

# ASSEMBLY, No. 4230

## STATE OF NEW JERSEY 218th LEGISLATURE

INTRODUCED JUNE 18, 2018

**Sponsored by:**

**Assemblyman JOHN J. BURZICHELLI**  
**District 3 (Cumberland, Gloucester and Salem)**  
**Assemblyman RAJ MUKHERJI**  
**District 33 (Hudson)**  
**Assemblyman ERIC HOUGHTALING**  
**District 11 (Monmouth)**  
**Assemblywoman JOANN DOWNEY**  
**District 11 (Monmouth)**

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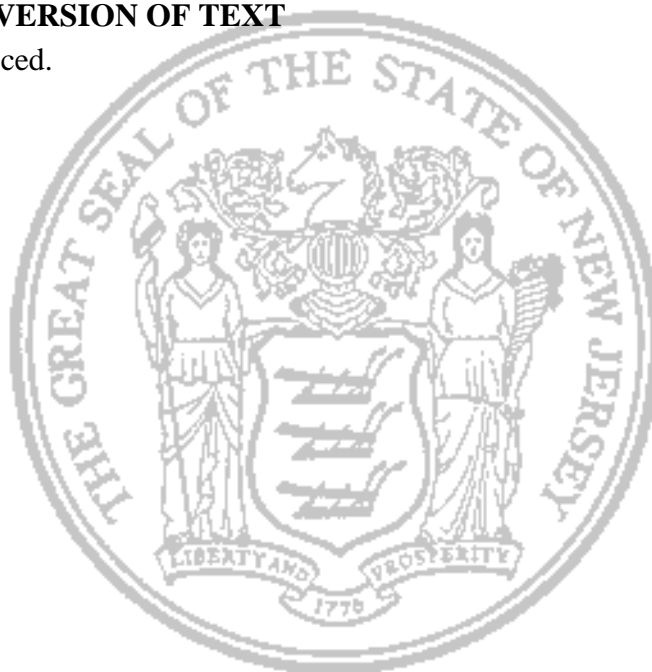
**Assemblyman Calabrese**

**SYNOPSIS**

Changes use of certain revenue derived from sports wagering at racetracks.

**CURRENT VERSION OF TEXT**

As introduced.



**(Sponsorship Updated As Of: 6/22/2018)**

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

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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 and the investment alternative tax established by  
18 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 the City of Atlantic City, provided, however, that the  
21 cash equivalent value of any merchandise or thing of value included  
22 in a jackpot or payout shall not be included in the total of all sums  
23 paid out as winnings to patrons for purposes of determining revenue  
24 under this paragraph.

25 The sums actually received by the horse racing permit holder  
26 from any sports wagering operation, either jointly established with a  
27 casino or established independently or with non-casino partners,  
28 less only the total of all sums actually paid out as winnings to  
29 patrons, shall be subject to an 8.5 percent tax, except that sums  
30 received from Internet wagering on sports events, less only the total  
31 of all sums actually paid out as winnings to patrons, shall be subject  
32 to a 13 percent tax, to be collected by the division and paid to the  
33 State General Fund and to an additional tax of 1.25 percent on  
34 amounts actually received from a sports wagering operation, less  
35 only the total of all sums actually paid out as winnings to patrons,  
36 to be paid, except as provided below with respect to amounts  
37 generated by the Meadowlands racetrack, to the Division of Local  
38 Government Services in the Department of Community Affairs for  
39 distribution, upon application by a municipality or county, to the  
40 municipality and to the county in which the **[sports wagering**  
41 **lounge]** racetrack is located or to an economic development  
42 authority of that municipality and county with those amounts used  
43 for economic development purposes, which shall include, but not be  
44 limited to, improvements to: transportation and infrastructure,  
45 tourism, public safety, and properties located on or near the

**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 racetrack, provided, however, that the cash equivalent value of any  
2 merchandise or thing of value included in a jackpot or payout shall  
3 not be included in the total of all sums paid out as winnings to  
4 patrons for purposes of determining revenue under this paragraph.  
5 The Division of Local Government Services in the Department of  
6 Community Affairs shall establish an account for each eligible  
7 municipality and county and shall ensure that the amounts  
8 generated from the racetrack shall only be distributed to the  
9 municipality and county in which the racetrack is located with 0.75  
10 percent paid to the municipality and 0.5 percent paid to the county,  
11 except that amounts generated from the Meadowlands racetrack  
12 shall be paid into the intermunicipal account, established pursuant  
13 to section 53 of P.L.2015, c.19 (C.5:10A-53), and used to pay  
14 Meadowlands adjustment payments to municipalities in the  
15 Meadowlands district.

16 A percentage of the fee paid for a license to operate a sports pool  
17 shall be deposited into the State General Fund for appropriation by  
18 the Legislature to the Department of Health to provide funds for  
19 evidence-based prevention, education, and treatment programs for  
20 compulsive gambling that meet the criteria developed pursuant to  
21 section 2 of P.L.1993, c.229 (C.26:2-169), such as those provided  
22 by the Council on Compulsive Gambling of New Jersey, and  
23 including the development and implementation of programs that  
24 identify and assist problem gamblers. The percentage shall be  
25 determined by the division.

26 (cf: P.L.2018, c.33, s.7)

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28 2. This act shall take effect immediately.

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STATEMENT

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33 This bill amends existing law to change the purposes for which  
34 the 1.25 percent tax on sports wagering conducted at racetracks will  
35 be used.

36 Currently, the law provides for distribution of this revenue by the  
37 Division of Local Government Services in the Department of  
38 Community Affairs, upon application by a municipality or county,  
39 to the municipality and to the county in which a sports wagering  
40 lounge is located or to an economic development authority of that  
41 municipality and county, with those amounts used for economic  
42 development purposes.

43 This bill would provide instead that the Division of Local  
44 Government Services in the Department of Community Affairs will  
45 establish an account for each eligible municipality and county and  
46 shall ensure that the amounts generated from the racetrack shall  
47 only be distributed to the municipality and county in which the  
48 racetrack is located with 0.75 percent paid to the municipality and

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1 0.5 percent paid to the county. These amounts will be used for  
2 economic development purposes, which will include, but not be  
3 limited to, improvements to: transportation and infrastructure,  
4 tourism, public safety, and properties located on or near the  
5 racetrack. However, amounts generated from the Meadowlands  
6 racetrack shall used to pay Meadowlands adjustment payments to  
7 municipalities in the Meadowlands district