

REPORTS:

No

HEARINGS:

No

NEWSPAPER ARTICLES:

No

SENATE, No. 2652

STATE OF NEW JERSEY
209th LEGISLATURE

INTRODUCED NOVEMBER 8, 2001

Sponsored by:

Senator JOSEPH M. KYRILLOS, JR.
District 13 (Middlesex and Monmouth)
Senator DIANE ALLEN
District 7 (Burlington and Camden)

Co-Sponsored by:

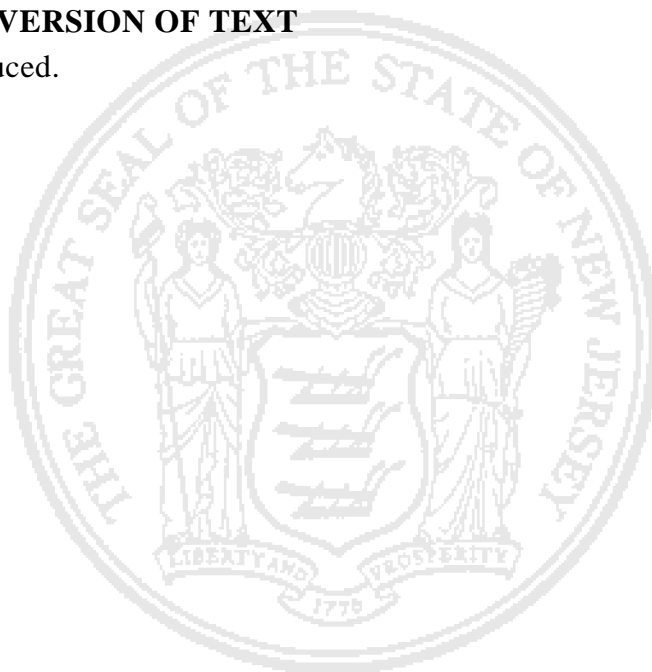
Senator Cardinale, Assemblymen Azzolina, Thompson, Corodemus and
Assemblywoman Previte

SYNOPSIS

Expands property tax exemption of firefighters' organizations which use property for income-producing activities.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 1/4/2002)

S2652 KYRILLOS, ALLEN

2

1 AN ACT concerning the exemption from property taxation of certain
2 firefighters' organizations and amending R.S.54:4-3.10.

3

4 **BE IT ENACTED** by the Senate and General Assembly of the State
5 of New Jersey:

6

7 1. R.S.54:4-3.10 is amended to read as follows:

8 54:4-3.10. The real and personal property of any exempt
9 firefighter's association, firefighter's relief association and volunteer
10 fire company incorporated under the laws of this [state] State and
11 which is actually used for the purpose of the corporation shall be
12 exempt from taxation under this chapter.

13 No property shall lose its tax exemption or be denied an exemption
14 under this section because of the use of the property for an
15 income-producing activity that is not the organization's primary
16 purpose provided [such income-producing activity does not exceed
17 120 days annually so long as] all net proceeds from that activity are
18 utilized in furtherance of the primary purpose of the organization or
19 for other charitable purposes. Commencing with the effective date of
20 P.L.2001, c.85, exempt firefighter's associations, firefighter's relief
21 associations and volunteer fire companies shall be required to record
22 the dates the property has been utilized for income-producing activities
23 and to maintain such records during the calendar year in which the
24 income-producing activity takes place and for the two calendar years
25 thereafter.

26 (cf: P.L.2001, c.85, s.1)

27

28 2. This act shall take effect immediately and shall be retroactive to
29 January 1, 1998.

30

31 STATEMENT

32

33 This bill establishes that the property of certain firefighters'
34 organizations would be exempt from taxes even if the property is used
35 for income-producing activities for more than 120 days each year.

36 Until recently, real and personal property of firefighters'
37 associations, firefighters' relief associations and volunteer fire
38 companies which was used exclusively for the purpose of the
39 organization was exempt from property taxes. P.L.2001, c.85
40 amended this law to allow these organizations to use their property for
41 income-producing activities unrelated to the purpose of the
42 organization if: 1) the activity did not exceed 120 days per year; and
43 2) the net proceeds of the activity were used to further the

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

Matter underlined thus is new matter.

S2652 KYRILLOS, ALLEN

3

1 organization's purpose or another charitable purpose. Under this bill,
2 the property of firefighting organizations which lease portions of their
3 buildings for an income-producing activity basis for more than the
4 120-day limit would be exempt from property taxes. The organization
5 would continue to be required to use the proceeds for the primary
6 purpose of the organization or for charitable purposes.

7 The purpose of this bill is to provide property tax relief to local fire
8 companies which raise funds by leasing portions of their buildings to
9 profit-making organizations on a year-round basis.

SENATE COMMUNITY AND URBAN AFFAIRS COMMITTEE

STATEMENT TO

SENATE, No. 2652

STATE OF NEW JERSEY

DATED: DECEMBER 13, 2001

The Senate Community and Urban Affairs Committee reports favorably Senate Bill No. 2652.

This bill would provide that property owned by any exempt firemen's association, firemen's relief association or volunteer fire company would retain its tax-exempt status although the organization owning the property uses the property for an income-producing purpose on an auxiliary basis in excess of 120 days annually, so long as all net proceeds from the auxiliary activities are used to further the primary purpose of the organization or for other charitable purposes.

This provision of law was recently amended by P.L.2001, c.85 to allow these organizations to use their property for income-producing activities unrelated to the purpose of the organization if: the activity did not exceed 120 days per year; and the net proceeds of the activity were used to further the organization's purpose or another charitable purpose. Under this bill, the property of firefighting organizations which lease portions of their buildings for an income-producing activity basis for more than the 120-day limit would be exempt from property taxes. The organization would continue to be required to use the proceeds for the primary purpose of the organization or for charitable purposes.

The purpose of this bill is to provide property tax relief to local fire companies which raise funds by leasing portions of their buildings to profit-making organizations on a year-round basis.

LEGISLATIVE FISCAL ESTIMATE
SENATE, No. 2652
STATE OF NEW JERSEY
209th LEGISLATURE

DATED: JANUARY 17, 2002

SUMMARY

Synopsis: Expands property tax exemption of firefighters' organizations which use property for income-producing activities.

Type of Impact: Municipal loss of property tax revenue.

Agencies Affected: Municipalities.

Office of Legislative Services Estimate

Fiscal Impact	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>
Local Revenue	Potential loss -see comments below.		

- ! This provisions of this bill will create the potential loss of local property tax revenues in municipalities.
- ! The Office of Legislative Services is unable to determine the amount of potentially lost property tax revenues because there is no way to determine in the future which municipalities may contain property owned by firefighters' associations, firefighters' relief associations or volunteer fire companies that would use their property for income-producing activities unrelated to the purpose of the organization for more than the current 120-day annual limit, and how much in property tax revenues would be lost annually to those municipalities as a result of the additional use over 120 days annually of the property for income-producing activities unrelated to the purpose of the organization.

BILL DESCRIPTION

Senate Bill No. 2652 establishes that the property of certain firefighters' organizations would be exempt from taxes even if the property is used for income-producing activities for more than the currently allowed 120 days each year.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

The Office of Legislative Services is unable to determine the cost to municipalities of this bill because there is no way to determine in the future which municipalities may contain property owned by firefighters' associations, firefighters' relief associations or volunteer fire companies that would use their property for income-producing activities unrelated to the purpose of the organization for more than the current 120-day annual limit, and how much in property tax revenues would be lost annually to those municipalities as a result of the additional use over 120 days annually of the property for income-producing activities unrelated to the purpose of the organization.

Section: *Local Government*

Analyst: *Cindy Lombardi Hesper*
Senior Research Analyst

Approved: *Alan R. Kooney*
Legislative Budget and Finance Officer

This fiscal estimate has been prepared pursuant to P.L.1980, c.67.

ASSEMBLY, No. 3792

STATE OF NEW JERSEY 209th LEGISLATURE

INTRODUCED NOVEMBER 8, 2001

Sponsored by:

Assemblyman JOSEPH AZZOLINA

District 13 (Middlesex and Monmouth)

Assemblyman SAMUEL D. THOMPSON

District 13 (Middlesex and Monmouth)

Co-Sponsored by:

Assemblyman Corodemus and Assemblywoman Previte

SYNOPSIS

Expands property tax exemption of firefighters' organizations which use property for income-producing activities.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 1/4/2002)

1 AN ACT concerning the exemption from property taxation of certain
2 firefighters' organizations and amending R.S.54:4-3.10.

3
4 **BE IT ENACTED** by the Senate and General Assembly of the State
5 of New Jersey:

6
7 1. R.S.54:4-3.10 is amended to read as follows:

8 54:4-3.10. The real and personal property of any exempt
9 firefighter's association, firefighter's relief association and volunteer
10 fire company incorporated under the laws of this [state] State and
11 which is actually used for the purpose of the corporation shall be
12 exempt from taxation under this chapter.

13 No property shall lose its tax exemption or be denied an exemption
14 under this section because of the use of the property for an
15 income-producing activity that is not the organization's primary
16 purpose provided [such income-producing activity does not exceed
17 120 days annually so long as] all net proceeds from that activity are
18 utilized in furtherance of the primary purpose of the organization or
19 for other charitable purposes. Commencing with the effective date of
20 P.L.2001, c.85, exempt firefighter's associations, firefighter's relief
21 associations and volunteer fire companies shall be required to record
22 the dates the property has been utilized for income-producing activities
23 and to maintain such records during the calendar year in which the
24 income-producing activity takes place and for the two calendar years
25 thereafter.

26 (cf: P.L.2001, c.85, s.1)

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28 2. This act shall take effect immediately and shall be retroactive to
29 January 1, 1998.

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STATEMENT

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35 organizations would be exempt from taxes even if the property is used
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37 Until recently, real and personal property of firefighters'
38 associations, firefighters' relief associations and volunteer fire
39 companies which was used exclusively for the purpose of the
40 organization was exempt from property taxes. P.L.2001, c.85
41 amended this law to allow these organizations to use their property for
42 income-producing activities unrelated to the purpose of the
43 organization if: 1) the activity did not exceed 120 days per year; and

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

Matter underlined thus is new matter.

1 2) the net proceeds of the activity were used to further the
2 organization's purpose or another charitable purpose. Under this bill,
3 the property of firefighting organizations which lease portions of their
4 buildings for an income-producing activity basis for more than the
5 120-day limit would be exempt from property taxes. The organization
6 would continue to be required to use the proceeds for the primary
7 purpose of the organization or for charitable purposes.

8 The purpose of this bill is to provide property tax relief to local fire
9 companies which raise funds by leasing portions of their buildings to
10 profit-making organizations on a year-round basis.

ASSEMBLY LOCAL GOVERNMENT COMMITTEE

STATEMENT TO

ASSEMBLY, No. 3792

STATE OF NEW JERSEY

DATED: DECEMBER 13, 2001

The Assembly Local Government Committee reports favorably Assembly Bill No. 3792.

This bill establishes that the property of certain firefighters' organizations would be exempt from taxes even if the property is used for income-producing activities for more than the currently allowed 120 days each year.

Until recently, real and personal property of firefighters' associations, firefighters' relief associations and volunteer fire companies which was used exclusively for the purpose of the organization was exempt from property taxes. P.L.2001, c.85 amended this law to allow these organizations to use their property for income-producing activities unrelated to the purpose of the organization if: 1) the activity did not exceed 120 days per year; and 2) the net proceeds of the activity were used to further the organization's purpose or another charitable purpose. Under this bill, the property of firefighting organizations which lease portions of their buildings for an income-producing activity basis for more than the 120-day limit would be exempt from property taxes. The organization would continue to be required to use the proceeds for the primary purpose of the organization or for charitable purposes.

The purpose of this bill is to provide property tax relief to local fire companies which raise funds by leasing portions of their buildings to profit-making organizations on a year-round basis.

LEGISLATIVE FISCAL ESTIMATE
ASSEMBLY, No. 3792
STATE OF NEW JERSEY
210th LEGISLATURE

DATED: JANUARY 22, 2002

SUMMARY

Synopsis: Expands property tax exemption of firefighters' organizations which use property for income-producing activities.

Type of Impact: Municipal loss of property tax revenue.

Agencies Affected: Municipalities.

Office of Legislative Services Estimate

Fiscal Impact	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>
Local Revenue	Potential loss -see comments below.		

- ! This provisions of this bill will create the potential loss of local property tax revenues in municipalities.
- ! The Office of Legislative Services is unable to determine the amount of potentially lost property tax revenues because there is no way to determine in the future which municipalities may contain property owned by firefighters' associations, firefighters' relief associations or volunteer fire companies that would use their property for income-producing activities unrelated to the purpose of the organization for more than the current 120-day annual limit, and how much in property tax revenues would be lost annually to those municipalities as a result of the additional use over 120 days annually of the property for income-producing activities unrelated to the purpose of the organization.

BILL DESCRIPTION

Assembly Bill No. 3792 establishes that the property of certain firefighters' organizations would be exempt from taxes even if the property is used for income-producing activities for more than the currently allowed 120 days each year.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

The Office of Legislative Services is unable to determine the cost to municipalities of this bill because there is no way to determine in the future which municipalities may contain property owned by firefighters' associations, firefighters' relief associations or volunteer fire companies that would use their property for income-producing activities unrelated to the purpose of the organization for more than the current 120-day annual limit, and how much in property tax revenues would be lost annually to those municipalities as a result of the additional use over 120 days annually of the property for income-producing activities unrelated to the purpose of the organization.

Section: *Local Government*

Analyst: *Cindy Lombardi Hesper*
Senior Research Analyst

Approved: *Alan R. Kooney*
Legislative Budget and Finance Officer

This fiscal estimate has been prepared pursuant to P.L.1980, c.67.

P.L. 2001, CHAPTER 354, *approved January 6, 2002*
Senate, No. 2652

1 **AN ACT** concerning the exemption from property taxation of certain
2 firefighters' organizations and amending R.S.54:4-3.10.

3

4 **BE IT ENACTED** *by the Senate and General Assembly of the State*
5 *of New Jersey:*

6

7 1. R.S.54:4-3.10 is amended to read as follows:

8 54:4-3.10. The real and personal property of any exempt
9 firefighter's association, firefighter's relief association and volunteer
10 fire company incorporated under the laws of this [state] State and
11 which is actually used for the purpose of the corporation shall be
12 exempt from taxation under this chapter.

13 No property shall lose its tax exemption or be denied an exemption
14 under this section because of the use of the property for an
15 income-producing activity that is not the organization's primary
16 purpose provided [such income-producing activity does not exceed
17 120 days annually so long as] all net proceeds from that activity are
18 utilized in furtherance of the primary purpose of the organization or
19 for other charitable purposes. Commencing with the effective date of
20 P.L.2001, c.85, exempt firefighter's associations, firefighter's relief
21 associations and volunteer fire companies shall be required to record
22 the dates the property has been utilized for income-producing activities
23 and to maintain such records during the calendar year in which the
24 income-producing activity takes place and for the two calendar years
25 thereafter.

26 (cf: P.L.2001, c.85, s.1)

27

28 2. This act shall take effect immediately and shall be retroactive to
29 January 1, 1998.

30

31

32

STATEMENT

33

34 This bill establishes that the property of certain firefighters'
35 organizations would be exempt from taxes even if the property is used
36 for income-producing activities for more than 120 days each year.

37 Until recently, real and personal property of firefighters'
38 associations, firefighters' relief associations and volunteer fire
39 companies which was used exclusively for the purpose of the
40 organization was exempt from property taxes. P.L.2001, c.85
41 amended this law to allow these organizations to use their property for

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

Matter underlined thus is new matter.

1 income-producing activities unrelated to the purpose of the
2 organization if: 1) the activity did not exceed 120 days per year; and
3 2) the net proceeds of the activity were used to further the
4 organization's purpose or another charitable purpose. Under this bill,
5 the property of firefighting organizations which lease portions of their
6 buildings for an income-producing activity basis for more than the
7 120-day limit would be exempt from property taxes. The organization
8 would continue to be required to use the proceeds for the primary
9 purpose of the organization or for charitable purposes.

10 The purpose of this bill is to provide property tax relief to local fire
11 companies which raise funds by leasing portions of their buildings to
12 profit-making organizations on a year-round basis.

13

14

15

16

17 Expands property tax exemption of firefighters' organizations which
18 use property for income-producing activities.

CHAPTER 354

AN ACT concerning the exemption from property taxation of certain firefighters' organizations and amending R.S.54:4-3.10.

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

1. R.S.54:4-3.10 is amended to read as follows:

Property of firefighters' association, exemption from taxation.

54:4-3.10. The real and personal property of any exempt firefighter's association, firefighter's relief association and volunteer fire company incorporated under the laws of this State and which is actually used for the purpose of the corporation shall be exempt from taxation under this chapter.

No property shall lose its tax exemption or be denied an exemption under this section because of the use of the property for an income-producing activity that is not the organization's primary purpose provided all net proceeds from that activity are utilized in furtherance of the primary purpose of the organization or for other charitable purposes. Commencing with the effective date of P.L.2001, c.85, exempt firefighter's associations, firefighter's relief associations and volunteer fire companies shall be required to record the dates the property has been utilized for income-producing activities and to maintain such records during the calendar year in which the income-producing activity takes place and for the two calendar years thereafter.

2. This act shall take effect immediately and shall be retroactive to January 1, 1998.

Approved January 6, 2002.