

2014-14

**AN ORDINANCE BY PRINCETON
CONCERNING THE HOTEL
USAGE TAX AND AMENDING THE
"CODE OF THE BOROUGH OF
PRINCETON, NEW JERSEY, 1974".**

WHEREAS, the Borough of Princeton and Township of Princeton pursuant to the provisions of the New Jersey Municipal Consolidation Act, *N.J.S.A. 40:43-66.35* consolidated as Princeton on January 1, 2013; and

WHEREAS, pursuant to *N.J.S.A. 40:43-66.64*, the Princeton Council on January 1, 2013 adopted a Resolution continuing in effect Ordinances of the former Borough of Princeton and the former Township of Princeton as a new Code for Princeton is prepared; and

WHEREAS, the Princeton Council's Code Subcommittee has reviewed and updated Chapter 15A of the "Code of the Borough of Princeton, New Jersey, 1974" pertaining to the Hotel Usage Tax; and

WHEREAS, the Princeton Council wishes to adopt said Code revisions which will become a part of the new Princeton Code at a future date.

NOW, THEREFORE, BE IT ORDAINED by the Princeton Council as follows:

Section 1. Chapter 15A of the "Code of the Borough of Princeton, New Jersey, 1974" entitled "Hotel Usage Tax" is hereby amended as set forth on Exhibit A attached hereto and a made part hereof.

Section 2. All ordinances and resolutions or parts thereof inconsistent with this Ordinance are repealed.

Section 3. If any section, subsection, sentence, clause, phrase or portion of this Ordinance is for any reason held invalid or unconstitutional by any court of competent jurisdiction,

such portion shall be deemed a separate, distinct, and independent provision, and such holding shall not affect the validity of the remaining portion thereof.

Section 4. Upon final adoption, a copy of this Ordinance shall be transmitted to the State Treasurer, together with a list of the names and addresses of all of the hotels and motels located in Princeton.

Section 5. Except as specifically provided in this section 5, this Ordinance shall take effect upon its final adoption and publication as provided for by law. The provisions of the attached Chapter 15A, as amended, shall be applicable within Princeton upon taking effect and shall become a part of the new Princeton Code once completed and adopted, except that to the extent required by law the amendments to the tax provisions contained in the attached Chapter 15A shall take effect on the first day of the first full month occurring ninety days after the date of transmittal to the State Treasurer.

I, Kathleen K. Brzezynski, Deputy Clerk of Princeton, County of Mercer, State of New Jersey, do hereby certify that the foregoing is a true copy of an ordinance adopted by the Mayor and Council of Princeton at its meeting held May 27, 2014.



Kathleen K. Brzezynski
Deputy Clerk

EXHIBIT A

CHAPTER 15A. HOTEL USAGE TAX

Sec. 15A-1. Tax imposed.

The municipality does hereby impose a tax, at a uniform percentage rate of one percent on charges of rent for every occupancy on or after July 1, 2003 but before July 1, 2004, and three percent on charges of rent for every occupancy on or after July 1, 2004, on a room or rooms in a hotel subject to taxation pursuant to the New Jersey State Sales Tax, more specifically set forth in subsection (d) of section 3 of P.L. 1966, c.30 (N.J.S.A. 54:32B-3). A tax imposed under this section shall be in addition to any other tax or fee imposed pursuant to statute or local ordinance or resolution by the municipality. Any unpaid taxes under this chapter shall be subject to interest at a rate of five percent per annum.

The terms used in this chapter, including but not limited to "hotel," "occupancy" and "room," shall be as defined in N.J.S.A. 54:32B-2.

Sec. 15A-2. Copy of chapter to State Treasurer; effective date; annual submission to State Treasurer.

A copy of this chapter shall be transmitted upon adoption or amendment to the State Treasurer, along with a list of the names and addresses of all hotels and motels located within the municipality. This chapter or any amendment thereto shall take effect on the first day of the first full month occurring thirty days after the date of transmittal to the State Treasurer during calendar year 2003 and on the first day of the first full month occurring ninety days after the date of transmittal to the State Treasurer for any amendments adopted in calendar year 2004 and thereafter.

Princeton shall annually provide to the State Treasurer, no later than January 1 of each year, a list of the names and addresses of all hotels and motels located in the municipality, as well as the name and address of any hotel or motel that commences operation after January 1 of any year.

Sec. 15A-3. Conformance with state statutes.

The Hotel Occupancy tax shall be administered in conformance with Section 4 of Chapter 114 of the Laws of 2003 as follows:

(a) All taxes imposed by this chapter shall be paid by the purchaser or guest renting a hotel room;

(b) A vendor or hotel establishment (hereinafter "vendor") shall not assume or absorb any tax imposed by this chapter;

(c) A vendor shall not in any manner advertise or hold out to any person or to the public in general, in any manner, directly or indirectly, that the tax will be assumed or absorbed by the vendor, that the tax will not be separately charged and stated to the customer or hotel guest, or that the tax will be refunded to the customer.

(d) Each assumption or absorption by a vendor of the tax shall be deemed a separate offense and each representation or advertisement by a vendor for each day the representation or advertisement continues shall be deemed a separate offense; and

(e) Any violation of this section shall be subject to the penalties provided for in section 1-6 of this Code. Each violation of a provision of this section shall be considered a separate offense and a separate offense shall be deemed committed on each day during which or on which a violation occurs or continues.

Sec. 15A-4. Collection of tax.

(a) A tax imposed pursuant to this chapter shall be collected on behalf of the municipality by the person collecting the rent from the hotel customer.

(b) Each vendor or person required to collect a tax imposed by the chapter shall be personally liable for the tax imposed, collected or required to be collected hereunder. Any such vendor or person shall have the same right in respect to collecting the tax from a customer or hotel guest as if the tax were a part of the rent and payable at the same time; provided, however, that the chief fiscal officer of the municipality shall be joined as a party in any action or proceeding brought to collect the tax.

Sec. 15A-5. Filing of return with Director of Division of Taxation.

(a) A person required to collect a tax imposed pursuant to the provisions of this chapter shall, on or before the dates required pursuant to section 17 of P.L. 1966, c.30 (C.54:32B-17), forward to the Director of the Division of Taxation in the New Jersey Department of the Treasury (hereinafter the "Director"), the tax collected in the preceding month and make and file a return for the preceding month with the Director on any form and containing any information as the Director shall prescribe as necessary to determine liability for the tax in the preceding month during which the person was required to collect the tax.

(b) The Director may permit or require returns to be made covering other periods and upon any dates as the Director may specify. In addition, the Director may require payments of tax liability at any intervals and based upon any classifications as the director may designate. In prescribing any other periods to be covered by the return or intervals or classifications for payment of tax liability, the Director may take into account the dollar volume of tax involved as well as the need for ensuring the prompt and orderly collection of the tax imposed.

(c) The Director may require amended returns to be filed within twenty days after notice and to contain the information specified in the notice.

Sec. 15A-6. Director to administer tax.

(a) The Director shall collect and administer any tax imposed pursuant to the provisions of section 3 of Chapter 114 of the Laws of 2003. In carrying out the provisions of this section, the Director shall have all the powers granted in P.L. 1966, c.30 (C.54:32B-1 et seq.).

(b) The Director shall determine and certify to the State Treasurer on a quarterly or more frequent basis, as prescribed by the State Treasurer, the amount of revenues collected for the municipality pursuant to section 3 of Chapter 114 of the Laws of 2003.

(c) The State Treasurer, upon the certification of the Director and upon the warrant of the State Comptroller, shall pay and distribute to the municipality on a quarterly or more frequent basis, as prescribed by the State Treasurer, the amount of revenues determined and certified under subsection (b) of this section. The State Treasurer shall include within each distribution of tax revenue a list of all of the hotels and motels in the municipality that submitted municipal occupancy tax revenue to the State as required by subsection (a) of section 15A-5.

(d) A tax imposed pursuant to the provisions of this chapter shall be governed by the provisions of the "State Uniform Tax Procedure Law," N.J.S.A. 54:48-1 *et seq.*

Sec. 15A-7. Written notification of nonpayment of taxes; actions of municipality.

(a) The State Treasurer shall annually provide to the municipality written notification of nonpayment by a hotel or motel of taxes required to be paid under this chapter. The written notification required shall also authorize the municipality to act as the collection agent for the outstanding balance of taxes due and owing to it in place of the State Treasurer.

(b) In the event that the tax imposed under this chapter is not paid as and when due by a hotel or motel, the unpaid balance, and any interest accruing thereon, shall be a lien on the parcel of real property comprising the hotel or motel in the same manner as all other unpaid municipal taxes, fees, or other charges. The lien shall be superior and paramount to the interest in such parcel of any owner, lessee, tenant, mortgagee, or other person, except the lien of municipal taxes and shall be on a parity with and deemed equal to the municipal lien on the parcel for unpaid property taxes due and owing in the same year.

(c) The municipality shall file in the office of its tax collector a statement showing the amount and due date of the unpaid balance and identifying the lot and block number of the parcel of real property that comprises the delinquent hotel or motel. The lien shall be enforced as a municipal lien in the same manner as all other municipal liens are enforced.

Sec. 15A-8. Chapter subject to rules and regulations adopted by State Treasurer.

The provisions of this chapter shall be subject to any rules or regulations that may be adopted by the State Treasurer.