



Legislation Details (With Text)

File #: 17-2113 **Version:** 3 **Name:** Greater Newark Tourism Improvement District
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Title: ORDINANCE AMENDING ORDINANCE 6PSF-H, JUNE 19, 2013, WHICH AMENDED AND SUPPLEMENTED THE CODE OF THE CITY OF NEWARK TO AUTHORIZE THE CREATION OF A SPECIAL IMPROVEMENT DISTRICT IN THE CITY TO BE KNOWN AS THE "GREATER NEWARK TOURISM IMPROVEMENT DISTRICT," BY ADDING DEFINITIONS FOR "HOTEL" AND "HOTEL INDUSTRY" AND AUTHORIZES A QUARTERLY FEE PAYMENT OF 1.0% BEING THE FEE ACTUALLY COLLECTED.
Sponsors: Council of the Whole

Indexes:

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Date	Ver.	Action By	Action	Result
9/19/2018	3	Municipal Council	Close on Public Hearing and Adopt	Pass
9/6/2018	1	Municipal Council	Advance and Adopt on First Reading as 6F-	
9/6/2018	1	Municipal Council	Advance and Adopt on First Reading as 6F-	Pass

ORDINANCE AMENDING ORDINANCE 6PSF-H, JUNE 19, 2013, WHICH AMENDED AND SUPPLEMENTED THE CODE OF THE CITY OF NEWARK TO AUTHORIZE THE CREATION OF A SPECIAL IMPROVEMENT DISTRICT IN THE CITY TO BE KNOWN AS THE "GREATER NEWARK TOURISM IMPROVEMENT DISTRICT," BY ADDING DEFINITIONS FOR "HOTEL" AND "HOTEL INDUSTRY" AND AUTHORIZES A QUARTERLY FEE PAYMENT OF 1.0% BEING THE FEE ACTUALLY COLLECTED.

WHEREAS, by Ordinance 6PSF-h June 19, 2013, adopted on June 19, 2013 ("the GNCV Ordinance"), the Mayor and the Municipal Council created and designated within the City of Newark a Special Improvement District authorized pursuant to N.J.S.A. 40:56-65 et. seq., to be known as the Greater Newark Tourism Improvement District comprised of all hotel properties within the City (the "District") to provide supplemental services within the District and to collect a special license fee assessment on all affected property within the District, which fee assessments shall be collected by the owners of hotel properties within the District as an additional room fee, paid to the City of Newark, for the purpose of promoting the economic and general welfare of the District and the municipality; and

WHEREAS, the collection of fee assessments from owners of hotel properties requires a conspicuous definition and understanding of what constitutes a "Hotel" within the City of Newark; and

WHEREAS, the regulation of the "hotel industry property and business", as provided in Section 2 of the GNCV Ordinance, also requires a conspicuous definition and understanding of what

constitutes the “Hotel Industry”; and

WHEREAS, “Section 1: Definitions” of the GNCV Ordinance is bereft of definitions for “Hotel” and “Hotel Industry”; and

WHEREAS, Section 4d of the GNCV Ordinance provides for a quarterly License Fee Assessment, as well as the monthly payment of .0025% of the amount actually collected from the Tax Collector; and

WHEREAS, the practice of collecting assessment fees on a quarterly basis conflicts with the practical disbursement of the same on a monthly basis; and

WHEREAS, a quarterly payment of 1.0% would be clearer and beneficial to the intent of the GNCV Ordinance.

NOW, THEREFORE, BE IT ORDAINED BY THE MUNICIPAL COUNCIL OF THE CITY OF NEWARK, NEW JERSEY, THAT:

[NOTE: Underlined text represents additions and ~~strikethroughs~~ represent deletions]

Ordinance 6PSF-h of the City of Newark, New Jersey, be and the same is hereby amended to read as follows:

Section1. Definitions.

c. “Hotel” shall mean a commercial building which is regularly used and kept open as such for the lodging of guests. Consistent with Chapter 20 of the City Code, any hotel collecting the City’s 6% hotel occupancy tax or paying the City a payment in lieu of such tax, is obligated to collect a 1.5% tourism assessment fee, or if the hotel makes payment in lieu of the hotel occupancy tax, a proportionate payment must be assessed against the hotel.

d. “Hotel Industry” means any individual, company, or group of companies engaged in the development, marketing, and management of a hotel.

Section2. Findings.

b. That hotel industry properties and businesses, including but not limited to, those described by Lot and Block and street address as set forth in **Schedule A** of this Ordinance are an integral, vital economic and social component properties and businesses will serve to enhance the safety, welfare and economic growth of the District and, consequently, the residents of the city as a whole.

Section 3. Establishment of the District.

b. The District hotel industry properties and businesses shall consist of all hotel properties within the City of Newark, which are identified by street address and by Block and Lot designation in **Schedule A** hereto. Included among such properties identified in **Schedule A** are two (2) properties

that ~~were~~ under construction ~~previously~~, which properties shall not be subject to license fee assessment until after obtaining a Certificate of Occupancy. **Schedule A** may be amended by Ordinance to add new hotel properties or to delete properties which have a change of use from hotel to other uses. **Schedule A** may be amended by Ordinance to add new hotel properties which have a change of use from hotel to other uses.

Section 4. License Fee Assessments

d. License fee assessments shall be collected by each hotel owner or operator as a regular additional “room charge” imposed upon such hotel owners and operators based upon actual room rentals. Hotel owners and operators shall pay all such license fee assessments in quarterly installments due with regular real property tax payments each February, May, August, and November, which payments shall be received by the City Tax Collector and paid over to the Management Corporation by the end of each month in which the license fee assessments are collected. The Tax Collector shall withhold from each ~~monthly~~ **quarterly** payment an Administrative Fee of ~~0025%~~ 1.0% of the amount actually collected by the Tax Collector. All license fee assessment payments collected by the Tax Collector shall be placed and maintained in a special account that shall at all times be segregated from general municipal funds.

e. The City shall pay over 25% of the budget for each of the first three quarters of the tax year in February, May and August. In the final quarter, the City shall turn over the remaining license fee assessment funds actually collected and shall be under obligation to fund or subsidize any shortfall in ~~anticipation license fee assessment revenues.~~

Section 5. Severability.

If any provision of this Ordinance is deemed unlawful by a court and is found to be contrary to law by a court of competent jurisdiction, then such provision shall be of no force or effect; but the remainder of this Ordinance shall continue in full force and effect.

Section 6. Effective Date.

This Ordinance shall take effect upon final passage and publication in accordance with the laws of the State of New Jersey.

STATEMENT

This Ordinance amends Ordinance 6PS-h, June 1, 2013, by adding definitions for “Hotel” and “Hotel Industry”, and qualifies the collection of monthly Administration fees of .0025% by changing same to a quarterly payment of 1.0% of fees actually collected.