
35 matters related to the provisions of this section.**]** (Deleted by  
36 amendment, P.L. , c. ) (pending before the Legislature as this bill)

37       d. **[(1)** The division shall establish, by regulation, procedures  
38 to ensure that the promotional gaming credit deduction established  
39 pursuant to this section does not result in a negative fiscal impact to  
40 the Casino Revenue Fund. If necessary, the division may reduce the  
41 value of the available deduction to eliminate any negative fiscal  
42 impact to the Casino Revenue Fund attributable solely to the  
43 deduction and not to other economic or other factors that cause a  
44 negative fiscal impact to the Casino Revenue Fund.

45       (2) For the purposes of this subsection, "negative fiscal impact to  
46 the Casino Revenue Fund" shall mean that the amount generated  
47 from taxation of promotional gaming credits falls below the level

1 generated in calendar year 2007.】 (Deleted by amendment,  
2 P.L. , c. ) (pending before the Legislature as this bill)  
3 (cf: P.L.2011, c.19, s.100)  
4

5 9. Notwithstanding the provisions of the “Casino Control Act,”  
6 P.L.1977, c.110 (C.5:12-1 et seq.), or any law, rule, or regulation to  
7 the contrary, the Casino Reinvestment Development Authority,  
8 established under P.L.1984, c.218 (C.5:12-153 et seq.), shall commit  
9 any available funds in that agency’s general fund to the purpose of  
10 undertaking a marketing campaign to assist in returning Atlantic  
11 City’s tourism and gaming activities to their levels prior to the Public  
12 Health Emergency and State of Emergency declarations issued by the  
13 Governor under Executive Order No. 103 of 2020 due to the COVID-  
14 19 pandemic. The Casino Reinvestment Development Authority shall  
15 include input from the casino industry in developing the marketing  
16 campaign required to be conducted under this section which shall  
17 commence immediately upon the effective date of this act,  
18 P.L. , c. (pending before the Legislature as this bill), and shall  
19 continue through June 30, 2021. Nothing in this section shall be  
20 interpreted to impair the distribution of any funds otherwise  
21 committed under this act, statutorily obligated or pledged by the  
22 authority for other purposes, the payment of bonds issued by it or  
23 otherwise contractually obligated by the authority, or any bonds  
24 issued to refund those bonds.  
25

26 10. Nothing in this act, P.L. , c. (pending before the Legislature  
27 as this bill) shall affect the tax liabilities imposed on any amount  
28 received by a casino from casino simulcasting pursuant to the  
29 “Casino Simulcasting Act,” P.L.1992, c.19 (C.5:12-191 et al.), from  
30 Internet gaming pursuant to section 17 of P.L.2013, c.27 (C.5:12-  
31 95.19), or from sports wagering pursuant to P.L.2018, c.33 (C.5:12A-  
32 10 et al.).  
33

34 11. This act shall take effect immediately.  
35  
36

### 37 STATEMENT 38

39 This bill provides for temporary modifications to the payment and  
40 use of certain casino gaming taxes and fees due to the COVID-19  
41 Public Health Emergency and State of Emergency declared by the  
42 Governor in Executive Order No. 103 of 2020. This bill also amends  
43 current law concerning the use of promotional gaming credits by  
44 casino licensees and their deduction from gross revenues.

45 The bill allows for certain licensing and other fees imposed on  
46 casino licensees, that are deposited to the Casino Control Fund, to be  
47 deferred during the period the licensee’s casino hotel facility remains  
48 closed due to the emergencies, and during the six-month period

1 immediately following the date that the casinos are permitted to  
2 reopen after the emergency declarations. The amounts deferred  
3 would be required to be paid by each casino licensee in equal monthly  
4 installments over the 12-month period following the deferment  
5 period. However, the annual license fee of \$500 imposed on each slot  
6 machine, and that fee imposed on a pro-rata basis, would be entirely  
7 waived from July 1, 2020 through June 30, 2021, inclusive. The  
8 deferment or waiver would not apply to any fees imposed on a casino  
9 licensee or its Internet gaming affiliate for the issuance or renewal of  
10 any Internet gaming license or permit, or to any amounts required to  
11 be deposited in the Casino Control Fund from Internet wagering  
12 inactive or dormant accounts.

13 The bill requires any surplus funds held by the Division of Gaming  
14 Enforcement in the Casino Control Fund, or held by the division due  
15 to an overpayment of the investment alternative tax in the case of a  
16 downward adjustment of the casino licensee's audited gross  
17 revenues, to be returned to the casino licensee within five business  
18 days following the effective date of the bill, and then, for the six  
19 months following that effective date, within 30 days following the  
20 end of each fiscal quarter, to mitigate the impacts of the emergencies.

21 The bill also waives, for a period of 24 months beginning on the  
22 date that the casinos are permitted to reopen, the provisions of law  
23 requiring the imposition of a minimum charge of \$3.00 and minimum  
24 fee of \$3.00 for any parking space in a casino parking garage. In  
25 addition, the bill waives certain hotel room fees related to casino  
26 gaming for the remainder of calendar year 2020. The fee of \$3 per  
27 day on each hotel room in a casino hotel facility that is occupied by  
28 a guest, and the fee of \$2 per day on each occupied room in a casino  
29 hotel and fee of \$1 per day fee on each occupied room in a non-casino  
30 hotel in Atlantic City, are waived for the remainder of calendar year  
31 2020. The fees will again be due starting January 1, 2021. The bill  
32 allows the Casino Reinvestment Development Authority to use other  
33 funds in its possession to pay for the bonds and other obligations that  
34 are currently secured by the parking and hotel proceeds,  
35 notwithstanding that the agency's other funds are committed to other  
36 purposes.

37 This bill provides for a reduced tax liability on casino gross  
38 revenue tax and investment alternative tax obligations for brick-and-  
39 mortar casino properties reopening following their closure due to the  
40 COVID-19 emergency declarations. The reduced tax liability would  
41 be in effect during the twenty four month period commencing on the  
42 date that the casinos are permitted to reopen after the declarations  
43 and ending on the last day of the 24th month thereafter. Under current  
44 law, casinos are required to pay an 8% tax on gross revenues, plus a  
45 1.25% investment alternative tax for reinvestment by the Casino  
46 Reinvestment Development Authority, on the gross revenues  
47 generated from gaming at their brick-and-mortar casino properties.  
48 Under the bill, each casino's tax obligations would be reduced, on a



1 monthly basis during that period, to be calculated subject to  
2 rounding, as follows:

3 (1) for each calendar month in which the gross revenues are less  
4 than 25% of the gross revenues for the same calendar month  
5 immediately prior to March 1, 2020, the gross revenues tax and  
6 investment alternative tax obligations would be zero for each tax;

7 (2) for each calendar month in which the gross revenues are at  
8 least 25% and not more than 49% of the gross revenues for the same  
9 calendar month immediately prior to March 1, 2020, the gross  
10 revenues tax and investment alternative tax obligations would be  
11 25% of the full amounts that would normally be due for each tax;

12 (3) for each calendar month in which the gross revenues are at  
13 least 50% and not more than 74% of the gross revenues for the same  
14 calendar month immediately prior to March 1, 2020, the gross  
15 revenues tax and investment alternative tax obligations would be  
16 50% of the full amounts that would normally be due for each tax; and

17 (4) for each calendar month in which the gross revenues are at  
18 least 75% and not more than 99% of the gross revenues for the same  
19 calendar month immediately prior to March 1, 2020, the gross  
20 revenues tax and investment alternative tax obligations would be  
21 75% of the full amounts that would normally be due for each tax.

22 The full tax obligations would be due in each calendar month in  
23 which the gross revenues are 100% or more of the gross revenues for  
24 the same calendar month immediately prior to March 1, 2020.

25 To remain eligible to receive the tax liability reductions, the bill  
26 requires each casino licensee to submit to the State Treasurer and the  
27 Division of Gaming Enforcement, at the same time that the reduced  
28 tax payments are made, a report documenting that an amount equal  
29 to the entire dollar amount reduced, that was not subject to collection  
30 by the State, is being expended by the licensee to: (1) promptly re-  
31 hire and employ former employees and new applicants; (2) attract  
32 tourists, gaming, and hospitality patrons to visit and stay at the casino  
33 hotel property; (3) market and promote events that would draw  
34 visitors to the property or Atlantic City, such as entertainment and  
35 conventions; and (4) any other activity the State Treasurer or the  
36 division deem beneficial to the return of pre-emergency economic,  
37 gaming, and tourism levels to Atlantic City.

38 This bill amends current law to permit each casino licensee to take  
39 a deduction against gross revenues equal to the full amount of  
40 promotional gaming credits, including match play and table game  
41 coupons, that are issued by the licensee and redeemed its patrons.  
42 Currently, casinos are permitted to take such deductions only for the  
43 amount of promotional gaming credits redeemed in a tax year that  
44 exceed \$90,000,000. This bill also removes the division's ability to  
45 limit the negative fiscal impact of the promotional gaming credit  
46 deduction on the Casino Revenue Fund.

47 This bill directs the Casino Reinvestment Development Authority  
48 to commit any available funds in its general fund to undertaking a

1 marketing campaign to assist in returning Atlantic City's tourism and  
2 gaming activities to their levels prior to the emergencies. Under the  
3 bill, the authority would include input from the casino industry in  
4 developing the marketing campaign, which would begin immediately  
5 upon the bill's effective date and continue through June 30, 2021.  
6 The bill would not be interpreted to impair the distribution of any  
7 funds otherwise committed under the bill, statutorily obligated or  
8 pledged by the authority for other purposes, the payment of bonds  
9 issued by it or otherwise contractually obligated by the authority, or  
10 any bonds issued to refund those bonds.

11 This bill does not impact any casino licensee's tax liabilities on  
12 gross revenues realized from casino simulcasting, internet gaming,  
13 or sports wagering.