

[Second Reprint]

SENATE, No. 2400

STATE OF NEW JERSEY
219th LEGISLATURE

INTRODUCED MAY 7, 2020

Sponsored by:

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District 3 (Cumberland, Gloucester and Salem)

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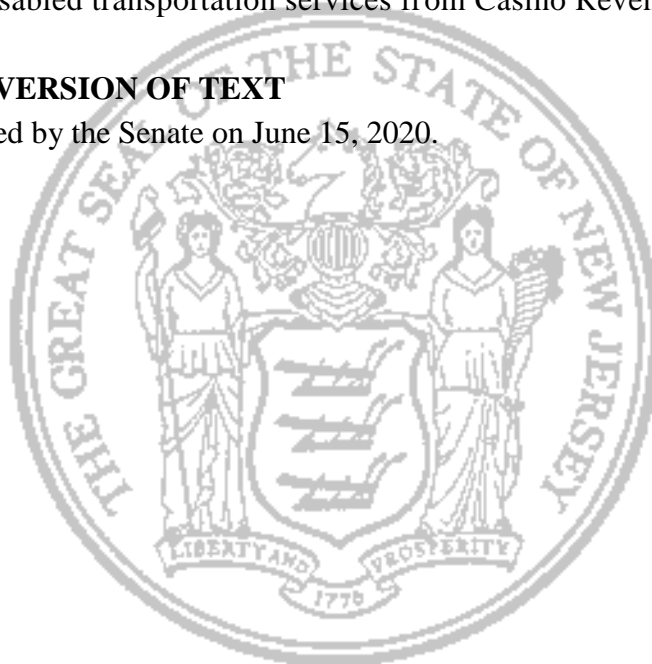
Senator Testa

SYNOPSIS

Provides temporary modifications to payment and use of certain casino gaming taxes and fees; allows deduction of promotional gaming credits and certain coupons from gross revenues; appropriates \$100 million of federal funds to EDA for small business assistance; requires priority funding for senior and disabled transportation services from Casino Revenue Fund.

CURRENT VERSION OF TEXT

As amended by the Senate on June 15, 2020.



(Sponsorship Updated As Of: 6/15/2020)

1 **An Act** concerning ¹**[temporary modifications to the payment and**
 2 use of certain casino gaming taxes and fees due to COVID-19
 3 Public Health Emergency and State of Emergency, and
 4 permanent modifications to the types and taxation of promotional
 5 gaming credits and**]** tax and economic relief for casinos and
 6 small businesses,¹ ²and priority funding for certain programs
 7 funded from the Casino Revenue Fund² and amending P.L.2008,
 8 c.12 ¹**[.]** , ²and P.L.1983, c.578, ²and making an appropriation.¹
 9

10 **BE IT ENACTED** *by the Senate and General Assembly of the State*
 11 *of New Jersey:*
 12

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

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

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

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

Matter underlined thus is new matter.

Matter enclosed in superscript numerals has been adopted as follows:

¹Senate SBA committee amendments adopted June 11, 2020.

²Senate floor amendments adopted June 15, 2020.

2. Notwithstanding the provisions of the “Casino Control Act,” P.L.1977, c.110 (C.5:12-1 et seq.), or any law, rule, or regulation to the contrary, any surplus funds held by the Division of Gaming Enforcement in the Casino Control Fund, or held by the division due to an overpayment of the investment alternative tax imposed pursuant to section 3 of P.L.1984, c.218 (C.5:12-144.1) in the case of a downward adjustment of a casino licensee’s audited gross revenues, shall be returned to each casino licensee in proportion to the licensee’s share of the surplus or overpayment, if any, within five business days following the effective date of this act, P.L. , c. (pending before the Legislature as this bill), and then, for the six months following the effective date of this act, within 30 days following the end of each fiscal quarter, to mitigate the impacts on the casino licensee due to the COVID-19 Public Health Emergency and State of Emergency declared by the Governor in Executive Order No. 103 of 2020.

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

The Casino Reinvestment Development Authority may use or redirect any funds under its purview, notwithstanding that such funds may be dedicated to other purposes, to replace the amounts from the minimum charge or fee for the payment of any bonds secured by proceeds from such charges or fees.²

²4. ^{3.} Notwithstanding the provisions of the “Casino Control Act,” P.L.1977, c.110 (C.5:12-1 et seq.), section 6 of P.L.2003, c.116 (C.5:12-145.8), or any other law, rule, or regulation to the contrary, the fee of \$3 per day imposed on each hotel room in a casino hotel facility that is occupied by a guest, for consideration or as a complimentary item, shall be waived commencing on the effective date of this act, P.L. , c. (pending before the Legislature as this bill) through December 31, 2020. The fee shall be imposed again commencing January 1, 2021 and thereafter. The Casino Reinvestment Development Authority may use or redirect any funds under its purview, notwithstanding that such funds may be dedicated to other purposes, to replace the amounts from the

1 hotel room fee for the payment of any bonds secured by the fee's
2 proceeds.

3
4 ²**[5.**Notwithstanding the provisions of P.L.1991, c.376 (C.40:48-
5 8.45 et seq.), or any other law, rule, or regulation to the contrary,
6 the fee of \$2 per day for each occupied room in the case of any
7 hotel in the eligible municipality which provides casino gaming,
8 and the fee of \$1 per day for each occupied room in the case of the
9 other hotels or transient accommodations in the eligible
10 municipality shall be waived commencing on the effective date of
11 this act, P.L. , c. (pending before the Legislature as this bill)
12 through December 31, 2020. The fees shall be imposed again
13 commencing January 1, 2021 and thereafter.]²

14
15 ²**[6.]** ^{4.}² a. Notwithstanding the provisions of the "Casino
16 Control Act," P.L.1977, c.110 (C.5:12-1 et seq.), or any law, rule,
17 or regulation to the contrary, a casino licensee reopening a casino
18 property following the property's closure due to the COVID-19
19 Public Health Emergency and State of Emergency declarations
20 issued by the Governor under Executive Order No. 103 of 2020,
21 shall be entitled during the ²**[24-month]** 12-month² period
22 commencing on the date that the casinos are permitted to reopen
23 after the declarations and ending on the last day of the ²**[24th]**
24 12th² month thereafter to receive a reduction in their tax liability on
25 the ²**[8]** eight² percent tax on gross revenues, as that term is defined
26 in section 24 of P.L.1977, c.110 (C.5:12-24) and imposed under
27 section 144 of P.L.1977, c.110 (C.5:12-144), and on the investment
28 alternative tax on such gross revenues imposed under section 3 of
29 P.L.1984, c.218 (C.5:12-144.1). The reduced tax liability required
30 to be provided under this act, P.L. , c. (pending before the
31 Legislature as this bill), shall be calculated in accordance with
32 subsection b. of this section, and shall be subject to the provisions
33 specified under subsection c. of this section.

34 b. A casino licensee reopening a casino property following its
35 closure due to the emergency declarations as provided under
36 subsection a. of this section shall be entitled to a reduction of the
37 licensee's gross revenues tax and investment alternative tax
38 liabilities on a monthly basis, which obligations shall be calculated
39 subject to rounding, as follows:

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

44 (2) for each calendar month in which the gross revenues are at
45 least 25 percent and not more than 49 percent of the gross revenues
46 for the same calendar month immediately prior to March 1, 2020,
47 the gross revenues tax and investment alternative tax obligations

1 shall be 25 percent of the full amounts that would normally be due
2 for each tax;

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

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

15 The reductions in the tax liabilities enumerated under paragraphs
16 (1) through (4) of this subsection shall not apply in each calendar
17 month in which the gross revenues are 100 percent or more of the
18 gross revenues for the same calendar month immediately prior to
19 March 1, 2020, in which case the gross revenues tax and investment
20 alternative tax obligations shall be the full amounts that would
21 normally be due for each tax.

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

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

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

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

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

39 A casino licensee's failure to submit the report required under
40 this subsection shall deem the licensee ineligible to receive the
41 reduced tax liabilities under this act.

42

43 ²**[7.] 5.**² Section 1 of P.L.2008, c.12 (C.5:12-38a) is amended
44 to read as follows:

45 1. "Promotional gaming credit" - A slot machine credit, sports
46 wagering credit, match play coupon, table game wager coupon, or
47 other item approved by the division that is issued by a licensee to a
48 patron for the purpose of enabling the placement of a wager at a slot
49 machine, a gaming table, or in a sports pool in the licensee's casino

1 or through the licensee's Internet gaming system. No such credit
2 shall be reported as a promotional gaming credit unless the casino
3 licensee can establish that the credit was issued by the casino
4 licensee and received from a patron as a wager at a slot machine,
5 a gaming table, or in a sports pool in the licensee's casino or
6 Internet gaming system.
7 (cf: P.L.2018, c.33, s.13)

8
9 ²**[8.] 6.**² Section 2 of P.L.2008, c.12 (C.5:12-144.2) is
10 amended to read as follows:

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

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

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

46 d. **[(1)]** The division shall establish, by regulation, procedures to
47 ensure that the promotional gaming credit deduction established

1 pursuant to this section does not result in a negative fiscal impact to
2 the Casino Revenue Fund. If necessary, the division may reduce the
3 value of the available deduction to eliminate any negative fiscal
4 impact to the Casino Revenue Fund attributable solely to the
5 deduction and not to other economic or other factors that cause a
6 negative fiscal impact to the Casino Revenue Fund.

7 (2) For the purposes of this subsection, "negative fiscal impact
8 to the Casino Revenue Fund" shall mean that the amount generated
9 from taxation of promotional gaming credits falls below the level
10 generated in calendar year 2007. **1** (Deleted by amendment, P.L. ,
11 c.) (pending before the Legislature as this bill)
12 (cf: P.L.2011, c.19, s.100)

13
14 **²[9.] 7.²** Notwithstanding the provisions of the "Casino
15 Control Act," P.L.1977, c.110 (C.5:12-1 et seq.), or any law, rule,
16 or regulation to the contrary, the Casino Reinvestment Development
17 Authority, established under P.L.1984, c.218 (C.5:12-153 et seq.),
18 shall commit any available funds in that agency's general fund to
19 the purpose of undertaking a marketing campaign to assist in
20 returning Atlantic City's tourism and gaming activities to their
21 levels prior to the Public Health Emergency and State of Emergency
22 declarations issued by the Governor under Executive Order No. 103
23 of 2020 due to the COVID-19 pandemic. The Casino Reinvestment
24 Development Authority shall include input from the casino industry
25 in developing the marketing campaign required to be conducted
26 under this section which shall commence immediately upon the
27 effective date of this act, P.L. , c. (pending before the
28 Legislature as this bill), and shall continue through June 30, 2021.
29 Nothing in this section shall be interpreted to impair the distribution
30 of any funds otherwise committed under this act, statutorily
31 obligated or pledged by the authority for other purposes, the
32 payment of bonds issued by it or otherwise contractually obligated
33 by the authority, or any bonds issued to refund those bonds.

34
35 **²[10.] 8.²** Nothing in this act, P.L. , c. (pending before the
36 Legislature as this bill) shall affect the tax liabilities imposed on
37 any amount received by a casino from casino simulcasting pursuant
38 to the "Casino Simulcasting Act," P.L.1992, c.19 (C.5:12-191 et
39 al.), from Internet gaming pursuant to section 17 of P.L.2013, c.27
40 (C.5:12-95.19), or from sports wagering pursuant to P.L.2018, c.33
41 (C.5:12A-10 et al.).

42
43 **²[11.] 9.²** There is appropriated from the General Fund to the
44 New Jersey Economic Development Authority the sum of \$100
45 million from a portion of those federal block grant funds allocated
46 to the State from the federal "Coronavirus Relief Fund," established
47 pursuant to the federal "Coronavirus Aid, Relief, and Economic
48 Security Act," Pub.L.116-136, for use by the authority to provide

1 financial support, such as loans or grants, to small businesses for
2 the costs associated with business operation interruptions caused by
3 any State-required closures due to the impacts of the COVID-19
4 pandemic.¹

5
6 ²10. Section 4 of P.L.1983, c.578 (C.27:25-28) is amended to
7 read as follows:

8 4. a. The board shall establish and administer a program to be
9 known as "The Senior Citizen and Disabled Resident Transportation
10 Assistance Program" for the following purposes:

11 (1) To assist counties to develop and provide accessible feeder
12 transportation service to accessible fixed-route transportation
13 services where such services are available, and accessible local
14 transit service to senior citizens and the disabled, which may
15 include but not be limited to door-to-door service, fixed route
16 service, local fare subsidy, and user-side subsidy, which may
17 include but not be limited to private ride or taxi fare subsidy; and to
18 coordinate the activities of the various participants in this program
19 in providing the services to be rendered at the county level and
20 between counties; and

21 (2) To enable the corporation to develop, provide and maintain
22 capital improvements that afford accessibility to fixed route and
23 other transit services in order to make rail cars, rail stations, bus
24 shelters and other bus equipment accessible to senior citizens and
25 the disabled; to render technical information and assistance to
26 counties eligible for assistance under this act; and to coordinate the
27 program within and among counties.

28 b. In the State fiscal year beginning July 1 following the
29 effective date of P.L.2009, c.261 and in each fiscal year thereafter,
30 there shall be appropriated to the corporation from the revenues
31 deposited in the Casino Revenue Fund established pursuant to
32 section 145 of P.L.1977, c.110 (C.5:12-145) a sum equal to 8.5% of
33 the revenues deposited in the fund during the preceding fiscal year,
34 as determined by the State Treasurer, to effectuate the purposes and
35 provisions of P.L.1983, c.578 (C.27:25-25 et seq.).

36 Notwithstanding the provisions of any other law, rule, or
37 regulation to the contrary, for the State Fiscal Year 2021,
38 appropriations to the corporation from the revenues deposited in the
39 Casino Revenue Fund shall be given priority to ensure that the
40 corporation receives an amount equal to 8.5% of the revenues
41 deposited in the fund during the State Fiscal Year 2019, as
42 determined by the State Treasurer, to effectuate the purposes and
43 provisions of P.L.1983, c.578 (C.27:25-25 et seq.).²

44 (cf: P.L.2009, c.261, s.1)

45
46 ¹[11.]²[12.1] 11.² This act shall take effect immediately.