

5:12-95.19, 5:12A-16, 5:20-2
LEGISLATIVE HISTORY CHECKLIST

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LAWS OF: 2025 **CHAPTER:** 66

NJSA: 5:12-95.19, 5:12A-16, 5:20-2 Modifies tax on certain forms of online gaming and wagering.

BILL NO: A5803 (Substituted for S3064 (SCS))

SPONSOR(S) Bagolie, Rosaura and others

DATE INTRODUCED: 6/26/2025

COMMITTEE: **ASSEMBLY:** Budget

SENATE: --

AMENDED DURING PASSAGE: No

DATE OF PASSAGE: **ASSEMBLY:** 06/30/2025

SENATE: 06/30/2025

DATE OF APPROVAL: 6/30/2025

FOLLOWING ARE ATTACHED IF AVAILABLE:

FINAL TEXT OF BILL (A5803 enacted)

ADVANCE LAW	Yes
PAMPHLET LAW	Yes

A5803

INTRODUCED BILL: (Includes sponsor(s) statement)	Yes
REPRINT(S):	No
TECHNICAL REVIEW OF BILL:	No
COMMITTEE STATEMENT: ASSEMBLY:	Yes
SENATE:	No

(Audio archived recordings of the committee meetings, corresponding to the date of the committee statement, *may possibly* be found at www.njleg.state.nj.us)

FLOOR AMENDMENT STATEMENT:	No
LEGISLATIVE FISCAL ESTIMATE:	No

S3064 (SCS)

INTRODUCED BILL: (Includes sponsor(s) statement)	Yes
REPRINT(S):	Yes SBA 6/26/25 SCS
TECHNICAL REVIEW OF BILL:	No

COMMITTEE STATEMENT: **ASSEMBLY:** No
SENATE: Yes

(Audio archived recordings of the committee meetings, corresponding to the date of the committee statement, **may possibly** be found at www.njleg.state.nj.us)

FLOOR AMENDMENT STATEMENT: No

LEGISLATIVE FISCAL ESTIMATE: No

VETO MESSAGE: No

GOVERNOR'S PRESS RELEASE ON SIGNING: Yes

LEGISLATOR STATEMENT: No

FOLLOWING WERE PRINTED:

To check for circulating copies, contact New Jersey State Government Publications at the State Library (609) 278-2640 ext.103 or <mailto:refdesk@njstatelib.org>

REPORTS: No

HEARINGS: No

NEWSPAPER ARTICLES: Yes

Matthew Fazelpoor, '\$58.8B budget advances after late-night vote', *NJBIZ* (online), 28 Jun 2025 <<https://infoweb.newsbank.com/apps/news/document-view?p=NewsBank&docref=news/1A198AA460887DC0>>

Susan K. Livio, Jelani Gibson and Brent Johnson - For South Jersey Times, 'Record \$58.8B state budget forges forward. It includes higher taxes on expensive homes, gambling and cigarettes, but also money to launch Stay NJ program.', *South Jersey Times* (online), 29 Jun 2025 001 <<https://infoweb.newsbank.com/apps/news/document-view?p=NewsBank&docref=news/1A183C6E0CA98420>>

Susan K. Livio and Jelani Gibson - For The Star-Ledger, 'Gov. signs record \$58B state budget after approval by lawmakers. New Jersey spending plan keeps property tax relief, hikes levies on gambling, smoking and high-end real estate sales.', *Star-Ledger, The* (online), 1 Jul 2025 001 <<https://infoweb.newsbank.com/apps/news/document-view?p=NewsBank&docref=news/1A18E99340975248>>

CL/MMcB

P.L. 2025, CHAPTER 66, *approved June 30, 2025*

Assembly, No. 5803

1 AN ACT concerning certain Internet gambling taxes and amending
2 various parts of the statutory law.

3

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

6

7 1. Section 17 of P.L.2013, c.27 (C.5:12-95.19) is amended to
8 read as follows:

9 17. There is hereby imposed an annual tax on Internet gaming
10 gross revenues in the amount of **【15%】** 19.75 percent of such gross
11 revenues which shall be paid into the Casino Revenue Fund. The
12 **【8%】** 8 percent tax on casino gross revenues shall not apply to
13 Internet gaming gross revenues. The investment alternative tax
14 established by section 3 of P.L.1984, c.218 (C.5:12-144.1) shall
15 apply to Internet gaming gross revenues, except that the investment
16 alternative tax on these revenues shall be **【5%】** 5 percent and the
17 investment alternative shall be **【2.5%】** 2.5 percent, with the
18 proceeds thereof used as provided in that section.
19 (cf: P.L.2013, c.27, s.17)

20

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

23 7. The sums received by the casino from sports wagering or
24 from a joint sports wagering operation, less only the total of all
25 sums actually paid out as winnings to patrons, shall not be taxed as
26 gross revenue as specified under section 24 of P.L.1977, c.110
27 (C.5:12-24) but shall be subject to an 8.5 percent tax, except that
28 sums received from Internet wagering on sports events, less only
29 the total of all sums actually paid out as winnings to patrons, shall
30 be subject to a **【13】** 19.75 percent tax, which shall be paid to the
31 Casino Revenue Fund, and to an additional tax of 1.25 percent
32 which shall be remitted by the State Treasurer to the Casino
33 Reinvestment Development Authority for marketing and promotion
34 of the City of Atlantic City, provided, however, that the cash
35 equivalent value of any merchandise or thing of value included in a
36 jackpot or payout shall not be included in the total of all sums paid
37 out as winnings to patrons for purposes of determining revenue
38 under this paragraph.

39 The net revenues actually received by the horse racing permit
40 holder from any sports wagering operation at the Meadowlands

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, including Internet wagering on sports events, either
2 jointly established with a casino or established independently or
3 with non-casino partners, less the total of all sums actually paid out
4 for any operating expenses and as winnings to patrons, shall be paid
5 by the Meadowlands Racetrack to the Standardbred Breeders and
6 Owners' Association of New Jersey and the New Jersey
7 Thoroughbred Horsemen's Association pursuant to the terms of a
8 written agreement between the Meadowlands Racetrack and each
9 association. A written agreement shall be in effect for as long as a
10 sports wagering operation is conducted at the Meadowlands
11 Racetrack.

12 The net revenues actually received by the horse racing permit
13 holder from any sports wagering operation at the Monmouth Park
14 Racetrack, including Internet wagering on sports events, either
15 jointly established with a casino or established independently or
16 with non-casino partners, less the total of all sums actually paid out
17 for any operating expenses and as winnings to patrons, shall be paid
18 by Monmouth Park Racetrack to the New Jersey Thoroughbred
19 Horsemen's Association pursuant to the terms of a written
20 agreement between Monmouth Park Racetrack and that association.
21 A written agreement shall be in effect for as long as a sports
22 wagering operation is conducted at Monmouth Park Racetrack.

23 The net revenues actually received by the horse racing permit
24 holder from any sports wagering operation at the Freehold
25 Raceway, including Internet wagering on sports events, either
26 jointly established with a casino or established independently or
27 with non-casino partners, less the total of all sums actually paid out
28 for any operating expenses and as winnings to patrons, shall be paid
29 by Freehold Raceway to the Standardbred Breeders and Owners'
30 Association of New Jersey pursuant to the terms of a written
31 agreement between Freehold Raceway and that association. A
32 written agreement shall be in effect for as long as a sports wagering
33 operation is conducted at Freehold Raceway.

34 The sums actually received by the horse racing permit holder
35 from any sports wagering operation, either jointly established with a
36 casino or established independently or with non-casino partners,
37 less only the total of all sums actually paid out as winnings to
38 patrons, shall be subject to an 8.5 percent tax, except that sums
39 received from Internet wagering on sports events, less only the total
40 of all sums actually paid out as winnings to patrons, shall be subject
41 to a **[13]** 19.75 percent tax, to be collected by the division and paid
42 to the State General Fund and to an additional tax of 1.25 percent
43 on amounts actually received from a sports wagering operation, less
44 only the total of all sums actually paid out as winnings to patrons,
45 to be paid, except as provided below with respect to amounts
46 generated by the Meadowlands racetrack, to the Department of the
47 Treasury for distribution, upon application by a municipality or

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

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

32 (cf: P.L.2019, c.36, s.3)

33

34 3. Section 2 of P.L.2017, c.231 (C.5:20-2) is amended to read
35 as follows:

36 2. a. As used in this section:

37 "entry fee" means cash or a cash equivalent that is paid by a
38 participant to a fantasy sports operator to participate in a fantasy
39 sports activity offered by that operator, but shall not include a fee
40 paid to an operator that does not offer a prize;

41 "fantasy sports activity" or "fantasy sports activities" means any
42 fantasy or simulated activity or contest with an entry fee in which a
43 participant owns or manages an imaginary team and competes
44 against other participants or a target score for a predetermined prize
45 with the outcome reflecting the relative skill of the participants and
46 determined by statistics generated based on performance by actual
47 individuals participating in actual competitions or athletic events,

1 provided that the outcome shall not be based solely on the
2 performance of an individual athlete, or on the score, point spread,
3 or any performance of any single real team or combination of real
4 teams; "fantasy sports activity" shall not include any activity in
5 which no entry fee is paid to the fantasy sports operator or in which
6 a prize is not collected, managed, or awarded by the operator;

7 "fantasy sports gross revenue" means, for each fantasy sports
8 activity, the amount equal to the total of all entry fees that a fantasy
9 sports operator collects from all participants less only the total of all
10 prizes paid out as prizes to all participants multiplied by the
11 location percentage for this State;

12 "fantasy sports operator" or "operator" means a business entity,
13 including a casino licensee or the holder of a permit to conduct a
14 horse race meeting, that has been issued a permit by the Division of
15 Consumer Affairs in the Department of Law and Public Safety to
16 offer persons the opportunity to participate in a fantasy sports
17 activity;

18 "location percentage" means, for each authorized fantasy sports
19 activity, the percentage rounded to the nearest tenth of one percent
20 (0.1%) of the total entry fees collected from players located in this
21 State, divided by the total entry fees collected from all players in
22 the fantasy sports activity; and

23 "prohibited participant" means an individual who has access to
24 non-public confidential information about fantasy sports activities,
25 any athlete whose performance may be used to determine the
26 outcome of a fantasy sports activity in the sport with which the
27 athlete is associated, any team employee, referee, or league official
28 in a fantasy sports activity in the sport with which that person is
29 associated, and any sports agent associated with any sport used for
30 fantasy sports activities.

31 b. The Division of Consumer Affairs in the Department of Law
32 and Public Safety shall be responsible for the regulation of fantasy
33 sports activities in this State.

34 A fantasy sports operator applicant seeking to conduct fantasy
35 sports activities in this State shall apply to the division for a permit
36 to conduct such activities on such forms and in such manner as the
37 division shall require. The division shall promptly investigate each
38 application, and shall oversee the conduct of activities. The
39 division shall charge a permit fee to each fantasy sports operator
40 applicant that applies for a permit in an amount sufficient to cover
41 the division's cost in issuing fantasy sports permits and overseeing
42 the conduct of such activities, which permit fee shall be in addition
43 to the quarterly operations fee required pursuant to subsection g. of
44 this section. The division shall have the authority to inspect the
45 facilities of fantasy sports operators in order to ensure the integrity
46 of fantasy sports activities.

1 The division shall allow a fantasy sports operator applicant
2 operating fantasy sports activities on the date of enactment of this
3 act, P.L.2017, c.231 (C.5:20-1 et seq.), to continue to legally
4 operate for up to 60 days after applications for permits are made
5 available to the public by the division. Operator applicants who
6 have applied for a permit during that 60-day period may continue to
7 operate while the application is pending. A provider of fantasy
8 sports activities that has not applied for a permit shall cease
9 operations in this State by the expiration of the 60-day period. A
10 fantasy sports operator applicant that is not operating fantasy sports
11 activities in this State on the effective date of this act shall be
12 prohibited from operating fantasy sports activities pending approval
13 of the applicant's application for a permit.

14 Upon the granting of a permit, a fantasy sports operator may
15 continue to operate fantasy sports activities pending the renewal of
16 the operator's permit, provided that the operator has applied for the
17 renewal in a timely manner.

18 c. (1) With respect to a fantasy sports operator that is a casino,
19 all equipment used by the holder of the permit, including computers
20 and servers, to conduct fantasy sports activities shall be physically
21 located within the boundaries of the municipality specified in
22 section 20 of P.L. 2013, c.27 (C.5:12-95.22) for the location of
23 Internet gambling equipment.

24 (2) With respect to a fantasy sports operator that is not a casino,
25 at least one server used to conduct fantasy sports activities shall be
26 physically located within the boundaries of the municipality
27 specified in section 20 of P.L. 2013, c.27 (C.5:12-95.22) on or
28 before January 1, 2018.

29 d. The division shall regulate the conduct of fantasy sports
30 activities by fantasy sports operators that have been issued a permit
31 by the division to conduct fantasy sports activities.

32 e. The division shall permit a fantasy sports operator to
33 conduct fantasy sports activities subject to the following conditions:

34 the outcome of fantasy sports activities shall be determined by
35 statistics generated based on the performance of actual individuals
36 participating in real competitions or athletic events;

37 all prizes offered to participants shall be established and
38 disclosed in advance to all participants;

39 the outcome shall not be based solely on the performance of an
40 individual athlete, or on the score, point spread, or any performance
41 of a single real team or combination of real teams;

42 a fantasy sports operator may permit participants to use a mobile
43 account or a participant deposit account;

44 a casino licensee or licensed racetrack may use its facilities to
45 accept entry fees and to pay prizes;

46 a casino licensee may partner with, or enter into a contract with,
47 one or more fantasy sports operators to offer fantasy sports

1 activities, notwithstanding the provisions of section 104 of
2 P.L.1977, c.110 (C.5:12-104); and
3 a participant in a fantasy sports activity shall be at least 18 years
4 of age.

5 f. A fantasy sports operator shall:
6 use commercially reasonable practices to prohibit the sharing of
7 statistical information with third parties that could affect a fantasy
8 sports activity until that information is publicly available;
9 adopt procedures to ensure that any prohibited participant does
10 not participate in fantasy sports activities;
11 adopt procedures to ensure that a fantasy sports participant is at
12 least 18 years of age;
13 offer individuals the ability to restrict themselves from
14 participating in fantasy sports activities and take reasonable steps to
15 prevent any such individual from participating in fantasy sports
16 activities;
17 prohibit fantasy sports activities based upon high school
18 athletics;
19 contract with a certified public accountant to perform a financial
20 audit of the operator to ensure compliance with the provisions of
21 this section and submit the accountant's report to the division on an
22 annual basis;
23 disclose the number of entries a participant may submit to each
24 fantasy sports activity and take reasonable steps to prevent a
25 participant from exceeding that number; and
26 segregate participants' funds from operational funds or maintain
27 a reserve in cash, cash equivalents, payment processor reserves and
28 receivables, an irrevocable letter of credit, a bond, or a combination
29 thereof in the amount of the deposits in participants' accounts for
30 the benefit and protection of participants' funds held in fantasy
31 sports activity accounts.

32 g. A fantasy sports operator shall pay, on a quarterly basis, to
33 the division for deposit into the general fund of the State, an
34 operations fee in an amount equal to **【10.5】** 19.75 percent of
35 fantasy sports gross revenue for each quarter. The administration of
36 the operations fee, including but not limited to the form, method,
37 and manner of the assessment, collection, and enforcement thereof,
38 shall be as determined by the division pursuant to regulations that,
39 notwithstanding any provisions of the "Administrative Procedure
40 Act," P.L.1968, c.410 (C.52:14B-1 et seq.), may be adopted by the
41 division immediately upon filing with the Office of Administrative
42 Law the regulations as the division deems necessary to implement
43 this subsection, which regulations shall be effective for a period not
44 to exceed 360 days following the date of enactment of P.L.2017,
45 c.231 and may thereafter be amended, adopted, or readopted by the
46 division in accordance with the "Administrative Procedure Act,"
47 P.L.1968, c.410 (C.52:14B-1 et seq.).

1 With respect to a fantasy sports operator that is a casino, an entry
2 fee, management fee, or other revenue generated from a fantasy
3 sports activity shall not be considered "gross revenue" as defined in
4 section 24 of P.L.1977, c.110 (C.5:12-24) or "Internet gaming gross
5 revenue" as defined in section 6 of P.L.2013, c.27 (C.5:12-28.2),
6 and no investment alternative tax provided for by any other
7 provision of law shall apply to fantasy sports operators.

8 h. (1) Any person who provides fantasy sports activities
9 without approval of the division shall be subject to a fine of not
10 more than \$25,000 and, in the case of a person other than a natural
11 person, to a fine of not more than \$100,000.

12 (2) Any person who knowingly tampers with software,
13 computers, or other equipment used to conduct fantasy sports
14 activities to alter the payout of an activity or disables the activity
15 from operating according to the rules of the activity as promulgated
16 by the division shall be subject to a fine of not more than \$50,000
17 and, in the case of a person other than a natural person, to a fine of
18 not more than \$200,000.

19 (3) Any person who knowingly offers or allows to be offered
20 any fantasy sports activity that has been tampered with in a way that
21 affects the payout of an activity or disables the activity from
22 operating according to the rules of the activity as promulgated by
23 the division shall be subject to a fine of not more than \$50,000 and,
24 in the case of a person other than a natural person, to a fine of not
25 more than \$200,000.

26 (4) Any person who violates any provision of this section shall
27 be subject to a fine of not more than \$25,000 and, in the case of a
28 person other than a natural person, to a fine of not more than
29 \$100,000, and to injunctive relief to prevent future violations of this
30 section.

31 (5) Notwithstanding the penalties provided for in this
32 subsection, the division shall, in accordance with the
33 "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et
34 seq.), adopt and promulgate such rules and regulations as may be
35 necessary to address additional violations of this section. The
36 division shall also have the authority to disqualify an operator either
37 by allowing the operator to voluntarily withdraw from the operation
38 of fantasy sports activities, or by suspending the operations of the
39 operator, or by revoking the permit to conduct such operations.

40 (6) The fines provided by this subsection shall be in addition to
41 any fine or penalty that may be imposed pursuant to any criminal
42 law of this State.

43 i. Fantasy sports activities shall be conducted in New Jersey
44 only in accordance with the provisions of this section.

45 (cf: P.L.2019, c.11, s.1)

46

47 4. This act shall take effect July 1, 2025.

1 STATEMENT

2

3 This bill increases the Internet casino gaming tax, the Internet
4 sports wagering tax, and the daily fantasy sports operating fee from
5 15, 13, and 10.5 percent, respectively, to 19.75 percent.

6

7

8

9 Modifies tax on certain forms of online gaming and wagering.

CHAPTER 66

AN ACT concerning certain Internet gambling taxes and amending various parts of the statutory law.

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

1. Section 17 of P.L.2013, c.27 (C.5:12-95.19) is amended to read as follows:

C.5:12-95.19 Annual tax on Internet gaming gross revenues.

17. There is hereby imposed an annual tax on Internet gaming gross revenues in the amount of 19.75 percent of such gross revenues which shall be paid into the Casino Revenue Fund. The 8 percent tax on casino gross revenues shall not apply to Internet gaming gross revenues. The investment alternative tax established by section 3 of P.L.1984, c.218 (C.5:12-144.1) shall apply to Internet gaming gross revenues, except that the investment alternative tax on these revenues shall be 5 percent and the investment alternative shall be 2.5 percent, with the proceeds thereof used as provided in that section.

2. 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 19.75 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 net revenues actually received by the horse racing permit holder from any sports wagering operation at the Meadowlands Racetrack, including Internet wagering on sports events, either jointly established with a casino or established independently or with non-casino partners, less the total of all sums actually paid out for any operating expenses and as winnings to patrons, shall be paid by the Meadowlands Racetrack to the Standardbred Breeders and Owners' Association of New Jersey and the New Jersey Thoroughbred Horsemen's Association pursuant to the terms of a written agreement between the Meadowlands Racetrack and each association. A written agreement shall be in effect for as long as a sports wagering operation is conducted at the Meadowlands Racetrack.

The net revenues actually received by the horse racing permit holder from any sports wagering operation at the Monmouth Park Racetrack, including Internet wagering on sports events, either jointly established with a casino or established independently or with non-casino partners, less the total of all sums actually paid out for any operating expenses and as winnings to patrons, shall be paid by Monmouth Park Racetrack to the New Jersey Thoroughbred Horsemen's Association pursuant to the terms of a written agreement between Monmouth Park Racetrack and that association. A written agreement shall be in effect for as long as a sports wagering operation is conducted at Monmouth Park Racetrack.

The net revenues actually received by the horse racing permit holder from any sports wagering operation at the Freehold Raceway, including Internet wagering on sports events, either jointly established with a casino or established independently or with non-casino partners, less the total of all sums actually paid out for any operating expenses and as winnings to patrons, shall be paid by Freehold Raceway to the Standardbred Breeders and Owners' Association of New Jersey pursuant to the terms of a written agreement between Freehold Raceway and that association. A written agreement shall be in effect for as long as a sports wagering operation is conducted at Freehold Raceway.

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 19.75 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.

3. Section 2 of P.L.2017, c.231 (C.5:20-2) is amended to read as follows:

C.5:20-2 Definitions relative to fantasy sports.

2. a. As used in this section:

"Entry fee" means cash or a cash equivalent that is paid by a participant to a fantasy sports operator to participate in a fantasy sports activity offered by that operator, but shall not include a fee paid to an operator that does not offer a prize;

"Fantasy sports activity" or "fantasy sports activities" means any fantasy or simulated activity or contest with an entry fee in which a participant owns or manages an imaginary team and competes against other participants or a target score for a predetermined prize with the outcome reflecting the relative skill of the participants and determined by statistics generated based on performance by actual individuals participating in actual competitions or athletic events, provided that the outcome shall not be based solely on the performance of an individual athlete, or on the score, point spread, or any performance of any single real team or combination of real teams; "fantasy sports activity" shall not include any activity in which no entry fee is paid to the fantasy sports operator or in which a prize is not collected, managed, or awarded by the operator;

"Fantasy sports gross revenue" means, for each fantasy sports activity, the amount equal to the total of all entry fees that a fantasy sports operator collects from all participants less only the total of all prizes paid out as prizes to all participants multiplied by the location percentage for this State;

"Fantasy sports operator" or "operator" means a business entity, including a casino licensee or the holder of a permit to conduct a horse race meeting, that has been issued a permit by the Division of Consumer Affairs in the Department of Law and Public Safety to offer persons the opportunity to participate in a fantasy sports activity;

"Location percentage" means, for each authorized fantasy sports activity, the percentage rounded to the nearest tenth of one percent (0.1%) of the total entry fees collected from players located in this State, divided by the total entry fees collected from all players in the fantasy sports activity; and

"Prohibited participant" means an individual who has access to non-public confidential information about fantasy sports activities, any athlete whose performance may be used to determine the outcome of a fantasy sports activity in the sport with which the athlete is associated, any team employee, referee, or league official in a fantasy sports activity in the sport with which that person is associated, and any sports agent associated with any sport used for fantasy sports activities.

b. The Division of Consumer Affairs in the Department of Law and Public Safety shall be responsible for the regulation of fantasy sports activities in this State.

A fantasy sports operator applicant seeking to conduct fantasy sports activities in this State shall apply to the division for a permit to conduct such activities on such forms and in such manner as the division shall require. The division shall promptly investigate each application, and shall oversee the conduct of activities. The division shall charge a permit fee to each fantasy sports operator applicant that applies for a permit in an amount sufficient to cover the division's cost in issuing fantasy sports permits and overseeing the conduct of such activities, which permit fee shall be in addition to the quarterly operations fee required pursuant to subsection g. of this section. The division shall have the authority to inspect the facilities of fantasy sports operators in order to ensure the integrity of fantasy sports activities.

The division shall allow a fantasy sports operator applicant operating fantasy sports activities on the date of enactment of this act, P.L.2017, c.231 (C.5:20-1 et seq.), to continue to legally operate for up to 60 days after applications for permits are made available to the public by the division. Operator applicants who have applied for a permit during that 60-day period may continue to operate while the application is pending. A provider of fantasy sports activities that has not applied for a permit shall cease operations in this State by the expiration of the 60-day period. A fantasy sports operator applicant that is not operating fantasy sports activities in this State on the effective date of this act shall be prohibited from operating fantasy sports activities pending approval of the applicant's application for a permit.

Upon the granting of a permit, a fantasy sports operator may continue to operate fantasy sports activities pending the renewal of the operator's permit, provided that the operator has applied for the renewal in a timely manner.

c. (1) With respect to a fantasy sports operator that is a casino, all equipment used by the holder of the permit, including computers and servers, to conduct fantasy sports activities shall be physically located within the boundaries of the municipality specified in section 20 of P.L. 2013, c.27 (C.5:12-95.22) for the location of Internet gambling equipment.

(2) With respect to a fantasy sports operator that is not a casino, at least one server used to conduct fantasy sports activities shall be physically located within the boundaries of the municipality specified in section 20 of P.L. 2013, c.27 (C.5:12-95.22) on or before January 1, 2018.

d. The division shall regulate the conduct of fantasy sports activities by fantasy sports operators that have been issued a permit by the division to conduct fantasy sports activities.

e. The division shall permit a fantasy sports operator to conduct fantasy sports activities subject to the following conditions:

the outcome of fantasy sports activities shall be determined by statistics generated based on the performance of actual individuals participating in real competitions or athletic events;

all prizes offered to participants shall be established and disclosed in advance to all participants;

the outcome shall not be based solely on the performance of an individual athlete, or on the score, point spread, or any performance of a single real team or combination of real teams;

a fantasy sports operator may permit participants to use a mobile account or a participant deposit account;

a casino licensee or licensed racetrack may use its facilities to accept entry fees and to pay prizes;

a casino licensee may partner with, or enter into a contract with, one or more fantasy sports operators to offer fantasy sports activities, notwithstanding the provisions of section 104 of P.L.1977, c.110 (C.5:12-104); and

a participant in a fantasy sports activity shall be at least 18 years of age.

f. A fantasy sports operator shall:

use commercially reasonable practices to prohibit the sharing of statistical information with third parties that could affect a fantasy sports activity until that information is publicly available;

adopt procedures to ensure that any prohibited participant does not participate in fantasy sports activities;

adopt procedures to ensure that a fantasy sports participant is at least 18 years of age;

offer individuals the ability to restrict themselves from participating in fantasy sports activities and take reasonable steps to prevent any such individual from participating in fantasy sports activities;

prohibit fantasy sports activities based upon high school athletics;

contract with a certified public accountant to perform a financial audit of the operator to ensure compliance with the provisions of this section and submit the accountant's report to the division on an annual basis;

disclose the number of entries a participant may submit to each fantasy sports activity and take reasonable steps to prevent a participant from exceeding that number; and

segregate participants' funds from operational funds or maintain a reserve in cash, cash equivalents, payment processor reserves and receivables, an irrevocable letter of credit, a bond, or a combination thereof in the amount of the deposits in participants' accounts for the benefit and protection of participants' funds held in fantasy sports activity accounts.

g. A fantasy sports operator shall pay, on a quarterly basis, to the division for deposit into the general fund of the State, an operations fee in an amount equal to 19.75 percent of fantasy sports gross revenue for each quarter. The administration of the operations fee, including but

not limited to the form, method, and manner of the assessment, collection, and enforcement thereof, shall be as determined by the division pursuant to regulations that, notwithstanding any provisions of the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.), may be adopted by the division immediately upon filing with the Office of Administrative Law the regulations as the division deems necessary to implement this subsection, which regulations shall be effective for a period not to exceed 360 days following the date of enactment of P.L.2017, c.231 and may thereafter be amended, adopted, or readopted by the division in accordance with the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.).

With respect to a fantasy sports operator that is a casino, an entry fee, management fee, or other revenue generated from a fantasy sports activity shall not be considered "gross revenue" as defined in section 24 of P.L.1977, c.110 (C.5:12-24) or "Internet gaming gross revenue" as defined in section 6 of P.L.2013, c.27 (C.5:12-28.2), and no investment alternative tax provided for by any other provision of law shall apply to fantasy sports operators.

h. (1) Any person who provides fantasy sports activities without approval of the division shall be subject to a fine of not more than \$25,000 and, in the case of a person other than a natural person, to a fine of not more than \$100,000.

(2) Any person who knowingly tampers with software, computers, or other equipment used to conduct fantasy sports activities to alter the payout of an activity or disables the activity from operating according to the rules of the activity as promulgated by the division shall be subject to a fine of not more than \$50,000 and, in the case of a person other than a natural person, to a fine of not more than \$200,000.

(3) Any person who knowingly offers or allows to be offered any fantasy sports activity that has been tampered with in a way that affects the payout of an activity or disables the activity from operating according to the rules of the activity as promulgated by the division shall be subject to a fine of not more than \$50,000 and, in the case of a person other than a natural person, to a fine of not more than \$200,000.

(4) Any person who violates any provision of this section shall be subject to a fine of not more than \$25,000 and, in the case of a person other than a natural person, to a fine of not more than \$100,000, and to injunctive relief to prevent future violations of this section.

(5) Notwithstanding the penalties provided for in this subsection, the division shall, in accordance with the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.), adopt and promulgate such rules and regulations as may be necessary to address additional violations of this section. The division shall also have the authority to disqualify an operator either by allowing the operator to voluntarily withdraw from the operation of fantasy sports activities, or by suspending the operations of the operator, or by revoking the permit to conduct such operations.

(6) The fines provided by this subsection shall be in addition to any fine or penalty that may be imposed pursuant to any criminal law of this State.

i. Fantasy sports activities shall be conducted in New Jersey only in accordance with the provisions of this section.

4. This act shall take effect July 1, 2025.

Approved June 30, 2025.

ASSEMBLY, No. 5803

STATE OF NEW JERSEY

221st LEGISLATURE

INTRODUCED JUNE 26, 2025

Sponsored by:

Assemblywoman ROSAURA "ROSY" BAGOLIE

District 27 (Essex and Passaic)

Senator JOHN F. MCKEON

District 27 (Essex and Passaic)

Senator SHIRLEY K. TURNER

District 15 (Hunterdon and Mercer)

Co-Sponsored by:

Senator Vitale

SYNOPSIS

Modifies tax on certain forms of online gaming and wagering.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 6/30/2025)

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2

1 AN ACT concerning certain Internet gambling taxes and amending
2 various parts of the statutory law.

3

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

6

7 1. Section 17 of P.L.2013, c.27 (C.5:12-95.19) is amended to
8 read as follows:

9 17. There is hereby imposed an annual tax on Internet gaming
10 gross revenues in the amount of **[15%]** 19.75 percent of such gross
11 revenues which shall be paid into the Casino Revenue Fund. The
12 **[8%]** 8 percent tax on casino gross revenues shall not apply to
13 Internet gaming gross revenues. The investment alternative tax
14 established by section 3 of P.L.1984, c.218 (C.5:12-144.1) shall
15 apply to Internet gaming gross revenues, except that the investment
16 alternative tax on these revenues shall be **[5%]** 5 percent and the
17 investment alternative shall be **[2.5%]** 2.5 percent, with the
18 proceeds thereof used as provided in that section.
19 (cf: P.L.2013, c.27, s.17)

20

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

23 7. The sums received by the casino from sports wagering or
24 from a joint sports wagering operation, less only the total of all
25 sums actually paid out as winnings to patrons, shall not be taxed as
26 gross revenue as specified under section 24 of P.L.1977, c.110
27 (C.5:12-24) but shall be subject to an 8.5 percent tax, except that
28 sums received from Internet wagering on sports events, less only
29 the total of all sums actually paid out as winnings to patrons, shall
30 be subject to a **[13]** 19.75 percent tax, which shall be paid to the
31 Casino Revenue Fund, and to an additional tax of 1.25 percent
32 which shall be remitted by the State Treasurer to the Casino
33 Reinvestment Development Authority for marketing and promotion
34 of the City of Atlantic City, provided, however, that the cash
35 equivalent value of any merchandise or thing of value included in a
36 jackpot or payout shall not be included in the total of all sums paid
37 out as winnings to patrons for purposes of determining revenue
38 under this paragraph.

39 The net revenues actually received by the horse racing permit
40 holder from any sports wagering operation at the Meadowlands
41 Racetrack, including Internet wagering on sports events, either
42 jointly established with a casino or established independently or
43 with non-casino partners, less the total of all sums actually paid out
44 for any operating expenses and as winnings to patrons, shall be paid
45 by the Meadowlands Racetrack to the Standardbred Breeders and

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.

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1 Owners' Association of New Jersey and the New Jersey
2 Thoroughbred Horsemen's Association pursuant to the terms of a
3 written agreement between the Meadowlands Racetrack and each
4 association. A written agreement shall be in effect for as long as a
5 sports wagering operation is conducted at the Meadowlands
6 Racetrack.

7 The net revenues actually received by the horse racing permit
8 holder from any sports wagering operation at the Monmouth Park
9 Racetrack, including Internet wagering on sports events, either
10 jointly established with a casino or established independently or
11 with non-casino partners, less the total of all sums actually paid out
12 for any operating expenses and as winnings to patrons, shall be paid
13 by Monmouth Park Racetrack to the New Jersey Thoroughbred
14 Horsemen's Association pursuant to the terms of a written
15 agreement between Monmouth Park Racetrack and that association.
16 A written agreement shall be in effect for as long as a sports
17 wagering operation is conducted at Monmouth Park Racetrack.

18 The net revenues actually received by the horse racing permit
19 holder from any sports wagering operation at the Freehold
20 Raceway, including Internet wagering on sports events, either
21 jointly established with a casino or established independently or
22 with non-casino partners, less the total of all sums actually paid out
23 for any operating expenses and as winnings to patrons, shall be paid
24 by Freehold Raceway to the Standardbred Breeders and Owners'
25 Association of New Jersey pursuant to the terms of a written
26 agreement between Freehold Raceway and that association. A
27 written agreement shall be in effect for as long as a sports wagering
28 operation is conducted at Freehold Raceway.

29 The sums actually received by the horse racing permit holder
30 from any sports wagering operation, either jointly established with a
31 casino or established independently or with non-casino partners,
32 less only the total of all sums actually paid out as winnings to
33 patrons, shall be subject to an 8.5 percent tax, except that sums
34 received from Internet wagering on sports events, less only the total
35 of all sums actually paid out as winnings to patrons, shall be subject
36 to a **[13]** 19.75 percent tax, to be collected by the division and paid
37 to the State General Fund and to an additional tax of 1.25 percent
38 on amounts actually received from a sports wagering operation, less
39 only the total of all sums actually paid out as winnings to patrons,
40 to be paid, except as provided below with respect to amounts
41 generated by the Meadowlands racetrack, to the Department of the
42 Treasury for distribution, upon application by a municipality or
43 county, to the municipality in which the majority of the racetrack is
44 located and to the county in which the racetrack is located or to an
45 economic development authority of that municipality and county
46 with those amounts used for economic development purposes,
47 which shall include, but not be limited to, improvements to:
48 transportation and infrastructure, tourism, public safety, and

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1 properties located on or near the racetrack, provided, however, that
2 the cash equivalent value of any merchandise or thing of value
3 included in a jackpot or payout shall not be included in the total of
4 all sums paid out as winnings to patrons for purposes of
5 determining revenue under this paragraph. The Department of the
6 Treasury shall establish an account for each eligible municipality
7 and county and shall ensure that the amounts generated from the
8 racetrack shall only be distributed to the municipality in which the
9 majority of the racetrack is located and county in which the
10 racetrack is located with 0.75 percent paid to the municipality and
11 0.5 percent paid to the county, except that amounts generated from
12 the Meadowlands racetrack shall be paid into the intermunicipal
13 account, established pursuant to section 53 of P.L.2015, c.19
14 (C.5:10A-53), and used to pay Meadowlands adjustment payments
15 to municipalities in the 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.2019, c.36, s.3)

27

28 3. Section 2 of P.L.2017, c.231 (C.5:20-2) is amended to read
29 as follows:

30 2. a. As used in this section:

31 "entry fee" means cash or a cash equivalent that is paid by a
32 participant to a fantasy sports operator to participate in a fantasy
33 sports activity offered by that operator, but shall not include a fee
34 paid to an operator that does not offer a prize;

35 "fantasy sports activity" or "fantasy sports activities" means any
36 fantasy or simulated activity or contest with an entry fee in which a
37 participant owns or manages an imaginary team and competes
38 against other participants or a target score for a predetermined prize
39 with the outcome reflecting the relative skill of the participants and
40 determined by statistics generated based on performance by actual
41 individuals participating in actual competitions or athletic events,
42 provided that the outcome shall not be based solely on the
43 performance of an individual athlete, or on the score, point spread,
44 or any performance of any single real team or combination of real
45 teams; "fantasy sports activity" shall not include any activity in
46 which no entry fee is paid to the fantasy sports operator or in which
47 a prize is not collected, managed, or awarded by the operator;

1 "fantasy sports gross revenue" means, for each fantasy sports
2 activity, the amount equal to the total of all entry fees that a fantasy
3 sports operator collects from all participants less only the total of all
4 prizes paid out as prizes to all participants multiplied by the
5 location percentage for this State;

6 "fantasy sports operator" or "operator" means a business entity,
7 including a casino licensee or the holder of a permit to conduct a
8 horse race meeting, that has been issued a permit by the Division of
9 Consumer Affairs in the Department of Law and Public Safety to
10 offer persons the opportunity to participate in a fantasy sports
11 activity;

12 "location percentage" means, for each authorized fantasy sports
13 activity, the percentage rounded to the nearest tenth of one percent
14 (0.1%) of the total entry fees collected from players located in this
15 State, divided by the total entry fees collected from all players in
16 the fantasy sports activity; and

17 "prohibited participant" means an individual who has access to
18 non-public confidential information about fantasy sports activities,
19 any athlete whose performance may be used to determine the
20 outcome of a fantasy sports activity in the sport with which the
21 athlete is associated, any team employee, referee, or league official
22 in a fantasy sports activity in the sport with which that person is
23 associated, and any sports agent associated with any sport used for
24 fantasy sports activities.

25 b. The Division of Consumer Affairs in the Department of Law
26 and Public Safety shall be responsible for the regulation of fantasy
27 sports activities in this State.

28 A fantasy sports operator applicant seeking to conduct fantasy
29 sports activities in this State shall apply to the division for a permit
30 to conduct such activities on such forms and in such manner as the
31 division shall require. The division shall promptly investigate each
32 application, and shall oversee the conduct of activities. The
33 division shall charge a permit fee to each fantasy sports operator
34 applicant that applies for a permit in an amount sufficient to cover
35 the division's cost in issuing fantasy sports permits and overseeing
36 the conduct of such activities, which permit fee shall be in addition
37 to the quarterly operations fee required pursuant to subsection g. of
38 this section. The division shall have the authority to inspect the
39 facilities of fantasy sports operators in order to ensure the integrity
40 of fantasy sports activities.

41 The division shall allow a fantasy sports operator applicant
42 operating fantasy sports activities on the date of enactment of this
43 act, P.L.2017, c.231 (C.5:20-1 et seq.), to continue to legally
44 operate for up to 60 days after applications for permits are made
45 available to the public by the division. Operator applicants who
46 have applied for a permit during that 60-day period may continue to
47 operate while the application is pending. A provider of fantasy
48 sports activities that has not applied for a permit shall cease

1 operations in this State by the expiration of the 60-day period. A
2 fantasy sports operator applicant that is not operating fantasy sports
3 activities in this State on the effective date of this act shall be
4 prohibited from operating fantasy sports activities pending approval
5 of the applicant's application for a permit.

6 Upon the granting of a permit, a fantasy sports operator may
7 continue to operate fantasy sports activities pending the renewal of
8 the operator's permit, provided that the operator has applied for the
9 renewal in a timely manner.

10 c. (1) With respect to a fantasy sports operator that is a casino,
11 all equipment used by the holder of the permit, including computers
12 and servers, to conduct fantasy sports activities shall be physically
13 located within the boundaries of the municipality specified in
14 section 20 of P.L. 2013, c.27 (C.5:12-95.22) for the location of
15 Internet gambling equipment.

16 (2) With respect to a fantasy sports operator that is not a casino,
17 at least one server used to conduct fantasy sports activities shall be
18 physically located within the boundaries of the municipality
19 specified in section 20 of P.L. 2013, c.27 (C.5:12-95.22) on or
20 before January 1, 2018.

21 d. The division shall regulate the conduct of fantasy sports
22 activities by fantasy sports operators that have been issued a permit
23 by the division to conduct fantasy sports activities.

24 e. The division shall permit a fantasy sports operator to
25 conduct fantasy sports activities subject to the following conditions:

26 the outcome of fantasy sports activities shall be determined by
27 statistics generated based on the performance of actual individuals
28 participating in real competitions or athletic events;

29 all prizes offered to participants shall be established and
30 disclosed in advance to all participants;

31 the outcome shall not be based solely on the performance of an
32 individual athlete, or on the score, point spread, or any performance
33 of a single real team or combination of real teams;

34 a fantasy sports operator may permit participants to use a mobile
35 account or a participant deposit account;

36 a casino licensee or licensed racetrack may use its facilities to
37 accept entry fees and to pay prizes;

38 a casino licensee may partner with, or enter into a contract with,
39 one or more fantasy sports operators to offer fantasy sports
40 activities, notwithstanding the provisions of section 104 of
41 P.L.1977, c.110 (C.5:12-104); and

42 a participant in a fantasy sports activity shall be at least 18 years
43 of age.

44 f. A fantasy sports operator shall:

45 use commercially reasonable practices to prohibit the sharing of
46 statistical information with third parties that could affect a fantasy
47 sports activity until that information is publicly available;

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1 adopt procedures to ensure that any prohibited participant does
2 not participate in fantasy sports activities;

3 adopt procedures to ensure that a fantasy sports participant is at
4 least 18 years of age;

5 offer individuals the ability to restrict themselves from
6 participating in fantasy sports activities and take reasonable steps to
7 prevent any such individual from participating in fantasy sports
8 activities;

9 prohibit fantasy sports activities based upon high school
10 athletics;

11 contract with a certified public accountant to perform a financial
12 audit of the operator to ensure compliance with the provisions of
13 this section and submit the accountant's report to the division on an
14 annual basis;

15 disclose the number of entries a participant may submit to each
16 fantasy sports activity and take reasonable steps to prevent a
17 participant from exceeding that number; and

18 segregate participants' funds from operational funds or maintain
19 a reserve in cash, cash equivalents, payment processor reserves and
20 receivables, an irrevocable letter of credit, a bond, or a combination
21 thereof in the amount of the deposits in participants' accounts for
22 the benefit and protection of participants' funds held in fantasy
23 sports activity accounts.

24 g. A fantasy sports operator shall pay, on a quarterly basis, to
25 the division for deposit into the general fund of the State, an
26 operations fee in an amount equal to ~~10.5~~ 19.75 percent of
27 fantasy sports gross revenue for each quarter. The administration of
28 the operations fee, including but not limited to the form, method,
29 and manner of the assessment, collection, and enforcement thereof,
30 shall be as determined by the division pursuant to regulations that,
31 notwithstanding any provisions of the "Administrative Procedure
32 Act," P.L.1968, c.410 (C.52:14B-1 et seq.), may be adopted by the
33 division immediately upon filing with the Office of Administrative
34 Law the regulations as the division deems necessary to implement
35 this subsection, which regulations shall be effective for a period not
36 to exceed 360 days following the date of enactment of P.L.2017,
37 c.231 and may thereafter be amended, adopted, or readopted by the
38 division in accordance with the "Administrative Procedure Act,"
39 P.L.1968, c.410 (C.52:14B-1 et seq.).

40 With respect to a fantasy sports operator that is a casino, an entry
41 fee, management fee, or other revenue generated from a fantasy
42 sports activity shall not be considered "gross revenue" as defined in
43 section 24 of P.L.1977, c.110 (C.5:12-24) or "Internet gaming gross
44 revenue" as defined in section 6 of P.L.2013, c.27 (C.5:12-28.2),
45 and no investment alternative tax provided for by any other
46 provision of law shall apply to fantasy sports operators.

47 h. (1) Any person who provides fantasy sports activities
48 without approval of the division shall be subject to a fine of not

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8

1 more than \$25,000 and, in the case of a person other than a natural
2 person, to a fine of not more than \$100,000.

3 (2) Any person who knowingly tampers with software,
4 computers, or other equipment used to conduct fantasy sports
5 activities to alter the payout of an activity or disables the activity
6 from operating according to the rules of the activity as promulgated
7 by the division shall be subject to a fine of not more than \$50,000
8 and, in the case of a person other than a natural person, to a fine of
9 not more than \$200,000.

10 (3) Any person who knowingly offers or allows to be offered
11 any fantasy sports activity that has been tampered with in a way that
12 affects the payout of an activity or disables the activity from
13 operating according to the rules of the activity as promulgated by
14 the division shall be subject to a fine of not more than \$50,000 and,
15 in the case of a person other than a natural person, to a fine of not
16 more than \$200,000.

17 (4) Any person who violates any provision of this section shall
18 be subject to a fine of not more than \$25,000 and, in the case of a
19 person other than a natural person, to a fine of not more than
20 \$100,000, and to injunctive relief to prevent future violations of this
21 section.

22 (5) Notwithstanding the penalties provided for in this
23 subsection, the division shall, in accordance with the
24 "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et
25 seq.), adopt and promulgate such rules and regulations as may be
26 necessary to address additional violations of this section. The
27 division shall also have the authority to disqualify an operator either
28 by allowing the operator to voluntarily withdraw from the operation
29 of fantasy sports activities, or by suspending the operations of the
30 operator, or by revoking the permit to conduct such operations.

31 (6) The fines provided by this subsection shall be in addition to
32 any fine or penalty that may be imposed pursuant to any criminal
33 law of this State.

34 i. Fantasy sports activities shall be conducted in New Jersey
35 only in accordance with the provisions of this section.

36 (cf: P.L.2019, c.11, s.1)

37

38 4. This act shall take effect July 1, 2025.

39

40

41

STATEMENT

42

43 This bill increases the Internet casino gaming tax, the Internet
44 sports wagering tax, and the daily fantasy sports operating fee from
45 15, 13, and 10.5 percent, respectively, to 19.75 percent.

ASSEMBLY BUDGET COMMITTEE

STATEMENT TO

ASSEMBLY, No. 5803

STATE OF NEW JERSEY

DATED: JUNE 26, 2025

The Assembly Budget Committee reports favorably Assembly Bill No. 5803.

As reported, this bill increases the Internet casino gaming tax, the Internet sports wagering tax, and the daily fantasy sports operating fee from 15, 13, and 10.5 percent, respectively, to 19.75 percent.

FISCAL IMPACT:

Fiscal information is unavailable at this time.

SENATE, No. 3064

STATE OF NEW JERSEY

221st LEGISLATURE

INTRODUCED APRIL 8, 2024

Sponsored by:

Senator JOHN F. MCKEON

District 27 (Essex and Passaic)

Senator SHIRLEY K. TURNER

District 15 (Hunterdon and Mercer)

SYNOPSIS

Modifies tax on certain forms of online gaming and wagering.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 6/26/2024)

1 AN ACT concerning the Internet casino gaming tax and the Internet
2 sports wagering tax and amending P.L.2013, c.27 and P.L.2018,
3 c.33.

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

7
8 1. Section 17 of P.L.2013, c.27 (C.5:12-95.19) is amended to
9 read as follows:

10 17. There is hereby imposed an annual tax on Internet gaming
11 gross revenues in the amount of **[15%]** 30 percent of such gross
12 revenues which shall be paid into the Casino Revenue Fund. The
13 **[8%]** 8 percent tax on casino gross revenues shall not apply to
14 Internet gaming gross revenues. The investment alternative tax
15 established by section 3 of P.L.1984, c.218 (C.5:12-144.1) shall
16 apply to Internet gaming gross revenues, except that the investment
17 alternative tax on these revenues shall be **[5%]** 5 percent and the
18 investment alternative shall be **[2.5%]** 2.5 percent, with the
19 proceeds thereof used as provided in that section.
20 (cf: P.L.2013, c.27, s.17)

21
22 2. Section 7 of P.L.2018, c.33 (C.5:12A-16) is amended to read
23 as follows:

24 7. The sums received by the casino from sports wagering or
25 from a joint sports wagering operation, less only the total of all
26 sums actually paid out as winnings to patrons, shall not be taxed as
27 gross revenue as specified under section 24 of P.L.1977, c.110
28 (C.5:12-24) but shall be subject to an 8.5 percent tax, except that
29 sums received from Internet wagering on sports events, less only
30 the total of all sums actually paid out as winnings to patrons, shall
31 be subject to a **[13]** 30 percent tax, which shall be paid to the
32 Casino Revenue Fund, and to an additional tax of 1.25 percent
33 which shall be remitted by the State Treasurer to the Casino
34 Reinvestment Development Authority for marketing and promotion
35 of the City of Atlantic City, provided, however, that the cash
36 equivalent value of any merchandise or thing of value included in a
37 jackpot or payout shall not be included in the total of all sums paid
38 out as winnings to patrons for purposes of determining revenue
39 under this paragraph.

40 The net revenues actually received by the horse racing permit
41 holder from any sports wagering operation at the Meadowlands
42 Racetrack, including Internet wagering on sports events, either
43 jointly established with a casino or established independently or
44 with non-casino partners, less the total of all sums actually paid out
45 for any operating expenses and as winnings to patrons, shall be paid
46 by the Meadowlands Racetrack to the Standardbred Breeders and

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 Owners' Association of New Jersey and the New Jersey
2 Thoroughbred Horsemen's Association pursuant to the terms of a
3 written agreement between the Meadowlands Racetrack and each
4 association. A written agreement shall be in effect for as long as a
5 sports wagering operation is conducted at the Meadowlands
6 Racetrack.

7 The net revenues actually received by the horse racing permit
8 holder from any sports wagering operation at the Monmouth Park
9 Racetrack, including Internet wagering on sports events, either
10 jointly established with a casino or established independently or
11 with non-casino partners, less the total of all sums actually paid out
12 for any operating expenses and as winnings to patrons, shall be paid
13 by Monmouth Park Racetrack to the New Jersey Thoroughbred
14 Horsemen's Association pursuant to the terms of a written
15 agreement between Monmouth Park Racetrack and that association.
16 A written agreement shall be in effect for as long as a sports
17 wagering operation is conducted at Monmouth Park Racetrack.

18 The net revenues actually received by the horse racing permit
19 holder from any sports wagering operation at the Freehold
20 Raceway, including Internet wagering on sports events, either
21 jointly established with a casino or established independently or
22 with non-casino partners, less the total of all sums actually paid out
23 for any operating expenses and as winnings to patrons, shall be paid
24 by Freehold Raceway to the Standardbred Breeders and Owners'
25 Association of New Jersey pursuant to the terms of a written
26 agreement between Freehold Raceway and that association. A
27 written agreement shall be in effect for as long as a sports wagering
28 operation is conducted at Freehold Raceway.

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

1 properties located on or near the racetrack, provided, however, that
2 the cash equivalent value of any merchandise or thing of value
3 included in a jackpot or payout shall not be included in the total of
4 all sums paid out as winnings to patrons for purposes of
5 determining revenue under this paragraph. The Department of the
6 Treasury shall establish an account for each eligible municipality
7 and county and shall ensure that the amounts generated from the
8 racetrack shall only be distributed to the municipality in which the
9 majority of the racetrack is located and county in which the
10 racetrack is located with 0.75 percent paid to the municipality and
11 0.5 percent paid to the county, except that amounts generated from
12 the Meadowlands racetrack shall be paid into the intermunicipal
13 account, established pursuant to section 53 of P.L.2015, c.19
14 (C.5:10A-53), and used to pay Meadowlands adjustment payments
15 to municipalities in the 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.2019, c.36, s.3)

27
28 3. This act shall take effect January 1 next following the date of
29 enactment.

30
31

32 STATEMENT

33

34 This bill increases the Internet casino gaming tax and the Internet
35 sports wagering tax, from 15 and 13 percent respectively, to 30
36 percent.

SENATE COMMITTEE SUBSTITUTE FOR
SENATE, No. 3064

STATE OF NEW JERSEY
221st LEGISLATURE

ADOPTED JUNE 26, 2025

Sponsored by:

Senator JOHN F. MCKEON

District 27 (Essex and Passaic)

Senator SHIRLEY K. TURNER

District 15 (Hunterdon and Mercer)

Co-Sponsored by:

Senator Vitale

SYNOPSIS

Modifies tax on certain forms of online gaming and wagering.

CURRENT VERSION OF TEXT

Substitute as adopted by the Senate Budget and Appropriations Committee.



1 AN ACT concerning certain Internet gambling taxes and amending
2 various parts of the statutory law.

3

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

6

7 1. Section 17 of P.L.2013, c.27 (C.5:12-95.19) is amended to
8 read as follows:

9 17. There is hereby imposed an annual tax on Internet gaming
10 gross revenues in the amount of **[15%]** 19.75 percent of such gross
11 revenues which shall be paid into the Casino Revenue Fund. The
12 **[8%]** 8 percent tax on casino gross revenues shall not apply to
13 Internet gaming gross revenues. The investment alternative tax
14 established by section 3 of P.L.1984, c.218 (C.5:12-144.1) shall
15 apply to Internet gaming gross revenues, except that the investment
16 alternative tax on these revenues shall be **[5%]** 5 percent and the
17 investment alternative shall be **[2.5%]** 2.5 percent, with the
18 proceeds thereof used as provided in that section.

19 (cf: P.L.2013, c.27, s.17)

20

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

23 7. The sums received by the casino from sports wagering or
24 from a joint sports wagering operation, less only the total of all
25 sums actually paid out as winnings to patrons, shall not be taxed as
26 gross revenue as specified under section 24 of P.L.1977, c.110
27 (C.5:12-24) but shall be subject to an 8.5 percent tax, except that
28 sums received from Internet wagering on sports events, less only
29 the total of all sums actually paid out as winnings to patrons, shall
30 be subject to a **[13]** 19.75 percent tax, which shall be paid to the
31 Casino Revenue Fund, and to an additional tax of 1.25 percent
32 which shall be remitted by the State Treasurer to the Casino
33 Reinvestment Development Authority for marketing and promotion
34 of the City of Atlantic City, provided, however, that the cash
35 equivalent value of any merchandise or thing of value included in a
36 jackpot or payout shall not be included in the total of all sums paid
37 out as winnings to patrons for purposes of determining revenue
38 under this paragraph.

39 The net revenues actually received by the horse racing permit
40 holder from any sports wagering operation at the Meadowlands
41 Racetrack, including Internet wagering on sports events, either
42 jointly established with a casino or established independently or
43 with non-casino partners, less the total of all sums actually paid out
44 for any operating expenses and as winnings to patrons, shall be paid

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 by the Meadowlands Racetrack to the Standardbred Breeders and
2 Owners' Association of New Jersey and the New Jersey
3 Thoroughbred Horsemen's Association pursuant to the terms of a
4 written agreement between the Meadowlands Racetrack and each
5 association. A written agreement shall be in effect for as long as a
6 sports wagering operation is conducted at the Meadowlands
7 Racetrack.

8 The net revenues actually received by the horse racing permit
9 holder from any sports wagering operation at the Monmouth Park
10 Racetrack, including Internet wagering on sports events, either
11 jointly established with a casino or established independently or
12 with non-casino partners, less the total of all sums actually paid out
13 for any operating expenses and as winnings to patrons, shall be paid
14 by Monmouth Park Racetrack to the New Jersey Thoroughbred
15 Horsemen's Association pursuant to the terms of a written
16 agreement between Monmouth Park Racetrack and that association.
17 A written agreement shall be in effect for as long as a sports
18 wagering operation is conducted at Monmouth Park Racetrack.

19 The net revenues actually received by the horse racing permit
20 holder from any sports wagering operation at the Freehold
21 Raceway, including Internet wagering on sports events, either
22 jointly established with a casino or established independently or
23 with non-casino partners, less the total of all sums actually paid out
24 for any operating expenses and as winnings to patrons, shall be paid
25 by Freehold Raceway to the Standardbred Breeders and Owners'
26 Association of New Jersey pursuant to the terms of a written
27 agreement between Freehold Raceway and that association. A
28 written agreement shall be in effect for as long as a sports wagering
29 operation is conducted at Freehold Raceway.

30 The sums actually received by the horse racing permit holder
31 from any sports wagering operation, either jointly established with a
32 casino or established independently or with non-casino partners,
33 less only the total of all sums actually paid out as winnings to
34 patrons, shall be subject to an 8.5 percent tax, except that sums
35 received from Internet wagering on sports events, less only the total
36 of all sums actually paid out as winnings to patrons, shall be subject
37 to a **[13]** 19.75 percent tax, to be collected by the division and paid
38 to the State General Fund and to an additional tax of 1.25 percent
39 on amounts actually received from a sports wagering operation, less
40 only the total of all sums actually paid out as winnings to patrons,
41 to be paid, except as provided below with respect to amounts
42 generated by the Meadowlands racetrack, to the Department of the
43 Treasury for distribution, upon application by a municipality or
44 county, to the municipality in which the majority of the racetrack is
45 located and to the county in which the racetrack is located or to an
46 economic development authority of that municipality and county
47 with those amounts used for economic development purposes,
48 which shall include, but not be limited to, improvements to:

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

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

27 (cf: P.L.2019, c.36, s.3)

28

29 3. Section 2 of P.L.2017, c.231 (C.5:20-2) is amended to read
30 as follows:

31 2. a. As used in this section:

32 "entry fee" means cash or a cash equivalent that is paid by a
33 participant to a fantasy sports operator to participate in a fantasy
34 sports activity offered by that operator, but shall not include a fee
35 paid to an operator that does not offer a prize;

36 "fantasy sports activity" or "fantasy sports activities" means any
37 fantasy or simulated activity or contest with an entry fee in which a
38 participant owns or manages an imaginary team and competes
39 against other participants or a target score for a predetermined prize
40 with the outcome reflecting the relative skill of the participants and
41 determined by statistics generated based on performance by actual
42 individuals participating in actual competitions or athletic events,
43 provided that the outcome shall not be based solely on the
44 performance of an individual athlete, or on the score, point spread,
45 or any performance of any single real team or combination of real
46 teams; "fantasy sports activity" shall not include any activity in
47 which no entry fee is paid to the fantasy sports operator or in which
48 a prize is not collected, managed, or awarded by the operator;

1 "fantasy sports gross revenue" means, for each fantasy sports
2 activity, the amount equal to the total of all entry fees that a fantasy
3 sports operator collects from all participants less only the total of all
4 prizes paid out as prizes to all participants multiplied by the
5 location percentage for this State;

6 "fantasy sports operator" or "operator" means a business entity,
7 including a casino licensee or the holder of a permit to conduct a
8 horse race meeting, that has been issued a permit by the Division of
9 Consumer Affairs in the Department of Law and Public Safety to
10 offer persons the opportunity to participate in a fantasy sports
11 activity;

12 "location percentage" means, for each authorized fantasy sports
13 activity, the percentage rounded to the nearest tenth of one percent
14 (0.1%) of the total entry fees collected from players located in this
15 State, divided by the total entry fees collected from all players in
16 the fantasy sports activity; and

17 "prohibited participant" means an individual who has access to
18 non-public confidential information about fantasy sports activities,
19 any athlete whose performance may be used to determine the
20 outcome of a fantasy sports activity in the sport with which the
21 athlete is associated, any team employee, referee, or league official
22 in a fantasy sports activity in the sport with which that person is
23 associated, and any sports agent associated with any sport used for
24 fantasy sports activities.

25 b. The Division of Consumer Affairs in the Department of Law
26 and Public Safety shall be responsible for the regulation of fantasy
27 sports activities in this State.

28 A fantasy sports operator applicant seeking to conduct fantasy
29 sports activities in this State shall apply to the division for a permit
30 to conduct such activities on such forms and in such manner as the
31 division shall require. The division shall promptly investigate each
32 application, and shall oversee the conduct of activities. The
33 division shall charge a permit fee to each fantasy sports operator
34 applicant that applies for a permit in an amount sufficient to cover
35 the division's cost in issuing fantasy sports permits and overseeing
36 the conduct of such activities, which permit fee shall be in addition
37 to the quarterly operations fee required pursuant to subsection g. of
38 this section. The division shall have the authority to inspect the
39 facilities of fantasy sports operators in order to ensure the integrity
40 of fantasy sports activities.

41 The division shall allow a fantasy sports operator applicant
42 operating fantasy sports activities on the date of enactment of this
43 act, P.L.2017, c.231 (C.5:20-1 et seq.), to continue to legally
44 operate for up to 60 days after applications for permits are made
45 available to the public by the division. Operator applicants who
46 have applied for a permit during that 60-day period may continue to
47 operate while the application is pending. A provider of fantasy
48 sports activities that has not applied for a permit shall cease

1 operations in this State by the expiration of the 60-day period. A
2 fantasy sports operator applicant that is not operating fantasy sports
3 activities in this State on the effective date of this act shall be
4 prohibited from operating fantasy sports activities pending approval
5 of the applicant's application for a permit.

6 Upon the granting of a permit, a fantasy sports operator may
7 continue to operate fantasy sports activities pending the renewal of
8 the operator's permit, provided that the operator has applied for the
9 renewal in a timely manner.

10 c. (1) With respect to a fantasy sports operator that is a casino,
11 all equipment used by the holder of the permit, including computers
12 and servers, to conduct fantasy sports activities shall be physically
13 located within the boundaries of the municipality specified in
14 section 20 of P.L. 2013, c.27 (C.5:12-95.22) for the location of
15 Internet gambling equipment.

16 (2) With respect to a fantasy sports operator that is not a casino,
17 at least one server used to conduct fantasy sports activities shall be
18 physically located within the boundaries of the municipality
19 specified in section 20 of P.L. 2013, c.27 (C.5:12-95.22) on or
20 before January 1, 2018.

21 d. The division shall regulate the conduct of fantasy sports
22 activities by fantasy sports operators that have been issued a permit
23 by the division to conduct fantasy sports activities.

24 e. The division shall permit a fantasy sports operator to
25 conduct fantasy sports activities subject to the following conditions:

26 the outcome of fantasy sports activities shall be determined by
27 statistics generated based on the performance of actual individuals
28 participating in real competitions or athletic events;

29 all prizes offered to participants shall be established and
30 disclosed in advance to all participants;

31 the outcome shall not be based solely on the performance of an
32 individual athlete, or on the score, point spread, or any performance
33 of a single real team or combination of real teams;

34 a fantasy sports operator may permit participants to use a mobile
35 account or a participant deposit account;

36 a casino licensee or licensed racetrack may use its facilities to
37 accept entry fees and to pay prizes;

38 a casino licensee may partner with, or enter into a contract with,
39 one or more fantasy sports operators to offer fantasy sports
40 activities, notwithstanding the provisions of section 104 of
41 P.L.1977, c.110 (C.5:12-104); and

42 a participant in a fantasy sports activity shall be at least 18 years
43 of age.

44 f. A fantasy sports operator shall:

45 use commercially reasonable practices to prohibit the sharing of
46 statistical information with third parties that could affect a fantasy
47 sports activity until that information is publicly available;

- 1 adopt procedures to ensure that any prohibited participant does
2 not participate in fantasy sports activities;
- 3 adopt procedures to ensure that a fantasy sports participant is at
4 least 18 years of age;
- 5 offer individuals the ability to restrict themselves from
6 participating in fantasy sports activities and take reasonable steps to
7 prevent any such individual from participating in fantasy sports
8 activities;
- 9 prohibit fantasy sports activities based upon high school
10 athletics;
- 11 contract with a certified public accountant to perform a financial
12 audit of the operator to ensure compliance with the provisions of
13 this section and submit the accountant's report to the division on an
14 annual basis;
- 15 disclose the number of entries a participant may submit to each
16 fantasy sports activity and take reasonable steps to prevent a
17 participant from exceeding that number; and
- 18 segregate participants' funds from operational funds or maintain
19 a reserve in cash, cash equivalents, payment processor reserves and
20 receivables, an irrevocable letter of credit, a bond, or a combination
21 thereof in the amount of the deposits in participants' accounts for
22 the benefit and protection of participants' funds held in fantasy
23 sports activity accounts.
- 24 g. A fantasy sports operator shall pay, on a quarterly basis, to
25 the division for deposit into the general fund of the State, an
26 operations fee in an amount equal to ~~10.5~~ 19.75 percent of
27 fantasy sports gross revenue for each quarter. The administration of
28 the operations fee, including but not limited to the form, method,
29 and manner of the assessment, collection, and enforcement thereof,
30 shall be as determined by the division pursuant to regulations that,
31 notwithstanding any provisions of the "Administrative Procedure
32 Act," P.L.1968, c.410 (C.52:14B-1 et seq.), may be adopted by the
33 division immediately upon filing with the Office of Administrative
34 Law the regulations as the division deems necessary to implement
35 this subsection, which regulations shall be effective for a period not
36 to exceed 360 days following the date of enactment of P.L.2017,
37 c.231 and may thereafter be amended, adopted, or readopted by the
38 division in accordance with the "Administrative Procedure Act,"
39 P.L.1968, c.410 (C.52:14B-1 et seq.).
- 40 With respect to a fantasy sports operator that is a casino, an entry
41 fee, management fee, or other revenue generated from a fantasy
42 sports activity shall not be considered "gross revenue" as defined in
43 section 24 of P.L.1977, c.110 (C.5:12-24) or "Internet gaming gross
44 revenue" as defined in section 6 of P.L.2013, c.27 (C.5:12-28.2),
45 and no investment alternative tax provided for by any other
46 provision of law shall apply to fantasy sports operators.
- 47 h. (1) Any person who provides fantasy sports activities
48 without approval of the division shall be subject to a fine of not

1 more than \$25,000 and, in the case of a person other than a natural
2 person, to a fine of not more than \$100,000.

3 (2) Any person who knowingly tampers with software,
4 computers, or other equipment used to conduct fantasy sports
5 activities to alter the payout of an activity or disables the activity
6 from operating according to the rules of the activity as promulgated
7 by the division shall be subject to a fine of not more than \$50,000
8 and, in the case of a person other than a natural person, to a fine of
9 not more than \$200,000.

10 (3) Any person who knowingly offers or allows to be offered
11 any fantasy sports activity that has been tampered with in a way that
12 affects the payout of an activity or disables the activity from
13 operating according to the rules of the activity as promulgated by
14 the division shall be subject to a fine of not more than \$50,000 and,
15 in the case of a person other than a natural person, to a fine of not
16 more than \$200,000.

17 (4) Any person who violates any provision of this section shall
18 be subject to a fine of not more than \$25,000 and, in the case of a
19 person other than a natural person, to a fine of not more than
20 \$100,000, and to injunctive relief to prevent future violations of this
21 section.

22 (5) Notwithstanding the penalties provided for in this
23 subsection, the division shall, in accordance with the
24 "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et
25 seq.), adopt and promulgate such rules and regulations as may be
26 necessary to address additional violations of this section. The
27 division shall also have the authority to disqualify an operator either
28 by allowing the operator to voluntarily withdraw from the operation
29 of fantasy sports activities, or by suspending the operations of the
30 operator, or by revoking the permit to conduct such operations.

31 (6) The fines provided by this subsection shall be in addition to
32 any fine or penalty that may be imposed pursuant to any criminal
33 law of this State.

34 i. Fantasy sports activities shall be conducted in New Jersey
35 only in accordance with the provisions of this section.

36 (cf: P.L.2019, c.11, s.1)

37

38 4. This act shall take effect July 1, 2025.

SENATE BUDGET AND APPROPRIATIONS COMMITTEE

STATEMENT TO

SENATE COMMITTEE SUBSTITUTE FOR
SENATE, No. 3064

STATE OF NEW JERSEY

DATED: JUNE 26, 2025

The Senate Budget and Appropriations Committee reports favorably a Senate Committee Substitute for Senate Bill No. 3064.

As reported, this Senate Committee Substitute increases the Internet casino gaming tax, the Internet sports wagering tax, and the daily fantasy sports operating fee from 15, 13, and 10.5 percent, respectively, to 19.75 percent.

FISCAL IMPACT:

Fiscal information for this bill is currently unavailable.

Bills Gov Acted On

Posted on - 06/30/2025

The Governor has acted on the following bills:

BILL SIGNINGS:

S-4620/A-5879 (McKnight, Mukherji/McCann Stamato) - Amends Fiscal Year 2025 annual appropriations act to assign distribution of Old Courthouse asbestos remediation funding from Hudson County to Jersey City

S-2788wGR/A-4569 (Cruz-Perez, Turner/Freiman, Katz, Simmons) - Appropriates \$128.241 million from constitutionally dedicated CBT revenues to State Agriculture Development Committee for farmland preservation purposes

A-5100/S-3991 (Rodriguez/Stack) - Re-appropriates unexpended balance of FY 2024 appropriation for Town of West New York to support recreation center; appropriates \$3 million for Town of West New York – Recreation Center to restore lapsed FY 2024 funding

A-5807/S-4655 (Pintor Marin/Sarlo) - Makes FY2025 supplemental appropriations of \$142,615,000; adds various language provisions to FY2025 Appropriations Act

A-5803/SCS for S-3064 (Bagolie/McKeon, Turner) - Modifies tax on certain forms of online gaming and wagering

ACS for A-4455/SCS for S-4503 (Freiman, Schaer, Karabinchak /Sarlo, Mukherji) - Allows exemption from New Jersey gross income of certain capital gains from sale or exchange of qualified small business stock

A-5805/SCS for S-4659 and 4661 (Venezia/Sarlo, Vitale) - Modifies tax rate on certain nicotine products

A-5804/S-4666 (Reynolds-Jackson/Wimberly) - Modifies payer of additional fees and taxes imposed on certain real property transfers; modifies fees and taxes imposed on property transfers valued over \$2 million

A-5809/S-4656 (Murphy/Vitale) - "Healthcare Finance Enhancement Act"

S-3189/A-2365 (Zwicker, Sarlo/Tully, Murphy, DePhillips) - Makes various changes to “New Jersey Angel Investor Tax Credit Act” and Technology Business Tax Certificate Transfer Program; repeals “New Jersey Ignite Act”

S-4654/A-5878 (Scutari, A.M. Bucco/Schnall, Inganamort) - Provides for publication of required legal notices on government Internet websites and through certain online news publications

A-5801/S-4692 (Freiman/Sarlo) - Appropriates \$247,128,000 from “New Jersey Debt Defeasance and Prevention Fund”; establishes process for authorizing future appropriations for debt defeasance and capital projects

(BUDGET BILL – w/Rev Cert. LIV, Summary)

BILL VETOED:

[S-2026/A-5800](#) (Sarlo/Pintor Marin, Park) – w/LINE ITEM Appropriates \$58,782,119,000 in State funds and \$31,007,261,743 in federal funds for the State budget for fiscal year 2026

BILL SIGNINGS:

A-5810/S-4660 (Pintor Marin, Dolon, Bagolie/McKeon, McKnight) - Promotes equity in health insurance appeal process

S-4632/A-5812 (Scutari, Ruiz/Schaer) - Establishes grant program in DOE for public schools to purchase and install point-of-use filtered bottle-filling stations and filtered faucets

S-3618/A-4926 (Smith, Greenstein/Calabrese, Tully, Haider) - Directs DEP and DOT to establish “Wildlife Corridor Action Plan”

S-3933/A-5075 (Ruiz, McKnight/Swain, Morales, Bagolie) - Establishes School Supervisor Mentorship Pilot Program; appropriates \$500,000

A-5077/S-4375 (Morales, Bagolie, Carter/Ruiz, Zwicker) - Extends statutory pause on collection of student growth objective data

A-5795/S-4619 (Pintor Marin, Freiman, Drulis/Zwicker) - Modifies certain provisions of "New Jersey Innovation Evergreen Act"

S-4618/A-5827 (Mukherji, Gopal/Pintor Marin, Peterpaul, Donlon) - Modifies certain requirements and award availability under film and digital media content production tax credit program

S-4122/A-5257 (Burzichelli/Stanley, Egan) - Revises apportionment of State lottery contributions

Governor Murphy Signs Fiscal Year 2026 Budget into Law

Posted on - 06/30/2025

Budget Builds on Governor Murphy's Historic Record of Fiscal Responsibility – With a \$6.7 Billion Surplus to Help Weather Future Financial Challenges Compared to Just \$409 Million Surplus Inherited in 2018

Budget Provides An All-Time High Level of Property Tax Relief, the Highest Level of School Funding in History, and a Fifth Consecutive Full Pension Payment

Budget Makes Historic Investments in Women's Health Care and Provides Funding to Fully Modernize NJ TRANSIT's Fleet

TRENTON – Governor Phil Murphy today signed into law the Fiscal Year 2026 Appropriations Act, marking a culmination of the Murphy Administration's longstanding commitment to fiscal responsibility, affordability, and opportunity. Over nine budgets spanning nearly eight years in office, Governor Murphy has presided over sustained economic growth while making long overdue investments in addressing the needs of working New Jerseyans, from property tax relief, to school funding, to restoring funding for the State's pension systems.

The \$58.78 billion Fiscal Year 2026 (FY2026) budget, which was passed by the Legislature earlier today, redirects over 75 percent of the total budget back into our communities in the form of grants-in-aid for property tax relief, social services, higher education, as well as State aid to schools, municipalities, and counties. The budget includes an all-time high level of direct property tax relief for homeowners and renters, yields the highest level of school funding in history, and delivers a fifth consecutive full pension payment. It also prioritizes quality health services for women and families, and it invests in beginning to fully modernize NJ TRANSIT's fleet.

Upon taking office, Governor Murphy inherited a \$409 million surplus from his predecessor. Eight years later, the Governor will leave his successor with a surplus 16 times greater than that amount—\$6.7 billion.

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Governor Murphy Signs Fiscal Year 2026 Budget into Law

Posted on - 06/30/2025

Budget Builds on Governor Murphy's Historic Record of Fiscal Responsibility – With a \$6.7 Billion Surplus to Help Weather Future Financial Challenges Compared to Just \$409 Million Surplus Inherited in 2018

Budget Provides An All-Time High Level of Property Tax Relief, the Highest Level of School Funding in History, and a Fifth Consecutive Full Pension Payment

Budget Makes Historic Investments in Women's Health Care and Provides Funding to Fully Modernize NJ TRANSIT's Fleet

TRENTON – Governor Phil Murphy today signed into law the Fiscal Year 2026 Appropriations Act, marking a culmination of the Murphy Administration's longstanding commitment to fiscal responsibility, affordability, and opportunity. Over nine budgets spanning nearly eight years in office, Governor Murphy has presided over sustained economic growth while making long overdue investments in addressing the needs of working New Jerseyans, from property tax relief, to school funding, to restoring funding for the State's pension systems.

The \$58.78 billion Fiscal Year 2026 (FY2026) budget, which was passed by the Legislature earlier today, redirects over 75 percent of the total budget back into our communities in the form of grants-in-aid for property tax relief, social services, higher education, as well as State aid to schools, municipalities, and counties. The budget includes an all-time high level of direct property tax relief for homeowners and renters, yields the highest level of school funding in history, and delivers a fifth consecutive full pension payment. It also prioritizes quality health services for women and families, and it invests in beginning to fully modernize NJ TRANSIT's fleet.

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