

ASSEMBLY, No. 1162

STATE OF NEW JERSEY

Introduced Pending Technical Review by Legislative Counsel

PRE-FILED FOR INTRODUCTION IN THE 1996 SESSION

By Assemblymen COHEN and SULIGA

1 AN ACT concerning payments in lieu of taxation of certain Port
2 Authority of New York and New Jersey property and amending
3 P.L.1925, c.37.

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

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8 1. Section 7 of P.L.1925, c.37 (R.S.32:1-66) is amended to read
9 as follows:

10 7. a. The construction, maintenance and operation of said bridges
11 is in all respects for the benefit of the people of the two states, for the
12 increase of their commerce and prosperity, and for the improvement
13 of their health and living conditions, and the port authority shall be
14 regarded as performing a governmental function in undertaking the
15 said construction, maintenance and operation and in carrying out the
16 provisions of law relating to the said bridges and shall be required to
17 pay no taxes or assessments upon any of the property acquired by it
18 for the construction, operation and maintenance of such bridges.

19 b. (1) Notwithstanding subsection a. of this section or any law to
20 the contrary, a payment in lieu of taxes shall be made with respect to
21 real property owned by the Port Authority of New York and New
22 Jersey which is situate within the corporate boundaries of Elizabeth
23 City in Union County, New Jersey in each tax year. The payment in
24 lieu of taxes shall be in an amount agreed to between Elizabeth City
25 and the Port Authority of New York and New Jersey in the year prior
26 to the tax year for which the payment is due. For any year for which
27 Elizabeth City and the Port Authority of New York and New Jersey
28 fail to agree on an amount to be paid in lieu of taxes, the payment due
29 to the municipality shall be an amount equal to the municipal purposes
30 tax rate multiplied by the taxable value of the property prescribed by
31 law pursuant to section 1 of P.L.1960, c.51 (C.54:4-2.25). The tax
32 collector shall bill the Port Authority of New York and New Jersey for

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

Matter underlined thus is new matter.

1 the payment in lieu of taxes at the same time that property tax bills are
2 sent. The payment in lieu of taxes shall be payable quarterly in equal
3 installments at the same time that property tax bills are due.

4 (2) Elizabeth City is hereby authorized and empowered to enter into
5 an agreement with the port authority to accept the payments which the
6 port authority is hereby authorized and empowered to make. The
7 sums so received by Elizabeth City shall be devoted to municipal
8 purposes to which municipal purpose taxes may be applied.

9 (cf: R.S.32:1-66)

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11 2. This act shall take effect upon the enactment into law by the
12 state of New York of legislation having an identical effect with this
13 act, but if the state of New York has already enacted such legislation
14 this act shall take effect immediately.

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17 STATEMENT

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19 This bill commences payments in lieu of taxes for real property
20 located in Elizabeth City which is owned by the Port Authority of New
21 York and New Jersey and which is tax exempt.

22 Specifically, real property owned by the Port Authority of New
23 York and New Jersey which is situate within the corporate boundaries
24 of Elizabeth City in Union County, New Jersey will be the subject of
25 an agreement between the municipality and the port authority
26 determining the amount of the payment. If no agreement is reached in
27 the year prior to the tax year for which the payment is due, the
28 payment will be equal to the amount of taxes that would be due on the
29 property if it was not tax exempt. This amendment to the law would
30 take effect upon enactment of a similar or substantially similar statute
31 in the State of New York.

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36 Commences PILOT for real property located in Elizabeth City owned
37 by Port Authority of New York and New Jersey which is tax exempt.