

LEGISLATIVE FISCAL ESTIMATE
ASSEMBLY, No. 4757
STATE OF NEW JERSEY
221st LEGISLATURE

DATED: DECEMBER 20, 2024

SUMMARY

Synopsis: Permits amusement games licenses to be issued to certain nonprofit organizations.

Type of Impact: Annual State and municipal revenue and expenditure increases.

Agencies Affected: Department of Law and Public Safety.

Office of Legislative Services Estimate

| Fiscal Impact | |
|---|---------------|
| Annual State and Local Expenditure Increases | Indeterminate |
| Annual State and Local Revenue Increases | Indeterminate |

- The Office of Legislative Services (OLS) finds that this bill would result in an indeterminate annual State expenditure increase related to the expansion, processing, and regulation of amusement games licenses to certain qualifying nonprofit organizations by the Department of Law and Public Safety. The OLS further notes that the bill may increase annual State revenue collections from application fees, licensure fees, fines, and penalties by indeterminate amounts.
- As licensed entities are additionally subject to licensing by municipalities that have approved the conduct of amusement games within their boundaries, this bill may affect municipal revenues and expenditures.

BILL DESCRIPTION

This bill permits amusement games licenses to be issued to certain qualifying nonprofit organizations by the Legalized Games of Chance Control Commission in the Division of Consumer Affairs in the Department of Law and Public Safety.

Under current law, amusement games are permitted to be conducted by licensed entities at locations that include certain entertainment venues of the licensee, recognized amusement parks, seashore or other resort areas constituting amusement or entertainment areas, and at agricultural fairs, 4-H Clubs or exhibitions. Licensed entities are additionally subject to licensing by municipalities that have approved the conduct of amusement games within their boundaries.

Under the bill, a charitable organization determined by the federal Internal Revenue Service to be a tax exempt organization pursuant to section 501(c)(3) of the Internal Revenue Code, would be eligible to be issued an amusement games license pursuant to the Amusement Games Licensing Law, to conduct amusement games at festivals, carnivals, or fairs held for the benefit of, or sponsored by, the tax exempt organization, provided that all other requirements for licensure to conduct amusement games are met.

FISCAL ANALYSIS

EXECUTIVE BRANCH

The OLS has not received a formal fiscal note on this bill, but has received informal information from the Department of Law and Public Safety. The department anticipated a range of 180 to 190 potential amusement games licensees, assuming the number of charitable organizations that seek an amusement games license under this bill is similar to the number of charitable organizations that have received a license to conduct a non-draw merchandise raffle. The representative from the department indicated that a non-draw merchandise raffle license is the kind of raffle license that non-profit organizations typically obtain to run carnivals or fairs.

However, the department indicated that there was an expectation that many qualifying non-profit organizations, if not most, would continue to operate under their non-draw merchandise raffle licenses rather than pursue an amusement games license, as it is a more involved a process to obtain an amusement games license than it is to obtain a raffle license.

OFFICE OF LEGISLATIVE SERVICES

The OLS finds that this bill would result in an indeterminate annual State expenditure increase related to the expansion, processing, and regulation of amusement games licenses to certain qualifying nonprofit organizations by the Department of Law and Public Safety. The OLS further notes that the bill will increase annual State revenue collections from application fees, licensure fees, fines, and penalties by indeterminate amounts.

As noted above, the department indicated that they anticipate that the qualifying nonprofits may continue to request non-draw merchandise raffle licenses. The cost difference between the two licenses may also be a deterrent to obtaining an amusement games license. A non-draw merchandise raffle license is currently \$20 through the Legalized Games of Chance Control Commission. The amusement games State license annual fee is \$250 pursuant to State law.

As licensed entities are additionally subject to licensing by municipalities that have approved the conduct of amusement games within their boundaries, this bill may affect municipal revenues and expenditures.

Section: Law and Public Safety

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This fiscal estimate has been prepared pursuant to P.L.1980, c.67 (C.52:13B-6 et seq.).