MEMORANDUM

TO: Assembly Regulatory Oversight and Gaming Committee

DATE: May 10, 2012

RE: **ASSEMBLY, NO. 2578** *(Burzichelli D-3/Prieto D-32)*

The New Jersey Association of Counties (NJAC) strongly supports A-2578, which would authorize Internet wagering at Atlantic City casinos under certain circumstances.

NJAC supports this important and timely initiative as making New Jersey the first State in the nation to authorize Internet gaming is expected to increase annual casino revenues by more than $200.0 million with $20.0 million dedicated to the Casino Revenue Fund. As the Committee is well aware, New Jersey casinos currently pay the State an 8% tax on gross revenues, which are appropriated to the Casino Revenue Fund and constitutionally dedicated for the benefit of the aged and disabled. A-2578 would impose a similar tax on Internet wagering gross revenues with 10% dedicated to the Casino Revenue Fund.

Importantly, Casino Revenue Fund monies provide much needed financial support for county based programs and initiatives such as Para-transit services, Meals on Wheels, and Pharmaceutical Assistance to the Aged and Disabled (PAAD). As the State's gaming industry has struggled, the Casino Revenue Fund has lost more than $2.0 billion in revenues since 2007, where the Fund earned approximately $5.0 billion that year. Various projections for 2012 put that number at $3.0 billion. Consequently, counties across the State have been forced to cut essential services at a time in which demand is drastically increasing.

With this in mind, NJAC urges the Committee to favorably report A-2578 as a means to provide necessary funding for county services that aid our State's most vulnerable populations. Thank you in advance for your time and consideration, and please do not hesitate to contact us at (609) 394-3467 with any questions or concerns.