
Public Hearing

before

SENATE JUDICIARY COMMITTEE

Senate Concurrent Resolution No. 11

(Proposes constitutional amendment to allow veterans' organizations to use net proceeds from games of chance for support of organization)

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

DATE: May 13, 2013
10:00 a.m.

MEMBERS OF COMMITTEE PRESENT:

Senator Nicholas P. Scutari, Chair
Senator Nia H. Gill, Vice Chair
Senator Nellie Pou
Senator Bob Smith
Senator Brian P. Stack
Senator Loretta Weinberg
Senator Christopher "Kip" Bateman
Senator Gerald Cardinale
Senator Joseph M. Kyrillos Jr.
Senator Kevin J. O'Toole



ALSO PRESENT:

David J. Lorette
Office of Legislative Services
Committee Aide

Francisco Maldonado
Senate Majority
Committee Aide

Frank Dominguez
Senate Republican
Committee Aide

Hearing Recorded and Transcribed by
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TABLE OF CONTENTS

	<u>Page</u>
Bill Thompson Private Citizen	5
Thomas J. Farrell Private Citizen	7
Joseph Gugliuzza Private Citizen	10
rs:1-14	

SENATOR NICHOLAS P. SCUTARI (Chair): The public meeting shall come to order. This is on Senate Concurrent Resolution No. 11, sponsored by Senator Bateman and Senator Addiego, proposing a constitutional amendment to allow veterans' organizations to use net proceeds from games of chance for support of organization.

Roll call, please.

MR. LORETTE (Committee Aide): Roll call for the public hearing.

Senator O'Toole.

SENATOR O'TOOLE: Here.

MR. LORETTE: Senator Kyrillos.

SENATOR KYRILLOS: Yes.

MR. LORETTE: Senator Cardinale.

SENATOR CARDINALE: Here.

MR. LORETTE: Senator Bateman.

SENATOR BATEMAN: Yes.

MR. LORETTE: Senator Weinberg is present.

Senator Stack.

SENATOR STACK: Yes.

MR. LORETTE: Senator Smith.

SENATOR SMITH: Yes.

MR. LORETTE: Senator Pou.

SENATOR POU: Here.

MR. LORETTE: Senator Gill is present.

Senator Scutari.

SENATOR SCUTARI: Here.

MR. LORETTE: You have a quorum.

SENATOR SCUTARI: Okay. Thank you.

Let me yield to Senator Bateman if he'd like to speak as the sponsor of the Resolution.

SENATOR BATEMAN: Mr. Chairman, I would.

First of all, thank you very much for posting this today. This is very important legislation which actually came to me several years ago from my local American Legion Post 12.

Right now a lot of the posts have games of chance -- bingo; they have those instant lotteries. They can't use those proceeds toward their actual bills -- their utility bills. There is a specific purpose for which they could use those funds for. It's usually charitable efforts, education. They can't use them to pay their bills. It doesn't make any sense.

Money is very tight. These organizations are having difficulty surviving. I think we owe it to our men and women at our American Legions to pass this legislation, because it makes sense. If they're raising money, funds, they ought to be able to use it for their own purposes as far as supporting their Legions.

So I think it's great. I appreciate the Chairman posting it. I'd be happy to answer any questions. But I encourage all my colleagues to sign on and to vote yes.

And I thank our friends from the American Legion. I don't know if anybody is testifying. I thank them for coming down. I thank them for alerting me to this issue.

Thank you, Mr. Chairman.

SENATOR SCUTARI: Senator Cardinale.

SENATOR CARDINALE: I'd like to acknowledge the presence of Bill Thompson, from Washington Township, in my Legislative District. He is one of the commanders who are here to support this legislation. He has personally pointed out to me the good that this legislation is going to do. I'm very proud to see him here. It's a long ride from Bergen County down here.

I thank you very much for taking interest and alerting us.

SENATOR SMITH: Chairman, I have two questions--

SENATOR SCUTARI: Senator Smith.

SENATOR SMITH: --for Senator Bateman.

SENATOR SCUTARI: Sure.

SENATOR SMITH: Is it true that other fraternal and/or religious organizations already have this benefit?

SENATOR BATEMAN: Yes.

SENATOR SMITH: What ones are they?

SENATOR BATEMAN: Which ones are they? I'm not sure which ones they are.

SENATOR SMITH: Well, for example, Catholic church and bingo -- I assume that supports the--

SENATOR BATEMAN: Absolutely. The Catholic church is approved. I don't have a list of the other bonified organizations that have approval. But the American Legion should certainly qualify for that.

SENATOR SMITH: Were they also -- the other organizations -- were they done by constitutional amendment?

SENATOR BATEMAN: I think so. It's in the Constitution, Senator.

SENATOR SMITH: Lastly, I think the idea is a great idea. Games of chance: Are there any limitations on that? I mean, we could not have roulette wheels or craps tables, correct?

SENATOR BATEMAN: You can't have craps tables, roulette wheels, black jack tables. There are specifically four or five--

SENATOR SMITH: Does anybody know what the *games of chance* definition is?

SENATOR BATEMAN: One is bingo, one is -- I don't know if you've been in--

SENATOR SCUTARI: Senator Bateman, turn your microphone on, please.

SENATOR BATEMAN: I'm sorry. I thought it was on, Mr. Chairman.

One is certainly bingo, Senator. Another one is-- Have you seen the pull-tab lottery -- like four cherries or--

SENATOR SMITH: Yes.

SENATOR BATEMAN: There are one or two others, but--

SENATOR SMITH: Is there an actual definition in the Constitution as to what *games of chance* are? It's just so we know what we're signing on to.

SENATOR SCUTARI: And actually, just for clarification, I think that the only thing the constitutional amendment does is change the direction of where the proceeds can go. It doesn't really change the games that it allows.

SENATOR SMITH: Okay.

SENATOR BATEMAN: Senator, legislated by law, *games of chance* have been restricted to the selling of rights to participate in the awarding of prizes in a specific kind of game of chance sometimes known as *bingo* or *lotto*, played with cards bearing numbers or other designations -- five or more on one line. That's the ones they have right now -- like five cherries, five apples; the holder, covering numbers, as objects, similarly numbered, are drawn from a (indiscernible)-- That's basically it. It's very narrow.

SENATOR SMITH: So it's a pretty tight definition.

SENATOR BATEMAN: Yes.

SENATOR SMITH: Okay. Sounds great.

Thank you.

SENATOR BATEMAN: Yes, so Atlantic City doesn't have to worry about competition as far as craps tables.

SENATOR SCUTARI: Okay.

We have some people signed up -- three people -- Thomas Farrell, VFW, from Burlington; Bill Thompson, VFW; and Joseph Gugliuzza.

I don't know if they want to come up and speak. You can. If you do, why don't you all come up as a panel and tell us what you want us to hear before we take a tally on the constitutional amendment?

Welcome gentlemen. Welcome, welcome. Who would like to go first?

BILL THOMPSON: I will, Senator.

SENATOR SCUTARI: Just state your name for the record.

MR. THOMPSON: Bill Thompson, Washington Township, New Jersey, Bergen County.

The reason that we have requested so many of our State legislators both in the Senate and the Assembly to be co-sponsors to these bills and the companion bills that they are associated with is that over the years, these VFWs, American Legion posts, other veterans' service organizations--

Just by definition, Senator Smith, as to what we can spend and what we cannot spend-- The percentage that we do spend -- we make charitable contributions not just to veterans' organizations and veterans' services, but to the communities in which we reside as well. That's why I brought Tom Farrell with me this morning. He has a VFW post that has these games of chance, and he can speak specifically about the good that they have done within Burlington County.

As a past state commander for the Veterans of Foreign Wars in the year 2010-2011, I traveled this state multiple times meeting our veterans' organizations from Cape May to Bergen County and had an opportunity to see, firsthand, what they do. Those that are close to our military bases at Fort Dix and McGuire Air Force Base -- the needs that they take care of financially for our veterans who are serving and have come back from Afghanistan and Iraq. And yet there are certain needs while these members are serving overseas that their families have, where they cannot make -- perhaps financial obligations that they have as far as mortgages, or car payments, or taking care of boilers that need to be repaired. It is the Veterans of Foreign Wars and these people who have these games of chance who donate the money in order to provide those

services for those family members; that they provide for the welcome-home parties, and they provide for the going-away parties of these veterans' service organizations.

But they also take care of their communities in buying ambulances, and buying fire trucks, and buying things that the community would have to put on their own referendum with their own municipalities, or look to the State to have money donated to them within the idea of a grant, that we are taking care of as well.

But as Senator Cardinale stated, because of the rising cost of utilities and the rising cost of insurance for our buildings, it takes away from our ability to keep these posts open. And our posts are closing across this state at a very rapid pace. And so in order for us to continue to do the good that we are doing -- through our Bayonne posts, Senator; and through our posts in Passaic County; and especially our Middletown post, Senator Kyrillos -- that in order to keep our posts open, for them to continue to do that, we are just asking to have a larger share of that money that we raise to be able to use for those expenses.

I thank you for your consideration; I thank you for your time. And I thank you for the way that you have supported our veterans' service organizations in the past.

Thank you very much.

SENATOR SCUTARI: Thank you, sir.

THOMAS J. FARRELL: Thomas Farrell.

SENATOR SCUTARI: Greetings.

MR. FARRELL: Good morning, Senators.

My post is in Delran, New Jersey. I'm the past post commander. I was the post commander seven times. We have games of chance -- pull tabs, or whatever you want to call them. There are 3,200 tickets to a game. Out of that money, the post ends up with \$765. All the rest is paid back to the people who play the game. Out of that \$765, we are not permitted to use any of the funds for anything besides giving it to charity.

Recently, my post burned down -- last Easter. We have groundbreaking coming up on the 18th to build a new post. We have been raising money for ourselves. Our gaming funds -- which are nonexistent now because we're not bringing in money -- but we used to give, on average, \$150,000 a year away to our military, to our Township, to people in need. And I don't have a problem with that except when I have a \$14,000 insurance bill. My post was given away -- the last we had a post -- 225 times to other organizations and groups that meet there for free. They are not charged. If there are fundraisers that they're having, they can have it at our post. We usually give them the post and pay for the food so they can take all their profits back to whatever charity they're working for or whatever family they're there to help. We make no money off of this, yet we have to insure the building, we have to heat and cool the building, and we have to have somebody there to make sure everybody is safe. We have no choice in this matter. We must do this.

Since my post burned down we have no gaming. But we also cannot get a loan to build anything because we have no assets. If we were entitled to use part of that money -- and I'm not saying all of it, I still want to give it away -- and have our building back up and working again where

we can, again, let the community in there -- which includes Girl Scouts, Boy Scouts, senior citizens, baseball teams, football teams, police. These are the kinds of things that we want to do in our community. We also support the units in Fort Dix, McGuire. Since it's a megabase now, you have Marine units, Navy units there also, Coast Guard units. We pay for their Christmas parties, we pay for toys for their kids. We do this because it's our obligation, which we don't mind. We're not asking to use that money to do whatever we want to do with it. We would like enough money to pay our insurance bills and our gas and electric bills.

When you're making the bare minimum-- We have a canteen or a bar, whatever you want to call it. What we make off of drinks-- And it's only open to members, so don't think it's an open bar for anybody to walk in off the street and have a drink. It won't happen. What we make off of what we sell -- which is minor -- is not enough to pay the gas and electric bills, the insurance bills. It's a hard tow. But if we don't have this money to support our own post, then nobody benefits. This doesn't cost the State of New Jersey a dime. This is all money that is ours to give away. But we need the money to stay open to keep giving money back into the communities.

When our post burned down, we had set aside \$18,000 to buy a van for the General Doyle Cemetery to transport the remains from the chapel to the gravesite. Their van had been breaking down constantly. There was nothing in their budget to get one. We spent the last \$18,000 we had left in our gaming funds to keep our obligation, and we bought that van and took it out to the Doyle Cemetery. So now they have a brand new

van to transport the remains. These are the kinds of things we do with this money.

But we need your help, and we need the help to help pay and offset our costs to stay open. If we close, nobody benefits -- not a soul. So please pass this and let it go on the ballot. Hopefully the public will support it too and we can help all veterans' organizations continue the good work they've been doing.

If you have any questions, I'd be happy to try to answer them.

SENATOR SCUTARI: Thank you very much.

Any questions? (no response)

State your name for the record, sir.

J O S E P H G U G L I U Z Z A: Yes, sir.

For the record, it's Joseph Gugliuzza (indicating pronunciation), but you were close.

SENATOR SCUTARI: Gugliuzza. (indicating pronunciation)

MR. GUGLIUZZA: You were close.

I'm the Legislative Chairman for the American Legion in New Jersey. I'm here, as my two comrades are, to support SCR-11 and urge the Committee's support and passage of the bill.

I want to thank Senator Bateman from District 16 for introducing the bill back in January of 2012. This thing has been bologna'ing around this building for almost a-year-and-a-half. And hopefully before the end of the year it will be on the ballot.

Recently, Superstorm Sandy gave even more urgency to the passage of this bill. American Legion posts in Monmouth, Middlesex, and Ocean counties sustained significant damage. In fact, in Senator Kyrillos'

home county of Monmouth, Union Beach American Legion Post 321 was completely destroyed. And the road back for these post homes, as we call them, is going to be difficult. And with the help of net profits from games of chance, the road will not be as long or as difficult.

In addition, with membership in all veterans' services organizations shrinking, the collection of minimal dues doesn't lend support for the increasingly high utility and insurance bills. Thus it becomes harder to make ends meet.

The passage of this amendment will ensure that American Legion posts, Veterans of Foreign War posts, and other veterans' organizations will be able to operate as community centers, as they have, for years and years to come; and as a place for those who have served to relax and enjoy the hospitality of that organization.

I want to take this opportunity to thank Senator Bateman again, and Assemblyman Craig Coughlin from District 19 who sponsored the legislation in the Assembly; and also a special thank you to Assemblyman Chris Brown and John Amodeo from District 2 who, about a month ago, sent a letter to Speaker Oliver. And I can't help but believe that they started to get the ball rolling again.

So, once again, thank you very much for your support. I can assure you that we are going to start a PR campaign when this thing is finally done to get it passed in November.

Thank you for your time.

SENATOR SCUTARI: Thank you very much.

Any questions?

SENATOR BATEMAN: I'll move it, Mr. Chairman.

SENATOR SCUTARI: I don't think we need a vote. I think it's just a hearing.

SENATOR BATEMAN: Oh, okay. Perfect.

SENATOR SCUTARI: Senator Kyrillos has a statement.

Gentlemen, you're excused. Thank you for coming today. We appreciate it. And we're going to close the hearing in a moment.

MR. THOMPSON: Thank you very much.

MR. FARRELL: Thank you very much.

MR. GUGLIUZZA: Thank you very much.

SENATOR SCUTARI: Any other comments besides Senator Kyrillos, we can entertain those.

SENATOR KYRILLOS: Mr. Chairman, thank you very much. Thanks for yours, the Senate President's, and other's leadership -- together, of course, with the sponsor Senator Bateman -- to get this important constitutional amendment going. It seems to me that we have enough time to get it on the ballot for this November of 2013.

I especially want to thank the gentlemen who were up here a few moments ago for your testimony, for your leadership, for putting the spotlight on this problem -- ongoing challenges at our veterans' organizations -- American Legion posts, VFW posts, and the like -- historically; but, as was noted, especially in the Sandy-hit communities -- many of which I serve -- this is especially important and timely.

I've asked the sponsor, Senator Bateman, if I could sign on as a co-sponsor, and with his permission I'm proud to do so. We'll work hard to pass this here in the two houses, but also at the ballot box in November.

Thank you, Mr. Chairman.

SENATOR SCUTARI: Thank you, Senator Kyrillos.

Anything else?

Senator Weinberg.

SENATOR WEINBERG: Thank you, first of all, to Senator Bateman for sponsoring this amendment, which I am happy to join in support of and join as a co-sponsor.

Just a moment of personal privilege: The veterans' organizations in the towns that I represent are real community-service organizations. I can talk about the Teaneck American Legion, that does everything from standing up on every kind of issue involving veterans, to Toys for Tots, to such a wide variety -- visitations at the veterans' home on a weekly basis, helping to raise funds to buy things for patients who are in the Paramus Veterans Home who might need some extra personal help.

My husband was a veteran of the Korean War and was a member of the Jewish War Veterans in Bergen County. He always spoke about the enormous amount of support that veterans get from the veterans' organizations. So this is among the very least we can do -- not (*sic*) to help you, but to help our communities at large.

Thank you very much.

SENATOR SCUTARI: Thank you, Senator Weinberg.

I'll just put my two cents in. It seems like a no-brainer. I don't think you're going to work that hard to get it passed on the ballot. It seems like a pretty simple, commonsense approach and solution to the problem that you guys are presented with. So I'm happy to support it as well.

I've asked to be a co-sponsor with Senator Bateman, which he's graciously allowed me to do as well.

So congratulations.

SENATOR BATEMAN: Actually, Mr. Chairman, I would encourage every member of the Committee to sign on. The more the merrier.

Thank you.

SENATOR SCUTARI: Thank you.

And I spoke to Assemblyman Coughlin this morning, actually, about it. He's not here; he's in another hearing. But obviously he supports the bill as well.

So, congratulations.

That will close the hearing for today.

Thank you, everyone, for coming.

(HEARING CONCLUDED)