

[First Reprint]  
ASSEMBLY, No. 1927

STATE OF NEW JERSEY

INTRODUCED MAY 6, 1996

By Assemblymen LeFEVRE, BLEE, Cottrell, Gibson, Asselta  
and Moran

1 ANACT concerning development projects of the Casino Reinvestment  
2 Development Authority in Atlantic City, amending P.L.1984, c.218,  
3 and amending and supplementing P.L.1993, c.159.

4  
5 **BE IT ENACTED** by the Senate and General Assembly of the State  
6 of New Jersey:

7  
8 1. Section 1 of P.L.1993, c.159 (C.5:12-173.1) is amended to read  
9 as follows:

10 1. The Legislature finds that the single most significant factor  
11 contributing to the cost of constructing, maintaining, operating and  
12 supporting highways, roads and infrastructure, in Atlantic City, and  
13 particularly in the "corridor" region of the city, is the heavy volume of  
14 motor vehicular traffic occasioned by the attraction of casino gambling  
15 in Atlantic City. This traffic is encouraged by the provision of free  
16 parking by casino operations, by the relative underdevelopment of  
17 public transportation services, and by the shortage of hotel  
18 accommodations in the city. While the Legislature has taken various  
19 measures, most notably the "South Jersey Transportation Authority  
20 Act," P.L.1991, c.252 (C.27:25A-1 et al.), to provide and improve  
21 public transportation services in the South Jersey region as an  
22 alternative to the use of motor vehicles, the heavy capital costs  
23 associated with reconstruction of the corridor region's infrastructure  
24 require a continuous source of public funding. The Legislature  
25 declares, therefore, that it is in the public interest to require a standard  
26 minimum charge for casino parking within Atlantic City, and to impose  
27 fees on amounts received from those charges, with the proceeds of  
28 those fees to be used by the Casino Reinvestment Development  
29 Authority for projects which are related to improving the highways,  
30 roads, infrastructure, traffic regulation and public safety of the city, or

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

**Matter underlined thus is new matter.**

**Matter enclosed in superscript numerals has been adopted as follows:**

<sup>1</sup> Assembly ASI committee amendments adopted June 3, 1996.

1 which are otherwise necessary or useful to the economic development  
2 and redevelopment of the city in this regard. It is also in the public  
3 interest to establish a special temporary fund for the use of existing  
4 moneys of the authority for the provision of financial assistance to  
5 [casinos and] casino [hotels]licensees to construct, reconstruct or  
6 rehabilitate hotel rooms in Atlantic City.

7 The Legislature declares that it is the public purpose of this  
8 amendatory act, P.L. \_\_\_\_\_, c. \_\_\_\_\_ (C. \_\_\_\_\_) (now pending before  
9 the Legislature as this bill), that financial assistance to casino licensees  
10 to construct, reconstruct or rehabilitate hotel rooms in Atlantic City  
11 shall be determined after excluding costs reasonably related to space  
12 used for the conduct of casino gaming. It was, and continues to be,  
13 the public purpose of P.L.1993, c.159 (C.5:12-173.1 et seq.) that  
14 financial assistance may be provided to a project which includes,  
15 incorporates, facilitates or supports space used for the conduct of  
16 casino gaming in a casino hotel facility, but only for costs reasonably  
17 related to hotel rooms and their appurtenant facilities in the project.  
18 (cf: P.L.1993, c.159, s.1)

19  
20 2. Section 8 of P.L.1993, c.159 (C.5:12-173.8) is amended to read  
21 as follows:

22 8. a. From the moneys made available to the Casino Reinvestment  
23 Development Authority pursuant to section 3 of P.L.1984, c.218  
24 (C.5:12-144.1), the authority shall, in such manner as it may  
25 reasonably determine, set aside \$100,000,000 for investment on hotel  
26 development projects in Atlantic City undertaken by a casino licensee  
27 under the "Casino Control Act," P.L.1977, c.110 (C.5:12-1 et seq.),  
28 operating an approved hotel on the effective date of this amendatory  
29 and supplementary act, P.L.1993, c.159 (C.5:12-173.1 et al.), which  
30 result in the construction, reconstruction or rehabilitation of at least  
31 200 hotel rooms in the City of Atlantic City. The authority shall, by  
32 regulation, adopt standards for determining the extent of construction,  
33 reconstruction or rehabilitation of hotel rooms or appurtenant facilities  
34 required in order to qualify for authority investment, which standards  
35 shall require at least that the hotel rooms be operated as part of a  
36 licensed casino facility or be first class hotel rooms located and  
37 operated in a manner consistent with an authority approved project.  
38 The authority shall require as a condition for authority investment that  
39 the hotel rooms be subject to an agreement with the authority that  
40 requires the rooms to be reserved, at certain times and under certain  
41 conditions agreeable to the authority, for convention business in  
42 connection with an authority approved project. A hotel development  
43 project may qualify for authority investment notwithstanding that it  
44 includes, incorporates, facilitates or supports an expansion of space  
45 used for the conduct of casino gaming in a casino hotel facility  
46 operated by a casino licensee. <sup>1</sup>Any casino licensee which undertook

1 a hotel development project that was approved by the authority prior  
2 to the effective date of this amendatory act, P.L. \_\_\_\_\_, c. \_\_\_\_\_ (C. \_\_\_\_\_)  
3 (now pending before the Legislature as this bill), for an investment out  
4 of moneys set aside pursuant to this subsection a., but which  
5 investment has not been received by the casino licensee as a result of  
6 the inclusion in the project of space for use for the conduct of casino  
7 gaming, shall be entitled pursuant to this subsection a. to receive the  
8 investment previously approved by the authority.<sup>1</sup> The provisions of  
9 section 30 of P.L.1984, c.218 (C.5:12-178) shall not apply to  
10 investments made out of the moneys so set aside.

11 The authority shall determine the amount each casino licensee shall  
12 be eligible to receive out of the moneys so set aside. The form,  
13 amount and terms of the investment made by the authority shall be  
14 determined by the authority, but the maximum amount of the  
15 investment shall not exceed the lesser of the amount which the casino  
16 licensee applying therefor is eligible to receive, or ~~[an]~~the amount  
17 equal to ~~[35%]~~27% of the costs reasonably related to constructing,  
18 reconstructing or rehabilitating the hotel rooms or appurtenant  
19 facilities in the project~~[], whichever is less.]~~excluding costs reasonably  
20 related to space used for the conduct of casino gaming.

21 For the purposes of determining each casino licensee's eligibility for  
22 authority investments from the moneys so set aside, the authority may  
23 by resolution permit the transfer of obligation to make payment under  
24 section 3 of P.L.1984, c.218 (C.5:12-144.1) to any other casino  
25 licensee which has received approval for investment in a project to  
26 construct, reconstruct or rehabilitate hotel rooms.

27 In approving a hotel development project, the authority shall  
28 establish a schedule for investments to be made by the authority as  
29 progressive stages of construction, reconstruction or rehabilitation are  
30 accomplished. ~~[A schedule so established shall provide for the~~  
31 ~~completion of the project on or before December 31, 1996, unless the~~  
32 ~~authority shall prior to that date find, by resolution, that a time~~  
33 ~~extension for project completion is warranted by special circumstances~~  
34 ~~or unforeseen occurrences.]~~ Any moneys remaining in the special fund  
35 thereafter shall be available for investment in otherwise eligible  
36 projects of the authority.

37 b. From the moneys made available to the Casino Reinvestment  
38 Development Authority pursuant to section 3 of P.L.1984, c.218  
39 (C.5:12-144.1), the authority shall, in such manner as it may  
40 reasonably determine, set aside \$75,000,000 for investment on hotel  
41 development projects in Atlantic City, which shall be in addition to the  
42 moneys set aside pursuant to subsection a. of this section. Any  
43 moneys set aside pursuant to that subsection a. which are not invested  
44 by the authority as the result of the failure of a casino licensee to  
45 comply with requirements, regulations, conditions or determinations  
46 made under that subsection a. shall be available for authority

1 investment pursuant to this subsection b. Authority investments under  
2 this subsection b. shall be subject to the requirements, regulations,  
3 conditions and determinations of that subsection a., except as follows:

4 (1) The authority may provide an additional investment amount to  
5 a casino licensee which has had a hotel development project approved  
6 prior to the effective date of this amendatory act, P.L. \_\_\_\_\_, c. \_\_\_\_\_  
7 (C. \_\_\_\_\_) (now pending before the Legislature as this bill), but  
8 which the authority has approved for an amount out of the moneys set  
9 aside pursuant to that subsection a. that is less than the maximum  
10 amount of investment for the approved project because sufficient  
11 investment funds were not available to fund all projects approved  
12 under that subsection a. at the maximum amount of investment. The  
13 additional investment may be made only as the result of an application  
14 made to the authority on or before April 1, 1996. The additional  
15 investment amount shall not be greater than the difference between  
16 the maximum amount of investment for the approved project under  
17 that subsection a. and the amount which the authority actually  
18 approved for the project. The authority may provide an additional  
19 investment amount pursuant to this paragraph (1) only for those  
20 previously approved hotel development projects for which  
21 construction, reconstruction or rehabilitation has actually and  
22 substantially commenced on or before August 31, 1996.

23 (2) Thereafter, any casino licensee may be eligible to receive an  
24 investment out of moneys set aside pursuant to this subsection b.;  
25 provided, that the casino licensee shall apply for approval of a hotel  
26 development project by the authority within 90 days following the  
27 effective date of this amendatory act. The authority shall require as a  
28 condition for authority investment under this paragraph that  
29 construction, reconstruction or rehabilitation of the hotel development  
30 project actually and substantially commence within 12 months after the  
31 date upon which the authority and the casino licensee enter into a hotel  
32 room credit agreement.

33 (cf: P.L.1993, c.159, s.8)

34  
35 <sup>1</sup>3. Section 3 of P.L.1984, c.218 (C.5:12-144.1) is amended to  
36 read as follows:

37 3. a. (1) Commencing with the first annual tax return of a licensee  
38 for any calendar year beginning after December 31, 1983, there is  
39 imposed an investment alternative tax on the gross revenues as defined  
40 in section 24 of P.L.1977, c.110 (C.5:12-24) of the licensee in the  
41 amount of 2.5% of those gross revenues. The tax imposed with  
42 respect to each calendar year shall be due and payable on the last day  
43 of April next following the end of the calendar year. The State  
44 Treasurer shall have a lien against the property constituting the casino  
45 of a licensee for the amount of any tax not paid when due. No tax  
46 shall be imposed, however, on the gross revenues received by a

1 licensee during the first 12 months of the operation of any casino that  
2 commences operation after January 1, 1984, but prior to the effective  
3 date of this act, P.L. \_\_\_\_\_, c. \_\_\_\_\_ (C. \_\_\_\_\_) (now pending before the  
4 Legislature as this bill).

5 (2) A licensee shall pay to the State Treasurer on or before the  
6 15th day of the first, fourth, seventh, and 10th months of each year as  
7 partial payment of the investment alternative tax imposed pursuant to  
8 paragraph (1) of this subsection an amount equal to 1.25% of the  
9 estimated gross revenues for the three-month period immediately  
10 preceding the first day of those months. The moneys received shall be  
11 placed in an escrow account and shall be held until the licensee directs  
12 that the moneys be transferred to the Casino Reinvestment  
13 Development Authority for the purchase of bonds issued by or offered  
14 through the Casino Reinvestment Development Authority or pursuant  
15 to a contract for such a purchase, be made available to the licensee for  
16 a direct investment approved by the authority, or be transferred to the  
17 Casino Revenue Fund as partial payment of the investment alternative  
18 tax imposed pursuant to paragraph (1) of this subsection. Any interest  
19 derived from the moneys in the escrow account shall be paid or made  
20 available to the Casino Revenue Fund. If a licensee fails to pay the  
21 amount due or underpays by an unjustifiable amount, the Casino  
22 Control Commission shall impose a fine of 5% of the amount due or  
23 of the underpayment, as the case may be, for each month or portion  
24 thereof the licensee is in default of payment, up to 25% of the amount  
25 in default. Any fine imposed shall be paid to the Casino Reinvestment  
26 Development Authority and shall be used for the purposes of this 1984  
27 amendatory and supplementary act.

28 b. Each licensee shall be entitled to an investment tax credit against  
29 the tax imposed by subsection a. of this section, provided the licensee  
30 shall pay over the moneys required pursuant to section 5 of P.L.1993,  
31 c.159 (C.5:12-173.5): (1) for the first 10 years of a licensee's tax  
32 obligation, in an amount equal to twice the purchase price of bonds  
33 issued by the Casino Reinvestment Development Authority pursuant  
34 to sections 14 and 15 of this 1984 amendatory and supplementary act,  
35 purchased by the licensee, or twice the amount of the investments  
36 authorized in lieu thereof, and (2) for the remainder of a licensee's tax  
37 obligation, in an amount equal to twice the purchase price of bonds  
38 issued by the Casino Reinvestment Development Authority pursuant  
39 to sections 14 and 15 of this 1984 amendatory and supplementary act,  
40 purchased by the licensee, or twice the amount of the investments  
41 authorized in lieu thereof, and twice the amount of investments made  
42 by a licensee in other approved eligible investments made pursuant to  
43 section 25 of this act. The Casino Reinvestment Development  
44 Authority shall have the power to enter into a contract or contracts  
45 with a licensee pursuant to which the Casino Reinvestment  
46 Development Authority agrees to issue and sell bonds to the licensee,

1 and the licensee agrees to purchase the bonds issued by or offered  
2 through the Casino Reinvestment Development Authority, in annual  
3 purchase price amounts as will constitute a credit against at least 50%  
4 of the tax to become due in any future year or years. The contract  
5 may contain those terms and conditions relating to the terms of the  
6 bonds and to the issuance and sale of the bonds to the licensee as the  
7 Casino Reinvestment Development Authority shall deem necessary or  
8 desirable. The contract shall not be deemed to be in violation of  
9 section 104 of P.L.1977, c.110 (C.5:12-104). After the first 10 years  
10 of a licensee's investment alternative tax obligation, a licensee will  
11 have the option of entering into a contract with the Casino  
12 Reinvestment Development Authority to have its tax credit comprised  
13 of direct investments in approved eligible projects. These direct  
14 investments shall not comprise more than 50% of a licensee's eligible  
15 tax credit in any one year.

16 The entering of a contract pursuant to this section shall be sufficient  
17 to entitle a licensee to an investment tax credit for the appropriate tax  
18 year.

19 c. A contract entered into between a licensee and the Casino  
20 Reinvestment Development Authority may provide for a deferral of  
21 payment for and delivery of bonds required to be purchased and for a  
22 deferral from making approved eligible investments in any year, but no  
23 deferral shall occur more than two years consecutively. A deferral of  
24 payment for any bonds required to be purchased by a licensee and a  
25 deferral from making approved eligible investments may be granted by  
26 the Casino Reinvestment Development Authority only upon a  
27 determination by the Casino Control Commission that purchase of  
28 these bonds or making approved eligible investments would cause  
29 extreme financial hardship to the licensee and a determination by the  
30 Casino Reinvestment Development Authority that the deferral of the  
31 payment would not violate any covenant or agreement or impair any  
32 financial obligation of the Casino Reinvestment Development  
33 Authority. The contract may establish a late payment charge to be  
34 paid in the event of deferral or other late payment at a rate as shall be  
35 agreed to by the Casino Reinvestment Development Authority. If a  
36 deferral of purchase or investment is granted, the licensee shall be  
37 deemed to have made the purchase or investment at the time required  
38 by the contract, except that if the purchase is not made at the time to  
39 which the purchase or investment was deferred, then the licensee shall  
40 be deemed not to have made the purchase or investment. The Casino  
41 Control Commission shall adopt regulations establishing a uniform  
42 definition of extreme financial hardship applicable to all these  
43 contracts. If a licensee petitions the Casino Reinvestment  
44 Development Authority for a deferral, the Casino Reinvestment  
45 Development Authority shall give notice of that petition to the Casino  
46 Control Commission and to the Division of Gaming Enforcement

1 within three days of the filing of the petition. The Casino Control  
2 Commission shall render a decision within 60 days of notice as to  
3 whether the licensee has established extreme financial hardship, after  
4 consultation with the Division of Gaming Enforcement. The Casino  
5 Reinvestment Development Authority shall render a decision as to the  
6 availability of the deferral within 10 days of the receipt by it of the  
7 decision of the Casino Control Commission and shall notify the  
8 Division of Gaming Enforcement and the Casino Control Commission  
9 of that decision. If a deferral is granted, the Casino Reinvestment  
10 Development Authority may determine whether the purchases or  
11 investments shall be made in a lump sum, made over a period of years,  
12 or whether the period of obligation shall be extended an additional  
13 period of time equivalent to the period of time deferred.

14 d. The license of any licensee which has defaulted in its obligation  
15 to make any purchase of bonds or investment in any approved eligible  
16 project under a contract entered into pursuant to subsection b. of this  
17 section for a period of 90 days may be suspended by the Casino  
18 Control Commission until that purchase is made or deferred in  
19 accordance with subsection b. of this section, or a fine or other penalty  
20 may be imposed upon the licensee by the commission. If the Casino  
21 Control Commission elects not to suspend the license of a licensee  
22 after the licensee has first defaulted in its obligation but instead  
23 imposes some lesser penalty and the licensee continues to be in default  
24 of its obligation after a period of 30 additional days and after any  
25 additional 30-day period, the commission may impose another fine or  
26 penalty upon the licensee, which may include suspension of that  
27 licensee's license. The fine shall be 5% of the amount of the obligation  
28 owed for each month or portion thereof a licensee is in default, up to  
29 25% of that obligation; shall be paid to the Casino Reinvestment  
30 Development Authority; and shall be used for the purposes of this  
31 1984 amendatory and supplementary act.

32 e. A contract entered into by a licensee and the Casino  
33 Reinvestment Development Authority pursuant to subsection b. of this  
34 section may provide that after the first 10 years of a licensee's  
35 investment alternative tax obligation imposed by subsection a. of this  
36 section, the Casino Reinvestment Development Authority may  
37 repurchase bonds previously sold to the licensee, which were issued  
38 after the 10th year of a licensee's investment alternative tax obligation,  
39 by the Casino Reinvestment Development Authority, if the Casino  
40 Reinvestment Development Authority determines that the repurchase  
41 will not violate any agreement or covenant or impair any financial  
42 obligation of the Casino Reinvestment Development Authority and  
43 that the licensee will reinvest the proceeds of the resale in an eligible  
44 project approved by the Casino Reinvestment Development Authority.

45 f. (1) During the 30 years a licensee is obligated to pay an  
46 investment alternative tax pursuant to subsection k. of this section, the

1 total of (a) the proceeds of all bonds purchased by a licensee from or  
 2 through the Casino Reinvestment Development Authority and (b) all  
 3 approved investments in eligible projects by a licensee shall be devoted  
 4 to the financing of projects in the following areas and amounts:

5	6 Areas	7 Yrs. 1-3	8 Yrs. 4-5	9 Yrs. 6-10	10 Yrs. 11-15	11 Yrs. 16-20	12 Yrs. 21-25	13 Yrs. 26-30
14	a) Atlantic City	100%	90%	80%	50%	30%	20%	
15	b) South Jersey		8%	12%	28%	43%	45%	
16	c) North Jersey		2%	8%	22%	27%	35%	35%
17	d) Atlantic City through the Atlantic City Fund							65%,

18 except that, with respect to the obligations for calendar years 1994  
 19 through 1998, the amount allocated for the financing of projects in  
 20 North Jersey from each casino licensee's obligation shall be the amount  
 21 allocated for calendar year 1993, and the difference between that  
 22 amount and the amount to be allocated to North Jersey, on the basis  
 23 of the above schedule, from each casino licensee's obligations for  
 24 calendar years 1994 through 1998 shall be paid into or credited to the  
 25 Atlantic City Fund established by section 44 of P.L.1995, c.18  
 26 (C.5:12-161.1) and be devoted to the financing of projects in Atlantic  
 27 City through that fund. For the purposes of this paragraph, "South  
 28 Jersey" means the counties of Atlantic, Burlington, Camden, Cape  
 29 May, Cumberland, Gloucester, Mercer, Ocean, and Salem; and "North  
 30 Jersey" means the remaining 12 counties of the State. For the purposes  
 31 of this 1984 amendatory and supplementary act, bond "proceeds"  
 32 means all funds received from the sale of bonds and any funds  
 33 generated or derived therefrom.

34 In the financing of projects outside Atlantic City, the Casino  
 35 Reinvestment Development Authority shall give priority to the  
 36 revitalization of the urban areas of this State in the ways specified in  
 37 section 12 of this 1984 amendatory and supplementary act. Those  
 38 areas shall include, but not be limited to, all municipalities qualifying  
 39 for aid pursuant to P.L.1978, c.14 (C.52:27D-178 et seq.).

40 Within nine months from the effective date of this 1984  
 41 amendatory and supplementary act, the Casino Reinvestment  
 42 Development Authority shall determine the allocation of projected  
 43 available moneys to municipalities in South Jersey for the first seven  
 44 years of their receipt of funds, giving priority to the revitalization of  
 45 the urban areas of the region. Municipalities receiving such an  
 46 allocation shall present to the Casino Reinvestment Development  
 Authority for its approval comprehensive plans or projects for which  
 the allocations shall be used. Any such comprehensive plan or project

1 may be submitted to the Casino Reinvestment Development Authority  
2 for a determination of eligibility at any time prior to the year for which  
3 the funds are allocated, and the Casino Reinvestment Development  
4 Authority shall make a determination of eligibility of the plan or  
5 project within a reasonable amount of time. If the Casino  
6 Reinvestment Development Authority makes a positive determination  
7 of eligibility for any comprehensive plan or project, or combination of  
8 comprehensive plans or projects, for any municipality whose total cost  
9 exceeds the amount allocated to that municipality for the first seven  
10 years of the receipt of funds by South Jersey municipalities, the Casino  
11 Reinvestment Development Authority shall make available sufficient  
12 funds in subsequent years necessary to complete those plans or  
13 projects, or to complete that portion of the plan or project originally  
14 agreed to be funded through the Casino Reinvestment Development  
15 Authority, from funds received by the Casino Reinvestment  
16 Development Authority in the years following the seventh year of the  
17 receipt of funds by South Jersey municipalities. If the comprehensive  
18 plan or project is determined by the Casino Reinvestment Development  
19 Authority not to be an eligible plan or project, the municipality may  
20 submit any other comprehensive plan or project for a determination of  
21 eligibility. If, however, the municipality fails to receive a positive  
22 determination of eligibility for any comprehensive plan or project, or  
23 combination of comprehensive plans or projects, sufficient to exhaust  
24 the total allocation to that municipality for any year prior to April 30  
25 of the following year for which the allocation was made, the allocation  
26 to that municipality for that year shall cease, and the Casino  
27 Reinvestment Development Authority may apply those excess funds to  
28 any other comprehensive plan or project in any other municipality in  
29 the region whose comprehensive plan or project has received a  
30 positive determination of eligibility by the Casino Reinvestment  
31 Development Authority.

32 Within 36 months from the effective date of this 1984 amendatory  
33 and supplementary act, the Casino Reinvestment Development  
34 Authority shall determine the allocation of projected available moneys  
35 to municipalities in North Jersey for the first five years of their receipt  
36 of funds, giving priority to the revitalization of the urban areas of the  
37 region. Municipalities receiving such an allocation shall present to the  
38 Casino Reinvestment Development Authority for its approval  
39 comprehensive plans or projects for which the allocations shall be  
40 used. Any such comprehensive plan or project may be submitted to  
41 the Casino Reinvestment Development Authority for a determination  
42 of eligibility at any time prior to the year for which the funds are  
43 allocated, and the Casino Reinvestment Development Authority shall  
44 make a determination of eligibility of the plan or project within a  
45 reasonable amount of time. If the Casino Reinvestment Development  
46 Authority makes a positive determination of eligibility for any

1 comprehensive plan or project, or combination of comprehensive plans  
2 or projects, for any municipality whose total cost exceeds the amount  
3 allocated to that municipality for the first five years of the receipt of  
4 funds by North Jersey municipalities, the Casino Reinvestment  
5 Development Authority shall make available sufficient funds in  
6 subsequent years necessary to complete those plans or projects, or to  
7 complete that portion of the plan or project originally agreed to be  
8 funded through the Casino Reinvestment Development Authority, from  
9 funds received by the Casino Reinvestment Development Authority in  
10 the years following the fifth year of the receipt of funds by North  
11 Jersey municipalities. If the comprehensive plan or project is  
12 determined by the Casino Reinvestment Development Authority not to  
13 be an eligible plan or project, the municipality may submit any other  
14 comprehensive plan or project for a determination of eligibility. If,  
15 however, the municipality fails to receive a positive determination of  
16 eligibility for any comprehensive plan or project, or combination of  
17 comprehensive plans or projects, sufficient to exhaust the total  
18 allocation to that municipality for any year prior to April 30 of the  
19 following year for which the allocation was made, the allocation to  
20 that municipality for that year shall cease, and the Casino  
21 Reinvestment Development Authority may apply those excess funds to  
22 any other comprehensive plan or project in any other municipality in  
23 the region whose comprehensive plan or project has received a  
24 positive determination of eligibility by the Casino Reinvestment  
25 Development Authority.

26 (2) Commencing with the first year in which a licensee incurs a tax  
27 obligation pursuant to this section, and for the period of two years  
28 thereafter, 100% of the proceeds of all bonds purchased by a licensee  
29 from the Casino Reinvestment Development Authority which are  
30 devoted to the financing of projects in the city of Atlantic City  
31 pursuant to paragraph (1) of this subsection shall be used exclusively  
32 to finance the rehabilitation, development, or construction of, or to  
33 provide mortgage financing of, housing facilities in the city of Atlantic  
34 City for persons or families of low through middle income, as defined  
35 in this subsection. For the purposes of this subsection, the  
36 "rehabilitation, development, or construction of housing facilities"  
37 shall include expenses attributable to site preparation, infrastructure  
38 needs and housing-related community facilities and services, including  
39 supporting commercial development. Commencing with the fourth  
40 year in which a licensee incurs a tax obligation pursuant to this  
41 subsection, 50% of the proceeds of all bonds purchased by a licensee  
42 from the Casino Reinvestment Development Authority which are  
43 devoted to the financing of projects in the city of Atlantic City shall be  
44 used exclusively to finance the rehabilitation, development, or  
45 construction of housing facilities in the city of Atlantic City for  
46 persons or families of low through middle income. Commencing with

1 the 11th year in which a licensee incurs a tax obligation pursuant to  
2 this section, 50% of the annual aggregate of the proceeds of bonds  
3 purchased by a licensee from the Casino Reinvestment Development  
4 Authority which are devoted to the financing of projects in the city of  
5 Atlantic City and investments in approved eligible projects commenced  
6 by a licensee in the city of Atlantic City shall be used exclusively to  
7 finance the rehabilitation, development, or construction of, or to  
8 provide mortgage financing of, housing facilities in the city of Atlantic  
9 City for persons or families of low through middle income.

10 (3) The Legislature finds that it is necessary to provide for a  
11 balanced community and develop a comprehensive housing program.  
12 The Casino Reinvestment Development Authority shall determine the  
13 need for housing in the city of Atlantic City, in consultation with the  
14 city of Atlantic City and specifically its zoning and planning boards.  
15 This shall include determining the types and classes of housing to be  
16 constructed and the number of units of each type and class of housing  
17 to be built. The Casino Reinvestment Development Authority shall  
18 give priority to the housing needs of the persons and their families  
19 residing in the city of Atlantic City in 1983 and continuing such  
20 residency through the effective date of this 1984 amendatory and  
21 supplementary act. The actual percentage of the proceeds of bonds  
22 and investments in approved eligible projects commenced by a licensee  
23 in the city of Atlantic City, which shall be used exclusively to finance  
24 the rehabilitation, development, or construction of, or to provide  
25 mortgage financing of, housing facilities in the city of Atlantic City for  
26 persons or families of low through middle income, shall be based upon  
27 the authority's determination of the need for housing in the city of  
28 Atlantic City conducted pursuant to this subsection. Once the housing  
29 needs of the persons residing in the city of Atlantic City in 1983 and  
30 continuing such residency through the effective date of this 1984  
31 amendatory and supplementary act have been met, as determined by  
32 the Casino Reinvestment Development Authority pursuant to this  
33 subsection, any required percentages for such housing in the city of  
34 Atlantic City may, in its sole discretion, be waived by the Casino  
35 Reinvestment Development Authority. To aid the Casino  
36 Reinvestment Development Authority in making these determinations,  
37 the Casino Reinvestment Development Authority shall review the  
38 proposal for a housing redevelopment program and strategy for the  
39 city of Atlantic City approved and adopted by the Casino Control  
40 Commission and shall give priority to same and any other plan or  
41 project which is consistent with the standards of this subsection and is  
42 acceptable to the Casino Reinvestment Development Authority,  
43 pursuant to section 25 of this 1984 amendatory and supplementary act.  
44 The Casino Reinvestment Development Authority may determine  
45 whether the funds used to finance housing facilities in the city of  
46 Atlantic City for persons or families of low, moderate, median range,

1 and middle income are derived from the proceeds of bonds purchased  
2 by a licensee from the Casino Reinvestment Development Authority to  
3 be devoted to the financing of projects in the city of Atlantic City,  
4 investments in approved eligible projects commenced by a licensee in  
5 the city of Atlantic City, or a combination of both. Any investment  
6 made by a licensee in excess of 100% of its eligible investment tax  
7 credit during the first three years and in excess of 50% thereafter in  
8 either the purchase of bonds or direct investments in approved eligible  
9 projects for low, moderate, median range, and middle income family  
10 housing facilities in the city of Atlantic City may be carried forward  
11 and credited against the licensee's obligation to make a 100%  
12 investment during the first three years and 50% thereafter in low,  
13 moderate, median range, and middle income family housing in any  
14 future year, with the approval of the Casino Reinvestment  
15 Development Authority. For the purposes of this act, "low income  
16 families" means families whose income does not exceed 50% of the  
17 median income of the area, with adjustments for smaller and larger  
18 families. "Moderate income families" means families whose income  
19 does not exceed 80% and is not less than 50% of the median income  
20 for the area, with adjustments for smaller and larger families. "Median  
21 range income families" means families whose income does not exceed  
22 120% and is not less than 80% of the median income for the area, with  
23 adjustments for smaller and larger families. "Middle income families"  
24 means families whose income does not exceed 150% and not less than  
25 120% of the median income for the area, with adjustments for smaller  
26 and larger families. "Median income" means an income defined as  
27 median within the Standard Metropolitan Statistical Area for Atlantic  
28 City by the United States Department of Housing and Urban  
29 Development.

30 In order to achieve a balanced community, the authority shall  
31 ensure that the development of housing for families of low and  
32 moderate income shall proceed at the same time as housing for families  
33 of median range and middle income, until such time as there is no  
34 longer a need for such facilities in the city of Atlantic City, as  
35 determined by the Casino Reinvestment Development Authority.

36 (4) Notwithstanding any other law or section to the contrary,  
37 particularly this subsection regarding the waiver of the required  
38 percentages for housing in the city of Atlantic City, subsection i. of  
39 section 14, and sections 26, 27, 28, 29, and 31 of this 1984  
40 amendatory and supplementary act, nothing shall be implemented or  
41 waived by the Casino Reinvestment Development Authority which  
42 would reduce, impair, or prevent the fulfillment of the priorities  
43 established and contained in this subsection of this 1984 amendatory  
44 and supplementary act.

45 g. If a person is a licensee with regard to more than one approved  
46 hotel pursuant to section 82 of P.L.1977, c.110 (C.5:12-82), the

1 person shall separately account for the gross revenues, the investment  
2 alternative tax obligations, and the investments for a tax credit against  
3 the investment alternative tax for each approved hotel, and the tax  
4 obligations of the licensee under this section shall be determined  
5 separately for each approved hotel. The licensee may apportion  
6 investments between its approved hotels; provided that no amount of  
7 investment shall be credited more than once. If a licensee receives the  
8 prior approval of the Casino Reinvestment Development Authority, the  
9 licensee may make eligible investments in excess of the investments  
10 necessary to receive a tax credit against the investment alternative tax  
11 for a given calendar year, and the licensee may carry forward this  
12 excess investment and have it credited to its next investment  
13 alternative tax obligation. If the Casino Reinvestment Development  
14 Authority approves of such excess investment and approves the carry  
15 forward of this excess investment, and a licensee elects to purchase  
16 bonds of the Casino Reinvestment Development Authority or makes  
17 direct investments in approved eligible projects in excess of the  
18 investments necessary to receive a tax credit against the investment  
19 alternative tax for its current obligation, the licensee shall be entitled  
20 to a reduction of the amount of investments necessary in future years,  
21 which amount shall be determined annually by the Casino  
22 Reinvestment Development Authority, taking into account a current  
23 market discount rate from the date of the purchase or investment to  
24 the date the purchase or investment would have been required to be  
25 made.

26 h. Each casino licensee shall prepare and file, in a form prescribed  
27 by the Casino Reinvestment Development Authority, an annual return  
28 reporting that financial information as shall be deemed necessary by  
29 the Casino Reinvestment Development Authority to carry out the  
30 provisions of this act. This return shall be filed with the Casino  
31 Reinvestment Development Authority and the Casino Control  
32 Commission on or before April 30 following the calendar year on  
33 which the return is based. The Casino Control Commission shall  
34 verify to the Casino Reinvestment Development Authority the  
35 information contained in the report, to the fullest extent possible.  
36 Nothing in this subsection shall be deemed to affect the due dates for  
37 making any investment or paying any tax under this section.

38 i. Any purchase by a licensee of bonds issued by or offered  
39 through the Casino Reinvestment Development Authority pursuant to  
40 sections 14 and 15 of this act and subsection b. of this section and all  
41 approved eligible investments made by a licensee pursuant to section  
42 25 of this act and subsection b. of this section are to be considered  
43 investments and not taxes owed or grants to the State or any political  
44 subdivision thereof. As such, a licensee shall have the possibility of  
45 the return of principal and a return on the capital invested as with  
46 other investments. Investors in the bonds issued by or offered through

1 the Casino Reinvestment Development Authority shall be provided  
2 with an opinion from a recognized financial rating agency or a financial  
3 advisory firm with national standing that each loan of bond proceeds  
4 by the Casino Reinvestment Development Authority has the minimum  
5 characteristics of an investment, in that a degree of assurance exists  
6 that interest and principal payments can be made and other terms of  
7 the proposed investment be maintained over the period of the  
8 investment, and that the loan of the bond proceeds would qualify for  
9 a bond rating of "C" or better. If an opinion cannot be obtained from  
10 a recognized financial rating agency or a financial advisory firm with  
11 national standing, an opinion shall be obtained from an expert financial  
12 analyst with national standing, selected and hired by the Casino  
13 Reinvestment Development Authority. In order to achieve a balanced  
14 portfolio, assure the viability of the authority and the projects,  
15 facilities and programs undertaken pursuant to this 1984 amendatory  
16 and supplementary act, no more than 25% of the total investments  
17 made by or through the Casino Reinvestment Development Authority  
18 with the proceeds of bonds generated in each year shall be investments  
19 which would qualify for a bond rating of "C," unless all holders of  
20 obligations in each year agree to waive the 25% limit for that year.  
21 Nothing herein shall be interpreted as limiting the Casino Reinvestment  
22 Development Authority from taking any steps it deems appropriate to  
23 protect the characteristics of its investment in projects or any other  
24 investments from not being real investments with a prospect for the  
25 return of principal and a return on the capital invested. Anything  
26 contained in this section shall not be considered a guarantee by the  
27 State or any political subdivision thereof of any return of principal or  
28 interest, but any purchase by a licensee of bonds or approved eligible  
29 investments made by a licensee pursuant to this act shall be at the risk  
30 of the licensee. A licensee or the licensees purchasing an issue of  
31 bonds issued by the Casino Reinvestment Development Authority in  
32 any given year may arrange, at their option, for those bonds or the  
33 investments, made by or through the Casino Reinvestment  
34 Development Authority with the proceeds of those bonds, to be  
35 insured. The cost of any such insurance purchased by a licensee or  
36 licensees shall be paid by the licensee or licensees desiring such  
37 insurance.

38 j. The Casino Reinvestment Development Authority shall  
39 promulgate rules and regulations deemed necessary to carry out the  
40 purposes of this section.

41 k. The obligation of a licensee to pay an investment alternative tax  
42 pursuant to subsection a. of this section shall end for each licensed  
43 facility operated by the licensee 30 years after any investment  
44 alternative tax obligation is first incurred in connection with each  
45 licensed facility operated by the licensee, unless extended in  
46 connection with a deferral granted by the Casino Reinvestment

1 Development Authority pursuant to subsection c. of this section.<sup>1</sup>  
2 (cf: P.L.1995, c.18, s.46)

3

4 <sup>1</sup>[3.] 4.<sup>1</sup> Section 5 of P.L.1984, c.218 (C.5:12-153) is amended to  
5 read as follows:

6 5. a. There is established in, but not of, the Department of the  
7 Treasury a Casino Reinvestment Development Authority to consist of  
8 the following members:

9 (1) Six members appointed by the Governor with the advice and  
10 consent of the Senate for terms of four years, except that of the initial  
11 members to be appointed pursuant to this 1991 amendatory act,  
12 P.L.1991, c.219, one shall be appointed for a term of two years and  
13 one for a term of four years;

14 (2) One member appointed by the Governor upon the  
15 recommendation of the President of the Senate for a term of four  
16 years, except that the initial member to be appointed shall be appointed  
17 for a term of three years;

18 (3) One member appointed by the Governor upon the  
19 recommendation of the Speaker of the General Assembly for a term of  
20 four years, except that the initial member to be appointed shall be  
21 appointed for a term of one year;

22 (4) A member of the Casino Control Commission, who shall be  
23 appointed by the Governor and shall be a voting member of the  
24 authority;

25 (5) The mayor of Atlantic City, ex officio and voting;

26 (6) The Attorney General and the State Treasurer, ex officio and  
27 voting; [and]

28 (7) Two casino industry representatives, both of whom shall be  
29 voting members, appointed by the Governor for terms of two years,  
30 except that of the initial appointees, one shall serve for a term of one  
31 year and one for a term of two years. No person shall be reappointed  
32 to succeed himself as a casino industry representative member, and no  
33 person appointed shall be an employee, officer or agent of the same  
34 casino licensee as the person whom he succeeds as a casino industry  
35 representative member; and

36 (8) One member appointed by the Governor to serve ex officio as  
37 a voting member, who shall be either the Commissioner of the  
38 Department of Commerce and Economic Development or the  
39 Commissioner of the Department of Community Affairs, or the  
40 Governor may appoint, in lieu thereof, an additional member of the  
41 Casino Control Commission as a voting member.

42 No more than four of the voting members appointed by the  
43 Governor pursuant to paragraph (1) of this subsection shall be of the  
44 same political party.

45 In the appointment of members of the authority, consideration  
46 should be given to achieving a membership of high quality and varied

1 experience, with special emphasis on the fields of banking, finance,  
2 investment, and housing and urban development.

3 b. Each member appointed by the Governor shall hold office for  
4 the term of his appointment and until his successor shall have been  
5 appointed and qualified. A member shall be eligible for reappointment.  
6 Any vacancy in the membership occurring other than by expiration of  
7 term shall be filled in the same manner as the original appointment but  
8 for the unexpired term only.

9 c. The member or members of the Casino Control Commission  
10 appointed by the Governor shall serve as a member or members of the  
11 Casino Reinvestment Development Authority at the pleasure of the  
12 Governor, subject to the limitations in subsections c., f., and h. of  
13 section 52 of P.L.1977, c.110 (C.5:12-52). ~~[The]~~Such a member may  
14 be removed or suspended from office as a member of the Casino  
15 Reinvestment Development Authority as provided in section 6 of this  
16 act. Any removal or suspension from office of ~~[the]~~a member of the  
17 Casino Control Commission from the Casino Reinvestment  
18 Development Authority shall not affect his office held as a member of  
19 the Casino Control Commission. Removal from office as a member of  
20 the Casino Control Commission may only be done in accordance with  
21 subsection g. of section 52 of P.L.1977, c.110 (C.5:12-52).

22 (cf: P.L.1993, c.159, s.10)

23

24 <sup>1</sup>~~[4.]~~ 5.<sup>1</sup> Section 7 of P.L.1984, c.218 (C.5:12-155) is amended to  
25 read as follows:

26 7. The Governor shall designate from among the appointed and  
27 voting public members, a chairman and a vice chairman of the Casino  
28 Reinvestment Development Authority, who shall serve in those  
29 capacities at the pleasure of the Governor. The powers of the Casino  
30 Reinvestment Development Authority shall be vested in the members  
31 thereof in office from time to time and ~~[seven]~~eight voting members  
32 of the Casino Reinvestment Development Authority shall constitute a  
33 quorum at any meeting thereof. Action may be taken by motions and  
34 resolutions adopted by the Casino Reinvestment Development  
35 Authority at any meeting thereof by the affirmative vote of at least  
36 ~~[seven]~~eight members of the Casino Reinvestment Development  
37 Authority. No vacancy in the membership of the Casino Reinvestment  
38 Development Authority shall impair the right of a quorum of the  
39 members to exercise all the powers and perform all the duties of the  
40 Casino Reinvestment Development Authority.

41 (cf: P.L.1995, c.18, s.42)

42

43 <sup>1</sup>~~[5.]~~ 6.<sup>1</sup> Section 9 of P.L.1984, c.218(C.5:12-157) is amended to  
44 read as follows:

45 9. The Attorney General and the State Treasurer, and, where  
46 appropriate, the Commissioner of the Department of Commerce and

1 Economic Development or the Commissioner of the Department of  
2 Community Affairs, may designate an officer or employee of [his  
3 department]their respective departments and the Casino Control  
4 Commission member or members on the Casino Reinvestment  
5 Development Authority may designate another commissioner or  
6 employee of the commission to represent them at meetings of the  
7 Casino Reinvestment Development Authority, and each designee may  
8 lawfully vote and otherwise act on behalf of the member for whom he  
9 constitutes the designee. Any designation shall be in writing delivered  
10 to the Casino Reinvestment Development Authority and shall continue  
11 in effect until revoked or amended by writing delivered to the Casino  
12 Reinvestment Development Authority.

13 (cf: P.L.1991, c.219, s.4)

14

15 <sup>1</sup>[6.] 7.<sup>1</sup> (New section) The State of New Jersey hereby  
16 covenants with the purchasers, holders and owners, from time to time,  
17 of any bonds secured by funds derived from fees imposed for the use  
18 of casino parking spaces pursuant to section 3 of P.L.1993, c.159  
19 (C.5:12-173.3) that it shall not repeal or reduce the fee so imposed  
20 under that act, while bonds entitled to benefits from the fee so imposed  
21 are outstanding, and shall not modify or amend the provisions of that  
22 act so as to create any lien or charge on, or any pledge, assignment,  
23 diversion, withholding payment or other use of or deduction from the  
24 fee so imposed which is prior in time or superior in right to any  
25 payments required to be made pursuant to any bond covenants entered  
26 into with the purchasers, holders and owners of the bonds so secured.

27

28 <sup>1</sup>[7.] 8.<sup>1</sup> This act shall take effect immediately.

29

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31

32

33 \_\_\_\_\_  
34 Concerns investments by Casino Reinvestment Development Authority  
in development projects in Atlantic City.