

SENATE, No. 3283

STATE OF NEW JERSEY
221st LEGISLATURE

INTRODUCED MAY 16, 2024

Sponsored by:

Senator JOHN F. MCKEON

District 27 (Essex and Passaic)

Senator SHIRLEY K. TURNER

District 15 (Hunterdon and Mercer)

SYNOPSIS

Establishes annual fee for sports wagering licensees; directs funds from such fees to Council on Compulsive Gambling and gambling addiction treatment programs.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 9/14/2024)

1 AN ACT concerning the annual fees to be paid by sports wagering
2 licensees and funding for the Council on Compulsive Gambling,
3 and amending P.L.2018, c.33.

4
5 **BE IT ENACTED** by the Senate and General Assembly of the State
6 of New Jersey:

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8 1. Section 7 of P.L.2018, c.33 (C.5:12A-16) is amended to read
9 as follows:

10 7. The sums received by the casino from sports wagering or
11 from a joint sports wagering operation, less only the total of all
12 sums actually paid out as winnings to patrons, shall not be taxed as
13 gross revenue as specified under section 24 of P.L.1977, c.110
14 (C.5:12-24) but shall be subject to an 8.5 percent tax, except that
15 sums received from Internet wagering on sports events, less only
16 the total of all sums actually paid out as winnings to patrons, shall
17 be subject to a 13 percent tax, which shall be paid to the Casino
18 Revenue Fund, and to an additional tax of 1.25 percent which shall
19 be remitted by the State Treasurer to the Casino Reinvestment
20 Development Authority for marketing and promotion of the City of
21 Atlantic City, provided, however, that the cash equivalent value of
22 any merchandise or thing of value included in a jackpot or payout
23 shall not be included in the total of all sums paid out as winnings to
24 patrons for purposes of determining revenue under this paragraph.

25 The net revenues actually received by the horse racing permit
26 holder from any sports wagering operation at the Meadowlands
27 Racetrack, including Internet wagering on sports events, either
28 jointly established with a casino or established independently or
29 with non-casino partners, less the total of all sums actually paid out
30 for any operating expenses and as winnings to patrons, shall be paid
31 by the Meadowlands Racetrack to the Standardbred Breeders and
32 Owners' Association of New Jersey and the New Jersey
33 Thoroughbred Horsemen's Association pursuant to the terms of a
34 written agreement between the Meadowlands Racetrack and each
35 association. A written agreement shall be in effect for as long as a
36 sports wagering operation is conducted at the Meadowlands
37 Racetrack.

38 The net revenues actually received by the horse racing permit
39 holder from any sports wagering operation at the Monmouth Park
40 Racetrack, including Internet wagering on sports events, either
41 jointly established with a casino or established independently or
42 with non-casino partners, less the total of all sums actually paid out
43 for any operating expenses and as winnings to patrons, shall be paid
44 by Monmouth Park Racetrack to the New Jersey Thoroughbred
45 Horsemen's Association pursuant to the terms of a written

EXPLANATION – Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

1 agreement between Monmouth Park Racetrack and that association.
2 A written agreement shall be in effect for as long as a sports
3 wagering operation is conducted at Monmouth Park Racetrack.

4 The net revenues actually received by the horse racing permit
5 holder from any sports wagering operation at the Freehold
6 Raceway, including Internet wagering on sports events, either
7 jointly established with a casino or established independently or
8 with non-casino partners, less the total of all sums actually paid out
9 for any operating expenses and as winnings to patrons, shall be paid
10 by Freehold Raceway to the Standardbred Breeders and Owners'
11 Association of New Jersey pursuant to the terms of a written
12 agreement between Freehold Raceway and that association. A
13 written agreement shall be in effect for as long as a sports wagering
14 operation is conducted at Freehold Raceway.

15 The sums actually received by the horse racing permit holder
16 from any sports wagering operation, either jointly established with a
17 casino or established independently or with non-casino partners,
18 less only the total of all sums actually paid out as winnings to
19 patrons, shall be subject to an 8.5 percent tax, except that sums
20 received from Internet wagering on sports events, less only the total
21 of all sums actually paid out as winnings to patrons, shall be subject
22 to a 13 percent tax, to be collected by the division and paid to the
23 State General Fund and to an additional tax of 1.25 percent on
24 amounts actually received from a sports wagering operation, less
25 only the total of all sums actually paid out as winnings to patrons,
26 to be paid, except as provided below with respect to amounts
27 generated by the Meadowlands racetrack, to the Department of the
28 Treasury for distribution, upon application by a municipality or
29 county, to the municipality in which the majority of the racetrack is
30 located and to the county in which the racetrack is located or to an
31 economic development authority of that municipality and county
32 with those amounts used for economic development purposes,
33 which shall include, but not be limited to, improvements to:
34 transportation and infrastructure, tourism, public safety, and
35 properties located on or near the racetrack, provided, however, that
36 the cash equivalent value of any merchandise or thing of value
37 included in a jackpot or payout shall not be included in the total of
38 all sums paid out as winnings to patrons for purposes of
39 determining revenue under this paragraph. The Department of the
40 Treasury shall establish an account for each eligible municipality
41 and county and shall ensure that the amounts generated from the
42 racetrack shall only be distributed to the municipality in which the
43 majority of the racetrack is located and county in which the
44 racetrack is located with 0.75 percent paid to the municipality and
45 0.5 percent paid to the county, except that amounts generated from
46 the Meadowlands racetrack shall be paid into the intermunicipal
47 account, established pursuant to section 53 of P.L.2015, c.19

1 (C.5:10A-53), and used to pay Meadowlands adjustment payments
2 to municipalities in the Meadowlands district.

3 A percentage of the fee paid for a license to operate a sports pool
4 shall be deposited into the State General Fund for appropriation by
5 the Legislature to the Department of Health to provide funds for
6 evidence-based prevention, education, and treatment programs for
7 compulsive gambling that meet the criteria developed pursuant to
8 section 2 of P.L.1993, c.229 (C.26:2-169), such as those provided
9 by the Council on Compulsive Gambling of New Jersey, and
10 including the development and implementation of programs that
11 identify and assist problem gamblers. The percentage shall be
12 determined by the division.

13 In addition to the license issuance and renewal fees, a sports
14 wagering licensee shall pay annually to the division \$250,000 to be
15 deposited into the State General Fund for appropriation by the
16 Legislature to the Department of Human Services, \$140,000 of
17 which shall be allocated to the Council on Compulsive Gambling of
18 New Jersey and \$110,000 of which shall be used for compulsive
19 gambling treatment programs in this State.

20 (cf: P.L.2019, c.36, s.3)

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22 2. This act shall take effect January 1 next following the date
23 of enactment.

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STATEMENT

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28 Under current law, the Division of Gaming Enforcement is
29 authorized to establish by regulations the license issuance and
30 renewal fees for sports wagering licenses. Such fees are currently
31 set at \$100,000 annually, with 50 percent of these fees being
32 dedicated to gambling addiction treatment programs.

33 This bill establishes an annual fee to be paid by sports wagering
34 licensees, in addition to license issuance and annual renewal fees.
35 The bill establishes this fee as \$250,000, with \$140,000 being
36 allocated to the Council on Compulsive Gambling of New Jersey
37 and the remaining \$110,000 being used for other compulsive
38 gambling treatment programs in this State.