

[First Reprint]
SENATE, No. 437

STATE OF NEW JERSEY

INTRODUCED JANUARY 18, 1996

By Senator RICE

1 **AN ACT** concerning payments in lieu of taxes for certain New Jersey
2 Transit Corporation property and amending P.L.1979, c.150.

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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. Section 16 of P.L.1979, c.150 (C.27:25-16) is amended to read
8 as follows:

9 16. The exercise of the powers granted by this act shall be in all
10 respects for the benefit of the people of the State, and since the
11 improvement, operation, and maintenance of public transportation
12 services by the corporation constitute the performance of essential
13 governmental functions, neither the corporation nor any wholly owned
14 business corporation or other entity shall be required to pay taxes or
15 assessments upon any public transportation project or any property
16 acquired or used under the provisions of this act, including but not
17 limited to, sales taxes, real property taxes or assessments, corporate
18 franchise taxes or income taxes.

19 Because of the special nature of such property, the leasing for
20 private use of a part of a structure that is part of any property whose
21 primary use is as a public transportation passenger facility and which
22 is located within an area in need of rehabilitation, as defined in section
23 2 of P.L.1977, c.12 (C.54:4-3.96), shall not serve to remove the tax
24 exemption of the corporation for the leased portion of the property,
25 and shall not subject the lessee to taxation, the provisions of chapter
26 29A of Title 54 of the Revised Statutes and P.L.1949, c.177
27 (C.54:4-2.3 et seq.) notwithstanding.

28 However, any property owned by the corporation or any wholly
29 owned business corporation or other entity shall be considered "State"
30 property as defined in P.L.1977, c.272 (C.54:4-2.2a), and shall be
31 subject to the in lieu tax payments provided in that act. In order that

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.

Matter enclosed in superscript numerals has been adopted as follows:

¹ Senate STR committee amendments adopted February 22, 1996.

1 municipalities not suffer the loss of taxes by reason of the acquisition
2 of property during 1980 by the corporation or any wholly owned
3 business corporation or other entity under the provisions of this act,
4 the corporation shall pay annually in two installments, May 1 and
5 November 1, to each municipality, beginning in tax year 1981, a sum
6 equal to the taxable value of the property, as determined for the tax
7 year 1981, multiplied by the 1981 general tax rate for the municipality
8 where the property is located. However, when the property owned by
9 the corporation within a municipality comprises 10 acres or more, and
10 that property would represent 2% or more of the municipal tax base
11 if it were subject to taxation, the tax assessor shall file with the county
12 board of taxation in each year, with the assessment list, a certification
13 that the area of such property comprises 10 acres or more, and the
14 property would represent 2% or more of the municipal tax base if it
15 were subject to taxation. The certification shall also contain a brief
16 description of the property and a statement of the value of the
17 property as it is valued on the list of exempt property. The county
18 board of taxation shall, as soon as is practicable after receiving such
19 a certification from a municipality, estimate the sum of money which
20 the municipality would have derived during the year as tax revenue for
21 local purposes for such ¹[lands] property ¹if ¹[those lands]such
22 property ¹were not exempt from taxation, and shall forthwith certify
23 the amount to the clerk of the municipality. The clerk of the
24 municipality shall forward the certification to the New Jersey Transit
25 Corporation, and the corporation shall annually pay that sum to the
26 municipality, in two equal installments, on May 1 and November 1.

27 Moreover, the corporation is hereby authorized and empowered, in
28 its discretion, to enter into a voluntary agreement or agreements with
29 any county or municipality, whereby it will undertake to pay an
30 additional fair and reasonable sum or sums annually in connection with
31 any property used primarily as a public transportation passenger
32 facility, a portion of which is leased for private use, which is located
33 within an area in need of rehabilitation, as defined in section 2 of
34 P.L.1977, c.12 (C.54:4-3.96).

35 Nothing in this subsection shall deprive any municipality of
36 replacement revenues that it would otherwise receive pursuant to
37 sections 19 through 24 of P.L.1966, c.139 (C.54:29A-24.1 et seq.).
38 (cf: P.L.1981, c.560, s.1)

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40 2. This act shall take effect immediately.

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45 Increases payments in lieu of taxes for certain real property owned by
46 the New Jersey Transit Corporation.