

# State lawmakers will hear Atlantic City casino relief bills Thursday

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The state Assembly Appropriations Committee will consider two pieces of legislation Thursday designed to provide relief to Atlantic City's casino industry.

One of the two bills, A4032/S2400, was already passed by the state Senate in June — albeit with some significant amendments to the introduced draft — provides both temporary and permanent changes to casino taxes and fees. The second bill, A4002/S2257, gives casino operators a tax credit on sports betting revenue.

Atlantic City's nine casinos were shuttered March 16 to mitigate the spread of the novel coronavirus and were only permitted to reopen in early-July. The nearly four-month shutdown resulted in significant losses for operators and the industry has been adamant about the need for immediate tax relief.

The first bill reduces gaming revenue taxes for one year beginning from the date Atlantic City's nine casinos were allowed to reopen (July 2), as well as eliminates hotel fees through the end of 2020, defers certain licensing fees and permanently allows for a 100% deduction of provisional gaming credits and coupons against gross revenues.

The bill also allocates \$100 million of COVID-19-related federal grant money to the state Economic Development Authority for small business assistance.

The bill was amended in the Senate to reduce the amount of time casinos would be permitted a reduction in gaming revenue taxes and also eliminated a break on parking fees and tourism promotion fees.

Based on recent industry performance, and incorporating for the Senate changes, the proposed legislation could reduce the amount of casino-related taxes and fees paid to the state and the Casino Reinvestment Development Authority by as much as \$93 million over the course of one year.

The sports betting bill was introduced in May, but only recently referred to committee. The legislation allows gaming operators to receive a credit from the promotional wagers and free bets offered to customers. The bill allows for a credit after the first \$12 million from internet wagers and after the first \$8 million from in-person bets. Any amount above those benchmarks will not be taxed, according to the bill's text.

The legislation applies to both Atlantic City's casinos and the state's racetracks who offer sports wagering.

A third casino relief bill, which allows for the operators to apply for interest-free loans to help pay for operational costs, stalled in legislative committees.

The committee hearing begins at 10:30 a.m.