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LEGISLATIVE FISCAL ESTIMATE: Yes

S4475 (1R)

INTRODUCED BILL: (Includes sponsor(s) statement)	Yes	
REPRINT(S):	Yes	SBA 6/26/25 1R
TECHNICAL REVIEW OF BILL:	No	
COMMITTEE STATEMENT:		
ASSEMBLY:	No	
SENATE:	Yes	

(Audio archived recordings of the committee meetings, corresponding to the date of the committee statement, *may possibly* be found at www.njleg.state.nj.us)

FLOOR AMENDMENT STATEMENT:	No
LEGISLATIVE FISCAL ESTIMATE:	Yes
VETO MESSAGE:	No
GOVERNOR'S PRESS RELEASE ON SIGNING:	No
LEGISLATOR STATEMENT:	No

FOLLOWING WERE PRINTED:

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REPORTS:	No
HEARINGS:	No
NEWSPAPER ARTICLES:	No

CL/MMcB

§§1,2
C.40:48E-7
and 40:48E-8
and Note to
C.54:32B-3
and
N.J.S.40A:4-87
§3
Note to §§1,2

P.L. 2025, CHAPTER 158, *approved November 13, 2025*
Assembly, No. 5688 (*First Reprint*)

1 **AN ACT** imposing a surcharge on hotel occupancies in certain
2 municipalities to fund fire services ¹**[and]** ¹ supplementing Title
3 40 of the Revised Statutes ¹, and providing for an appropriation¹.
4
5 **BE IT ENACTED** by the Senate and General Assembly of the State
6 of New Jersey:
7
8 1. a. A surcharge at the rate of \$3 per day shall be imposed for
9 every occupancy of a room or rooms in a hotel that is subject to
10 taxation pursuant to subsection (d) of section 3 of P.L.1996, c.30
11 (C.54:32B-3) and is located in a city of the first class in which there
12 is located an international airport. The surcharge imposed under
13 this section shall be in addition to any other tax or fee imposed
14 pursuant to statute or local ordinance or resolution by any
15 governmental entity upon the occupancy of a hotel room in the
16 municipality.
17 b. The surcharge imposed pursuant to subsection a. of this
18 section shall be collected and administered by the Director of the
19 Division of Taxation in the Department of the Treasury. In carrying
20 out the provisions of this subsection, the director shall have all the
21 powers granted under the “Sales and Use Tax Act,” P.L.1966, c.30
22 (C.54:32B-1 et seq.). The director shall determine and certify to the
23 State Treasurer on a monthly basis the amount of revenues collected
24 by the director pursuant to subsection a. of this section. The State
25 Treasurer, upon the certification of the director and upon the
26 warrant of the Director of the Division of Budget and Accounting in
27 the Department of the Treasury, shall pay and distribute the amount
28 so determined and certified on a monthly basis to the municipality
29 in which the hotel is located.
30 c. All surcharge revenues received by a municipality pursuant to
31 subsection b. of this section shall be deposited into a dedicated fire
32 services trust fund. Amounts deposited in the trust fund shall be
33 used by the municipality solely and exclusively to fund

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.
Matter enclosed in superscript numerals has been adopted as follows:
¹Assembly ABU committee amendments adopted June 26, 2025.

1 appropriations for firefighting services. The amount deposited into
2 the dedicated fire services trust fund shall be anticipated in the
3 budget of the municipality as a special item of revenue and as an
4 appropriation item of an amount equal to any such special item of
5 revenue pursuant to N.J.S.40A:4-87. The amount deposited into the
6 fire services trust fund shall be inserted into the annual budget as a
7 special item of revenue or appropriation only when the total amount
8 appropriated for firefighting services in the adopted budget of the
9 municipality for the current fiscal year is greater than the amount
10 appropriated for firefighting services in the previous fiscal year,
11 exclusive of any amount appropriated from the fire services trust
12 fund appropriated in the budget. The amount appropriated and
13 expended for the hiring and retention of employees of the fire
14 service shall not exceed 37 percent of all surcharge revenues
15 received by the municipality and deposited into the dedicated fire
16 services trust fund in the period beginning January 1, 2026 and
17 ending December 31, 2028. Beginning January 1, 2029, the
18 Director of the Division of Local Government Services in the
19 Department of Community Affairs may set the maximum
20 percentage of surcharge revenue received by the municipality that
21 may be utilized for the hiring and retention of employees of the fire
22 service.

23 d. As used in this section:

24 “Fire service” means a municipal agency or department, or a fire
25 district, utilizing volunteer, career, or part-paid firefighters for
26 rescue, fire suppression, and related activities.

27 “Firefighting services” means the hiring, retention, and training
28 of employees of the fire service, the acquisition of equipment for
29 the fire service, and the undertaking of capital improvements
30 benefitting the fire service of the municipality authorized to receive
31 surcharges pursuant to subsection a. of this section.

32 “Occupied room” means a room or rooms of any kind in any part
33 of a hotel, other than a place of assembly, that is used or possessed
34 by a guest or guests overnight or for a portion of a day, whether or
35 not for consideration.

36
37 ¹2. Subject to the approval of the Director of the Division of
38 Budget and Accounting in the Department of the Treasury, the
39 amounts collected and administered, pursuant to subsection b. of
40 section 1 of P.L. , c. (C.) (pending before the Legislature
41 as this bill), by the Director of the Division of Taxation in the
42 Department of the Treasury from the \$3 per day surcharge imposed
43 pursuant to subsection a. of section 1 of P.L. , c. (C.)
44 (pending before the Legislature as this bill), are hereby appropriated
45 to the relevant municipality for deposit in the municipality’s
46 dedicated fire services trust fund, as provided for pursuant to
47 subsection c. of section 1 of P.L. , c. (C.) (pending before
48 the Legislature as this bill).¹

1 ¹**【2.】** 3.¹ This act shall take effect on the first day of the second
2 month next following enactment.

3

4

5

6

7 Imposes surcharge on hotel occupancies in certain municipalities
8 to fund fire services; provides for appropriation.

CHAPTER 158

AN ACT imposing a surcharge on hotel occupancies in certain municipalities to fund fire services, supplementing Title 40 of the Revised Statutes, and providing for an appropriation.

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

C.40:48E-7 Surcharge on hotel occupancies, certain municipalities, funding fire services.

1. a. A surcharge at the rate of \$3 per day shall be imposed for every occupancy of a room or rooms in a hotel that is subject to taxation pursuant to subsection (d) of section 3 of P.L.1996, c.30 (C.54:32B-3) and is located in a city of the first class in which there is located an international airport. The surcharge imposed under this section shall be in addition to any other tax or fee imposed pursuant to statute or local ordinance or resolution by any governmental entity upon the occupancy of a hotel room in the municipality.

b. The surcharge imposed pursuant to subsection a. of this section shall be collected and administered by the Director of the Division of Taxation in the Department of the Treasury. In carrying out the provisions of this subsection, the director shall have all the powers granted under the “Sales and Use Tax Act,” P.L.1966, c.30 (C.54:32B-1 et seq.). The director shall determine and certify to the State Treasurer on a monthly basis the amount of revenues collected by the director pursuant to subsection a. of this section. The State Treasurer, upon the certification of the director and upon the warrant of the Director of the Division of Budget and Accounting in the Department of the Treasury, shall pay and distribute the amount so determined and certified on a monthly basis to the municipality in which the hotel is located.

c. All surcharge revenues received by a municipality pursuant to subsection b. of this section shall be deposited into a dedicated fire services trust fund. Amounts deposited in the trust fund shall be used by the municipality solely and exclusively to fund appropriations for firefighting services. The amount deposited into the dedicated fire services trust fund shall be anticipated in the budget of the municipality as a special item of revenue and as an appropriation item of an amount equal to any such special item of revenue pursuant to N.J.S.40A:4-87. The amount deposited into the fire services trust fund shall be inserted into the annual budget as a special item of revenue or appropriation only when the total amount appropriated for firefighting services in the adopted budget of the municipality for the current fiscal year is greater than the amount appropriated for firefighting services in the previous fiscal year, exclusive of any amount appropriated from the fire services trust fund appropriated in the budget. The amount appropriated and expended for the hiring and retention of employees of the fire service shall not exceed 37 percent of all surcharge revenues received by the municipality and deposited into the dedicated fire services trust fund in the period beginning January 1, 2026 and ending December 31, 2028. Beginning January 1, 2029, the Director of the Division of Local Government Services in the Department of Community Affairs may set the maximum percentage of surcharge revenue received by the municipality that may be utilized for the hiring and retention of employees of the fire service.

d. As used in this section:

“Fire service” means a municipal agency or department, or a fire district, utilizing volunteer, career, or part-paid firefighters for rescue, fire suppression, and related activities.

“Firefighting services” means the hiring, retention, and training of employees of the fire service, the acquisition of equipment for the fire service, and the undertaking of capital improvements benefitting the fire service of the municipality authorized to receive surcharges pursuant to subsection a. of this section.

“Occupied room” means a room or rooms of any kind in any part of a hotel, other than a place of assembly, that is used or possessed by a guest or guests overnight or for a portion of a day, whether or not for consideration.

C.40:48E-8 Surcharge collected to be appropriated to relevant municipality, dedicated fire services trust fund.

2. Subject to the approval of the Director of the Division of Budget and Accounting in the Department of the Treasury, the amounts collected and administered, pursuant to subsection b. of section 1 of P.L.2025, c.158 (C.40:48E-7), by the Director of the Division of Taxation in the Department of the Treasury from the \$3 per day surcharge imposed pursuant to subsection a. of section 1 of P.L.2025, c.158 (C.40:48E-7), are hereby appropriated to the relevant municipality for deposit in the municipality’s dedicated fire services trust fund, as provided for pursuant to subsection c. of section 1 of P.L.2025, c.158 (C.40:48E-7).

3. This act shall take effect on the first day of the second month next following enactment.

Approved November 13, 2025.

ASSEMBLY, No. 5688

STATE OF NEW JERSEY
221st LEGISLATURE

INTRODUCED MAY 15, 2025

Sponsored by:
Assemblywoman ELIANA PINTOR MARIN
District 29 (Essex and Hudson)

SYNOPSIS

Imposes surcharge on hotel occupancies in certain municipalities to fund fire services.

CURRENT VERSION OF TEXT

As introduced.



1 **AN ACT** imposing a surcharge on hotel occupancies in certain
2 municipalities to fund fire services and supplementing Title 40 of
3 the Revised Statutes.

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

7
8 1. a. A surcharge at the rate of \$3 per day shall be imposed for
9 every occupancy of a room or rooms in a hotel that is subject to
10 taxation pursuant to subsection (d) of section 3 of P.L.1996, c.30
11 (C.54:32B-3) and is located in a city of the first class in which there
12 is located an international airport. The surcharge imposed under this
13 section shall be in addition to any other tax or fee imposed pursuant
14 to statute or local ordinance or resolution by any governmental entity
15 upon the occupancy of a hotel room in the municipality.

16 b. The surcharge imposed pursuant to subsection a. of this section
17 shall be collected and administered by the Director of the Division of
18 Taxation in the Department of the Treasury. In carrying out the
19 provisions of this subsection, the director shall have all the powers
20 granted under the “Sales and Use Tax Act,” P.L.1966, c.30
21 (C.54:32B-1 et seq.). The director shall determine and certify to the
22 State Treasurer on a monthly basis the amount of revenues collected
23 by the director pursuant to subsection a. of this section. The State
24 Treasurer, upon the certification of the director and upon the warrant
25 of the Director of the Division of Budget and Accounting in the
26 Department of the Treasury, shall pay and distribute the amount so
27 determined and certified on a monthly basis to the municipality in
28 which the hotel is located.

29 c. All surcharge revenues received by a municipality pursuant to
30 subsection b. of this section shall be deposited into a dedicated fire
31 services trust fund. Amounts deposited in the trust fund shall be used
32 by the municipality solely and exclusively to fund appropriations for
33 firefighting services. The amount deposited into the dedicated fire
34 services trust fund shall be anticipated in the budget of the
35 municipality as a special item of revenue and as an appropriation item
36 of an amount equal to any such special item of revenue pursuant to
37 N.J.S.40A:4-87. The amount deposited into the fire services trust
38 fund shall be inserted into the annual budget as a special item of
39 revenue or appropriation only when the total amount appropriated for
40 firefighting services in the adopted budget of the municipality for the
41 current fiscal year is greater than the amount appropriated for
42 firefighting services in the previous fiscal year, exclusive of any
43 amount appropriated from the fire services trust fund appropriated in
44 the budget. The amount appropriated and expended for the hiring
45 and retention of employees of the fire service shall not exceed 37
46 percent of all surcharge revenues received by the municipality and
47 deposited into the dedicated fire services trust fund in the period
48 beginning January 1, 2026 and ending December 31, 2028.

1 The surcharge revenues are intended to supplement, rather than
2 replace, appropriations for firefighting services that are supported by
3 general revenues, such as the municipal State aid and the property tax
4 levy. To that end, the bill allows a municipality to appropriate the
5 surcharge revenues in the municipal budget only if municipal
6 appropriations for firefighting services in the current fiscal year are
7 higher than municipal appropriations for firefighting services in the
8 prior fiscal year.

[First Reprint]

ASSEMBLY, No. 5688

STATE OF NEW JERSEY
221st LEGISLATURE

INTRODUCED MAY 15, 2025

Sponsored by:

Assemblywoman ELIANA PINTOR MARIN

District 29 (Essex and Hudson)

Senator M. TERESA RUIZ

District 29 (Essex and Hudson)

SYNOPSIS

Imposes surcharge on hotel occupancies in certain municipalities to fund fire services; provides for appropriation.

CURRENT VERSION OF TEXT

As reported by the Assembly Budget Committee on June 26, 2025, with amendments.



(Sponsorship Updated As Of: 6/30/2025)

1 AN ACT imposing a surcharge on hotel occupancies in certain
2 municipalities to fund fire services ¹**[and]** ¹ supplementing Title
3 40 of the Revised Statutes ¹, and providing for an appropriation¹.
4

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

8 1. a. A surcharge at the rate of \$3 per day shall be imposed for
9 every occupancy of a room or rooms in a hotel that is subject to
10 taxation pursuant to subsection (d) of section 3 of P.L.1996, c.30
11 (C.54:32B-3) and is located in a city of the first class in which there
12 is located an international airport. The surcharge imposed under
13 this section shall be in addition to any other tax or fee imposed
14 pursuant to statute or local ordinance or resolution by any
15 governmental entity upon the occupancy of a hotel room in the
16 municipality.

17 b. The surcharge imposed pursuant to subsection a. of this
18 section shall be collected and administered by the Director of the
19 Division of Taxation in the Department of the Treasury. In carrying
20 out the provisions of this subsection, the director shall have all the
21 powers granted under the “Sales and Use Tax Act,” P.L.1966, c.30
22 (C.54:32B-1 et seq.). The director shall determine and certify to the
23 State Treasurer on a monthly basis the amount of revenues collected
24 by the director pursuant to subsection a. of this section. The State
25 Treasurer, upon the certification of the director and upon the
26 warrant of the Director of the Division of Budget and Accounting in
27 the Department of the Treasury, shall pay and distribute the amount
28 so determined and certified on a monthly basis to the municipality
29 in which the hotel is located.

30 c. All surcharge revenues received by a municipality pursuant to
31 subsection b. of this section shall be deposited into a dedicated fire
32 services trust fund. Amounts deposited in the trust fund shall be
33 used by the municipality solely and exclusively to fund
34 appropriations for firefighting services. The amount deposited into
35 the dedicated fire services trust fund shall be anticipated in the
36 budget of the municipality as a special item of revenue and as an
37 appropriation item of an amount equal to any such special item of
38 revenue pursuant to N.J.S.40A:4-87. The amount deposited into the
39 fire services trust fund shall be inserted into the annual budget as a
40 special item of revenue or appropriation only when the total amount
41 appropriated for firefighting services in the adopted budget of the
42 municipality for the current fiscal year is greater than the amount
43 appropriated for firefighting services in the previous fiscal year,
44 exclusive of any amount appropriated from the fire services trust
45 fund appropriated in the budget. The amount appropriated and

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.

Matter enclosed in superscript numerals has been adopted as follows:

¹Assembly ABU committee amendments adopted June 26, 2025.

1 expended for the hiring and retention of employees of the fire
2 service shall not exceed 37 percent of all surcharge revenues
3 received by the municipality and deposited into the dedicated fire
4 services trust fund in the period beginning January 1, 2026 and
5 ending December 31, 2028. Beginning January 1, 2029, the
6 Director of the Division of Local Government Services in the
7 Department of Community Affairs may set the maximum
8 percentage of surcharge revenue received by the municipality that
9 may be utilized for the hiring and retention of employees of the fire
10 service.

11 d. As used in this section:

12 “Fire service” means a municipal agency or department, or a fire
13 district, utilizing volunteer, career, or part-paid firefighters for
14 rescue, fire suppression, and related activities.

15 “Firefighting services” means the hiring, retention, and training
16 of employees of the fire service, the acquisition of equipment for
17 the fire service, and the undertaking of capital improvements
18 benefitting the fire service of the municipality authorized to receive
19 surcharges pursuant to subsection a. of this section.

20 “Occupied room” means a room or rooms of any kind in any part
21 of a hotel, other than a place of assembly, that is used or possessed
22 by a guest or guests overnight or for a portion of a day, whether or
23 not for consideration.

24
25 ¹2. Subject to the approval of the Director of the Division of
26 Budget and Accounting in the Department of the Treasury, the
27 amounts collected and administered, pursuant to subsection b. of
28 section 1 of P.L. , c. (C.) (pending before the Legislature
29 as this bill), by the Director of the Division of Taxation in the
30 Department of the Treasury from the \$3 per day surcharge imposed
31 pursuant to subsection a. of section 1 of P.L. , c. (C.)
32 (pending before the Legislature as this bill), are hereby appropriated
33 to the relevant municipality for deposit in the municipality’s
34 dedicated fire services trust fund, as provided for pursuant to
35 subsection c. of section 1 of P.L. , c. (C.) (pending before
36 the Legislature as this bill).¹

37
38 ¹[2.] 3.¹ This act shall take effect on the first day of the second
39 month next following enactment.

ASSEMBLY BUDGET COMMITTEE

STATEMENT TO

ASSEMBLY, No. 5688

with committee amendments

STATE OF NEW JERSEY

DATED: JUNE 26, 2025

The Assembly Budget Committee reports favorably and with committee amendments, Assembly Bill No. 5688.

As amended, this bill imposes a daily, \$3 per room, surcharge on the occupancy of room or rooms in a hotel located in a municipality that is classified as a city of the first class and in which there is located an international airport.

The bill requires the Director of the Division of Taxation to collect the surcharge and deposit all surcharge revenues into a dedicated fire service trust fund to support firefighting services provided by the municipality. Surcharge revenues would be remitted to the municipality on a monthly basis. The bill allows fire service trust fund revenues to be expended to support the hiring, retention, and training of fire service employees, the acquisition of fire service equipment, and the undertaking of capital improvements benefitting the municipality's fire service.

The bill specifies that the amount of trust revenues appropriated and expended for the hiring and retention of fire service employees may not exceed 37 percent of all surcharge revenue received by the municipality and deposited into the dedicated fire service trust fund in 2026, 2027, and 2028. Beginning in 2029, the Director of the Division of Local Government Services in the Department of Community Affairs may set the maximum percentage of surcharge revenue received by the municipality that may be utilized for the hiring and retention of employees of the fire service.

The surcharge revenues are intended to supplement, rather than replace, appropriations for firefighting services that are supported by general revenues, such as the municipal State aid and the property tax levy. To that end, the bill allows a municipality to appropriate the surcharge revenues in the municipal budget only if municipal appropriations for firefighting services in the current fiscal year are higher than municipal appropriations for firefighting services in the prior fiscal year.

The bill provides that, subject to the approval of the Director of the Division of Budget and Accounting in the Department of the Treasury, the amounts collected and administered pursuant to the bill, by the Director of the Division of Taxation in the Department of the Treasury

from the \$3 per day surcharge imposed pursuant to the bill, are to be appropriated to the relevant municipality for deposit in the municipality's dedicated fire services trust fund.

COMMITTEE AMENDMENTS:

The committee amended the bill to:

(1) specify that, subject to the approval of the Director of the Division of Budget and Accounting in the Department of the Treasury, the amounts collected and administered pursuant to the bill, by the Director of the Division of Taxation in the Department of the Treasury from the \$3 per day surcharge imposed pursuant to the bill, are to be appropriated to the relevant municipality for deposit in the municipality's dedicated fire services trust fund; and

(2) revise the title and synopsis.

FISCAL IMPACT:

Fiscal information is not available at this time.

LEGISLATIVE FISCAL ESTIMATE

[First Reprint]

ASSEMBLY, No. 5688

STATE OF NEW JERSEY

221st LEGISLATURE

DATED: JULY 3, 2025

SUMMARY

Synopsis: Imposes surcharge on hotel occupancies in certain municipalities to fund fire services; provides for appropriation.

Type of Impact: Increase in municipal revenues

Agencies Affected: Department of the Treasury; City of Newark.

Office of Legislative Services Estimate

Fiscal Impact	CY 2025	CY 2026	CY 2027
Local Revenue	\$960,000 to \$1.1 million	\$2.9 million to \$3.4 million	\$2.9 million to \$3.4 million

- The Office of Legislative Services (OLS) estimates that the bill will result in an increase in municipal revenues for the City of Newark. The amount of revenues to be realized in each calendar year was calculated using information on the number of hotel rooms in the City of Newark and the projected hotel occupancy rates.
- The bill requires the City of Newark to use the hotel surcharge revenues to fund firefighting services. However, these are available only if municipal appropriations for firefighting services increase from year-to-year. The surcharge revenues are intended to supplement, rather than replace, appropriations for firefighting services that are supported by general municipal revenues.

BILL DESCRIPTION

The bill imposes a daily, \$3 per room surcharge on the occupancy of a room or rooms in a hotel located in a municipality that is classified as a city of the first class and in which there is located an international airport. The bill applies only to the City of Newark, which is the only municipality in the State in which there is located an international airport.

The bill requires the surcharge revenues to be deposited into a fire services trust fund and dedicated to support firefighting services provided by the municipality. The bill requires a municipality to appropriate the surcharge revenues only if municipal appropriations for firefighting services in the current fiscal year are higher than municipal appropriations for firefighting services in the prior fiscal year, exclusive of any amounts of revenue appropriated from the fire services trust fund. The bill defines firefighting services as the hiring, retention, and training of employees of the fire service, the acquisition of equipment for the fire service, and the undertaking of capital improvements benefitting the fire service of the municipality authorized to impose the surcharge.

The bill directs the State to collect the surcharge and remit the revenues therefrom to the municipality on a monthly basis. The surcharge imposed by the bill would be in addition to any other taxes or fees levied on hotel occupancies pursuant to State law. The bill takes effect on the first day of the second month next following enactment.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

The OLS estimates that the bill will result in a local revenue increase of \$960,000 to \$1.1 million in calendar year 2025 and a local revenue increase of \$2.9 million to \$3.4 million in calendar years 2026 and 2027. These projections are presented on a calendar year basis because Newark's fiscal year begins on January 1 and ends on December 31.

Information available through the Greater Newark Convention and Visitors Bureau indicates that there are approximately 4,400 hotel rooms in the City of Newark. According to the 2025 State of the Industry Report prepared by the American Hotel & Lodging Association, the average U.S. hotel occupancy rate in 2024 was about 63 percent. In preparing this estimate, the OLS used a projected hotel occupancy rate of 60 percent to 70 percent. To estimate the amount of revenue generated by the hotel occupancy surcharge, the OLS multiplied the number of hotel rooms in the City of Newark (4,400) by the projected occupancy rates. The product of that calculation was then multiplied by the amount of the surcharge (\$3.00) and then by 365 (the number of days in a calendar year).

The hotel room surcharge will generate less revenue in calendar year 2025 because it will not be imposed for the full calendar year. For purposes of this estimate, the OLS assumes that the bill will be enacted by July 1, 2025 and take effect on September 1, 2025. In this scenario the City of Newark would collect the surcharge from September through December 2025 and the city would receive one-third of the amount of revenue that would otherwise be generated by the surcharge during a full calendar year.

Section: Revenue, Finance and Appropriations
Analyst: Scott A. Brodsky
Staff Fiscal and Budget Analyst
Approved: Thomas Koenig
Legislative Budget and Finance Officer

This legislative fiscal estimate has been produced by the Office of Legislative Services due to the failure of the Executive Branch to respond to our request for a fiscal note.

This fiscal estimate has been prepared pursuant to P.L.1980, c.67 (C.52:13B-6 et seq.).

SENATE, No. 4475

STATE OF NEW JERSEY

221st LEGISLATURE

INTRODUCED MAY 19, 2025

Sponsored by:
Senator M. TERESA RUIZ
District 29 (Essex and Hudson)

SYNOPSIS

Imposes surcharge on hotel occupancies in certain municipalities to fund fire services.

CURRENT VERSION OF TEXT

As introduced.



1 **AN ACT** imposing a surcharge on hotel occupancies in certain
2 municipalities to fund fire services and supplementing Title 40 of
3 the Revised Statutes.

4
5 **BE IT ENACTED** *by the Senate and General Assembly of the State*
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9 every occupancy of a room or rooms in a hotel that is subject to
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11 (C.54:32B-3) and is located in a city of the first class in which there
12 is located an international airport. The surcharge imposed under
13 this section shall be in addition to any other tax or fee imposed
14 pursuant to statute or local ordinance or resolution by any
15 governmental entity upon the occupancy of a hotel room in the
16 municipality.

17 b. The surcharge imposed pursuant to subsection a. of this
18 section shall be collected and administered by the Director of the
19 Division of Taxation in the Department of the Treasury. In carrying
20 out the provisions of this subsection, the director shall have all the
21 powers granted under the “Sales and Use Tax Act,” P.L.1966, c.30
22 (C.54:32B-1 et seq.). The director shall determine and certify to the
23 State Treasurer on a monthly basis the amount of revenues collected
24 by the director pursuant to subsection a. of this section. The State
25 Treasurer, upon the certification of the director and upon the
26 warrant of the Director of the Division of Budget and Accounting in
27 the Department of the Treasury, shall pay and distribute the amount
28 so determined and certified on a monthly basis to the municipality
29 in which the hotel is located.

30 c. All surcharge revenues received by a municipality pursuant to
31 subsection b. of this section shall be deposited into a dedicated fire
32 services trust fund. Amounts deposited in the trust fund shall be
33 used by the municipality solely and exclusively to fund
34 appropriations for firefighting services. The amount deposited into
35 the dedicated fire services trust fund shall be anticipated in the
36 budget of the municipality as a special item of revenue and as an
37 appropriation item of an amount equal to any such special item of
38 revenue pursuant to N.J.S.40A:4-87. The amount deposited into the
39 fire services trust fund shall be inserted into the annual budget as a
40 special item of revenue or appropriation only when the total amount
41 appropriated for firefighting services in the adopted budget of the
42 municipality for the current fiscal year is greater than the amount
43 appropriated for firefighting services in the previous fiscal year,
44 exclusive of any amount appropriated from the fire services trust
45 fund appropriated in the budget. The amount appropriated and
46 expended for the hiring and retention of employees of the fire
47 service shall not exceed 37 percent of all surcharge revenues
48 received by the municipality and deposited into the dedicated fire

1 services trust fund in the period beginning January 1, 2026 and
2 ending December 31, 2028. Beginning January 1, 2029, the
3 Director of the Division of Local Government Services in the
4 Department of Community Affairs may set the maximum
5 percentage of surcharge revenue received by the municipality that
6 may be utilized for the hiring and retention of employees of the fire
7 service.

8 d. As used in this section:

9 “Fire service” means a municipal agency or department, or a fire
10 district, utilizing volunteer, career, or part-paid firefighters for
11 rescue, fire suppression, and related activities.

12 “Firefighting services” means the hiring, retention, and training
13 of employees of the fire service, the acquisition of equipment for
14 the fire service, and the undertaking of capital improvements
15 benefitting the fire service of the municipality authorized to receive
16 surcharges pursuant to subsection a. of this section.

17 “Occupied room” means a room or rooms of any kind in any part
18 of a hotel, other than a place of assembly, that is used or possessed
19 by a guest or guests overnight or for a portion of a day, whether or
20 not for consideration.

21
22 2. This act shall take effect on the first day of the second month
23 next following enactment.

24 25 26 STATEMENT

27
28 This bill imposes a daily, \$3 per room surcharge on the
29 occupancy of room or rooms in a hotel located in a municipality
30 that is classified as a city of the first class and in which there is
31 located an international airport.

32 The bill requires the Director of the Division of Taxation to
33 collect the surcharge and deposit all surcharge revenues into a
34 dedicated fire service trust fund to support firefighting services
35 provided by the municipality. Surcharge revenues would be
36 remitted to the municipality on a monthly basis. The bill allows fire
37 service trust fund revenues to be expended to support the hiring,
38 retention, and training of fire service employees, the acquisition of
39 fire service equipment, and the undertaking of capital improvements
40 benefitting the municipality’s fire service.

41 The bill specifies that the amount of trust revenues appropriated
42 and expended for the hiring and retention of fire service employees
43 may not exceed 37 percent of all surcharge revenue received by the
44 municipality and deposited into the dedicated fire service trust fund
45 in 2026, 2027, and 2028. Beginning in 2029, the Director of the
46 Division of Local Government Services in the Department of
47 Community Affairs may set the maximum percentage of surcharge

1 revenue received by the municipality that may be utilized for the
2 hiring and retention of employees of the fire service.
3 The surcharge revenues are intended to supplement, rather than
4 replace, appropriations for firefighting services that are supported
5 by general revenues, such as the municipal State aid and the
6 property tax levy. To that end, the bill allows a municipality to
7 appropriate the surcharge revenues in the municipal budget only if
8 municipal appropriations for firefighting services in the current
9 fiscal year are higher than municipal appropriations for firefighting
10 services in the prior fiscal year.

[First Reprint]

SENATE, No. 4475

STATE OF NEW JERSEY

221st LEGISLATURE

INTRODUCED MAY 19, 2025

Sponsored by:

Senator M. TERESA RUIZ

District 29 (Essex and Hudson)

SYNOPSIS

Imposes surcharge on hotel occupancies in certain municipalities to fund fire services; provides for appropriation.

CURRENT VERSION OF TEXT

As reported by the Senate Budget and Appropriations Committee on June 26, 2025, with amendments.



1 AN ACT imposing a surcharge on hotel occupancies in certain
 2 municipalities to fund fire services ¹**[and]** ¹ supplementing Title
 3 40 of the Revised Statutes ¹, and providing for an appropriation¹.
 4

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

8 1. a. A surcharge at the rate of \$3 per day shall be imposed for
 9 every occupancy of a room or rooms in a hotel that is subject to
 10 taxation pursuant to subsection (d) of section 3 of P.L.1996, c.30
 11 (C.54:32B-3) and is located in a city of the first class in which there
 12 is located an international airport. The surcharge imposed under
 13 this section shall be in addition to any other tax or fee imposed
 14 pursuant to statute or local ordinance or resolution by any
 15 governmental entity upon the occupancy of a hotel room in the
 16 municipality.

17 b. The surcharge imposed pursuant to subsection a. of this
 18 section shall be collected and administered by the Director of the
 19 Division of Taxation in the Department of the Treasury. In carrying
 20 out the provisions of this subsection, the director shall have all the
 21 powers granted under the “Sales and Use Tax Act,” P.L.1966, c.30
 22 (C.54:32B-1 et seq.). The director shall determine and certify to the
 23 State Treasurer on a monthly basis the amount of revenues collected
 24 by the director pursuant to subsection a. of this section. The State
 25 Treasurer, upon the certification of the director and upon the
 26 warrant of the Director of the Division of Budget and Accounting in
 27 the Department of the Treasury, shall pay and distribute the amount
 28 so determined and certified on a monthly basis to the municipality
 29 in which the hotel is located.

30 c. All surcharge revenues received by a municipality pursuant to
 31 subsection b. of this section shall be deposited into a dedicated fire
 32 services trust fund. Amounts deposited in the trust fund shall be
 33 used by the municipality solely and exclusively to fund
 34 appropriations for firefighting services. The amount deposited into
 35 the dedicated fire services trust fund shall be anticipated in the
 36 budget of the municipality as a special item of revenue and as an
 37 appropriation item of an amount equal to any such special item of
 38 revenue pursuant to N.J.S.40A:4-87. The amount deposited into the
 39 fire services trust fund shall be inserted into the annual budget as a
 40 special item of revenue or appropriation only when the total amount
 41 appropriated for firefighting services in the adopted budget of the
 42 municipality for the current fiscal year is greater than the amount
 43 appropriated for firefighting services in the previous fiscal year,
 44 exclusive of any amount appropriated from the fire services trust
 45 fund appropriated in the budget. The amount appropriated and

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.

Matter enclosed in superscript numerals has been adopted as follows:

¹Senate SBA committee amendments adopted June 26, 2025.

1 expended for the hiring and retention of employees of the fire
2 service shall not exceed 37 percent of all surcharge revenues
3 received by the municipality and deposited into the dedicated fire
4 services trust fund in the period beginning January 1, 2026 and
5 ending December 31, 2028. Beginning January 1, 2029, the
6 Director of the Division of Local Government Services in the
7 Department of Community Affairs may set the maximum
8 percentage of surcharge revenue received by the municipality that
9 may be utilized for the hiring and retention of employees of the fire
10 service.

11 d. As used in this section:

12 “Fire service” means a municipal agency or department, or a fire
13 district, utilizing volunteer, career, or part-paid firefighters for
14 rescue, fire suppression, and related activities.

15 “Firefighting services” means the hiring, retention, and training
16 of employees of the fire service, the acquisition of equipment for
17 the fire service, and the undertaking of capital improvements
18 benefitting the fire service of the municipality authorized to receive
19 surcharges pursuant to subsection a. of this section.

20 “Occupied room” means a room or rooms of any kind in any part
21 of a hotel, other than a place of assembly, that is used or possessed
22 by a guest or guests overnight or for a portion of a day, whether or
23 not for consideration.

24
25 ¹2. Subject to the approval of the Director of the Division of
26 Budget and Accounting in the Department of the Treasury, the
27 amounts collected and administered, pursuant to subsection b. of
28 section 1 of P.L. , c. (C.) (pending before the Legislature
29 as this bill), by the Director of the Division of Taxation in the
30 Department of the Treasury from the \$3 per day surcharge imposed
31 pursuant to subsection a. of section 1 of P.L. , c. (C.)
32 (pending before the Legislature as this bill), are hereby appropriated
33 to the relevant municipality for deposit in the municipality’s
34 dedicated fire services trust fund, as provided for pursuant to
35 subsection c. of section 1 of P.L. , c. (C.) (pending before
36 the Legislature as this bill).¹

37
38 ¹[2.] 3.¹ This act shall take effect on the first day of the second
39 month next following enactment.

SENATE BUDGET AND APPROPRIATIONS COMMITTEE

STATEMENT TO

SENATE, No. 4475

with committee amendments

STATE OF NEW JERSEY

DATED: JUNE 26, 2025

The Senate Budget and Appropriations Committee reports favorably and with committee amendments, Senate Bill No. 4475.

As amended and reported, this bill imposes a daily, \$3 per room, surcharge on the occupancy of room or rooms in a hotel located in a municipality that is classified as a city of the first class and in which there is located an international airport.

The bill requires the Director of the Division of Taxation to collect the surcharge and deposit all surcharge revenues into a dedicated fire service trust fund to support firefighting services provided by the municipality. Surcharge revenues would be remitted to the municipality on a monthly basis. The bill allows fire service trust fund revenues to be expended to support the hiring, retention, and training of fire service employees, the acquisition of fire service equipment, and the undertaking of capital improvements benefitting the municipality's fire service.

The bill specifies that the amount of trust revenues appropriated and expended for the hiring and retention of fire service employees may not exceed 37 percent of all surcharge revenue received by the municipality and deposited into the dedicated fire service trust fund in 2026, 2027, and 2028. Beginning in 2029, the Director of the Division of Local Government Services in the Department of Community Affairs may set the maximum percentage of surcharge revenue received by the municipality that may be utilized for the hiring and retention of employees of the fire service.

The surcharge revenues are intended to supplement, rather than replace, appropriations for firefighting services that are supported by general revenues, such as the municipal State aid and the property tax levy. To that end, the bill allows a municipality to appropriate the surcharge revenues in the municipal budget only if municipal appropriations for firefighting services in the current fiscal year are higher than municipal appropriations for firefighting services in the prior fiscal year.

The bill provides that, subject to the approval of the Director of the Division of Budget and Accounting in the Department of the Treasury, the amounts collected and administered pursuant to the bill, by the Director of the Division of Taxation in the Department of the Treasury

from the \$3 per day surcharge imposed pursuant to the bill, are to be appropriated to the relevant municipality for deposit in the municipality's dedicated fire services trust fund.

COMMITTEE AMENDMENTS:

The committee amended the bill to:

(1) specify that, subject to the approval of the Director of the Division of Budget and Accounting in the Department of the Treasury, the amounts collected and administered pursuant to the bill, by the Director of the Division of Taxation in the Department of the Treasury from the \$3 per day surcharge imposed pursuant to the bill, are to be appropriated to the relevant municipality for deposit in the municipality's dedicated fire services trust fund; and

(2) revise the title and synopsis.

FISCAL IMPACT:

Fiscal information for this bill is currently unavailable.

LEGISLATIVE FISCAL ESTIMATE

[First Reprint]

SENATE, No. 4475

STATE OF NEW JERSEY

221st LEGISLATURE

DATED: JULY 3, 2025

SUMMARY

- Synopsis:** Imposes surcharge on hotel occupancies in certain municipalities to fund fire services; provides for appropriation.
- Type of Impact:** Increase in municipal revenues
- Agencies Affected:** Department of the Treasury; City of Newark.

Office of Legislative Services Estimate

Fiscal Impact	CY 2025	CY 2026	CY 2027
Local Revenue	\$960,000 to \$1.1 million	\$2.9 million to \$3.4 million	\$2.9 million to \$3.4 million

- The Office of Legislative Services (OLS) estimates that the bill will result in an increase in municipal revenues for the City of Newark. The amount of revenues to be realized in each calendar year was calculated using information on the number of hotel rooms in the City of Newark and the projected hotel occupancy rates.
- The bill requires the City of Newark to use the hotel surcharge revenues to fund firefighting services. However, these are available only if municipal appropriations for firefighting services increase from year-to-year. The surcharge revenues are intended to supplement, rather than replace, appropriations for firefighting services that are supported by general municipal revenues.

BILL DESCRIPTION

The bill imposes a daily, \$3 per room surcharge on the occupancy of a room or rooms in a hotel located in a municipality that is classified as a city of the first class and in which there is located an international airport. The bill applies only to the City of Newark, which is the only municipality in the State in which there is located an international airport.

The bill requires the surcharge revenues to be deposited into a fire services trust fund and dedicated to support firefighting services provided by the municipality. The bill requires a municipality to appropriate the surcharge revenues only if municipal appropriations for firefighting services in the current fiscal year are higher than municipal appropriations for firefighting services in the prior fiscal year, exclusive of any amounts of revenue appropriated from the fire services trust fund. The bill defines firefighting services as the hiring, retention, and training of employees of the fire service, the acquisition of equipment for the fire service, and the undertaking of capital improvements benefitting the fire service of the municipality authorized to impose the surcharge.

The bill directs the State to collect the surcharge and remit the revenues therefrom to the municipality on a monthly basis. The surcharge imposed by the bill would be in addition to any other taxes or fees levied on hotel occupancies pursuant to State law. The bill takes effect on the first day of the second month next following enactment.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

The OLS estimates that the bill will result in a local revenue increase of \$960,000 to \$1.1 million in calendar year 2025 and a local revenue increase of \$2.9 million to \$3.4 million in calendar years 2026 and 2027. These projections are presented on a calendar year basis because Newark's fiscal year begins on January 1 and ends on December 31.

Information available through the Greater Newark Convention and Visitors Bureau indicates that there are approximately 4,400 hotel rooms in the City of Newark. According to the 2025 State of the Industry Report prepared by the American Hotel & Lodging Association, the average U.S. hotel occupancy rate in 2024 was about 63 percent. In preparing this estimate, the OLS used a projected hotel occupancy rate of 60 percent to 70 percent. To estimate the amount of revenue generated by the hotel occupancy surcharge, the OLS multiplied the number of hotel rooms in the City of Newark (4,400) by the projected occupancy rates. The product of that calculation was then multiplied by the amount of the surcharge (\$3.00) and then by 365 (the number of days in a calendar year).

The hotel room surcharge will generate less revenue in calendar year 2025 because it will not be imposed for the full calendar year. For purposes of this estimate, the OLS assumes that the bill will be enacted by July 1, 2025 and take effect on September 1, 2025. In this scenario the City of Newark would collect the surcharge from September through December 2025 and the city would receive one-third of the amount of revenue that would otherwise be generated by the surcharge during a full calendar year.

Section: Revenue, Finance and Appropriations
Analyst: Scott A. Brodsky
Staff Fiscal and Budget Analyst
Approved: Thomas Koenig
Legislative Budget and Finance Officer

This legislative fiscal estimate has been produced by the Office of Legislative Services due to the failure of the Executive Branch to respond to our request for a fiscal note.

This fiscal estimate has been prepared pursuant to P.L.1980, c.67 (C.52:13B-6 et seq.).