

CHAPTER 129

AN ACT concerning the Casino Reinvestment Development Authority and casino licensees, amending P.L.1995, c.18, P.L.2001, c.221 and P.L.2003, c.116, amending and supplementing P.L.1984, c.218 (C.5:12-153 et seq.) and repealing section 13 of P.L.2001, c.221 (C.5:12-173.21).

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

1. Section 3 of P.L.1984, c.218 (C.5:12-144.1) is amended to read as follows:

C.5:12-144.1 Imposition of investment alternative tax.

3. a. (1) Commencing with the first annual tax return of a licensee for any calendar year beginning after December 31, 1983, there is imposed an investment alternative tax on the gross revenues as defined in section 24 of P.L.1977, c.110 (C.5:12-24) of the licensee in the amount of 2.5% of those gross revenues. The tax imposed with respect to each calendar year shall be due and payable on the last day of April next following the end of the calendar year. The State Treasurer shall have a lien against the property constituting the casino of a licensee for the amount of any tax not paid when due. No tax shall be imposed, however, on the gross revenues received by a licensee during the first 12 months of the operation of any casino that commences operation after January 1, 1984, but prior to the effective date of this act, P.L.1996, c.118 (C.5:12-173.3a et al.).

(2) A licensee shall pay to the State Treasurer on or before the 15th day of the first, fourth, seventh, and 10th months of each year as partial payment of the investment alternative tax imposed pursuant to paragraph (1) of this subsection an amount equal to 1.25% of the estimated gross revenues for the three-month period immediately preceding the first day of those months. The moneys received shall be placed in an escrow account and shall be held until the licensee directs that the moneys be transferred to the Casino Reinvestment Development Authority for the purchase of bonds issued by or offered through the Casino Reinvestment Development Authority or pursuant to a contract for such a purchase, be made available to the licensee for a direct investment approved by the authority, or be transferred to the Casino Revenue Fund as partial payment of the investment alternative tax imposed pursuant to paragraph (1) of this subsection. Any interest derived from the moneys in the escrow account shall be paid or made available to the Casino Revenue Fund. If a licensee fails to pay the amount due or underpays by an unjustifiable amount, the Casino Control Commission shall impose a fine of 5% of the amount due or of the underpayment, as the case may be, for each month or portion thereof the licensee is in default of payment, up to 25% of the amount in default. Any fine imposed shall be paid to the Casino Reinvestment Development Authority and shall be used for the purposes of this 1984 amendatory and supplementary act.

b. Each licensee shall be entitled to an investment tax credit against the tax imposed by subsection a. of this section, provided the licensee shall pay over the moneys required pursuant to section 5 of P.L.1993, c.159 (C.5:12-173.5): (1) for the first 10 years of a licensee's tax obligation, in an amount equal to twice the purchase price of bonds issued by the Casino Reinvestment Development Authority pursuant to sections 14 and 15 of this 1984 amendatory and supplementary act, purchased by the licensee, or twice the amount of the investments authorized in lieu thereof, and (2) for the remainder of a licensee's tax obligation, in an amount equal to twice the purchase price of bonds issued by the Casino Reinvestment Development Authority pursuant to sections 14 and 15 of this 1984 amendatory and supplementary act, purchased by the licensee, or twice the amount of the investments authorized in lieu thereof, and twice the amount of investments made by a licensee in other approved eligible investments made pursuant to section 25 of this act. The Casino Reinvestment Development Authority shall have the power to enter into a contract or contracts with a licensee pursuant to which the Casino Reinvestment Development Authority agrees to issue and sell bonds to the licensee, and the licensee agrees to purchase the bonds issued by or offered through the Casino Reinvestment Development Authority, in annual purchase price amounts as will constitute a credit against at least 50% of the tax to become due in any future year or years. The contract may contain those terms and conditions relating to the terms of the bonds and to the issuance and sale of the bonds to the licensee as the Casino Reinvestment Development Authority shall deem necessary or desirable. The contract shall not be deemed to be in violation of section 104 of P.L.1977, c.110

(C.5:12-104). After the first 10 years of a licensee's investment alternative tax obligation, a licensee will have the option of entering into a contract with the Casino Reinvestment Development Authority to have its tax credit comprised of direct investments in approved eligible projects. These direct investments shall not comprise more than 50% of a licensee's eligible tax credit in any one year.

The entering of a contract pursuant to this section shall be sufficient to entitle a licensee to an investment tax credit for the appropriate tax year.

c. A contract entered into between a licensee and the Casino Reinvestment Development Authority may provide for a deferral of payment for and delivery of bonds required to be purchased and for a deferral from making approved eligible investments in any year, but no deferral shall occur more than two years consecutively. A deferral of payment for any bonds required to be purchased by a licensee and a deferral from making approved eligible investments may be granted by the Casino Reinvestment Development Authority only upon a determination by the Casino Control Commission that purchase of these bonds or making approved eligible investments would cause extreme financial hardship to the licensee and a determination by the Casino Reinvestment Development Authority that the deferral of the payment would not violate any covenant or agreement or impair any financial obligation of the Casino Reinvestment Development Authority. The contract may establish a late payment charge to be paid in the event of deferral or other late payment at a rate as shall be agreed to by the Casino Reinvestment Development Authority. If a deferral of purchase or investment is granted, the licensee shall be deemed to have made the purchase or investment at the time required by the contract, except that if the purchase is not made at the time to which the purchase or investment was deferred, then the licensee shall be deemed not to have made the purchase or investment. The Casino Control Commission shall adopt regulations establishing a uniform definition of extreme financial hardship applicable to all these contracts. If a licensee petitions the Casino Reinvestment Development Authority for a deferral, the Casino Reinvestment Development Authority shall give notice of that petition to the Casino Control Commission and to the Division of Gaming Enforcement within three days of the filing of the petition. The Casino Control Commission shall render a decision within 60 days of notice as to whether the licensee has established extreme financial hardship, after consultation with the Division of Gaming Enforcement. The Casino Reinvestment Development Authority shall render a decision as to the availability of the deferral within 10 days of the receipt by it of the decision of the Casino Control Commission and shall notify the Division of Gaming Enforcement and the Casino Control Commission of that decision. If a deferral is granted, the Casino Reinvestment Development Authority may determine whether the purchases or investments shall be made in a lump sum, made over a period of years, or whether the period of obligation shall be extended an additional period of time equivalent to the period of time deferred.

d. The license of any licensee which has defaulted in its obligation to make any purchase of bonds or investment in any approved eligible project under a contract entered into pursuant to subsection b. of this section for a period of 90 days may be suspended by the Casino Control Commission until that purchase is made or deferred in accordance with subsection b. of this section, or a fine or other penalty may be imposed upon the licensee by the commission. If the Casino Control Commission elects not to suspend the license of a licensee after the licensee has first defaulted in its obligation but instead imposes some lesser penalty and the licensee continues to be in default of its obligation after a period of 30 additional days and after any additional 30-day period, the commission may impose another fine or penalty upon the licensee, which may include suspension of that licensee's license. The fine shall be 5% of the amount of the obligation owed for each month or portion thereof a licensee is in default, up to 25% of that obligation; shall be paid to the Casino Reinvestment Development Authority; and shall be used for the purposes of this 1984 amendatory and supplementary act.

e. A contract entered into by a licensee and the Casino Reinvestment Development Authority pursuant to subsection b. of this section may provide that after the first 10 years of a licensee's investment alternative tax obligation imposed by subsection a. of this section, the Casino Reinvestment Development Authority may repurchase bonds previously sold to the licensee, which were issued after the 10th year of a licensee's investment alternative tax

obligation, by the Casino Reinvestment Development Authority, if the Casino Reinvestment Development Authority determines that the repurchase will not violate any agreement or covenant or impair any financial obligation of the Casino Reinvestment Development Authority and that the licensee will reinvest the proceeds of the resale in an eligible project approved by the Casino Reinvestment Development Authority.

f. (1) During the 50 years a licensee is obligated to pay an investment alternative tax pursuant to subsection k. of this section, the total of (a) the proceeds of all bonds purchased by a licensee from or through the Casino Reinvestment Development Authority and (b) all approved investments in eligible projects by a licensee shall be devoted to the financing of projects in the following areas and amounts:

Areas	Yrs. 1-3	Yrs. 4-5	Yrs. 6-10	Yrs. 11-15	Yrs. 16-20	Yrs. 21-25	Yrs. 26-30	Yrs. 31-35	Yrs. 36-50
a) Atlantic City	100%	90%	80%	50%	30%	20%			
b) South Jersey	8%	12%	28%	43%	45%			25%	50%
c) North Jersey	2%	8%	22%	27%	35%		35%	50%	50%
d) Atlantic City through the Atlantic City Fund							65%	25%	

except that, with respect to the obligations for calendar years 1994 through 1998, the amount allocated for the financing of projects in North Jersey from each casino licensee's obligation shall be the amount allocated for calendar year 1993, and the difference between that amount and the amount to be allocated to North Jersey, on the basis of the above schedule, from each casino licensee's obligations for calendar years 1994 through 1998 shall be paid into or credited to the Atlantic City Fund established by section 44 of P.L.1995, c.18 (C.5:12-161.1) and be devoted to the financing of projects in Atlantic City through that fund. For the purposes of this paragraph, "South Jersey" means the counties of Atlantic, Burlington, Camden, Cape May, Cumberland, Gloucester, Mercer, Ocean, and Salem, except that "South Jersey" shall not include the City of Atlantic City; and "North Jersey" means the remaining 12 counties of the State. For the purposes of this 1984 amendatory and supplementary act, bond "proceeds" means all funds received from the sale of bonds and any funds generated or derived therefrom.

In the financing of projects outside Atlantic City, the Casino Reinvestment Development Authority shall give priority to the revitalization of the urban areas of this State in the ways specified in section 12 of this 1984 amendatory and supplementary act. Those areas shall include, but not be limited to, all municipalities qualifying for aid pursuant to P.L.1978, c.14 (C.52:27D-178 et seq.).

Within nine months from the effective date of this 1984 amendatory and supplementary act, the Casino Reinvestment Development Authority shall determine the allocation of projected available moneys to municipalities in South Jersey for the first seven years of their receipt of funds, giving priority to the revitalization of the urban areas of the region. Municipalities receiving such an allocation shall present to the Casino Reinvestment Development Authority for its approval comprehensive plans or projects for which the allocations shall be used. Any such comprehensive plan or project may be submitted to the Casino Reinvestment Development Authority for a determination of eligibility at any time prior to the year for which the funds are allocated, and the Casino Reinvestment Development Authority shall make a determination of eligibility of the plan or project within a reasonable amount of time. If the Casino Reinvestment Development Authority makes a positive determination of eligibility for any comprehensive plan or project, or combination of comprehensive plans or projects, for any municipality whose total cost exceeds the amount allocated to that municipality for the first seven years of the receipt of funds by South Jersey municipalities, the Casino Reinvestment Development Authority shall make available sufficient funds in subsequent years necessary to complete those plans or projects, or to complete that portion of the plan or project originally agreed to be funded through the Casino Reinvestment Development Authority, from funds received by the Casino Reinvestment Development Authority in the years following the seventh year of the receipt of funds by South Jersey municipalities. If the comprehensive plan or project is determined by the Casino Reinvestment Development Authority not to be an eligible plan or project, the municipality may submit any other comprehensive plan or project for a determination of

eligibility. If, however, the municipality fails to receive a positive determination of eligibility for any comprehensive plan or project, or combination of comprehensive plans or projects, sufficient to exhaust the total allocation to that municipality for any year prior to April 30 of the following year for which the allocation was made, the allocation to that municipality for that year shall cease, and the Casino Reinvestment Development Authority may apply those excess funds to any other comprehensive plan or project in any other municipality in the region whose comprehensive plan or project has received a positive determination of eligibility by the Casino Reinvestment Development Authority.

Within 36 months from the effective date of this 1984 amendatory and supplementary act, the Casino Reinvestment Development Authority shall determine the allocation of projected available moneys to municipalities in North Jersey for the first five years of their receipt of funds, giving priority to the revitalization of the urban areas of the region. Municipalities receiving such an allocation shall present to the Casino Reinvestment Development Authority for its approval comprehensive plans or projects for which the allocations shall be used. Any such comprehensive plan or project may be submitted to the Casino Reinvestment Development Authority for a determination of eligibility at any time prior to the year for which the funds are allocated, and the Casino Reinvestment Development Authority shall make a determination of eligibility of the plan or project within a reasonable amount of time. If the Casino Reinvestment Development Authority makes a positive determination of eligibility for any comprehensive plan or project, or combination of comprehensive plans or projects, for any municipality whose total cost exceeds the amount allocated to that municipality for the first five years of the receipt of funds by North Jersey municipalities, the Casino Reinvestment Development Authority shall make available sufficient funds in subsequent years necessary to complete those plans or projects, or to complete that portion of the plan or project originally agreed to be funded through the Casino Reinvestment Development Authority, from funds received by the Casino Reinvestment Development Authority in the years following the fifth year of the receipt of funds by North Jersey municipalities. If the comprehensive plan or project is determined by the Casino Reinvestment Development Authority not to be an eligible plan or project, the municipality may submit any other comprehensive plan or project for a determination of eligibility. If, however, the municipality fails to receive a positive determination of eligibility for any comprehensive plan or project, or combination of comprehensive plans or projects, sufficient to exhaust the total allocation to that municipality for any year prior to April 30 of the following year for which the allocation was made, the allocation to that municipality for that year shall cease, and the Casino Reinvestment Development Authority may apply those excess funds to any other comprehensive plan or project in any other municipality in the region whose comprehensive plan or project has received a positive determination of eligibility by the Casino Reinvestment Development Authority.

(2) Commencing with the first year in which a licensee incurs a tax obligation pursuant to this section, and for the period of two years thereafter, 100% of the proceeds of all bonds purchased by a licensee from the Casino Reinvestment Development Authority which are devoted to the financing of projects in the city of Atlantic City pursuant to paragraph (1) of this subsection shall be used exclusively to finance the rehabilitation, development, or construction of, or to provide mortgage financing of, housing facilities in the city of Atlantic City for persons or families of low through middle income, as defined in this subsection. For the purposes of this subsection, the "rehabilitation, development, or construction of housing facilities" shall include expenses attributable to site preparation, infrastructure needs and housing-related community facilities and services, including supporting commercial development. Commencing with the fourth year in which a licensee incurs a tax obligation pursuant to this subsection, 50% of the proceeds of all bonds purchased by a licensee from the Casino Reinvestment Development Authority which are devoted to the financing of projects in the city of Atlantic City shall be used exclusively to finance the rehabilitation, development, or construction of housing facilities in the city of Atlantic City for persons or families of low through middle income. Commencing with the 11th year in which a licensee incurs a tax obligation pursuant to this section, 50% of the annual aggregate of the proceeds of bonds purchased by a licensee from the Casino Reinvestment Development Authority which are devoted to the financing of projects in the city of Atlantic City

and investments in approved eligible projects commenced by a licensee in the city of Atlantic City shall be used exclusively to finance the rehabilitation, development, or construction of, or to provide mortgage financing of, housing facilities in the city of Atlantic City for persons or families of low through middle income.

(3) The Legislature finds that it is necessary to provide for a balanced community and develop a comprehensive housing program. The Casino Reinvestment Development Authority shall determine the need for housing in the city of Atlantic City, in consultation with the city of Atlantic City and specifically its zoning and planning boards. This shall include determining the types and classes of housing to be constructed and the number of units of each type and class of housing to be built. The Casino Reinvestment Development Authority shall give priority to the housing needs of the persons and their families residing in the city of Atlantic City in 1983 and continuing such residency through the effective date of this 1984 amendatory and supplementary act. The actual percentage of the proceeds of bonds and investments in approved eligible projects commenced by a licensee in the city of Atlantic City, which shall be used exclusively to finance the rehabilitation, development, or construction of, or to provide mortgage financing of, housing facilities in the city of Atlantic City for persons or families of low through middle income, shall be based upon the authority's determination of the need for housing in the city of Atlantic City conducted pursuant to this subsection. Once the housing needs of the persons residing in the city of Atlantic City in 1983 and continuing such residency through the effective date of this 1984 amendatory and supplementary act have been met, as determined by the Casino Reinvestment Development Authority pursuant to this subsection, any required percentages for such housing in the city of Atlantic City may, in its sole discretion, be waived by the Casino Reinvestment Development Authority. To aid the Casino Reinvestment Development Authority in making these determinations, the Casino Reinvestment Development Authority shall review the proposal for a housing redevelopment program and strategy for the city of Atlantic City approved and adopted by the Casino Control Commission and shall give priority to same and any other plan or project which is consistent with the standards of this subsection and is acceptable to the Casino Reinvestment Development Authority, pursuant to section 25 of this 1984 amendatory and supplementary act. The Casino Reinvestment Development Authority may determine whether the funds used to finance housing facilities in the city of Atlantic City for persons or families of low, moderate, median range, and middle income are derived from the proceeds of bonds purchased by a licensee from the Casino Reinvestment Development Authority to be devoted to the financing of projects in the city of Atlantic City, investments in approved eligible projects commenced by a licensee in the city of Atlantic City, or a combination of both. Any investment made by a licensee in excess of 100% of its eligible investment tax credit during the first three years and in excess of 50% thereafter in either the purchase of bonds or direct investments in approved eligible projects for low, moderate, median range, and middle income family housing facilities in the city of Atlantic City may be carried forward and credited against the licensee's obligation to make a 100% investment during the first three years and 50% thereafter in low, moderate, median range, and middle income family housing in any future year, with the approval of the Casino Reinvestment Development Authority. For the purposes of this act, "low income families" means families whose income does not exceed 50% of the median income of the area, with adjustments for smaller and larger families. "Moderate income families" means families whose income does not exceed 80% and is not less than 50% of the median income for the area, with adjustments for smaller and larger families. "Median range income families" means families whose income does not exceed 120% and is not less than 80% of the median income for the area, with adjustments for smaller and larger families. "Middle income families" means families whose income does not exceed 150% and not less than 120% of the median income for the area, with adjustments for smaller and larger families. "Median income" means an income defined as median within the Standard Metropolitan Statistical Area for Atlantic City by the United States Department of Housing and Urban Development.

In order to achieve a balanced community, the authority shall ensure that the development of housing for families of low and moderate income shall proceed at the same time as housing for families of median range and middle income, until such time as there is no longer a need for such

facilities in the city of Atlantic City, as determined by the Casino Reinvestment Development Authority.

(4) Notwithstanding any other law or section to the contrary, particularly this subsection regarding the waiver of the required percentages for housing in the city of Atlantic City, subsection I. of section 14, and sections 26, 27, 28, 29, and 31 of this 1984 amendatory and supplementary act, nothing shall be implemented or waived by the Casino Reinvestment Development Authority which would reduce, impair, or prevent the fulfillment of the priorities established and contained in this subsection of this 1984 amendatory and supplementary act.

g. If a person is a licensee with regard to more than one approved hotel pursuant to section 82 of P.L.1977, c.110 (C.5:12-82), the person shall separately account for the gross revenues, the investment alternative tax obligations, and the investments for a tax credit against the investment alternative tax for each approved hotel, and the tax obligations of the licensee under this section shall be determined separately for each approved hotel. The licensee may apportion investments between its approved hotels; provided that no amount of investment shall be credited more than once. If a licensee receives the prior approval of the Casino Reinvestment Development Authority, the licensee may make eligible investments in excess of the investments necessary to receive a tax credit against the investment alternative tax for a given calendar year, and the licensee may carry forward this excess investment and have it credited to its next investment alternative tax obligation. If the Casino Reinvestment Development Authority approves of such excess investment and approves the carry forward of this excess investment, and a licensee elects to purchase bonds of the Casino Reinvestment Development Authority or makes direct investments in approved eligible projects in excess of the investments necessary to receive a tax credit against the investment alternative tax for its current obligation, the licensee shall be entitled to a reduction of the amount of investments necessary in future years, which amount shall be determined annually by the Casino Reinvestment Development Authority, taking into account a current market discount rate from the date of the purchase or investment to the date the purchase or investment would have been required to be made.

h. Each casino licensee shall prepare and file, in a form prescribed by the Casino Reinvestment Development Authority, an annual return reporting that financial information as shall be deemed necessary by the Casino Reinvestment Development Authority to carry out the provisions of this act. This return shall be filed with the Casino Reinvestment Development Authority and the Casino Control Commission on or before April 30 following the calendar year on which the return is based. The Casino Control Commission shall verify to the Casino Reinvestment Development Authority the information contained in the report, to the fullest extent possible. Nothing in this subsection shall be deemed to affect the due dates for making any investment or paying any tax under this section.

i. Any purchase by a licensee of bonds issued by or offered through the Casino Reinvestment Development Authority pursuant to sections 14 and 15 of this act and subsection b. of this section and all approved eligible investments made by a licensee pursuant to section 25 of this act and subsection b. of this section are to be considered investments and not taxes owed or grants to the State or any political subdivision thereof. As such, a licensee shall have the possibility of the return of principal and a return on the capital invested as with other investments. Investors in the bonds issued by or offered through the Casino Reinvestment Development Authority shall be provided with an opinion from a recognized financial rating agency or a financial advisory firm with national standing that each loan of bond proceeds by the Casino Reinvestment Development Authority has the minimum characteristics of an investment, in that a degree of assurance exists that interest and principal payments can be made and other terms of the proposed investment be maintained over the period of the investment, and that the loan of the bond proceeds would qualify for a bond rating of "C" or better. If an opinion cannot be obtained from a recognized financial rating agency or a financial advisory firm with national standing, an opinion shall be obtained from an expert financial analyst with national standing, selected and hired by the Casino Reinvestment Development Authority. In order to achieve a balanced portfolio, assure the viability of the authority and the projects, facilities and programs undertaken pursuant to this 1984 amendatory and supplementary act, no more than 25% of the total investments made by or through the Casino Reinvestment Development Authority with the

proceeds of bonds generated in each year shall be investments which would qualify for a bond rating of "C," unless all holders of obligations in each year agree to waive the 25% limit for that year. Nothing herein shall be interpreted as limiting the Casino Reinvestment Development Authority from taking any steps it deems appropriate to protect the characteristics of its investment in projects or any other investments from not being real investments with a prospect for the return of principal and a return on the capital invested. Anything contained in this section shall not be considered a guarantee by the State or any political subdivision thereof of any return of principal or interest, but any purchase by a licensee of bonds or approved eligible investments made by a licensee pursuant to this act shall be at the risk of the licensee. A licensee or the licensees purchasing an issue of bonds issued by the Casino Reinvestment Development Authority in any given year may arrange, at their option, for those bonds or the investments, made by or through the Casino Reinvestment Development Authority with the proceeds of those bonds, to be insured. The cost of any such insurance purchased by a licensee or licensees shall be paid by the licensee or licensees desiring such insurance.

j. The Casino Reinvestment Development Authority shall promulgate rules and regulations deemed necessary to carry out the purposes of this section.

k. The obligation of a licensee to pay an investment alternative tax pursuant to subsection a. of this section, including a casino licensee subject to the provisions of section 13 of P.L.2001, c.221 (C.5:12-173.21), shall end for each licensed facility operated by the licensee 50 years after any investment alternative tax obligation is first incurred in connection with each licensed facility operated by the licensee, unless extended in connection with a deferral granted by the Casino Reinvestment Development Authority pursuant to subsection c. of this section.

l. Within 90 days of the effective date of this act, P.L.2004, c.129, the State Treasurer shall certify the amounts that were invested pursuant to this section in South Jersey, as defined in subsection f. of this section, for projects located in the City of Atlantic City. Notwithstanding subsection f. of this section, beginning in State fiscal year 2005, the amount of (a) proceeds of all bonds purchased by a licensee from or through the Casino Reinvestment Development Authority and (b) all approved investments in eligible projects by a licensee devoted pursuant to subsection f., shall not exceed the amount devoted for those purposes in State fiscal year 2004. Any amounts in excess of the amounts devoted in State fiscal year 2004, after fulfilling all fund reservations, bonding and contractual obligations, shall be devoted to the financing of projects in South Jersey. For the purpose of this section, "South Jersey" means the counties of Atlantic, Burlington, Camden, Cape May, Cumberland, Gloucester, Mercer, Ocean, and Salem, except that the term shall not include the City of Atlantic City. The provisions of this subsection shall terminate when excess amounts devoted to the financing of projects in South Jersey equal the amount certified by the State Treasurer.

2. Section 6 of P.L.2003, c.116 (C.5:12-145.8) is amended to read as follows:

C.5:12-145.8 Fee of \$3.00 imposed daily on occupied hotel rooms in casino hotel facility.

6. Notwithstanding the provisions of any other law to the contrary and in addition to any other tax or fee imposed by law, there is imposed a fee of \$3.00 per day on each hotel room in a casino hotel facility that is occupied by a guest, for consideration or as a complimentary item. This section shall be administered by the commission and the amounts generated by this section shall be paid to the State Treasurer for deposit in the Casino Revenue Fund established pursuant to section 145 of P.L.1977, c.110 (C.5:12-145) in State fiscal years 2004 through 2006. Beginning in State fiscal year 2007 and thereafter, \$1.00 of the fee shall be deposited by the State Treasurer into a special fund established and held by the State Treasurer and made available for the exclusive use of the Casino Reinvestment Development Authority established pursuant to section 5 of P.L.1984, c.218 (C.5:12-153) for its purposes pursuant to law, as approved by the membership of the authority, subject to the provisions of subsection e. of section 5 of P.L.2004, c.129 (C.5:12-173.22a). Beginning in State fiscal year 2007 and thereafter, the portion of the proceeds of \$2.00 of the fee necessary to carry out the purpose of subsections a. through c. of section 5 of P.L.2004, c.129 (C.5:12-173.22a) shall be deposited by the State Treasurer into a special fund established and held by the State Treasurer and made

available for the exclusive use of the authority to carry out that purpose, and the remaining proceeds of the \$2.00 fee shall be deposited by the State Treasurer into the Casino Revenue Fund.

3. Section 44 of P.L.1995, c.18 (C.5:12-161.1) is amended to read as follows:

C.5:12-161.1 Atlantic City Fund, established in CRDA.

44. There is created and established in the Casino Reinvestment Development Authority a special account to be known as the "Atlantic City Fund," into which shall be deposited or credited the moneys specified in section 45 of P.L.1995, c.18 (C.5:12-161.2), and the moneys specified in subsection f. of section 3 of P.L.1984, c.218 (C.5:12-144.1). The moneys in the fund shall be expended by the authority for economic development projects that foster the redevelopment of Atlantic City. The provisions of section 30 of P.L.1984, c.218 (C.5:12-178) shall not apply to investments made out of the Atlantic City Fund for projects to revitalize the boardwalk. The moneys may also be expended for appropriate and reasonable administrative expenses incurred in the administration of the fund by the authority. At least 30 days before the authority votes on an application for funding for a project, the authority shall provide to the Chairpersons of the Senate Budget and Appropriations Committee and the Assembly Appropriations Committee, or their successor committees, all relevant information concerning the project.

C.5:12-162.1 Issuance of bond, notes, other obligations.

4. a. In addition to the authorization contained in any other statutory provisions relating to the issuance or sale of bonds, notes or other obligations by the Casino Reinvestment Development Authority, the authority may, upon written approval from the State Treasurer, from time to time issue bonds, notes or other obligations which are to be payable in all or part from any present or future funds, moneys, income or revenues of the authority from any source whatsoever. At least 14 days before the members of the authority approve the issuance or sale of bonds, notes or other obligations, the authority shall submit to the President of the Senate and the Speaker of the General Assembly a proposed plan of finance for such sale or issuance. The authority is authorized to issue its bonds, notes or other obligations in such principal amounts as shall be necessary to provide sufficient funds to finance eligible projects of the authority, and to pay, fund, or refund any bonds, notes or other obligations issued by it, whether the bonds, notes or other obligations to be funded or refunded have or have not become due or to pay for the administrative costs of the authority.

b. The bonds or notes or other obligations may be additionally secured by a pledge of any grant or contribution from the federal government or any State or any agency or public subdivision thereof or any person or a pledge of any other funds, moneys, income or revenues of the authority from any source whatsoever. The authority may also enter into bank loan agreements, lines of credit or bond insurance, bond purchase agreements and other security agreements and obtain for or on its behalf letters of credit in each case for the purpose of securing its bonds, notes or other obligations or to provide direct payment of any costs which the authority is authorized to pay by this act and to secure repayment of any borrowings under the loan agreement, line of credit, letter of credit, bond insurance or other security agreement by its bonds, notes or other obligations or the proceeds thereof or by any or all of the moneys, income or revenues of the authority pledged to the payment of the bonds or by any appropriation, grant or reimbursement to be received by the authority and other moneys or funds as the authority shall determine.

c. Any provision of any law to the contrary notwithstanding, any bond or note issued pursuant to this act shall be fully negotiable within the meaning and for all purposes of the negotiable instruments law of the State, and each holder or owner of a bond or note, or of any coupon appurtenant thereto, by accepting the bond, note or coupon shall be conclusively deemed to have agreed that the bond, note or coupon is and shall be fully negotiable within the meaning and for all purposes of the negotiable instruments law.

d. Bonds or notes or other obligations of the authority shall be authorized by resolution of

the authority and may be issued in one or more series and shall bear the date or dates, mature at the time or times not exceeding 50 years from the date thereof, bear interest at a rate or rates, as shall be determined by the authority, shall be in the denomination or denominations, be in the form, either bearer or registered, carry the conversion or registration privileges, have the rank or priority, be executed in the manner, be payable from the sources in the medium of payment at the place or places within or without the State, and be subject to the terms of redemption, with or without premium, as the resolution or resolutions may provide.

e. Bonds or notes of the authority may be sold at public or private sale at the price or prices as the authority shall determine.

f. Any resolution authorizing the issuance of bonds or refunding bonds pursuant to this section may also provide for the authority to enter into any revolving credit agreement, agreement establishing a line of credit or letter of credit, reimbursement agreement, interest rate exchange agreement, currency exchange agreement, interest rate floor or cap, options, puts or calls to hedge payment, currency, rate, spread or similar exposure or similar agreements, float agreements, forward agreements, insurance contracts, surety bonds, commitments to purchase or sell bonds, purchase or sale agreements, or commitments or other contracts or agreements and other security agreements approved by the authority in connection with the issuance of the bonds or refunding bonds pursuant to this section. The authority's payment obligations under any such agreements may be secured by and payable from any or all of the moneys, income or revenues of the authority pledged to the payment of the bonds or by any appropriation, grant or reimbursement to be received by the authority and other moneys or funds as the authority shall determine.

g. The authority is authorized to engage the services of financial advisors and experts, placement agents, underwriters, appraisers, and other advisors, consultants and agents as may be necessary to effectuate the financing of eligible projects of the authority.

h. Bonds and refunding bonds issued by the authority pursuant to this section shall be special and limited obligations of the authority payable from, and secured by, the funds, moneys, income or revenues of the authority so specified in accordance with this section. Neither the members of the authority nor any other person executing the bonds or refunding bonds shall be personally liable with respect to payment of principal, interest or redemption premium on the bonds or refunding bonds. Bonds or refunding bonds issued pursuant to this section shall not be a debt or liability of the State or any political subdivision thereof, other than the authority, or any agency or instrumentality thereof, except as otherwise provided by this subsection, either legal, moral or otherwise, and nothing contained in this act shall be construed to authorize the authority to incur any indebtedness on behalf of or in any way to obligate the State or any political subdivision thereof, and all bonds and refunding bonds issued by the authority shall contain a statement to that effect on their face.

i. The State of New Jersey hereby covenants with the purchasers, holders and owners, from time to time, of any bonds, notes or other obligations secured in all or part from any funds, moneys, income or revenues of the authority that it shall not repeal or reduce any fees, charges or other sources of revenue securing such bonds while bonds entitled to benefits from such fees, charges or other sources of revenue so imposed are outstanding, and shall not modify or amend the provisions of any law, so as to create any lien or charge on, or any pledge, assignment, diversion, withholding payment or otherwise of or deduction from the funds, moneys, income or revenues of the authority securing such bonds which is prior in time or superior in right to any payments required to be made pursuant to any bond covenants entered into with the purchasers, holders and owners of the bonds so secured.

j. In any resolution of the authority authorizing or relating to the issuance of bonds or notes or other obligations pursuant this act, the authority, in order to secure the payment of the bonds or notes or other obligations and in addition to its other powers, shall have power by provisions therein which shall constitute covenants by the authority and contracts with the holders of the bonds or notes or other obligations:

(1) To pledge to any payment or purpose all or any part of its revenues to which its right then exists or may thereafter come into existence, and the moneys derived therefrom and the proceeds of any bonds or notes or other obligations.

(2) To covenant against pledging all or any part of its revenues, or against mortgaging all or any part of its real or personal property then owned or thereafter acquired, or against permitting or suffering any lien on its revenues or property.

(3) To covenant with respect to limitations on any right to sell, lease or otherwise dispose of any project or any part thereof or any property of any kind.

(4) To covenant as to any bonds and notes to be issued and the limitations thereon and the terms and conditions thereof and as to the custody, application, investment and disposition of the proceeds thereof.

(5) To covenant as to the issuance of additional bonds or notes or other obligations or as to limitations on the issuance of additional bonds or notes and on the incurring of other debts by the authority.

(6) To covenant as to the payment of the principal of or interest on the bonds or notes or any other obligations, as to the sources and methods of that payment, as to the rank or priority of any bonds, notes or other obligations with respect to any lien or security or as to the acceleration of the maturity of any bonds, notes or obligations.

(7) To provide for the replacement of lost, stolen, destroyed or mutilated bonds or notes.

(8) To covenant against extending the time for the payment of bonds or notes or interest thereon.

(9) To covenant as to the redemption of bonds or notes or other obligations and privileges of exchange thereof for other bonds or notes or other obligations of the authority.

(10) To covenant to create or authorize the creation of special funds or moneys to be held in pledge or otherwise for construction, operating expenses, payment or redemption of bonds or notes or other obligations, reserves or other purposes and as to the use and disposition of the moneys held in the funds.

(11) To establish the procedure, if any, by which the terms of any contract or covenant with or for the benefit of the holders of bonds or notes or other obligations may be amended or abrogated, the amount of bonds or notes the holders of which must consent thereto, and the manner in which the consent may be given.

(12) To covenant as to the construction, operation or maintenance of real property and personal property, the replacement thereof, the insurance to be carried thereon, and the use and disposition of insurance moneys.

(13) To provide for the release of property, leases or other agreements, or revenues and receipts from any pledge or mortgage and to reserve rights and powers in, or the right to dispose of, property which is subject to a pledge or mortgage.

(14) To mortgage all or any part of its property, real or personal, then owned or thereafter to be acquired.

(15) To provide for the rights and liabilities, powers and duties arising upon the breach of any covenant, condition or obligation and to prescribe the events of default and the terms and conditions upon which any or all of the bonds, notes or other obligations of the authority shall become or may be declared due and payable before maturity and the terms and conditions upon which any declaration and its consequences may be waived.

(16) To vest in a trustee or trustees within or without the State such property, rights, powers and duties in trust as the authority may determine and to limit the rights, powers and duties of the trustee.

(17) To pay the costs or expenses incident to the enforcement of the bonds or notes or other obligations or of the provisions of the resolution or of any covenant or agreement of the authority with the holders of its bonds or notes.

(18) To limit the rights of the holder of any bonds or notes to enforce any pledge or covenant securing bonds or notes.

(19) To make covenants other than and in addition to the covenants herein expressly authorized, of like or different character, and to make the covenants to do or refrain from doing any acts and things as may be necessary, or convenient and desirable, in order to better secure bonds or notes or other obligations or which, in the absolute discretion of the authority, will tend to make bonds or notes or other obligations more marketable, notwithstanding that the covenants, acts or things may not be enumerated herein.

C.5:12-173.22a Atlantic City Expansion Fund; creation, use.

5. a. The Casino Reinvestment Development Authority shall issue, upon the approval of the State Treasurer, bonds, notes or other obligations, in an amount not to exceed \$62 million, the proceeds of which shall be deposited into the Atlantic City Expansion Fund created pursuant to subsection b. of this section. The principal and interest of such bonds, notes or other obligations shall be repaid exclusively from the revenues dedicated to the authority for this purpose pursuant to section 6 of P.L.2003, c.116 (C.5:12-145.8).

b. The authority shall establish an Atlantic City Expansion Fund into which the authority shall deposit the amount directed to be deposited into the fund pursuant to subsection a. of this section. Notwithstanding section 30 of P.L.1984, c.218 (C.5:12-178), the authority shall make moneys on deposit in the fund available, in amounts determined pursuant to subsection c. of this section, to each casino licensee operating a casino hotel facility as of June 30, 2004 for investment in an eligible casino hotel expansion project approved by the authority which increases the number of casino hotel rooms in the licensee's casino hotel facility. The authority shall not authorize investment of moneys in the fund for a project that receives or is anticipated to receive funding pursuant to the Casino Reinvestment Development Authority Urban Revitalization Act, P.L. 2001, c.221 (C.5:12-173.9 et seq.), or section 8 of P.L.1993, c.159 (C.5:12-173.8). The authority shall promulgate regulations establishing the criteria governing the approval of eligible projects.

c. The authority shall determine the amount each casino licensee shall be eligible to receive from the Atlantic City Expansion Fund. The form, terms and maximum percentage of the cost of an eligible expansion project to be received by each casino licensee shall be determined by the authority by resolution. In the event that a casino licensee has not submitted by June 30, 2014 an application that, if approved, would exhaust its share of the Atlantic City Expansion Fund, the remainder of such casino licensee's share of the fund shall be transferred to its Atlantic City non-housing obligations pursuant to section 3 of P.L.1984, c.218 (C.5:12-144.1).

d. The authority may, in its discretion, advance any of the funds in the Atlantic City Expansion Fund to make a grant to an eligible project located in North Jersey approved by the authority provided that the authority has executed an agreement with casino licensees for the repayment of the advanced amount from the funds devoted to the financing of projects in North Jersey pursuant to the Casino Reinvestment Development Authority Urban Revitalization Act, P.L.2001, c.221 (C.5:12-173.9 et seq.) or from casino licensees' investment alternative tax obligations devoted to the financing of projects in North Jersey pursuant to section 3 of P.L.1984, c.218 (C.5:12-144.1).

e. (1) The Casino Reinvestment Development Authority shall issue, upon the approval of the State Treasurer, bonds, notes or other obligations, in an amount not to exceed \$31 million, which shall be deposited into a special fund created pursuant to this subsection. The principal and interest of such bonds, notes or other obligations shall be repaid exclusively from revenues dedicated to the authority for this purpose pursuant to section 6 of P.L.2003, c.116 (C.5:12-145.8).

(2) The authority shall establish a special fund into which the authority shall deposit the amount directed to be deposited into the fund pursuant to this subsection. The authority shall make half of the moneys on deposit in the fund available for investment in projects located in North Jersey, and half of the moneys on deposit in the fund available for investment in projects located in South Jersey. For the purposes of this paragraph, "South Jersey" means the counties of Atlantic, Burlington, Camden, Cape May, Cumberland, Gloucester, Mercer, Ocean, and Salem, except that "South Jersey" shall not include the City of Atlantic City; and "North Jersey" means the remaining 12 counties of the State.

6. Section 3 of P.L.2001, c.221 (C.5:12-173.11) is amended to read as follows:

C.5:12-173.11 Definitions relative to CRDA urban revitalization incentive program.

3. As used in this act:

"Authority" means the Casino Reinvestment Development Authority established pursuant to P.L.1984, c.218 (C.5:12-153 et seq.);

"Baseline luxury tax revenue amount" or "baseline luxury tax" means the annual amount of luxury tax receipts received pursuant to P.L.1947, c.71 (C.40:48-8.15 et seq.) from the taxation of retail sales or sales at retail originating from transactions at an entertainment-retail district project for the last full calendar year preceding the year in which the district project opens under the incentive program;

"Casino hotel room fee fund" or "room fund" means the fund established by the State Treasurer pursuant to section 8 of P.L.2001, c.221 (C.5:12-173.16) into which shall be deposited the proceeds of the hotel room use fees as specified pursuant to section 6 of P.L.2001, c.221 (C.5:12-173.14);

"Casino reinvestment development authority urban revitalization incentive program" or "incentive program" means the program established pursuant to section 4 of P.L.2001, c.221 (C.5:12-173.12) and administered by the authority to facilitate the development of entertainment-retail districts for the city of Atlantic City and to promote urban revitalization throughout the State;

"Commissioner" means the Commissioner of Community Affairs;

"Department" means the Department of Community Affairs;

"District project grant" or "grant" means an amount rebated to the authority pursuant to sections 7 or 8 of P.L.2001, c.221 (C.5:12-173.15 or 5:12-173.16) for disbursement to a casino licensee that is approved by the authority for a district project or for retention by the authority for an approved district project sponsored by the authority;

"Entertainment-retail district" or "district" means one of eleven areas within Atlantic City, designated by the authority under the incentive program;

"Entertainment-retail district project" or "district project" means a project or projects to be developed by the authority or any casino licensed to operate in Atlantic City prior to June 30, 2004, including, but not necessarily limited to, a minimum of 150,000 square feet of public space, retail stores, entertainment venues, restaurants, hotel rooms in non-casino hotels, residential units or commercial office space, and may include, in addition, casino hotels, public parking facilities approved by the authority under the incentive program, and may also include: the purchasing, leasing, condemning, or otherwise acquiring of land or other property, or an interest therein, approved by the authority pursuant to a project grant agreement or as an authority sponsored project, or as necessary for a right-of-way or other easement to or from the land or property, or the relocating and moving of persons displaced by the acquisition of the land or property; the rehabilitation and redevelopment of land or property, approved pursuant to a project grant agreement or as an authority sponsored project, including demolition, clearance, removal, relocation, renovation, alteration, construction, reconstruction, installation or repair of a building, street, highway, alley, utility, service or other structure or improvement; the acquisition, construction, reconstruction, rehabilitation, or installation of parking and other improvements approved pursuant to a project grant agreement or as an authority sponsored project; and the costs associated therewith including the costs of an administrative appraisal, economic and environmental analyses or engineering, planning, design, architectural, surveying or other professional services approved pursuant to a project grant agreement or as part of an authority sponsored project;

"Entertainment-retail district project fund" or "project fund" means the fund established by the State Treasurer pursuant to section 7 of P.L.2001, c.221 (C.5:12-173.15) into which shall be deposited an amount equivalent to the amount of receipts received from the taxation of retail sales from a district project and from the taxation of construction materials used for building a district project, as specified pursuant to section 5 of P.L.2001, c.221 (C.5:12-173.13);

"Incremental luxury tax revenue amount" or "incremental luxury tax" means the amount by which the annual luxury tax receipts received pursuant to P.L.1947, c.71 (C.40:48-8.15 et seq.) from the taxation of retail sales or sales at retail originating from transactions at a district project in the year in which the district project opens under the incentive program, and in each year thereafter, exceed the baseline luxury tax, as determined by the State Treasurer; and

"Project grant agreement" means an agreement entered into between the authority and a casino licensee, pursuant to section 4 of P.L.2001, c.221 (C.5:12-173.12), that sets forth the terms and conditions of approval for a district project and of eligibility for district project grants,

as determined by the authority.

7. Section 4 of P.L.2001, c.221 (C.5:12-173.12) is amended to read as follows:

C.5:12-173.12 Urban revitalization incentive program.

4. a. There is established the incentive program that shall be administered by the authority. The purpose of the incentive program is to facilitate the development of entertainment-retail districts for the city of Atlantic City and to promote revitalization of other urban areas in the State. The provisions of section 30 of P.L.1984, c.218 (C.5:12-178) shall not apply to the incentive program established pursuant to this section. In order to implement the incentive program, the authority is authorized to accept applications from casino licensees on or before June 30, 2014 for approval of a district project and to designate by resolution up to eleven districts and to enter into project grant agreements with casino licensees to develop district projects within each district or to approve a district project sponsored by the authority pursuant to section 12 of P.L.2001, c.221 (C.5:12-173.20). The authority may disburse district project grants in accordance with sections 7 and 8 of P.L.2001, c.221 (C.5:12-173.15 and 5:12-173.16) to casino licensees with approved district projects or to the authority for a district project sponsored by the authority pursuant to section 12 of P.L.2001, c.221 (C.5:12-173.20) under the incentive program, if the authority determines that:

(1) construction of the district project will commence within two years of the authority's approval of the district project, or as otherwise provided pursuant to the project grant agreement with the authority, or pursuant to the district project plan approved by the authority for an authority sponsored district project;

(2) a proposed district project plan submitted pursuant to section 10 of P.L.2001, c.221 (C.5:12-173.18) is economically sound and will assist in the overall development of the city of Atlantic City and will benefit the people of New Jersey by increasing employment opportunities and strengthening New Jersey's economy;

(3) the disbursement of grants to a casino licensee is a material factor in the licensee's decision to go forward with a district project; and

(4) the casino licensee has agreed to invest a minimum of \$20 million in its investment alternative tax obligations under section 3 of P.L.1984, c.218 (C.5:12-144.1), such obligation to be made in \$10 million increments to one or more entertainment-retail projects, or housing and community development projects, approved by the authority and the department, in an urban area outside of Atlantic City, and designated by the commissioner as eligible for, and in need of the project, pursuant to section 11 of P.L.2001, c.221 (C.5:12-173.19). Notwithstanding the foregoing, the requirements of this paragraph shall not apply with regard to the five district projects authorized by this amendatory and supplementary act, P.L.2004, 129.

b. Notwithstanding any provision to the contrary in P.L.2001, c.221 (C.5:12-173.9 et al.), the authority and the commissioner jointly may, in their discretion, also designate two entertainment-retail projects, one in North Jersey and one in South Jersey, as eligible for funds under the incentive program.

c. If construction of a designated district project does not commence within the time required pursuant to this section, the authority may remove that designation and, in accordance with procedures adopted by the authority by resolution, accept applications for and designate another district project of another casino licensee notwithstanding the application time requirements of this section.

d. The authority may by resolution amend its designation of a district project to increase the area of the district project by up to 50% with the agreement of the casino licensee.

e. Notwithstanding any provision to the contrary in P.L.2001, c.221 (C.5:12-173.9 et seq.), the authority is authorized to accept an application from an entity other than a casino licensee on or before June 30, 2014 for approval of a district project and to designate by resolution an entertainment-retail district, enter into a project grant agreement with such entity to develop a district project within the district, maintain separate accounts as appropriate, and disburse district project grants in accordance with sections 7 and 8 of P.L.2001, c.221 (C.5:12-173.15 and 5:12-173.16) to such entity with an approved district project under the incentive program.

8. Section 7 of P.L.2001, c.221 (C.5:12-173.15) is amended to read as follows:

C.5:12-173.15 Project fund created.

7. a. There is created a dedicated, nonlapsing project fund to be held by the State Treasurer, which shall be the repository for all moneys required to be deposited therein under section 5 of P.L.2001, c.221 (C.5:12-173.13) and any moneys appropriated or otherwise made available to the project fund.

b. All moneys deposited in the project fund shall be held and disbursed, subject to the requirements of section 11 of P.L.2001, c.221 (C.5:12-173.19), in the form of district project grants as follows:

(1) an amount from the project fund equivalent to the total revenues received pursuant to the "Sales and Use Tax Act," P.L.1966, c.30 (C.54:32B-1 et seq.) from the taxation of construction materials used for building a district project approved by the authority pursuant to a project grant agreement, or for building a district project sponsored by the authority, shall be rebated in the form of a one-time grant to the authority for disbursement to the casino licensee with an approved district project or to the authority for an authority sponsored district project;

(2) an amount from the project fund equivalent to the total revenues received pursuant to the "Sales and Use Tax Act," P.L.1966, c.30 (C.54:32B-1 et seq.) from the taxation of retail sales of tangible property and services originating from and delivered from business locations in a district project approved by the authority pursuant to a project grant agreement or from business locations in a district project sponsored by the authority, shall be rebated in the form of annual grants (a) to the authority for disbursement to the casino licensee with an approved district project, or to the authority for an authority sponsored district project, with each annual grant not to exceed \$2.5 million per district project and payable annually for 20 years from the date of completion of the district project, or until such time as the combined total of grants disbursed under this section and under section 8 of P.L.2001, c.221 (C.5:12-173.16) equals the approved cost of the district project, as determined by the authority, whichever is earlier, and (b) from the amounts remaining after such disbursement in (a), to the authority for its purposes pursuant to law, as approved by the membership of the authority, with each annual grant not to exceed \$2.5 million per district project and payable annually for 20 years from the date of completion of the district project;

(3) the balance of the revenues in the project fund shall be deposited in the General Fund if the authority, in consultation with the State Treasurer, determines that the revenues are no longer needed for the purposes of the project fund or for the uses prescribed in P.L.2001, c.221 (C.5:12-173.9 et al.).

c. The State Treasurer may invest and reinvest any moneys in the project fund, or any portion thereof, in legal obligations of the United States or of the State or any political subdivision thereof. Any income from, interest on, or increment to moneys so invested or reinvested shall be included in the project fund.

9. Section 8 of P.L.2001, c.221 (C.5:12-173.16) is amended to read as follows:

C.5:12-173.16 Room fund created.

8. a. There is created a dedicated, nonlapsing room fund to be held by the State Treasurer, which shall be the repository for all moneys required to be deposited therein under section 6 of P.L.2001, c.221 (C.5:12-173.14) and any moneys appropriated or otherwise made available to the room fund.

b. All moneys deposited in the room fund shall be held and disbursed, subject to the requirements of section 11 of P.L.2001, c.221 (C.5:12-173.19), in the form of district projects grants as follows:

(1) an amount from the room fund equivalent to the incremental luxury tax for a district project approved by the authority pursuant to a project grant agreement or for a district project sponsored by the authority, shall be rebated in the form of annual grants from the room fund to the authority for disbursement to the casino licensee with an approved district project, or to the authority for an authority sponsored district project, and shall be payable annually for 20 years

from the date of completion of the district project, or until such time as the combined total of grants disbursed under this section and under section 7 of P.L.2001, c.221 (C.5:12-173.15) equals the approved cost of the district project, as determined by the authority, whichever is earlier;

(2) the balance of the revenues in the room fund shall be deposited in the special fund established pursuant to section 3 of P.L.1991, c.376 (C.40:48-8.47) if the authority, in consultation with the State Treasurer, determines that the revenues are no longer needed for the purposes of the room fund or for the uses prescribed in P.L.2001, c.221 (C.5:12-173.9 et al.).

c. The State Treasurer may invest and reinvest any moneys in the room fund, or any portion thereof, in legal obligations of the United States or of the State or any political subdivision thereof. Any income from, interest on, or increment to moneys so invested or reinvested shall be included in the room fund.

10. Section 12 of P.L.2001, c.221 (C.5:12-173.20) is amended to read as follows:

C.5:12-173.20 Authority sponsored project.

12. Notwithstanding any provision to the contrary in P.L.2001, c.221 (C.5:12-173.9 et al.), the authority may sponsor a district project which meets the criteria of paragraphs (1) and (2) of subsection a. of section 4 of P.L.2001, c.221 (C.5:12-173.12), and in that event, paragraphs (3) and (4) of subsection a. of section 4 of P.L.2001, c.221 (C.5:12-173.12) are not applicable to the authority and the grants otherwise payable to a casino licensee pursuant to paragraphs (1) and (2) of subsection b. of section 7 and paragraph (1) of subsection b. of section 8 of P.L.2001, c.221 (C.5:12-173.15 and 5:12-173.16) shall be payable to the authority.

11. Section 5 of P.L.1984, c.218 (C.5:12-153) is amended to read as follows:

C.5:12-153 Casino Reinvestment Development Authority.

5. a. There is established in, but not of, the Department of the Treasury a Casino Reinvestment Development Authority to consist of the following members:

(1) Six members appointed by the Governor with the advice and consent of the Senate for terms of four years, except that of the initial members to be appointed pursuant to this 1991 amendatory act, P.L.1991, c.219, one shall be appointed for a term of two years and one for a term of four years;

(2) Two members appointed by the Governor upon the recommendation of the President of the Senate for a term of four years;

(3) Two members appointed by the Governor upon the recommendation of the Speaker of the General Assembly for a term of four years;

(4) A member of the Casino Control Commission, who shall be appointed by the Governor and shall be a voting member of the authority;

(5) The mayor of Atlantic City, ex officio and voting;

(6) The Attorney General and the State Treasurer, ex officio and voting;

(7) Two casino industry representatives, both of whom shall be voting members, appointed by the Governor for terms of two years, except that of the initial appointees, one shall serve for a term of one year and one for a term of two years. No person shall be reappointed to succeed himself as a casino industry representative member, and no person appointed shall be an employee, officer or agent of the same casino licensee as the person whom he succeeds as a casino industry representative member; and

(8) One member appointed by the Governor to serve ex officio as a voting member, who shall be either the Commissioner of the Department of Commerce and Economic Development or the Commissioner of the Department of Community Affairs, or the Governor may appoint, in lieu thereof, an additional member of the Casino Control Commission as a voting member.

No more than four of the voting members appointed by the Governor pursuant to paragraph (1) of this subsection shall be of the same political party.

In the appointment of members of the authority, consideration should be given to achieving a membership of high quality and varied experience, with special emphasis on the fields of

banking, finance, investment, and housing and urban development.

b. Each member appointed by the Governor shall hold office for the term of his appointment and until his successor shall have been appointed and qualified. A member shall be eligible for reappointment. Any vacancy in the membership occurring other than by expiration of term shall be filled in the same manner as the original appointment but for the unexpired term only.

c. The member or members of the Casino Control Commission appointed by the Governor shall serve as a member or members of the Casino Reinvestment Development Authority at the pleasure of the Governor, subject to the limitations in subsections c., f., and h. of section 52 of P.L.1977, c.110 (C.5:12-52). Such a member may be removed or suspended from office as a member of the Casino Reinvestment Development Authority as provided in section 6 of this act. Any removal or suspension from office of a member of the Casino Control Commission from the Casino Reinvestment Development Authority shall not affect his office held as a member of the Casino Control Commission. Removal from office as a member of the Casino Control Commission may only be done in accordance with subsection g. of section 52 of P.L.1977, c.110 (C.5:12-52).

12. Section 7 of P.L.1984, c.218 (C.5:12-155) is amended to read as follows:

C.5:12-155 Officers; quorum.

7. The Governor shall designate from among the appointed and voting public members, a chairman and a vice chairman of the Casino Reinvestment Development Authority, who shall serve in those capacities at the pleasure of the Governor. The powers of the Casino Reinvestment Development Authority shall be vested in the members thereof in office from time to time and nine voting members of the Casino Reinvestment Development Authority shall constitute a quorum at any meeting thereof. Action may be taken by motions and resolutions adopted by the Casino Reinvestment Development Authority at any meeting thereof by the affirmative vote of at least nine members of the Casino Reinvestment Development Authority. No vacancy in the membership of the Casino Reinvestment Development Authority shall impair the right of a quorum of the members to exercise all the powers and perform all the duties of the Casino Reinvestment Development Authority.

Repealer.

13. Section 13 of P.L.2001, c.221 (C.5:12-173.21) is repealed.

14. This act shall take effect immediately.

Approved August 25, 2004.