

**SENATE CONCURRENT
RESOLUTION No. 13**

STATE OF NEW JERSEY

219th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2020 SESSION

Sponsored by:

Senator JOSEPH PENNACCHIO

District 26 (Essex, Morris and Passaic)

SYNOPSIS

Proposes constitutional amendment giving Legislature authority to establish slot machine gambling at horse racetracks; dedicates revenues derived to support State-administered defined benefit retirement systems, casinos, improvements to Atlantic City, and horse racing.

CURRENT VERSION OF TEXT

Introduced Pending Technical Review by Legislative Counsel.



SCR13 PENNACCHIO

2

1 **A CONCURRENT RESOLUTION** proposing to amend Article IV,
2 Section VII, paragraph 2 of the New Jersey Constitution.

3

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

6

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

9

10 PROPOSED AMENDMENT

11

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

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

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

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

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

Matter underlined thus is new matter.

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

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

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

42 It shall also be lawful for the Legislature to authorize by law
43 wagering at casinos or gambling houses in Atlantic City on the
44 results of any professional, college, or amateur sport or athletic
45 event, except that wagering shall not be permitted on a college sport
46 or athletic event that takes place in New Jersey or on a sport or
47 athletic event in which any New Jersey college team participates
48 regardless of where the event takes place;

1 E. It shall be lawful for the Legislature to authorize, by law, (1)
2 the simultaneous transmission by picture of running and harness
3 horse races conducted at racetracks located within or outside of this
4 State, or both, to gambling houses or casinos in the city of Atlantic
5 City and (2) the specific kind, restrictions and control of wagering
6 at those gambling establishments on the results of those races. The
7 State's share of revenues derived therefrom shall be applied for
8 services to benefit eligible senior citizens as shall be provided by
9 law; and

10 F. It shall be lawful for the Legislature to authorize, by law, the
11 specific kind, restrictions and control of wagering on the results of
12 live or simulcast running and harness horse races conducted within
13 or outside of this State. The State's share of revenues derived
14 therefrom shall be used for such purposes as shall be provided by
15 law.

16 It shall also be lawful for the Legislature to authorize by law
17 wagering at current or former running and harness horse racetracks
18 in this State on the results of any professional, college, or amateur
19 sport or athletic event, except that wagering shall not be permitted
20 on a college sport or athletic event that takes place in New Jersey or
21 on a sport or athletic event in which any New Jersey college team
22 participates regardless of where the event takes place.

23 G. It shall be lawful for the Legislature to authorize, by law, the
24 specific kind, restrictions, and control of gambling through the
25 operation of slot machines at racetracks at which running or harness
26 horse races are conducted, and to license and tax such operations
27 and equipment used in connection therewith. The State's share of
28 revenues derived from such slot machine gambling shall be
29 dedicated as follows: 60 percent to be deposited as received, into
30 the contingent reserve funds of the State-administered defined
31 benefit retirement systems for public employees to support the
32 State's annual contribution to these systems or into an account to
33 support the payment of debt service on pension obligation bonds, as
34 the Legislature shall provide by law; 30 percent to be allocated
35 proportionally to members of a consortium of casino license owners
36 and operators operating in Atlantic City as of December 15, 2015 or
37 thereafter based on the size of their financial investment in Atlantic
38 City, in accordance with such formulas as the Legislature shall
39 provide by law; seven percent to fund programs dedicated for the
40 purposes of the recovery, stabilization, or improvement of the city
41 of Atlantic City, as the Legislature shall provide by law; and three
42 percent for programs to aid the thoroughbred and standardbred
43 horsemen in the State, as the Legislature shall provide by law.

44 The eligibility for each initial license to establish and operate
45 slot machine gambling at horse racetracks shall be limited to: a
46 holder of a New Jersey casino license that was operating a casino
47 which was conducting gambling on December 15, 2015; and any
48 person licensed as a principal owner of a holder of a New Jersey

SCR13 PENNACCHIO

1 casino license that was operating a casino which was conducting
2 gambling on December 15, 2015. Thereafter, the operator and
3 principal owner of slot machine gambling at a horse racetrack shall
4 also hold a license to operate or own, as operator, a casino in
5 Atlantic City.

6 (cf: Art. IV, Sec. VII, par. 2, amended effective December 5, 2013)

7
8 2. When this proposed amendment to the Constitution is finally
9 agreed to pursuant to Article IX, paragraph 1 of the Constitution, it
10 shall be submitted to the people at the next general election
11 occurring more than three months after the final agreement and
12 shall be published at least once in at least one newspaper of each
13 county designated by the President of the Senate, the Speaker of the
14 General Assembly and the Secretary of State, not less than three
15 months prior to the general election.

16
17 3. This proposed amendment to the Constitution shall be
18 submitted to the people at that election in the following manner and
19 form:

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

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

24 If you favor the proposition printed below make a cross (X), plus
25 (+), or check (✓) in the square opposite the word "Yes." If you are
26 opposed thereto make a cross (X), plus (+) or check (✓) in the
27 square opposite the word "No."

28 b. In every municipality the following question:

	YES	<p>CONSTITUTIONAL AMENDMENT TO ALLOW SLOT MACHINE GAMBLING AT HORSE RACETRACKS</p> <p>Do you approve amending the New Jersey Constitution to permit slot machine gambling at New Jersey horse racetracks? The State’s share of revenues from the slot machine gambling would support State-administered defined benefit retirement systems, casinos, improvements to Atlantic City, and horse racing. The amendment would limit who may receive a license to establish and operate slot machine gambling. Currently, slot machine gambling is only allowed in Atlantic City.</p>
	NO	<p>INTERPRETIVE STATEMENT</p> <p>At present, casino gambling is allowed only in Atlantic City in Atlantic County. This amendment would allow the Legislature to pass laws permitting slot machine gambling at New Jersey horse racetracks. The laws would provide for the specific kinds of slot machines and control and regulate their use. The amendment would limit who may receive a license to establish and operate slot machine gambling.</p> <p>The State’s share of revenues from slot machine gambling would be dedicated as follows: 60 percent to support the pension plans run by the State for public employees or to pay for the cost of pension obligation bonds; 30 percent to a consortium of casinos; seven percent for recovery, stabilization, or improvement of Atlantic City; and three percent to aid thoroughbred and Standardbred horsemen in this State.</p>

1
2
3
4
5
6
7
8
9
10

STATEMENT

This constitutional amendment would give the Legislature authority to establish slot machine gambling at horse racetracks. Upon approval of this amendment, the Legislature would pass a law prescribing the specific kind, restrictions, and control of operations of such slot machine gambling. The State’s share of revenues derived from such slot machine gambling would be dedicated as

1 follows: 60 percent, to be deposited as received, into the contingent
2 reserve funds of the State-administered defined benefit retirement
3 systems to support the State's annual contribution to these systems
4 or into an account to support the payment of debt service on
5 pension obligation bonds, as the Legislature will provide by law; 30
6 percent allocated proportionally based on the size of investment in
7 Atlantic City to members of a consortium of casino license owners
8 and operators operating in Atlantic City as of December 15, 2015 or
9 thereafter in accordance with such formulas as the Legislature shall
10 provide by law; seven percent to fund programs dedicated for the
11 purposes of the recovery, stabilization, or improvement of Atlantic
12 City, as the Legislature shall provide by law; and three percent for
13 programs to aid the thoroughbred and standardbred horsemen in the
14 State, as the Legislature shall provide by law.

15 The eligibility for each initial license to establish and operate a
16 gambling house or casino shall be limited to: a holder of a New
17 Jersey casino license that was operating a casino which was
18 conducting gambling on December 15, 2015; and any person
19 licensed as a principal owner of a holder of a New Jersey casino
20 license that was operating a casino which was conducting gambling
21 on December 15, 2015. Thereafter, the operator and principal
22 owner of slot machine gambling at a horse racetrack must also hold
23 a license to operate or own, as operator, a casino in Atlantic City.

24 The operation of slot machines at horse racetracks would be
25 mutually beneficial to both the casino industry and the horse racing
26 industry. Racetrack slot machine gambling would provide an
27 opportunity for casino industry operators to expand beyond the
28 boundaries of Atlantic City and reach patrons who may not
29 otherwise consider traveling to that city to engage in gambling
30 activities. For the racetrack industry, the slot machines would
31 increase attendance, drawing patrons who may not otherwise
32 consider traveling to racetracks at which horse racing is the sole
33 activity on which to wager. Additionally, the State would benefit
34 from this mutually beneficial casino industry-racing industry
35 relationship, through increased tax revenue generated directly and
36 indirectly by new racetrack slot machine operations.