

54:4-3.54a

LEGISLATIVE HISTORY CHECKLIST

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LAWS OF: 2004 **CHAPTER:** 183

NJSA: 54:4-3.54a (Revises criteria for new historic sites to obtain historic site property tax exemption)

BILL NO: A2697 (Substituted for S1584)

SPONSOR(S): Gusciora and others

DATE INTRODUCED: May 6, 2004

COMMITTEE: **ASSEMBLY:** Housing and Local Government
SENATE: Wagering, Tourism and Historic Preservation

AMENDED DURING PASSAGE: Yes

DATE OF PASSAGE: **ASSEMBLY:** June 17, 2004

SENATE: December 13, 2004

DATE OF APPROVAL: December 22, 2004

FOLLOWING ARE ATTACHED IF AVAILABLE:

[FINAL TEXT OF BILL](#) 2nd^t reprint enacted

A2697

[SPONSOR'S STATEMENT:](#) (Begins on page 3 of original bill) [Yes](#)

COMMITTEE STATEMENT: [ASSEMBLY:](#) [Yes](#)

[SENATE:](#) [Yes](#)

[FLOOR AMENDMENT STATEMENT:](#) [Yes](#)

LEGISLATIVE FISCAL ESTIMATE: No

S1584

[SPONSOR'S STATEMENT:](#) (Begins on page 3 of original bill) [Yes](#)

COMMITTEE STATEMENT: **ASSEMBLY:** No

[SENATE:](#) [Yes](#)

[FLOOR AMENDMENT STATEMENT:](#) [Yes](#)

LEGISLATIVE FISCAL ESTIMATE: No

VETO MESSAGE: No

GOVERNOR'S PRESS RELEASE ON SIGNING: No

FOLLOWING WERE PRINTED:

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REPORTS:

No

HEARINGS:

No

NEWSPAPER ARTICLES:

No

P.L. 2004, CHAPTER 183, *approved December 22, 2004*
Assembly, No. 2697 (*Second Reprint*)

1 **AN ACT** concerning the qualifications required to obtain a property tax
2 exemption as a historic site and ²[amending P.L.1962, c.92]
3 supplementing chapter 4 of Title 54 of the Revised Statutes².
4

5 **BE IT ENACTED** *by the Senate and General Assembly of the State*
6 *of New Jersey:*
7

8 ²[1. Section 1 of P.L.1962, c.92 (C.54:4-3.52) is amended to read
9 as follows:

10 1. Any building and its pertinent contents and the land whereon it
11 is erected and which may be necessary for the fair enjoyment thereof
12 owned by a nonprofit corporation that: a. is organized under
13 P.L.1983, c.127 (C.15A:1-1 et seq.); b. is qualified for tax exempt
14 status under the Internal Revenue Code of 1986, 26 U.S.C. s.501(c)
15 and meets all other State and federal requirements; c. has a primary
16 mission as an historical organization to research, preserve and
17 interpret history and architectural history, and [which] d. has been
18 certified to be an historic site [to the Director of the Division of
19 Taxation by the Commissioner of Conservation and Economic
20 Development] by the Commissioner of Environmental Protection as
21 hereinafter provided, shall be exempt from taxation.

22 (cf: P.L.1964, c.61, s.1)]²
23

24 ²[2. Section 2 of P.L.1962, c.92 (C.54:4-3.53) is amended to read
25 as follows:

26 2. a. The Commissioner of [Conservation and Economic
27 Development] Environmental Protection when requested for any
28 such certification [and after consultation with and the advice of the
29 Resource Development Council of the Division of Resource
30 Development within his department] shall certify a building to be an
31 historic site qualified for tax exemption whenever he finds such
32 building to have the following characteristics:

33 (1) material relevancy to the history of the State and its
34 government warranting its preservation as an historical site;

35 (2) the building is listed in the New Jersey Register of Historic
36 Places;

37 (3) [and] in the event of a restoration or rehabilitation, or both,

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.

Matter enclosed in superscript numerals has been adopted as follows:

¹ Senate SWT committee amendments adopted September 27, 2007.

² Senate floor amendments adopted December 6, 2004.

1 heretofore or hereafter made, [such building is or shall be of
2 substantially the same kind, character and description as the original]
3 such restoration or rehabilitation shall be done in accordance with the
4 Secretary of the Interior's Standards for the Treatment of Historic
5 Properties; and

6 (4) the building is open to the general public and freely available to
7 all people, without discrimination as to race, creed, color or religion,
8 under reasonable terms and conditions, including but not limited to a
9 nominal fee, that would ensure the preservation and maintenance of
10 the site, for a minimum of 96 days per year. ¹Notwithstanding the
11 forgoing, the building can be open to the public for less than 96 days
12 per year if the building meets the following three qualifications: (i) the
13 nonprofit corporation that owns the building applies to the
14 Commissioner of Environmental Protection for approval of fewer days;
15 (ii) the governing body of the municipality in which the building is
16 located passes a resolution in support of the nonprofit corporation's
17 application for fewer days; and (iii) the commissioner determines,
18 based upon the financial resources of the nonprofit corporation, that
19 96 days is not feasible and approves a fewer number of days.¹

20 b. On or before January 30 annually, the nonprofit corporation that
21 owns the building certified as an historic site pursuant to this section
22 shall submit to the Historic Preservation Office in the Department of
23 Environmental Protection a status report that contains the following
24 information:

25 (1) evidence that the property was open to the public ¹[at least 96
26 days]¹ during the preceding calendar year ¹for at least the number of
27 days required pursuant to subsection a. of this section¹, including
28 proof of public notification or advertisement and a brief summary of
29 visitation statistics;

30 (2) a copy of any amendments or modifications to the current
31 corporation by-laws;

32 (3) evidence that the nonprofit corporation that owns the building
33 certified as an historic site has current nonprofit status pursuant to
34 P.L.1983, c.127 (C.15A:1-1 et seq.) and is qualified for tax exempt
35 status under the Internal Revenue Code of 1986 26 U.S.C. s.501(c);

36 (4) a brief description of any physical restoration or rehabilitation
37 undertaken in the preceding calendar year, with photographs
38 documenting the current condition of the building; and

39 (5) a description of any physical restoration or rehabilitation
40 anticipated to be taken in the subsequent calendar year.

41 ¹c. The Commissioner of Environmental Protection shall on or
42 before September 15 of each year certify that a property owner and the
43 real property for which an exemption is claimed pursuant to P.L.1962,
44 c.92 (C.54:4-3.52 et seq.). If an owner and property are not yet
45 qualified for such exemption because the property was open to the
46 public for at least the number of days required pursuant to subsection

1 a. of this section by August 31 but is otherwise qualified, the
 2 commissioner shall certify the number of days the property was open
 3 by August 31, and that the owner and property will be qualified for
 4 such exemption if the property is open to the public for at least the
 5 required number of days by December 31. The commissioner shall
 6 deliver such certification to the property owner and the tax assessor
 7 of the taxing district in which the real property is located. In addition
 8 to the report required pursuant to subsection b. of this section, on or
 9 before August 31 annually, the nonprofit corporation that owns the
 10 building certified as an historic site pursuant to this section shall
 11 submit to the Historic Preservation Office in the Department of
 12 Environmental Protection an interim status report that contains current
 13 calendar year information that the commissioner determines is
 14 necessary to fulfill the commissioner's obligation pursuant to this
 15 subsection.¹

16 (cf: P.L.1962, c.92, s.2)]²

17

18 ²[3. Section 3 of P.L.1962, c.92 (C.54:4-3.54) is amended to read
 19 as follows:

20 3. In the event of any substantial change in the building or the
 21 premises or in the event that the nonprofit corporation that owns the
 22 building certified as an historic site fails to comply with the provisions
 23 of P.L.1962, c.92, such certification may be canceled by the
 24 [commissioner] Commissioner of Environmental Protection, but no
 25 such cancellation shall preclude the issuance of a new certification.

26 (cf: P.L.1962, c.92, s.3)]²

27

28 ²1. After the effective date of P.L. , c. (C.) (pending before
 29 the Legislature as this bill), any building, its pertinent contents and the
 30 land on which it is erected and which may be necessary for the fair
 31 enjoyment thereof, owned by a nonprofit corporation that is organized
 32 under P.L.1983, c.127 (C.15A:1-1 et seq.); is qualified for tax exempt
 33 status under the Internal Revenue Code of 1986, 26 U.S.C. s.501(c)
 34 and meets all other State and federal requirements; has a primary
 35 mission as an historical organization to research, preserve and
 36 interpret history and architectural history; and has been certified to be
 37 an historic site by the Commissioner of Environmental Protection as
 38 hereinafter provided, shall be exempt from taxation.²

39

40 ²2. a. The Commissioner of Environmental Protection, when
 41 requested for any such certification after the effective date of P.L. ,
 42 c. (C.) (pending before the Legislature as this bill), shall certify
 43 a building to be an historic site qualified for tax exemption whenever
 44 the commissioner finds such building to have the following
 45 characteristics:

46 (1) material relevancy to the history of the State and its

1 government warranting its preservation as an historical site;
2 (2) the building is listed in the New Jersey Register of Historic
3 Places;
4 (3) in the event of a restoration or rehabilitation, or both,
5 heretofore or hereafter made, such restoration or rehabilitation shall
6 be done in accordance with the United States Secretary of the
7 Interior's Standards for the Treatment of Historic Properties; and
8 (4) the building is open to the general public and freely available to
9 all people, without discrimination as to race, creed, color or religion,
10 under reasonable terms and conditions, including but not limited to a
11 nominal fee, that would ensure the preservation and maintenance of
12 the site, for a minimum of 96 days per year. Notwithstanding the
13 forgoing, the building can be open to the public for less than 96 days
14 per year if the building meets the following three qualifications: (a) the
15 nonprofit corporation that owns the building applies to the
16 Commissioner of Environmental Protection for approval of fewer days;
17 (b) the governing body of the municipality in which the building is
18 located passes a resolution in support of the nonprofit corporation's
19 application for fewer days; and (c) the commissioner determines, based
20 upon the financial resources of the nonprofit corporation, that 96 days
21 is not feasible and approves a fewer number of days.
22 b. On or before January 30 annually, a nonprofit corporation that
23 owns the building certified as an historic site pursuant to this section
24 shall submit to the Historic Preservation Office in the Department of
25 Environmental Protection a status report that contains the following
26 information:
27 (1) evidence that the property was open to the public during the
28 preceding calendar year, including proof of public notification or
29 advertisement and a brief summary of visitation statistics;
30 (2) a copy of any amendments or modifications to the current
31 corporation by-laws;
32 (3) evidence that the nonprofit corporation that owns the building
33 certified as an historic site has current nonprofit status pursuant to
34 P.L.1983, c.127 (C.15A:1-1 et seq.) and is qualified for tax exempt
35 status under the Internal Revenue Code of 1986, 26 U.S.C. s.501(c);
36 (4) a brief description of any physical restoration or rehabilitation
37 undertaken in the preceding calendar year, with photographs
38 documenting the current condition of the building; and
39 (5) a description of any physical restoration or rehabilitation
40 anticipated to be taken in the subsequent calendar year.
41 c. The Commissioner of Environmental Protection shall on or
42 before September 15 of each year certify that a property owner and the
43 real property for which an exemption is claimed pursuant to P.L. __,
44 c. (C. __) (pending before the Legislature as this bill) have met all
45 of the qualifications for certification as an historic site. If an owner
46 and property are not yet qualified for such exemption because the

1 property was not open to the public for at least the number of days
2 required pursuant to subsection a. of this section by August 31 but is
3 otherwise qualified, the commissioner shall certify the number of days
4 the property was open by August 31, and that the owner and property
5 will be qualified for such exemption if the property is open to the
6 public for at least the required number of days by December 31. The
7 commissioner shall deliver such certification to the property owner and
8 the tax assessor of the taxing district in which the real property is
9 located. In addition to the report required pursuant to subsection b.
10 of this section, on or before August 31 annually, the nonprofit
11 corporation that owns the building certified as an historic site pursuant
12 to this section shall submit to the Historic Preservation Office in the
13 Department of Environmental Protection an interim status report that
14 contains current calendar year information that the commissioner
15 determines is necessary to fulfill the commissioner's obligation
16 pursuant to this subsection.²

17

18 ²3. With respect to any certification as a historic site awarded by
19 the commissioner after the effective date of P.L. , c. (C.)
20 (pending before the Legislature as this bill), in the event of any
21 substantial change in the building or the premises or in the event that
22 the nonprofit corporation that owns the building certified as an historic
23 site fails to comply with the requirements of P.L. , c. (C.)
24 (pending before the Legislature as this bill), that certification may be
25 canceled by the Commissioner of Environmental Protection, but no
26 such cancellation shall preclude the issuance of a new certification.²

27

28 4. This act shall take effect immediately.

29

30

31

32

33 Revises criteria for new historic sites to obtain historic site property
34 tax exemption.

ASSEMBLY, No. 2697

STATE OF NEW JERSEY 211th LEGISLATURE

INTRODUCED MAY 6, 2004

Sponsored by:

Assemblyman REED GUSCIORA

District 15 (Mercer)

Assemblywoman BONNIE WATSON COLEMAN

District 15 (Mercer)

Co-Sponsored by:

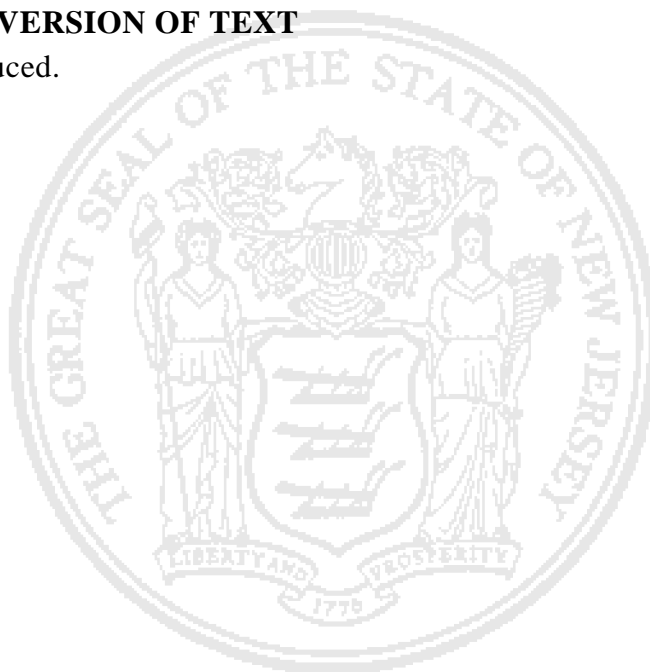
Assemblyman Chivukula

SYNOPSIS

Clarifies and updates qualifications required to obtain historic site property tax exemption.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 6/18/2004)

1 AN ACT concerning the qualifications required to obtain a property tax
2 exemption as a historic site and amending P.L.1962, c.92.

3

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

6

7 1. Section 1 of P.L.1962, c.92 (C.54:4-3.52) is amended to read as
8 follows:

9 1. Any building and its pertinent contents and the land whereon it
10 is erected and which may be necessary for the fair enjoyment thereof
11 owned by a nonprofit corporation that: a. is organized under
12 P.L.1983, c.127 (C.15A:1-1 et seq.); b. is qualified for tax exempt
13 status under the Internal Revenue Code of 1986, 26 U.S.C. s.501(c)
14 and meets all other State and federal requirements; c. has a primary
15 mission as an historical organization to research, preserve and
16 interpret history and architectural history, and [which] d. has been
17 certified to be an historic site [to the Director of the Division of
18 Taxation by the Commissioner of Conservation and Economic
19 Development] by the Commissioner of Environmental Protection as
20 hereinafter provided, shall be exempt from taxation.

21 (cf: P.L.1964, c.61, s.1)

22

23 2. Section 2 of P.L.1962, c.92 (C.54:4-3.53) is amended to read as
24 follows:

25 2. a. The Commissioner of [Conservation and Economic
26 Development] Environmental Protection when requested for any
27 such certification [and after consultation with and the advice of the
28 Resource Development Council of the Division of Resource
29 Development within his department] shall certify a building to be an
30 historic site qualified for tax exemption whenever he finds such
31 building to have the following characteristics:

32 (1) material relevancy to the history of the State and its
33 government warranting its preservation as an historical site;

34 (2) the building is listed in the New Jersey Register of Historic
35 Places;

36 (3) [and] in the event of a restoration or rehabilitation, or both,
37 heretofore or hereafter made, [such building is or shall be of
38 substantially the same kind, character and description as the original]
39 such restoration or rehabilitation shall be done in accordance with the
40 Secretary of the Interior's Standards for the Treatment of Historic
41 Properties; and

42 (4) the building is open to the general public and freely available to

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 all people, without discrimination as to race, creed, color or religion,
2 under reasonable terms and conditions, including but not limited to a
3 nominal fee, that would ensure the preservation and maintenance of
4 the site, for a minimum of 96 days per year.

5 b. On or before January 30 annually, the nonprofit corporation that
6 owns the building certified as an historic site pursuant to this section
7 shall submit to the Historic Preservation Office in the Department of
8 Environmental Protection a status report that contains the following
9 information:

10 (1) evidence that the property was open to the public at least 96
11 days during the preceding calendar year, including proof of public
12 notification or advertisement and a brief summary of visitation
13 statistics;

14 (2) a copy of any amendments or modifications to the current
15 corporation by-laws;

16 (3) evidence that the nonprofit corporation that owns the building
17 certified as an historic site has current nonprofit status pursuant to
18 P.L.1983, c.127 (C.15A:1-1 et seq.) and is qualified for tax exempt
19 status under the Internal Revenue Code of 1986 26 U.S.C. s.501(c);

20 (4) a brief description of any physical restoration or rehabilitation
21 undertaken in the preceding calendar year, with photographs
22 documenting the current condition of the building; and

23 (5) a description of any physical restoration or rehabilitation
24 anticipated to be taken in the subsequent calendar year.

25 (cf: P.L.1962, c.92, s.2)

26
27 3. Section 3 of P.L.1962, c.92 (C.54:4-3.54) is amended to read as
28 follows:

29 3. In the event of any substantial change in the building or the
30 premises or in the event that the nonprofit corporation that owns the
31 building certified as an historic site fails to comply with the provisions
32 of P.L.1962, c.92, such certification may be canceled by the
33 [commissioner] Commissioner of Environmental Protection, but no
34 such cancellation shall preclude the issuance of a new certification.
35 (cf: P.L.1962, c.92, s.3)

36
37 4. This act shall take effect immediately.
38
39

40 STATEMENT
41

42 This bill would clarify and update the qualifications required for a
43 nonprofit corporation that owns a building certified as an historic site
44 to obtain a historic site property tax exemption. This bill would rectify
45 a situation in which, under the current provisions of statutory law, a
46 number of entities have been able to obtain property tax exempt status

1 for buildings certified as historic sites when in fact those buildings are
2 not being managed or maintained as historic sites. Municipalities have
3 documented significant losses of property tax revenues due to the
4 present loophole in the law.

5 The bill would add additional requirements to current law that must
6 be met in order for an historic site to receive property tax exempt
7 status. Under the bill, such a site must be managed by a nonprofit
8 organization whose primary mission as an historical organization is to
9 research, preserve and interpret history or architectural history. The
10 nonprofit organization must be organized under the New Jersey
11 Nonprofit Corporation Act, P.L.1983, c.127 (C.15A:1-1 et seq.), and
12 must have federal tax exempt status under the Internal Revenue Code
13 of 1986.

14 The bill also would require that the Commissioner of Environmental
15 Protection make a number of additional findings before certifying
16 historic site status for a building. These additional findings include
17 evidence that the property was open to the public for a period of at
18 least 96 days during the calendar year, that the building is listed in the
19 New Jersey Register of Historic Places and that any restoration or
20 rehabilitation was done in accordance with the Secretary of the
21 Interior's Standards for the Treatment of Historic Properties.

22 The bill also requires that the nonprofit organization submit to the
23 Historic Preservation Office in the Department of Environmental
24 Protection an annual status report containing the following
25 information: evidence that the property was open to the public at least
26 96 days during the preceding calendar year, including proof of public
27 notification or advertisement and a brief summary of visitation
28 statistics; a copy of any amendments or modifications to the current
29 corporation by-laws; evidence that the nonprofit corporation that owns
30 the building certified as an historic site has current nonprofit status
31 pursuant to P.L.1983, c.127 (C.15A:1-1 et seq.) and is qualified for
32 tax exempt status under the Internal Revenue Code of 1986
33 (26U.S.C.s.501(c)); a brief description of any physical restoration or
34 rehabilitation undertaken in the preceding calendar year, with
35 photographs documenting the current condition of the building; and
36 a description of any physical restoration or rehabilitation anticipated
37 to be taken in the subsequent calendar year.

38 Finally, the bill would revise the criteria under which the
39 commissioner may rescind a certification to provide that such
40 certification may be rescinded in the event that the nonprofit
41 corporation that owns the building certified as an historic site fails to
42 comply with the provisions of P.L.1962, c.92.

ASSEMBLY HOUSING AND LOCAL GOVERNMENT
COMMITTEE

STATEMENT TO

ASSEMBLY, No. 2697

STATE OF NEW JERSEY

DATED: MAY 27, 2004

The Assembly Housing and Local Government Committee reports favorably Assembly Bill No. 2697.

This bill would clarify and update the qualifications required for a nonprofit corporation that owns a building certified as an historic site to obtain a historic site property tax exemption. This bill would rectify a situation in which, under the current provisions of statutory law, a number of entities have been able to obtain property tax exempt status for buildings certified as historic sites when in fact those buildings are not being managed or maintained as historic sites. Municipalities have documented significant losses of property tax revenues due to the present loophole in the law.

The bill would add additional requirements to current law that must be met in order for an historic site to receive property tax exempt status. Under the bill, such a site must be managed by a nonprofit organization whose primary mission as an historical organization is to research, preserve and interpret history or architectural history. The nonprofit organization must be organized under the "New Jersey Nonprofit Corporation Act", N.J.S.15A:1-1 et seq., and must have federal tax exempt status under the Internal Revenue Code of 1986.

The bill also would require that the Commissioner of Environmental Protection make a number of additional findings before certifying historic site status for a building. These additional findings include evidence that the property was open to the public for a period of at least 96 days during the calendar year, that the building is listed in the New Jersey Register of Historic Places and that any restoration or rehabilitation was done in accordance with the Secretary of the Interior's Standards for the Treatment of Historic Properties.

The bill also requires that the nonprofit organization submit to the Historic Preservation Office in the Department of Environmental Protection an annual status report containing the following information: evidence that the property was open to the public at least 96 days during the preceding calendar year, including proof of public notification or advertisement and a brief summary of visitation statistics; a copy of any amendments or modifications to the current corporation by-laws; evidence that the nonprofit corporation that owns

the building certified as an historic site has current nonprofit status pursuant to N.J.S.15A:1-1 et seq. and is qualified for tax exempt status under the Internal Revenue Code of 1986 (26 U.S.C. s.501(c)); a brief description of any physical restoration or rehabilitation undertaken in the preceding calendar year, with photographs documenting the current condition of the building; and a description of any physical restoration or rehabilitation anticipated to be taken in the subsequent calendar year.

Finally, the bill would revise the criteria under which the commissioner may rescind a certification to provide that such certification may be rescinded in the event that the nonprofit corporation that owns the building certified as an historic site fails to comply with the provisions of P.L.1962, c.92.

SENATE WAGERING, TOURISM AND HISTORIC
PRESERVATION COMMITTEE

STATEMENT TO

ASSEMBLY, No. 2697

with committee amendments

STATE OF NEW JERSEY

DATED: SEPTEMBER 27, 2004

The Senate Wagering, Tourism and Historic Preservation Committee reports favorably and with committee amendments Assembly, No. 2697.

As amended by the committee, this bill clarifies and updates the qualifications required for a nonprofit corporation that owns a building certified as an historic site to obtain a historic site property tax exemption. Under current law, a number of entities have been able to obtain property tax exempt status for buildings certified as historic sites when in fact those buildings are not being managed or maintained as historic sites. Municipalities have documented significant losses of property tax revenues due to the present loophole in the law.

The bill adds additional requirements to current law that must be met in order for an historic site to receive property tax exempt status. Under the bill, the site must be managed by a nonprofit organization whose primary mission as an historical organization is to research, preserve and interpret history or architectural history. The nonprofit organization must be organized under the New Jersey Nonprofit Corporation Act, P.L.1983, c.127 (C.15A:1-1 et seq.), and must have federal tax exempt status under the Internal Revenue Code of 1986.

The bill requires that the Commissioner of Environmental Protection make a number of additional findings before certifying historic site status for a building. These additional findings include evidence that the property was open to the public for a period of at least 96 days during the calendar year, that the building is listed in the New Jersey Register of Historic Places and that any restoration or rehabilitation was done in accordance with the Secretary of the Interior's Standards for the Treatment of Historic Properties. The bill provides that a building can be open for less than 96 days if the following three conditions are met: (i) the nonprofit corporation that owns the building applies to the Commissioner of Environmental Protection for approval of fewer days; (ii) the governing body of the municipality in which the building is located passes a resolution in support of the nonprofit corporation's application for fewer days; and

(iii) the commissioner determines, based upon the financial resources of the nonprofit corporation, that 96 days is not feasible and approves a fewer number of days. The purpose of this provision is to give the commissioner and the host municipality the flexibility to provide an exemption to smaller, predominantly volunteer nonprofit corporations that have the financial resources sufficient to preserve a historic building, but not to keep it open to the public for 96 days per year.

The bill also requires that the nonprofit organization submit to the Historic Preservation Office in the Department of Environmental Protection an annual status report containing the following information: evidence that the property was open to the public at least the required number of days during the preceding calendar year, including proof of public notification or advertisement and a brief summary of visitation statistics; a copy of any amendments or modifications to the current corporation by-laws; evidence that the nonprofit corporation that owns the building certified as an historic site has current nonprofit status pursuant to P.L.1983, c.127 (C.15A:1-1 et seq.) and is qualified for tax exempt status under the Internal Revenue Code of 1986 (26U.S.C.s.501(c)); a brief description of any physical restoration or rehabilitation undertaken in the preceding calendar year, with photographs documenting the current condition of the building; and a description of any physical restoration or rehabilitation anticipated to be taken in the subsequent calendar year. In addition to the annual status report, the nonprofit corporation is required to submit an interim status report containing information that the commissioner determines is necessary to certify to the property owner and the local tax assessor that the owner and property have met all of the qualifications for certification as an historic site.

Finally, the bill revises the criteria under which the commissioner may rescind a certification to provide that such certification may be rescinded in the event that the nonprofit corporation that owns the building certified as an historic site fails to comply with the requirements to obtain the historic site property tax exemption.

The committee amended the bill to give the Commissioner of Environmental Protection flexibility to lower the minimum number of days that the building must be open to the public under certain conditions, and to require the nonprofit corporation that owns the building for which an exemption is sought to file an interim report containing information sufficient to allow the Commissioner of Environmental Protection to certify to the property owner and to the local tax assessor that a property owner and the real property for which an exemption is claimed have met all of the qualifications for certification as an historic site.

STATEMENT TO

[First Reprint]

ASSEMBLY, No. 2697

with Senate Floor Amendments
(Proposed By Senator BUCCO)

ADOPTED: DECEMBER 6, 2004

These floor amendments would allow currently-designated historic sites to maintain their property tax exemption under current law, and would require that the changes to the qualifications for a historic site property tax exemption proposed by the bill would affect only historic sites certified for a property tax exemption after the effective date of the bill.

SENATE, No. 1584

STATE OF NEW JERSEY
211th LEGISLATURE

INTRODUCED MAY 10, 2004

Sponsored by:
Senator SHIRLEY K. TURNER
District 15 (Mercer)

SYNOPSIS

Clarifies and updates qualifications required to obtain historic site property tax exemption.

CURRENT VERSION OF TEXT

As introduced.



S1584 TURNER

2

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2 exemption as a historic site and amending P.L.1962, c.92.

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15 mission as an historical organization to research, preserve and
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17 certified to be an historic site [to the Director of the Division of
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19 Development] by the Commissioner of Environmental Protection as
20 hereinafter provided, shall be exempt from taxation.

21 (cf: P.L.1964, c.61, s.1)

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23 2. Section 2 of P.L.1962, c.92 (C.54:4-3.53) is amended to read as
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25 2. a. The Commissioner of [Conservation and Economic
26 Development] Environmental Protection when requested for any
27 such certification [and after consultation with and the advice of the
28 Resource Development Council of the Division of Resource
29 Development within his department] shall certify a building to be an
30 historic site qualified for tax exemption whenever he finds such
31 building to have the following characteristics:

32 (1) material relevancy to the history of the State and its
33 government warranting its preservation as an historical site;

34 (2) the building is listed in the New Jersey Register of Historic
35 Places;

36 (3) [and] in the event of a restoration or rehabilitation, or both,
37 heretofore or hereafter made, [such building is or shall be of
38 substantially the same kind, character and description as the original]
39 such restoration or rehabilitation shall be done in accordance with the
40 Secretary of the Interior's Standards for the Treatment of Historic
41 Properties; and

42 (4) the building is open to the general public and freely available to

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 all people, without discrimination as to race, creed, color or religion,
2 under reasonable terms and conditions, including but not limited to a
3 nominal fee, that would ensure the preservation and maintenance of
4 the site, for a minimum of 96 days per year.

5 b. On or before January 30 annually, the nonprofit corporation that
6 owns the building certified as an historic site pursuant to this section
7 shall submit to the Historic Preservation Office in the Department of
8 Environmental Protection a status report that contains the following
9 information:

10 (1) evidence that the property was open to the public at least 96
11 days during the preceding calendar year, including proof of public
12 notification or advertisement and a brief summary of visitation
13 statistics;

14 (2) a copy of any amendments or modifications to the current
15 corporation by-laws;

16 (3) evidence that the nonprofit corporation that owns the building
17 certified as an historic site has current nonprofit status pursuant to
18 P.L.1983, c.127 (C.15A:1-1 et seq.) and is qualified for tax exempt
19 status under the Internal Revenue Code of 1986 26 U.S.C. s.501(c);

20 (4) a brief description of any physical restoration or rehabilitation
21 undertaken in the preceding calendar year, with photographs
22 documenting the current condition of the building; and

23 (5) a description of any physical restoration or rehabilitation
24 anticipated to be taken in the subsequent calendar year.

25 (cf: P.L.1962, c.92, s.2)

26
27 3. Section 3 of P.L.1962, c.92 (C.54:4-3.54) is amended to read as
28 follows:

29 3. In the event of any substantial change in the building or the
30 premises or in the event that the nonprofit corporation that owns the
31 building certified as an historic site fails to comply with the provisions
32 of P.L.1962, c.92, such certification may be canceled by the
33 [commissioner] Commissioner of Environmental Protection, but no
34 such cancellation shall preclude the issuance of a new certification.
35 (cf: P.L.1962, c.92, s.3)

36
37 4. This act shall take effect immediately.
38
39

40 STATEMENT
41

42 This bill would clarify and update the qualifications required for a
43 nonprofit corporation that owns a building certified as an historic site
44 to obtain a historic site property tax exemption. This bill would rectify
45 a situation in which, under the current provisions of statutory law, a
46 number of entities have been able to obtain property tax exempt status

1 for buildings certified as historic sites when in fact those buildings are
2 not being managed or maintained as historic sites. Municipalities have
3 documented significant losses of property tax revenues due to the
4 present loophole in the law.

5 The bill would add additional requirements to current law that must
6 be met in order for an historic site to receive property tax exempt
7 status. Under the bill, such a site must be managed by a nonprofit
8 organization whose primary mission as an historical organization is to
9 research, preserve and interpret history or architectural history. The
10 nonprofit organization must be organized under the New Jersey
11 Nonprofit Corporation Act, P.L.1983, c.127 (C.15A:1-1 et seq.), and
12 must have federal tax exempt status under the Internal Revenue Code
13 of 1986.

14 The bill also would require that the Commissioner of Environmental
15 Protection make a number of additional findings before certifying
16 historic site status for a building. These additional findings include
17 evidence that the property was open to the public for a period of at
18 least 96 days during the calendar year, that the building is listed in the
19 New Jersey Register of Historic Places and that any restoration or
20 rehabilitation was done in accordance with the Secretary of the
21 Interior's Standards for the Treatment of Historic Properties.

22 The bill also requires that the nonprofit organization submit to the
23 Historic Preservation Office in the Department of Environmental
24 Protection an annual status report containing the following
25 information: evidence that the property was open to the public at least
26 96 days during the preceding calendar year, including proof of public
27 notification or advertisement and a brief summary of visitation
28 statistics; a copy of any amendments or modifications to the current
29 corporation by-laws; evidence that the nonprofit corporation that owns
30 the building certified as an historic site has current nonprofit status
31 pursuant to P.L.1983, c.127 (C.15A:1-1 et seq.) and is qualified for
32 tax exempt status under the Internal Revenue Code of 1986
33 (26U.S.C.s.501(c)); a brief description of any physical restoration or
34 rehabilitation undertaken in the preceding calendar year, with
35 photographs documenting the current condition of the building; and
36 a description of any physical restoration or rehabilitation anticipated
37 to be taken in the subsequent calendar year.

38 Finally, the bill would revise the criteria under which the
39 commissioner may rescind a certification to provide that such
40 certification may be rescinded in the event that the nonprofit
41 corporation that owns the building certified as an historic site fails to
42 comply with the provisions of P.L.1962, c.92.

SENATE WAGERING, TOURISM AND HISTORIC
PRESERVATION COMMITTEE

STATEMENT TO

SENATE, No. 1584

with committee amendments

STATE OF NEW JERSEY

DATED: SEPTEMBER 27, 2004

The Senate Wagering, Tourism and Historic Preservation Committee reports favorably and with committee amendments Senate, No. 1584.

As amended by the committee, this bill clarifies and updates the qualifications required for a nonprofit corporation that owns a building certified as an historic site to obtain a historic site property tax exemption. Under current law, a number of entities have been able to obtain property tax exempt status for buildings certified as historic sites when in fact those buildings are not being managed or maintained as historic sites. Municipalities have documented significant losses of property tax revenues due to the present loophole in the law.

The bill adds additional requirements to current law that must be met in order for an historic site to receive property tax exempt status. Under the bill, the site must be managed by a nonprofit organization whose primary mission as an historical organization is to research, preserve and interpret history or architectural history. The nonprofit organization must be organized under the New Jersey Nonprofit Corporation Act, P.L.1983, c.127 (C.15A:1-1 et seq.), and must have federal tax exempt status under the Internal Revenue Code of 1986.

The bill requires that the Commissioner of Environmental Protection make a number of additional findings before certifying historic site status for a building. These additional findings include evidence that the property was open to the public for a period of at least 96 days during the calendar year, that the building is listed in the New Jersey Register of Historic Places and that any restoration or rehabilitation was done in accordance with the Secretary of the Interior's Standards for the Treatment of Historic Properties. The bill provides that a building can be open for less than 96 days if the following three conditions are met: (i) the nonprofit corporation that owns the building applies to the Commissioner of Environmental Protection for approval of fewer days; (ii) the governing body of the municipality in which the building is located passes a resolution in support of the nonprofit corporation's application for fewer days; and

(iii) the commissioner determines, based upon the financial resources of the nonprofit corporation, that 96 days is not feasible and approves a fewer number of days. The purpose of this provision is to give the commissioner and the host municipality the flexibility to provide an exemption to smaller, predominantly volunteer nonprofit corporations that have the financial resources sufficient to preserve a historic building, but not to keep it open to the public for 96 days per year.

The bill also requires that the nonprofit organization submit to the Historic Preservation Office in the Department of Environmental Protection an annual status report containing the following information: evidence that the property was open to the public at least the required number of days during the preceding calendar year, including proof of public notification or advertisement and a brief summary of visitation statistics; a copy of any amendments or modifications to the current corporation by-laws; evidence that the nonprofit corporation that owns the building certified as an historic site has current nonprofit status pursuant to P.L.1983, c.127 (C.15A:1-1 et seq.) and is qualified for tax exempt status under the Internal Revenue Code of 1986 (26U.S.C.s.501(c)); a brief description of any physical restoration or rehabilitation undertaken in the preceding calendar year, with photographs documenting the current condition of the building; and a description of any physical restoration or rehabilitation anticipated to be taken in the subsequent calendar year. In addition to the annual status report, the nonprofit corporation is required to submit an interim status report containing information that the commissioner determines is necessary to certify to the property owner and the local tax assessor that the owner and property have met all of the qualifications for certification as an historic site.

Finally, the bill revises the criteria under which the commissioner may rescind a certification to provide that such certification may be rescinded in the event that the nonprofit corporation that owns the building certified as an historic site fails to comply with the requirements to obtain the historic site property tax exemption.

The committee amended the bill to give the Commissioner of Environmental Protection flexibility to lower the minimum number of days that the building must be open to the public under certain conditions, and to require the nonprofit corporation that owns the building for which an exemption is sought to file an interim report containing information sufficient to allow the Commissioner of Environmental Protection to certify to the property owner and to the local tax assessor that a property owner and the real property for which an exemption is claimed have met all of the qualifications for certification as an historic site.

STATEMENT TO

[First Reprint]

SENATE, No. 1584

with Senate Floor Amendments
(Proposed By Senator BUCCO)

ADOPTED: DECEMBER 6, 2004

These floor amendments would allow currently-designated historic sites to maintain their property tax exemption under current law, and would require that the changes to the qualifications for a historic site property tax exemption proposed by the bill would affect only historic sites certified for a property tax exemption after the effective date of the bill.