

P.L. 2018, CHAPTER 130, *approved October 4, 2018*
Assembly, No. 4230 (*Second Reprint*)

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

3
4 **BE IT ENACTED** by the Senate and General Assembly of the State
5 of New Jersey:

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

9 7. The sums received by the casino from sports wagering or
10 from a joint sports wagering operation, less only the total of all
11 sums actually paid out as winnings to patrons, shall not be taxed as
12 gross revenue as specified under section 24 of P.L.1977, c.110
13 (C.5:12-24) but shall be subject to an 8.5 percent tax, except that
14 sums received from Internet wagering on sports events, less only
15 the total of all sums actually paid out as winnings to patrons, shall
16 be subject to a 13 percent tax, which shall be paid to the Casino
17 Revenue Fund ¹ and ¹the investment alternative tax established
18 by section 3 of P.L.1984, c.218 (C.5:12-144.1) which investment
19 alternative tax funds shall be used exclusively for tourism and
20 marketing for **to an additional tax of 1.25 percent which shall be**
21 **remitted by the State Treasurer to the Casino Reinvestment**
22 **Development Authority for marketing and promotion of¹ the City of**
23 **Atlantic City, provided, however, that the cash equivalent value of**
24 **any merchandise or thing of value included in a jackpot or payout**
25 **shall not be included in the total of all sums paid out as winnings to**
26 **patrons for purposes of determining revenue under this paragraph.**

27 The sums actually received by the horse racing permit holder
28 from any sports wagering operation, either jointly established with a
29 casino or established independently or with non-casino partners,
30 less only the total of all sums actually paid out as winnings to
31 patrons, shall be subject to an 8.5 percent tax, except that sums
32 received from Internet wagering on sports events, less only the total
33 of all sums actually paid out as winnings to patrons, shall be subject
34 to a 13 percent tax, to be collected by the division and paid to the
35 State General Fund and to an additional tax of 1.25 percent on
36 amounts actually received from a sports wagering operation, less
37 only the total of all sums actually paid out as winnings to patrons,
38 to be paid, **except as provided below with respect to amounts**
39 **generated by the Meadowlands racetrack, to the ²Division of Local**

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.

Matter enclosed in superscript numerals has been adopted as follows:

¹Assembly floor amendments adopted June 21, 2018.

²Assembly amendments adopted in accordance with Governor's recommendations August 27, 2018.

1 Government Services in the Department of Community Affairs】
 2 Department of the Treasury² for distribution, upon application by a
 3 municipality or county, to the municipality ¹in which the majority
 4 of the racetrack is located¹ and to the county in which the 【sports
 5 wagering lounge】 racetrack is located or to an economic
 6 development authority of that municipality and county with those
 7 amounts used for economic development purposes, which shall
 8 include, but not be limited to, improvements to: transportation and
 9 infrastructure, tourism, public safety, and properties located on or
 10 near the racetrack, provided, however, that the cash equivalent
 11 value of any merchandise or thing of value included in a jackpot or
 12 payout shall not be included in the total of all sums paid out as
 13 winnings to patrons for purposes of determining revenue under this
 14 paragraph. The ²【Division of Local Government Services in the
 15 Department of Community Affairs】 Department of the Treasury²
 16 shall establish an account for each eligible municipality and county
 17 and shall ensure that the amounts generated from the racetrack shall
 18 only be distributed to the municipality ¹in which the majority of the
 19 racetrack is located¹ and county in which the racetrack is located
 20 with 0.75 percent paid to the municipality and 0.5 percent paid to
 21 the county, except that amounts generated from the Meadowlands
 22 racetrack shall be paid into the intermunicipal account, established
 23 pursuant to section 53 of P.L.2015, c.19 (C.5:10A-53), and used to
 24 pay Meadowlands adjustment payments to municipalities in the
 25 Meadowlands district.

26 A percentage of the fee paid for a license to operate a sports pool
 27 shall be deposited into the State General Fund for appropriation by
 28 the Legislature to the Department of Health to provide funds for
 29 evidence-based prevention, education, and treatment programs for
 30 compulsive gambling that meet the criteria developed pursuant to
 31 section 2 of P.L.1993, c.229 (C.26:2-169), such as those provided
 32 by the Council on Compulsive Gambling of New Jersey, and
 33 including the development and implementation of programs that
 34 identify and assist problem gamblers. The percentage shall be
 35 determined by the division.
 36 (cf: P.L.2018, c.33, s.7)

37
 38 2. This act shall take effect ²【immediately】 60 days following
 39 enactment².

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 41
 42
 43
 44 Changes use of certain revenue derived from sports wagering at
 45 racetracks.