

SENATE, No. 247

STATE OF NEW JERSEY 218th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2018 SESSION

Sponsored by:

Senator JEFF VAN DREW

District 1 (Atlantic, Cape May and Cumberland)

Senator TROY SINGLETON

District 7 (Burlington)

Co-Sponsored by:

Senators T.Kean, Diegnan, Gordon and Brown

SYNOPSIS

Increases minimum annual amounts for appropriation for certain arts, historical heritage, and tourism purposes from hotel and motel occupancy fee revenues.

CURRENT VERSION OF TEXT

Introduced Pending Technical Review by Legislative Counsel.



(Sponsorship Updated As Of: 2/2/2018)

1 AN ACT increasing the minimum amounts to be annually
2 appropriated for certain arts, historical heritage, and tourism
3 purposes from hotel and motel occupancy fee revenues and
4 amending P.L.2003, c.114.

5

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

8

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

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

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

25 (2) of the fees collected for occupancies during State Fiscal Year
26 2005 and thereafter: 22.68 percent shall be annually allocated for
27 appropriation to the New Jersey State Council on the Arts for cultural
28 projects, provided that of the fees collected for occupancies during
29 State Fiscal Year 2017 and thereafter the amount allocated shall not be
30 less than **【\$22,680,000】** \$31,900,000; 3.84 percent shall be allocated
31 for appropriation to the New Jersey Historical Commission for the
32 purposes of subsection a. of section 3 of P.L.1999, c.131 (C.18A:73-
33 22.3), provided that of the fees collected for occupancies during State
34 Fiscal Year 2017 and thereafter the amount allocated shall not be less
35 than **【\$3,840,000】** \$5,500,000; 12.76 percent shall be allocated for
36 appropriation to the **【New Jersey Commerce and Economic Growth**
37 **Commission】** Division of Travel and Tourism in the Department of
38 State for tourism advertising and promotion, provided that of the fees
39 collected for occupancies during State Fiscal Year 2017 and thereafter
40 the amount allocated shall not be less than **【\$12,760,000】**
41 \$17,600,000; and .72 percent shall be allocated for appropriation to the
42 New Jersey Cultural Trust, provided that the amount allocated shall
43 not be less than \$720,000.

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 b. (1) In carrying out the provisions of section 1 of P.L.2003,
2 c.114 (C.54:32D-1) and this section, the director shall have all of the
3 powers and authority granted in P.L.1966, c.30 (C.54:32B-1 et seq.).
4 The tax shall be filed and paid in a manner prescribed by the Director
5 of the Division of Taxation. The director shall promulgate such rules
6 and regulations as the director determines are necessary to effectuate
7 the provisions of section 1 of P.L.2003, c.114 (C.54:32D-1) and this
8 section.

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

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

24 c. The annual appropriations act for each State Fiscal Year,
25 commencing with fiscal year 2005, shall appropriate and distribute
26 during that fiscal year amounts not less than the amounts otherwise
27 specified for State Fiscal Year 2004 in paragraph (1) of subsection a.
28 of this section for the purposes specified in paragraph (1) of subsection
29 a. of this section.

30 d. If the provisions of subsection c. of this section are not met on
31 the effective date of an annual appropriations act for the State fiscal
32 year, or if an amendment or supplement to an annual appropriations
33 act for the State fiscal year should violate the provisions of subsection
34 c. of this section, the Director of the Division of Budget and
35 Accounting in the Department of the Treasury shall, not later than five
36 days after the enactment of the annual appropriations act, or an
37 amendment or supplement thereto, that violates the provisions of
38 subsection c. of this section, certify to the Director of the Division of
39 Taxation that the requirements of subsection c. of this section have not
40 been met.

41 e. The Director of the Division of Taxation shall, no later than
42 five days after certification by the Director of the Division of Budget
43 and Accounting in the Department of the Treasury pursuant to
44 subsection d. of this section that the provisions of subsection c. of this
45 section have not been met or have been violated by an amendment or
46 supplement to the annual appropriations act, notify each person
47 required to collect tax of the certification and that the fee imposed

1 pursuant to section 1 of P.L.2003, c.114 (C.54:32D-1) shall no longer
2 be paid or collected.
3 (cf: P.L.2007, c.102, s.4)
4

5 2. This act shall take effect immediately.
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8 STATEMENT
9

10 This bill increases the minimum dollar amounts that the Director
11 of the Division of Taxation must allocate for cultural projects,
12 historical heritage programs, and tourism advertisement and
13 promotion. Current law requires the director to allocate 22.68
14 percent of the total hotel and motel occupancy fees collected to the
15 New Jersey State Council on the Arts for cultural projects, provided
16 that the actual dollar amount allocated is at least \$22.68 million.
17 This bill increases the minimum dollar amount that the director
18 must allocate for cultural projects to \$31.9 million. Current law
19 requires the director to allocate 3.84 percent of hotel and motel
20 occupancy fees collected to the New Jersey Historical Commission
21 for historical heritage purposes, provided that at least \$3.84 million
22 is allocated. This bill increases the minimum dollar amount that the
23 director must allocate for historical heritage purposes to \$5.5
24 million. Current law requires the director to allocate 12.76 percent
25 of hotel and motel occupancy fees collected to the Division of
26 Travel and Tourism in the Department of State for tourism
27 advertisement and promotion, provided at least \$12.76 million is
28 allocated. This bill increases the minimum dollar amount that the
29 director must allocate for tourism advertisement and promotion to
30 \$17.6 million. The bill applies to revenues collected for
31 occupancies during State Fiscal Year 2017 and thereafter.

32 The purpose of this bill is to encourage increased State funding
33 for the arts, historical heritage, and tourism without binding the
34 Legislature to increased funding levels. The bill does not change
35 the “poison pill” provision under current law, which mandates a
36 minimal level of funding for certain projects, including the arts,
37 historical heritage, and tourism advertisement and promotion.
38 Under the “poison pill” provision, failure to fund these projects at
39 Fiscal Year 2004 appropriation levels results in the termination of
40 the hotel and motel occupancy fee.