

LEGISLATIVE HISTORY CHECKLIST

NJSA: 54:4-3.3, 54:4-3.6e

(School buildings - unused - permit rental to government agencies and nonprofit organizations)

LAWS OF: 1983

CHAPTER: 262

Bill No: A2209

Sponsor(s): Ogden and Palaia

Date Introduced: December 6, 1982

Committee: Assembly: Revenue, Finance and Appropriations

Senate: Education

Amended during passage: YES

Amendments during passage denoted by asterisks.

Date of Passage: Assembly: March 3, 1983

Senate: May 23, 1983

Date of Approval: July 7, 1983

Following statements are attached if available:

Sponsor statement: YES

Committee statement: Assembly YES

Senate YES

Fiscal Note: NO

Veto Message: NO

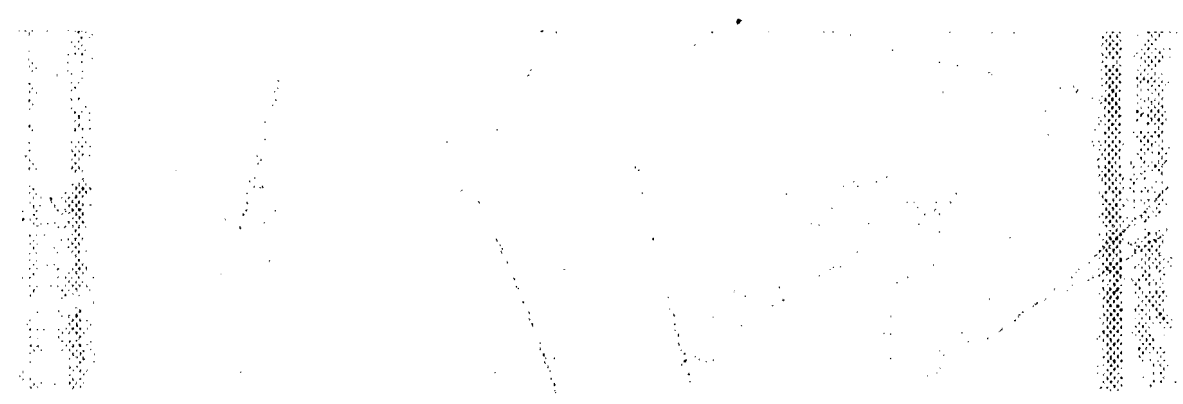
Message on Signing: ~~NO~~ Yes

Following were printed:

Reports: NO

Hearings: NO

LEGISLATIVE HISTORY  
1983  
CHAPTER 262  
SECTION 3



262

83

7-7-83

[OFFICIAL COPY REPRINT]

ASSEMBLY, No. 2209

STATE OF NEW JERSEY

INTRODUCED DECEMBER 6, 1982

By Assemblywoman OGDEN and Assemblyman PALAIA

AN ACT concerning the leasing of school district property, amending R. S. 54:4-3.3, and supplementing Title 54 of the Revised Statutes.

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

1 1. R. S. 54:4-3.3 is amended to read as follows:  
2 54:4-3.3. Except as otherwise provided by article 1 of this  
3 chapter (§ 54:4-1 et seq.), the property of the State of New Jersey;  
4 and the property of the respective counties, school districts and  
5 taxing districts used for public purposes, or for the preservation or  
6 exhibit of historical data, records or property; *school district prop-*  
7 *erty which is leased to a nonprofit organization which is exempt*  
8 *from taxation under R. S. 54:4-3.6, for use by that organization in*  
9 *its exempt functions; school district property which is leased to*  
10 *another board of education or governmental agency; and property*  
11 *acquired by any municipality through tax title foreclosure or by*  
12 *deed in lieu of foreclosure, if not used for private purpose, shall be*  
13 *exempt from taxation under this chapter, but this exemption shall*  
14 *not include real property bought in for debts or on foreclosure of*  
15 *mortgages given to secure loans out of public funds or out of money*  
16 *in court, which property shall be taxed unless devoted to public*  
17 *uses. The lands of counties, municipalities, and other municipal*  
18 *and public agencies of this State used for the purpose and for the*  
19 *protection of a public water supply, shall be subject to taxation by*  
20 *the respective taxing districts where situated, at the taxable value*  
21 *thereof, without regard to any buildings or other improvements*

Matter printed in italics *thus is new matter.*  
Matter enclosed in asterisks or stars has been adopted as follows:  
\*—Assembly committee amendment adopted February 14, 1983.

22 thereon, in the same manner and to the same extent as the lands of  
23 private persons, but all other property so used shall be exempt  
24 from taxation. Property, the title to which is in the Morris Canal  
25 and Banking Company, in trust for the State, shall, so long as the  
26 title is so vested, be deemed to be the property of the State within  
27 the meaning of any tax law.

1 2. (New section) Whenever a portion of school district property  
2 is leased to an organization other than those described in R. S.  
3 54:4-3.3, that portion shall be subject to taxation and the remaining  
4 portion only shall be exempt.

1 3. This act shall take effect immediately *\*but shall be applicable*  
2 *only to taxes payable in 1984 and thereafter\**.

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4 portion only shall be exempt.

1 3. This act shall take effect immediately.

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#### STATEMENT

This bill would enable boards of education faced with declining enrollment to rent unused school buildings to nonprofit organizations, governmental agencies, and other boards of education, without these buildings being assessed and placed upon the local tax rolls. Under present case law, it is unclear whether a school district retains its tax exemption when it leases a building to a nonprofit organization, even though the property would be tax exempt if it were owned by the nonprofit organization. This bill clarifies this situation and also specifies that no tax liability will be incurred when a school building is leased to a governmental agency or another board of education.

The bill would also facilitate productive use of excess school space by providing that when boards of education lease a portion of a building to a profit-making organization, taxes are incurred only on that portion of the building which is leased. This places school boards in the same position as nonprofit private schools.

*A2209 (1982)*

ASSEMBLY REVENUE, FINANCE AND APPROPRIATIONS  
COMMITTEE

STATEMENT TO  
ASSEMBLY, No. 2209

STATE OF NEW JERSEY

DATED: FEBRUARY 14, 1983

This bill would enable boards of education faced with declining enrollment to rent unused school buildings to nonprofit organizations, governmental agencies, and other boards of education, without these buildings being assessed and placed upon the local tax rolls. Under present case law, it is unclear whether a school district retains its tax exemption when it leases a building to a nonprofit organization, even though the property would be tax exempt if it were owned by the nonprofit organization. This bill clarifies this situation and also specifies that no tax liability will be incurred when a school building is leased to a governmental agency or another board of education.

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SENATE EDUCATION COMMITTEE

STATEMENT TO

ASSEMBLY, No. 2209

STATE OF NEW JERSEY

DATED: APRIL 25, 1983

The Senate Education Committee favorably reports this bill and endorses the Assembly Revenue, Finance and Appropriations Committee Statement which reads as follows:

“This bill would enable boards of education faced with declining enrollment to rent unused school buildings to nonprofit organizations, governmental agencies, and other boards of education, without these buildings being assessed and placed upon the local tax rolls. Under present case law, it is unclear whether a school district retains its tax exemption when it leases a building to a nonprofit organization, even though the property would be tax exempt if it were owned by the nonprofit organization. This bill clarifies this situation and also specifies that no tax liability will be incurred when a school building is leased to a governmental agency or another board of education.

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BILLS

PAGE TWO

JULY 8, 1983

A-2209, sponsored by Assemblywoman Maureen B. Ogden, R-Essex, which permits a board of education to rent unused school buildings to non-profit organizations, governmental agencies or other boards of education without the building being assessed and placed on the tax rolls.

S-3314 and A-3417, both of which authorize police departments to make permanent appointments of patrolmen by waiving the age requirement for new appointments.

S-3314, sponsored by State Senator Brian T. Kennedy, R-Monmouth, allows Neptune Township to permanently hire two patrolmen who are former members of the Ocean Grove Police Department. When Ocean Grove lost its municipal status Neptune Township undertook the obligation of providing police service to the town and hired the two patrolmen on probationary status, but were unable to make them permanent because of a State statute requiring that newly hired patrolmen not be over 35 years old.

A-3417, sponsored by Assemblyman Thomas H Paternini, D-Middlesex, authorizes the borough of Metuchen to permanently hire a patrolman who was 34 years old when he took the police examination and 35 when he was appointed a probationary patrolman. Both the patrolman and the borough had interpreted the statute to mean that "over 35" mean not having yet reached the 36th birthday.

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