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# *Public Hearing*

before

## SENATE BUDGET AND APPROPRIATIONS COMMITTEE

### Senate Concurrent Resolution 1 (1st Reprint)

*“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:** February 29, 2016  
2:00 p.m.

#### **MEMBERS OF COMMITTEE PRESENT:**

Senator Paul A. Sarlo, Chair  
Senator Peter J. Barnes III  
Senator Linda Greenstein  
Senator M. Teresa Ruiz  
Senator Jeff Van Drew  
Senator Jennifer Beck  
Senator Anthony R. Bucco  
Senator Steven V. Oroho  
Senator Kevin J. O’Toole



#### **ALSO PRESENT:**

Howard K. Rotblat  
Luke E. Wolff  
*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

**COMMITTEE NOTICE**

**TO:** MEMBERS OF THE SENATE BUDGET AND APPROPRIATIONS COMMITTEE  
**FROM:** SENATOR PAUL A. SARLO, CHAIRMAN  
**SUBJECT:** COMMITTEE MEETING - FEBRUARY 29, 2016

*The public may address comments and questions to Luke E. Wolff, 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 Monday, February 29, 2016 at 1:00 PM in Committee Room 4, 1st Floor, State House Annex, Trenton, New Jersey.**

The following bills will be considered:

S-650 Turner/Vitale	Provides \$21 minimum annual energy assistance to qualified families; qualifies families to receive additional nutritional assistance.
S-969 Smith, B/Bateman	Implements 2014 constitutional dedication of CBT revenues for certain environmental purposes; revises State's open space, farmland, and historic preservation programs.
S-971 Sweeney	Eliminates requirement that at least one of two licenses issued under small-scale and staged casino facility pilot program must be staged casino facility license; permits these facilities to be located in renovated buildings.
S-979 Weinberg/Kean	Limits eligibility of certain public employees for health care benefits coverage; prohibits those limited from receiving payments for waiving such coverage.
S-983 Sweeney/Vitale	Extends eligibility for certain individuals for emergency assistance.

(OVER)

S-998                                      Increases the personal income tax's pension and retirement income  
Sarło/Oroho/Sweeney                      exclusion fivefold over three years.

S-1728                                      Increases exclusion amount under New Jersey estate tax; phases out  
Sarło/Oroho                                      estate tax over five years.  
(pending intro and  
referral)

**FOR DISCUSSION ONLY:**

S-982                                      Requires members of unitary business groups to file combined reports  
Lesniak/Sarło                                      of corporation business tax.

**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-1 (1R)                                      Proposes constitutional amendment to authorize Legislature to permit  
Sarło/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 2/22/16

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 CONCURRENT  
RESOLUTION No. 1**

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**STATE OF NEW JERSEY**

**217th LEGISLATURE**

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INTRODUCED JANUARY 12, 2016

**Sponsored by:**

**Senator PAUL A. SARLO**

**District 36 (Bergen and Passaic)**

**Senator STEPHEN M. SWEENEY**

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

**Co-Sponsored by:**

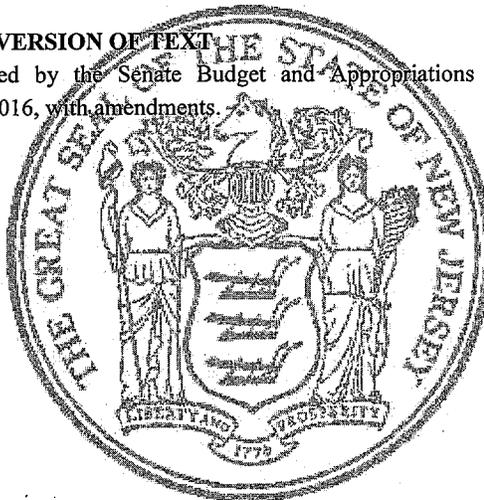
**Senators Weinberg and Gordon**

**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 February 4, 2016, with amendments.



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  
45 conduct games of chance of, and restricted to, the selling of rights

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

Matter underlined thus is new matter.  
Matter enclosed in superscript numerals has been adopted as follows:  
<sup>1</sup>Senate SBA committee amendments adopted February 4, 2016.

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

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

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

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

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

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

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

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

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

42       Then, remaining revenues credited to the investment fund in each  
43 State fiscal year up to an additional \$150,000,000 shall be dedicated  
44 40 percent for the purposes of the recovery, stabilization, or  
45 improvement of the city of Atlantic City, and 60 percent for the  
46 following purposes: 60 percent for the purposes specified under part  
47 (1) of subparagraph D. of this paragraph to be used for those  
48 purposes, and 40 percent for State aid to each county and

1 municipality in the State for programs and property tax relief for  
2 senior citizens and disabled residents and for such other purposes as  
3 the Legislature shall by law provide.

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

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

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

38 Of the percentage of revenues from the investment fund  
39 dedicated for State aid to each county and municipality in the State  
40 for programs and property tax relief for senior citizens and disabled  
41 residents and for such other purposes as the Legislature shall by law  
42 provide, not less than two percentage points in each State fiscal year  
43 shall be dedicated for the purposes of programs designed to aid the  
44 thoroughbred and standardbred horsemen in this State.

45 Notwithstanding the dedications above, the total amount  
46 dedicated in each State fiscal year for the purposes of the recovery,  
47 stabilization, or improvement of the city of Atlantic City shall not  
48 exceed one third of the total revenues credited to the investment

1 fund in each State fiscal year. Any amounts allocated pursuant to  
2 the dedications in (b) (ii) in excess of this limitation shall be  
3 reallocated for the purposes specified under part (1) of  
4 subparagraph D. of this paragraph.

5 If in any State fiscal year the allocations of revenue pursuant to  
6 the dedications in (b) (ii) for the purposes specified under part (1)  
7 of subparagraph D. of this paragraph are less than the amount of  
8 State revenues derived under and for the purposes specified in part  
9 (1) of subparagraph D. of this paragraph in State fiscal year 2015,  
10 the amounts allocated to all other purposes shall be proportionately  
11 reduced by an amount not exceeding the difference between the  
12 amount of State revenues derived under and for the purposes  
13 specified in part (1) of subparagraph D. of this paragraph in State  
14 fiscal year 2015 and the amount allocated pursuant to the  
15 dedications in (b) (ii) for the purposes specified under part (1) of  
16 subparagraph D. of this paragraph.

17 (c) The eligibility for each initial license to establish a gambling  
18 house or casino under part (3) of subparagraph D. of this paragraph  
19 shall be limited to persons whose majority equity owners: a) are  
20 holders of a New Jersey casino license that were operating a casino  
21 which was conducting gambling as of the date of passage by the  
22 Legislature of the concurrent resolution that proposed the  
23 amendment that added part (3) of subparagraph D. of this paragraph  
24 to this Constitution; or b) were principal owners of a holder of a  
25 New Jersey casino license that was operating a casino which was  
26 conducting gambling as of the date of passage by the Legislature of  
27 the concurrent resolution that proposed the amendment that added  
28 part (3) of subparagraph D. of this paragraph to this Constitution, if  
29 that principal owner or subsidiary also holds a valid license to own  
30 and operate a casino in another jurisdiction with licensing standards  
31 similar to those in New Jersey. A principal owner shall mean any  
32 person who, directly or indirectly, owns 50 percent or more of a  
33 holder of a New Jersey casino license that was operating a casino  
34 which was conducting gambling as of the date of passage by the  
35 Legislature of the concurrent resolution that proposed the  
36 amendment that added part (3) of subparagraph D. of this paragraph  
37 to this Constitution.

38 (d) If a person described under (c) above does not apply for a  
39 license within '180] 60' days following the date on which the  
40 licensing entity indicates that applications are being accepted, or  
41 does apply but fails to meet certain progress requirements that shall  
42 be prescribed by law, within the time periods that shall be  
43 prescribed by law, toward the establishment and operation of a  
44 gambling house or casino, any person may apply for that license in  
45 accordance with law.

46 (e) An application for a license to establish a gambling house or  
47 casino shall be approved only if the applicant commits to and makes  
48 an investment of at least \$1,000,000,000 in the acquisition,

1 construction, and development of the facility, which amount shall  
2 be ascertained as provided by law, in which the gambling house or  
3 casino is located prior to the commencement of gambling  
4 operations in that facility.

5 (f) The location and type of such casinos or gambling houses,  
6 and of the gambling games which may be conducted in any such  
7 establishment, shall be determined by or pursuant to the terms of  
8 the law authorizing the establishment and operation thereof.

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

18 F. It shall be lawful for the Legislature to authorize, by law, the  
19 specific kind, restrictions and control of wagering on the results of  
20 live or simulcast running and harness horse races conducted within  
21 or outside of this State. The State's share of revenues derived  
22 therefrom shall be used for such purposes as shall be provided by  
23 law.

24 It shall also be lawful for the Legislature to authorize by law  
25 wagering at current or former running and harness horse racetracks  
26 in this State on the results of any professional, college, or amateur  
27 sport or athletic event, except that wagering shall not be permitted  
28 on a college sport or athletic event that takes place in New Jersey or  
29 on a sport or athletic event in which any New Jersey college team  
30 participates regardless of where the event takes place.

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

32  
33 2. When this proposed amendment to the Constitution is finally  
34 agreed to pursuant to Article IX, paragraph 1 of the Constitution, it  
35 shall be submitted to the people at the next general election  
36 occurring more than three months after the final agreement and  
37 shall be published at least once in at least one newspaper of each  
38 county designated by the President of the Senate, the Speaker of the  
39 General Assembly and the Secretary of State, not less than three  
40 months prior to the general election.

41  
42 3. This proposed amendment to the Constitution shall be  
43 submitted to the people at that election in the following manner and  
44 form:

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

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

- 1 If you favor the proposition printed below make a cross (X), plus
- 2 (+), or check (✓) in the square opposite the word "Yes." If you are
- 3 opposed thereto make a cross (X), plus (+) or check (✓) in the
- 4 square opposite the word "No."
- 5 b. In every municipality the following question:

1

	<p>YES</p>	<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>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 allow certain persons to apply first for a casino license.</p>
	<p>NO</p>	<p>INTERPRETIVE STATEMENT</p> <p>At present, casino gambling is allowed only in Atlantic City in Atlantic County. This amendment would allow the Legislature to pass laws 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 allow certain persons to apply first for a casino license.</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):** I want to, first, thank the Office of Legislative Services. They do a lot of work behind the scenes, and they're always very patient.

I want to thank them; I know they just briefly, quickly, in a quick manner set up our computers for the public hearing. So I want to thank them not just for the work they do here, coming up on the Budget Committee; they're going to be doing a lot of work for us. So I want to thank the entire staff at the Office of Legislative Services.

With that being said, do we need to take a roll call?

Roll call, please.

**MR. ROTBLAT (Committee Aide):** Roll call for public hearing on Senate Concurrent Resolution 1, 1st Reprint.

Senator Sarlo.

**SENATOR SARLO:** Here.

**MR. ROTBLAT:** Senator Stack. (no response)

Senator Barnes.

**SENATOR BARNES:** Here.

**SENATOR SARLO:** Here.

**MR. ROTBLAT:** Senator Cunningham. (no response)

Senator Greenstein.

**SENATOR GREENSTEIN:** Here.

**MR. ROTBLAT:** Senator Smith. (no response)

Senator Ruiz is present.

**SENATOR SARLO:** She's present.

**MR. ROTBLAT:** Senator Van Drew.

**SENATOR VAN DREW:** I'm here.

MR. ROTBLAT: Senator Beck.

SENATOR BECK: Here.

MR. ROTBLAT: Senator Bucco.

SENATOR BUCCO: Here.

MR. ROTBLAT: Senator Oroho.

SENATOR SARLO: He's here.

MR. ROTBLAT: He's present.

Senator O'Toole.

SENATOR O'TOOLE: Here.

MR. ROTBLAT: Senator Kean. (no response)

SENATOR SARLO: We have a quorum; okay.

Senate Committee Resolution 1, Sarlo/Sweeney, proposes constitutional amendment to authorize Legislature to permit by law establishment and operation of casinos in certain counties.

I believe this is probably the second time we've done it; it's pretty much an identical bill. After a lot of negotiations in the last session, I am glad we're able to move forward.

And at this point in time, we have Senator Whelan who would like to speak. He will be followed--

As Senator Whelan comes up, a few folks who are in favor with no need to testify: Anthony Attanasio, UTCA; Michele Siekerka, New Jersey BIA; Ciro Scalera, New Jersey Laborers Union; Mark Longo, Electrical Local 825; Mike Travostino, Association of Construction Contractors -- all in favor, no need to testify.

Gordon MacInnes, New Jersey Policy Perspective, opposed, no need to testify; and Assemblyman Chris Brown, opposed, no need to testify.

Senator Whelan will speak. Following Senator Whelan will be Debra DiLorenzo, Chamber of Commerce, Southern New Jersey; and Joe Kelly, Greater Atlantic City Chamber. They will follow Senator Whelan.

**S E N A T O R J I M W H E L A N:** Thank you, Mr. Chairman and members. I appreciate the opportunity to offer brief testimony. There are others to testify, and the hour is late.

As you indicate, the bill is very similar to what we testified on before, so my testimony will be similar.

I oppose this, and I think you will hear from others that this is bad for Atlantic City. And I believe it is bad for Atlantic City but, frankly, that's not a reason to oppose it. I think it's bad for New Jersey. And the reason I say that is we're not going to have casinos in North Jersey and let them have a 20- to 25-year year monopoly as we enjoyed in Atlantic City. It will be a matter of years -- less than 20, less than 10, probably less than 5 -- before New York City comes and has casinos either in Manhattan and/or the Bronx. And this fool's gold frankly of "Let's have casinos in North Jersey because we will capture the New York metropolitan area, where it's underserved theoretically by casinos" -- again, it will be good for a couple of years. And then all those projections and all those jobs that are part and parcel of this attempt to bring casinos to North Jersey will start to slide away and they will go right back across the Hudson to the New York City side. And what Atlantic City is experiencing now, North Jersey will experience at that point with the loss of jobs, the loss of revenues; and in the meantime, Atlantic City will be in worse shape.

So from the overall state's perspective -- and you and I have had this conversation, Mr. Chairman, before -- I'd like to quote Mark

Twain who said, “The fool says, ‘Don’t put all your eggs in one basket. The wise man puts all his eggs in one basket, and then watches that basket.’” I would argue that when it comes to casino gambling for New Jersey, Atlantic City should be that basket. We should watch that basket and do some things in Atlantic City, and forget about a commitment to North Jersey that is going to be a short-term fix for two or three years, and then again New York City will have it.

So with that, I will close my testimony. And again, if there are questions, I would be happy to answer them. Otherwise, I’ll let the others come and testify, in deference to time.

Thank you, Mr. Chairman.

SENATOR SARLO: Thank you, Senator Whelan, for your patience today, and your support for Atlantic City and its region.

**DEBRA L. DiLORENZO:** Good afternoon. My name is Debra DiLorenzo. I’m President and CEO of the Chamber of Commerce Southern New Jersey, and a lifelong resident of southern New Jersey -- including 32 years in Atlantic County.

I’m here again today to express our organization’s strong opposition to SCR-1. Over the past several months, I have testified numerous times before this Committee on the undeniable impact that the expansion of gaming to North Jersey would have on Atlantic City. Although the effect on Atlantic City cannot and should not be understated, today I would like to speak to the regional impact that the expansion of gaming outside of Atlantic City will undoubtedly have on southern New Jersey.

I respectfully ask you to look at a chart that accompanied my written testimony that I believe is at your places. This chart highlights two critical items: First, the chart shows a timeline of events from 2006 -- when the first casino closed its doors in Atlantic City -- to today. Second, the chart shows some key statistics and indicators, such as revenue numbers and unemployment rates, among others, as evaluated from a regional perspective. All data on this chart was assessed by analyzing the seven most-southern counties of New Jersey, not just the data as it relates to Atlantic City or Atlantic County.

When looking at the timeline of events, those items highlighted in red are casino openings and closings in Atlantic City. Those highlighted in yellow are changes in the gaming landscape -- including casino openings in Delaware and Pennsylvania; including the opening of Harrah's Chester, which is 72 miles from Atlantic City; the opening of Parx Casino, 78 miles from Atlantic City; the opening of Sugarhouse Casino, 62 miles away; and, on the horizon, the planned opening of Live Hotel and Casino in South Philly, a mere 60 miles from AC, near the sports stadiums. Most noteworthy, in 2007 -- as you can see, the same year three casinos opened 72, 130, and 175 miles, respectively, from Atlantic City -- Atlantic City casino revenue dipped nearly \$400 million, from \$5.2 billion to \$4.8 billion. Last year, 2005 (*sic*), casino revenue was \$2.56 billion.

All three casinos built in 2007 are at least the same distance as the casinos called for in SCR-1 -- 72 miles from Atlantic City -- and the impact has been truly undeniable.

Next, I ask for you to look at the trends our chart shows -- specifically, the number of casino employees living in the seven most-

southern counties: down approximately 18,000; the amount of money spent with businesses located in the seven most-southern counties: down almost \$1 billion; the overall unemployment rate for the region, which includes three counties with the highest unemployment rate in the state: Cape May, Cumberland, and Atlantic counties.

After reviewing this data, it is indisputable that expanding gaming within New Jersey will only result in more of what our region has already lived through: more casino closures, more jobs lost, less vendor money being spent in the region, and higher unemployment,

To move forward with this proposal absent a thorough analysis of the saturation of the gaming market in the entire Mid-Atlantic region is risky at best, as market saturation will surely impact the long-term viability of casinos in our state -- as Senator Whelan just pointed out -- whether they are in Atlantic City, Jersey City, or the Meadowlands. In fact, Moody's recently released a statement warning that expanding gaming to North Jersey could force more casinos to close in Atlantic City, which in turn would increase the likelihood that the rating agencies would further downgrade the city's credit.

Moving gamblers from Atlantic City to North Jersey benefits only North Jersey, and at a great expense to South Jersey.

As Senator Van Drew has so poignantly indicated previously, the economy of our region is drastically different than that of our North Jersey brethren. According to the New Jersey Department of Labor's May 2015 report on seven industry clusters -- including leisure hospitality and retail; biopharmaceutical life sciences; transportation, logistics and distribution; financial services; manufacturing; construction; and technology

-- South Jersey employment lags well behind that of Northern New Jersey, which dominates these industry clusters.

Let me say in closing, the monies designated to Atlantic City and Atlantic County in this bill are well-intentioned, but will do absolutely nothing to combat the negative regional impact.

Thank you for allowing me to express our opposition to SCR-1.

**J O S E P H D. K E L L Y:** Thank you.

My name is Joe Kelly; I serve as President of the Greater Atlantic City Chamber. We have a membership of 700 businesses, and we represent the interests of over 60,000 employees within that marketplace.

I'm going to start where my colleague ended. And she did a great job in saying what has happened, and it's important that we look at the past. I'd like to speak a little bit about what will happen if this legislation is enacted. We predict that two casinos will close. That translates to over 14,000 direct job losses. We don't have good data -- as Debra has mentioned -- on a study for what the impact is, and sometimes it's what you don't know that scares you the most as a businessperson. We don't know what kind of revenue will be returned to Atlantic City; we don't know who it will be returned to; we don't know how it will be used. There are so many variables in this discussion that we can't see how you can move forward without some answers to those questions.

I'd like to end on some good news, and that's what Atlantic City has done most recently to improve the marketplace. I heard in the discussion earlier today -- and I couldn't agree more -- about higher education and the opportunity to keep more young people in New Jersey. We're going to build -- and I am very optimistic, and the Chamber is very

bullish on this opportunity -- to have Stockton come in to Atlantic City. I'm told 20,000, if not more, students leave every year. Just imagine if we capture 500 to 1,000 of them. I haven't been to college in a while, but something about an oceanfront dorm room sounds appealing. And I think we have the opportunity to advance that diversity and we have started to do that.

The properties are doing better. We've gone through some suffering, but we are rightsizing and we are starting to do better -- the FAA, and the potential for diversifying beyond into a technology park.

So there are some very good things that have happened in the marketplace as we try to improve the marketplace. But I will tell you the quickest way to turn off those opportunities is to deal with uncertainty. Businesses live for predictability and stability. And this whole discussion keeps us from that point.

So we respectfully continue our opposition, and we thank you for the time to speak today.

SENATOR SARLO: Well, I will tell you this. As the sponsor of the referendum, and somebody who believes the best way to stabilize Atlantic City in the future is provide an infusion of revenue from North Jersey casinos. I will tell you this -- enabling legislation will spell us out, but revenues that are generated will not be going to Atlantic City government; they will not be going to Atlantic County government; they will not be going to CRDA, because I don't believe they have done a great job over the years. And I believe they will be going to some type of not-for-profit board of private interests who will be able to make wise investments in Atlantic City, who will work with residents for job creation, take it out of the hands

of politicians, take it out of the hands of those who, quite frankly, have not done a good job over all the years.

So that's what I envision of money-- It's a lot of money that we're going to generate. And I for one, as the Chairman of the Budget Committee, as someone who is sponsoring the bill -- we're going to make sure it gets into the hands of the right people who will spend it wisely and come up with a master plan to make sure Atlantic City becomes a vibrant oceanfront resort.

MR. KELLY: We appreciate your commitment.

SENATOR SARLO: So hopefully that will help you a little bit. There are no guarantees, of course; but I am the sponsor of this bill, and I have a commitment to be the sponsor of the enabling legislation.

MR. KELLY: I appreciate the comments.

SENATOR SARLO: Thank you; thank you to both of you.

Okay, we have a group of individuals who are here who are opposed.

Barbara DeMarco, do you want to speak, or you're good?

**B A R B A R A D e M A R C O:** (off mike) Can I have about two minutes?

SENATOR SARLO: Okay. I don't know if you're opposed, or neutral, or--

MS. DeMARCO: I just want to talk on one issue.

Thank you, Senator Sarlo and members of the Committee.

I wanted to emphasize just one issue, and today that's the tie between open space and farmland protection in the horseracing industry. And I put together some statistics.

We know we're the most densely populated state in the country. We've lost 50 percent of our farmland in the last 50 years. Our per-acre value of land is the highest in the country at \$12,200. Pennsylvania and New York -- their acreage is \$5,200 an acre; New York it's \$2,650 an acre. As it relates to incentives that Pennsylvania and New York give to their horseracing industry, \$50 million of gaming revenue in Pennsylvania is diverted from gaming; in New York, it's over \$100 million. According to Rutgers University, horseracing is a billion-dollar industry.

And finally, the racing calendar for this year -- Freehold is 109 days, Meadowlands has 84, Monmouth has 71, for a total of -- I don't know what the total is exactly, but it's about 250 days. This is half of what it was 10 years ago. And the reason why I'm saying this is, we would have a perfect resolution if it had included the racetracks; because the racetracks, if they had had slots or VLTs, we would have been able to compete with that \$50 million, and that \$100 million. And no one opposes the two up north; I just wish, for the sake of the horseracing industry-- Because I don't see the 2 percent or the at least 2 percent hitting those numbers so we're competitive.

So unfortunately, I think that industry -- the open space tied to it, the farmland, the hay and feed suppliers -- the marketplace is no different than a grocery store where you sell your commodity. If the marketplace closes or has less days, then there's no reason for that farmer to be here, and that open space and farmland to exist.

So that impacts quality of life. And I just wanted to emphasize that one more time: the importance of horseracing to open space and farmland preservation.

Thank you for your time.

SENATOR SARLO: We will make sure the enabling legislation clarifies it even more.

SENATOR BECK: Chairman.

SENATOR SARLO: Yes.

SENATOR BECK: I'd like-- Two cents.

Thank you, Barbara DeMarco. I've worked with you for many years on the issue of and the challenges of our horseracing industry. Monmouth Park was in my district for many years, and Freehold Raceway is currently in my district. And Monmouth County, in the last three years, has lost 462 acres of farms -- horse farms, places where they were breeding for racing, and it became more attractive to go to Pennsylvania or to New York. And that trend is continuing.

It is an industry that not only provides economic growth in our state, and jobs, and new revenue; but it also has the dual purpose of providing protection for farms and open space. And this particular constitutional amendment does have a provision for a contribution towards the horseracing industry. I know that it will be fleshed out in greater detail in the enabling legislation. The Senate President and I have spoken on many, many occasions about the amount of investment that would be needed to sustain the industry so that we're competitive with New York, and Pennsylvania, and Delaware. And I know he's made a commitment to me that it will be a lot more than \$15 million, which is what we estimate 2 percent of this -- of the document that's in front of us would produce.

So we look forward to working through those details with the industry, with the Senate President; and, of course, with the prime sponsor, Senator Sarlo.

And thank you; thanks for your testimony.

MS. DeMARCO: Thank you.

SENATOR SARLO: Okay. Some folks come up in a panel: Steve Young, National Action Network, South Jersey Chapter; Rich Baehrle, of Berkshire Hathaway; Tivayne Cottrell, NAN; the President of the Atlantic City blue collar union, AFSCME. Come on up, sir.

Thank you.

Sir, if you could just come on the side; and then when they're done speaking, you can grab a microphone.

**AHMID ABDULLAH Sr.:** Thank you.

SENATOR SARLO: Okay, folks.

MR. ABDULLAH: Right here?

SENATOR SARLO: Right there is perfect, sir. Thank you.

Okay, who wants to go first? Why don't you go first? You have a nice tie on; you look ready to go. (laughter)

**STEVEN YOUNG:** Steve Young; I'm the President of the National Action Network's South Jersey Chapter; that's Reverend Al Sharpton's organization. And we're here to be heard, for the voiceless, and to be an advocate for those who basically are in need in the Atlantic City area.

The black community in Atlantic City has been suffering for years through casino gambling, and economic and social efforts that the casino and the State legislation are supposed to be dealing with. We're the majority that is oppressed the most in Atlantic City. We're the majority

that pays the highest taxes; we're the majority that has elected officials. But we're not the majority when it comes to decision making. The majority comes from up this way, up in the Trenton area -- mostly from the legislators -- CRDA, as well as most of the Senators and Assembly people. The majority of Atlantic City residents are African American.

So we don't have too much representation when it comes to where the money is being spent -- mostly through the legislation. Your legislation here that you have had for years has not been trickling down and administered the correct way, because as different Governors come in and out, and so forth--

So we're definitely opposed to this casino in North Jersey because it will affect more jobs, the property taxes; with people leaving out of town, etc. -- would cause a significant problem. Forty-five percent of the gambling will definitely be leaving Atlantic City; \$190 million in wages -- lost wages. We're very concerned about that. Do you think, actually, the people who are going to be close to New York are actually going to live in New Jersey, or will they be living in New York where everything actually is, and taking the money back to New York City? That happens in Atlantic City, because they go back to Philadelphia where they're working (*sic*). So we have a serious issue with that.

So we are opposed because we're talking about over 9,000 (*sic*) casino jobs may be lost, and several more casinos closing. We're talking about -- we're already ranked the highest, almost, in foreclosures in Atlantic City and in the Atlantic County area.

So we want to talk about solutions; we do have some recommendations and solutions. Some of the-- Instead of talking about a

referendum for more casinos up in North Jersey, we need to be talking about a referendum for luxury taxes to stay -- such as hotel taxes to stay in the Atlantic City area so that the taxes can go down; as well as the parking fees, and etc. And as well as also -- if you want to really make something else a law to help our economy, you can also do something with the police issue. If there's a law that the police can live (*sic*) in Atlantic City, and have to live -- mandatory that they live there, then the dollar will turn around there, they will buy houses there, and the crime would go down. So those are some of the solutions that we definitely propose that you change and look into.

There was a pilot program that the Governor vetoed. I mean, you guys did your part, but the Governor didn't do his.

So there are things that have actually taken a chance to actually work. So before we rush to this referendum, there are things that we could actually work together to get done.

And as far as the African American community, and again in the community, we would like to be not at the table, but we don't want to be the (indiscernible) at the table. So we want to be part of the conversation, to be talking about the solutions to make it better for Atlantic City.

But let's give Atlantic City a chance, because we do not-- To conclude, we do not believe-- If you-- Ask yourself this question: If you were an investor in Atlantic City right now today, and there was a threat of more casinos going up north, would you continue to invest in Atlantic City, or wait to see what happens up north and move further? Because you're killing Atlantic City, actually killing Atlantic City. With the high taxes we

have already, with the way you're talking about the State takeover taking away our sovereignty and our vote, and then you're talking about taking our water away from us -- it's just too much at one time. There are a lot of fights, and this would kill us from the beginning.

Thank you very much.

SENATOR SARLO: Thank you, Mr. Young.

**R I C H A R D B A E H R L E:** My name is Rich Baehrle; I've been a Realtor -- with Berkshire Hathaway now, but I've been a real estate agent-broker for the past 32 years in the Atlantic County region.

I spend a lot of time with my practice dealing with the business community, buying and selling businesses; and also with the residential, more recently, in the last five to eight years.

The foreclosure rate -- or the *lis pendens* filed from 2011 to the present time -- has been 10,875 homes that have been filed in foreclosure in Atlantic County. It's horrendous, and we're to the point where we have to save Atlantic County, not open a dagger and stab us in the back. It's good to put Steve -- eloquently stated the position of real lives that are affected by the decision of your Committee today; and Deb DiLorenzo and Joe Kelly. They add numbers, but those numbers have lives.

I'm in and out of the houses, showing houses; and you have kids crying at these houses because they're losing them: 10,000 of them filed. Nowhere in the country is experiencing something like this.

And what's going to happen if you elect to put casinos up in North Jersey? We're going to have another 15,000, at least, unemployed. What that 10,000 is going to amount to -- maybe 20,000. Maybe if not in your communities that you experience it like that, but come down into our

community and feel it. I'll bring you around to the houses of the people who are losing them, and the amount of upside-down, and the jobs that are lost. They're real feelings. We can rattle off numbers all day long, but when you go into these houses and see the people, and they have nowhere to live, and they have no more jobs down there -- and then there's going to be casinos up in North Jersey? Shame on you.

The one book that I remember from Stockton College, in my economic course, is Lester Thurow, *The Zero-Sum Society*. The essence of the book is the zero-sum society. For every winner there's a loser. If the casinos go up into North Jersey, there will be more losers, there will be tens of thousands of losers predicated on top of what it is that we're already experiencing.

Please consider the lives, not only the numbers, because it's the feelings. And I could get pictures of these people in tears when they're losing their houses and have no jobs to go to.

Thank you very much. Please consider it.

SENATOR GREENSTEIN: Thank you.

That gentleman -- I don't recall your name. Are you Mr. -- is it Cottrell? (indicating pronunciation)

MR. ABDULLAH: No, ma'am. My name is Ahmid Abdullah Sr.

SENATOR GREENSTEIN: Oh, okay. Yes, thank you.

MR. ABDULLAH: Thank you; thank you for your time.

I say again my name is Ahmid Abdullah Sr.; I'm the President of AFSCME 2303 Atlantic City, blue collar members.

I can piggyback off of what our speaker said today, but I want to go somewhere different. Somewhere different is that when you talk about the houses and the people who are losing their houses-- I want to talk about the income that the blue collar members are getting now -- that we can't even afford houses. We're living in the projects there, but we work and we get up every single day. When I talk about the blue collar workers, I'm talking about the sanitation workers; I'm talking about the street sweepers; I'm talking about the ones who get up and do their job before the police and fire get out there. I'm talking about the ones who plow the streets so that the police and fire can get to their jobs and do the exceptional job that they're doing.

To have casinos up in North Jersey would turn around and devastate us as blue collar workers, because then you're going to be lowering our numbers of employees who are going to be working for the City of Atlantic City. We are already lower now. As soon as this new bill comes in, and they go in and it starts affecting the numbers of the people who are going to be working, we're not going to be able to survive; we're not going to be able to work.

So the reason why I'm asking you to please veto this bill is that it's going to affect not just the people up top, but it's going to affect us also down on the bottom -- the people who are striving to clean the streets, to make sure Atlantic City is cleaner.

I know we always hear the motto "safe streets." But we also hear "safe and clean streets." And we're the ones who are cleaning the streets. And if you take more casinos and put them up in North Jersey, then how are we going to survive down there? How are we going to make

sure that the casino industry is thriving if we don't have any casinos down there for us to clean?

All right; so I appreciate your time.

SENATOR GREENSTEIN: Thank you.

MR. ABDULLAH: But I would just ask you to please, just think about that.

SENATOR GREENSTEIN: Thank you very much.

MR. ABDULLAH: I just don't see where the logic -- at the note that if you put casinos up in North Jersey, and they say they're going to send the money down there to us -- they've been taking the money from us all this time, so why are they going to turn around and send money down to us after they've been taking the money up to North Jersey?

SENATOR GREENSTEIN: Thank you.

MR. ABDULLAH: Thank you for your time.

SENATOR GREENSTEIN: Thank you very much.

I don't have your name, but the lady--

**TIVAYNE COTTRELL:** I'm Cottrell.

SENATOR GREENSTEIN: What is your name?

MS. COTTRELL: Cottrell, Tivayne Cottrell.

SENATOR GREENSTEIN: Oh, you're Cottrell?

MS. COTTRELL: Yes.

SENATOR GREENSTEIN: I couldn't read the first name. Okay, just make sure it shows a red light on the mike. (referring to PA microphone)

MS. COTTRELL: Hello, my name is Tivayne Cottrell. I'm currently a resident of Atlantic City.

In the last four years, I was employed at the Revel, the Showboat, and Trump Plaza, which have all been shut down currently. And it's really hard, as a single mother, being in Atlantic City with no -- with the way that the jobs are these days. They are very scarce.

Now they're making me nervous.

Okay; thank you. You all make me nervous.

SENATOR GREENSTEIN: Okay, thank you very much. We appreciate it.

Any questions for the panel? (no response)

Okay, thank you. We really appreciate the--

This looks like Gabe Staino, Bacharach Institute for Rehabilitation. Why don't you come up as a group, here? John Exadaktilos, small business owner, it looks like Ducktown Tavern; and Neva Pryor, Council on Compulsive Gambling.

Your name, sir, is--?

**G A B R I E L S T A I N O:** My name is Gabe Staino from Bacharach Institute.

SENATOR GREENSTEIN: Why don't you begin?

MR. STAINO: What I wanted to point out is, there are a lot of different factors that are being affected in South Jersey. Health care is being affected nationwide since the advent of the ACA, and everybody trying to get accustomed to what the ACA is doing. There have been a lot of complications; there has been a lot of contraction in the healthcare industry.

At Bacharach, we have 80 beds; 50 acute and 30 subacute. Plus we take care of 17,000 patients a day in the four-county area of

Atlantic, Cape, Ocean, and Cumberland counties. These counties are all going to be affected by additional casinos in North Jersey.

These casinos will-- If the projections are correct, 15,000 jobs will be lost; that is a great percentage of people who are not going to have insurance. More healthcare facilities will become insolvent and will close and contract. And that will be a definite disservice to New Jerseyans from all over the state, but particularly in our area.

So I urge you all to please consider that when you consider this bill; and please vote against this particular bill, SCR-1.

Thank you.

SENATOR GREENSTEIN: Thank you.

Ms. Pryor.

**N E V A P R Y O R:** Good afternoon, Chairman. My name is Neva Pryor; I'm the Executive Director of the Council on Compulsive Gambling of New Jersey, otherwise known as 1-800-GAMBLER.

The Council is neither for nor against gambling. We are here merely to heighten awareness of problem and disordered gambling. The Council offers support, treatment, and hope to the nearly 5 percent of problem gamblers and their families in the State of New Jersey.

I am testifying in regard to SCR-1, which would permit the expansion of casino gambling locations in certain counties. SCR-1 does not include any provision to provide help for individuals who experience gambling problems. The growth of casinos across New Jersey will affect this population more profoundly than any other group that would benefit from the revenue provided by the expansion of gaming in our state.

I believe that if the state expands casino gambling into North Jersey, it has a responsibility to provide help to the people who may be impacted by such an expansion. I think it would be immoral not to.

As Executive Director of the Council on Compulsive Gambling of New Jersey, it is essential for me to alert sponsors of gambling expansion legislation about the importance of including in bills that are introduced allocations for education, prevention, and treatment for gambling disorders. As far as I can see, beyond several set-asides to address host communities, Atlantic City recovery efforts, and horseman, all future State revenues from casino gambling will continue to be dedicated for the same restricted purposes as existing casinos revenues.

There is new language in the legislation regarding allocations to counties and municipalities for programs and property tax relief for senior citizens, and disabled residents, and for such other purposes as the legislature shall by law provide. The Council would like to suggest that help for problem and disordered gamblers be included in this bill. Various studies have proven that a casino within 10 miles of an individual's home has a significant effect on problem gambling and is associated with a 90 percent increase in the odds of becoming a problem or disordered gambler.

The Council urges you and your colleagues to include in SCR-1 a set-aside provision to fund prevention and treatment programs for problem and disordered gamblers and their families. The growth of these casinos will directly affect this population more profoundly than any other. Not only does the risk of problem and disordered gambling increase; so does the rate of suicide. The suicide rate among problem and disordered gamblers is 20 percent.

The mission of the Council is to heighten awareness. We do not advocate for or against gambling, but rather advocate for the need to ensure there is help available for anyone who has or may develop a gambling problem.

In conclusion, if you or someone you know has a gambling problem, please have them call 1-800-GAMBLER. We offer support, treatment, and hope. And this month that we're going into is March Gambling Awareness Month.

Thank you.

SENATOR SARLO: Thank you.

Did you go yet, sir? Okay.

**J O H N E X A D A K T I L O S:** My name is John Exadaktilos, owner of the Ducktown Tavern in Atlantic City and two other establishments in South Jersey as well.

The economic impact now that we've had, with the five casino closings from the beginning, has impacted not only me, but my other constituents as well, too, who I work alongside with in the business.

We've been open 10 years in the City, and we've seen the cost of business go way up. And because of the closures and people moving, losing their homes, or not going out, business has gone down.

What I'm asking is that this bill gets considered to be shut down, because AC was built on small business. We were there prior to the casinos, and we'd like to be there after the casinos. But that is a main source of employment and revenue to circulate in the County and in the counties that surround us to survive.

So I'm pleading amongst the small businesses -- please deny this bill.

SENATOR SARLO: Thank you.

Final panel: Michael Scott, Thelma Witherspoon, and George Amiriantz -- all Atlantic City residents.

Go ahead; there are three seats.

Thelma?

**T H E L M A W I T H E R S P O O N , D.D.:** Yes.

Good evening, to the Chair and to the Committee.

SENATOR SARLO: Good evening.

MS. WITHERSPOON: My name is Thelma Witherspoon. As a resident for over 50 years, a taxpayer, and an emergent leader of Atlantic County, I oppose the legislation of SCR-1, and all legislation today or in the future, to permit by the law to the establishment and operation of casinos in North Jersey, or any counties in New Jersey outside of Atlantic City, at this time due to the economic situation in Atlantic City -- which has been under severe financial distress due to the closing of casinos in Atlantic City; which has not only affected the governing body and the employees who have dedicated their lives to public service, but the residents and also the other 21 municipalities in Atlantic County, as forestated, who have also suffered as well.

The action to approve legislation for casinos elsewhere in our state would be detrimental to Atlantic City and Atlantic County. A lot of work, and time, and effort have been put in the Municipal Stabilization and Recovery Act for Atlantic City, which has not been finalized or stabilized.

How would you feel if someone came to your home, looking from the outside, and created a financial plan for you where you had no input?

I appreciate your efforts, but I'm just not for this bill.

In closing, let's fix one problem -- which is Atlantic City's financial problem -- before we create another one.

Thank you for your time.

SENATOR SARLO: Thank you.

**V. GEORGE AMIRIANTZ:** Me?

SENATOR SARLO: Yes; go ahead, sir.

MR. AMIRIANTZ: My name is George Amiriantz; I'm from Atlantic City, New Jersey.

The way that I'm going to approach this, and what I'm going to say, is probably going to be a little bit of a different manner than what you've heard with this issue before.

Example: I have drawn myself into this controversy only because of some certain events that have taken place in the past two or three weeks. So I really haven't paid too much attention to it. As an example: Senator Sarlo, I had no idea that you were the gentleman who sponsored the bill, and is going to be -- not the sponsor, the effort for the referendum; and now said that you were going to be sponsoring the enabling legislation. You'll stay with it from the beginning to the end.

So that means that I have an important statement to make for you at the end, okay?

SENATOR SARLO: Don't beat me up too bad.

MR. AMIRIANTZ: Excuse me?

SENATOR SARLO: Don't beat up too bad.

MR. AMIRIANTZ: No, I'm not-- Believe me, I'm going to beat up everybody in here.

SENATOR SARLO: Okay.

MR. AMIRIANTZ: Trust me; Amiriantz the Experience has arrived, okay?

Senator Van Drew -- he knows me, okay? We go back with him for sports betting, okay? The only difference between you and me with the sports betting issue is that I go way back with the sports betting issue, going all the way back to the beginning of the issue, when a man who went to church with me, Chuck Haytaian, killed that bill.

SENATOR VAN DREW: I think you have a few years on me.  
(laughter)

MR. AMIRIANTZ: Okay.

And for Ms. Beck -- I have a lot of respect for you. I had a chance to get your attention, but I didn't have a chance to talk to you. I love your passion.

And I'm sorry that Senator Whelan couldn't stay; I have argued with that man, I have fought with that man on every kind of an issue imaginable. People who are in this room today will attest to that. Whether it's Baehrle the Realtor, or whether it's Kelly, or anybody else who might know me in this town -- these people, or whatever.

When it comes to the sports betting issue, I grabbed Senator Lesniak; I didn't even know that that man was Senator Lesniak. You saw I was sitting next to a woman, who apparently was with the NJEA or whatever it is -- and he kept going back and forth to her. I had no idea, because I don't like to mind other people's business. Every time he came

over, I made sure that I pulled away. I didn't know that she was with the education until she came up here and sat here. I made sure I said something to her as she left the room.

Now, I'm sorry that Senator Whelan wasn't able to stay, but I did manage to mention a couple-- He did tell me that he wasn't going to be able to stay, so when he said to me, on a couple of occasions, during some of things that I was involved in, that, "George, settle down; calm down. We can disagree, but we'll disagree agreeably."

So Senator, you and me -- we're going to have to get it on, okay? I am going to disagree with you as agreeably as I can, and as respectfully as I can. So I'm getting ready to rock and roll, and I'm not going to stop.

Okay, so number one: constitutional issues. United States Constitution; going to 1789, and to this point forward. The State of New Jersey Constitution, 1947 -- if that's what it is; I might be off a little bit -- and I'm going to deal with that. And I'm going to get rid of that in about 30 seconds.

Number one: On the Constitution of the State of New Jersey. I find it hard for me, who works for the Board of Elections in Atlantic County on a regular basis each election cycle -- primaries, elections, primaries, elections, on and on and on, for I don't know how many years -- my effort today is to bring together Democrats and Republicans, black, white, green, purple, chartreuse -- I don't care. Anybody who is this room who knows me knows I don't care about that. I'm talking about commonality; I'm talking about one.

Senator Sarlo, I'm coming at you with a tremendous amount of respect, okay? Because if I'm successful in what it is that I try to accomplish on this issue, hopefully, at the end of the day, you will thank me -- you will thank me, is my goal, for keeping you from having the reputation of having killed gaming both South and North.

So if you notice on that little piece of paper that I wrote -- I wrote *neutral*. I'm not going to disrespect you, because I'm dividing this in two halves. I come from neutrality on the issue of the Constitution; I come with passion on the issue of you killing gaming in the State of New Jersey.

So on the neutrality point, let me be loud and clear: I'm tired of going every single election cycle and having to sit down with people who come to our polling place who know how to read, who are intelligent people -- and I'm going to throw myself into that mix. I'm a poli-sci graduate from universities, one of them in Philadelphia; twice undergraduate, graduate of the Big Five.

So I'm coming at you from a political scientific perspective and with a tremendous amount of respect.

SENATOR SARLO: Okay; thank you.

MR. AMIRIANTZ: When that is written as a ballot question, I want anybody who knows how to read in the State of New Jersey -- whether they are a 5-year-old, a 6-year-old, a 7-year-old, or an 18-year-old -- who is coming to me at a polling place, who knows how to read, who might be a college graduate, who doesn't know on any referendum that you guys put together, "Does yes mean no? Does no mean yes?" This piece of referendum better be that any person who knows how to read in the State of New Jersey, whether he's a 5th grader, a 4th grader, 3rd grader, or a

senior citizen is going to walk into that booth and know that if he votes “yes” it means “yes;” if he says “no” it means “no” -- that it’s not complicated.

So what I just said is, it better be nice and clean; because you will see me someday before the United States Supreme Court, if I have to, to get it worded right. So guess what, guys? If, with your passion, you choose to say, “Yes, you want it on the ballot,” God bless you; you have that constitutional right. I do not support the President of the United States politically, Barack Hussein Obama; and I find it God-awful disgusting that people are saying that he doesn’t have the right in the eighth year of his term -- that he shouldn’t be nominating and that there shouldn’t be hearings.

SENATOR SARLO: All right, sir. I appreciate your passion for Atlantic City.

MR. AMIRIANTZ: One last thing, and then I’m out of here in 30 seconds.

SENATOR SARLO: Thirty seconds, and then we’re going to go to Michael Scott.

MR. AMIRIANTZ: Okay, you give me 30 seconds; we’re on the clock.

SENATOR SARLO: Thirty seconds.

MR. AMIRIANTZ: Okay.

One, two, three -- you got it? Okay, now here we go.

SENATOR SARLO: You have 25 left.

MR. AMIRIANTZ: Forty years on an effort-- I have a solution to your money problem; I’ll sit down with Jeff Van Drew. I will put on the

table more money-- My pockets are empty, okay? But I closed two businesses to come down to Atlantic City, and I'm on a 40-year effort that will succeed, and what you're doing is not going to stop it. The fact that I had to come up here today with no sleep, because I'm working 24 hours a day oftentimes on a mission to succeed on something that I've been working on for 40 years that predates gaming-- This is going to bring so much money into the State of New Jersey, and the City of Atlantic City, and job creation like mind-boggling-- And I will take my time with you, Senator Van Drew, and you and I will sit together, and I'll explain it.

SENATOR SARLO: All right, sir. Thank you. Thank you; that's it.

MR. AMIRIANTZ: Have a nice day.

SENATOR SARLO: Have a nice day.

Michael Scott, please.

Thank you.

**MICHAEL ANTHONY SCOTT Jr.:** Good evening.

First I'd like to give honor to God.

I'm Michael Anthony Scott Jr., a resident of Atlantic City for 41 years.

Chairman, I'd like to say to you -- I'm reminded by a wise man named Gandhi, who I'm sure you're familiar with. He said, "Wish for a change that you would want the world to see." (*sic*) I don't know how you are able to rest at night knowing you sponsored a bill that's going to cause thousands of people to lose their jobs. If I'm correct, there are eight casinos in Atlantic City, New Jersey. If you open up one in North Jersey, they may

go down to six; if you open up another one -- which will probably happen -- it would go down to four or to zero.

So I say this: You have people who are losing their jobs. And once they lose their jobs, then we have the double Ds that come in: which is desperation and distraught. And then when they come in, you have something called violence; you have something called crime.

Now, I've been home four years. I'm what you call, I guess, an ex-con. And I'm very productive, due to God and due to the woman who is sitting next to me -- Ms. Witherspoon -- and Mr. Steven Young. So I have motivation; I have hope. But what about the ones who don't have that, and all they do is have a job? They're single mothers, they're single fathers of four to six children. So they lose their jobs. Now you have children who are hungry. See, I'm speaking to you from the heart, so you need to pay attention. You have kids who are hungry; what do you think these parents are going to do?

So I ask that you veto this bill, Chairman; veto this bill and pass another bill for ex-cons to get jobs, okay? Because it could be you, or one of you, walking down the Boardwalk, in your sandals or whatever. And here there is a person who looks at you and says, "Well, I don't have any money; they look like they have something," and then they hit you upside your head. These are the facts.

So I'm asking you-- Ma'am, I'm sure you have children (referring to Senator Beck). I'm asking you to think about the mothers who are working two, three jobs; the ones who are making up beds in these casinos. Think about them.

This is horrible. I really don't understand how you can rest at night, sir; I really don't. And I'm looking in your eyes and I'm telling you this. I don't know you, but I don't understand how you can sponsor something that's going to cause thousands and thousands of people to end up becoming homeless. I don't get that.

And so I ask you, with all due respect, to reconsider. And then think about the bill that you would want to pass that's going to cause people to get jobs that were wrongfully -- or they were caught dead wrong committing a crime. I ask that, you know, we be given a chance. That's what needs to be looked at.

Now, you're saying, I have to bring up the race issue. To me, this becomes a race issue. How does it become a race issue? Because the majority of the people who live in Atlantic City are black and brown. And if you don't believe me -- you're very intelligent; do your studies. They are black and brown. So what are you saying? I'm saying if you don't veto this, then now you're causing these people to become desperate and distraught. Now they have to commit a crime or they have to move out somewhere.

So I'm asking that you take that into consideration.

SENATOR SARLO: Sir, thank you.

And I will just say this as I close the meeting: This Committee, including myself, has done more legislation in favor of Atlantic City over the last 10 years; we've done more pieces of legislation that we've passed to benefit Atlantic City, more than many other struggling cities in the State of New Jersey -- including cities that are just outside where I live, including Paterson and Passaic City which are in my District. You can count up the

dollars that I have personally authored and sent to Atlantic City much, more than any other city in the state.

MR. SCOTT: Do you live in Atlantic City?

SENATOR SARLO: Sir, sir, I'm talking; please.

And I will tell you this. At the end of the day, we've done a lot; there's only so much we can do in the Legislature, okay? Shame on Atlantic City government, shame on some of the casino operators down there who have not done a good job of taking their profits and investing in the city, shame on a lot of folks.

But we are not turning our backs on Atlantic City. That's why we're sending a bulk of the revenue that's going to be generated back to Atlantic City to reinvest in Atlantic City.

And finally, I will say to you, personally, sir. This Committee here has passed out many pieces of legislation dealing with prison reentry programs, drug offender programs. We have done a lot of very progressive pieces of legislation to help those who have been incarcerated to help find work.

So I appreciate your passion; I appreciate your concerns. And I'm going to conclude this hearing.

MR. SCOTT: But I want to ask you one thing. Have you ever come to Atlantic City personally and walked around, and went inside the projects and spoke with the residents? Have you ever done that?

SENATOR SARLO: I've been to Atlantic City. I have not been to--

MR. SCOTT: Have you done what I just said, sir? If you haven't -- which you haven't -- I ask that you come down there and meet with Mr. Steven Young--

SENATOR SARLO: I'd be more than willing to.

MR. SCOTT: --and stay down there for a week and really see what's going on.

SENATOR SARLO: I'd be more than willing to.

Thank you, sir

MR. SCOTT: All right, thank you.

SENATOR SARLO: Have a good night.

MR. SCOTT: You too, brother.

SENATOR BARNES: May I speak, Mr. Chairman.

SENATOR SARLO: Excuse me?

SENATOR BARNES: May I speak before we vote?

SENATOR SARLO: What?

UNIDENTIFIED MEMBER OF COMMITTEE: There's no vote.

SENATOR SARLO: Oh, there's no vote.

SENATOR BARNES: May I say something?

SENATOR SARLO: Oh, yes; you may say something.

SENATOR VAN DREW: And I have a few words after him.

SENATOR BARNES: Thank you.

A lot of very interesting comments and heartfelt comments.

I've said this, what I'm about to say, once before; but I think it bears repeating, if you don't mind, Mr. Chairman.

Atlantic City, as we know, has had exclusivity since 1976. By the way, I've lived in northern Middlesex County my whole life. Over the last many, many years, this is the type of aid that Atlantic City has received. I may be using the improper jargon, but this is the type of aid: They've gotten Abbott funding, they've gotten different kinds of abatements, they've gotten municipal aid. Just last month or the last we voted on something called equalization aid, they've gotten different pilot programs, they've gotten marketing funds, they've gotten different types of property tax revenue because of the casinos, sales revenue. Atlantic City has benefited from the various jobs in the casinos.

You talk about the foreclosure rate; what about the foreclosure rate where I live, in my district? It's very high, one of the highest in the state.

You talk about racial issues -- in my district, we have African American, we have Indian, we have Asian, and Latino, all of whom are struggling. North Jersey could use the same type of benefit that Atlantic City has gotten for many, many years. Why should Atlantic City have a stranglehold on all the benefits, all the revenue, when other parts of the state are also hurting?

So it's not just the Chairman who backs this bill; but I'll be very enthusiastically supporting this bill as well today.

SENATOR VAN DREW: One thing I would like to point out, just a minor thing. They don't get Abbott aid; there's no Abbott aid.

SENATOR BARNES: Okay; but they've gotten municipal aid.

SENATOR VAN DREW: But they have gotten it, in the past; yes.

And I'm going to very brief. I've said it once, I've said it a thousand times. I'm concerned about the cannibalization of the industry; I'm concerned about the foreclosure rates that we have in Atlantic City; I'm concerned about the lower per-capita income that people in the entire region have; I'm concerned about the billion dollars that our businesses are going to lose.

It is interesting to look at maps -- at the accumulation, the aggregation of businesses in other areas; and then to look at major blocks of South Jersey. We don't have pharma, we don't have high tech, we don't have the financial industry, we don't have a lot. And I know everybody's tired and it's long. This has been a sad time -- and we go through that sometimes -- but a sad time for me personally as someone who saw the area grow and expand, and new jobs come in, and new houses built; and new families move in, and families flourish, and children grow up in an area. To see that, generally, the entire region in some way is affected by it -- and there is no question -- in a significant and detrimental way is extremely worrisome.

And I don't know that any -- the money that's going to come back into the city through the funding and the legislation from North Jersey -- I don't really know that that's going to make the difference. I would pray to God that it does, but I know that you will see one, two, perhaps even three more casinos close; that I can guarantee you. I know that you're going to see more unemployment; I know that you're going to see more small businesses close; I know that you're going to see more hurt; I know you're going to see lower per-capita income; I know you're going to see more foreclosures; and I know that you're going to see some folks who are

really sad people. This is a really tough, tough pill to swallow for our area. It's really hurtful, it's really painful. I understand that we've all been around in politics for a long, long time. But I understand the passion of the people when they speak about it.

Thank you.

SENATOR SARLO: Thank you. We're concluded.

Thank you everybody for your patience and cooperation.

**(HEARING CONCLUDED)**