

27:25-16

LEGISLATIVE HISTORY CHECKLIST

(New Jersey Transit--retain tax exemption
for certain property)

NJSA 27:25-16
LAWS 1981 CHAPTER 560
Bill No. A3811
Sponsor(s) T. Gallo
Date Introduced Jan. 7, 1982
Committee: Assembly -----
Senate -----

Amended during passage ~~Yes~~ No

Date of Passage: Assembly Jan. 11, 1982
Senate Jan. 12, 1982

Date of approval Jan. 12, 1982

Following statements are attached if available:

Sponsor statement	Yes	No
Committee Statement: Assembly	Yes	No
Senate	Yes	No
Fiscal Note	Yes	No
Veto Message	Yes	No
Message on signing	Yes	No

Following were printed:

Reports	Yes	No
Hearings	Yes	No

6/22/81

ASSEMBLY, No. 3811

STATE OF NEW JERSEY

INTRODUCED JANUARY 7, 1982

By Assemblymen T. GALLO, DORIA, MAYS and COWAN

(Without Reference)

AN ACT to amend the "New Jersey Public Transportation Act of 1979," approved July 17, 1979 (P. L. 1979, c. 150).

1 BE IT ENACTED *by the Senate and General Assembly of the State*
2 *of New Jersey:*

1 1. Section 16 of P. L. 1979, c. 150 (C. 27:25-16) is amended to
2 read as follows:

3 16. The exercise of the powers granted by this act shall be in all
4 respects for the benefit of the people of the State, and since the
5 improvement, operation, and maintenance of public transportation
6 services by the corporation constitute the performance of essential
7 governmental functions, neither the corporation nor any wholly
8 owned business corporation or other entity **[shal]** *shall* be required
9 to pay *taxes or assessments* upon any public transportation project
10 or any property acquired or used under the provisions of this
11 act, *including but not limited to, sales taxes, real property taxes*
12 *or assessments, corporate franchise taxes or income taxes.*

13 *Because of the special nature of such property, the leasing for*
14 *private use of a part of a structure that is part of any property*
15 *whose primary use is as a public transportation passenger facility*
16 *and which is located within an area in need of rehabilitation, as*
17 *defined in section 2 of P. L. 1977, c. 12 (C. 54:4-3.96), shall not*
18 *serve to remove the tax exemption of the corporation for the leased*
19 *portion of the property, and shall not subject the lessee to taxation,*
20 *the provisions of chapter 29A of Title 54 of the Revised Statutes*
21 *and P. L. 1949, c. 177 (C. 54:4-2.3 et seq.) notwithstanding.*

22 *However, any property owned by the corporation or any wholly*
23 *owned business corporation or other entity shall be considered*
24 *"State" property as defined in P. L. 1977, c. 272 (C. 54:4-2.2a),*
25 *and shall be subject to the in lieu tax payments provided in that*
26 *act. In order that municipalities not suffer the loss of taxes by*

EXPLANATION—Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted in the law.

27 *reason of the acquisition of property during 1980 by the corporation*
28 *or any wholly owned business corporation or other entity under*
29 *the provisions of this act, the corporation shall pay annually in two*
30 *installments; May 1 and November 1, to each municipality, begin-*
31 *ning in tax year 1981, a sum equal to the taxable value of the*
32 *property, as determined for the tax year 1981, multiplied by the*
33 *1981 general tax rate for the municipality where the property is*
34 *located.*

35 *Moreover, the corporation is hereby authorized and empowered,*
36 *in its discretion, to enter into a voluntary agreement or agreements*
37 *with any county or municipality, whereby it will undertake to pay*
38 *an additional fair and reasonable sum or sums annually in con-*
39 *nection with any property used primarily as a public transportation*
40 *passenger facility, a portion of which is leased for private use,*
41 *which is located within an area in need of rehabilitation, as defined*
42 *in section 2 of P. L. 1977, c. 12 (C. 54:4-3.96).*

43 *Nothing in this subsection shall deprive any municipality of*
44 *replacement revenues that it would otherwise receive pursuant to*
45 *sections 19 through 24 of P. L. 1966, c. 139 (C. 54:29A-24.1 et seq.).*

1 2. This act shall take effect immediately.

STATEMENT

This bill is designed to retain the tax exemption for property owned by New Jersey Transit that is used primarily as a public transportation passenger facility and located within an area in need of rehabilitation, notwithstanding that a portion of such property is leased for other uses or purposes. It is also designed to ensure that the lessee will not be subject to taxation.

Finally, it permits New Jersey Transit, at its discretion, to enter into agreements with municipalities for additional in lieu of tax payments. The Hoboken train station is an example of the kind of property that will be immediately affected by this bill.

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A3811 (1981)