

40:48C-6

LEGISLATIVE HISTORY CHECKLIST

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LAWS OF: 2007 **CHAPTER:** 296
NJSA: 40:48C-6 (Authorizes imposition of special event parking tax surcharge in certain municipalities;
authorizes imposition of parking tax by certain municipalities
on any parking facility located therein)
BILL NO: S2891 (Substituted for A4661)

SPONSOR(S): Rice and Caraballo

DATE INTRODUCED: November 8, 2007

COMMITTEE: **ASSEMBLY:**
SENATE: Budget and Appropriations

AMENDED DURING PASSAGE: Yes

DATE OF PASSAGE: **ASSEMBLY:** January 7, 2008
SENATE: January 7, 2008

DATE OF APPROVAL: January 13, 2008

FOLLOWING ARE ATTACHED IF AVAILABLE:

[FINAL TEXT OF BILL](#) (First reprint enacted)

S2891

[SPONSOR'S STATEMENT:](#) (Begins on page 3 of original bill) [Yes](#)

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](#)

A4661

[SPONSOR'S STATEMENT:](#) (Begins on page 4 of original bill) [Yes](#)

COMMITTEE STATEMENT: **ASSEMBLY:** [Yes](#)

SENATE: No

FLOOR AMENDMENT STATEMENT: No

[LEGISLATIVE FISCAL ESTIMATE:](#) [Yes](#)

VETO MESSAGE: No

GOVERNOR'S PRESS RELEASE ON SIGNING:

No

FOLLOWING WERE PRINTED:

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No

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No

LAW/IS 6/18/08

P.L. 2007, CHAPTER 296, *approved January 13, 2008*
Senate, No. 2891 (*First Reprint*)

1 AN ACT authorizing the imposition of a special event parking tax
2 surcharge in certain municipalities 'and authorizing the
3 imposition by certain municipalities of a parking tax on any
4 parking facility located therein,' and amending the "Local Tax
5 Authorization Act," P.L.1970, c.326 ¹, P.L.1987, c.21 and
6 P.L.1991, c.288¹.

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

10
11 1. Section 6 of P.L.1970, c.326 (C.40:48C-6) is amended to read
12 as follows:

13 6. a. Any municipality is hereby authorized and empowered to
14 enact an ordinance imposing in any such municipality a tax, not to
15 exceed 15%, on fees for parking, garaging, or storing of motor
16 vehicles, other than parking in a garage which is part of premises
17 occupied solely as a private one- or two-family dwelling. For the
18 purposes of this act, in the case where any parking facility situated
19 within two contiguous municipalities authorized under section 1 of
20 P.L.1970, c.326 [(C.49:48C-1)] (C.40:48C-1) and section 2 of
21 P.L.1987, c.21 (C.40:48C-1.2), the tax authorized herein may only
22 be imposed on fees attributable to that portion of any parking
23 facility which is situated within the physical boundaries of the
24 municipality.

25 b. In addition to the tax authorized by subsection a. of this
26 section, a municipality also may adopt an ordinance imposing a
27 special event parking tax surcharge of 7% on fees for the parking,
28 garaging, or storing of motor vehicles for events held in the
29 municipality during weekday evenings ¹, beginning at 6:00 p.m. or
30 later, ¹ and ¹held at any time¹ on Saturdays, Sundays, and holidays.
31 For the purposes of this subsection, "special events" means, but is
32 not limited to, spectator sporting events, trade shows, expositions,
33 concerts, and other public events. ¹An ordinance adopted pursuant
34 to this subsection shall designate the areas of the municipality, to be
35 designated as "special event parking tax surcharge zones," in which
36 the special event parking tax surcharge shall be imposed, but no
37 zone designated under this subsection shall include a facility for the
38 parking, garaging, or storing of motor vehicles that is located on
39 land that comprises any part of an international airport.¹ All
40 surcharges required to be collected ¹[shall be deposited into, or
41 credited to, a dedicated fund] shall be anticipated and appropriated
42 in the municipal budget as a dedicated revenue pursuant to
43 N.J.S.40A:4-39¹ for the purpose of defraying municipal expenses

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 January 3, 2008.

1 for police, fire, sanitation work, and other services associated with
2 the hosting of special events; provided, however, that sanitation
3 work services 'paid for out of the surcharge receipts' shall be
4 performed solely by '[residents] employees' of the municipality.
5 The ordinance imposing the special event parking tax surcharge
6 shall be void and the surcharge shall not be collected if sanitation
7 work services related to special events 'and paid for out of the
8 surcharge receipts' are not performed solely by '[workers who are
9 residents] employees' of the municipality.

10 (cf: P.L.1987, c.21, s.1)

11

12 2. Section 7 of P.L.1970, c.326 (C.40:48C-7) is amended to read
13 as follows:

14 7. a. All taxes imposed by **[such ordinance]** the ordinances
15 authorized pursuant to section 6 of P.L.1970, c.326 (C.40:48-6)
16 shall be collected on behalf of the municipality by the person
17 (hereinafter sometimes referred to as "taxpayer") providing parking
18 services to the customer.

19 b. Every person required to collect any tax ¹, including
20 surcharges¹ imposed by the **[ordinance]** ordinances shall be
21 personally liable for the tax imposed, collected or required to be
22 collected hereunder. Any such person shall have the same right in
23 respect to collecting the tax from his customer or in respect to
24 nonpayment of the tax by the customer as if the tax were a part of
25 the service charge and payable at the same time; provided, however,
26 that the chief fiscal officer of the municipality shall be joined as a
27 party in any action or proceeding brought to collect the tax.

28 c. No person required to collect any tax ¹, including surcharges,¹
29 hereunder shall advertise or hold out to any person or to the public
30 in general, in any manner, directly or indirectly, that the tax is not
31 considered as an element in the charge payable by the customer,
32 that he will pay the tax, that the tax will not be separately charged
33 and stated to the customer or that the tax will be refunded to the
34 customer.

35 d. All taxes ¹and surcharges¹ collected pursuant to **[such**
36 **ordinance]** the ordinances shall be remitted to the chief fiscal
37 officer of the municipality and shall be reported on such forms and
38 paid at such times as may be prescribed in **[such ordinance]** the
39 ordinances.

40 (cf: P.L.1970, c.326, s.7)

41

42 ¹3. Section 2 of P.L.1987, c.21 (C.40:48C-1.2) is amended to
43 read as follows:

44 2. Any municipality having a population of less than 125,000,
45 but in excess of 100,000, according to the latest federal decennial
46 census, is hereby authorized and empowered to enact an ordinance
47 imposing the tax , or tax and surcharge, provided for in Article 3

1 (Parking Tax) of the "Local Tax Authorization Act," P.L.1970,
2 c.326 (C. 40:48C-6 et seq.) on any facility, or any portion of a
3 facility, situated within its borders, **[but which, in part, is also**
4 **situated in a]** provided that an ordinance so enacted meets all of the
5 requirements and restrictions set forth in subsection b. of section 6
6 of P.L.1970, c.326 (C.40:48C-6), and provided that the municipality
7 is contiguous with a municipality which has enacted an ordinance
8 imposing the tax provided for in Article 3 (Parking Tax) of the
9 "Local Tax Authorization Act," P.L.1970, c.326 (C.40:48C-6 et
10 seq.).¹

11 (cf: P.L.1987, c.21, s.2)

12

13 ¹4. Section 2 of P.L.1991, c.288 (C.40:48C-1.3) is amended to
14 read as follows:

15 2. Any municipality located in a county of the first class with a
16 population density exceeding 10,000 persons per square mile,
17 according to the latest federal decennial census is hereby authorized
18 and empowered to enact an ordinance imposing the tax, or tax and
19 surcharge, provided for in Article 3 (Parking Tax) of the "Local Tax
20 Authorization Act," P.L.1970, c.326 (C.40:48C-6 et seq.) on any
21 facility situated entirely within its borders, or on any portion of a
22 facility situated within its borders, but which, in part, is also
23 situated in a contiguous municipality which has enacted an
24 ordinance imposing the tax provided for in Article 3 (Parking Tax)
25 of the "Local Tax Authorization Act," P.L.1970, c.326 (C.40:48C-6
26 et seq.).¹

27 (cf: P.L.1991, c.288, s.8)

28

29 ¹**[3.] 5.** This act shall take effect immediately.

30

31

32

33

34 _____
35 Authorizes imposition of special event parking tax surcharge in
36 certain municipalities; authorizes imposition of parking tax by
certain municipalities on any parking facility located therein.

SENATE, No. 2891

STATE OF NEW JERSEY 212th LEGISLATURE

INTRODUCED NOVEMBER 8, 2007

Sponsored by:
Senator RONALD L. RICE
District 28 (Essex)

SYNOPSIS

Authorizes imposition of special event parking tax surcharge in certain municipalities.

CURRENT VERSION OF TEXT

As introduced.



S2891 RICE

2

1 AN ACT authorizing the imposition of a special event parking tax
2 surcharge in certain municipalities and amending the "Local Tax
3 Authorization Act," P.L.1970, c.326.

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

7
8 1. Section 6 of P.L.1970, c.326 (C.40:48C-6) is amended to read
9 as follows:

10 6. a. Any municipality is hereby authorized and empowered to
11 enact an ordinance imposing in any such municipality a tax, not to
12 exceed 15%, on fees for parking, garaging, or storing of motor
13 vehicles, other than parking in a garage which is part of premises
14 occupied solely as a private one- or two-family dwelling. For the
15 purposes of this act, in the case where any parking facility situated
16 within two contiguous municipalities authorized under section 1 of
17 P.L.1970, c.326 [(C.49:48C-1)] (C.40:48C-1) and section 2 of
18 P.L.1987, c.21 (C.40:48C-1.2), the tax authorized herein may only
19 be imposed on fees attributable to that portion of any parking
20 facility which is situated within the physical boundaries of the
21 municipality.

22 b. In addition to the tax authorized by subsection a. of this
23 section, a municipality also may adopt an ordinance imposing a
24 special event parking tax surcharge of 7% on fees for the parking,
25 garaging, or storing of motor vehicles for events held in the
26 municipality during weekday evenings and on Saturdays, Sundays,
27 and holidays. For the purposes of this subsection, "special events"
28 means, but is not limited to, spectator sporting events, trade shows,
29 expositions, concerts, and other public events. All surcharges
30 required to be collected shall be deposited into, or credited to, a
31 dedicated fund for the purpose of defraying municipal expenses for
32 police, fire, sanitation work, and other services associated with the
33 hosting of special events; provided, however, that sanitation work
34 services shall be performed solely by residents of the municipality.
35 The ordinance imposing the special event parking tax surcharge
36 shall be void and the surcharge shall not be collected if sanitation
37 work services related to special events are not performed solely by
38 workers who are residents of the municipality.

39 (cf: P.L.1987, c.21, s.1)

40
41 2. Section 7 of P.L.1970, c.326 (C.40:48C-7) is amended to read
42 as follows:

43 7. a. All taxes imposed by [such ordinance] the ordinances
44 authorized pursuant to section 6 of P.L.1970, c.326 (C.40:48-6)
45 shall be collected on behalf of the municipality by the person

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 (hereinafter sometimes referred to as "taxpayer") providing parking
2 services to the customer.

3 b. Every person required to collect any tax imposed by the
4 **[ordinance]** ordinances shall be personally liable for the tax
5 imposed, collected or required to be collected hereunder. Any such
6 person shall have the same right in respect to collecting the tax
7 from his customer or in respect to nonpayment of the tax by the
8 customer as if the tax were a part of the service charge and payable
9 at the same time; provided, however, that the chief fiscal officer of
10 the municipality shall be joined as a party in any action or
11 proceeding brought to collect the tax.

12 c. No person required to collect any tax hereunder shall
13 advertise or hold out to any person or to the public in general, in
14 any manner, directly or indirectly, that the tax is not considered as
15 an element in the charge payable by the customer, that he will pay
16 the tax, that the tax will not be separately charged and stated to the
17 customer or that the tax will be refunded to the customer.

18 d. All taxes collected pursuant to **[such ordinance]** the
19 ordinances shall be remitted to the chief fiscal officer of the
20 municipality and shall be reported on such forms and paid at such
21 times as may be prescribed in **[such ordinance]** the ordinances.
22 (cf: P.L.1970, c.326, s.7)

23

24 3. This act shall take effect immediately.

25

26

27

STATEMENT

28

29 The bill would amend sections 6 and 7 of "Local Tax
30 Authorization Act," (C.40:48C-6 and C.40:48C-7) to authorize an
31 eligible municipality, by ordinance, to impose a "special event"
32 parking tax surcharge in addition to the parking tax authorized
33 under that act. The amount of the surcharge would be 7% on fees
34 for the parking, garaging, or storing of motor vehicles for special
35 events held in the municipality during weekday evenings and on
36 Saturdays, Sundays, and holidays. Special events would be in the
37 nature of spectator sporting events, trade shows, expositions,
38 concerts, and other public events. The surcharges collected would
39 be required to be deposited or credited to a dedicated fund to defray
40 the municipal expenses for police, fire, sanitation, and other
41 services associated with the hosting of special events. The
42 sanitation work services for special events would be required to be
43 performed solely by workers who are residents of the municipality,
44 or the authorizing ordinance would be void and the surcharge could
45 not be collected. Newark, Jersey City and Elizabeth currently
46 impose a parking tax under the "Local Tax Authorization Act."

SENATE BUDGET AND APPROPRIATIONS COMMITTEE

STATEMENT TO

SENATE, No. 2891

with committee amendments

STATE OF NEW JERSEY

DATED: JANUARY 3, 2008

The Senate Budget and Appropriations Committee reports favorably Senate Bill No. 2891 with committee amendments.

This bill, as amended by the committee, amends the “Local Tax Authorization Act,” P.L.1970, c.326 (C.40:48C-1 et seq.) to authorize an eligible municipality, by ordinance, to impose a “special event” parking tax surcharge in addition to the parking tax authorized under that act. The amount of the surcharge would be 7% on fees for the parking, garaging, or storing of motor vehicles for special events held in the municipality during weekday evenings, beginning at 6:00p.m. or later, and held at any time on Saturdays, Sundays, and holidays. Special events would include, but not be limited to, spectator sporting events, trade shows, expositions, concerts, and other public events. The ordinance must designate the areas of the municipality, to be designated as “special event parking tax surcharge zones,” in which the special event parking tax surcharge shall be imposed, but no zone shall include a facility for the parking, garaging, or storing of motor vehicles that is located on land that comprises any part of an international airport. All surcharges required to be collected shall be anticipated and appropriated in the municipal budget as a dedicated revenue pursuant to N.J.S.40A:4-39 for the purpose of defraying municipal expenses for police, fire, sanitation work, and other services associated with the hosting of special events. The bill requires that sanitation work services related to special events that are paid for by the surcharge receipts must be performed solely by employees of the municipality, or the authorizing ordinance would be void and the surcharge could not be collected.

The bill also would amend section 2 of P.L.1987, c.21 (C.40:48C-1.2), which currently authorizes the City of Elizabeth, by ordinance, to impose the parking tax authorized by the “Local Tax Authorization Act” on any portion of a parking facility situated within its borders which is also partly situated in a contiguous municipality which, by ordinance, has imposed the parking tax under the “Local Tax Authorization Act.” This bill would authorize the City of Elizabeth, by ordinance, to impose the parking tax, as well as the special event parking tax surcharge, on any facility, or portion of a facility, situated

within its borders. The bill also requires that any ordinance adopted pursuant to the bill must meet all of the requirements and restrictions set forth in subsection b. of section 6 of P.L.1970, c.326 (C.40:48C-6), which is amended by the bill to require the designation of the special event parking tax surcharge zones in the ordinance, which zones may not include a facility for the parking, garaging, or storing of motor vehicles that is located on land that comprises an international airport.

The bill would also amend section 2 of P.L.1991, c.288 (C.40:48C-1.3) to specifically authorize all of the municipalities located in Hudson County to impose both the parking tax and the special event parking tax surcharge.

Under current law, Newark, all of the municipalities in Hudson County, and Elizabeth are authorized to impose a parking tax under the "Local Tax Authorization Act."

COMMITTEE AMENDMENTS

The committee amendments:

- Require that the special events parking tax surcharge could be imposed only for the parking, garaging, or storing of motor vehicles for events held in the municipality during weekday evenings, beginning at 6:00 p.m. or later, and held at any time on Saturdays, Sundays, and holidays;
- Require that an ordinance imposing the surcharge must designate the areas of the municipality, to be designated as "special event parking tax surcharge zones," in which the special event parking tax surcharge shall be imposed, but no zone designated shall include a facility for the parking, garaging, or storing of motor vehicles that is located on land that comprises any part of an international airport;
- Require that all surcharges required to be collected shall be anticipated and appropriated in the municipal budget as dedicated revenue pursuant to N.J.S.40A:4-39;
- Require that sanitation work services related to special events that are paid for by the surcharge receipts must be performed solely by employees of the municipality, or the authorizing ordinance would be void and the surcharge could not be collected;
- Authorize the City of Elizabeth, by ordinance, to impose the parking tax, as well as the special event parking tax surcharge, on any facility, or portion of a facility, situated within its borders, and to require that the ordinance must all of the requirements and restrictions set forth in subsection b. of section 6 of P.L.1970, c.326 (C.40:48C-6);
- Authorize all of the municipalities located in Hudson County to impose both the parking tax and the special event parking tax surcharge.
- Made technical changes to the title of the bill to reflect the language pertaining to the City of Elizabeth, and to clarify that a

municipality authorized to collect the parking tax could also collect the special event parking tax surcharge.

FISCAL IMPACT:

The Office of Legislative Services cannot determine the fiscal impact of the bill as it has no information regarding the percentage parking tax revenues that would be subject to surcharge that could be imposed by an ordinance authorized by this bill.

The provisions of the “Local Tax Authorization Act” P.L.1970, c.326 (C.40:48C-1 et seq.) allow Jersey City, Newark and every municipality in Hudson County to enact ordinances imposing a parking tax. Elizabeth is authorized to impose a parking tax on portions of Newark Liberty International Airport that are within its borders. Only Elizabeth, Harrison, Hoboken, Jersey City and Newark have done so. According to its Fiscal Year 2008 budget, the City of Newark collected \$18,731,953 in parking tax revenues in Fiscal Year 2007. The cities of Elizabeth and Jersey City collected \$2,593,497 and \$5,713,906 respectively in Fiscal Year 2007.

Finally, the OLS cannot determine the fiscal impact of this bill because it authorizes, but does not require, a municipality that has imposed a parking tax to adopt an ordinance that imposes an additional special event parking tax surcharge. The OLS notes that Bayonne, East Newark, Guttenberg, Kearney, North Bergen, Secaucus, Union City, and Weehawken have not enacted ordinances that impose a parking tax.

LEGISLATIVE FISCAL ESTIMATE

[First Reprint]

SENATE, No. 2891

STATE OF NEW JERSEY 212th LEGISLATURE

DATED: JANUARY 10, 2008

SUMMARY

- Synopsis:** Authorizes imposition of special event parking tax surcharge in certain municipalities; authorizes imposition of parking tax by certain municipalities on any parking facility located therein.
- Type of Impact:** Indeterminate increase in local revenue.
- Agencies Affected:** Certain municipalities

Office of Legislative Services Estimate

Fiscal Impact	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>
Local Revenue	Indeterminate increase	Indeterminate increase	Indeterminate increase

- The Office of Legislative Services (OLS) cannot determine the fiscal impact of this bill because it has no information regarding the amount of parking tax revenues that are attributable to special event parking. Moreover, the OLS notes that this bill authorizes, but does not require, a municipality that has imposed a parking tax to adopt an ordinance that impose an additional special event parking tax surcharge.
- The provisions of the “Local Tax Authorization Act,” P.L.1970, c.326 (C.40:48C-1 et seq.), which this bill amends and supplements, currently allow Newark and every municipality in Hudson County to enact ordinances imposing a parking tax. Current law provides that the tax shall not exceed 15 percent on the parking, garaging, or storing of motor vehicles, other than parking in a garage which is part of a premises occupied solely as a private one- or two-family dwelling. This bill would allow municipalities that have imposed a parking tax to apply an additional 7 percent special event parking tax surcharge to the current fee. The OLS notes that Harrison, Hoboken, Jersey City and Newark have imposed a parking tax; Bayonne, East Newark, Guttenberg, Kearney, North Bergen, Secaucus, Union City, and Weehawken (all Hudson County municipalities) have not.
- Currently, the City of Elizabeth is authorized to impose a parking tax only on portions of Newark Liberty International Airport that are within its borders. This bill would change current law and allow the City of Elizabeth, by ordinance, to impose the parking tax, as well

as the special event parking tax surcharge, on any facility or portion of a facility, situated within its borders. The surcharge would not apply to any facility for the parking, garaging, or storing of motor vehicles on land that comprises an international airport.

BILL DESCRIPTION

Senate Bill No. 2891 (1R) of 2007 authorizes an eligible municipality, by ordinance, to impose a special event parking tax surcharge in addition to the parking tax authorized under the “Local Tax Authorization Act,” P.L.1970, c.326 (C.40:48C-1 et seq.). The amount of the surcharge would be 7% on fees for the parking, garaging, or storing of motor vehicles for special events held in the municipality during weekday evenings, beginning at 6:00 p.m. or later, and held at any time on Saturdays, Sundays, and holidays. Special events would include, but not be limited to, spectator sporting events, trade shows, expositions, concerts, and other public events. The ordinance must identify the areas of the municipality in which the special event parking tax surcharge shall be imposed as “special event parking tax surcharge zones.” Any revenues raised by the special event parking tax surcharge must be dedicated for the purpose of defraying municipal expenses for police, fire, sanitation work, and other services associated with the hosting of special events.

This bill would also authorize the City of Elizabeth to impose, by ordinance, a parking tax as well as the special event parking tax surcharge on any facility or portion of a facility within its borders. No special event parking tax surcharge zone in any eligible municipality shall include a facility for the parking, garaging, or storing of motor vehicles that is located on land that comprises any part of an international airport.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

The OLS cannot determine the fiscal impact of Senate Bill No. 2891 because it has no information regarding the amount of parking tax revenues that are attributable to special event parking. Furthermore, the OLS cannot determine the fiscal impact of this bill because it authorizes, but does not require, a municipality that has imposed a parking tax to adopt an ordinance that imposes an additional special event parking tax surcharge.

The provisions of the “Local Tax Authorization Act” P.L.1970, c.326 (C.40:48C-1 et seq.) allow Elizabeth, Newark, and every municipality in Hudson County to enact ordinances imposing a parking tax. Elizabeth is currently authorized to impose a parking tax on portions of Newark Liberty International Airport that are within its borders. The OLS notes that Bayonne, East Newark, Guttenberg, Kearney, North Bergen, Secaucus, Union City, and Weehawken have not enacted ordinances that impose a parking tax.

According to its Fiscal Year 2008 budget, the City of Newark collected \$18,731,953 in parking tax revenues in Fiscal Year 2007. The cities of Elizabeth and Jersey City collected \$2,593,497 and \$5,713,906 respectively in Fiscal Year 2007.

Section: Local Government

*Analyst: Scott A. Brodsky
Assistant Fiscal Analyst*

*Approved: David J. Rosen
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-1 et seq.).

ASSEMBLY, No. 4661

STATE OF NEW JERSEY 212th LEGISLATURE

INTRODUCED JANUARY 3, 2008

Sponsored by:

Assemblyman WILFREDO CARABALLO
District 29 (Essex and Union)

Co-Sponsored by:

Assemblyman Giblin

SYNOPSIS

Authorizes imposition of special event parking tax surcharge in certain municipalities; authorizes imposition of parking tax by certain municipalities on any parking facility located therein.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 1/8/2008)

A4661 CARABALLO

2

1 AN ACT authorizing the imposition of a special event parking tax
2 surcharge in certain municipalities and authorizing the
3 imposition by certain municipalities of a parking tax on any
4 parking facility located therein and amending the "Local Tax
5 Authorization Act," P.L.1970, c.326, P.L.1987, c.21 and
6 P.L.1991, c.288.

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

10
11 1. Section 6 of P.L.1970, c.326 (C.40:48C-6) is amended to read
12 as follows:

13 6. a. Any municipality is hereby authorized and empowered to
14 enact an ordinance imposing in any such municipality a tax, not to
15 exceed 15%, on fees for parking, garaging, or storing of motor
16 vehicles, other than parking in a garage which is part of premises
17 occupied solely as a private one- or two-family dwelling. For the
18 purposes of this act, in the case where any parking facility situated
19 within two contiguous municipalities authorized under section 1 of
20 P.L.1970, c.326 [(C.49:48C-1)] (C.40:48C-1) and section 2 of
21 P.L.1987, c.21 (C.40:48C-1.2), the tax authorized herein may only
22 be imposed on fees attributable to that portion of any parking
23 facility which is situated within the physical boundaries of the
24 municipality.

25 b. In addition to the tax authorized by subsection a. of this
26 section, a municipality also may adopt an ordinance imposing a
27 special event parking tax surcharge of 7% on fees for the parking,
28 garaging, or storing of motor vehicles for special events held in the
29 municipality during weekday evenings, beginning at 6:00 p.m. or
30 later, and held at any time on Saturdays, Sundays, and holidays.
31 For the purposes of this subsection, "special events" means, but is
32 not limited to, spectator sporting events, trade shows, expositions,
33 concerts, and other public events. An ordinance adopted pursuant
34 to this subsection shall identify the areas of the municipality, that
35 are to be designated as "special event parking tax surcharge zones,"
36 in which the special event parking tax surcharge shall be imposed,
37 but no zone designated under this subsection shall include a facility
38 for the parking, garaging, or storing of motor vehicles that is
39 located on land that comprises any part of an international airport.
40 All surcharges required to be collected shall be anticipated and
41 appropriated in the municipal budget as a dedicated revenue,
42 pursuant to N.J.S.40A:4-39, for the purpose of defraying municipal
43 expenses for police, fire, sanitation work, and other services
44 associated with the hosting of special events; provided, however,
45 that sanitation work services paid for out of the surcharge receipts

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.

A4661 CARABALLO

1 shall be performed solely by employees of the municipality. The
2 ordinance imposing the special event parking tax surcharge shall be
3 void and the surcharge shall not be collected if sanitation work
4 services related to special events and paid for out of the surcharge
5 receipts are not performed solely by employees of the municipality.
6 (cf: P.L.1987, c.21, s.1)

7
8 2. Section 7 of P.L.1970, c.326 (C.40:48C-7) is amended to read
9 as follows:

10 7. a. All taxes and surcharges imposed by **[such ordinance]** the
11 ordinances authorized pursuant to section 6 of P.L.1970, c.326
12 (C.40:48-6) shall be collected on behalf of the municipality by the
13 person (hereinafter sometimes referred to as "taxpayer") providing
14 parking services to the customer.

15 b. Every person required to collect any tax, including
16 surcharges, imposed by the **[ordinance]** ordinances shall be
17 personally liable for the tax imposed, collected or required to be
18 collected hereunder. Any such person shall have the same right in
19 respect to collecting the tax from his customer or in respect to
20 nonpayment of the tax by the customer as if the tax were a part of
21 the service charge and payable at the same time; provided, however,
22 that the chief fiscal officer of the municipality shall be joined as a
23 party in any action or proceeding brought to collect the tax.

24 c. No person required to collect any tax, including surcharges
25 hereunder shall advertise or hold out to any person or to the public
26 in general, in any manner, directly or indirectly, that the tax is not
27 considered as an element in the charge payable by the customer,
28 that he will pay the tax, that the tax will not be separately charged
29 and stated to the customer or that the tax will be refunded to the
30 customer.

31 d. All taxes and surcharges collected pursuant to **[such**
32 **ordinance]** the ordinances shall be remitted to the chief fiscal
33 officer of the municipality and shall be reported on such forms and
34 paid at such times as may be prescribed in **[such ordinance]** the
35 ordinances.

36 (cf: P.L.1970, c.326, s.7)

37
38 3. Section 2 of P.L.1987, c.21 (C.40:48C-1.2) is amended to
39 read as follows:

40 2. Any municipality having a population of less than 125,000,
41 but in excess of 100,000, according to the latest federal decennial
42 census, is hereby authorized and empowered to enact an ordinance
43 imposing the tax, or tax and surcharge, provided for in Article 3
44 (Parking Tax) of the "Local Tax Authorization Act," P.L.1970,
45 c.326 (C. 40:48C-6 et seq.) on any facility, or any portion of a
46 facility, situated within its borders, **[but which, in part, is also**
47 **situated in a]** provided that an ordinance so enacted meets all of the

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1 requirements and restrictions set forth in subsection b. of section 6
2 of P.L.1970, c.326 (C.40:48C-6), and provided that the municipality
3 is contiguous with a municipality which has enacted an ordinance
4 imposing the tax provided for in Article 3 (Parking Tax) of the
5 "Local Tax Authorization Act," P.L.1970, c.326 (C.40:48C-6 et
6 seq.).
7 (cf: P.L.1987, c.21, s.2)

8
9 4. Section 2 of P.L.1991, c.288 (C.40:48C-1.3) is amended to
10 read as follows:

11 2. Any municipality located in a county of the first class with a
12 population density exceeding 10,000 persons per square mile,
13 according to the latest federal decennial census is hereby authorized
14 and empowered to enact an ordinance imposing the tax, or tax and
15 surcharge, provided for in Article 3 (Parking Tax) of the "Local Tax
16 Authorization Act," P.L.1970, c.326 (C.40:48C-6 et seq.) on any
17 facility situated entirely within its borders, or on any portion of a
18 facility situated within its borders, but which, in part, is also
19 situated in a contiguous municipality which has enacted an
20 ordinance imposing the tax provided for in Article 3 (Parking Tax)
21 of the "Local Tax Authorization Act," P.L.1970, c.326 (C.40:48C-6
22 et seq.).
23 (cf: P.L.1991, c.288, s.8)

24
25 5. This act shall take effect immediately.
26
27

28 STATEMENT
29

30 The bill would amend the "Local Tax Authorization Act,"
31 P.L.1970, c.326 (C.40:48C-1 et seq.) to authorize an eligible
32 municipality, by ordinance, to impose a "special event" parking tax
33 surcharge in addition to the parking tax authorized under that act.
34 The amount of the surcharge would be 7% on fees for the parking,
35 garaging, or storing of motor vehicles for special events held in the
36 municipality during weekday evenings, beginning at 6:00 p.m. or
37 later, and held at any time on Saturdays, Sundays, and holidays.
38 Special events would include, but not be limited to, spectator
39 sporting events, trade shows, expositions, concerts, and other public
40 events. The ordinance must identify the areas of the municipality,
41 to be designated as "special event parking tax surcharge zones," in
42 which the special event parking tax surcharge shall be imposed, but
43 no zone shall include a facility for the parking, garaging, or storing
44 of motor vehicles that is located on land that comprises any part of
45 an international airport. All surcharges required to be collected
46 shall be anticipated and appropriated in the municipal budget as a
47 dedicated revenue, pursuant to N.J.S.40A:4-39, for the purpose of
48 defraying municipal expenses for police, fire, sanitation work, and

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1 other services associated with the hosting of special events. The
2 bill requires that sanitation work services related to special events
3 that are paid for by the surcharge receipts must be performed solely
4 by employees of the municipality, or the authorizing ordinance
5 becomes void and the surcharge can no longer be collected.

6 The bill also would amend section 2 of P.L.1987, c.21
7 (C.40:48C-1.2), which currently authorizes the City of Elizabeth, by
8 ordinance, to impose the parking tax authorized by the “Local Tax
9 Authorization Act” on any portion of a parking facility situated
10 within its borders which is also partly situated in a contiguous
11 municipality which, by ordinance, has imposed the parking tax
12 under the “Local Tax Authorization Act.” This bill would authorize
13 the City of Elizabeth, by ordinance, to impose the parking tax, as
14 well as the special event parking tax surcharge, on any facility, or
15 portion of a facility, situated within its borders. The bill also
16 requires that any ordinance adopted pursuant to the bill must meet
17 all of the requirements and restrictions set forth in subsection b. of
18 section 6 of P.L.1970, c.326 (C.40:48C-6), which is amended by the
19 bill to require the designation of the special event parking tax
20 surcharge zones in the ordinance, which zones may not include a
21 facility for the parking, garaging, or storing of motor vehicles that is
22 located on land that comprises an international airport.

23 The bill would also amend section 2 of P.L.1991, c.288
24 (C.40:48C-1.3) to specifically authorize all of the municipalities
25 located in Hudson County to impose both the parking tax and the
26 special event parking tax surcharge.

27 Under current law, Newark, all of the municipalities in Hudson
28 County, and Elizabeth are authorized to impose a parking tax under
29 the “Local Tax Authorization Act.”

ASSEMBLY APPROPRIATIONS COMMITTEE

STATEMENT TO

ASSEMBLY, No. 4661

STATE OF NEW JERSEY

DATED: JANUARY 3, 2008

The Assembly Appropriations Committee reports favorably Assembly Bill No. 4661.

This bill amends the “Local Tax Authorization Act,” P.L.1970, c.326 (C.40:48C-1 et seq.) to authorize an eligible municipality, by ordinance, to impose a “special event” parking tax surcharge in addition to the parking tax authorized under that act. The amount of the surcharge would be 7% on fees for the parking, garaging, or storing of motor vehicles for special events held in the municipality during weekday evenings, beginning at 6:00 p.m. or later, and held at any time on Saturdays, Sundays, and holidays. Special events would include, but not be limited to, spectator sporting events, trade shows, expositions, concerts, and other public events. The ordinance must identify the areas of the municipality, to be designated as “special event parking tax surcharge zones,” in which the special event parking tax surcharge shall be imposed, but no zone shall include a facility for the parking, garaging, or storing of motor vehicles that is located on land that comprises any part of an international airport. All surcharges required to be collected shall be anticipated and appropriated in the municipal budget as a dedicated revenue, pursuant to N.J.S.40A:4-39, for the purpose of defraying municipal expenses for police, fire, sanitation work, and other services associated with the hosting of special events. The bill requires that sanitation work services related to special events that are paid for by the surcharge receipts must be performed solely by employees of the municipality, or the authorizing ordinance becomes void and the surcharge can no longer be collected.

The bill also amends section 2 of P.L.1987, c.21 (C.40:48C-1.2), which currently authorizes the City of Elizabeth, by ordinance, to impose the parking tax authorized by the “Local Tax Authorization Act” on any portion of a parking facility situated within its borders which is also partly situated in a contiguous municipality which, by ordinance, has imposed the parking tax under the “Local Tax Authorization Act.” This bill authorizes the City of Elizabeth, by ordinance, to impose the parking tax, as well as the special event parking tax surcharge, on any facility, or portion of a facility, situated within its borders. The bill also requires that any ordinance adopted pursuant to the bill must meet all of the requirements and restrictions set forth in subsection b. of section 6 of P.L.1970, c.326 (C.40:48C-6),

which is amended by the bill to require the designation of the special event parking tax surcharge zones in the ordinance, which zones may not include a facility for the parking, garaging, or storing of motor vehicles that is located on land that comprises an international airport.

The bill also amends section 2 of P.L.1991, c.288 (C.40:48C-1.3) to specifically authorize all of the municipalities located in Hudson County to impose both the parking tax and the special event parking tax surcharge.

Under current law, Newark, all of the municipalities in Hudson County, and Elizabeth are authorized to impose a parking tax under the "Local Tax Authorization Act."

FISCAL IMPACT:

The Office of Legislative Services cannot determine the fiscal impact of the bill as it has no information regarding the percentage parking tax revenues that would be subject to surcharge that could be imposed by an ordinance authorized by this bill.

The provisions of the "Local Tax Authorization Act" P.L.1970, c.326 (C.40:48C-1 et seq.) allow Jersey City, Newark and every municipality in Hudson County to enact ordinances imposing a parking tax. Elizabeth is authorized to impose a parking tax on portions of Newark Liberty International Airport that are within its borders. Only Elizabeth, Harrison, Hoboken, Jersey City and Newark have done so. According to its Fiscal Year 2008 budget, the City of Newark collected \$18,731,953 in parking tax revenues in Fiscal Year 2007. The cities of Elizabeth and Jersey City collected \$2,593,497 and \$5,713,906 respectively in Fiscal Year 2007.

Finally, the OLS cannot determine the fiscal impact of this bill because it authorizes, but does not require, a municipality that has imposed a parking tax to adopt an ordinance that imposes an additional special event parking tax surcharge. The OLS notes that Bayonne, East Newark, Guttenberg, Kearney, North Bergen, Secaucus, Union City, and Weehawken have not enacted ordinances that impose a parking tax.

LEGISLATIVE FISCAL ESTIMATE
ASSEMBLY, No. 4661
STATE OF NEW JERSEY
212th LEGISLATURE

DATED: JANUARY 10, 2008

SUMMARY

Synopsis: Authorizes imposition of special event parking tax surcharge in certain municipalities; authorizes imposition of parking tax by certain municipalities on any parking facility located therein.

Type of Impact: Indeterminate increase in local revenue.

Agencies Affected: Certain municipalities

Office of Legislative Services Estimate

Fiscal Impact	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>
Local Revenue	Indeterminate increase	Indeterminate increase	Indeterminate increase

- The Office of Legislative Services (OLS) cannot determine the fiscal impact of this bill because it has no information regarding the amount of parking tax revenues that are attributable to special event parking. Moreover, the OLS notes that this bill authorizes, but does not require, a municipality that has imposed a parking tax to adopt an ordinance that imposes an additional special event parking tax surcharge.
- The provisions of the “Local Tax Authorization Act,” P.L.1970, c.326 (C.40:48C-1 et seq.), which this bill amends and supplements, currently allow Elizabeth (see below), Newark and every municipality in Hudson County to enact ordinances imposing a parking tax. Current law provides that the tax shall not exceed 15 percent on the parking, garaging, or storing of motor vehicles, other than parking in a garage which is part of a premises occupied solely as a private one- or two-family dwelling. This bill would allow municipalities that have imposed a parking tax to apply an additional 7 percent special event parking tax surcharge to the current fee. The OLS notes that Harrison, Hoboken, Jersey City and Newark have imposed a parking tax; Bayonne, East Newark, Guttenberg, Kearney, North Bergen, Secaucus, Union City, and Weehawken (all Hudson County municipalities) have not.
- Currently, the City of Elizabeth is authorized to impose a parking tax only on portions of Newark Liberty International Airport that are within its borders. This bill would change current law and allow the City of Elizabeth, by ordinance, to impose the parking tax, as well as the special event parking tax surcharge, on any facility or portion of facility, situated

within its borders. The surcharge would not apply to any facility for the parking, garaging, or storing of motor vehicles on land that comprises an international airport.

BILL DESCRIPTION

Assembly Bill No. 4661 of 2007 authorizes an eligible municipality, by ordinance, to impose a special event parking tax surcharge in addition to the parking tax authorized under the “Local Tax Authorization Act,” P.L.1970, c.326 (C.40:48C-1 et seq.). The amount of the surcharge would be 7 percent on fees for the parking, garaging, or storing of motor vehicles for special events held in the municipality during weekday evenings, beginning at 6:00 p.m. or later, and held at any time on Saturdays, Sundays, and holidays. Special events would include, but not be limited to, spectator sporting events, trade shows, expositions, concerts, and other public events. The ordinance must identify the areas of the municipality in which the special event parking tax surcharge shall be imposed as “special event parking tax surcharge zones.” Any revenues raised by the special event parking tax surcharge must be dedicated for the purpose of defraying municipal expenses for police, fire, sanitation work, and other services associated with the hosting of special events.

This bill would also authorize the City of Elizabeth to impose, by ordinance, a parking tax as well as the special event parking tax surcharge on any facility or portion of a facility within its borders. No special event parking tax surcharge zone in any eligible municipality shall include a facility for the parking, garaging, or storing of motor vehicles that is located on land that comprises any part of an international airport.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

The OLS cannot determine the fiscal impact of Senate Bill No. 2891 because it has no information regarding the amount of parking tax revenues that are attributable to special event parking. Furthermore, the OLS cannot determine the fiscal impact of this bill because it authorizes, but does not require, a municipality that has imposed a parking tax to adopt an ordinance that imposes an additional special event parking tax surcharge.

The provisions of the “Local Tax Authorization Act” P.L.1970, c.326 (C.40:48C-1 et seq.) allow Elizabeth, Newark, and every municipality in Hudson County to enact ordinances imposing a parking tax. Elizabeth is currently authorized to impose a parking tax on portions of Newark Liberty International Airport that are within its borders. The OLS notes that Bayonne, East Newark, Guttenberg, Kearney, North Bergen, Secaucus, Union City, and Weehawken have not enacted ordinances that impose a parking tax.

According to its Fiscal Year 2008 budget, the City of Newark collected \$18,731,953 in parking tax revenues in Fiscal Year 2007. The cities of Elizabeth and Jersey City collected \$2,593,497 and \$5,713,906 respectively in Fiscal Year 2007.

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Section: Local Government

*Analyst: Scott A. Brodsky
Assistant Fiscal Analyst*

*Approved: David J. Rosen
Legislative Budget and Finance Officer*

This fiscal estimate has been prepared pursuant to P.L.1980, c.67 (C.52:13B-1 et seq.).