



Regulatory Oversight

COMMERCIAL GAMING

Governing Body: The regulatory oversight of casino gambling and sports betting in the state is conducted through a two-tier system comprising the New Jersey Casino Control Commission and the Division of Gaming Enforcement. The commission is primarily responsible for acting on recommendations of the division for licensing matters. The commission is the final authority on licensing matters. The division serves as the enforcement, operational, and investigative body for the state's gaming industry.



Licensing

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Operator: No person can own or operate a casino unless a license is issued to every person eligible and required to apply for a casino license. [N.J. Rev. Stat. §5:12-82](#). The regulations specify who needs to be qualified as part of the application for a casino license. In this regard, it deals with all persons eligible and required to apply ([N.J. Rev. Stat. §5:12-82](#)), all financial sources required to qualify ([N.J. Rev. Stat. §5:12-84b](#)), and finally those persons required to qualify under [N.J. Rev. Stat. §5:12-85c](#).

Every application for a casino license requires a non-refundable deposit of at least \$100,000. This amount can be deducted from the initial license fee if approved, which is at least \$200,000 in New Jersey. [N.J. Rev. Stat. §5:12-139](#). Initial license fees and renewal fees are based on the cost of investigation. The annual license fee for each slot machine is \$500. [N.J. Rev. Stat. §5:12-140](#).

On January 5, 2011, the so-called “[Boutique Casino Bill](#)” was enacted, establishing a pilot program that allows for the licensure of a small-scale casino license consisting of not more than 24,000 square feet of casino space and not less than 200 qualified sleeping units. There are no “boutique casinos” in New Jersey.

A land-based casino licensee may apply for an online gaming permit which authorizes the casino licensee to provide online gaming. There is an application fee of \$100,000, which can later be applied towards the \$400,000 licensing fee. Licensees must renew the online gaming permit annually for a fee of \$250,000.

Supplier License: Under [N.J. Rev. Stat. §5:12-92](#), there are three categories of suppliers: gaming-related casino service industry enterprises (CSIE), ancillary CSIE's and vendor registrants. Entities must either be licensed by the Division of Gaming Enforcement or vendor registered depending on the nature of the business. Gaming CSIE's include entities which supply goods and services directly related to the operation of the casino such as gaming equipment, simulcast wagering equipment, slot machine distributors, and providers of internet gaming. Ancillary CSIEs are those entities that provide goods or services ancillary to gaming activity. The licensing fees for CSIEs is \$5,000 and \$2,000 for ancillary CSIEs. Vendor registrants are non-gaming related and there is no fee for registration.



Taxation

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Gaming Tax Rate: The Casino Control Commission collects a variety of different taxes from casinos and deposits the money in the Casino Revenue Fund. For example, a fee of \$3 is imposed on a daily basis for each hotel room in a casino hotel that is occupied by a paying or non-paying guest. [N.J. Rev. Stat. §5:12-145.8](#).

The largest tax is an 8 percent tax on casino gross revenues. [N.J. Rev. Stat. §5:12-144](#).

In accordance with [N.J. Rev. Stat. §5:12-144.1](#), casino license holders are obliged to pay an investment alternative tax by purchasing bonds from the Casino Reinvestment Development Authority (CDRA) or investing in any approved eligible project by the authority. The proceeds of these bonds will be used to finance community projects, for instance, the rehabilitation and housing of persons of low or medium income. As such, an investment alternative tax of 1.25 percent of gross revenues for each casino has to be paid in instalments each year into an escrow account. Then, the CDRA will issue the bonds. Failure to pay this investment alternative tax will lead to a fine of 2.5 percent of the monies owed. This obligation to pay an investment alternative tax ends after 50 years of that licensee operating in that licensed facility. A 15 percent tax rate applies to Internet gaming gross revenues. In addition, an investment alternative tax on Internet gaming gross revenues is 5 percent and the community investment alternative tax rate is 2.5 percent.

Tax Allocation: Taxes from gaming in New Jersey go to benefit the elderly. “Moneys in the Casino Revenue Fund shall be appropriated exclusively for reductions in property taxes, rentals, telephone, gas, electric, and municipal utilities charges of eligible senior citizens and disabled residents of the State, and for additional or expanded health services or benefits or transportation services or benefits to eligible senior citizens and disabled residents, as shall be provided by law.” N.J. Rev. Stat. §5:12-45(c).

Promotional Credits: In New Jersey, the first \$90m in promotional credit is taxed as part of gross revenue, but once that threshold is passed, anything above it is not taxed. The \$90m threshold is to be prorated at a rate of \$7.5m per month, enabling the deduction to be claimed evenly during the course of the year.

Withholding Tax on Gambling Winnings: Yes. Gambling winnings are treated as taxable income in New Jersey and withheld at a rate of 3 percent of the payout.



Responsible Gaming

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Statutory Funding Requirement: \$600,000 annually, including \$500,000 to Council on Compulsive Gambling of New Jersey and \$100,000 for compulsive gambling treatment programs. An additional \$250,000 per internet gaming licensee

Self-exclusion: New Jersey allows players to self-exclude themselves from casino gaming activities and/or Internet gaming activities. Players may sign-up in person or via their online player account, depending on what activities they wish to self-exclude from. Self-exclusion periods are for one year or five years.



Alcohol Use: New Jersey allows casinos to offer complimentary alcoholic beverages.

Advertising Restrictions: All print billboard or sign-based advertising must contain the phrase “If you or someone you know has a gambling problem and wants help call 1-800-GAMBLER,” and it must appear legible. Advertising must be based on fact and should not be false, deceptive, or misleading. The regulations stipulate that no advertising should use any type size, color, or location to obscure any material fact.

On-Premise Display Requirement: Any on-site advertising of casinos must contain the phrase “Bet with your head – not over it.”

Restrictions on Minors on the Gambling Premises: Patrons visiting the casinos must be at least 21 years of age to be admitted to gambling areas. [N.J. Rev. Stat. §5:12-119](#).



Other Regulations

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Testing Requirements: New Jersey has its own [Testing Services Bureau \(TSB\)](#), serving as part of the New Jersey Attorney General’s Office, to handle testing of gaming equipment. The TSB assures the integrity of electronic gaming equipment, including all slot machine operations.

AML Requirements: Under federal U.S. law, commercial casino operators, tribal gaming operators and card clubs are required to comply with various statutes in order to prevent money laundering activities and other financial crimes, including terrorism financing.

Shipping Requirements: The Division of Gaming Enforcement must be notified by the party intending to ship a slot machine into or out of New Jersey prior to the transport or movement of the gaming equipment.

Further slot-machine-shipping requirements can be found in Section [13:69E-1.23](#) of the New Jersey Regulations.

Credit Offered to Patrons: New Jersey can offer credit to casino patrons.

Political Contributions: In general, political contributions are prohibited by those with a stake in casinos in New Jersey, including key employees in the state. A full list of those prohibited to contribute can be found in [Section 5:12-138](#) of the New Jersey Revised Statutes.

Smoking Bans: Gaming facilities are exempted from the New Jersey Smoke-Free Air Act and, as such, may offer smoking within their facilities.

Cashless Gaming & Alternative Payments: Cashless gaming is permitted. However, cryptocurrencies are not currently permitted as a form of payment for gambling transactions.



Sports Betting

Authorized Operators: Under New Jersey law, only licensed casino and racetrack properties can apply for a sports betting license.

Mobile/Online: New Jersey law includes provisions for online and mobile betting anywhere within the state's borders, but online sportsbook operators must first be partnered up with a licensed casino or racetrack (license holder). License holders are limited to three individually branded websites, or skins, and only have a 270-day window in which to operate an online book without a retail facility.

There is no requirement for in-person registration.

Taxes and Fees: The tax rate on retail sports betting revenue is 9.75 percent., while revenue from mobile and online wagering is taxed at 14.25 percent.

The fee to apply for a sports betting license is \$100,000. Renewals fees are determined by the costs of investigation.

For casinos' or tracks' sports-betting partners, a New Jersey CSIE license requires an initial fee of \$5,000, in addition to regulatory and investigations costs incurred by the DGE.

Amateur Restrictions: While sports betting operators in the state can take wagers on college sports, they are forbidden from taking bets on college games that involve New Jersey teams, regardless of whether they're played in New Jersey or not. There is an exemption that allows for wagers to be placed on multi-site tournament games that occur in-state as long as other games take place out-of-state (e.g., March Madness).

Any operator with an interest in a sporting franchise cannot take wagers on the league in which that franchise calls home.

Tax on Promotional Credits: No. Operators may deduct promotional gaming credits from gross revenue.

Age Restrictions: Patrons must be 21 years of age to participate in sports wagering.



Internet Gaming

Authorized Operators: Online licensed Atlantic City casinos or their internet gaming affiliates may apply for a license to operate internet gaming.

Licensing: An internet gaming license must be obtained to offer internet gaming within New Jersey.

Taxes and Fees: To obtain an internet gaming permit, Atlantic City casinos must pay an application fee of \$100,000, which may then be used towards the \$400,000 licensing fee if the application is deemed suitable and accepted.

Licensees are also required to pay an annual renewal fee based on the cost of maintaining enforcement, control, and regulation of internet wagering operations and is at least \$250,000.

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In addition, there is a mandatory \$250,000 annual fee to be deposited in New Jersey's State General Fund for appropriation by the legislature for compulsive gambling purposes.

The tax rate is set at 15 percent of internet gross gaming revenues. In addition, licensees are required to pay an investment alternative tax on Internet gaming gross revenues. This tax is set at 5 percent of gross revenues or licensees may pay a community investment alternative tax rate is 2.5 percent.

Games Available: Any casino-style games currently meeting the state's standards for land-based casino games.