

LEGISLATIVE FISCAL ESTIMATE

ASSEMBLY, No. 2190

STATE OF NEW JERSEY

220th LEGISLATURE

DATED: JUNE 22, 2023

SUMMARY

- Synopsis:** Extends authorization for Internet gaming law to 2033.
- Type of Impact:** Ten–Year Revenue increase to the State General Fund, Casino Revenue Fund, Casino Reinvestment Development Authority, and City of Atlantic City.
- Agencies Affected:** Office of the Attorney General, Department of the Treasury, Casino Reinvestment Development Authority, and City of Atlantic City.

Office of Legislative Services Estimate

Fiscal Impact	FY 2024	FY 2025	FY 2026
State Revenue Increase	\$170.0 million	\$305.1 million	\$320.2 million
Casino Reinvestment Development Authority Revenue Increase	Up to \$1.9 million	Up to \$4.2 million	Up to \$3.1 million
Atlantic City Revenue Increase	At Least \$26.1 million	At Least \$46.1 million	At Least \$49.8 million

- The Office of Legislative Services (OLS) estimates that this bill will result in the continued receipt of Internet gaming tax revenues by the State, the Casino Reinvestment Development Authority, and Atlantic City through November 2033.

BILL DESCRIPTION

This bill extends the expiration date for the authorization to conduct games through the Internet through November 2033. Under current law, the authorization for Internet gaming is set to expire in November 2023, 10 years following the enactment of the original authorization.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

The OLS estimates that this bill will result in the continued receipt of Internet gaming tax revenues by the State, the Casino Reinvestment Development Authority, and Atlantic City through November 2033 by reauthorizing the Internet gaming law. The current authorization expires in November of 2023.

The OLS estimates that in FY 2024 if the Internet gaming law is reauthorized, the State will receive an additional seven months, or \$170 million in Internet gaming tax revenues and various fees that it would not receive if the law were not reauthorized and that the Authority will receive an additional \$1.9 million. Atlantic City will receive an additional \$26.1 million in pro-rated Internet gaming tax revenues in FY 2024. The OLS assumes a five percent growth rate in gross Internet gaming revenues over the next two years resulting in an estimated \$305 million, and \$320 million in Internet gaming tax revenues and various fees in FY 2025 and FY 2026.

Internet Gaming Revenue									
	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
Internet Gaming Tax Revenue	\$ 39,860	\$ 52,486	\$ 103,310	\$ 177,411	\$ 232,421	\$ 261,628	\$ 287,791	\$ 302,181	\$ 317,290
Internet Gaming License and Compulsive Gambling Permit Fees	\$ 1,750	\$ 2,300	\$ 2,850	\$ 3,200	\$ 3,450	\$ 2,950	\$ 2,950	\$ 2,950	\$ 2,950
Total State Internet Gaming Tax Revenue	\$ 41,610	\$ 54,786	\$ 106,160	\$ 180,611	\$ 235,871	\$ 264,578	\$ 290,741	\$ 305,131	\$ 320,240
Internet Gaming Investment Alternative Tax	\$ 6,643	\$ 8,748	\$ 17,218	\$ 29,569	\$ 38,737	\$ 43,605	\$ 47,965	\$ 50,363	\$ 52,882
Casino Reinvestment Development Authority	\$ (6,643)	\$ (8,748)	\$ (17,218)	\$ (29,569)	\$ 2,700	\$ 3,500	\$ 3,200	\$ 4,200	\$ 3,100
City of Atlantic City	\$ 6,643	\$ 8,748	\$ 17,218	\$ 29,569	\$ 38,737	\$ 40,105	\$ 44,765	\$ 46,163	\$ 49,782

Current law authorized the imposition of an annual tax on Internet gaming gross revenues earned by casinos in the amount of 15 percent to be paid to the Casino Revenue Fund and licensing and compulsive gambling fees to be paid to the State. Current law also authorized the imposition of an investment alternative tax of five percent to be paid to the State or 2.5 percent to be collected by the Casino Reinvestment Development Authority for community and economic development projects. Current law allocates the Investment Alternative Tax as follows until December 31, 2026: to Atlantic City for the purpose of paying debt service on certain municipal bonds and general municipal purposes and maximum distribution amounts to the Casino Reinvestment Development Authority ranging between \$2.7 million in FY 2022 and \$3.1 million in FY 2026.

Section: Legislative Budget and Finance Office
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This legislative fiscal estimate has been produced by the Office of Legislative Services due to the failure of the Executive Branch to respond to our request for a fiscal note.

This fiscal estimate has been prepared pursuant to P.L.1980, c.67 (C.52:13B-6 et seq.).