

ASSEMBLY, No. 613

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:

Assemblywomen Tucker, Quijano, Assemblymen McKeon and Johnson

SYNOPSIS

Permits State Lottery Commission to authorize video lottery terminals at Meadowlands racetrack, upon voter approval; dedicates 1/3 net proceeds to General Fund, 1/3 to State education aid, and 1/3 to horse racing industry.

CURRENT VERSION OF TEXT

Introduced Pending Technical Review by Legislative Counsel.



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

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

8
 9 1. (New section) a. The State Lottery Commission, established
 10 pursuant to section 4 of P.L.1970, c.13 (C.5:9-4) may authorize
 11 lottery games using video lottery terminals at a racetrack facility
 12 that is part of the meadowlands complex as defined in subsection d.
 13 of section 3 of P.L.1971, c.137 (C.5:10-3). The commission shall
 14 enter into an agreement with the New Jersey Sports and Exposition
 15 Authority, established pursuant to section 4 of P.L.1971, c.137
 16 (C.5:10-4), for the facility or facilities necessary or desirable to
 17 conduct games using video lottery terminals authorized under this
 18 section. Revenue generated from the establishment of video lottery
 19 terminals shall be deposited into the Video Lottery Terminal Fund,
 20 established pursuant to section 2 of this act, P.L. , c. (C.)
 21 (pending before the Legislature as this bill).

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

28
 29 2. (New section) a. There is hereby created in the Department
 30 of the Treasury a non-lapsing revolving fund to be known as the
 31 "Video Lottery Terminal Fund," to be held separate and apart from
 32 all other funds of the State, and to be deposited in such depositories
 33 as the State Treasurer may select. Such fund shall consist of all
 34 amounts received from the establishment of video lottery terminals
 35 authorized pursuant to section 1 of this act, P.L. , c. (C.)
 36 (pending before the Legislature as this bill). All earnings received
 37 from the investment or deposit of moneys in the fund shall be
 38 credited to the fund.

39 b. The moneys in the Video Lottery Terminal Fund shall be
 40 appropriated only:

41 (1) for the payment of prizes to the holders of winning video
 42 lottery tickets or shares;

43 (2) for the expenses of the division in its operation of games
 44 using video lottery terminals;

45 (3) for payment to the New Jersey Sports and Exposition

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

Matter underlined thus is new matter.

1 Authority for its administrative expenses relating to the video
2 lottery terminal project; and

3 (4) for other necessary administrative expenses associated with
4 the operation of video lottery terminals.

5 c. The amounts in the Video Lottery Terminal Fund remaining
6 after the payment of winnings and other expenses pursuant to
7 subsection b. of this section, shall be distributed as follows: (1) 1/3
8 shall be transferred to the "Horse Racing Special Fund," for the
9 horse racing industry as provided by section 3 of this act,
10 P.L. , c. (C.) (pending before the Legislature as this bill); (2)
11 1/3 shall be transferred to the General Fund for general State
12 purposes; and (3) 1/3 shall be dedicated to the funding of State aid
13 for education.

14 d. On or about March 15 and September 15 of each year, the
15 State Treasurer shall publish in at least 10 newspapers circulating
16 generally in the State a report accounting for the total revenues
17 received in the Video Lottery Terminal Fund and the specific
18 amounts of money appropriated therefrom for specific expenditures
19 during the preceding six months ending December 31 and June 30.
20

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

31 b. The proceeds allocated to the benefit of the horse racing
32 industry shall be distributed as follows: 41.7 percent to permit
33 holders conducting thoroughbred racing pursuant to P.L.1940, c.17
34 (C.5:5-22 et seq.) for the purpose of supplementing purses, 41.7
35 percent to permit holders conducting standardbred racing pursuant
36 to P.L.1940, c.17 (C.5:5-22 et seq.) for the purpose of
37 supplementing purses, 8.3 percent for thoroughbred breeding and
38 development and 8.3 percent for the Sire Stakes Program
39 established pursuant to section 1 of P.L.1971, c.85 (C.5:5-91).
40

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

43 2. This act is enacted to implement the amendment of Article
44 IV, Section VII, paragraph 2, of the Constitution of New Jersey,
45 approved by the people in the general election of November, 1969,
46 and to carry out the mandate thereof by establishing a lottery to be
47 operated by the State, the entire net proceeds of which are to be
48 used for State institutions and State aid for education, and to

1 implement P.L. , c. (C.) (pending before the Legislature as
2 this bill), establishing video lottery terminals.
3 (cf: P.L.1970, c.13, s.2)
4

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

7 3. For the purposes of this act:

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

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

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

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

16 e. "Video lottery terminals" shall mean the type of lottery
17 games authorized to be operated at a racetrack facility that is part of
18 the meadowlands complex, as defined in subsection d. of section 3
19 of P.L.1971, c.137 (C.5:10-3), pursuant to section 1 of
20 P.L. , c. (C.) (pending before the Legislature as this bill).
21 (cf: P.L.1970, c.13, s.3)
22

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

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

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

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

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

48 (1) The type of lottery to be conducted.

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

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

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

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

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

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

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

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

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

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

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

1 Legislature as this bill) the revenues from the video lottery
2 terminals for such purposes as may be provided by law.

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

7 Notwithstanding the provisions of any other law to the contrary,
8 no rule or regulation establishing a lottery game shall be considered
9 an "administrative rule" or "rule" pursuant to P.L.1968, c.410
10 (C.52:14B-1 et seq.).

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

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

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

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

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

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

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

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

3 8. The director shall have the power, and it shall be **【his】** the
4 director's duty to:

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

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

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

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

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

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

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

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

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

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

46

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

1 14. No person shall sell a ticket or share at a price greater than
2 that fixed by rule or regulation of the commission. No person other
3 than a licensed lottery sales agent or operator shall sell lottery
4 tickets or shares, except that nothing in this section shall be
5 construed to prevent any person from giving lottery tickets or shares
6 to another as a gift.

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

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

10
11 9. Section 15 of P.L.1970, c.13 (C.5:9-15) is amended to read
12 as follows:

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

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

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

25
26 10. Section 17 of P.L.1970, c.13 (C.5:9-17) is amended to read
27 as follows:

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

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

40
41 11. Section 21 of P.L.1970, c.13 (C.5:9-21) is amended to read
42 as follows:

43 21. There is hereby created and established in the Department of
44 the Treasury a separate fund, to be known as the "State Lottery
45 Fund," to be deposited in such depositories as the State Treasurer
46 may select. Such fund shall consist of all revenues received from
47 the sale of lottery tickets or shares, except video lottery terminals,
48 established pursuant to section 1 of P.L. , c. (C.) (pending

1 before the Legislature as this bill), and all other moneys credited or
2 transferred thereto from any other fund or source pursuant to law.
3 (cf: P.L.1970, c.13, s.21)
4

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

7 76. General Duties and Powers.

8 a. The Division of Gaming Enforcement shall:

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

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

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

19 b. The division shall:

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

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

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

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

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

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

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

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

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

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

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

6 c. The division shall:

7 (1) Investigate the qualifications of each applicant to operate
8 video lottery terminals before any license is issued by the State
9 Lottery Commission pursuant to the provisions of P.L. _____,

10 c. (pending before the Legislature as this bill);

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

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

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

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

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

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

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

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

39
40 13. Section 78 of P.L.1977, c.110 (C.5:12-78) is amended to
41 read as follows:

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

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

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

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

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

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

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

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

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

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

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

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

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

43 (1) Any judge of a court having jurisdiction in the municipality
44 where the inspection or seizure is to be conducted may, upon proper
45 oath or affirmation showing probable cause, issue warrants for the
46 purpose of conducting administrative inspections authorized by this
47 act or regulations thereunder and seizures of property appropriate to
48 such inspections. For the purposes of this section, "probable cause"
49 means a valid public interest in the effective enforcement of the act

1 or regulations sufficient to justify administrative inspection of the
2 area, premises, building or conveyance in the circumstances
3 specified in the application for the warrant.

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

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

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

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

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

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

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

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

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

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

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

16
17 15. Section 1 of P.L.1999, c.352 (C.5:12-129.1) is amended to
18 read as follows:

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

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

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

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

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

44
45 16. Section 6 of P.L.1971, c.137 (C.5:10-6) is amended to read
46 as follows:

47 6. a. The authority, pursuant to the provisions of P.L.1971,
48 c.137 (C.5:10-1 et seq.), is hereby authorized and empowered,
49 either alone or in conjunction with others, and provided that, in the

1 case of an arrangement with respect to any of the projects set forth
2 in this section which shall be in conjunction with others, the
3 authority shall have sufficient right and power to carry out the
4 public purposes set forth in P.L.1971, c.137 (C.5:10-1 et seq.):

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

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

44 (3) To establish, develop, construct, acquire, lease or own,
45 operate, manage, promote, maintain, repair, reconstruct, restore,
46 improve and otherwise effectuate, either directly or indirectly
47 through lessees, licensees or agents, projects located within the
48 State of New Jersey, consisting of aquariums and the buildings,
49 structures, facilities, properties and appurtenances related thereto,

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

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

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

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

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

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

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

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

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

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

1 facilities, restaurants, transportation structures, systems, and
2 equipment, furnishings and all other structures and appurtenances
3 related to, incidental to, necessary for, or complementary to the
4 purposes of those projects.

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

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

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

44 (b) Make loans or payments in aid of construction with respect
45 to infrastructure and site development for properties located in the
46 area between the sites of the existing convention hall and a new
47 convention center or located contiguous to or across any public road
48 which borders the area;

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

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

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

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

41 (12) To acquire by purchase, lease, or otherwise, including all
42 right, title and interest of the Greater Wildwood Tourism
43 Improvement Development Authority in any property, and to
44 develop, construct, operate, own, lease, manage, repair, reconstruct,
45 restore, improve, enlarge or otherwise effectuate, either directly or
46 through lessees, licensees or agents, a convention center facility in
47 the City of Wildwood, Cape May County, consisting of and
48 including any existing and acquired buildings, structures, properties
49 and appurtenances and including restaurants, retail businesses,

1 access roads, approaches, parking areas, transportation structures
2 and systems, recreation areas, equipment, furnishings, vending
3 facilities, and all other structures and appurtenances incidental to,
4 necessary for, or complementary to the purpose of such Wildwood
5 convention center facility. In connection therewith, the authority is
6 expressly authorized to:

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

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

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

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

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

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

39 (14) (a) To establish, develop, construct, acquire, lease or own,
40 operate, manage, promote, maintain, repair, reconstruct, restore,
41 improve and otherwise effectuate, either directly or indirectly
42 through lessees, licensees or agents, projects located within the
43 State of New Jersey, but outside the meadowlands complex,
44 provided that the authority first obtains the consent of the
45 municipality or municipalities in which the projects are to be
46 located, consisting of football training facilities that are comparable
47 in quality to National Football League professional football training
48 facilities and the buildings, structures, facilities, uses, properties
49 and appurtenances related thereto, or identical to, necessary for, or

1 complementary to those National Football League-quality
2 professional football league training facilities, such projects to
3 include driveways, roads, approaches, parking areas, parks,
4 recreation areas, restaurants, transportation structures, systems and
5 facilities, and equipment, furnishings and all other structures and
6 appurtenant facilities related to, incidental to, necessary for, or
7 complementary to the purposes of such projects or any facility
8 thereof.

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

13 (15) To establish, develop, construct, acquire, own, operate,
14 manage, promote, maintain, repair, reconstruct, restore, improve
15 and otherwise effectuate, either directly or indirectly through
16 lessees, licensees or agents, a video lottery terminal project
17 consisting of a facility or facilities, including any real or personal
18 property, furnishings and equipment, necessary or desirable to
19 conduct lottery games using video lottery terminals as authorized
20 and regulated by the State Lottery Commission pursuant to section
21 1 of P.L. , c. (C.) (pending before the Legislature as this bill),
22 such facility or facilities to be located at a racetrack facility that is
23 part of the meadowlands complex as defined in subsection d. of
24 section 3 of P.L.1971, c.137 (C.5:10-3). In connection therewith,
25 the authority may enter into an agreement with the State Lottery
26 Commission to effectuate the video lottery terminal project and to
27 receive payment for its administrative expenses relating to the video
28 lottery terminal project from the Video Lottery Terminal Fund,
29 established pursuant to section 2 of P.L. , c. (C.) (pending
30 before the Legislature as this bill).

31 b. The authority, pursuant to the provisions of P.L.1971, c.137
32 (C.5:10-1 et seq.), is authorized (1) to make, as part of any of the
33 projects, capital contributions to others for transportation and other
34 facilities, and accommodations for the public's use of any of those
35 projects, (2) to lease any part of any of those project sites not
36 occupied or to be occupied by the facilities of any of those projects,
37 for purposes determined by the authority to be consistent with or
38 related to the purposes of those projects, including, but not limited
39 to, hotels and other accommodations for transients and other
40 facilities related to or incidental to any of those projects, and (3) to
41 sell or dispose of any real or personal property, including, but not
42 limited to, such portion of the site of any of those projects not
43 occupied or to be occupied by the facilities of any of those projects,
44 at not less than the fair market value of the property, except in the
45 case of sale or disposition to the State, any political subdivision of
46 the State or any agency or instrumentality of the State or any
47 political subdivision of the State.

48 c. Revenues, moneys or other funds, if any, derived from the
49 operation or ownership of the meadowlands complex, including the

1 conduct of horse race meetings, but excluding revenues from the
2 video lottery terminal project authorized pursuant to paragraph (15)
3 of subsection a. of this section, shall be applied, in accordance with
4 the resolution or resolutions authorizing or relating to the issuance
5 of bonds or notes of the authority, to the following purposes and in
6 the following order:

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

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

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

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

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

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

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

32 (8) The balance remaining after application in accordance with
33 the above shall be deposited in the General State Fund, provided
34 that (a) there shall be appropriated for authorized State purposes
35 from the amount so deposited that amount which shall be calculated
36 by the State Treasurer to be the debt service savings realized with
37 respect to the refinancing of the initial project as defined in section
38 1 of P.L.1973, c.286 (C.5:10-14.1) at the meadowlands complex, by
39 the issuance of bonds of the authority guaranteed by the State, and
40 (b) after such appropriation, 40% of any balance remaining from the
41 amounts so deposited shall be appropriated to the Meadowlands
42 Commission for any of its purposes authorized by P.L.1968, c.404,
43 and any amendments or supplements thereto.

44 d. Revenues, moneys or other funds, if any, derived from the
45 operation or ownership of any project other than the meadowlands
46 complex, the Atlantic City convention center project, or the
47 Wildwood convention center facility and other than a baseball
48 stadium project or an office complex project located on the site of a
49 baseball stadium shall be applied for such purposes, in such manner

1 and subject to such conditions as shall be provided in the resolution
2 authorizing or relating to the issuance of bonds or notes of the
3 authority for the purposes of such project, and the balance, if any,
4 remaining after such application may be applied, to the extent not
5 contrary to or inconsistent with the resolution, in the following
6 order: (1) to the purposes of the meadowlands complex, unless
7 otherwise agreed upon by the State Treasurer and the authority, (2)
8 to the purposes of any other project of the authority; and, the
9 balance remaining, if any, shall be deposited in the General Fund.

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

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

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

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

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

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

39 Subject to paragraph (6) of this subsection, luxury tax revenues
40 paid to the authority by the State Treasurer pursuant to section 14 of
41 P.L.1991, c.375 (C.5:10-14.4), including earned interest, shall be
42 deposited by the authority in a separate fund or account and applied
43 to the following purposes and in the following order:

44 (1) To pay the principal, sinking fund installments and
45 redemption premiums of and interest on any bonds or notes of the
46 authority, including bonds or notes of the authority issued for the
47 purpose of refunding bonds or notes, issued for purposes of (i) the
48 initial acquisition of the existing properties which will constitute
49 part of the Atlantic City convention center project, if the bonds or

1 notes shall be payable under the terms of the resolution of the
2 authority relating thereto from luxury tax revenues, or (ii) providing
3 improvements, additions or replacements to the Atlantic City
4 convention center project, if the bonds or notes shall be payable
5 under the terms of the resolution of the authority relating thereto
6 from luxury tax revenues; and to pay any amounts due from the
7 authority under any credit agreement entered into by the authority
8 in connection with the bonds or notes.

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

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

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

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

28 The authority may pledge the luxury tax revenues paid to it as
29 provided for in section 14 of P.L.1991, c.375 (C.5:10-14.4) as
30 security for the payment of the principal of and interest or premium
31 on the bonds or notes issued for the purposes set forth above in
32 paragraph (1) of this subsection f. in the same manner, to the same
33 extent and with the same effect as the pledge of any of its other
34 revenues, receipts and funds authorized by P.L.1971, c.137 (C.5:10-
35 1 et seq.).

36 (6) (a) The authority shall promptly and diligently pursue all
37 consents, approvals, waivers or non-objections under the bonds,
38 notes, leases, or other financing documents, assignments,
39 agreements or arrangements issued or entered into to finance or
40 refinance, in whole or in part, or incurred in connection with, the
41 Atlantic City convention center project, that are required for the
42 following actions, which actions may be implemented at the same
43 or at different times:

44 (i) to permit the State Treasurer to remit to the authority, for
45 deposit to the Luxury Tax Revenue Fund established under the
46 Luxury Tax Bond Resolution, luxury tax revenues held by the State
47 Treasurer in the fund established pursuant to section 5 of P.L.1979,
48 c.273 (C.40:48-8.30) in an amount sufficient to (A) pay the
49 principal, sinking fund installments and redemption premiums, if

1 any, of and interest on any bonds, notes, or other obligations,
2 including any credit agreement, of the authority issued and
3 outstanding or entered into pursuant to the Luxury Tax Bond
4 Resolution, and (B) maintain any reserves required to be held by the
5 trustee pursuant to the Luxury Tax Bond Resolution, and to remit
6 the balance of the luxury tax revenues held by the State Treasurer in
7 such fund, including interest thereon, to the Atlantic City
8 Convention and Visitors Authority to be applied as provided in
9 section 25 of P.L.2008, c.47 (C.52:27H-41.13) subject, however, to
10 the lien of the Luxury Tax Bond Resolution, until all bonds, notes,
11 and other obligations, including any credit agreement, of the
12 authority issued and outstanding or entered into pursuant to the
13 Luxury Tax Bond Resolution have been paid or defeased in full.

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

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

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

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

48 g. Revenues, moneys or other funds, if any, derived from the
49 ownership or operation of the Wildwood convention center facility

1 shall be applied to the costs of operating and maintaining the
2 Wildwood convention center facility and to the other purposes set
3 forth in this subsection as shall be provided by resolution of the
4 authority.

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

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

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

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

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

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

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

27

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

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

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

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

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

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

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

28 c. Notwithstanding anything to the contrary in P.L.1991, c.375
29 (C.5:10-3 et al.), if and to the extent provided in any agreement
30 between the State Treasurer and the authority, all or part of the
31 revenues of the authority, other than luxury tax revenues or
32 revenues of the Atlantic City convention center project and other
33 than tourism related tax revenues or other revenues of the
34 Wildwood convention center facility, in excess of the requirements
35 of the resolutions authorizing or relating to the issuance of any of
36 the authority's bonds or notes, except those issued pursuant to this
37 section, shall be paid into the General Fund in repayment to the
38 State for amounts previously paid by the State pursuant to this
39 section with respect to the payment of principal and interest on
40 bonds or notes issued for any of the purposes set forth in this
41 section, except the purposes set forth in paragraphs (3), (4), (5), and
42 (8) of subsection d. of this section, and any payments on account of
43 any credit agreements with respect to the bonds or notes. Except as
44 otherwise provided in this section, bonds or notes of the authority
45 issued pursuant to this section shall be authorized, sold and issued
46 in the manner and be entitled to the benefits, protection and
47 provisions as apply to bonds and notes of the authority authorized
48 to be issued pursuant to P.L.1971, c.137 (C.5:10-1 et seq.).

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

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

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

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

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

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

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

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

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

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

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

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

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

20

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

25

26 19. This voter referendum shall be submitted to the people in the
27 following manner and form:

28 There shall be printed on each official ballot to be used at the
29 general election, the following:

30 a. In every municipality in which voting machines are not used,
31 a legend which shall immediately precede the question, as follows:

32 If you favor the proposition printed below make a cross (X), plus
33 (+), or check (T) in the square opposite the word "Yes." If you are
34 opposed thereto make a cross (X), plus (+) or check (T) in the
35 square opposite the word "No."

36 b. In every municipality the following question:

	YES	<p style="text-align: center;">AUTHORIZATION FOR VIDEO LOTTERY TERMINALS AT MEADOWLANDS RACETRACK, UNDER REGULATION BY THE STATE LOTTERY COMMISSION</p> <p>Shall P.L. , c. (pending before the Legislature as this bill), approved by the Legislature, 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?</p>
	NO	<p style="text-align: center;">INTERPRETIVE STATEMENT</p> <p>Voter approval of this question would permit 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, the administrative expenses of the New Jersey Sports and Exposition Authority in developing the facility for the video lottery terminals, and such other necessary administrative expenses. Of the revenue amounts remaining, 1/3 would be transferred to the newly created “Horse Racing Special Fund,” for the benefit of the horse racing industry, 1/3 would be transferred to the General Fund of the State for the funding of State expenses, and 1/3 would be used to fund State aid for education.</p>

- 1
- 2
- 3
- 4
- 5
- 6
- 7
- 8
- 9
- 10
- 11
- 12
- 13

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

1 terminal project would be developed by the New Jersey Sports and
2 Exposition Authority. The Division of Gaming Enforcement, which
3 has investigatory and enforcement responsibilities over casino
4 gaming in Atlantic City, would perform similar functions over the
5 video lottery terminal licensees and games.

6 Revenue generated by the video lottery terminals would be
7 deposited into a newly created "Video Lottery Terminal Fund," to
8 be appropriated only for the payment of prizes to the winners of
9 video lottery games, the expenses of the division of the State
10 Lottery, the administrative expenses of the New Jersey Sports and
11 Exposition Authority in developing the facility for the video lottery
12 terminals, and such other necessary administrative expenses. Of the
13 revenue amounts remaining in the fund, 1/3 would be transferred to
14 the newly created "Horse Racing Special Fund," for the benefit of
15 the horse racing industry, and 1/3 would be transferred into the
16 General Fund of the State for the funding of State expenses, and 1/3
17 would fund State aid for education.

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