

CHAPTER 130

AN ACT concerning the use of certain revenue derived from sports wagering at racetracks and amending P.L.2018, c.33.

BE IT ENACTED by the Senate and General Assembly of the State of New Jersey:

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

C.5:12A-16 Taxation of sums received by casinos, racetracks.

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

The sums actually received by the horse racing permit holder from any sports wagering operation, either jointly established with a casino or established independently or with non-casino partners, less only the total of all sums actually paid out as winnings to patrons, shall be subject to an 8.5 percent tax, except that sums received from Internet wagering on sports events, less only the total of all sums actually paid out as winnings to patrons, shall be subject to a 13 percent tax, to be collected by the division and paid to the State General Fund and to an additional tax of 1.25 percent on amounts actually received from a sports wagering operation, less only the total of all sums actually paid out as winnings to patrons, to be paid, except as provided below with respect to amounts generated by the Meadowlands racetrack, to the Department of the Treasury for distribution, upon application by a municipality or county, to the municipality in which the majority of the racetrack is located and to the county in which the racetrack is located or to an economic development authority of that municipality and county with those amounts used for economic development purposes, which shall include, but not be limited to, improvements to: transportation and infrastructure, tourism, public safety, and properties located on or near the racetrack, provided, however, that the cash equivalent value of any merchandise or thing of value included in a jackpot or payout shall not be included in the total of all sums paid out as winnings to patrons for purposes of determining revenue under this paragraph. The Department of the Treasury shall establish an account for each eligible municipality and county and shall ensure that the amounts generated from the racetrack shall only be distributed to the municipality in which the majority of the racetrack is located and county in which the racetrack is located with 0.75 percent paid to the municipality and 0.5 percent paid to the county, except that amounts generated from the Meadowlands racetrack shall be paid into the intermunicipal account, established pursuant to section 53 of P.L.2015, c.19 (C.5:10A-53), and used to pay Meadowlands adjustment payments to municipalities in the Meadowlands district.

A percentage of the fee paid for a license to operate a sports pool shall be deposited into the State General Fund for appropriation by the Legislature to the Department of Health to provide funds for evidence-based prevention, education, and treatment programs for compulsive gambling that meet the criteria developed pursuant to section 2 of P.L.1993, c.229 (C.26:2-169), such as those provided by the Council on Compulsive Gambling of New

Jersey, and including the development and implementation of programs that identify and assist problem gamblers. The percentage shall be determined by the division.

2. This act shall take effect 60 days following enactment.

Approved October 4, 2018.