

# SENATE, No. 1828

## STATE OF NEW JERSEY 214th LEGISLATURE

INTRODUCED MARCH 22, 2010

**Sponsored by:**

**Senator JOSEPH F. VITALE**

**District 19 (Middlesex)**

**Senator LORETTA WEINBERG**

**District 37 (Bergen)**

**Assemblyman CRAIG J. COUGHLIN**

**District 19 (Middlesex)**

**Assemblyman JOHN S. WISNIEWSKI**

**District 19 (Middlesex)**

**SYNOPSIS**

Requires Division of Taxation to regularly provide certain information to municipalities concerning hotel occupancy taxes.

**CURRENT VERSION OF TEXT**

As introduced.



**(Sponsorship Updated As Of: 6/29/2010)**

1 AN ACT concerning the municipal hotel occupancy tax and  
2 amending and supplementing P.L.2003, c.114.

3

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

6

7 1. Section 3 of P.L.2003, c.114 (C.40:48F-1) is amended to  
8 read as follows:

9 3. The governing body of a municipality, other than a city of  
10 the first class or a city of the second class in which the tax  
11 authorized under P.L.1981, c.77 (C.40:48E-1 et seq.) is imposed, a  
12 city of the fourth class in which the tax authorized under P.L.1947,  
13 c.71 (C.40:48-8.15 et seq.) is imposed, or a municipality in which  
14 the tax and assessment authorized under section 4 of P.L.1992,  
15 c.165 (C.40:54D-4) is imposed, may adopt an ordinance imposing a  
16 tax, at a uniform percentage rate not to exceed 1% on charges of  
17 rent for every occupancy on or after July 1, 2003 but before July 1,  
18 2004, and not to exceed 3% on charges of rent for every occupancy  
19 on or after July 1, 2004, of a room or rooms in a hotel subject to  
20 taxation pursuant to subsection (d) of section 3 of P.L.1966, c.30  
21 (C.54:32B-3). An ordinance so adopted may also require that  
22 unpaid taxes under this section shall be subject to interest at the rate  
23 of 5% per annum.

24 A tax imposed under this section shall be in addition to any other  
25 tax or fee imposed pursuant to statute or local ordinance or  
26 resolution by any governmental entity upon the occupancy of a  
27 hotel room.

28 A copy of an ordinance adopted pursuant to this section shall be  
29 transmitted upon adoption or amendment to the State Treasurer,  
30 together with a list of the names and addresses of all of the hotels  
31 and motels located in the municipality. An ordinance so adopted or  
32 any amendment thereto shall provide that the tax provisions of the  
33 ordinance or any amendment to the tax provisions shall take effect  
34 on the first day of the first full month occurring 30 days after the  
35 date of transmittal to the State Treasurer for ordinances adopted in  
36 calendar year 2003 and on the first day of the first full month  
37 occurring 90 days after the date of transmittal to the State Treasurer  
38 for ordinances adopted in calendar year 2004 and thereafter.

39 A municipality that has adopted an ordinance pursuant to this  
40 section shall annually provide to the State Treasurer, not later than  
41 January 1 of each year, a list of the names and addresses of all of  
42 the hotels and motels located in the municipality. A municipality  
43 shall also provide to the State Treasurer the name and address of

**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 any hotel or motel that commences operation after January 1 of any  
2 year.

3 (cf: P.L.2003, c.114, s.3)

4

5 2. Section 7 of P.L.2003, c.114 (C.40:48F-5) is amended to  
6 read as follows:

7 7. a. The Director of the Division of Taxation shall collect and  
8 administer any tax imposed pursuant to the provisions of section 3  
9 of P.L.2003, c.114 (C.40:48F-1). In carrying out the provisions of  
10 this section, the director shall have all the powers granted in  
11 P.L.1966, c.30 (C.54:32B-1 et seq.).

12 b. The director shall determine and certify to the State  
13 Treasurer on a quarterly or more frequent basis, as prescribed by the  
14 State Treasurer, the amount of revenues collected in each  
15 municipality pursuant to section 3 of P.L.2003, c.114 (C.40:48F-1).

16 c. The State Treasurer, upon the certification of the director  
17 and upon the warrant of the State Comptroller, shall pay and  
18 distribute on a quarterly or more frequent basis, as prescribed by the  
19 State Treasurer, to each municipality the amount of revenues  
20 determined and certified under subsection b. of this section. The  
21 State Treasurer shall include with each distribution of tax revenue a  
22 list of all of the hotels and motels in the municipality that submitted  
23 municipal occupancy tax revenue to the State as required in  
24 subsection a. of section 4 of P.L.2003, c.114 (C.40:48F-4) for the  
25 period comprising the hotel tax distribution.

26 d. A tax imposed pursuant to the provisions of section 3 of  
27 P.L.2003, c.114 (C.40:48F-1) shall be governed by the provisions  
28 of the "State Uniform Tax Procedure Law," R.S.54:48-1 et seq.  
29 (cf: P.L.2003, c.114, s.7)

30

31 3. (New section) a. The State Treasurer shall annually provide  
32 to a municipality that has adopted an ordinance imposing the tax  
33 pursuant to section 3 of P.L.2003, c.114 (C.40:48F-3) written  
34 notification of nonpayment by a hotel or motel of taxes required to  
35 be paid under the ordinance. The written notification required by  
36 this section shall also authorize the municipality to act as the  
37 collection agent for the outstanding balance of taxes due and owing  
38 to it in place of the State Treasurer.

39 b. In the event that the tax authorized and imposed under  
40 section 3 of P.L.2003, c.114 (C.40:48F-1) is not paid as and when  
41 due by a hotel or motel, the unpaid balance, and any interest  
42 accruing thereon, shall be a lien on the parcel of real property  
43 comprising the hotel or motel in the same manner as all other  
44 unpaid municipal taxes, fees, or other charges. The lien shall be  
45 superior and paramount to the interest in such parcel of any owner,  
46 lessee, tenant, mortgagee, or other person, except the lien of  
47 municipal taxes and shall be on a parity with and deemed equal to

1 the municipal lien on the parcel for unpaid property taxes due and  
2 owing in the same year.

3 A municipality shall file in the office of its tax collector a  
4 statement showing the amount and due date of the unpaid balance  
5 and identifying the lot and block number of the parcel of real  
6 property that comprises the delinquent hotel or motel. The lien  
7 shall be enforced as a municipal lien in the same manner as all other  
8 municipal liens are enforced.

9  
10 4. The State Treasurer shall promulgate such rules and  
11 regulations necessary to effectuate the provisions of  
12 P.L. , c. (C. ) (pending before the Legislature as this  
13 bill) not later than the first day of the fourth full month next  
14 following enactment thereof.

15  
16 5. This act shall take effect immediately.

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#### STATEMENT

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21 This bill would make revisions to the hotel and motel occupancy  
22 tax permitted to be imposed by municipalities under P.L.2003,  
23 c.114.

24 Under that law, the State acts as the collection agent of the  
25 occupancy tax on behalf of municipalities, and returns the  
26 occupancy tax revenue back to municipalities on a periodic basis.  
27 The bill would amend section 7 of P.L.2003, c.114 (C.40:48F-5) to  
28 require the State Treasurer to include with the periodic distribution  
29 of tax revenue to each municipality having adopted an ordinance  
30 imposing the occupancy tax, a list of all of the hotels and motels in  
31 the municipality that submitted municipal occupancy tax revenue to  
32 the State for the period comprising the hotel tax distribution.  
33 Receipt of this information from the Treasurer would allow  
34 municipalities to easily ascertain which, if any, hotels and motels  
35 become delinquent in their occupancy tax obligation, and to also  
36 track whether those delinquencies are ever remedied.

37 The bill would also require every municipality that has adopted  
38 an ordinance imposing the occupancy tax to annually provide to the  
39 State Treasurer not later than January 1 of each year a list of the  
40 names and addresses of all of the hotels and motels located in the  
41 municipality, and also the name and address of any hotel or motel  
42 that commences operation after January 1 of any year. This  
43 notification to the State Treasurer will help to ensure that a  
44 municipality imposing the tax obtains from the State all of the tax  
45 revenue to which it is entitled. There have been instances where  
46 municipalities have not received occupancy tax due and owing to  
47 them due to confusion about the identity of the municipality in  
48 which hotel or motel property is located.

**S1828 VITALE, WEINBERG**

1       Finally, the bill makes unpaid occupancy taxes a municipal lien  
2 on the real property comprising the delinquent hotel or motel, and  
3 requires the State Treasurer to provide to a municipality that has  
4 adopted an ordinance imposing the occupancy tax written  
5 notification of nonpayment by a hotel or motel of taxes required to  
6 be paid under the ordinance. The written notification must also  
7 authorize the municipality to act as the collection agent for the  
8 outstanding balance of taxes due and owing to it in place of the  
9 State Treasurer.

10       It is the intent of the sponsor that the provisions of this bill will  
11 provide each municipality imposing an occupancy tax with the tools  
12 and information necessary to ensure that the total amount of  
13 occupancy taxes owed to the municipality are paid to the  
14 municipality.