

ASSEMBLY, No. 2346

STATE OF NEW JERSEY

INTRODUCED SEPTEMBER 19, 1996

By Assemblyman BATEMAN

1 AN ACT concerning the exemption of certain non-profit health care  
2 property from local property taxation, and amending R.S.54:4-3.6.

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

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7 1. R.S.54:4-3.6 is amended to read as follows:

8 54:4-3.6. The following property shall be exempt from taxation  
9 under this chapter: all buildings actually used for colleges, schools,  
10 academies or seminaries, provided that if any portion of such buildings  
11 are leased to profit-making organizations or otherwise used for  
12 purposes which are not themselves exempt from taxation, said portion  
13 shall be subject to taxation and the remaining portion only shall be  
14 exempt; all buildings actually used for historical societies, associations  
15 or exhibitions, when owned by the State, county or any political  
16 subdivision thereof or when located on land owned by an educational  
17 institution which derives its primary support from State revenue; all  
18 buildings actually and exclusively used for public libraries, religious  
19 worship or asylum or schools for feeble-minded or idiotic persons and  
20 children; all buildings used exclusively by any association or  
21 corporation formed for the purpose and actually engaged in the work  
22 of preventing cruelty to animals; all buildings actually and exclusively  
23 used and owned by volunteer first-aid squads, which squads are or  
24 shall be incorporated as associations not for pecuniary profit; all  
25 buildings actually used in the work of associations and corporations  
26 organized exclusively for the moral and mental improvement of men,  
27 women and children, provided that if any portion of a building used for  
28 that purpose is leased to profit-making organizations or is otherwise  
29 used for purposes which are not themselves exempt from taxation, that  
30 portion shall be subject to taxation and the remaining portion only  
31 shall be exempt; all buildings actually and exclusively used in the work  
32 of associations and corporations organized exclusively for religious or  
33 charitable purposes; all buildings actually used in the work of  
34 associations and corporations organized exclusively for hospital

**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 purposes, provided that if any portion of a building used for hospital  
2 purposes is leased to profit-making organizations or otherwise used  
3 for purposes which are not themselves exempt from taxation, that  
4 portion shall be subject to taxation and the remaining portion only  
5 shall be exempt; all buildings owned or held by an association or  
6 corporation created for the purpose of holding the title to such  
7 buildings as are actually and exclusively used in the work of two or  
8 more associations or corporations organized exclusively for the moral  
9 and mental improvement of men, women and children; all buildings  
10 owned by a corporation created under or otherwise subject to the  
11 provisions of Title 15 of the Revised Statutes or Title 15A of the New  
12 Jersey Statutes and actually and exclusively used in the work of one or  
13 more associations or corporations organized exclusively for charitable  
14 or religious purposes, which associations or corporations may or may  
15 not pay rent for the use of the premises or the portions of the premises  
16 used by them; the buildings, not exceeding two, actually occupied as  
17 a parsonage by the officiating clergymen of any religious corporation  
18 of this State, together with the accessory buildings located on the same  
19 premises; the land whereon any of the buildings hereinbefore  
20 mentioned are erected, and which may be necessary for the fair  
21 enjoyment thereof, and which is devoted to the purposes above  
22 mentioned and to no other purpose and does not exceed five acres in  
23 extent; the furniture and personal property in said buildings if used in  
24 and devoted to the purposes above mentioned; all property owned and  
25 used by any nonprofit corporation in connection with its curriculum,  
26 work, care, treatment and study of feeble-minded, mentally retarded,  
27 or idiotic men, women, or children shall also be exempt from taxation,  
28 provided that such corporation conducts and maintains research or  
29 professional training facilities for the care and training of  
30 feeble-minded, mentally retarded, or idiotic men, women, or children;  
31 provided, in case of all the foregoing, the buildings, or the lands on  
32 which they stand, or the associations, corporations or institutions  
33 using and occupying them as aforesaid, are not conducted for profit,  
34 except that the exemption of the buildings and lands used for  
35 charitable, benevolent or religious purposes shall extend to cases  
36 where the charitable, benevolent or religious work therein carried on  
37 is supported partly by fees and charges received from or on behalf of  
38 beneficiaries using or occupying the buildings; provided the building  
39 is wholly controlled by and the entire income therefrom is used for said  
40 charitable, benevolent or religious purposes. The foregoing exemption  
41 shall apply only where the association, corporation or institution  
42 claiming the exemption owns the property in question and is  
43 incorporated or organized under the laws of this State and authorized  
44 to carry out the purposes on account of which the exemption is  
45 claimed or where an educational institution, as provided herein, has  
46 leased said property to a historical society or association or to a

1 corporation organized for such purposes and created under or  
2 otherwise subject to the provisions of Title 15 of the Revised Statutes  
3 or Title 15A of the New Jersey Statutes.

4 As used in this section "hospital purposes" includes health care  
5 facilities for the elderly, such as nursing homes; residential health care  
6 facilities; assisted living residences; non-profit congregate housing  
7 facilities; facilities with a Class C license pursuant to P.L.1979, c.496  
8 (C.55:13B-1 et al.), the "Rooming and Boarding House Act of 1979";  
9 similar facilities that provide medical, nursing or personal care services  
10 to their residents; and that portion of the central administrative or  
11 service facility of a continuing care retirement community that is  
12 reasonably allocable as a health care facility for the elderly.

13 (cf: P.L.1993, c.166, s.1)

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15 2. This act shall take effect immediately, and shall be applicable to  
16 assessments and taxes for the tax year beginning January 1, that occurs  
17 not fewer than 180 days following enactment.

#### 20 STATEMENT

21  
22 This bill exempts non-profit congregate housing facilities from local  
23 property taxation.

24 Specifically, this bill amends the definition of buildings used for  
25 "hospital purposes" in current law to include non-profit congregate  
26 housing facilities. Currently, according to the sponsor, non-profit  
27 congregate housing facilities are subject to local property taxation  
28 despite their provision of personal care services to the elderly and  
29 programmatic similarity to Class C boarding houses that, under the law  
30 being amended by this bill, currently enjoy property tax exemption.

31 This bill will allow non-profit congregate housing facilities to  
32 continue their mission of enabling the elderly to maintain independent  
33 living as long as possible by relieving these facilities of the burden of  
34 property taxation. Congregate housing facilities prolong an  
35 individual's ability to live a relatively independent life in their own  
36 community, and delay the time at which elderly individuals are forced  
37 to reside in hospitals.

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42 Exempts non-profit congregate housing facilities from local property  
43 taxation.