

54:4-3.5

LEGISLATIVE HISTORY CHECKLIST
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(Veterans--exemption from taxation)

NJSA: 54:4-3.5

LAWS OF: 1996 CHAPTER: 82

BILL NO: A1576

SPONSOR(S): Lance

DATE INTRODUCED: February 22, 1996

COMMITTEE: ASSEMBLY: Commerce

SENATE: ---

AMENDED DURING PASSAGE: No

DATE OF PASSAGE: ASSEMBLY: May 6, 1996

SENATE: June 13, 1996

DATE OF APPROVAL: July 25, 1996

FOLLOWING STATEMENTS ARE ATTACHED IF AVAILABLE:

SPONSOR STATEMENT: Yes

COMMITTEE STATEMENT: ASSEMBLY: Yes

SENATE: No

FISCAL NOTE: No

VETO MESSAGE: No

MESSAGE ON SIGNING: No

FOLLOWING WERE PRINTED:
REPORTS: No

HEARINGS: No

KBP:pp

P.L. 1996, CHAPTER 82, *approved July 25, 1996*
Assembly No. 1576

1 AN ACT concerning exemption from taxation of veterans organizations
2 and amending R.S.54:4-3.5 and R.S.54:4-3.25.

3

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

6

7 1. R.S.54:4-3.5 is amended to read as follows:

8 54:4-3.5. Real estate or personal property owned and used for
9 military purposes by any organization under the jurisdiction of this
10 State, shall be exempt from taxation under this chapter on condition
11 that all income derived from the property above the expense of its
12 maintenance and repair shall be used exclusively for such military
13 purposes or for charitable purposes; and any building, real estate or
14 personal property used by an organization composed entirely of
15 veterans of any war of the United States shall be exempt from taxation
16 under this chapter. No property shall lose its exemption or be denied
17 an exemption from taxation under this section because of the use of
18 the property for an income-producing activity that is not the
19 organization's primary purpose so long as all net proceeds from that
20 activity are utilized in furtherance of the primary purpose of the
21 organization or for other charitable purposes.

22 (cf: P.L.1944, c.24, s.2)

23

24 2. R.S.54:4-3.25 is amended to read as follows:

25 54:4-3.25. All real and personal property used in the work, for the
26 support and for the purposes of one or more bona fide national war
27 veterans organizations or posts, or bona fide affiliated associations,
28 whether incorporated or unincorporated, existing and established on
29 June eighteenth, one thousand nine hundred and thirty-six, shall be
30 exempt from taxation under this chapter if the legal or beneficial
31 ownership of such property is in one or more of said organizations, or
32 posts, or affiliated associations. No property shall lose its exemption
33 or be denied an exemption from taxation under this section because of
34 the use of the property for an income-producing activity that is not 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.

1 organization's primary purpose so long as all net proceeds from that
2 activity are utilized in furtherance of the primary purpose of the
3 organization or for other charitable purposes.

4 (cf: R.S.54:4-3.25)

5

6 3. This act shall take effect immediately and shall be retroactive to
7 January 1, 1994.

8

9

10 STATEMENT

11

12 This bill permits war veterans' organizations to conduct certain
13 auxiliary income-producing activities and retain property tax exempt
14 status.

15

16 Veterans' organizations, in addition to using their halls for veterans'
17 meetings and affairs, also rent their facilities to members of the public
18 for affairs. The money raised from rentals to non-organization
19 members is often donated by the organization to local charitable and
20 civic causes. Some veterans' organizations have been denied property
21 tax exempt status by the courts because the catering activities for
22 non-members in the facility were found to exceed the legally
23 authorized property tax exempt use.

24

25 This bill is designed to preserve the tax exempt status of veterans'
26 organizations, even if these entities use their property for an
27 income-producing purpose on an auxiliary basis, if all net proceeds
28 from such auxiliary activities are utilized in furtherance of the purpose
29 of the organization or for other charitable purposes.

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ASSEMBLY, No. 1576

STATE OF NEW JERSEY

INTRODUCED FEBRUARY 22, 1996

By Assemblyman LANCE

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16 meetings and affairs, also rent their facilities to members of the public
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18 members is often donated by the organization to local charitable and
19 civic causes. Some veterans' organizations have been denied property
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21 non-members in the facility were found to exceed the legally
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23 This bill is designed to preserve the tax exempt status of veterans'
24 organizations, even if these entities use their property for an
25 income-producing purpose on an auxiliary basis, if all net proceeds
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27 of the organization or for other charitable purposes.

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ASSEMBLY COMMERCE AND MILITARY AND VETERANS'
AFFAIRS COMMITTEE

STATEMENT TO

ASSEMBLY, No. 1576

STATE OF NEW JERSEY

DATED: APRIL 1, 1996

The Assembly Commerce and Military and Veterans' Affairs Committee reports favorably Assembly, No. 1576.

This bill permits war veterans' organizations to conduct certain auxiliary income-producing activities and retain property tax exempt status.

Veterans' organizations, in addition to using their halls for veterans' meetings and affairs, also rent their facilities to members of the public for affairs. The money raised from rentals to non-organization members is often donated by the organization to local charitable and civic causes. Some veterans' organizations have been denied property tax exempt status by the courts because the catering activities for non-members in the facility were found to exceed the legally authorized property tax exempt use.

This bill is designed to preserve the tax exempt status of veterans' organizations, even if these entities use their property for an income-producing purpose on an auxiliary basis, if all net proceeds from such auxiliary activities are utilized in furtherance of the purpose of the organization or for other charitable purposes.