

# New Jersey calls July 4 session to resolve shutdown

Trenton, New Jersey – As the state government shutdown threatened to close Atlantic City's casinos, Gov. Jon S. Corzine on Monday said New Jersey lawmakers must report to the Statehouse on July 4 and stay there until they adopt a budget.

Corzine called for a special session of the Legislature after Monday afternoon negotiations with the lawmaker leading opposition to the governor's proposed sales tax increase failed yet again.

"I will try to speak explicitly about a compromise that I hope people will find is reasonable," Corzine said.

At the casinos, meanwhile, executives and employees were fearing the worst – a total shutdown, the first in the 28-year history of legalized gambling in New Jersey. A state appeals court denied a stay that would have prevented the state's shutdown of Atlantic City casinos at 8 a.m. Wednesday.

Betting at horse racing tracks is also expected to cease by Wednesday.

Barring a breakthrough in Trenton, the state planned to force the 12 casinos to stop taking bets Wednesday morning because they cannot operate without state gambling monitors, and those workers are not deemed "essential" employees who keep getting paid during a shutdown.

State parks, historic sites and beaches also could be closed Wednesday unless a budget is adopted before then.

An appeals court panel on Monday denied the casinos' request to stay open while the appeals continue. Casino lawyers planned to appeal that decision to the state Supreme Court,

said Daniel Heneghan, a commission spokesman.

### **Huge losses if no compromise**

The state stands to lose USD 1.3 million a day in revenue to help senior citizens and people with disabilities if the casinos close, Heneghan said. Nearby business owners said they also feared a financial hit unless a budget was adopted.

“When they shut down, then there’s no tourists, no conventions, no money for the workers. That’s not good,” said Ann Ji, who runs a beauty supplies store one block from the casino strip.

Corzine imposed the shutdown after lawmakers missed a July 1 deadline to adopt a new state budget. He wants to raise the state sales tax from 6 percent to 7 percent to help overcome a USD 4.5 billion budget deficit. The proposal would cost the average New Jersey family USD 275 per year, according to experts.

Most Democrats in the Assembly and several Senate Democrats oppose the sales tax increase. Assembly Democrats proposed a series of alternatives, some of which Corzine accepted, but they remained USD 1 billion apart.

With state government unable to spend, lottery ticket sales and road construction were halted, courts closed and about 45,000 state employees, more than half the government work force, were off the job. Only personnel deemed essential – including state police, prison guards, child welfare workers, and some administration staff – remained at their posts.

[b“It’s a waste of time and money“[/b]

About 150 furloughed state workers rallied Monday outside the Statehouse, pleading with lawmakers to end the impasse.

The state extended deadlines for people who needed to renew driver’s licenses, vehicle registrations and car inspections.

Some people showed up at those state offices Monday but found the doors closed.

“I was shocked. It’s a waste of time and money and my day off,” said Victoria Moore, 53, of Ocean City, who was looking to renew her license. “I balance my budget at home; why can’t they balance theirs? I know how to cut corners at home; why can’t they?”

On Tuesday, Corzine intends to push a compromise plan offered nearly two weeks ago by Senate President Richard J. Codey.

It involves using half the USD 1.1 billion that would be raised by the sales tax increase to ease the state’s highest-in-the-nation property taxes. The Senate president predicted the plan would pass the Legislature if considered, but Assembly Speaker Joseph Roberts, D-Camden, has rejected it.

Roberts has been leading opposition to the sales tax increase and continued to reject the compromise late Monday. He wants a sales tax increase reserved for property tax reform talks to be held later this year and opposes using it to fund general state spending.