ASSEMBLY, No. 612

STATE OF NEW JERSEY

219th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2020 SESSION

Sponsored by:
Assemblyman RALPH R. CAPUTO
District 28 (Essex)
Assemblyman GARY S. SCHAER
District 36 (Bergen and Passaic)

Co-Sponsored by:
Assemblyman McKeon, Assemblywomen Quijano, Tucker and Assemblyman Johnson

SYNOPSIS

Permits State Lottery Commission to authorize video lottery terminals at Meadowlands horse racetrack, subject to voter approval.

CURRENT VERSION OF TEXT

Introduced Pending Technical Review by Legislative Counsel.

AN ACT providing for lottery games using video lottery terminals at the Meadowlands horse racetrack, subject to voter approval, amending and supplementing various parts of the statutory law, and repealing P.L.1983, c.80.

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

1. (New section) a. The State Lottery Commission, established pursuant to section 5 of P.L.1970, c.13 (C.5:9-5) may authorize lottery games using video lottery terminals at a racetrack facility that is part of the meadowlands complex as defined in subsection d. of section 3 of P.L.1971, c.137 (C.5:10-3). The commission shall enter into an agreement with the New Jersey Sports and Exposition Authority, established pursuant to section 4 of P.L.1971, c.137 (C.5:10-4), for the facility or facilities necessary or desirable to conduct games using video lottery terminals authorized under this section. Revenue generated from the establishment of video lottery terminals shall be deposited into the Video Lottery Terminal Fund, established pursuant to section 2 of this act, P.L. , c. (C.) (pending before the Legislature as this bill).

b. Prior to the establishment of video lottery terminals pursuant to subsection a. of this section, the State Lottery Commission shall conduct a study to determine the optimal number of video lottery terminals to be established, any capital costs associated with the establishment of the optimal number of video lottery terminals, and revenue projections for the video lottery terminals.

2. (New section) There is hereby created in the Department of the Treasury a non-lapsing revolving fund to be known as the "Video Lottery Terminal Fund," to be held separate and apart from all other funds of the State, and to be deposited in such depositories as the State Treasurer may select.

Such fund shall consist of all revenues received from the establishment of video lottery terminals authorized pursuant to section 1 of this act, P.L. , c. (C.) (pending before the Legislature as this bill). All earnings received from the investment or deposit of moneys in the fund shall be credited to the fund.

The moneys in the Video Lottery Terminal Fund shall be appropriated only (a) for the payment of prizes to the holders of winning video lottery tickets or shares, (b) for the expenses of the division in its operation of games using video lottery terminals, (c) for transfer to the "Horse Racing Special Fund," as provided by section 3 of this act, P.L. , c. (C.) (pending before the Legislature as this bill), (d) for payment to the New Jersey Sports

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 <u>thus</u> is new matter.

and Exposition Authority for its administrative expenses relating to the video lottery terminal project, and (e) for such other purposes as may be provided by law.

On or about March 15 and September 15 of each year, the State Treasurer shall publish in at least 10 newspapers circulating generally in the State a report accounting for the total revenues received in the Video Lottery Terminal Fund and the specific amounts of money appropriated therefrom for specific expenditures during the preceding six months ending December 31 and June 30.

3. (New section) a. The New Jersey Racing Commission shall establish and administer a separate fund to be known as the "Horse Racing Special Fund," into which shall be transferred monthly from the Video Lottery Terminal Fund established pursuant to section 2 of this act, P.L. , c. (C.) (pending before the Legislature as this bill) 18 percent of the revenues received from the establishment of video lottery terminals for allocation by the commission to the benefit of the horse racing industry. Money deposited into the fund shall be disbursed monthly by the New Jersey Racing Commission and used as provided in subsection b. of this section.

b. The proceeds allocated to the benefit of the horse racing industry shall be distributed as follows: 41.7 percent to permit holders conducting thoroughbred racing pursuant to P.L.1940, c.17 (C.5:5-22 et seq.) for the purpose of supplementing purses, 41.7 percent to permit holders conducting standardbred racing pursuant to P.L.1940, c.17 (C.5:5-22 et seq.) for the purpose of supplementing purses, 8.3 percent for thoroughbred breeding and development and 8.3 percent for the Sire Stakes Program established pursuant to section 1 of P.L.1971, c.85 (C.5:5-91).

4. Section 2 of P.L.1970, c.13 (C.5:9-2) is amended to read as follows:

2. This act is enacted to implement the amendment of Article IV, Section VII, paragraph 2, of the Constitution of New Jersey, approved by the people in the general election of November, 1969, and to carry out the mandate thereof by establishing a lottery to be operated by the State, the entire net proceeds of which are to be used for State institutions and State aid for education <u>, and to implement P.L. , c. (C.) (pending before the Legislature as this bill), establishing video lottery terminals</u>.

(cf: P.L.1970, c.13, s.2)

5. Section 3 of P.L.1970, c.13 (C.5:9-3) is amended to read as follows:

3. For the purposes of this act:

a. "Commission" shall mean the State Lottery Commission established by this act.

b. "Division" shall mean the Division of the State Lottery created by this act.

c. "Lottery" or "State lottery" shall mean the lottery established and operated pursuant to this act.

d. "Director" shall mean the Director of the Division of the State Lottery.

e. “Video lottery terminals” shall mean the type of lottery games authorized to be operated at a racetrack facility that is part of the meadowlands complex, as defined in subsection d. of section 3 of P.L.1971, c.137 (C.5:10-3), pursuant to section 1 of P.L. , c. (C.) (pending before the Legislature as this bill).

(cf: P.L.1970, c.13, s.3)

6. Section 7 of P.L.1970, c.13 (C.5:9-7) is amended to read as follows:

7. The commission shall have the power, and it shall be its duty:

a. After full and thorough study of the report and recommendations of the State Lottery Planning Commission established pursuant to Joint Resolution Number 11, approved November 20, 1969, and such other pertinent information as may be available, to promulgate such rules and regulations governing the establishment and operation of a State lottery as it deems necessary and desirable in order that the mandate of the people expressed in their approval of the amendment to Article IV, Section VII, paragraph 2, of the Constitution in the general election of November, 1969, may be fully implemented, in order that such a lottery shall be initiated at the earliest feasible and practicable time, and in order that such lottery shall produce the maximum amount of net revenues for State institutions and State aid for education consonant with the dignity of the State and the general welfare of the people.

The commission shall also promulgate rules and regulations governing the establishment and operation of video lottery terminals, authorized pursuant to section 1 of P.L. , c. (C.) (pending before the Legislature as this bill).

Such rules and regulations may include, but shall not be limited to, the following:

(1) The type of lottery to be conducted.

(2) The price, or prices, of tickets or shares in the lottery.

(3) The number and sizes of the prizes on the winning tickets or shares.

(4) The manner of selecting the winning tickets or shares.

(5) The manner of payment of prizes to the holders of winning tickets or shares, including, subject to the approval of the State Treasurer, provision for payment of prizes not to exceed $599.00 by agents licensed hereunder out of moneys received from sales of tickets or shares.

(6) The frequency of the drawings or selections of winning tickets or shares, without limitation.

(7) Without limit as to number, except in the case of video lottery terminals, the type or types of locations at which tickets or shares may be sold.

(8) The method to be used in selling tickets or shares.

(9) The licensing of agents or operators to sell tickets or shares, provided that no person under the age of 21 shall be licensed as an agent.

(10) The manner and amount of compensation, if any, to be paid licensed sales agents or operators necessary to provide for the adequate availability of tickets or shares to prospective buyers and for the convenience of the public.

(11) 【The】 Except in the case of the video lottery terminals established pursuant to section 1 of P.L. ,c. (C.) (pending before the Legislature as this bill), the apportionment of the total revenues accruing from the sale of lottery tickets or shares and from all other sources among (a) the payment of prizes to the holders of winning tickets or shares, (b) the payment of costs incurred in the operation and administration of the lottery, including the expenses of the division and the costs resulting from any contract or contracts entered into for promotional, advertising or operational services or for the purchase or lease of lottery equipment and materials, (c) for the repayment of the money appropriated to the State Lottery Fund pursuant to section 23 of this act, and (d) for transfer to the general fund for State institutions and State aid for education; provided, however, that no less than 30% of the total revenues accruing from the sale of lottery tickets or shares shall be dedicated to (d), above.

(12) In the case of the video lottery terminals established pursuant to section 1 of P.L. , c. (C.) (pending before the Legislature as this bill), the apportionment of the total revenues accruing from the sale of lottery tickets or shares and from all other sources among (a) the payment of prizes to the holders of winning tickets or shares, (b) the payment of costs incurred in the operation and administration of the lottery, including the expenses of the division and the costs resulting from any contract or contracts entered into for promotional, advertising or operational services or for the purchase or lease of lottery equipment and materials, and (c) for transfer into the Video Lottery Terminal fund, established pursuant to section 2 of P.L. , c. (C.) (pending before the Legislature as this bill) the revenues from the video lottery terminals for such purposes as may be provided by law.

(13) Such other matters necessary or desirable for the efficient and economical operation and administration of the lottery and for the convenience of the purchasers of tickets or shares and the holders of winning tickets or shares.

Notwithstanding the provisions of any other law to the contrary, no rule or regulation establishing a lottery game shall be considered

an "administrative rule" or "rule" pursuant to P.L.1968, c.410 (C.52:14B-1 et seq.).

b. To amend, repeal, or supplement any such rules and regulations from time to time as it deems necessary or desirable.

c. To advise and make recommendations to the director regarding the operation and administration of the lottery.

d. To report monthly to the Governor and the Legislature the total lottery revenues, prize disbursements and other expenses for the preceding month, and to make an annual report, which shall include a full and complete statement of lottery revenues, prize disbursements and other expenses, to the Governor and the Legislature, and including such recommendations for changes in this act as it deems necessary or desirable.

e. To report immediately to the Governor and the Legislature any matters which shall require immediate changes in the laws of this State in order to prevent abuses and evasions of this act or rules and regulations promulgated thereunder or to rectify undesirable conditions in connection with the administration or operation of the lottery.

f. To carry on a continuous study and investigation of the lottery throughout the State (1) for the purpose of ascertaining any defects in this act or in the rules and regulations issued thereunder by reason whereof any abuses in the administration and operation of the lottery or any evasion of this act or the rules and regulations may arise or be practiced, (2) for the purpose of formulating recommendations for changes in this act and the rules and regulations promulgated thereunder to prevent such abuses and evasions, (3) to guard against the use of this act and the rules and regulations issued thereunder as a cloak for the carrying on of organized gambling and crime, and (4) to insure that said law and rules and regulations shall be in such form and be so administered as to serve the true purposes of this act.

g. To make a continuous study and investigation of (1) the operation and the administration of similar laws which may be in effect in other states or countries, (2) any literature on the subject which from time to time may be published or available, (3) any Federal laws which may affect the operation of the lottery, and (4) the reaction of New Jersey citizens to existing and potential features of the lottery with a view to recommending or effecting changes that will tend to serve the purposes of this act.

(cf: P.L.1981, c.182, s.1)

7. Section 8 of P.L.1970, c.13 (C.5:9-8) is amended to read as follows:

8. The director shall have the power, and it shall be **[**his**]** <u>the director's</u> duty to:

a. Supervise and administer the operation of the lottery in accordance with the provisions of this act and with the rules and regulations of the commission.

b. Subject to the approval of the commission, appoint such deputy directors as may be required to carry out the functions and duties of the division, which deputy directors shall be in the unclassified service of the civil service.

c. Subject to the approval of the commission and Title 11 of the Revised Statutes, Civil Service, appoint such professional, technical and clerical assistants and employees as may be necessary to perform the duties imposed upon the division by this act.

d. Act as secretary and executive officer of the commission.

e. In accordance with the provisions of this act and the rules and regulations of the commission, to license as agents or, in the case of video lottery terminals, operators to sell lottery tickets such persons as in **[**his**]** the director's opinion will best serve the public convenience and promote the sale of tickets or shares. The director may require a bond from every licensed agent or operator, in such amount as provided in the rules and regulations of the commission. Every licensed agent or operator shall prominently display **[**his**]** the agent or operator's license, or a copy thereof, as provided in the rules and regulations of the commission.

f. Shall confer regularly as necessary or desirable and not less than once every month with the commission on the operation and administration of the lottery; shall make available for inspection by the commission, upon request, all books, records, files, and other information and documents of the division; shall advise the commission and recommend such matters as he deems necessary and advisable to improve the operation and administration of the lottery.

g. Suspend or revoke any license issued pursuant to this act or the rules and regulations promulgated thereunder.

h. Subject to the approval of the commission and the applicable laws relating to public contracts, to act on behalf of the commission as using agency with respect to purchases made by the Division of Purchase and Property of goods and services required in the operation of the lottery.

i. To certify monthly to the State Treasurer and the commission a full and complete statement of lottery revenues, prize disbursements and other expenses for the preceding month.

(cf: P.L.1983, c.60, s.2)

8. Section 14 of P.L.1970, c.13 (C.5:9-14) is amended to read as follows:

14. No person shall sell a ticket or share at a price greater than that fixed by rule or regulation of the commission. No person other than a licensed lottery sales agent or operator shall sell lottery tickets or shares, except that nothing in this section shall be

construed to prevent any person from giving lottery tickets or shares to another as a gift.

Any person convicted of violating this section shall be guilty of a misdemeanor.

(cf: P.L.1970, c.13, s.14)

9. Section 15 of P.L.1970, c.13 (C.5:9-15) is amended to read as follows:

15. a. No ticket or share shall be sold to any person under the age of 18, but this shall not be deemed to prohibit the purchase of a ticket or share for the purpose of making a gift by a person 18 years of age or older to a person less than that age. Any licensee who knowingly sells or offers to sell a lottery ticket or share to any person under the age of 18 is a disorderly person.

b. Notwithstanding the provisions of subsection a. of this section, any person under the age of 21 shall be prohibited from playing lottery games using video lottery terminals authorized pursuant to section 1 of P.L. , c. (C.) (pending before the Legislature as this bill).

(cf: P.L.1970, c.13, s.15)

10. Section 17 of P.L.1970, c.13 (C.5:9-17) is amended to read as follows:

17. Unclaimed prize money for the prize on a winning ticket or share shall be retained by the director for the person entitled thereto for 1 year after the drawing in which the prize was won. If no claim is made for said money within such year, the prize money shall be allocated to State institutions and State aid for education in the same manner as lottery revenues are allocated for such purposes under this act , except that if the prize money was won on a video lottery terminal authorized pursuant to section 1 of P.L. , c. (C.) (pending before the Legislature as this bill), the prize money shall be allocated to the Video Lottery Terminal Fund established pursuant to section 2 of that act.

(cf: P.L.1970, c.13, s.17)

11. Section 21 of P.L.1970, c.13 (C.5:9-21) is amended to read as follows:

21. There is hereby created and established in the Department of the Treasury a separate fund, to be known as the "State Lottery Fund," to be deposited in such depositories as the State Treasurer may select. Such fund shall consist of all revenues received from the sale of lottery tickets or shares, except video lottery terminals, established pursuant to section 1 of P.L. , c. (C.) (pending before the Legislature as this bill), and all other moneys credited or transferred thereto from any other fund or source pursuant to law.

(cf: P.L.1970, c.13, s.21)

12. Section 76 of P.L.1977, c.110 (C.5:12-76) is amended to read as follows:

76. General Duties and Powers.

a. The Division of Gaming Enforcement shall:

(1) promptly and in reasonable order investigate all applications, enforce the provisions of this act and any regulations promulgated hereunder, and prosecute before the commission all proceedings for violations of this act or any regulations promulgated hereunder;

(2) provide the commission with all information necessary for all action under Article 6 of this act and for all proceedings involving enforcement of the provisions of this act or any regulations promulgated hereunder; and

(3) ensure that there is no duplication of duties and responsibilities between it and the commission.

b. The division shall:

(1) Investigate the qualifications of each applicant before any license, certificate, or permit is issued pursuant to the provisions of this act;

(2) Investigate the circumstances surrounding any act or transaction for which commission approval is required;

(3) Investigate violations of this act and regulations promulgated hereunder;

(4) Initiate, prosecute and defend such proceedings before the commission, or appeals therefrom, as the division may deem appropriate;

(5) Provide assistance upon request by the commission in the consideration and promulgation of rules and regulations;

(6) Conduct continuing reviews of casino operations through on-site observation and other reasonable means to assure compliance with this act and regulations promulgated hereunder, subject to subsection h. of section 63 of this act;

(7) Receive and take appropriate action on any referral from the commission relating to any evidence of a violation of P.L.1977, c.110 (C.5:12-1 et seq.) or the regulations promulgated thereunder;

(8) Exchange fingerprint data with, and receive criminal history record information from, the Federal Bureau of Investigation for use in considering applicants for any license or registration issued pursuant to the provisions of P.L.1977, c.110 (C.5:12-1 et seq.);

(9) Conduct audits of casino operations at such times, under such circumstances, and to such extent as the director shall determine, including reviews of accounting, administrative and financial records, and management control systems, procedures and records utilized by a casino licensee;

(10) Be entitled to request and receive information, materials and any other data from any licensee or registrant, or applicant for a license or registration under this act; and

(11) Report to the Attorney General recommendations that promote more efficient operations of the division.

c. The division shall:

(1) Investigate the qualifications of each applicant to operate video lottery terminals before any license is issued by the State Lottery Commission pursuant to the provisions of P.L. , c. (pending before the Legislature as this bill);

(2) Investigate violations of P.L.1970, c.13 (C.5:9-1 et seq.) or the regulations promulgated thereunder relating to video lottery terminals;

(3) Provide assistance upon request by the State Lottery Commission in the consideration and promulgation of rules and regulations relating to video lottery terminals;

(4) Conduct continuing reviews of video lottery terminal operations through on-site observation and other reasonable means to assure compliance with P.L.1970, c.13 (C.5:9-1 et seq.) and the regulations promulgated thereunder;

(5) Receive and take appropriate action on any referral from the State Lottery Commission relating to any evidence of a violation of P.L.1970, c.13 (C.5:9-1 et seq.) or the regulations promulgated thereunder relating to video lottery terminals;

(6) Exchange fingerprint data with, and receive criminal history record information from, the Federal Bureau of Investigation for use in considering applicants for any license relating to video lottery terminals issued pursuant to the provisions of P.L.1970, c.13 (C.5:9-1 et seq.);

(7) Conduct audits of video lottery terminal operations at such times, under such circumstances, and to such extent as the director shall determine, including reviews of accounting, administrative and financial records, and management control systems, procedures and records utilized by a video lottery terminal licensee; and

(8) Be entitled to request and receive information, materials and any other data from any video lottery terminal licensee, or applicant for a license, under P.L.1970, c.13 (C.5:9-1 et seq.).

(cf: P.L.1995, c.18, s.20)

13. Section 78 of P.L.1977, c.110 (C.5:12-78) is amended to read as follows:

78. Each licensee or registrant or video lottery terminal licensee, or applicant for a license or registration under this act , or applicant for a video lottery terminal license under P.L.1970, c.13 (C.5:9-1 et seq.), shall cooperate with the division in the performance of its duties.

(cf: P.L.1977, c.110, s.78)

14. Section 79 of P.L.1977, c.110 (C.5:12-79) is amended to read as follows:

79. a. The division and its employees and agents, upon approval of the director, shall have the authority, without notice and without warrant:

(1) To inspect and examine all premises wherein casino gaming or casino simulcasting, as defined in section 2 of the "Casino Simulcasting Act," P.L.1992, c.19 (C.5:12-192), or lottery games using video lottery terminals, authorized pursuant to section 1 of P.L. , c. (C.) (pending before the Legislature as this bill), is conducted; or gaming devices or equipment are manufactured, sold, distributed, or serviced; or wherein any records of such activities are prepared or maintained;

(2) To inspect all equipment and supplies in, about, upon or around such premises;

(3) To seize summarily and remove from such premises and impound any such equipment or supplies for the purposes of examination and inspection;

(4) To inspect, examine and audit all books, records, and documents pertaining to a casino or video lottery terminal licensee's operation;

(5) To seize, impound or assume physical control of any book, record, ledger, game, device, cash box and its contents, counting room or its equipment, or casino or video lottery operations; and

(6) To inspect the person, and personal effects present in a casino facility licensed under this act, or a video lottery terminal facility licensed under P.L.1970, c.13 (C.5:9-1 et seq.), of any holder of a license or registration issued pursuant to this act or holder of a video lottery terminal license issued under P.L.1970, c.13 (C.5:9-1 et seq.) while that person is present in a licensed casino or video lottery facility.

b. The provisions of subsection a. of this section shall in no way be deemed to limit warrantless inspections except in accordance with constitutional requirements.

c. To effectuate further the purposes of this act, the division and its employees and agents may obtain administrative warrants for the inspection and seizure of any property possessed, controlled, bailed or otherwise held by any applicant, licensee, video lottery terminal licensee, registrant, intermediary company, or holding company.

d. Issuance and execution of warrants for administrative inspection shall be in accordance with the following:

(1) Any judge of a court having jurisdiction in the municipality where the inspection or seizure is to be conducted may, upon proper oath or affirmation showing probable cause, issue warrants for the purpose of conducting administrative inspections authorized by this act or regulations thereunder and seizures of property appropriate to such inspections. For the purposes of this section, "probable cause" means a valid public interest in the effective enforcement of the act or regulations sufficient to justify administrative inspection of the area, premises, building or conveyance in the circumstances specified in the application for the warrant.

(2) A warrant shall issue only upon an affidavit of a person duly designated and having knowledge of the facts alleged, sworn to before the judge and establishing the grounds for issuing the warrant. If the judge is satisfied that grounds for the application exist or that there is probable cause to believe they exist, he shall issue a warrant identifying the area, premises, building, or conveyance to be inspected; the purpose of such inspection; and, where appropriate, the type of property to be inspected, if any. The warrant shall identify the item or types of property to be seized, if any. The warrant shall be directed to a person authorized to execute it. The warrant shall state the grounds for its issuance and the name of the person or persons whose affidavit has been taken in support thereof. It shall command the person to whom it is directed to inspect the area, premises, building, or conveyance identified for the purpose specified, and where appropriate, shall direct the seizure of the property specified. The warrant shall direct that it be served during normal business hours of the licensee. It shall designate the judge to whom it shall be returned.

(3) A warrant issued pursuant to this section must be executed and returned within 10 days of its date. If property is seized pursuant to a warrant, the person executing the warrant shall give to the person from whom or from whose premises the property was taken a copy of the warrant and a receipt for the property taken or shall leave the copy and receipt at the place from which the property was taken. The return of the warrant shall be made promptly and shall be accompanied by a written inventory of any property taken. The inventory shall be made in the presence of the person executing the warrant and of the person from whose possession or premises the property was taken, if they are present, or in the presence of at least one credible person other than the person executing the warrant. The clerk of the court, upon request, shall deliver a copy of the inventory to the person from whom or from whose premises the property was taken and to the applicant for the warrant.

(4) The judge who has issued a warrant under this section shall attach to the warrant a copy of the return and all papers filed in connection therewith and shall cause them to be filed with the court which issued such warrant.

e. The division is authorized to make administrative inspections to check for compliance by any applicant, licensee, <u>video lottery terminal licensee,</u> registrant, intermediary company or holding company with the provisions of this act or regulations promulgated thereunder, <u>or P.L.1970, c.13 (C.5:9-1 et seq.) or regulations promulgated thereunder relating to video lottery terminals,</u> and to investigate any violations thereof.

f. This section shall not be construed to prevent entries and administrative inspections, including seizures of property, without a warrant:

(1) With the consent of the owner, operator or agent in charge of the controlled premises;

(2) In situations presenting imminent danger to health or safety;

(3) In situations involving inspection of conveyances where there is reasonable cause to believe that the mobility of the conveyance makes it impractical to obtain a warrant or in any other exceptional or emergency circumstance where time or opportunity to apply for a warrant is lacking;

(4) In accordance with the provisions of this act; or

(5) In all other situations where a warrant is not constitutionally required.

(cf: P.L.1992, c.19, s.29)

15. Section 1 of P.L.1999, c.352 (C.5:12-129.1) is amended to read as follows:

1. The holder of any license issued under P.L.1977, c.110 (C.5:12-1 et seq.), <u>or the holder of any video lottery terminal license issued under P.L.1970, c.13 (C.5:9-1 et seq.),</u> or any person acting on behalf thereof, shall file a report of any suspicious transaction with the Director of the Division of Gaming Enforcement. For the purposes of P.L.1999, c.352 (C.5:12-129.1 et al.), "suspicious transaction" means the acceptance of cash or the redeeming of chips or markers involving or aggregating $5,000 if the licensee or person knows or suspects that the transaction:

a. involves funds derived from illegal activities or is intended or conducted in order to conceal or disguise funds or assets derived from illegal activities;

b. is part of a plan to violate or evade any law or regulation or to avoid any transaction reporting requirement under the law or regulations of this State or the United States, including a plan to structure a series of transactions to avoid any transaction reporting requirement under the laws or regulations of this State or the United States; or

c. has no business or other apparent lawful purpose or is not the sort of transaction in which a person would normally be expected to engage and the licensee or person knows of no reasonable explanation for the transaction after examining the available facts, including the background and possible purpose of the transaction.

(cf: P.L.1999, c.352, s.1)

16. Section 6 of P.L.1971, c.137 (C.5:10-6) is amended to read as follows:

6. a. The authority, pursuant to the provisions of P.L.1971, c.137 (C.5:10-1 et seq.), is hereby authorized and empowered, either alone or in conjunction with others, and provided that, in the case of an arrangement with respect to any of the projects set forth in this section which shall be in conjunction with others, the

authority shall have sufficient right and power to carry out the public purposes set forth in P.L.1971, c.137 (C.5:10-1 et seq.):

(1) To establish, develop, construct, operate, acquire, own, manage, promote, maintain, repair, reconstruct, restore, improve and otherwise effectuate, either directly or indirectly through lessees, licensees or agents, a project to be located in the Hackensack meadowlands upon a site not to exceed 750 acres and upon a site or sites outside of that acreage, but either immediately contiguous thereto or immediately across any public road which borders that acreage, consisting of one or more stadiums, coliseums, arenas, pavilions, stands, field houses, playing fields, recreation centers, courts, gymnasiums, clubhouses, a racetrack for the holding of horse race meetings, and other buildings, structures, facilities, properties and appurtenances related to, incidental to, necessary for, or complementary to a complex suitable for the holding of athletic contests or other sporting events, or trade shows, exhibitions, spectacles, public meetings, entertainment events or other expositions, including, but not limited to, driveways, roads, approaches, parking areas, parks, recreation areas, lodging facilities, vending facilities, restaurants, transportation structures, systems and facilities, and equipment, furnishings, and all other structures and appurtenant facilities, related to, incidental to, necessary for, or complementary to the purposes of that project or any facility thereof.

(2) To establish, develop, construct, acquire, lease or own, operate, manage, promote, maintain, repair, reconstruct, restore, improve and otherwise effectuate, either directly or indirectly through lessees, licensees or agents, a project, at a site within the State of New Jersey, consisting of a baseball stadium and other buildings, structures, facilities, properties and appurtenances related thereto, or incidental to, necessary for, or complementary to a complex suitable for the holding of professional baseball games and other athletic contests or sporting events, or trade shows, exhibitions, spectacles, public meetings, entertainment events or other expositions, such project to include driveways, roads, approaches, parking areas, parks, recreation areas, vending facilities, restaurants, transportation structures, systems and facilities, and equipment, furnishings and all other structures and appurtenant facilities related to, incidental to, necessary for, or complementary to the purposes of that project or any facility thereof.

(3) To establish, develop, construct, acquire, lease or own, operate, manage, promote, maintain, repair, reconstruct, restore, improve and otherwise effectuate, either directly or indirectly through lessees, licensees or agents, projects located within the State of New Jersey, consisting of aquariums and the buildings, structures, facilities, properties and appurtenances related thereto, or incidental to, necessary for, or complementary to those

aquariums, such project to include driveways, roads, approaches, parking areas, parks, recreation areas, vending facilities, restaurants, transportation structures, systems and facilities, and equipment, furnishings and all other structures and appurtenant facilities related to, incidental to, necessary for, or complementary to the purposes of that project or any facility thereof. To provide for a project authorized under this paragraph:

(a) (Deleted by amendment, P.L.1988, c.172.)

(b) With regard to an aquarium project located outside of the meadowlands complex, the authority is authorized to enter into agreements with the State Treasurer providing for the acquisition and construction of an aquarium by the authority, including the land necessary for the aquarium, and the costs thereof, ownership of the aquarium and its land which shall be conveyed to the State upon completion, and the operation by the authority of the aquarium pursuant to a lease or other agreement with the State containing such terms and conditions as the State Treasurer may establish prior to the acquisition and construction by the authority of the aquarium and the disbursements of funds therefor. The State Treasurer is authorized to enter into a lease or other agreement to effectuate the provisions of this subparagraph.

(c) With regard to an aquarium project located within the meadowlands complex, the authority is authorized to enter into such agreements as it determines are necessary for the construction of the aquarium, including agreements providing for the acquisition of any land that may be necessary, for the ownership and for payment of costs of the aquarium, and for the operation thereof.

(4) To establish, develop, construct, acquire, own, operate, manage, promote, maintain, repair, reconstruct, restore, improve and otherwise effectuate, either directly or indirectly through lessees, licensees or agents, a project consisting of an exposition or entertainment center or hotel or office complex, including any buildings, structures, properties and appurtenances related thereto, incidental thereto, necessary therefor, or complementary thereto, such project to include driveways, roads, approaches, parking areas, parks, recreation areas, vending facilities, restaurants, transportation structures, systems, and equipment, furnishings and all other structures and appurtenances related to, incidental to, necessary for, or complementary to, the purposes of that project. A project authorized under this paragraph may be located within, immediately contiguous to, or immediately across any public road which borders the site of any other project of the authority, except the site of a racetrack authorized by paragraph (5) of this subsection and acquired by the authority prior to 1986.

(5) To establish, develop, construct, acquire, own, operate, manage, promote, maintain, repair, reconstruct, restore, improve and otherwise effectuate, either directly or indirectly through lessees, licensees or agents, projects consisting of (a) racetrack

facilities located within the State of New Jersey, but outside of the meadowlands complex, (b) their contiguous properties, and (c) their auxiliary facilities, including, without limitation, pavilions, stands, field houses, clubhouses, training tracks for horses, racetracks for the holding of horse race meetings, fairgrounds, other exposition facilities, and other buildings, structures, facilities, properties and appurtenances related to, incidental to, necessary for, or complementary to a complex suitable for the holding of horse race meetings, other sporting events, or trade shows, exhibitions, spectacles, public meetings, entertainment events or other expositions, including, but not limited to, driveways, roads, approaches, parking areas, parks, recreation areas, lodging facilities, vending facilities, restaurants, transportation structures, systems and facilities, equipment, furnishings, and all other structures and appurtenant facilities related to, incidental to, necessary for, or complementary to the purposes of any of those projects or any facility thereof.

Notwithstanding any law to the contrary, the acquisition of any existing racetrack facility in and licensed by the State of New Jersey shall be permitted on the condition that payments equivalent to all municipal, school board and county taxes due to each entity shall be paid by the authority to the extent and in accordance with the same payment schedule as taxes would have been paid each year, as though the racetrack facility remained in private ownership. In the event the authority conveys lands or other parts of the racetrack facility to others, the authority shall receive a reduction of such payments commensurate with the amount required to be paid by the subsequent owner of the lands and improvements disposed of by the authority. In addition, the authority shall be responsible for paying all existing local franchise fees, license and parking tax fees in effect at the time of the acquisition.

(6) To establish, develop, acquire, own, operate, manage, promote and otherwise effectuate, in whole or in part, either directly or indirectly through lessees, licensees or agents, projects consisting of events, expositions, teams, team franchises or membership in professional sports leagues.

(7) To establish, develop, construct, acquire, own, operate, manage, promote, maintain, repair, reconstruct, restore, improve and otherwise effectuate, either directly or indirectly through lessees, licensees or agents, projects consisting of facilities, at a site or sites within the State of New Jersey and either within or without the meadowlands complex, that are related to, incidental to, necessary for, or complementary to the accomplishment or purpose of any project of the authority authorized by this section, including any buildings, structures, properties and appurtenances related thereto, incidental thereto, necessary therefor, or complementary thereto, such projects to include driveways, roads, approaches, parking areas, parks, recreation areas, off-track and account

wagering systems and facilities or any interest therein, vending facilities, restaurants, transportation structures, systems, and equipment, furnishings and all other structures and appurtenances related to, incidental to, necessary for, or complementary to the purposes of those projects.

(8) To establish, develop, acquire, construct, reconstruct, improve and otherwise effectuate for transfer to, and for use and operation by, Rutgers, the State University, either directly or indirectly through lessees, licensees or agents, facilities located or to be located on property owned, leased, or otherwise used by Rutgers, the State University, consisting of an upgraded and expanded football stadium and a new track and field, soccer and lacrosse facility and the buildings, structures, properties and appurtenances related thereto, or incidental to, necessary for, or complementary to the football stadium and track and field, soccer and lacrosse facility, such facilities to include driveways, access roads, approaches, parking areas, parks, recreation areas, vending facilities, restaurants, transportation structures, systems and equipment, furnishings and all other structures and appurtenances related or incidental to, necessary for, or complementary to the purposes of those facilities; provided however that construction shall not begin on the expansion of the seating capacity of Rutgers Stadium until the Commissioner of Transportation certifies that all funding necessary to complete the Route 18 project in Piscataway Township has been appropriated and construction has begun on the Route 18 project in Piscataway Township under the Department of Transportation's capital program.

(9) To acquire by purchase, lease or otherwise, and to develop, construct, operate, own, lease, manage, repair, reconstruct, restore, improve, enlarge or otherwise effectuate, either directly or through lessees, licensees or agents, a project which may hereinafter be referred to as either the Atlantic City convention center project or a convention center project in the city of Atlantic City, Atlantic County, consisting of the existing convention hall and a new convention hall or center, and associated parking areas and railroad terminal facilities and including the leasing of adjacent land for hotel facilities. In connection therewith, the authority is authorized to:

(a) Assume existing leasehold or other contractual obligations pertaining to any such facilities or properties or to make provision for the payment or retirement of any debts and obligations of the governmental entity operating any such convention hall or center or of any bonds or other obligations payable from and secured by a lien on or pledge of the luxury tax revenues;

(b) Make loans or payments in aid of construction with respect to infrastructure and site development for properties located in the area between the sites of the existing convention hall and a new

convention center or located contiguous to or across any public road which borders the area;

(c) Convert the existing convention hall or any facilities, structures or properties thereof, or any part thereof, not disposed of by the authority, to any sports, exposition, exhibition, or entertainment use or to use as a forum for public events or meetings, or to any other use which the authority shall determine to be consistent with its operation of the Atlantic City convention center project;

(d) Transfer, as soon as practicable, its ownership interest or other rights and obligations, other than any bonds, notes, or other obligations, including any credit agreement, of the authority issued and outstanding, or then in effect, on the date of such transfer under the Luxury Tax Bond Resolution, in the Atlantic City convention center project to the Atlantic City Convention and Visitors Authority created under section 3 of P.L.1981, c.459 (C.52:27H-31), and cease any supervision of the Atlantic City Convention and Visitors Authority, to the extent permitted by the terms of the bonds, notes, leases or other financing documents, assignments, agreements or arrangements issued or entered into to finance or refinance, in whole or in part, or incurred in connection with the Atlantic City convention center project, as reasonably determined by the authority but subject to the diligence and reasonable determination provisions of paragraph (6) of subsection f. of this section.

(10) To provide a feasibility study for the use and development of the existing convention center in the city of Asbury Park, county of Monmouth and to provide a feasibility study for the construction, use and development of a convention center or recreational facility in any other municipality.

(11) To provide funding to public or private institutions of higher education in the State to establish, develop, acquire, construct, reconstruct or improve facilities located or to be located on property owned, leased, or otherwise used by an institution, consisting of sports facilities and the buildings, structures, properties and appurtenances related thereto, or incidental to, necessary for, or complementary to those sports facilities, such facilities to include driveways, access roads, approaches, parking areas, parks, recreation areas, vending facilities, restaurants, transportation structures, systems and equipment, furnishings and all other structures and appurtenances related or incidental to, necessary for, or complementary to the purposes of those facilities.

(12) To acquire by purchase, lease, or otherwise, including all right, title and interest of the Greater Wildwood Tourism Improvement Development Authority in any property, and to develop, construct, operate, own, lease, manage, repair, reconstruct, restore, improve, enlarge or otherwise effectuate, either directly or through lessees, licensees or agents, a convention center facility in

the City of Wildwood, Cape May County, consisting of and including any existing and acquired buildings, structures, properties and appurtenances and including restaurants, retail businesses, access roads, approaches, parking areas, transportation structures and systems, recreation areas, equipment, furnishings, vending facilities, and all other structures and appurtenances incidental to, necessary for, or complementary to the purpose of such Wildwood convention center facility. In connection therewith, the authority is expressly authorized to:

(a) assume any existing mortgages, leaseholds or other contractual obligations or encumbrances with respect to the site of the Wildwood convention center facility and any other existing and acquired buildings, structures, properties, and appurtenances;

(b) enter into agreements with a local public body or bodies providing for any necessary financial support or other assistance for the operation and maintenance of such Wildwood convention center facility from taxes or other sources of the local public body or bodies as shall be made available for such purposes;

(c) to the extent permitted by law and by the terms of the bonds or notes issued to finance the Wildwood convention center facility, transfer its ownership interest or other rights with respect to the convention center facility to another State authority or agency;

(d) upon payment of all outstanding bonds and notes issued therefor, transfer its ownership interest and other rights with respect thereto to such other public body as shall be authorized to own and operate such a facility; and

(e) convert any existing convention hall or any facilities, structures or properties thereof, or any part thereof, not disposed of by the authority, to any use which the authority shall determine to be consistent with the operation of the Wildwood convention center facility.

(13) To acquire by purchase, lease or otherwise, and to develop, construct, own, lease, manage, repair, reconstruct, restore, improve, enlarge or otherwise effectuate, either directly or through lessees, licensees, or agents, all right, title, or interest in the Garden State Arts Center in Holmdel, Monmouth County, and any related or auxiliary facilities and to transfer its interest in the Garden State Arts Center and any related or auxiliary facilities to such other public body that is authorized to own and operate such a facility, or other entity, according to such terms and process as the authority may establish in its discretion.

(14) (a) To establish, develop, construct, acquire, lease or own, operate, manage, promote, maintain, repair, reconstruct, restore, improve and otherwise effectuate, either directly or indirectly through lessees, licensees or agents, projects located within the State of New Jersey, but outside the meadowlands complex, provided that the authority first obtains the consent of the municipality or municipalities in which the projects are to be

located, consisting of football training facilities that are comparable in quality to National Football League professional football training facilities and the buildings, structures, facilities, uses, properties and appurtenances related thereto, or identical to, necessary for, or complementary to those National Football League-quality professional football league training facilities, such projects to include driveways, roads, approaches, parking areas, parks, recreation areas, restaurants, transportation structures, systems and facilities, and equipment, furnishings and all other structures and appurtenant facilities related to, incidental to, necessary for, or complementary to the purposes of such projects or any facility thereof.

(b) For projects developed pursuant to subparagraph (a) of paragraph (14) of this subsection, the authority shall make in-lieu-of-tax payments in each municipality affected in amounts negotiated by the authority and each municipality.

(15) To establish, develop, construct, acquire, own, operate, manage, promote, maintain, repair, reconstruct, restore, improve and otherwise effectuate, either directly or indirectly through lessees, licensees or agents, a video lottery terminal project consisting of a facility or facilities, including any real or personal property, furnishings and equipment, necessary or desirable to conduct lottery games using video lottery terminals as authorized and regulated by the State Lottery Commission pursuant to section 1 of P.L. , c. (C.) (pending before the Legislature as this bill), such facility or facilities to be located at a racetrack facility that is part of the meadowlands complex as defined in subsection d. of section 3 of P.L.1971, c.137 (C.5:10-3). In connection therewith, the authority may enter into an agreement with the State Lottery Commission to effectuate the video lottery terminal project and to receive payment for its administrative expenses relating to the video lottery terminal project from the Video Lottery Terminal Fund, established pursuant to section 2 of P.L. , c. (C.) (pending before the Legislature as this bill).

b. The authority, pursuant to the provisions of P.L.1971, c.137 (C.5:10-1 et seq.), is authorized (1) to make, as part of any of the projects, capital contributions to others for transportation and other facilities, and accommodations for the public's use of any of those projects, (2) to lease any part of any of those project sites not occupied or to be occupied by the facilities of any of those projects, for purposes determined by the authority to be consistent with or related to the purposes of those projects, including, but not limited to, hotels and other accommodations for transients and other facilities related to or incidental to any of those projects, and (3) to sell or dispose of any real or personal property, including, but not limited to, such portion of the site of any of those projects not occupied or to be occupied by the facilities of any of those projects, at not less than the fair market value of the property, except in the

case of sale or disposition to the State, any political subdivision of the State or any agency or instrumentality of the State or any political subdivision of the State.

c. Revenues, moneys or other funds, if any, derived from the operation or ownership of the meadowlands complex, including the conduct of horse race meetings, but excluding revenues from the video lottery terminal project authorized pursuant to paragraph (15) of subsection a. of this section, shall be applied, in accordance with the resolution or resolutions authorizing or relating to the issuance of bonds or notes of the authority, to the following purposes and in the following order:

(1) The costs of operation and maintenance of the meadowlands complex and reserves therefor;

(2) Principal, sinking fund installments and redemption premiums of and interest on any bonds or notes of the authority payable from such revenues, moneys or other funds and issued for the purposes of the meadowlands complex or for the purposes of refunding the same, including reserves and payments with respect to credit agreements therefor;

(3) The costs of any major or extraordinary repairs, renewals or replacements with respect to the meadowlands complex or incidental improvements thereto, not paid pursuant to paragraph (1) above, including reserves therefor;

(4) Payments required to be made pursuant to section 18b.;

(5) Payments authorized to be made pursuant to section 18c.;

(6) Except to the extent payments with respect to bonds or notes are provided with priority in accordance with paragraph (2) of this subsection, payments required to be made in accordance with the resolution authorizing or relating to the issuance of bonds or notes of the authority, for the purposes of any project authorized by this act, including payments and reserves with respect to any bonds or notes of the authority with respect to the meadowlands complex which are not provided with priority in accordance with paragraph (2) of this subsection;

(7) Payments required to be made to repay any obligation incurred by the authority to the State;

(8) The balance remaining after application in accordance with the above shall be deposited in the General State Fund, provided that (a) there shall be appropriated for authorized State purposes from the amount so deposited that amount which shall be calculated by the State Treasurer to be the debt service savings realized with respect to the refinancing of the initial project as defined in section 1 of P.L.1973, c.286 (C.5:10-14.1) at the meadowlands complex, by the issuance of bonds of the authority guaranteed by the State, and (b) after such appropriation, 40% of any balance remaining from the amounts so deposited shall be appropriated to the Meadowlands Commission for any of its purposes authorized by P.L.1968, c.404, and any amendments or supplements thereto.

d. Revenues, moneys or other funds, if any, derived from the operation or ownership of any project other than the meadowlands complex, the Atlantic City convention center project, or the Wildwood convention center facility and other than a baseball stadium project or an office complex project located on the site of a baseball stadium shall be applied for such purposes, in such manner and subject to such conditions as shall be provided in the resolution authorizing or relating to the issuance of bonds or notes of the authority for the purposes of such project, and the balance, if any, remaining after such application may be applied, to the extent not contrary to or inconsistent with the resolution, in the following order: (1) to the purposes of the meadowlands complex, unless otherwise agreed upon by the State Treasurer and the authority, (2) to the purposes of any other project of the authority; and, the balance remaining, if any, shall be deposited in the General Fund.

e. Revenues, moneys or other funds, if any, derived from the operation, ownership, or leasing of a baseball stadium project or an office complex project located on the site of a baseball stadium shall be applied for the purposes, in the manner and subject to the conditions as shall be provided in the resolution authorizing or relating to the issuance of bonds or notes of the authority for the purposes of a baseball stadium project or an office complex project located on the site of a baseball stadium, if any, and the balance, if any, remaining after such application shall be applied, to the extent not contrary to or inconsistent with the resolution, to the following purposes and in the following order:

(1) The costs of operation and maintenance of a baseball stadium project and an office complex project located on the site of a baseball stadium and reserves therefor;

(2) Payments made to repay the bonded indebtedness incurred by the authority for the purposes of a baseball stadium project or an office complex project located on the site of a baseball stadium;

(3) Payments equivalent to an amount required to be made by the State for payments in lieu of taxes pursuant to P.L.1977, c.272 (C.54:4-2.2a et seq.);

(4) The balance remaining after application in accordance with the above shall be deposited in the General Fund.

f. Revenues, moneys or other funds, if any, including earned interest, derived from the operation, ownership or leasing of the Atlantic City convention center project shall be applied to the costs of operating, maintaining and promoting the Atlantic City convention center project and to the other purposes set forth in paragraphs (1) through (5) of this subsection, except as provided in paragraph (6) of this subsection.

Subject to paragraph (6) of this subsection, luxury tax revenues paid to the authority by the State Treasurer pursuant to section 14 of P.L.1991, c.375 (C.5:10-14.4), including earned interest, shall be

deposited by the authority in a separate fund or account and applied to the following purposes and in the following order:

(1) To pay the principal, sinking fund installments and redemption premiums of and interest on any bonds or notes of the authority, including bonds or notes of the authority issued for the purpose of refunding bonds or notes, issued for purposes of (i) the initial acquisition of the existing properties which will constitute part of the Atlantic City convention center project, if the bonds or notes shall be payable under the terms of the resolution of the authority relating thereto from luxury tax revenues, or (ii) providing improvements, additions or replacements to the Atlantic City convention center project, if the bonds or notes shall be payable under the terms of the resolution of the authority relating thereto from luxury tax revenues; and to pay any amounts due from the authority under any credit agreement entered into by the authority in connection with the bonds or notes.

(2) To pay the costs of operation, maintenance and promotion of the Atlantic City convention center project, including amounts payable as operating expenses under the Luxury Tax Bond Resolution or the terms of the bonds, notes, leases or other financing documents, assignments, agreements or arrangements issued or entered into to finance or refinance, in whole or in part, or incurred in connection with, the Atlantic City convention center project.

(3) To establish and maintain a working capital and maintenance reserve fund for the Atlantic City convention center project in an amount as shall be determined by the authority to be necessary.

(4) To repay to the State those amounts paid by the State with respect to bonds or notes of the authority issued for the purposes of the Atlantic City convention center project.

(5) The balance of any luxury tax revenues not required for any of the foregoing purposes and remaining at the end of any calendar year shall be paid to the State Treasurer for application to purposes in the city of Atlantic City pursuant to section 5 of P.L.1981, c.461 (C.40:48-8.30a).

The authority may pledge the luxury tax revenues paid to it as provided for in section 14 of P.L.1991, c.375 (C.5:10-14.4) as security for the payment of the principal of and interest or premium on the bonds or notes issued for the purposes set forth above in paragraph (1) of this subsection f. in the same manner, to the same extent and with the same effect as the pledge of any of its other revenues, receipts and funds authorized by P.L.1971, c.137 (C.5:10-1 et seq.).

(6) (a) The authority shall promptly and diligently pursue all consents, approvals, waivers or non-objections under the bonds, notes, leases, or other financing documents, assignments, agreements or arrangements issued or entered into to finance or refinance, in whole or in part, or incurred in connection with, the

Atlantic City convention center project, that are required for the following actions, which actions may be implemented at the same or at different times:

(i) to permit the State Treasurer to remit to the authority, for deposit to the Luxury Tax Revenue Fund established under the Luxury Tax Bond Resolution, luxury tax revenues held by the State Treasurer in the fund established pursuant to section 5 of P.L.1979, c.273 (C.40:48-8.30) in an amount sufficient to (A) pay the principal, sinking fund installments and redemption premiums, if any, of and interest on any bonds, notes, or other obligations, including any credit agreement, of the authority issued and outstanding or entered into pursuant to the Luxury Tax Bond Resolution, and (B) maintain any reserves required to be held by the trustee pursuant to the Luxury Tax Bond Resolution, and to remit the balance of the luxury tax revenues held by the State Treasurer in such fund, including interest thereon, to the Atlantic City Convention and Visitors Authority to be applied as provided in section 25 of P.L.2008, c.47 (C.52:27H-41.13) subject, however, to the lien of the Luxury Tax Bond Resolution, until all bonds, notes, and other obligations, including any credit agreement, of the authority issued and outstanding or entered into pursuant to the Luxury Tax Bond Resolution have been paid or defeased in full.

(ii) to permit the authority to transfer its ownership interest or other rights and obligations, other than any bonds, notes, or other obligations, including any credit agreement, of the authority issued and outstanding, or then in effect, on the date of such transfer under the Luxury Tax Bond Resolution, in the Atlantic City convention center project to the Atlantic City Convention and Visitors Authority, and cease any supervision of the Atlantic City Convention and Visitors Authority.

(iii) to implement any other provisions of P.L.2008, c.47 (C.52:27H-31.1 et al.).

(b) Upon obtaining such consents, approvals, waivers or non-objections or upon the reasonable determination by the authority or the State Treasurer that such consents, approvals or non-objections have been obtained, are unnecessary or that the absence of such consents, approvals or non-objections shall not result in a material default, the State Treasurer shall thereafter remit to the authority from the fund only those monies required to satisfy the obligations of subparagraphs (a)(i)(A) and (a)(i)(B) of this paragraph; the balance of the luxury tax revenues held by the State Treasurer in such fund, including interest thereon, shall be paid promptly to the Atlantic City Convention and Visitors Authority to be applied as provided in section 25 of P.L.2008, c.47 (C.52:27H-41.13), subject, however, to the lien of the Luxury Tax Bond Resolution until all bonds, notes, and other obligations, including any credit agreement, of the authority issued and outstanding or entered into pursuant to the Luxury Tax Bond Resolution have been paid or defeased in full.

(c) When all bonds, notes, or other obligations, including any credit agreement, of the authority issued and outstanding or entered into pursuant to the Luxury Tax Bond Resolution have been paid or defeased in full, any amounts received by the authority from the funds and accounts held under the Luxury Tax Bond Resolution shall forthwith be transferred to the Atlantic City Convention and Visitors Authority to be applied as provided in section 25 of P.L.2008, c.47 (C.52:27H-41.13).

g. Revenues, moneys or other funds, if any, derived from the ownership or operation of the Wildwood convention center facility shall be applied to the costs of operating and maintaining the Wildwood convention center facility and to the other purposes set forth in this subsection as shall be provided by resolution of the authority.

The tourism related tax revenues paid to the authority pursuant to subsection f. of section 14 of P.L.1992, c.165 (C.40:54D-14) shall be deposited by the authority in a separate fund or account and applied to any or all of the following purposes pursuant to an allocation of funds approved by the State Treasurer in writing and in advance of any application of such funds:

(1) to pay amounts due with respect to any obligations transferred to the authority pursuant to section 17 of P.L.1997, .273 C.40:54D-25.1) pertaining to the Wildwood convention center facility;

(2) to repay to the State those amounts paid with respect to bonds or notes of the authority issued for the purposes of the Wildwood convention center facility;

(3) to pay the cost of operation and maintenance reserve for the Wildwood convention center facility;

(4) to establish and maintain a working capital and maintenance reserve for the Wildwood convention center facility.

The balance, if any, of any tourism related tax revenues not allocated to any of the purposes set forth in the previous paragraphs and remaining at the end of the calendar year shall be paid to the State Treasurer for deposit in the General Fund.

(cf: P.L.2008, c.66, s.1)

17. Section 12 of P.L.1991, c.375 (C.5:10-14.3) is amended to read as follows:

12. a. The State Treasurer shall establish a special fund to be known as the "Sports Authority Fund" and shall pay into the fund amounts from the General Fund as shall be necessary to pay the principal and interest on bonds or notes of the authority issued pursuant to this section and to pay any amounts due from the authority under any credit agreement entered into by the authority in connection with the bonds or notes, provided that all payments from the General Fund shall be subject to and dependent upon appropriations made from time to time for those purposes.

b. (1) The State Treasurer and the authority are authorized to enter into agreements as shall be necessary to effectuate the purposes of this section, including without limitation, provisions for securing the payment of bonds or notes issued by the authority pursuant to subsection d. of this section and the interest thereon and providing for the investment of moneys in the fund; provided that the agreements shall be subject to approval by the presiding officers of both houses of the Legislature, and provided further that when the purposes of this section have been satisfied, and upon the earlier of:

(a) the certification by the State Treasurer that the revenues of the authority are sufficient to satisfy the requirements of paragraphs (1), (2), (3), (4), (5) and (6) of subsection c. of section 6 of P.L.1971, c.137 (C.5:10-6) for the term of bonds or notes issued pursuant to subsection d. of this section; or

(b) the satisfaction of the requirements for the payment of bonds or notes issued pursuant to P.L.1991, c.375 (C.5:10-3 et al.) or pursuant to P.L.1997, c.273 (C.40:54D-25.1 et al.); the State Treasurer and the authority shall not, except for the refunding of bonds or notes issued pursuant to subsection d. of this section which produces debt service savings, enter into any further agreements regarding payments by the State Treasurer into the "Sports Authority Fund" for any reason, including but not limited to, the financing or restructuring of the debt of the authority.

(2) The agreements shall indicate the nature and scope of the projects to be financed pursuant to this section.

(3) The agreements shall provide that with respect to the Atlantic City convention center project, the authority shall review all existing expert studies that present options as to the scope and nature of the project and the linkages between the project and the economic development of Atlantic City. Based upon its analysis of the available studies and such other expert studies as the authority may authorize, the authority shall report to the Legislature and include in the minutes of the authority its proposal for the development of the Atlantic City convention center. The report shall include an explanation for the selection of the project option proposed by the authority.

c. Notwithstanding anything to the contrary in P.L.1991, c.375 (C.5:10-3 et al.), if and to the extent provided in any agreement between the State Treasurer and the authority, all or part of the revenues of the authority, other than luxury tax revenues or revenues of the Atlantic City convention center project and other than tourism related tax revenues or other revenues of the Wildwood convention center facility, in excess of the requirements of the resolutions authorizing or relating to the issuance of any of the authority's bonds or notes, except those issued pursuant to this section, shall be paid into the General Fund in repayment to the State for amounts previously paid by the State pursuant to this

section with respect to the payment of principal and interest on bonds or notes issued for any of the purposes set forth in this section, except the purposes set forth in paragraphs (3), (4), (5), and (8) of subsection d. of this section, and any payments on account of any credit agreements with respect to the bonds or notes. Except as otherwise provided in this section, bonds or notes of the authority issued pursuant to this section shall be authorized, sold and issued in the manner and be entitled to the benefits, protection and provisions as apply to bonds and notes of the authority authorized to be issued pursuant to P.L.1971, c.137 (C.5:10-1 et seq.).

d. In addition to its other powers to issue bonds and notes, the authority shall have power to issue from time to time bonds and notes payable from amounts in the Sports Authority Fund established pursuant to subsection a. of this section, as follows:

(1) To provide sufficient funds to refund from time to time outstanding bonds or notes of the authority issued for the meadowlands complex or the Monmouth racetrack project authorized pursuant to paragraph (5) of subsection a. of section 6 of P.L.1971, c.137 (C.5:10-6), whether or not the bonds or notes or interest thereon have become due, to provide for the establishment of funds or reserves to secure payment of the bonds or notes or any other bonds or notes issued or to be issued for those purposes or interest thereon, and to provide for the payment of all other costs or xpenses of the authority incident to or necessary to carry out the refunding; provided that the refunding bonds issued at any time pursuant to this paragraph shall not exceed that amount estimated to be necessary so that subsequent to the refunding, the revenues from the meadowlands complex or the Monmouth racetrack project, as the case may be, shall be sufficient to pay all costs payable from those revenues, as shall be estimated in a determination by the authority made in accordance with the agreement between the authority and the State Treasurer;

(2) To finance or refinance a capital program or programs for the meadowlands complex and the Monmouth racetrack project authorized pursuant to paragraph (5) of subsection a. of section 6 of P.L.1971, c.137 (C.5:10-6), adopted by the authority to provide for major repairs, reconstruction and improvements which are legally mandated or otherwise needed to meet environmental or safety requirements, to prevent a loss of revenues, to augment revenues or to continue or enhance the operations of any of the facilities thereof, or to upgrade any of the facilities thereof;

(3) To provide for the financing or refinancing of the facilities for Rutgers, The State University pursuant to paragraph (8) of subsection a. of section 6 of P.L.1971, c.137 (C.5:10-6);

(4) To provide for the financing or refinancing of the Atlantic City convention center project;

(5) To finance or refinance feasibility studies for public projects consistent with the purposes of the authority;

(6) To provide for the financing or refinancing of any other project of the authority, but only if and to the extent expressly authorized by law enacted subsequent to the enactment of P.L.1991, c.375 (C.5:10-3 et al.);

(7) To provide for the financing of the facilities at institutions of higher education pursuant to paragraph (11) of subsection a. of section 6 of P.L.1971, c.137 (C.5:10-6), based upon a list of projects recommended by the Commission on Higher Education following a competitive application process, provided that the aggregate financing of the projects undertaken pursuant to this paragraph shall not exceed $5,000,000;

(8) To provide for the financing or refinancing of a convention center facility in the City of Wildwood pursuant to paragraph (12) of subsection a. of section 6 of P.L.1971, c.137 (C.5:10-6); **[**and**]**

(9) To provide for the financing or refinancing of the professional football training facility project and associated facilities authorized pursuant to paragraph (14) of subsection a. of section 6 of P.L.1971, c.137 (C.5:10-6); and

(10) To provide for the financing or refinancing of a video lottery terminal project under paragraph (15) of subsection a. of section 6 of P. L.1971, c.137 (C.5:10-6).

e. Bonds and notes authorized pursuant to this section shall be special obligations of the authority payable as herein provided. Bonds and notes shall not be deemed to constitute a debt or liability f the State or a pledge of the faith and credit of the State but are dependent for repayment upon appropriations as provided by law from time to time. These bonds and notes and the interest thereon may also be payable from the proceeds thereof set aside for that purpose and income accruing therefrom.

(cf: P.L.2005, c.302, s.2)

18. For the purpose of complying with Article IV, Section VII, paragraph 2 of the State Constitution, this act shall be submitted to the people for their approval or rejection at the next general election to be held 70 or more days following the date of its enactment.

19. This voter referendum shall be submitted to the people 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 (T) in the square opposite the word "Yes." If you are opposed thereto make a cross (X), plus (+) or check (T) in the square opposite the word "No."

b. In every municipality the following question:

	YES	AUTHORIZATION FOR VIDEO LOTTERY TERMINALS AT MEADOWLANDS RACETRACK, UNDER REGULATION BY THE STATE LOTTERY COMMISSION Shall P.L. , c. (pending before the Legislature as this bill) permitting the establishment of video lottery terminals at the site of the Meadowlands racetrack, under regulation by the State Lottery Commission, be approved and become operative?
	NO	INTERPRETIVE STATEMENT Voter approval of this question would permit the establishment of video lottery terminals at the site of the Meadowlands horse racetrack, under regulation by the State Lottery Commission. Revenue generated by the video lottery terminals would be deposited into a newly created "Video Lottery Terminal Fund," to be used only for the payment of prizes to the winners of video lottery games, the expenses of the division of the State Lottery, transfer to the newly created "Horse Racing Special Fund," for the benefit of the horse racing industry, the administrative expenses of the New Jersey Sports and Exposition Authority in developing the facility for the video lottery terminals, and such other purposes as may be provided by law.

20. P.L.1983, c.80 (C.5:9-7.1) is repealed.

21. Sections 18 and 19 shall take effect immediately and the remainder of this act shall take effect immediately upon voter approval of this act at the general election.

STATEMENT

This bill permits the State Lottery Commission to authorize lottery games using video lottery terminals at a facility located at the Meadowlands horse racetrack. The facility for the video lottery terminal project would be developed by the New Jersey Sports and Exposition Authority. The Division of Gaming Enforcement, which has investigatory and enforcement responsibilities over casino

gaming in Atlantic City, would perform similar functions over the video lottery terminal licensees and games.

Revenue generated by the video lottery terminals would be deposited into a newly created "Video Lottery Terminal Fund," to be appropriated only for the payment of prizes to the winners of video lottery games, the expenses of the division of the State Lottery, transfer to the newly created "Horse Racing Special Fund," established pursuant to this act for the benefit of the horse racing industry, the administrative expenses of the New Jersey Sports and Exposition Authority in developing the facility for the video lottery terminals, and such other purposes as may be provided by law.

The bill will only take effect upon approval by the voters at a referendum held at a general election.