

June 28, 2024

**ASSEMBLY BILL NO. 4708**

To the General Assembly:

Pursuant to Article V, Section I, Paragraph 14 of the New Jersey Constitution, I am returning Assembly Bill No. 4708 with my recommendations for reconsideration.

Assembly Bill No. 4708 would eliminate the statutory suspension provision that is imposed on the collection of hotel and motel occupancy fees. The statutory suspension provision, commonly known as a "poison pill," requires the Director of the Division of Taxation to no longer impose or collect the hotel and motel occupancy fee if the Legislature fails to appropriate funding for cultural projects, historical heritage programs, and tourism advertisement and promotion.

I am pleased to have reached a comprehensive deal with my partners in the Legislature concerning the State's spending plan for Fiscal Year 2025. After many months of hard work, we have crafted a budget that supports the State's spending needs for the fiscal year, provides record levels of direct and indirect property tax relief, delivers a full pension payment for a fourth straight year, establishes a dedicated funding stream to New Jersey Transit, and supports significant investments in the economy, workforce development, and public safety. We achieved all these things despite global economic uncertainty, high inflation, supply chain disruptions, and rising health care costs. In fulfilling our solemn duty to put forth a fiscally responsible spending plan for the upcoming year, my legislative partners and I were forced to make many hard choices to make New Jersey a more affordable place to live and raise a family. In the give and take of budget negotiations, a decision was made to decrease the appropriation for cultural projects by \$5 million from the amount recommended in my annual budget address given in February of this year.

Cultural projects contribute to the vibrancy of New Jersey's communities, serve as catalysts for broader economic development in our neighborhoods, and attract visitors and businesses to the State. Funding for cultural projects is used by the State Council on the Arts ("Council") to provide grants and services to art organizations and

artists in New Jersey whose projects show professional merit, promise, and positive public impact. The Council seeks and supports partnerships with various public and private entities to extend the reach of resources and ensure that policies and practices benefit and engage New Jersey's diverse constituencies. Upon further reflection and discussion with my legislative partners, we have decided that it is in the best interest of our State and its residents to restore funding for cultural projects to the amount recommended in my February budget proposal. I want to thank the Legislature for working cooperatively with my Administration on this issue.

Therefore, I herewith return Assembly Bill No. 4708 and recommend that it be amended as follows:

<u>Page 2, Title, Line 1:</u>	Delete "eliminating the statutory suspension required on the" and insert "concerning cultural projects and making an appropriation."
<u>Page 2, Title, Lines 2-3:</u>	Delete in their entirety
<u>Page 2, Section 1, Line 8:</u>	Delete "Section 2 of P.L.2003, c.114 (C.54:32D-2) is amended to read" and insert "There is appropriated from the General Fund to the Department of State \$5,000,000 for Cultural Projects, subject to the approval of the Director of the Division of Budget and Accounting."
<u>Page 2, Section 1, Lines 9-47:</u>	Delete in their entirety
<u>Page 3, Section 1, Lines 1-48:</u>	Delete in their entirety
<u>Page 4, Section 1, Lines 1-33:</u>	Delete in their entirety

[seal]

Respectfully,

/s/ Philip D. Murphy

Governor

Attest:

/s/ Parimal Garg

Chief Counsel to the Governor