54:4-3.56 thru 3.58

April 27, 1971

LEGISLATIVE NOTES ON R.S. 54:4-3.56 thru 54:4-3.58
(Tax exemption for air pollution prevention equipment)

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L. 1966, Chapter 127 - S21
Jan. 18 - Introduced by Crabiel & Waddington.
Not amended during passage.
Statement (copy enclosed of original bill with statement).

Amended by:

L. 1967, Chapter 104 - S160
Jan. 23 - Introduced by Crabiel & 3 others.
No statement.
Amended during passage (copies enclosed of original bill and amendments).

Hearings and reports

From 1965 thru 1968 there were several public hearings and reports on the subject of air pollution. None were on the specific subject of tax exemption for air pollution. It is quite possible the subject was mentioned but as the reports and hearings are not indexed, it would be necessary to read each one page by page to locate the comments.

Additional sources noty yet checked.
V.F. - N.J. - Air Pollution - Legislation.
N.J. - Taxation - Exemption.

Annual reports of Division on Taxation and Division of Clean Air & Water.

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CHAPTER 127 LAWS OF N. J. 1966
APPROVED 6/17/66

SENATE No. 21

STATE OF NEW JERSEY

INTRODUCED JANUARY 18, 1966

By Senator CRABIEL

Referred to Committee on State, County and Municipal Government

AN ACT providing for the exemption from taxation of certain air pollution control equipment, facilities and devices and supplementing article 2 of chapter 4 of Title 54 of the Revised Statutes.

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

1. Any equipment, facility or device constructed or installed either prior to or subsequent to the effective date of this act and used primarily for the purpose of abating or preventing pollution of the atmosphere and which has been certified to be an air pollution abatement facility by the State Commissioner of Health, as hereinafter in this act provided, shall be exempt from taxation under the chapter to which this act is a supplement.

2. The State Commissioner of Health, when requested for any such certification, shall certify a facility as being an air pollution abatement facility whenever he finds the equipment, facility or device constructed or installed, or to be constructed or installed, was designed primarily for the control or abatement of pollution of air and is suitable and reasonably adequate for such purpose. Said certificate shall contain information identifying the facilities and the cost thereof and shall be in such form and detail as the commissioner shall prescribe and, further, said certificate shall be submitted to the applicant therefor with a copy to the assessor of the taxing dis-

trict in which such facilities are located and have been installed; and the exemption from taxation for such equipment, facility or device shall become effective for the tax year following the year in which certification has been granted and thereafter during its use primarily for such purposes.

3. The State Commissioner of Health, after giving notice to the holder of a pollution abatement certificate and giving said holder an opportunity for a hearing, may revoke such certificate whenever any of the following appears:

(a) The certificate was obtained by fraud or misrepresentation;

(b) The claimant for tax exemption has failed substantially to proceed with the construction, reconstruction, installation or acquisition of pollution control facilities;

(c) The structure or equipment or both to which the certificate relates has ceased to be used for the primary purpose of pollution control and is being used for a different primary purpose;

(d) The claimant for tax exemption hereunder has so departed from the equipment, design and construction previously certified by the State Commissioner of Health that, in the opinion of said commissioner, the primary purpose of such installation is no longer the prevention of pollution as above defined or the installation is not suitable and reasonably adequate for the purpose for which certified;

(e) Performance of the equipment as installed is not, in the opinion of said commissioner, suitable and reasonably adequate for the primary purpose for which certified; and in lieu of revocation, the commissioner may modify such certificate in accordance with the facts presented.

The commissioner shall forward a copy of the notice of revocation or modification of any such certificate to the assessor of the taxing district in which the equipment involved is located.

4. This act shall take effect immediately.

STATEMENT

This bill puts New Jersey in step with the plans of the President of the United States as embodied in the antipollution measure recently passed by the Senate. In a time of great population pressure and growth, it will help New Jersey to keep in the forefront of the modern industrial States.

In President Johnson's recent special message to Congress on the subject of air pollution, he stressed the importance of providing ways to assure that tax policies do not penalize or discourage conservation and preservation of the natural resources of the country.

The rapid population growth and industrial expansion necessary to provide jobs for these people require an incentive to encourage investment in air pollution facilities. These nonproductive expenditures are a drag on capital investment and serve to slow down our industrial economy. To levy a tax on these facilities that serve all mankind is harmful to our society. Recognizing this, other industrial States, such as Ohio and Massachusetts, grant tax relief for pollution facilities and each year additional States take action in this field.

This bill would assist in the effort to reduce pollution while at the same time make New Jersey more attractive to job producing industry.

SENATE No. 160

STATE OF NEW JERSEY

INTRODUCED JANUARY 23, 1967

By Senator CRABIEL

Referred to Committee on Air and Water Pollution and Public Health

AN ACT to amend the title of "An act providing for the exemption from taxation of certain air pollution control equipment, facilities and devices and supplementing article 2 of chapter 4 of Title 54 of the Revised Statutes," approved June 17, 1966 (P. L. 1966, c. 127), so that the same shall read "An act providing for the exemption from taxation of certain air *and water* pollution control equipment, facilities and devices and supplementing article 2 of chapter 4 of Title 54 of the Revised Statutes," and to amend the body of said act.

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

1. The Title of the act of which this act is amendatory is amended to read as follows:

"An act providing for the exemption from taxation of certain air *and water* pollution control equipment, facilities and devices and supplementing article 2 of chapter 4 of Title 54 of the Revised Statutes."

2. Section 1 of the act of which this act is amendatory is amended to read as follows:

1. Any equipment, facility or device constructed or installed either prior to or subsequent to the effective date of this act and used primarily for the purpose of abating or preventing pollution of the atmosphere *or the waters of this State* and which has been certified to be an air *or water* pollution abatement facility by the State Commissioner of Health, as hereinafter in this act provided, shall be exempt from taxation under the chapter to which this act is a supplement.

3. Section 2 of the act of which this act is amendatory is amended to read as follows:

2. The State Commissioner of Health, when requested for any

such certification, shall certify a facility as being an air *or water* pollution abatement facility whenever he finds the equipment, facility or device constructed or installed, or to be constructed or installed, was designed primarily for the control or abatement of pollution of air *or water* and is suitable and reasonably adequate for such purpose. Said certificate shall contain information identifying the facilities and the cost thereof and shall be in such form and detail as the commissioner shall prescribe and, further, said certificate shall be submitted to the applicant therefor with a copy to the assessor of the taxing district in which such facilities are located and have been installed; and the exemption from taxation for such equipment, facility or device shall become effective for the tax year following the year in which certification has been granted and thereafter during its use primarily for such purposes.

4. This act shall take effect immediately.

SENATE COMMITTEE AMENDMENTS TO

SENATE, No. 160

STATE OF NEW JERSEY

ADOPTED APRIL 10, 1967

Amend page 1, title, line 8, delete "article 2 of chapter 4 of".

Amend page 1, section 1, line 7, delete "article 2 of chapter 4 of".

Amend page 1, section 2, line 17, delete "chapter", and insert in lieu thereof "Title".

Amend page 2, section 3, line 14, after section 3 add the following new section:

"4. The tax exemption provided by this act shall only apply to any equipment, facility or device for the abatement or prevention of the pollution of the waters of this State which was constructed or installed on or after the effective date of this act.".

Amend page 2, section 4, line 15, delete "4.", and insert in lieu thereof "5.".

SENATE AMENDMENTS TO

SENATE, No. 160

[OFFICIAL COPY REPRINT]

STATE OF NEW JERSEY

ADOPTED APRIL 17, 1967

Amend page 1, title, line 8, after "]", insert "article 2 of chapter 4 of".

Amend page 1, section 1, line 7, after "]", insert "article 2 of chapter 4 of".

Amend page 1, section 2, line 17, omit "Title", insert "chapter".

Amend page 2, section 4, lines 15-18, omit all of lines 15 through 18.

Amend page 2, section 5, line 19, omit "5.", insert "4.".

EXPLANATION—Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted in the law.