

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.