

CHAPTER 30

AN ACT concerning expansion projects under the supervision of the Casino Reinvestment Development Authority and amending P.L.2001, c.221 and P.L.2004, c.129.

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

1. Section 5 of P.L.2004, c.129 (C.5:12-173.22a) is amended to read as follows:

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 expansion project approved by the authority. An eligible project approved by August 25, 2006 shall add hotel rooms, retail, dining or non-gaming entertainment venues, or other non-gaming amenities, including parking spaces, in the City of Atlantic City, provided that the moneys received pursuant to this subsection may be used for parking spaces only if the authority determines that the addition of parking spaces is an essential component of a comprehensive development plan. An eligible project approved thereafter shall add hotel rooms in the City of Atlantic City. 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), unless the casino licensee demonstrates to the satisfaction of the authority that the funding from the Atlantic City Expansion Fund will result in a significant improvement in or expansion of that project, and the casino licensee invests additional private funds in the project in an amount deemed appropriate by the authority. 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), provided that such transferred share shall not reduce the licensee's investment alternative tax obligation pursuant to subsection f. of 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.

2. 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 programs.

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 section 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 or residential units, provided that such rooms and residential units shall constitute not more than 50% of the required minimum square footage. The project may include, in addition, casino hotels, public parking facilities or commercial office space, 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.

3. This act shall take effect immediately.

Approved January 26, 2005.