



NJ Hotel/Motel Occupancy Fee How it Works...

- Hotel and Motel Occupancy Fee of 7% for occupancies on and after August 1, 2003 and 5% for occupancies on and after July 1, 2004. (3% of 5%--60% of total fees) to State of NJ; 2% of 5% (40% of total fees) to arts, history and tourism.
- Of fees collected in FY04:
 - \$16 million – NJ State Council on the Arts
 - \$2.7 million – NJ Historical Commission
 - \$9 million – NJ Commerce & Economic Growth Commission
 - \$500,000 – NJ Cultural Trust
- Of fees collected in FY05 and thereafter (when revenue collections exceed \$100 million), 40% of the total goes to arts, history and tourism as follows:
 - 22.68% -- NJ State Council on the Arts (amount shall not be less than \$22,680,000)
 - 3.84% -- NJ Historical Commission (amount shall not be less than \$3,840,000)
 - 12.76% -- NJ Commerce and Economic Growth Commission (amount shall not be less than \$12,760,000)
 - .72% -- NJ Cultural Trust (amount shall not be less than \$720,000)
- **“The annual appropriations act for each State Fiscal Year, commencing with FY05, shall appropriate and distribute during that fiscal year amounts not less than the amount otherwise specified for State Fiscal Year 2004.”**
- A “poison pill” provision, put forward by Senator Leonard Lance, provides that if the appropriations to art, history and tourism are not met, or if an amendment or supplement to an annual appropriations act should violate the provisions which call for distribution to arts, history and tourism, then the Director of the Division of Taxation shall curtail collection of the Hotel/Motel Occupancy Fee.
- Appropriations for the cultural agencies that benefit from the Hotel/Motel Occupancy Fee have not increased over the past 10 years. Revenue projections for FY20 are \$108m (Governor’s FY20 Budget), \$121m (P.L. 2019, approved 6/30/19).
- A3101/S247 proposes to amend original legislation to “amounts not less than the amount otherwise specified for **State Fiscal Year 2005.**” S247 passed unanimously in Feb. 2018, and has yet to be heard in Assembly committee.