

**54:4-2.12 & 54:4-3.3
 LEGISLATIVE HISTORY CHECKLIST**
 Compiled by the NJ State Law Library

LAWS OF: 2016 **CHAPTER:** 65

NJSA: 54:4-2.12 & 54:4-3.3 (Clarifies stadiums and arenas owned by local government entities are exempt from property taxation.)

BILL NO: A2574 (Substituted for A4918)

SPONSOR(S) Gusciora and others

DATE INTRODUCED: February 8, 2016

COMMITTEE: **ASSEMBLY:** Appropriations

SENATE: ---

AMENDED DURING PASSAGE: No

DATE OF PASSAGE: **ASSEMBLY:** June 27, 2016

SENATE: October 7, 2016

DATE OF APPROVAL: November 21, 2016

FOLLOWING ARE ATTACHED IF AVAILABLE:

FINAL TEXT OF BILL (Introduced version of bill enacted)

A2574

SPONSOR'S STATEMENT: (Begins on page 3 of introduced bill)	Yes
COMMITTEE STATEMENT:	
ASSEMBLY:	Yes
SENATE:	No

(Audio archived recordings of the committee meetings, corresponding to the date of the committee statement, *may possibly* be found at www.njleg.state.nj.us)

FLOOR AMENDMENT STATEMENT:	No
LEGISLATIVE FISCAL ESTIMATE:	No

A4918

SPONSOR'S STATEMENT: (Begins on page 3 of introduced bill)	Yes
COMMITTEE STATEMENT:	
ASSEMBLY:	Yes
SENATE:	No
FLOOR AMENDMENT STATEMENT:	No
LEGISLATIVE FISCAL ESTIMATE:	No

(continued)

VETO MESSAGE: No

GOVERNOR'S PRESS RELEASE ON SIGNING: Yes

FOLLOWING WERE PRINTED:

To check for circulating copies, contact New Jersey State Government Publications at the State Library (609) 278-2640 ext.103 or <mailto:refdesk@njstatelib.org>

REPORTS: No

HEARINGS: No

NEWSPAPER ARTICLES: No

RWH/JA

P.L.2016, CHAPTER 65, *approved November 21, 2016*
Assembly, No. 2574

1 AN ACT clarifying tax exemptions for public property and
2 amending P.L.1949, c.177 and R.S.54:4-3.3.

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

6
7 1. Section 10 of P.L.1949, c.177 (C.54:4-2.12) is amended to
8 read as follows:

9 10. **[This act]** P.L.1949, c.177 (C.54:4-2.3 et seq.) shall not
10 affect or apply to:

11 (1) property leased to or by any interstate agency existing under
12 any interstate compact between the State of New Jersey and any
13 other State or Commonwealth; or

14 (2) the leasehold estates and the appurtenances or tenancies of
15 any person heretofore or hereafter renting or leasing real property
16 owned by any county or municipality, or agency or authority
17 thereof, whether acquired by said county, municipality, agency, or
18 authority for public use pursuant to law, including use as a stadium
19 or arena, or in any other manner or for any other lawful purpose
20 whatsoever; or

21 (3) leasehold estates or tenancies of any person renting or
22 leasing for residential use any house or apartment constructed or
23 renovated under the "Local Housing Authorities Law" (P.L.1938,
24 c.19, as amended), "Housing Co-operation Law" (P.L.1938, c.20),
25 "Redevelopment Companies Law" (P.L.1944, c.169), "Urban
26 Redevelopment Law" (P.L.1946, c.52), "Public Housing Law"
27 (P.L.1933, c.78), or any law of this State or of the United States
28 granting, requiring, or authorizing tax assistance or total or partial
29 tax exemption to real estate or improvements thereon used in
30 connection with any public housing project or any veterans' housing
31 project.

32 (cf: P.L.1949, c.177, s.10)

33
34 2. R.S.54:4-3.3 is amended to read as follows:

35 54:4-3.3. Except as otherwise provided by article 1 of this
36 chapter (s.54:4-1 et seq.) and P.L.2009, c.6 (C.54:4-3.6f et seq.), the
37 property of the State of New Jersey; and the property of the
38 respective counties and municipalities, and their agencies and
39 authorities, school districts₂ and other taxing districts used for
40 public purposes, ¹**[including property used]** which public purposes
41 include the use¹ for stadiums and arenas, or for the preservation or
42 exhibit of historical data, records or property; school district

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 property which is leased to a nonprofit organization which is
2 exempt from taxation under R.S.54:4-3.6, for use by that
3 organization in its exempt functions; school district property which
4 is leased to another board of education or governmental agency;
5 and property acquired by any municipality through tax title
6 foreclosure or by deed in lieu of foreclosure, if not used for private
7 purpose, shall be exempt from taxation under this chapter, but this
8 exemption shall not include real property bought in for debts or on
9 foreclosure of mortgages given to secure loans out of public funds
10 or out of money in court, which property shall be taxed unless
11 devoted to public use. The lands of counties, municipalities, and
12 other municipal and public agencies of this State used for the
13 purpose and for the protection of a public water supply shall be
14 subject to taxation by the respective taxing districts where situated,
15 at the taxable value thereof, without regard to any buildings or other
16 improvements thereon, in the same manner and to the same extent
17 as the lands of private persons, but all other property so used shall
18 be exempt from taxation. Property, the title to which is in the
19 Morris Canal and Banking Company, in trust for the State, shall, so
20 long as the title is so vested, be deemed to be the property of the
21 State within the meaning of any tax law.

22 (cf: P.L.1983, c.262, s.1)

23

24 3. This act shall take effect immediately.

25

26

27

STATEMENT

28

29 This bill clarifies and reaffirms that stadiums and arenas owned by
30 government entities are entirely exempt from property taxation. The
31 bill reaffirms that when government entities enter into private-public
32 arrangements and lease property to for-profit entities to achieve
33 stadium and arena uses that such property, including any leasehold
34 interest in such property, remains entirely tax exempt. The recent Tax
35 Court case concerning the taxability of Morristown Medical Center,
36 due to for-profit uses of that property, has raised broader questions in
37 this area.

38

39

40

41

42 Clarifies stadiums and arenas owned by local government
43 entities are exempt from property taxation.

ASSEMBLY, No. 2574

STATE OF NEW JERSEY 217th LEGISLATURE

INTRODUCED FEBRUARY 8, 2016

Sponsored by:

Assemblyman REED GUSCIORA
District 15 (Hunterdon and Mercer)
Assemblyman SEAN T. KEAN
District 30 (Monmouth and Ocean)

SYNOPSIS

Clarifies stadiums and arenas owned by local government entities are exempt from property taxation.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 6/17/2016)

1 AN ACT clarifying tax exemptions for public property and
2 amending P.L.1949, c.177 and R.S.54:4-3.3.

3

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

6

7 1. Section 10 of P.L.1949, c.177 (C.54:4-2.12) is amended to
8 read as follows:

9 10. **[This act]** P.L.1949, c.177 (C.54:4-2.3 et seq.) shall not
10 affect or apply to:

11 (1) property leased to or by any interstate agency existing under
12 any interstate compact between the State of New Jersey and any
13 other State or Commonwealth; or

14 (2) the leasehold estates and the appurtenances or tenancies of
15 any person heretofore or hereafter renting or leasing real property
16 owned by any county or municipality, or agency or authority
17 thereof, whether acquired by said county, municipality, agency, or
18 authority for public use pursuant to law, including use as a stadium
19 or arena, or in any other manner or for any other lawful purpose
20 whatsoever; or

21 (3) leasehold estates or tenancies of any person renting or
22 leasing for residential use any house or apartment constructed or
23 renovated under the "Local Housing Authorities Law" (P.L.1938,
24 c.19, as amended), "Housing Co-operation Law" (P.L.1938, c.20),
25 "Redevelopment Companies Law" (P.L.1944, c.169), "Urban
26 Redevelopment Law" (P.L.1946, c.52), "Public Housing Law"
27 (P.L.1933, c.78), or any law of this State or of the United States
28 granting, requiring, or authorizing tax assistance or total or partial
29 tax exemption to real estate or improvements thereon used in
30 connection with any public housing project or any veterans' housing
31 project.

32 (cf: P.L.1949, c.177, s.10)

33

34 2. R.S.54:4-3.3 is amended to read as follows:

35 54:4-3.3. Except as otherwise provided by article 1 of this
36 chapter (s.54:4-1 et seq.) and P.L.2009, c.6 (C.54:4-3.6f et seq.), the
37 property of the State of New Jersey; and the property of the
38 respective counties and municipalities, and their agencies and
39 authorities, school districts, and other taxing districts used for
40 public purposes, ¹**[including property used]** which public purposes
41 include the use¹ for stadiums and arenas, or for the preservation or
42 exhibit of historical data, records or property; school district
43 property which is leased to a nonprofit organization which is
44 exempt from taxation under R.S.54:4-3.6, for use by that
45 organization in its exempt functions; school district property which

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 is leased to another board of education or governmental agency;
2 and property acquired by any municipality through tax title
3 foreclosure or by deed in lieu of foreclosure, if not used for private
4 purpose, shall be exempt from taxation under this chapter, but this
5 exemption shall not include real property bought in for debts or on
6 foreclosure of mortgages given to secure loans out of public funds
7 or out of money in court, which property shall be taxed unless
8 devoted to public use. The lands of counties, municipalities, and
9 other municipal and public agencies of this State used for the
10 purpose and for the protection of a public water supply shall be
11 subject to taxation by the respective taxing districts where situated,
12 at the taxable value thereof, without regard to any buildings or other
13 improvements thereon, in the same manner and to the same extent
14 as the lands of private persons, but all other property so used shall
15 be exempt from taxation. Property, the title to which is in the
16 Morris Canal and Banking Company, in trust for the State, shall, so
17 long as the title is so vested, be deemed to be the property of the
18 State within the meaning of any tax law.

19 (cf: P.L.1983, c.262, s.1)

20

21 3. This act shall take effect immediately.

22

23

24

STATEMENT

25

26 This bill clarifies and reaffirms that stadiums and arenas owned by
27 government entities are entirely exempt from property taxation. The
28 bill reaffirms that when government entities enter into private-public
29 arrangements and lease property to for-profit entities to achieve
30 stadium and arena uses that such property, including any leasehold
31 interest in such property, remains entirely tax exempt. The recent Tax
32 Court case concerning the taxability of Morristown Medical Center,
33 due to for-profit uses of that property, has raised broader questions in
34 this area.

ASSEMBLY APPROPRIATIONS COMMITTEE

STATEMENT TO

ASSEMBLY, No. 2574

STATE OF NEW JERSEY

DATED: JUNE 20, 2016

The Assembly Appropriations Committee reports favorably Assembly Bill No. 2574.

This bill clarifies and reaffirms that stadiums and arenas owned by government entities are entirely exempt from property taxation. The bill reaffirms that when government entities enter into private-public arrangements and lease property to for-profit entities to achieve stadium and arena uses, such property, including any leasehold interest in such property, remains entirely tax exempt. A recent Tax Court case concerning the taxability of Morristown Medical Center, due to for-profit uses of that property, has raised broader questions in this area.

FISCAL IMPACT:

This bill has not been certified as requiring a fiscal note.

ASSEMBLY, No. 4918

STATE OF NEW JERSEY

216th LEGISLATURE

INTRODUCED DECEMBER 21, 2015

Sponsored by:

Assemblyman REED GUSCIORA
District 15 (Hunterdon and Mercer)
Assemblyman SEAN T. KEAN
District 30 (Monmouth and Ocean)

Co-Sponsored by:

Assemblyman Giblin

SYNOPSIS

Clarifies stadiums and arenas owned by local government entities are exempt from property taxation.

CURRENT VERSION OF TEXT

As introduced.



1 AN ACT clarifying tax exemptions for public property and
2 amending P.L.1949, c.177 and R.S.54:4-3.3.

3

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

6

7 1. Section 10 of P.L.1949, c.177 (C.54:4-2.12) is amended to
8 read as follows:

9 10. **[This act]** P.L.1949, c.177 (C.54:4-2.3 et seq.) shall not
10 affect or apply to:

11 (1) property leased to or by any interstate agency existing under
12 any interstate compact between the State of New Jersey and any
13 other State or Commonwealth; or

14 (2) the leasehold estates and the appurtenances or tenancies of
15 any person heretofore or hereafter renting or leasing real property
16 owned by any county or municipality, or agency or authority
17 thereof, whether acquired by said county, municipality, agency, or
18 authority for public use pursuant to law, including use as a stadium
19 or arena, or in any other manner or for any other lawful purpose
20 whatsoever; or

21 (3) leasehold estates or tenancies of any person renting or
22 leasing for residential use any house or apartment constructed or
23 renovated under the "Local Housing Authorities Law" (P.L.1938,
24 c.19, as amended), "Housing Co-operation Law" (P.L.1938, c.20),
25 "Redevelopment Companies Law" (P.L.1944, c.169), "Urban
26 Redevelopment Law" (P.L.1946, c.52), "Public Housing Law"
27 (P.L.1933, c.78), or any law of this State or of the United States
28 granting, requiring, or authorizing tax assistance or total or partial
29 tax exemption to real estate or improvements thereon used in
30 connection with any public housing project or any veterans' housing
31 project.

32 (cf: P.L.1949, c.177, s.10)

33

34 2. R.S.54:4-3.3 is amended to read as follows:

35 54:4-3.3. Except as otherwise provided by article 1 of this
36 chapter (s.54:4-1 et seq.) and P.L.2009, c.6 (C.54:4-3.6f et seq.), the
37 property of the State of New Jersey; and the property of the
38 respective counties and municipalities, and their agencies and
39 authorities, school districts, and other taxing districts used for
40 public purposes, including property used for stadiums and arenas, or
41 for the preservation or exhibit of historical data, records or
42 property; school district property which is leased to a nonprofit
43 organization which is exempt from taxation under R.S.54:4-3.6, for
44 use by that organization in its exempt functions; school district
45 property which is leased to another board of education or

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 governmental agency; and property acquired by any municipality
2 through tax title foreclosure or by deed in lieu of foreclosure, if not
3 used for private purpose, shall be exempt from taxation under this
4 chapter, but this exemption shall not include real property bought in
5 for debts or on foreclosure of mortgages given to secure loans out
6 of public funds or out of money in court, which property shall be
7 taxed unless devoted to public use. The lands of counties,
8 municipalities, and other municipal and public agencies of this State
9 used for the purpose and for the protection of a public water supply
10 shall be subject to taxation by the respective taxing districts where
11 situated, at the taxable value thereof, without regard to any
12 buildings or other improvements thereon, in the same manner and to
13 the same extent as the lands of private persons, but all other
14 property so used shall be exempt from taxation. Property, the title
15 to which is in the Morris Canal and Banking Company, in trust for
16 the State, shall, so long as the title is so vested, be deemed to be the
17 property of the State within the meaning of any tax law.
18 (cf: P.L.1983, c.262, s.1)

19

20 3. This act shall take effect immediately.

21

22

23

STATEMENT

24

25 This bill is intended to clarify that stadiums and arenas owned by
26 government entities are entirely exempt from property taxation,
27 even when leased to a for-profit entity. The recent Tax Court case
28 concerning the taxability of Morristown Medical Center, due to for-
29 profit uses of that property, has raised broader questions in this
30 area.

ASSEMBLY APPROPRIATIONS COMMITTEE

STATEMENT TO

ASSEMBLY, No. 4918

with committee amendments

STATE OF NEW JERSEY

DATED: JANUARY 7, 2016

The Assembly Appropriations Committee reports favorably Assembly Bill No. 4918, with committee amendments.

As amended, this bill clarifies and reaffirms that stadiums and arenas owned by government entities are entirely exempt from property taxation. The bill reaffirms that when government entities enter into private-public arrangements and lease property to for-profit entities to achieve stadium and arena uses that such property, including any leasehold interest in such property, remains entirely tax exempt. The recent Tax Court case concerning the taxability of Morristown Medical Center, due to for-profit uses of that property, has raised broader questions in this area.

As amended and reported, this bill is identical to Senate Bill No. 3301 (1R).

FISCAL IMPACT:

This bill has not been certified as requiring a fiscal note.

COMMITTEE AMENDMENTS:

The amendments more cogently state that uses of stadiums and arenas owned by a local unit of government are a public purpose exempt from property taxation. This is intended to ensure that even local government stadium and arena properties leased to a for-profit operator will retain their property tax exemption.

Governor Chris Christie Takes Action On Pending Legislation

Monday, November 21, 2016 Tags: [Bill Action](#)

Stay Connected
with Social Media

Stay Connected
with Email Alerts

LIKE THIS PAGE? SHARE IT WITH YOUR FRIENDS.



Trenton, NJ – Governor Chris Christie announced that he has taken action on the following legislation:

BILL SIGNINGS:

A-2574 (Gusciora, S. Kean) - Clarifies stadiums and arenas owned by local government entities are exempt from property taxation

A-3988/S-1091 (Schaer, Schepisi, Phoebus, Space/A.R. Bucco, Oroho) - Allows certain fuel dealers and distributors refunds of petroleum products gross receipts tax and credits against motor fuel tax for certain bad debts from sale of fuel

###

Press Contact:

Brian Murray
609-777-2600

