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# Public Hearing

before

SENATE BUDGET and APPROPRIATIONS COMMITTEE

SCR-185

*“Proposes constitutional amendment to authorize Legislature to permit by law establishment and operation of casinos in certain counties”*

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**LOCATION:** Committee Room 4  
State House Annex  
Trenton, New Jersey

**DATE:** January 7, 2016  
11:30 a.m.

**MEMBERS OF COMMITTEE PRESENT:**

Senator Paul A. Sarlo, Chair  
Senator Brian P. Stack, Vice Chair  
Senator Sandra B. Cunningham  
Senator Nellie Pou  
Senator M. Teresa Ruiz  
Senator Jeff Van Drew  
Senator Anthony R. Bucco  
Senator Steven V. Oroho  
Senator Kevin J. O’Toole  
Senator Samuel D. Thompson



**ALSO PRESENT:**

Catherine Z. Brennan  
Howard K. Rotblat  
*Office of Legislative Services*  
*Committee Aides*

Eugene Lepore  
*Senate Majority*  
*Committee Aide*

Christopher Emigholz  
*Senate Republican*  
*Committee Aide*

***Hearing Recorded and Transcribed by***  
The Office of Legislative Services, Public Information Office,  
Hearing Unit, State House Annex, PO 068, Trenton, New Jersey

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PAUL A. SARLO  
Chairman

BRIAN P. STACK  
Vice-Chairman

PETER J. BARNES III  
SANDRA B. CUNNINGHAM  
LINDA R. GREENSTEIN  
NELLIE POU  
M. TERESA RUIZ  
JEFF VAN DREW  
JENNIFER BECK  
ANTHONY R. BUCCO  
STEVEN V. OROHO  
KEVIN J. O'TOOLE  
SAMUEL D. THOMPSON



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**New Jersey State Legislature**  
**SENATE BUDGET AND APPROPRIATIONS COMMITTEE**  
STATE HOUSE ANNEX  
PO BOX 068  
TRENTON NJ 08625-0068

**REVISED  
PUBLIC HEARING NOTICE**

**&**

**COMMITTEE NOTICE**

**TO: MEMBERS OF THE SENATE BUDGET AND APPROPRIATIONS COMMITTEE**  
**FROM: SENATOR PAUL A. SARLO, CHAIRMAN**  
**SUBJECT: COMMITTEE MEETING - JANUARY 7, 2016**

*The public may address comments and questions to Catherine Z. Brennan, Howard K. Rotblat, Committee Aides, or make bill status and scheduling inquiries to Jaimie Cooper, Secretary, at (609)847-3835, fax (609)943-5995, or e-mail: OLSAideSBA@njleg.org. Written and electronic comments, questions and testimony submitted to the committee by the public, as well as recordings and transcripts, if any, of oral testimony, are government records and will be available to the public upon request.*

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**The Senate Budget and Appropriations Committee will meet on Thursday, January 7, 2016 at 10:00 AM in Committee Room 4, 1st Floor, State House Annex, Trenton, New Jersey.**

The following bills will be considered:

S-445                      Establishes Response to Intervention initiative in DOE to support and  
Ruiz                         encourage school districts in implementation of Response to  
                                 Intervention framework.

\*S-822                      Requires public institutions of higher education to waive or reimburse  
Beach/Gill                 application fees and transcript fees for veterans and members of the  
\*A-2019                      military.

Greenwald/Tucker/  
Johnson/Benson/  
DeAngelo/Wilson  
(pending referral)

(OVER)

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S-1033 Weinberg A-2925 (3R) Lagana/O'Scanlon/ Burzichelli/Garcia	Provides for use of prepaid debit cards as standardized form of disbursement for certain State and local government payments to individuals and business entities.
S-1325 Van Drew/Bucco A-2935 Andrzejczak/Lagana/ Webber/Mosquera/ Lampitt	Authorizes property tax deferment for deployed military personnel.
S-1534 Van Drew/Bateman A-984 (1R) Andrzejczak/Wimberly/ Wilson	Enhances penalty for tampering with evidence after fleeing the scene of an accident resulting in death.
*S-1995 Bateman/Smith, B *A-4182 Eustace/Sumter/ Wimberly/Danielsen/ Jimenez	Prohibits firearm possession by persons convicted of carjacking, gang criminality, racketeering and terroristic threats.
S-2191 (1R) Vitale/Cruz-Perez	Requires Medicaid coverage for diabetes self-management education, training, services, and equipment for patients diagnosed with diabetes, gestational diabetes, and pre-diabetes.
S-2606 (1R) Beach/Cruz-Perez A-3554 (1R) Mazzeo/Andrzejczak/ Wilson/Mukherji/ Benson/Danielsen	Increases income eligibility cap to receive respite care for certain veterans.
S-2636 Beach/Van Drew A-3552 Mazzeo/Andrzejczak/ Wilson/Mukherji/Benson	Creates financial planning assistance program for disabled veterans and their caregivers.

(OVER)

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- \*S-2644  
Vitale/Codey  
\*A-3955  
Conaway/Benson/  
Vainieri Huttle/Munoz, N/  
Sumter/Mukherji
- Requires development and maintenance of database to advise public about open bed availability in residential substance use disorders treatment facilities.
- \*S-2820  
Van Drew/Oroho  
\*A-3927  
Andrzejczak/Mazzeo/  
Taliaferro/Wilson/Dancer
- Requires drivers to slow down before passing slow moving vehicles; establishes Statewide educational campaign on rural roadway safety; updates agriculture-related motor vehicle laws to reflect current industry practices.
- S-2967  
Van Drew  
A-943  
Singleton/Conaway/  
Moriarty/Green/  
Lampitt/Mazzeo
- Permits small businesses to qualify for loans from NJEDA for costs of energy audit and making energy efficiency or conservation improvements.
- S-3016  
Vitale  
A-4387 (1R)  
Coughlin/Wisniewski/  
Wimberly
- Requires MVC to allow submission of "Next-of-Kin Registry" information upon issuance of permit, driver's license, or identification card.
- S-3036 (1R)  
Vitale  
A-4271 (2R)  
Conaway/Benson/Pinkin/  
Wimberly  
(pending referral)
- Mandates health benefits coverage for opioid analgesics with abuse-deterrent properties.
- \*S-3056  
Gordon  
\*A-4420  
Mazzeo/Vainieri Huttle/  
DeAngelo/Lampitt  
(pending referral)
- Requires certain notifications for termination of services to persons with developmental disabilities and providers.
- S-3183 (1R)  
Sarlo
- Criminalizes using drones to conduct surveillance of or fly over critical infrastructures; requires certain drones to be registered and insured.

(OVER)

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S-3317                      Realigning the transfer inheritance tax payment due date to coincide  
Sweeney/Oroho              with the payment due dates for State and federal estate taxes.  
A-2026  
Greenwald/Pintor Marin

**The Senate Budget and Appropriations Committee will hold a public hearing immediately following the committee meeting.**

**The public hearing will be held in accordance with Article IX, paragraph 1 of the New Jersey Constitution and Rule 24:3 of the New Jersey Senate on the following Senate Concurrent Resolution:**

SCR-185 (SCS/1R)              Proposes constitutional amendment to authorize Legislature to permit  
Sarfo/Sweeney                  by law establishment and operation of casinos in certain counties.

*Those persons presenting written testimony are asked to provide 20 copies on the day of the meeting/hearing.*

Issued 12/31/15

\* Revised 1/6/16 – S-822 / A-2019, S-1995 / A-4182, S-2644 / A-3955, S-2820 / A-3927 and S-3056 / A-4420 have been added.

For reasonable accommodation of a disability call the telephone number or fax number above, or TTY for persons with hearing loss 609-777-2744 (toll free in NJ) 800-257-7490. The provision of assistive listening devices requires 24 hours' notice. Real time reporter or sign language interpretation requires 5 days' notice.

For changes in schedule due to snow or other emergencies, call 800-792-8630 (toll-free in NJ) or 609-292-4840.

[First Reprint]

SENATE COMMITTEE SUBSTITUTE FOR  
**SENATE CONCURRENT  
RESOLUTION No. 185**

**STATE OF NEW JERSEY**  
**216th LEGISLATURE**

ADOPTED DECEMBER 17, 2015

**Sponsored by:**

**Senator PAUL A. SARLO**

**District 36 (Bergen and Passaic)**

**Senator STEPHEN M. SWEENEY**

**District 3 (Cumberland, Gloucester and Salem)**

**Co-Sponsored by:**

**Senators Weinberg, Gordon and Addiego**

**SYNOPSIS**

Proposes constitutional amendment to authorize Legislature to permit by law establishment and operation of casinos in certain counties.

**CURRENT VERSION OF TEXT**

As reported by the Senate Budget and Appropriations Committee on December 21, 2015, with amendments.

(Sponsorship Updated As Of: 1/8/2016)

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 hereby 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

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.

Matter enclosed in superscript numerals has been adopted as follows:

<sup>1</sup> Senate SBA committee amendments adopted December 21, 2015.

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

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

25 D. (1) It shall be lawful for the Legislature to authorize by law  
26 the establishment and operation, under regulation and control by the  
27 State, of gambling houses or casinos within the boundaries, as  
28 heretofore established, of the city of Atlantic City, county of  
29 Atlantic, and to license and tax such operations and equipment used  
30 in connection therewith. Any law authorizing the establishment and  
31 operation of such gambling establishments shall provide for the  
32 State revenues derived therefrom to be applied solely for the  
33 purpose of providing funding for reductions in property taxes,  
34 rental, telephone, gas, electric, and municipal utilities charges of  
35 eligible senior citizens and disabled residents of the State, and for  
36 additional or expanded health services or benefits or transportation  
37 services or benefits to eligible senior citizens and disabled  
38 residents, in accordance with such formulae as the Legislature shall  
39 by law provide. The type and number of such casinos or gambling  
40 houses and of the gambling games which may be conducted in any  
41 such establishment shall be determined by or pursuant to the terms  
42 of the law authorizing the establishment and operation thereof.

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

1 athletic event in which any New Jersey college team participates  
2 regardless of where the event takes place.

3 (3) (a) It shall also be lawful for the Legislature to authorize by  
4 law the establishment and operation, under regulation and control  
5 by the State, of no more than two gambling houses or casinos, each  
6 one to be located in different counties of this State, and to license  
7 and tax such operations and equipment used in connection  
8 therewith. The boundaries of each municipality in which each  
9 gambling house or casino is located shall be partially or completely  
10 outside a 72 mile radius calculated from the outermost boundary, as  
11 heretofore established, of the city of Atlantic City in the county of  
12 Atlantic.

13 (b) (i) Any law authorizing the establishment and operation of  
14 such gambling establishments shall provide that, in the first State  
15 fiscal year in which State revenues are derived under part (3) of  
16 subparagraph D. of this paragraph, those State revenues shall be  
17 credited to a special account and dedicated for the purposes  
18 specified under part (1) of subparagraph D. of this paragraph and  
19 shall be used for those purposes.

20 (ii) Any law authorizing the establishment and operation of such  
21 gambling establishments shall provide that, commencing in the  
22 second State fiscal year in which State revenues are derived under  
23 part (3) of subparagraph D. of this paragraph and thereafter, State  
24 revenues derived under part (1) and part (3) of subparagraph D. of  
25 this paragraph shall be credited to a special New Jersey Investment  
26 Fund. The revenues credited to the investment fund in each State  
27 fiscal year shall be applied solely as follows.

28 Two percent of the amount so credited in each State fiscal year  
29 first shall be dedicated as State aid with each half of the two percent  
30 allocated to the locality in which each of the two gambling  
31 establishments is located and operating. Locality shall mean the  
32 host municipality, county, or both.

33 Then, there shall be the following incremental allocations for  
34 each State fiscal year. The remaining revenues credited to the  
35 investment fund in each State fiscal year up to \$150,000,000 shall  
36 be dedicated 50 percent for the purposes of the recovery,  
37 stabilization, or improvement of the city of Atlantic City, and 50  
38 percent for the following purposes: 60 percent for the purposes  
39 specified under part (1) of subparagraph D. of this paragraph to be  
40 used for those purposes, and 40 percent for State aid to each county  
41 and municipality in the State for programs and property tax relief  
42 for senior citizens and disabled residents and for such other  
43 purposes as the Legislature shall by law provide.

44 Then, remaining revenues credited to the investment fund in each  
45 State fiscal year up to an additional \$150,000,000 shall be dedicated  
46 40 percent for the purposes of the recovery, stabilization, or  
47 improvement of the city of Atlantic City, and 60 percent for the  
48 following purposes: 60 percent for the purposes specified under part

1 (1) of subparagraph D. of this paragraph to be used for those  
2 purposes, and 40 percent for State aid to each county and  
3 municipality in the State for programs and property tax relief for  
4 senior citizens and disabled residents and for such other purposes as  
5 the Legislature shall by law provide.

6 Then, remaining revenues credited to the investment fund in each  
7 State fiscal year up to an additional \$150,000,000 shall be dedicated  
8 30 percent for the purposes of the recovery, stabilization, or  
9 improvement of the city of Atlantic City, and 70 percent for the  
10 following purposes: 60 percent for the purposes specified under part  
11 (1) of subparagraph D. of this paragraph to be used for those  
12 purposes, and 40 percent for State aid to each county and  
13 municipality in the State for programs and property tax relief for  
14 senior citizens and disabled residents and for such other purposes as  
15 the Legislature shall by law provide.

16 Then, remaining additional revenues credited to the investment  
17 fund in each State fiscal year shall be dedicated 20 percent for the  
18 purposes of the recovery, stabilization, or improvement of the city  
19 of Atlantic City, and 80 percent for the following purposes: 60  
20 percent for the purposes specified under part (1) of subparagraph D.  
21 of this paragraph to be used for those purposes, and 40 percent for  
22 State aid to each county and municipality in the State for programs  
23 and property tax relief for senior citizens and disabled residents and  
24 for such other purposes as the Legislature shall by law provide.

25 Commencing in the 17th State fiscal year and for the next  
26 subsequent nine State fiscal years, the percentages dedicated above  
27 for the purposes of the recovery, stabilization, or improvement of  
28 the city of Atlantic City shall decrease by, and the percentage  
29 dedicated above for the purposes specified under part (1), for State  
30 aid to each county and municipality in the State for programs and  
31 property tax relief for senior citizens and disabled residents, and for  
32 such other purposes as the Legislature shall by law provide shall  
33 increase by, the same number of percentage points from the prior  
34 State fiscal year percentage, to achieve a final dedication of 10  
35 percent/90 percent, 8 percent/92 percent, 6 percent/94 percent, and  
36 4 percent/96 percent, respectively, for each of the four incremental  
37 allocations of the remaining revenues credited to the investment  
38 fund, and shall remain at those levels for each State fiscal year  
39 thereafter.

40 Notwithstanding the dedications above, the total amount  
41 dedicated in each State fiscal year for the purposes of the recovery,  
42 stabilization, or improvement of the city of Atlantic City shall not  
43 exceed one third of the total revenues credited to the investment  
44 fund in each State fiscal year.

45 Notwithstanding the dedications above, no State revenues  
46 credited to the investment fund in each State fiscal year shall be  
47 applied to any other purpose unless the amount applied for the  
48 purposes specified under part (i) of subparagraph D. of this

1 paragraph shall equal the amount of State revenues derived under  
2 and for the purposes specified in part (1) of subparagraph D. of this  
3 paragraph in State fiscal year 2015.

4 Of the percentage of revenues from the investment fund  
5 dedicated for State aid to each county and municipality in the State  
6 for programs and property tax relief for senior citizens and disabled  
7 residents and for such other purposes as the Legislature shall by law  
8 provide, not less than two percentage points in each State fiscal year  
9 shall be dedicated for the purposes of programs designed to aid the  
10 thoroughbred and standardbred horsemen in this State.

11 (c) The eligibility for each initial license to establish a gambling  
12 house or casino under part (3) of subparagraph D. of this paragraph  
13 shall be limited to persons whose majority equity owners: a) are  
14 holders of a New Jersey casino license that were operating a casino  
15 which was conducting gambling as of the date of passage by the  
16 Legislature of the concurrent resolution that proposed the  
17 amendment that added part (3) of subparagraph D. of this paragraph  
18 to this Constitution; or b) were principal owners of a holder of a  
19 New Jersey casino license that was operating a casino which was  
20 conducting gambling as of the date of passage by the Legislature of  
21 the concurrent resolution that proposed the amendment that added  
22 part (3) of subparagraph D. of this paragraph to this Constitution, if  
23 that principal owner or subsidiary also holds a valid license to own  
24 and operate a casino in another jurisdiction with licensing standards  
25 similar to those in New Jersey. A principal owner shall mean any  
26 person who, directly or indirectly, owns 50 percent or more of a  
27 holder of a New Jersey casino license that was operating a casino  
28 which was conducting gambling as of the date of passage by the  
29 Legislature of the concurrent resolution that proposed the  
30 amendment that added part (3) of subparagraph D. of this paragraph  
31 to this Constitution. <sup>1</sup>If a person described above does not apply for  
32 a license within the time period that shall be prescribed by law, or  
33 does apply but fails to meet certain progress requirements that shall  
34 be prescribed by law, within the time periods that shall be  
35 prescribed by law, toward the operation of a gambling house or  
36 casino, any qualified applicant may apply for that license in  
37 accordance with law.<sup>1</sup>

38 (d) The location and type of such casinos or gambling houses,  
39 and of the gambling games which may be conducted in any such  
40 establishment, shall be determined by or pursuant to the terms of  
41 the law authorizing the establishment and operation thereof.

42 E. It shall be lawful for the Legislature to authorize, by law, (1)  
43 the simultaneous transmission by picture of running and harness  
44 horse races conducted at racetracks located within or outside of this  
45 State, or both, to gambling houses or casinos in the city of Atlantic  
46 City and (2) the specific kind, restrictions and control of wagering  
47 at those gambling establishments on the results of those races. The  
48 State's share of revenues derived therefrom shall be applied for

1 services to benefit eligible senior citizens as shall be provided by  
2 law; and

3 F. It shall be lawful for the Legislature to authorize, by law, the  
4 specific kind, restrictions and control of wagering on the results of  
5 live or simulcast running and harness horse races conducted within  
6 or outside of this State. The State's share of revenues derived  
7 therefrom shall be used for such purposes as shall be provided by  
8 law.

9 It shall also be lawful for the Legislature to authorize by law  
10 wagering at current or former running and harness horse racetracks  
11 in this State on the results of any professional, college, or amateur  
12 sport or athletic event, except that wagering shall not be permitted  
13 on a college sport or athletic event that takes place in New Jersey or  
14 on a sport or athletic event in which any New Jersey college team  
15 participates regardless of where the event takes place.

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

17

18 2. When this proposed amendment to the Constitution is finally  
19 agreed to pursuant to Article IX, paragraph 1 of the Constitution, it  
20 shall be submitted to the people at the next general election  
21 occurring more than three months after the final agreement and  
22 shall be published at least once in at least one newspaper of each  
23 county designated by the President of the Senate, the Speaker of the  
24 General Assembly and the Secretary of State, not less than three  
25 months prior to the general election.

26

27 3. This proposed amendment to the Constitution shall be  
28 submitted to the people at that election in the following manner and  
29 form:

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

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

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

38 b. In every municipality the following question:

	<p>CONSTITUTIONAL AMENDMENT TO PERMIT CASINO GAMBLING IN TWO COUNTIES OTHER THAN ATLANTIC COUNTY</p> <p>Do you approve amending the Constitution to permit casino gambling in two additional counties in this State? At present, casino gambling is allowed only in Atlantic City in Atlantic County.</p> <p>YES</p> <p>Only one casino in each of the two counties would be permitted. Each casino is to be located in a town that is at least 72 miles from Atlantic City. The amendment would <del>limit who may receive</del> <u>allow certain persons to apply first for</u> a casino license <del>initially</del>.</p>
--	--

	NO	<p style="text-align: center;">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 to permit casino gambling to take place in two other counties in this State.</p> <p>Only one casino in each of the two counties would be permitted. Each casino is to be located in a town that is at least 72 miles from Atlantic City. The amendment would <u>'[limit who may receive] allow certain persons to apply first for'</u> a casino license <u>'[initially]'</u>.</p> <p>The laws passed by the Legislature would provide for the location and type of casinos and the licensing and taxing of the operation and equipment.</p> <p>The amendment provides that the State's share of revenue from the operation of the two casinos and of the casinos in Atlantic City would be used for programs and property tax relief for senior citizens and disabled residents. It would also be used for the recovery, stabilization, or improvement of Atlantic City and other purposes as provided by law. Lesser portions would be used to aid the thoroughbred and standardbred horsemen in this State and each town and county in which a casino is located.</p>
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**SENATOR PAUL A. SARLO (Chair):** Okay, ladies and gentlemen.

The Senate Budget and Appropriations Committee will reconvene at 11:30 p.m. (*sic*). I said 11:20 p.m., but we were 10 minutes late staying.

The public hearing will be held in accordance with Article IX, paragraph 1 of the New Jersey Constitution; and Rule 24:3 of the New Jersey Senate, on the following Senate Concurrent Resolution: SCR-185, Sarlo/Sweeney, proposes constitutional amendment to authorize Legislature to permit by law establishment and operation of casinos in certain counties.

We need to do a roll call.

MR. ROTBLAT (Committee Aide): Senator Thompson.

SENATOR THOMPSON: Here.

MR. ROTBLAT: Senator O'Toole.

SENATOR O'TOOLE: Here.

MR. ROTBLAT: Senator Oroho.

SENATOR OROHO: Here.

MR. ROTBLAT: Senator Bucco.

SENATOR BUCCO: Here.

MR. ROTBLAT: Senator Beck (no response)

Senator Van Drew. (no response)

SENATOR SARLO: No.

MR. ROTBLAT: No.

Senator Ruiz.

SENATOR RUIZ: Here.

MR. ROTBLAT: Senator Pou.

SENATOR POU: (Indiscernible).

SENATOR SARLO: She's here.

MR. ROTBLAT: Senator Greenstein.

SENATOR SARLO: Not here.

MR. ROTBLAT: Senator Cunningham.

SENATOR CUNNINGHAM: Here.

MR. ROTBLAT: Senator Cruz-Perez.

SENATOR SARLO: Not here.

MR. ROTBLAT: Senator Stack.

SENATOR SARLO: He's here.

MR. ROTBLAT: And Senator Sarlo.

SENATOR SARLO: Here.

MR. ROTBLAT: You have a quorum.

SENATOR SARLO: Okay, thank you.

This is the public hearing on the bill that was amended by this Committee -- the last bill that was amended by the Committee. This is the second public hearing; the first public hearing was done by a separate Committee, based upon the first bill that came out of Committee. And now this is the public hearing on the amended version that has been put on the board list by the Senate President on Monday, January 11.

Bob Marshall, Greater Atlantic City Chamber of Commerce, opposed, no need to testify; Michele Siekerka, BIA, in favor, no need to testify; Debra DiLorenzo, Chamber of Commerce Southern New Jersey, opposed.

Deb, you want to testify? Oh, Christina?

**C H R I S T I N A M. R E N N A:** Yes.

Thank you, Chairman. I'm sorry; Deb is upstairs on the fourth floor, so I just figured I would run down and pinch-hit for her, if that's okay.

SENATOR SARLO: That's okay with us.

MS. RENNA: Good morning, everyone. My name is Christina Renna; I'm Vice President of the South Jersey Chamber of Commerce.

And you all heard my boss, Deb DiLorenzo, testify in opposition to SCR-185 before Christmas. And we are here, again, on the record, just to again state our opposition to this legislation.

As Deb spoke to you back in December, we, at that point, focused on Atlantic City, Atlantic County, and the more historical viewpoint of our opposition. And today, I did submit some paperwork for the record as well; and attached to that paperwork was a chart. And if you would, just take a look at the chart; it's a collection of data that we put together from a regional perspective. And being the South Jersey Chamber of Commerce that represents the seven-most southern counties of New Jersey, we thought it was important to assess the data that's out there so you truly understood why this is a South Jersey issue, and the impact that is going to be falling on all of South Jersey.

The chart that we put together for you really highlights two things: There's a timeline of events, from 2006 until 2015-2016. And that kind of gives you an idea -- not just of the casino closures in Atlantic City, but the casino openings that have happened within the area that all fell within 175 miles from Atlantic City, or below.

The reason why that timeline is important is because, if you look at the data points as it relates to the seven-most southern counties of

New Jersey -- in 2007, for example, when Harrah's Chester opened 72 miles from Atlantic City, Mount Airy Casino opened 175 miles from Atlantic City, and Dover Downs expanded in Delaware 130 miles from Atlantic City -- casino revenue, in that one year, dipped about \$400 million. Again, those three casinos all are within the 72-mile limit or greater; the effect was undeniable on the South Jersey -- on the casino revenue. And what trickles down from that is casino closures, of course; casino employees living in South Jersey being affected and dropping dramatically as well; our unemployment continuing to go up in South Jersey.

And remarkably, one other point I wanted to really point out to you is the regional impact of the money spent with South Jersey vendors as it relates to casinos -- dipping about \$1 billion since 2006.

All of these implications, and the data that we put together for you -- it is just enormously important to highlight, again, that expanding gaming within New Jersey is just going to continue to pile on more of what we've seen already in the South Jersey region.

And thank you for the opportunity to be on the record once again about this. And thank you for letting me testify in Deb's absence, Chairman.

Thank you.

SENATOR SARLO: Thank you.

Okay, we have the Chamber of Commerce South New Jersey on the record; thank you.

Anybody else wish to be heard on the record? (no response)

I also want to acknowledge Senator Van Drew for the roll call; he's present for the public hearing.

SENATOR VAN DREW: Chairman, do we have the opportunity to say a few words?

SENATOR SARLO: You may, if you want to be recorded. Yes, you may.

SENATOR VAN DREW: Thank you, Chairman.

SENATOR SARLO: Senator Van Drew.

SENATOR VAN DREW: Thank you.

I think that most of you know how strongly I feel about this, and the concerns that I have. And I understand the desire -- and Chairman, you and I have had conversations over many years over this issue.

My concern is, we know the cannibalization that has taken place -- whether it is because of what's happening or going to happen in Massachusetts, Pennsylvania, New York, and other venues. The concern I have is this self-cannibalization that's going to take place when we have two casinos in northern New Jersey, which are certainly going to affect our area in South Jersey and, in particular, in the Atlantic City and the Atlantic County area.

I don't have to review all the statistics. We don't have the plethora of opportunity that other areas do. We do not have the high tech industry; we do not have the financial industry; we don't have major manufacturing to speak of; we don't have big pharma; and we are, literally, experiencing an out-migration of people, of residents from our area, particularly the Atlantic County area. And the real concern is, even when you see what's happening with our housing industry, which is feeling a tremendous amount of pain and has the highest foreclosure rate -- not the

highest foreclosure rate in the State of New Jersey, but the highest foreclosure rate in the United States of America.

For all those reasons, I just don't believe that this is the time and the place that we should move forward and do this. I understand that a great deal has been done for Atlantic City, and for the Atlantic County area. But there is a great need there. And if we move forward with the two northern New Jersey casinos, I believe that, ultimately, to some degree, the potential is there for this area of southern New Jersey to become a ward of the State, and for us to have to do a great deal more just to enable them survive and to move forward in any way. I'm concerned about it, and I really, truly, sincerely am worried about it. I know there are a lot of folks with some good intentions, but there are also a lot of people, and individuals, and families that I know who live in my area who are going to lose their homes, they're going to lose their jobs, who are going to lose their way of life, who are going to have to, literally, move and leave the place that they love, and where they live, and separate from their families. This is very, very serious business.

My hope, truthfully, is that it doesn't make it to the ballot; and my second hope is, that if it makes it to the ballot, that the people of the State of New Jersey decide that they don't want to have casinos throughout the state.

I'll wrap up with a final remark, which was that the original intent and goal -- as we all know, the original intent and goal of casinos in New Jersey was to help Atlantic City, a severely depressed area, in a depressed region with the lowest per-capita income. And that was the focus, the idea, the need, and the reason to do it. I still believe that's a

major part. It is the major part and the major reason to do it. And I am very, very, very concerned that this is going to create havoc in our area.

And I thank you for your leeway, Chairman.

SENATOR SARLO: Thank you, Senator Van Drew.

Let me just say this on the record as well -- before we conclude.

I respect Senator Van Drew's comments and concerns, and I respect all my colleagues who live and represent areas of southern New Jersey.

The chart that was provided by the Southern Chamber of Commerce does show you, in 2006, when we sort of hit a high-water mark -- revenues declining in Atlantic City year after year -- casino revenues. And one of the things that frustrates me is-- And whether it was a lack of leadership of the local government there, whether it was State regulators -- we allowed some of these operators to invest in other areas just outside our borders which helped to cannibalize that market. And it's sort of been a failure at a lot of different levels. I know there was a five-year moratorium that was requested by the Senate President and the Governor, which we've all abided by, to give five years to the investors in Atlantic City to make it work. I believe the only way that Atlantic City will be able to flourish and prosper again -- the way we need it to, for the State of New Jersey -- is to get an infusion of new revenue.

And there is a lot of debate over the two different bills. The Senate President's bill -- the bill that I am the prime sponsor, with the Senate President -- requires connectivity with the two license operators in Atlantic City. There are those who are opposed to it in North Jersey. The

connectivity is to make sure we don't cannibalize the market; that we have connectivity on marketing and other things.

What frustrates me, though, is that we've waited a long time. There is *X* amount of revenues that we need to -- a finite amount of revenue in the State of New Jersey from gambling purposes, from gaming purposes that we're losing to our surrounding states. And we need to act now to recapture that. If we don't, we're going to end up losing the whole market. We're going to lose Atlantic City further, and we're going to lose a lot of revenue to our surrounding states.

Manhattan, I believe, is around the corner. What frustrates me is that we are at this sort of impasse over a handful of very, very small items. I've been in this Legislature 14 years; I've been talking about this for 14 years. We are so close, but it seems like we're so far away on just a handful of issues. And I really hope that we can reconcile those differences in the coming days. This is a lost opportunity for Atlantic City if we do not do this, I believe; and it's a lost opportunity for the State of New Jersey.

So thank you to all my colleagues. This has been, sort of -- the roller coaster is not over yet. Monday-- We still have a few more twists and turns before Monday.

Anybody else? (no response)

Seeing none, hearing none, I close the hearing to citizens, and the public hearing.

Motion to adjourn.

**SENATOR BRAIN P. STACK (Vice Chair):** Motion.

SENATOR SARLO: Did you want to speak?

UNIDENTIFIED MEMBER OF COMMITTEE: No.

SENATOR SARLO: Oh. (laughter)

We are adjourned. Thank you, folks.

**(HEARING CONCLUDED)**