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NOTE TO
SPONSOR

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AN ACT concerning the fee on casino hotel facility room occupancies, amending P.L.1977, c.110 and P.L.2003, c.116.

Requires all revenue generated by casino hotel facility room occupancy fee to be provided to CRDA.

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Same as _____ 22/23

Same as _____ 24/25

Suggested allocation:

AN ACT concerning the fee on casino hotel facility room occupancies, amending P.L.1977, c.110 and P.L.2003, c.116.

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

1. Section 145 of P.L.1977, c.110 (C.5:12-145) is amended to read as follows:

145. a. There is hereby created and established in the Department of the Treasury a separate special account to be known as the "Casino Revenue Fund," into which shall be deposited all revenues from the tax imposed by section 144 of **[this act]** P.L.1977, c.110 (C.5:12-144); the investment alternative tax imposed by section 3 of P.L.1984, c.218 (C.5:12-144.1); the **[taxes and fees]** tax imposed by **[sections 3]** section 4 **[and 6]** of P.L.2003, c.116 (**[C.5:12-148.1,** C.5:12-148.2 **[and C.5:12-145.8]**) and any interest and penalties imposed by the division relating to those taxes; the percentage of the value of expired gaming related obligations pursuant to section 24 of P.L.2009, c.36 (C.5:12-141.2); and all penalties levied and collected by the division pursuant to P.L.1977, c.110 (C.5:12-1 et seq.) and the regulations promulgated thereunder, except that the first \$600,000 in penalties collected each fiscal year shall be paid into the General Fund for appropriation by the Legislature to the Department of Human Services, \$500,000 of which is to provide funds to the Council on Compulsive Gambling of New Jersey and \$100,000 of which is to provide funds for compulsive gambling treatment programs in the State. In the event that less than \$600,000 in penalties are collected, the Department of Human Services shall determine the allocation of funds between the Council and the treatment programs eligible under the criteria developed pursuant to section 2 of P.L.1993, c.229 (C.26:2-169).

b. The division shall require at least monthly deposits by the licensee of the tax established pursuant to subsection a. of section 144 of P.L.1977, c.110 (C.5:12-144), at such times, under such conditions, and in such depositories as shall be prescribed by the State Treasurer. The deposits shall be deposited to the credit of the Casino Revenue Fund. The division may require a monthly report and reconciliation statement to be filed with it on or before the 10th day of each month, with respect to gross revenues and deposits received and made, respectively, during the preceding month.

c. Moneys in the Casino Revenue Fund shall be appropriated exclusively for reductions in property taxes, rentals, telephone, gas, electric, and municipal utilities charges of eligible senior citizens and disabled residents of the State, and for additional or expanded health services or benefits or transportation services or benefits to eligible senior citizens and disabled residents, as shall be provided by law. On or about March 15 and September 15 of each year, the State Treasurer shall publish in at least 10 newspapers circulating generally

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.

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in the State a report accounting for the total revenues received in the Casino Revenue Fund and the specific amounts of money appropriated therefrom for specific expenditures during the preceding six months ending December 31 and June 30. (cf: P.L.2012, c.17, s.17).

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

6. Notwithstanding the provisions of any other law to the contrary and in addition to any other tax or fee imposed by law, there is imposed a fee of \$3.00 per day on each hotel room in a casino hotel facility that is occupied by a guest, for consideration or as a complimentary item. This section shall be administered by the Department of the Treasury and the ~~amounts generated by this section~~ proceeds from the fee shall be paid to the State Treasurer for deposit in the Casino Revenue Fund established pursuant to section 145 of P.L.1977, c.110 (C.5:12-145) in State fiscal years 2004 through 2006. Beginning in State fiscal year 2007 ~~and thereafter,~~ through State fiscal year 2025, the proceeds from \$1.00 of the fee shall be deposited by the State Treasurer into a special fund established and held by the State Treasurer and made available for the exclusive use of the Casino Reinvestment Development Authority established pursuant to section 5 of P.L.1984, c.218 (C.5:12-153) for its purposes pursuant to law, as approved by the membership of the authority, subject to the provisions of subsection e. of section 5 of P.L.2004, c.129 (C.5:12-173.22a). Beginning in State fiscal year 2007 ~~and thereafter,~~ through State fiscal year 2025 the portion of the proceeds of \$2.00 of the fee necessary to carry out the purpose of subsections a. through c. of section 5 of P.L.2004, c.129 (C.5:12-173.22a) shall be deposited by the State Treasurer into a special fund established and held by the State Treasurer and made available for the exclusive use of the authority to carry out that purpose, and the remaining proceeds of the \$2.00 fee shall be deposited by the State Treasurer into the Casino Revenue Fund. Beginning in State fiscal year 2026 and thereafter, the proceeds from the fee shall be deposited into a special fund established and held by the State Treasurer and made available for the exclusive use of the authority for its purposes pursuant to law, as approved by the membership of the authority. (cf: P.L.2011, c.19, s.102).

3. This act shall take effect immediately.

STATEMENT

This bill requires all revenue generated by the casino hotel facility room occupancy fee to be made available to the Casino Reinvestment Development Authority (CRDA).

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Current law imposes a fee of \$3.00 per day on the occupancy of a hotel room by a guest in a casino hotel facility, whether for consideration or as a complimentary item. P.L.2004, c.129 required the CRDA to issue up to \$62 million in bonds to finance investments in eligible expansion projects at casino hotel facilities approved by the CRDA and up to \$31 million in bonds to finance investments in projects located in the North and South Jersey, also approved by the authority. P.L.2004, c.129 pledged the revenues generated by the casino hotel room facility occupancy fee towards the payment of the principal and interest on the bonds. The CRDA issued \$93 million in Hotel Room Fee Revenue Bonds, Series 2004, in October 2004. The final debt service payment on the bonds was made on January 1, 2025.

Current law requires the revenue derived from \$1.00 of the casino hotel room facility occupancy fee to be deposited into a special fund held by the State Treasurer and made available for the use of the CRDA. The revenue derived from the remaining \$2.00 of the casino hotel room facility occupancy fee is deposited into the Casino Revenue Fund. The Casino Revenue Fund receives the revenues generated by the taxes imposed on casinos, internet gaming, sports wagering, and other related activities. Moneys in the Casino Revenue Fund are required to be appropriated to support reductions in property taxes, utility charges, and other specified expenses of eligible senior citizens and individuals with disabilities.

Under the bill, the revenue derived from \$2.00 of the casino hotel room facility occupancy fee currently deposited into the Casino Revenue Fund would instead be deposited into a special fund held by the State Treasurer and made available for the use of the CRDA beginning in State fiscal year 2026. Thus, all revenues generated by the casino hotel room facility occupancy fee would be made available to the CRDA. Revenues from the casino hotel facility room occupancy fee would no longer be deposited into the Casino Revenue Fund.

This bill also amends current law to remove an outdated reference to a provision of law that imposed a 4.25 percent tax on complimentary rooms, food, beverages, or entertainment provided by casino licensees at no cost or a reduced price. This provision of law was repealed by P.L.2011, c.19.

Requires all revenue generated by casino hotel facility room occupancy fee to be provided to CRDA.