

SENATE, No. 2986

STATE OF NEW JERSEY
219th LEGISLATURE

INTRODUCED OCTOBER 8, 2020

Sponsored by:

Senator VIN GOPAL

District 11 (Monmouth)

Senator MICHAEL L. TESTA, JR.

District 1 (Atlantic, Cape May and Cumberland)

Co-Sponsored by:

Senators Addiego and Brown

SYNOPSIS

Allocates all revenue from hotel and motel occupancy fee for arts, historical heritage, and tourism purposes.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 3/4/2021)

S2986 GOPAL, TESTA

2

1 AN ACT allocating all revenue from hotel and motel occupancy fee
2 to arts, historical heritage, and tourism purposes, amending
3 P.L.2003, c.114.

4

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

7

8 1. Section 2 of P.L.2003, c.114 (C:54:32D-2) is amended to read
9 as follows:

10 2. a. The Director of the Division of Taxation shall collect and
11 administer the fee imposed pursuant to section 1 of P.L.2003, c.114
12 (C.54:32D-1). The fees collected shall be deposited to the General
13 Fund, and shall be allocated as follows:

14 (1) of the fees collected for occupancies during State Fiscal
15 Year 2004: \$16,000,000 shall be allocated for appropriation to the
16 New Jersey State Council on the Arts for cultural projects;
17 \$2,700,000 shall be allocated for appropriation to the New Jersey
18 Historical Commission for the purposes of subsection a. of section 3
19 of P.L.1999, c.131 (C.18A:73-22.3); \$9,000,000 shall be allocated
20 for appropriation to the Division of Travel and Tourism in the
21 Department of State for tourism advertising and promotion; and
22 \$500,000 shall be allocated for appropriation to the New Jersey
23 Cultural Trust; and

24 (2) of the fees collected for occupancies during State Fiscal
25 Year 2005 and thereafter: **[22.68]** 56.7 percent shall be annually
26 allocated for appropriation to the New Jersey State Council on the
27 Arts for cultural projects, provided that of the fees collected for
28 occupancies during State Fiscal Year 2021 and thereafter the
29 amount allocated shall not be less than \$31,900,000; **[3.84]** 9.6
30 percent shall be allocated for appropriation to the New Jersey
31 Historical Commission for the purposes of subsection a. of section 3
32 of P.L.1999, c.131 (C.18A:73-22.3), provided that of the fees
33 collected for occupancies during State Fiscal Year 2021 and
34 thereafter the amount allocated shall not be less than \$5,500,000;
35 **[12.76]** 31.9 percent shall be allocated for appropriation to the
36 Division of Travel and Tourism in the Department of State for
37 tourism advertising and promotion, provided that of the fees
38 collected for occupancies during State Fiscal Year 2021 and
39 thereafter the amount allocated shall not be less than \$17,600,000;
40 and **[.72]** 1.8 percent shall be allocated for appropriation to the
41 New Jersey Cultural Trust, provided that the amount allocated shall
42 not be less than \$720,000.

43 b. (1) In carrying out the provisions of section 1 of P.L.2003,
44 c.114 (C.54:32D-1) and this section, the director shall have all of
45 the powers and authority granted in P.L.1966, c.30 (C.54:32B-1 et

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 seq.). The tax shall be filed and paid in a manner prescribed by the
2 Director of the Division of Taxation. The director shall promulgate
3 such rules and regulations as the director determines are necessary
4 to effectuate the provisions of section 1 of P.L.2003, c.114
5 (C.54:32D-1) and this section.

6 (2) Each person required to collect the hotel and motel
7 occupancy fee shall be personally liable for the fee imposed,
8 collected, or required to be paid, collected, or remitted under
9 section 1 of P.L.2003, c.114 (C.54:32D-1). Any such person shall
10 have the same right in respect to collecting the fee from that
11 person's customer or in respect to non-payment of the fee by the
12 customer as if the fee were a part of the purchase price of the
13 occupancy or rent, as the case may be, and payable at the same
14 time; provided however, that the director shall be joined as a party
15 in any action or proceeding brought to collect the fee.

16 For purposes of this paragraph, "person" includes: an individual,
17 partnership, corporation, or an officer, director, stockholder, or
18 employee of a corporation, or a member or employee of a
19 partnership, who as such officer, director, stockholder, employee, or
20 member is under the duty to perform the act in respect of which the
21 violation occurs.

22 (3) Notwithstanding any other provision of law or
23 administrative action to the contrary, transient space marketplaces
24 shall be required to collect and pay on behalf of persons engaged in
25 the business of providing transient accommodations located in this
26 State the tax for transactions obtained through the transient space
27 marketplace. For not less than four years following the end of the
28 calendar year in which the transaction occurred, the transient space
29 marketplace shall maintain the following data for those transactions
30 consummated through the transient space marketplace:

31 (1) The name of the person who provided the transient
32 accommodation;

33 (2) The name of the customer who procured occupancy of the
34 transient accommodation;

35 (3) The address, including any unit designation, of the transient
36 accommodation;

37 (4) The dates and nightly rates for which the consumer procured
38 occupancy of the transient accommodation;

39 (5) The municipal transient accommodation registration number,
40 if applicable;

41 (6) A statement as to whether such booking services will be
42 provided in connection with (i) short-term rental of the entirety of
43 such unit, (ii) short-term rental of part of such unit, but not the
44 entirety of such unit, and/or (iii) short-term rental of the entirety of
45 such unit, or part thereof, in which a non-short-term occupant will
46 continue to occupy such unit for the duration of such short-term
47 rental;

1 (7) The individualized name or number of each such
2 advertisement or listing connected to such unit and the uniform
3 resource locator (URL) for each such listing or advertisement,
4 where applicable; and

5 (8) Such other information as the Division of Taxation may by
6 rule require.

7 The Division of Taxation may audit transient space marketplaces as
8 necessary to ensure data accuracy and enforce tax compliance.

9 c. The annual appropriations act for each State Fiscal Year,
10 commencing with fiscal year 2005, shall appropriate and distribute
11 during that fiscal year amounts not less than the amounts otherwise
12 specified for State Fiscal Year 2005 in paragraph (2) of subsection
13 a. of this section for the purposes specified in paragraph (2) of
14 subsection a. of this section.

15 d. If the provisions of subsection c. of this section are not met
16 on the effective date of an annual appropriations act for the State
17 fiscal year, or if an amendment or supplement to an annual
18 appropriations act for the State fiscal year should violate the
19 provisions of subsection c. of this section, the Director of the
20 Division of Budget and Accounting in the Department of the
21 Treasury shall, not later than five days after the enactment of the
22 annual appropriations act, or an amendment or supplement thereto,
23 that violates the provisions of subsection c. of this section, certify to
24 the Director of the Division of Taxation that the requirements of
25 subsection c. of this section have not been met.

26 e. The Director of the Division of Taxation shall, no later than
27 five days after certification by the Director of the Division of
28 Budget and Accounting in the Department of the Treasury pursuant
29 to subsection d. of this section that the provisions of subsection c.
30 of this section have not been met or have been violated by an
31 amendment or supplement to the annual appropriations act, notify
32 each person required to collect tax of the certification and that the
33 fee imposed pursuant to section 1 of P.L.2003, c.114 (C.54:32D-1)
34 shall no longer be paid or collected.

35 (cf: P.L.2019, c.333)

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37 2. This act shall take effect immediately.

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STATEMENT

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42 This bill increases the allocation of revenues from the hotel and
43 motel occupancy fee towards arts, historical heritage, and tourism
44 purposes from 40 percent to 100 percent.

45 Under current law, the allocation of 40 percent of hotel and
46 motel occupancy fee revenue is as follows:

- 1 1) 22.68 percent to the New Jersey State Council on the Arts for
2 cultural projects as long as the actual dollar amount allocated is at
3 least \$31.9 million;
 - 4 2) 3.84 percent to the New Jersey Historical commission for
5 historical heritage purposes, as long as at least \$5.5 million is
6 allocated;
 - 7 3) 12.76 percent to the Division of Travel and Tourism in the
8 Department of State for tourism as long as at least \$17.6 million is
9 allocated; and
 - 10 4) 0.72 percent to the New Jersey Cultural Trust as long as the
11 amount is not less than \$720,000.
- 12 Under this bill, 100 percent of the hotel and motel occupancy fee
13 revenues would be allocated as follows:
- 14 1) 56.7 percent would go to the New Jersey State Council on the
15 Arts for cultural projects as long as the actual dollar amount
16 allocated is at least \$31.9 million;
 - 17 2) 9.6 percent would go to the New Jersey Historical
18 commission for historical heritage purposes, as long as at least \$5.5
19 million is allocated;
 - 20 3) 31.9 percent would go to the Division of Travel and Tourism
21 in the Department of State for tourism as long as at least \$17.6
22 million is allocated; and
 - 23 4) 1.8 percent would go to the New Jersey Cultural Trust as long
24 as the amount is not less than \$720,000.