

ASSEMBLY BILL NO. 3985

To the General Assembly:

Today, I have taken action on a five-bill legislative package ostensibly intended to address the financial difficulties confronting Atlantic City. This attention by the Legislature to the myriad challenges facing Atlantic City is both welcomed and necessary. It is undeniable that the City has experienced historic economic uncertainty as a result of contraction in the casino industry, but also due to unwillingness by some to make the difficult decisions needed to restore the City's fiscal health. While I commend the Legislature for attempting to devise measures to stabilize the City's budget and finances, I am concerned that the bills, in their present form, fail to recognize the true path to economic revitalization and fiscal stability in the City.

Since the earliest days of my Administration, I have consistently asserted that Atlantic City's future success depends upon real reforms and innovation on the part of those who benefit from the City's unique attributes, as well as courageous leadership by those who are charged with its stewardship. Regrettably, many of the City's key stakeholders have failed to embrace the concepts of fiscal restraint and strong leadership, and instead have settled on a course toward self-preservation and vacillation. Equally regrettable are the provisions of this package of bills that simply shift resources to the City without requiring accountability on the part of those who receive the funds or those who benefit from the unique tax payment arrangements set forth in the legislation.

Accordingly, I am conditionally vetoing Assembly Bill No. 3981, which would establish a payment-in-lieu-of-taxes (PILOT) program for casinos operating in the City, Assembly Bill

No. 3984, which would reallocate revenue derived from the casino investment alternative tax from the Casino Reinvestment Development Authority to the City, to pay debt service on municipal bonds, and Assembly Bill No. 3985, which repeals the Atlantic City Alliance so that the revenue supporting its operations can be redirected to the City in tax years 2015 and 2016. The amendments I offer today keep intact the underlying goals and objectives of these bills but appropriately recalibrate the legislation to ensure that they do more than just provide temporary support to help the City meet its immediate obligations. Without these adjustments, the bills put before me by the Legislature will not set a course for renewed long-term prosperity, economic growth, and expansion in the region's tourism, entertainment, and gaming industries. To achieve these goals, the City's leaders and stakeholders must be held accountable and must come together to craft a more comprehensive plan, beyond the scope of these bills, that addresses the continuing structural deficit in a manner that does not merely shift the City's obligations to the State.

Additionally, I have approved Assembly Bill No. 3983 to authorize supplemental school aid to the Atlantic City School District.

Finally, I have returned Assembly Bill No. 3982 without my approval. This bill would do nothing to enhance the financial condition of Atlantic City. Under this legislation, each casino, as a condition of licensure, would be required to provide to its full-time employees "suitable" health care benefits and "suitable" retirement benefits. To be "suitable," benefits would need to be either "authorized pursuant to State or federal law," or "fully funded by employer contributions" and "commonly provided to full-time employees by the New Jersey

gaming industry," whichever is greater. To be sure, Assembly Bill No. 3982 would make it more costly for casinos to operate in Atlantic City, thereby impeding the industry's ability to grow and expand.

Accordingly, pursuant to Article V, Section I, Paragraph 14 of the New Jersey Constitution, I herewith return Assembly Bill No. 3985 and recommend that it be amended as follows:

Page 3, Section 3, Line 38:

Delete "immediately" and insert "upon the enactment into law of P.L. , c. (C.) (pending before the Legislature as Assembly Bill No. 3981)"

[seal]

Respectfully,

/s/ Chris Christie

Governor

Attest:

/s/ Thomas P. Scrivo

Chief Counsel to the Governor