

Social Impact

The proposed rule makes clear that the applicable year for purposes of allocation by the Authority of the IAT obligation of a licensee under N.J.S.A. 5:12-144.1f shall be based upon the number of years since the first year in which the facility for which the licensee holds a license incurred the tax obligation. The proposed rule provides that the 50-year IAT obligation for each licensed facility is facility-specific rather than licensee-specific. Receipts of IAT funds for a licensed facility from a successor licensee by the Authority would be subject to the allocation formula in N.J.S.A. 5:12-144.1f as if they were received from the initial licensee associated with the licensed facility. This interpretation safeguards the rights of parties whose projects were to be financed in whole or in part by the Authority with proceeds of bond purchases, investments, donations, payments or transfers as set forth in the contract(s) of prior licensees of the licensed facility. This rule will ensure that where a successor licensee for a licensed facility assumes a contract of a predecessor licensee there will be continuity and certainty that the investments for which funds under said contract were intended will be the investments made with such funds. The proposed rule will have a salutary effect by removing uncertainty as to the investment of funds received under the IAT.

Economic Impact

The proposed rule will provide certainty as to the allocation of IAT funds and will have no economic impact on casino licensees or the State.

Federal Standards Statement

No Federal standards analysis is required because the rule is not being proposed under the authority of, or in order to implement, comply with or participate in, any program established under Federal law or under a State statute that incorporates or refers to a Federal law, standard or requirement. Rather, the proposed rule is authorized by the provisions of the Casino Control Act, N.J.S.A. 5:12-1 et seq.

Jobs Impact

While not directly having an effect upon jobs, the proposed rule will allow the Authority to continue its mission of economic development with Atlantic City and the State of New Jersey. The proposed rule will allow the Authority to fund eligible projects that will result in the creation of construction jobs for the construction of the road improvements and permanent jobs as a result of the completion of planned future development. It is not anticipated that any jobs will be lost as a result of the proposed rule.

Agriculture Industry Impact

No impact on the agriculture industry is anticipated as a result of the proposed rule.

Regulatory Flexibility Statement

The proposed rule does not impose any reporting, recordkeeping or compliance requirements on small businesses, as defined under the Regulatory Flexibility Act, N.J.S.A. 52:14B-16 et seq., as all licensees employ more than 100 full-time employees. The proposed rule will permit orderly financing of improvements in Atlantic City and the State of New Jersey in accordance with a statutory allocation formula. Therefore, a regulatory flexibility analysis is not required.

Smart Growth Impact

The proposed new rule implementing the Casino Reinvestment Development Authority's statutory mandate pertaining to investment of the IAT will have no impact on smart growth. The Authority follows smart growth principles that focus new growth into redevelopment of older urban areas throughout the State of New Jersey and in particular in the Atlantic City area when deciding on projects in which to invest.

Housing Affordability Impact

The proposed new rule ensures the orderly progression of Authority investments under the IAT in accordance with the statutory allocation formula. It has no impact on housing affordability.

Smart Growth Development Impact

The proposed new rule would be extremely unlikely to evoke a change in the housing production within Planning Areas 1 or 2, or within designated centers, under the State Development and Redevelopment

Plan. The proposed new rule will ensure orderly progression of Authority investments under the IAT in accordance with the statutory allocation formula.

Full text of the proposed new rule follows:

SUBCHAPTER 3. CONTRACTS

19:65-3.3 Determination of year for investment alternative tax allocation

The determination of the applicable year for purposes of allocation by the Casino Reinvestment Development Authority of the Investment Alternative Tax obligation of a licensee under N.J.S.A. 5:12-144.1f shall be based upon the number of years since the first year in which the facility for which a licensee holds a license incurred the tax obligation and not the number of years that a particular licensee has held a license in connection with the facility.

(a)

CASINO REINVESTMENT DEVELOPMENT AUTHORITY

**Requirements for Loans to Public Bodies
Proposed New Rule: N.J.A.C. 19:65-4.1**

Authorized By: Casino Reinvestment Development Authority, Susan Ney Thompson, Interim Executive Director.

Authority: N.J.S.A. 5:12-161(g) and (o).

Calendar Reference: See Summary below for explanation of exception to rulemaking calendar requirement.

Proposed Number: PRN 2011-117.

Submit comments by July 15, 2011 to:

Paul G. Weiss, Esq., Chief Legal Officer
Casino Reinvestment Development Authority
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The agency proposal follows:

Summary

In accordance with its general rulemaking authority, N.J.S.A. 5:12-161f, and its authority under N.J.S.A. 5:12-161(g) and (o) to make agreements with public bodies to further its purposes and effect its powers, the Casino Reinvestment Development Authority (the Authority) proposes new N.J.A.C. 19:65-4, Loans to Public Bodies, and specifically, new N.J.A.C. 19:65-4.1, which sets forth the procedures that the Authority must follow to make loans to other public bodies. The Authority proposes that its duly-authorized legal officer must determine that the proposed loan to a public body is consistent with the Authority's purposes and within its powers. The Authority proposes to require a legal opinion by a duly-authorized legal officer of the public body seeking the loan that such public body has the power to receive and repay such proposed loan from the Authority. In addition, the making of any such loan by the Authority will be contingent upon there first being a written agreement that sets forth, at a minimum, the purpose of the loan, the amount of the loan and the repayment terms of the loan. Any such agreement shall require full repayment of the loan.

As the Authority has provided a 60-day comment period on this notice of proposal, this notice is excepted from the rulemaking calendar requirement, pursuant to N.J.A.C. 1:30-3.3(a)5.

Social Impact

The proposed rule imposes requirements before the Authority may make loans to public bodies. The impact of this rule will be positive as it will ensure that Authority loans to public bodies are consistent with law and will safeguard the financial integrity of the Authority by imposing requirements on the transaction, which make it probable that loans will be repaid fully.

Economic Impact

The proposed rule will protect the Authority by requiring proper documentation of loans to public bodies and that such loans be repaid and will have no negative economic impact on casino licensees or the State. The proposed rule will have a positive impact on the public bodies that receive such loans. Such loans will benefit public bodies in implementing projects for the benefit of the citizens in their respective jurisdictions.

Federal Standards Statement

No Federal standards analysis is required because the rule is not being proposed under the authority of, or in order to implement, comply with or participate in, any program established under Federal law or under a State statute that incorporates or refers to a Federal law, standard or requirement. Rather, the proposed rule is authorized by the provisions of the Casino Control Act, N.J.S.A. 5:12-1 et seq.

Jobs Impact

While not directly having an effect upon jobs, the proposed rule will protect the Authority by requiring that loans be made to public bodies under circumstances where repayment is probable, which will better allow the Authority to continue its mission of economic development with Atlantic City and the State of New Jersey. It is not anticipated that any jobs will be lost as a result of the proposed rule.

Agriculture Industry Impact

No impact on the agriculture industry is anticipated as a result of the proposed rule.

Regulatory Flexibility Statement

The proposed rule will permit loans by the Authority to public bodies where specific requirements are met. The proposed rule does not impose any reporting, recordkeeping or compliance requirements on small businesses, as defined under the Regulatory Flexibility Act, N.J.S.A. 52:14B-16 et seq., as all involved parties are State government entities. Therefore, a regulatory flexibility analysis is not required.

Smart Growth Impact

The proposed new rule specifying the requirements for the Casino Reinvestment Development Authority to make loans to public bodies will have no impact on smart growth. The Authority follows smart growth principles that focus new growth into redevelopment of older urban areas

throughout the State of New Jersey and in particular in the Atlantic City area when deciding on projects in which to invest.

Housing Affordability Impact

The proposed new rule ensures that the Authority will make loans to public bodies only where specific requirements are met. It has no impact on housing affordability.

Smart Growth Development Impact

The proposed new rule would be extremely unlikely to evoke a change in the housing production within Planning Areas 1 or 2, or within designated centers, under the State Development and Redevelopment Plan. The proposed new rule will ensure that the Authority makes loans to public bodies in accordance with specific requirements.

Full text of the proposed new rule follows:

SUBCHAPTER 4. LOANS TO PUBLIC BODIES

19:65-4.1 Requirements for loans to public bodies

(a) Where the duly-authorized legal officer of the Casino Reinvestment Development Authority has advised that a loan to another agency or authority of the State or of any political subdivision thereof is consistent with the Authority’s purposes and within its statutory powers, the Authority may make such a loan.

(b) The making of a loan under (a) above shall be subject to receipt by the Casino Reinvestment Development Authority of a legal opinion by a duly-authorized legal officer of such agency or authority of the State or of any political subdivision thereof that said agency or authority has the statutory power to receive and repay such loan.

(c) In addition, the making of a loan under (a) above shall be contingent on the Casino Reinvestment Development Authority and the recipient of the loan having first entered into an agreement setting forth, at a minimum, the purpose of the loan, the amount of the loan and the repayment terms of the loan, along with such other particulars as may be deemed necessary and appropriate by the Casino Reinvestment Development Authority.

(d) Any agreement under (c) above shall require full repayment of the loan.
