



NJ Hotel/Motel Occupancy Fee Primer

Hotel and Motel Occupancy Fee of 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.

“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, provided that if 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.

A3101, signed into law in January 2020 (P.L. 2019, c.333), amends original legislation to appropriate “amounts not less than the amount otherwise specified for State Fiscal Year 2005.”

Governor Murphy proposed the first increased appropriations for arts, history, and tourism in over 10 years in the FY21 budget passed in September 2020. While amounts fall short of the original legislation, this is a step in the right direction. It should be noted, however, that \$4.1m was moved from the NJ Cultural Trust to the NJ General Fund to achieve this historic increase.

	New FY21 Minimum levels as per A3101	Appropriated by Governor Murphy/FY21 NJ State Budget (Sept. 2020)	New Appropriation Levels Recommended by A3101
NJ State Council on the Arts	\$22.68 m	\$19.858 m (increase of \$3.858 m)	\$31.9 m
NJ Historical Commission	\$3.84 m	\$3.351 m (increase of \$.651 m)	\$5.5 m
NJ Division of Travel & Tourism	\$12.76 m	\$11.17 m (increase of \$2.17)	\$17.6 m
NJ Cultural Trust	\$720 k	\$.621 (increase of \$.121)	\$720 k
TOTAL	\$40.0 m	\$35.0 m	\$55.720 m