

54:4-3.130 to 54:4-3.137

**LEGISLATIVE HISTORY CHECKLIST**

**NJSA:** 54:4-3.130 to 54:4-3.137

(Automatic fire suppression system -  
exempts increase in value)

**LAWS OF:** 1983

**CHAPTER:** 309

**Bill No:** S1932

**Sponsor(s):** Caufield and others

**Date Introduced:** November 23, 1982

**Committee:** **Assembly:** Municipal Government

**Senate:** County and Municipal Government

**Amended during passage:** YES

Amendments during passage denoted  
by asterisks. Substituted for A2202  
(not attached since substantially  
similar to S1932)

**Date of Passage:**

**Assembly:** July 7, 1983

**Senate:** January 20, 1983

**Date of Approval:** August 26, 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

**Following were printed:**

**Reports:** YES

**Hearings:** YES

Report, referred to in statements:

974.90 New Jersey. Fire Safety Study Commission.  
S128 Final report... November 22, 1982.  
1982b Trenton, New Jersey (see especially pp. 11, 45-52, 112-115)

974.90 New Jersey. Fire Safety Study Commission.  
S128 Public hearings, held 8/18/81, 9/22/81, 10/20/81, 11/24/81.  
1982b South Orange, Camden, Asbury Park, New Brunswick, New Jersey 1981.

Bill  
S1932  
Assembly  
January 20, 1983

309 83  
8-26-82

[OFFICIAL COPY REPRINT]  
**SENATE, No. 1932**

**STATE OF NEW JERSEY**

INTRODUCED NOVEMBER 23, 1982

By Senators CAUFIELD, FORAN, HIRKALA, LIPMAN, RAND,  
CODEY, GALLAGHER, DUMONT, DALTON, BASSANO,  
GORMLEY, DiFRANCESCO and BORNHEIMER

Referred to Committee on County and Municipal Government

AN ACT providing for the exemption from taxation of automatic  
fire suppression systems and supplementing chapter 4 of Title  
54 of the Revised Statutes.

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

1 As used in this act:

2 a. "Automatic fire suppression system" means a mechanical  
3 system designed and equipped to detect a fire, activate an alarm,  
4 and suppress or control a fire without the necessity of human  
5 intervention and activated as a result of a predetermined tempera-  
6 ture rise, rate of rise of temperature, or increase in the level of  
7 combustion products.

8 b. "Commissioner" means the Commissioner of the Department  
9 of Community Affairs.

10 c. "Enforcing agency" means the enforcing agency in any  
11 municipality provided for under the "State Uniform Construction  
12 Code Act," P. L. 1975, c. 217 (C. 52:27D-119 et seq.) and regula-  
13 tions promulgated thereunder.

14 d. "Board of appeals" means the municipal or county board  
15 provided for under the "State Uniform Construction Code Act,"  
16 P. L. 1975, c. 217 (C. 52:27D-119 et seq.) and regulations promul-  
17 gated thereunder.

18 2. An automatic fire suppression system installed after the  
19 effective date of this act in a residential, commercial, or industrial  
20 building and certified by the enforcing agency as an automatic fire

**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 printed in italics thus is new matter.**

**Matter enclosed in asterisks or stars has been adopted as follows:**

\*—Senate committee amendments adopted December 16, 1982.

21 suppression system shall be exempt from taxation under chapter 4  
22 of Title 54 of the Revised Statutes.

23 3. The enforcing agency shall grant a certification pursuant to  
24 section 2 of this act upon receipt of a written application made  
25 under oath on a form prescribed by the Director of the Division  
26 of Taxation in the Department of the Treasury. The form shall  
27 be made available to claimants by the enforcing agency. The  
28 enforcing agency may at any time inquire into the right of a  
29 claimant to the exemption and for that purpose may require the  
30 filing of a new application or the submission of any proof necessary  
31 to determine the right of the claimant to the continuation of the  
32 exemption. The enforcing agency shall have the right to make an  
33 inspection of the premises which are the subject of the claim for  
34 exemption under this act.

35 4. The enforcing agency shall certify that an automatic fire  
36 suppression system is exempt from taxation pursuant to section 2  
37 of this act when the equipment, facility, or system installed was  
38 designed primarily as an automatic fire suppression system in  
39 accordance with regulations prescribed by the commissioner. The  
40 certificate shall contain information identifying the system and its  
41 cost and shall conform to any other requirements prescribed by the  
42 Director of the Division of Taxation. The certificate shall be  
43 submitted to the claimant; one copy of the certificate shall be  
44 retained on file by the enforcing agency and one copy shall be sent  
45 to the assessor of the taxing district in which the building equipped  
46 with the automatic fire suppression system is located. The exemp-  
47 tion from taxation for the automatic fire suppression system shall  
48 commence in the tax year following the year in which certification  
49 has been granted.

50 5. The enforcing agency, after giving notice to the holder of an  
51 automatic fire suppression system certificate, may revoke the  
52 certificate whenever any of the following appears:

53 a. The certificate was obtained by fraud or misrepresentation;

54 b. The claimant for tax exemption has failed substantially to  
55 proceed with the construction, reconstruction, installation or ac-  
56 quisition of an automatic fire suppression system;

57 c. The \***structure or equipment or both** \* *mechanical system*\*  
58 to which the certificate relates has ceased to be used for the primary  
59 purpose of providing automatic fire suppression and is being used  
60 for a different primary purpose;

61 d. The claimant for tax exemption hereunder has so departed  
62 from the equipment, design and construction previously certified  
63 by the enforcing agency that, in the opinion of the enforcing

64 agency, the automatic fire suppression system is not suitable and  
65 reasonably adequate for the purpose of providing automatic fire  
66 suppression.

67 6a. A person aggrieved by an action of the enforcing agency may  
68 seek review before the board of appeals.

69 b. A person aggrieved by an action of the \***[assessor or of the]**\*  
70 Director of the Division of Taxation may seek a review before the  
71 Director of the Division of Taxation pursuant to the "Administra-  
72 tive Procedure Act," P. L. 1968, c. 410 (C. 52:14B-1 et seq.).

72A *\*c. A person aggrieved by an action of the assessor may appeal*  
72B *to the county board of taxation or the tax court, as appropriate.\**

73 7. The owner of real property equipped with a certified automatic  
74 fire suppression system may have exempted annually from the  
75 assessed valuation of the real property a sum equal to the re-  
76 mainder of the assessed valuation of the real property with the  
77 automatic fire suppression system included, minus the assessed  
78 valuation of the real property without the automatic fire suppres-  
79 sion system.

80 8. Subject to the "Administrative Procedure Act," P. L. 1968,  
81 c. 410 (C. 52:14B-1 et seq.):

82 a. The Director of the Division of Taxation shall adopt rules and  
83 regulations necessary for the proper certification of a tax exemp-  
84 tion and the form of a certificate to be issued;

85 b. The commissioner shall adopt rules and regulations establish-  
86 ing technical standards for automatic fire suppression systems  
87 necessary to qualify those systems for exemption from taxation  
88 pursuant to this act.

1 9. This act shall take effect on the ninetieth day following  
2 enactment.

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SENATE, No. 1932

**STATE OF NEW JERSEY**

INTRODUCED NOVEMBER 23, 1982

By Senators CAUFIELD, FORAN, HIRKALA, LIPMAN, RAND,  
CODEY, GALLAGHER, DUMONT, DALTON, BASSANO,  
GORMLEY, DiFRANCESCO and BORNHEIMER

Referred to Committee on County and Municipal Government

AN ACT providing for the exemption from taxation of automatic fire suppression systems and supplementing chapter 4 of Title 54 of the Revised Statutes.

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

1 As used in this act:

2 a. "Automatic fire suppression system" means a mechanical  
3 system designed and equipped to detect a fire, activate an alarm,  
4 and suppress or control a fire without the necessity of human  
5 intervention and activated as a result of a predetermined tempera-  
6 ture rise, rate of rise of temperature, or increase in the level of  
7 combustion products.

8 b. "Commissioner" means the Commissioner of the Department  
9 of Community Affairs.

10 c. "Enforcing agency" means the enforcing agency in any  
11 municipality provided for under the "State Uniform Construction  
12 Code Act," P. L. 1975, c. 217 (C. 52:27D-119 et seq.) and regula-  
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15 provided for under the "State Uniform Construction Code Act,"  
16 P. L. 1975, c. 217 (C. 52:27D-119 et seq.) and regulations promul-  
17 gated thereunder.

18 2. An automatic fire suppression system installed after the  
19 effective date of this act in a residential, commercial, or industrial  
20 building and certified by the enforcing agency as an automatic fire

21 suppression system shall be exempt from taxation under chapter 4  
22 of Title 54 of the Revised Statutes.

23 3. The enforcing agency shall grant a certification pursuant to  
24 section 2 of this act upon receipt of a written application made  
25 under oath on a form prescribed by the Director of the Division  
26 of Taxation in the Department of the Treasury. The form shall  
27 be made available to claimants by the enforcing agency. The  
28 enforcing agency may at any time inquire into the right of a  
29 claimant to the exemption and for that purpose may require the  
30 filing of a new application or the submission of any proof necessary  
31 to determine the right of the claimant to the continuation of the  
32 exemption. The enforcing agency shall have the right to make an  
33 inspection of the premises which are the subject of the claim for  
34 exemption under this act.

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43 submitted to the claimant; one copy of the certificate shall be  
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46 with the automatic fire suppression system is located. The exemp-  
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51 automatic fire suppression system certificate, may revoke the  
52 certificate whenever any of the following appears :

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54 b. The claimant for tax exemption has failed substantially to  
55 proceed with the construction, reconstruction, installation or ac-  
56 quisition of an automatic fire suppression system;

57 c. The structure or equipment or both to which the certificate  
58 relates has ceased to be used for the primary purpose of providing  
59 automatic fire suppression and is being used for a different primary  
60 purpose;

61 d. The claimant for tax exemption hereunder has so departed  
62 from the equipment, design and construction previously certified  
63 by the enforcing agency that, in the opinion of the enforcing  
64 agency, the automatic fire suppression system is not suitable and

65 reasonably adequate for the purpose of providing automatic fire  
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67 6a. A person aggrieved by an action of the enforcing agency may  
68 seek review before the board of appeals.

69 b. A person aggrieved by an action of the assessor or of the  
70 Director of the Division of Taxation may seek a review before the  
71 Director of the Division of Taxation pursuant to the "Administra-  
72 tive Procedure Act," P. L. 1968, c. 410 (C. 52:14B-1 et seq.).

73 7. The owner of real property equipped with a certified automatic  
74 fire suppression system may have exempted annually from the  
75 assessed valuation of the real property a sum equal to the re-  
76 mainder of the assessed valuation of the real property with the  
77 automatic fire suppression system included, minus the assessed  
78 valuation of the real property without the automatic fire suppres-  
79 sion system.

80 8. Subject to the "Administrative Procedure Act," P. L. 1968,  
81 c. 410 (C. 52:14B-1 et seq.):

82 a. The Director of the Division of Taxation shall adopt rules and  
83 regulations necessary for the proper certification of a tax exemp-  
84 tion and the form of a certificate to be issued;

85 b. The commissioner shall adopt rules and regulations establish-  
86 ing technical standards for automatic fire suppression systems  
87 necessary to qualify those systems for exemption from taxation  
88 pursuant to this act.

1 9. This act shall take effect on the ninetieth day following  
2 enactment.

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#### STATEMENT

The purpose of this bill is to exempt from increases in property tax the increased value of any property due to the installation of an automatic fire suppression system.

When the owner of a building installs an automatic fire suppression system, the value of the property increases, resulting in an increase in the tax assessment of that property.

The New Jersey Fire Safety Study Commission, in its final report, recommends that the installation of automatic fire suppression systems be encouraged by every means possible. In the opinion of the commission, automatic fire suppression systems, such as automatic sprinkler systems, are the most effective means of preventing losses of life and property from fire.

As an incentive to the installation of automatic fire suppression systems, the commission recommended legislation to eliminate property tax increases when an automatic fire suppression system is installed.

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51932 (1982)

SENATE COUNTY AND MUNICIPAL GOVERNMENT  
COMMITTEE

STATEMENT TO

**SENATE, No. 1932**

with Senate committee amendments

**STATE OF NEW JERSEY**

DATED: DECEMBER 16, 1982

Senate Bill No. 1932 would provide a property tax exemption for an owner of a building in which an automatic fire suppression system has been installed. The tax exemption would be equal to the increased value of the property due to the installation of an automatic fire suppression system. An automatic fire suppression system is a mechanical system that is automatically activated upon evidence of a fire and is designed to activate an alarm and suppress or control a fire.

Senate Bill No. 1932 is modeled after P. L. 1977, c. 256 which provides a similar exemption for the installation of solar energy facilities. It should be noted that the provisions of P. L. 1977, c. 256, which include the tax exemption, expire after five years, and Senate Bill No. 1932 has no similar "sunset" provision. However, there are three bills currently in the Legislature that would make the solar facility tax exemption permanent.

This bill represents one of the several final recommendations of the New Jersey Fire Safety Study Commission.

The Senate committee amended the bill at the suggestion of the Division of Taxation to provide that the regular property tax appeals procedure—to the county board of taxation and to the tax court—be utilized in appealing actions of tax assessors under this bill.



ASSEMBLY MUNICIPAL GOVERNMENT COMMITTEE

STATEMENT TO

**SENATE, No. 1932**

[OFFICIAL COPY REPRINT]

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**STATE OF NEW JERSEY**

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DATED: JUNE 27, 1983

Senate Bill No. 1932 OCR supplements chapter 4 of Title 54 of the Revised Statutes to provide a property tax exemption to the owner of any residential, commercial or industrial building who installs an automatic fire suppression system. The amount of the tax exemption is to be equal to the amount the installation of the system increased the value of the property.

An automatic fire suppression system is defined in the bill as “a mechanical system designed and equipped to detect a fire, activate an alarm, and suppress or control a fire without the necessity of human intervention and activated as a result of a predetermined temperature rise, rate of rise of temperature, or increase in the level of combustion products.”

To qualify for a tax exemption, the owner must have the automatic fire suppression system certified by the local enforcing agency. A copy of the certification is to be sent to the assessor of the taxing district in which the building is located. The exemption is to take effect in the tax year following the year in which the certification was granted.

The provisions of Senate Bill No. 1932 OCR are patterned after the tax exemption accorded owners for the installation of solar energy facilities pursuant to the provisions of P. L. 1977, c. 256.

Senate Bill No. 1932 (OCR) represents one of the final recommendations of the New Jersey Fire Study Commission.

~~SECRET~~

OFFICE OF THE GOVERNOR

RELEASE: IMMEDIATE

CONTACT: PAUL WOLCOTT

FRIDAY, AUGUST 26, 1983

Governor Thomas H. Kean has signed the following bills:

S-3262, sponsored by State Senator John A. Lynch, D-Middlesex, which amends the county and municipal budget cap law. The bill creates an exception from the cap for new services or programs resulting from a voter initiative and referendum. It also makes a technical correction in the cap exception for utility costs.

S-3183, also sponsored by Senator Lynch, which makes optional the establishment of the Office of Register of Deeds and Mortgages in counties which do not currently have such an office.

S-3107 sponsored by State Senator Joseph Hirkala, D-Passaic, which provides that county tax board members who were appointed between June 30, 1981 and July 12, 1982, shall have until January 15, 1984, to provide the necessary proof of training required by law.

S-1932, sponsored by State Senator John P. Caufield, D-Essex, which exempts automatic fire suppression systems from local property taxation in residential, commercial and industrial buildings. The exemption is to be equal to the amount of increase in property value created by the installation.

S-1813, also sponsored by Hirkala, which would allow a registered professional nurse to make a determination and pronouncement of death in cases where death occurs in the residence of the deceased, in a hospice or in a long-term care facility or nursing home.