ASSEMBLY, No. 4362

STATE OF NEW JERSEY

219th LEGISLATURE

INTRODUCED JULY 2, 2020

Sponsored by:
Assemblyman RONALD S. DANCER
District 12 (Burlington, Middlesex, Monmouth and Ocean)

SYNOPSIS

Requires certain tax proceeds from former racetracks conducting sports wagering to be allocated to "Racetrack Retention, Economic Growth, and Development Fund" for certain current operating horse racetracks.

CURRENT VERSION OF TEXT

As introduced.

AN ACT concerning the use of certain tax proceeds from sports wagering at former racetracks and supplementing P.L.2018, c.33 (C.5:12A-10 et al.).

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

1. There is created a dedicated trust fund to be known as the "Racetrack Retention, Economic Growth, and Development Fund" into which shall be deposited a portion of the sums generated at former racetracks by the 8.5 percent tax imposed on sports wagering proceeds and the 13 percent tax imposed on proceeds from Internet wagering on sports events pursuant to section 7 of P.L.2018, c.33 (C.5:12A-16). The total sum required to be deposited in the fund shall be equivalent to, and shall not exceed, the amounts paid in the previous year by operating racetracks pursuant to the 1.25 percent tax imposed under section 7 of P.L.2018, c.33 (C.5:12A-16) that was paid to the Division of Local Government Services in the Department of Community Affairs for distribution to municipalities and counties, or their economic development authorities. The total sum deposited in the fund shall be distributed each year to each operating running or harness racetrack conducting live racing and sports wagering. The distribution for each operating racetrack conducting live racing and sports wagering shall be equivalent to, and shall not exceed, the amounts paid in the previous year by the operating racetrack pursuant to the 1.25 percent tax imposed under section 7 of P.L.2018, c.33 (C.5:12A-16) that was paid to the Division of Local Government Services in the Department of Community Affairs for distribution to municipalities and counties, or their economic development authorities.

2. This act shall take effect immediately.

STATEMENT

Under current law, former racetracks that no longer conduct live horse racing, and current racetracks that conduct running and harness horse racing, are permitted to conduct sports wagering. Both former and current racetracks are subject to taxes on sports wagering proceeds, including an 8.5% tax deposited in the General Fund of the State, and a 1.25% tax that is paid to the Division of Local Government Services in the Department of Community Affairs (DCA) for distribution to host municipalities and counties or their economic development authorities. There is also imposed a 13% tax on Internet sports wagering, deposited in the General Fund of the State.

This bill establishes the "Racetrack Retention, Economic Growth, and Development Fund," and requires to be deposited into that fund a portion of the sums generated at former racetracks by the 8.5% tax imposed on sports wagering proceeds and the 13 percent tax imposed on proceeds from Internet wagering on sports events. Under the bill, the amounts in the fund would be allocated each year to each operating running or harness racetrack conducting live racing and sports wagering. The allocation for each operating racetrack conducting live racing and sports wagering, and the amounts deposited in the fund from the 8.5% tax and the 13% tax, would be equivalent to, and not exceed, the amounts paid in the previous year by the operating racetrack pursuant to the 1.25% tax that was paid to the Division of Local Government Services in the Department of Community Affairs for distribution to municipalities and counties, or their economic development authorities.