SENATE CONCURRENT RESOLUTION No. 1

STATE OF NEW JERSEY

217th LEGISLATURE

INTRODUCED JANUARY 12, 2016

Sponsored by:
Senator PAUL A. SARLO
District 36 (Bergen and Passaic)
Senator STEPHEN M. SWEENEY
District 3 (Cumberland, Gloucester and Salem)

Co-Sponsored by:
Senators Weinberg and Gordon

SYNOPSIS
Proposes constitutional amendment to authorize Legislature to permit by law establishment and operation of casinos in certain counties.

CURRENT VERSION OF TEXT
As introduced.
A CONCURRENT RESOLUTION proposing to amend Article IV, Section VII, paragraph 2 of the New Jersey Constitution.

BE IT RESOLVED by the Senate of the State of New Jersey (the General Assembly concurring):

1. The following proposed amendment to the Constitution of the State of New Jersey is hereby agreed to:

PROPOSED AMENDMENT

Amend Article IV, Section VII, paragraph 2 to read as follows:

2. No gambling of any kind shall be authorized by the Legislature unless the specific kind, restrictions and control thereof have been heretofore submitted to, and authorized by a majority of the votes cast by, the people at a special election or shall hereafter be submitted to, and authorized by a majority of the votes cast thereon by, the legally qualified voters of the State voting at a general election, except that, without any such submission or authorization:

A. It shall be lawful for bona fide veterans, charitable, educational, religious or fraternal organizations, civic and service clubs, senior citizen associations or clubs, volunteer fire companies and first-aid or rescue squads to conduct, under such restrictions and control as shall from time to time be prescribed by the Legislature by law, games of chance of, and restricted to, the selling of rights to participate, the awarding of prizes, in the specific kind of game of chance sometimes known as bingo or lotto, played with cards bearing numbers or other designations, 5 or more in one line, the holder covering numbers as objects, similarly numbered, are drawn from a receptacle and the game being won by the person who first covers a previously designated arrangement of numbers on such a card, when the entire net proceeds of such games of chance are to be devoted to educational, charitable, patriotic, religious or public-spirited uses, and in the case of bona fide veterans' organizations and senior citizen associations or clubs to the support of such organizations, in any municipality, in which a majority of the qualified voters, voting thereon, at a general or special election as the submission thereof shall be prescribed by the Legislature by law, shall authorize the conduct of such games of chance therein;

B. It shall be lawful for the Legislature to authorize, by law, bona fide veterans, charitable, educational, religious or fraternal organizations, civic and service clubs, senior citizen associations or clubs, volunteer fire companies and first-aid or rescue squads to conduct games of chance of, and restricted to, the selling of rights

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.
to participate, and the awarding of prizes, in the specific kinds of
games of chance sometimes known as raffles, conducted by the
drawing for prizes or by the allotment of prizes by chance, when the
entire net proceeds of such games of chance are to be devoted to
educational, charitable, patriotic, religious or public-spirited uses,
and in the case of bona fide veterans’ organizations and senior
citizen associations or clubs to the support of such organizations, in
any municipality, in which such law shall be adopted by a majority
of the qualified voters, voting thereon, at a general or special
election as the submission thereof shall be prescribed by law and
for the Legislature, from time to time, to restrict and control, by
law, the conduct of such games of chance;

C. It shall be lawful for the Legislature to authorize the conduct
of State lotteries restricted to the selling of rights to participate
therein and the awarding of prizes by drawings when the entire net
proceeds of any such lottery shall be for State institutions and State
aid for education; provided, however, that it shall not be competent
for the Legislature to borrow, appropriate or use, under any pretense
whatsoever, lottery net proceeds for the confinement, housing,
supervision or treatment of, or education programs for, adult
criminal offenders or juveniles adjudged delinquent or for the
construction, staffing, support, maintenance or operation of an adult
or juvenile correctional facility or institution;

D. (1) It shall be lawful for the Legislature to authorize by law
the establishment and operation, under regulation and control by the
State, of gambling houses or casinos within the boundaries, as
heretofore established, of the city of Atlantic City, county of
Atlantic, and to license and tax such operations and equipment used
in connection therewith. Any law authorizing the establishment and
operation of such gambling establishments shall provide for the
State revenues derived therefrom to be applied solely for the
purpose of providing funding for reductions in property taxes,
rental, telephone, gas, electric, and municipal utilities charges of
eligible senior citizens and disabled residents of the State, and for
additional or expanded health services or benefits or transportation
services or benefits to eligible senior citizens and disabled
residents, in accordance with such formulae as the Legislature shall
by law provide. The type and number of such casinos or gambling
houses and of the gambling games which may be conducted in any
such establishment shall be determined by or pursuant to the terms
of the law authorizing the establishment and operation thereof.

(2) It shall also be lawful for the Legislature to authorize by law
wagering at casinos or gambling houses in Atlantic City on the
results of any professional, college, or amateur sport or athletic
event, except that wagering shall not be permitted on a college sport
or athletic event that takes place in New Jersey or on a sport or
athletic event in which any New Jersey college team participates
regardless of where the event takes place.
(3) (a) It shall also be lawful for the Legislature to authorize by law the establishment and operation, under regulation and control by the State, of no more than two gambling houses or casinos, each one to be located in different counties of this State, and to license and tax such operations and equipment used in connection therewith. The boundaries of each municipality in which each gambling house or casino is located shall be partially or completely outside a 72 mile radius calculated from the outermost boundary, as heretofore established, of the city of Atlantic City in the county of Atlantic.

(b) (i) Any law authorizing the establishment and operation of such gambling establishments shall provide that, in the first State fiscal year in which State revenues are derived under part (3) of subparagraph D. of this paragraph, those State revenues shall be credited to a special account and dedicated for the purposes specified under part (1) of subparagraph D. of this paragraph and shall be used for those purposes.

(ii) Any law authorizing the establishment and operation of such gambling establishments shall provide that, commencing in the second State fiscal year in which State revenues are derived under part (3) of subparagraph D. of this paragraph and thereafter, State revenues derived under part (1) and part (3) of subparagraph D. of this paragraph shall be credited to a special New Jersey Investment Fund. The revenues credited to the investment fund in each State fiscal year shall be applied solely as follows.

Two percent of the amount so credited in each State fiscal year first shall be dedicated as State aid with each half of the two percent allocated to the locality in which each of the two gambling establishments is located and operating. Locality shall mean the host municipality, county, or both.

Then, there shall be the following incremental allocations for each State fiscal year. The remaining revenues credited to the investment fund in each State fiscal year up to $150,000,000 shall be dedicated 50 percent for the purposes of the recovery, stabilization, or improvement of the city of Atlantic City, and 50 percent for the following purposes: 60 percent for the purposes specified under part (1) of subparagraph D. of this paragraph to be used for those purposes, and 40 percent for State aid to each county and municipality in the State for programs and property tax relief for senior citizens and disabled residents and for such other purposes as the Legislature shall by law provide.

Then, remaining revenues credited to the investment fund in each State fiscal year up to an additional $150,000,000 shall be dedicated 40 percent for the purposes of the recovery, stabilization, or improvement of the city of Atlantic City, and 60 percent for the following purposes: 60 percent for the purposes specified under part (1) of subparagraph D. of this paragraph to be used for those purposes, and 40 percent for State aid to each county and
municipality in the State for programs and property tax relief for
senior citizens and disabled residents and for such other purposes as
the Legislature shall by law provide.

Then, remaining revenues credited to the investment fund in each
State fiscal year up to an additional $150,000,000 shall be dedicated
30 percent for the purposes of the recovery, stabilization, or
improvement of the city of Atlantic City, and 70 percent for the
following purposes: 60 percent for the purposes specified under part
(1) of subparagraph D. of this paragraph to be used for those
purposes, and 40 percent for State aid to each county and
municipality in the State for programs and property tax relief for
senior citizens and disabled residents and for such other purposes as
the Legislature shall by law provide.

Then, remaining additional revenues credited to the investment
fund in each State fiscal year shall be dedicated 20 percent for the
purposes of the recovery, stabilization, or improvement of the city
of Atlantic City, and 80 percent for the following purposes: 60
percent for the purposes specified under part (1) of subparagraph D.
of this paragraph to be used for those purposes, and 40 percent for
State aid to each county and municipality in the State for programs
and property tax relief for senior citizens and disabled residents and
for such other purposes as the Legislature shall by law provide.

Commencing in the 17th State fiscal year and for the next
subsequent nine State fiscal years, the percentages dedicated above
for the purposes of the recovery, stabilization, or improvement of
the city of Atlantic City shall decrease by, and the percentage
dedicated above for the purposes specified under part (1) of
subparagraph D. of this paragraph, for State aid to each county and
municipality in the State for programs and property tax relief for
senior citizens and disabled residents, and for such other purposes
as the Legislature shall by law provide shall increase by, the same
number of percentage points from the prior State fiscal year
percentage, to achieve a final dedication of 10 percent/90 percent, 8
percent/92 percent, 6 percent/94 percent, and 4 percent/96 percent,
respectively, for each of the four incremental allocations of the
remaining revenues credited to the investment fund, and shall
remain at those levels for each State fiscal year thereafter.

Of the percentage of revenues from the investment fund
dedicated for State aid to each county and municipality in the State
for programs and property tax relief for senior citizens and disabled
residents and for such other purposes as the Legislature shall by law
provide, not less than two percentage points in each State fiscal year
shall be dedicated for the purposes of programs designed to aid the
thoroughbred and standardbred horsemen in this State.

Notwithstanding the dedications above, the total amount
dedicated in each State fiscal year for the purposes of the recovery,
stabilization, or improvement of the city of Atlantic City shall not
exceed one third of the total revenues credited to the investment
fund in each State fiscal year. Any amounts allocated pursuant to the dedications in (b) (ii) in excess of this limitation shall be reallocated for the purposes specified under part (1) of subparagraph D. of this paragraph.

If in any State fiscal year the allocations of revenue pursuant to the dedications in (b) (ii) for the purposes specified under part (1) of subparagraph D. of this paragraph are less than the amount of State revenues derived under and for the purposes specified in part (1) of subparagraph D. of this paragraph in State fiscal year 2015, the amounts allocated to all other purposes shall be proportionately reduced by an amount not exceeding the difference between the amount of State revenues derived under and for the purposes specified in part (1) of subparagraph D. of this paragraph in State fiscal year 2015 and the amount allocated pursuant to the dedications in (b) (ii) for the purposes specified under part (1) of subparagraph D. of this paragraph.

(c) The eligibility for each initial license to establish a gambling house or casino under part (3) of subparagraph D. of this paragraph shall be limited to persons whose majority equity owners: a) are holders of a New Jersey casino license that were operating a casino which was conducting gambling as of the date of passage by the Legislature of the concurrent resolution that proposed the amendment that added part (3) of subparagraph D. of this paragraph to this Constitution; or b) were principal owners of a holder of a New Jersey casino license that was operating a casino which was conducting gambling as of the date of passage by the Legislature of the concurrent resolution that proposed the amendment that added part (3) of subparagraph D. of this paragraph to this Constitution, if that principal owner or subsidiary also holds a valid license to own and operate a casino in another jurisdiction with licensing standards similar to those in New Jersey. A principal owner shall mean any person who, directly or indirectly, owns 50 percent or more of a holder of a New Jersey casino license that was operating a casino which was conducting gambling as of the date of passage by the Legislature of the concurrent resolution that proposed the amendment that added part (3) of subparagraph D. of this paragraph to this Constitution.

(d) If a person described under (c) above does not apply for a license within 180 days following the date on which the licensing entity indicates that applications are being accepted, or does apply but fails to meet certain progress requirements that shall be prescribed by law, within the time periods that shall be prescribed by law, toward the establishment and operation of a gambling house or casino, any person may apply for that license in accordance with law.

(e) An application for a license to establish a gambling house or casino shall be approved only if the applicant commits to and makes an investment of at least $1,000,000,000 in the acquisition,
construction, and development of the facility, which amount shall
be ascertained as provided by law, in which the gambling house or
casino is located prior to the commencement of gambling
operations in that facility;
(f) The location and type of such casinos or gambling houses,
and of the gambling games which may be conducted in any such
establishment, shall be determined by or pursuant to the terms of
the law authorizing the establishment and operation thereof.
E. It shall be lawful for the Legislature to authorize, by law, (1)
the simultaneous transmission by picture of running and harness
horse races conducted at racetracks located within or outside of this
State, or both, to gambling houses or casinos in the city of Atlantic
City and (2) the specific kind, restrictions and control of wagering
at those gambling establishments on the results of those races. The
State's share of revenues derived therefrom shall be applied for
services to benefit eligible senior citizens as shall be provided by
law; and
F. It shall be lawful for the Legislature to authorize, by law, the
specific kind, restrictions and control of wagering on the results of
live or simulcast running and harness horse races conducted within
or outside of this State. The State's share of revenues derived
therefrom shall be used for such purposes as shall be provided by
law.
It shall also be lawful for the Legislature to authorize by law
wagering at current or former running and harness horse racetracks
in this State on the results of any professional, college, or amateur
sport or athletic event, except that wagering shall not be permitted
on a college sport or athletic event that takes place in New Jersey or
on a sport or athletic event in which any New Jersey college team
participates regardless of where the event takes place.
(cf: Art. IV, Sec. VII, par. 2; amended effective December 5, 2013)
2. When this proposed amendment to the Constitution is finally
agreed to pursuant to Article IX, paragraph 1 of the Constitution, it
shall be submitted to the people at the next general election
occurring more than three months after the final agreement and
shall be published at least once in at least one newspaper of each
county designated by the President of the Senate, the Speaker of the
General Assembly and the Secretary of State, not less than three
months prior to the general election.

3. This proposed amendment to the Constitution shall be
submitted to the people at that election in the following manner and
form:
There shall be printed on each official ballot to be used at the
general election, the following:
a. In every municipality in which voting machines are not used,
a legend which shall immediately precede the question as follows:
If you favor the proposition printed below make a cross (X), plus (+), or check (✓) in the square opposite the word "Yes." If you are opposed thereto make a cross (X), plus (+) or check (✓) in the square opposite the word "No."

b. In every municipality the following question:

<table>
<thead>
<tr>
<th>YES</th>
<th>CONSTITUTIONAL AMENDMENT TO PERMIT CASINO GAMBLING IN TWO COUNTIES OTHER THAN ATLANTIC COUNTY</th>
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<tbody>
<tr>
<td></td>
<td>Do you approve amending the Constitution to permit casino gambling in two additional counties in this State? At present, casino gambling is allowed only in Atlantic City in Atlantic County. Only one casino in each of the two counties would be permitted. Each casino is to be located in a town that is at least 72 miles from Atlantic City. The amendment would allow certain persons to apply first for a casino license.</td>
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</table>
INTERPRETIVE STATEMENT

At present, casino gambling is allowed only in Atlantic City in Atlantic County. This amendment would allow the Legislature to pass laws to permit casino gambling to take place in two other counties in this State.

Only one casino in each of the two counties would be permitted. Each casino is to be located in a town that is at least 72 miles from Atlantic City. The amendment would allow certain persons to apply first for a casino license.

The laws passed by the Legislature would provide for the location and type of casinos and the licensing and taxing of the operation and equipment.

The amendment provides that the State’s share of revenue from the operation of the two casinos and of the casinos in Atlantic City would be used for programs and property tax relief for senior citizens and disabled residents. It would also be used for the recovery, stabilization, or improvement of Atlantic City and other purposes as provided by law. Lesser portions would be used to aid the thoroughbred and standardbred horsemen in this State and each town and county in which a casino is located.

STATEMENT

Under current law, casino gambling is permitted only in Atlantic City in Atlantic County. This concurrent resolution proposes an amendment to the State Constitution to allow the Legislature to pass laws to permit the establishment and operation, under regulation and control by the State, of casinos in two other counties of this State. No more than two casinos would be permitted and only one casino in each of the two counties would be permitted. Also, each casino is to be located in a municipality that is at least 72 miles from Atlantic City.

The eligibility for each initial license to establish a new casino would be limited to persons whose majority equity owners: a) are holders of a New Jersey casino license that were operating a casino which was conducting gambling as of the date of passage by the Legislature of this concurrent resolution; or b) were principal
owners of a holder of a New Jersey casino license that was
operating a casino which was conducting gambling as of the date of
passage, if that principal owner or subsidiary also holds a valid
license to own and operate a casino in another jurisdiction with
licensing standards similar to those in New Jersey. A principal
owner would mean any person who, directly or indirectly, owns 50
percent or more of a holder of a New Jersey casino license that was
operating a casino which was conducting gambling as of the date of
passage.

If a person described above does not apply for a license within
180 days following the date on which the licensing entity indicates
that applications are being accepted, or applies but fails to meet
certain progress requirements that will be prescribed by law toward
the establishment and operation of a gambling house or casino, any
person may apply for that license in accordance with law.

An applicant for a license to establish a casino would be
approved only if the applicant commits to and makes an investment
of at least $1 billion in the acquisition, construction, and
development of the facility in which the casino is located prior to
the commencement of gambling operations.

The law would determine the location and type of such casinos
and of the gambling games which may be conducted. The law
would also determine the tax rate to be levied upon the gross
gaming revenues derived from the gambling operations.

In the first State fiscal year in which State revenues are derived
from the new casinos, those State revenues would be credited to a
special account to be used for the same purposes as State revenues
from Atlantic City casinos are currently applied.

In the second State fiscal year in which State revenues from the
new casinos are derived and thereafter, the State revenues derived
from the new casinos and from the Atlantic City casinos would be
credited to a special New Jersey Investment Fund. Two percent of
the amount so credited in each State fiscal year first would be
dedicated as State aid, with each half of the two percent allocated to
the locality in which each of the two gambling establishments are
located and operating. Locality would mean the host municipality,

Then, the proposed amendment would dedicate for each State
fiscal year the remaining revenues in the investment fund for the
purposes of the recovery, stabilization, or improvement of the city
of Atlantic City, for the same purposes as the State revenues from
Atlantic City casinos are currently applied, for State aid to each
county and municipality in the State for programs and property tax
relief for senior citizens and disabled residents, and for such other
purposes as the Legislature shall by law provide. The proposed
amendment specifies the percentages dedicated for those purposes
for the first 15 State fiscal years.
Commencing in the 17th State fiscal year and for the next subsequent nine State fiscal years, the percentages dedicated for those purposes would change over the course of 10 State fiscal years, and then would remain at those levels for each State fiscal year thereafter.

Notwithstanding the dedications, the total amount dedicated in each state fiscal year for the purposes of the recovery, stabilization, or improvement of the city of Atlantic City would not exceed one third of the total credited to the investment fund in each State fiscal year.

Of the percentage of revenues dedicated from the investment fund for State aid to each county and municipality in the State for programs and property tax relief for senior citizens and disabled residents and for such other purposes as the Legislature shall by law provide, not less than two percentage points in each State fiscal year would be dedicated for programs designed to aid the thoroughbred and standardbred horsemen in this State.