SENATE STATE GOVERNMENT, WAGERING, TOURISM & HISTORIC PRESERVATION COMMITTEE

STATEMENT TO

SENATE, No. 488

with committee amendments

STATE OF NEW JERSEY

DATED: FEBRUARY 10, 2020

The Senate State Government, Wagering, Tourism and Historic Preservation Committee reports favorably and with committee amendments Senate Bill No. 488.

As amended by the committee, this bill establishes the "County Tourism Incentive Grant Fund," and provides for the appropriation and distribution of excess State hotel and motel occupancy fee revenues for deposit to the fund to provide funding for grants to counties to support tourism advertising and promotion.

Under the bill, the "County Tourism Incentive Grant Fund" is established as a special, non-lapsing fund within the Department of the Treasury. The bill requires the fund to be administered by the State Treasurer, and provides for the fund to be used as a repository for all excess State hotel and motel occupancy fee revenues that are appropriated and distributed to the Department of the Treasury for deposit to the fund.

The bill requires the State Treasurer to use the excess revenues deposited to the fund to issue annually, commencing with State fiscal year 2021, tourism incentive grants to counties for purposes of providing financial assistance to counties to support tourism advertising and promotion. To effectuate that purpose, the bill authorizes the State Treasurer to approve, on or before January 1, 2021 and on or before January 1 of each year thereafter, the issuance of an incentive grant to each county that has, on or before October 1, 2020 and on or before October 1 of each year thereafter:

-- made and filed an application with the State Treasurer;

-- submitted a statement to the State Treasurer detailing how financial assistance from the fund will be used to support tourism advertising and promotion; and

-- entered into an agreement with the State Treasurer requiring the county to use financial assistance from the fund to support tourism advertising and promotion, to not use financial assistance from the fund to reduce or eliminate the total amount of other funds currently used by the county to support tourism advertising and promotion, and to repay, with interest, the total amount of financial assistance issued

to the county if the assistance is not used to support tourism advertising and promotion or the assistance is used to reduce or eliminate the total amount of other funds currently used by the county to support tourism advertising and promotion.

The bill provides that the amount of each incentive grant issued to a county will equal the county's share of the excess State hotel and motel occupancy fee revenues deposited to the fund. The bill specifies that the county's share of the excess revenues will be determined by the State Treasurer by dividing the revenues derived from hotel and motel occupancies occurring within the county by the sum of the revenues derived from hotel and motel occupancies occurring within the several counties that have been approved for the issuance of a grant and multiplying that amount by the excess State hotel and motel occupancy fee revenues deposited to the fund during the State fiscal year in which the tourism incentive grant is issued.

The bill provides for tourism incentive grants to be funded from excess State hotel and motel occupancy fee revenues. The bill requires that, commencing with State fiscal year 2021, 100 percent of the revenues collected in excess of the amounts anticipated to be collected for the prior fiscal year from the State hotel and motel occupancy fee will be appropriated and distributed through the annual appropriations act to the Department of the Treasury for deposit to the "County Tourism Incentive Grant Fund."

The bill authorizes the State Treasurer, in consultation with the New Jersey Division of Travel and Tourism in the Department of State, to adopt rules and regulations necessary to effectuate the purposes of the bill, and permits the immediate filing of those rules and regulations with the Office of Administrative Law, effective for a period not to exceed 360 days following the bill's effective date.

The bill takes effect immediately upon enactment.

This bill was pre-filed for introduction in the 2020-2021 session pending technical review. As reported, the bill includes the changes required by technical review, which has been performed.

COMMITTEE AMENDMENTS

The committee amended the bill to:

(1) define "excess State hotel and motel occupancy fee revenues" as revenues from hotel and motel occupancy fees collected during the preceding State fiscal year that are in excess of the revenue certified upon enactment of the annual appropriations act for that preceding State fiscal year as anticipated to be collected from such fee;

(2) provide that the State Treasurer would adopt rules and regulations in consultation with the New Jersey Division of Travel and Tourism in the Department of State; and

(3) update fiscal year references in connection with the technical review of the pre-filed bill.