

SENATE, No. 4157

STATE OF NEW JERSEY
219th LEGISLATURE

INTRODUCED NOVEMBER 15, 2021

Sponsored by:

Senator STEPHEN M. SWEENEY

District 3 (Cumberland, Gloucester and Salem)

SYNOPSIS

Imposes temporary surcharge on hotel occupancies in certain cities to fund public safety services.

CURRENT VERSION OF TEXT

As introduced.



1 AN ACT imposing a temporary surcharge on hotel occupancies in
2 certain cities.

3

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

6

7 1. a. A surcharge at the rate of \$3 per day for each occupied
8 room shall be imposed on hotels in each qualified municipality.

9 b. A surcharge imposed under subsection a. of this section shall
10 be collected and administered by the Director of the Division of
11 Taxation in the Department of the Treasury. In carrying out the
12 provisions of this subsection, the director shall have all the powers
13 granted in P.L.1966, c.30 (C.54:32B-1 et seq.). The director shall
14 determine and certify to the State Treasurer on a monthly basis the
15 amount of revenues collected by the director pursuant to subsection
16 a. of this section in each qualified municipality. The State
17 Treasurer, upon the certification of the director and upon the
18 warrant of the Director of the Division of Budget and Accounting in
19 the Department of the Treasury, shall pay and distribute on a
20 monthly basis to the qualified municipality the amount so
21 determined and certified.

22 c. All surcharges received by a qualified municipality pursuant
23 to subsection a. of this section shall be deposited into a dedicated
24 public safety services trust fund. Amounts deposited in the trust
25 fund shall be used by a qualified municipality solely and
26 exclusively to fund appropriations for public safety services. The
27 amount deposited into the dedicated public safety services trust
28 fund shall be anticipated in the budget of a qualified municipality as
29 a special item of revenue and as an appropriation item of an amount
30 equal to any such special item of revenue pursuant to N.J.S.40A:4-
31 87. The amount deposited into the public safety services trust fund
32 shall be inserted into the annual budget as a special item of revenue
33 or appropriation only when the total amount appropriated for public
34 safety services in the adopted budget of a qualified municipality for
35 the current fiscal year is greater than the amount appropriated for
36 public safety services, exclusive of any amount from the public
37 safety services appropriated in the budget in the previous fiscal
38 year.

39 d. As used in this section:

40 "Hotel" means a building or a portion of a building that is
41 regularly used and kept open for the lodging of guests and includes
42 a hotel, motel, inn, and rooming or boarding house, whether or not
43 meals are served.

44 "Occupied room" means a room or rooms of any kind in any part
45 of a hotel, other than a place of assembly, that is used or possessed
46 by a guest or guests overnight or for a portion of a day, whether or
47 not for consideration.

1 “Qualified municipality” means a municipality in which the
2 provisions of P.L.1947, c.71 (C.40:48-8.15 et seq.) are operative on
3 the date of enactment of P.L. , c. (pending before the
4 Legislature as this bill).

5 “Public safety services” means the hiring, retention, and training
6 of and equipment for employees of the police and fire departments
7 in a qualified municipality.

8
9 2. This act shall take effect on the first day of the second month
10 next following the date of enactment and shall expire two years
11 thereafter.

12

13

14

STATEMENT

15

16 This bill imposes a daily \$3 per room surcharge on hotel
17 occupancies in certain cities. The bill requires all surcharges to be
18 deposited into a public safety services trust fund and dedicated to
19 fund public safety services for each qualifying city. The surcharge
20 revenues are intended to supplement, rather than replace,
21 appropriations for public safety services that are supported by
22 general revenues, such as the municipal State aid and the property
23 tax levy. To that end, the bill allows a qualified municipality to
24 appropriate the surcharge revenues in the municipal budget only if
25 municipal appropriations for public services in the current fiscal
26 year are higher than municipal appropriations for public safety
27 services in the prior fiscal year. The surcharges would sunset in
28 two years after the effective date.

29 The surcharges under the bill would be imposed in municipalities
30 that levy a retail sales tax pursuant to P.L.1947, c.71 (C.40:48-8.15
31 et seq.), which is only available to fourth class cities. Atlantic City
32 is currently the only such city that levies this tax and that would be
33 subject to the surcharge provisions of the bill. The surcharges
34 imposed by the bill would be in addition to the daily fees levied on
35 hotel occupancies pursuant to P.L.1991, c.376 (C.40:48-8.45 et
36 seq.) and section 6 of P.L.2003, c.116 (C.5:12-145.8). The State
37 would collect the surcharges and would remit the revenues
38 therefrom to the city.