

**ASSEMBLY, No. 151**

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**STATE OF NEW JERSEY**

**219th LEGISLATURE**

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PRE-FILED FOR INTRODUCTION IN THE 2020 SESSION

**Sponsored by:**

**Assemblyman PARKER SPACE**

**District 24 (Morris, Sussex and Warren)**

**Assemblyman HAROLD "HAL" J. WIRTHS**

**District 24 (Morris, Sussex and Warren)**

**SYNOPSIS**

Exempts certain water quality management structures, funded by certain federal and State grants, from real property taxation.

**CURRENT VERSION OF TEXT**

Introduced Pending Technical Review by Legislative Counsel.



1   **AN ACT** exempting certain water quality management structures  
2       from real property taxation and supplementing Title 54 of the  
3       Revised Statutes.

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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. As used in this act:

9       “Board of appeals” means the construction board of appeals  
10      established under section 9 of P.L.1975, c.217 (C.52:27D-127),  
11      having jurisdiction in the municipality in which the property is  
12      located.

13      “Director” means the Director of the Division of Taxation in the  
14      Department of the Treasury.

15      “Enforcing agency” means the enforcing agency in any  
16      municipality provided for under the “State Uniform Construction  
17      Code Act,” P.L.1975, c.217 (C.52:27D-119 et seq.) and rules and  
18      regulations adopted pursuant thereto.

19      “Water quality management structure” means a physical  
20      structure designed and installed using, in whole or in part, federal  
21      grant money from the Natural Resource Conservation Service in the  
22      United States Department of Agriculture, the Department of  
23      Agriculture, or the State Agriculture Development Committee, and  
24      for the purposes of improving water quality.

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26      2. A water quality management structure installed after the  
27      effective date of this act and certified by the enforcing agency shall  
28      be exempt from taxation under chapter 4 of Title 54 of the Revised  
29      Statutes. The owner of real property with a certified water quality  
30      management structure may have exempted annually from the  
31      assessed valuation of the real property a sum equal to the remainder  
32      of the assessed valuation of the real property with the water quality  
33      management structure included, minus the assessed valuation of the  
34      real property without the water quality management structure.

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36      3. The enforcing agency shall certify that a water quality  
37      management structure is exempt from taxation pursuant to this act  
38      when the water quality management structure was designed,  
39      constructed, and financed in accordance with this act and any rules  
40      or regulations adopted by the director pursuant thereto. The  
41      enforcing agency may at any time inquire into the right of a  
42      claimant to the exemption, and for that purpose may require the  
43      filing of a new application or the submission of any proof necessary  
44      to determine the right of the claimant to the continuation of the  
45      exemption. The enforcing agency shall have the authority to make  
46      an inspection of the premises which are the subject of the claim for  
47      exemption under this act.

1       4. a. A claimant shall submit a written application made on a  
2 form and in a manner prescribed by the director. The form shall be  
3 made available to claimants by the enforcing agency.

4       b. The enforcing agency shall issue a certification when it  
5 determines that a water quality management structure is exempt  
6 from taxation pursuant to this act. The certificate shall contain  
7 information identifying the water quality management structure and  
8 its cost, and shall conform to any other requirements prescribed by  
9 the director. The certificate shall be provided to the claimant, a  
10 copy shall be retained on file by the enforcing agency, and a copy  
11 shall be sent to the assessor of the taxing district in which the  
12 property is located. The exemption from taxation for the water  
13 quality management structure shall become effective for the tax  
14 year following the year in which certification was granted.

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16       5. The enforcing agency, after giving notice to the holder of a  
17 water quality management structure certificate, may revoke the  
18 certificate under the following circumstances:

- 19       a. the certificate was obtained by fraud or misrepresentation;  
20       b. the claimant for tax exemption has failed substantially to  
21 proceed with the construction, reconstruction, installation, or  
22 acquisition of a water quality management structure;  
23       c. the water quality management structure to which the  
24 certificate relates has ceased to be used for the primary purpose by  
25 which it was constructed and is being used for a different primary  
26 purpose;  
27       d. the claimant for tax exemption has so departed from the  
28 equipment, design, and construction previously certified by the  
29 enforcing agency that, in the opinion of the enforcing agency, the  
30 water quality management structure is not suitable and reasonably  
31 adequate for the purposes initially intended.

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33       6. a. A person aggrieved by an action of the enforcing agency  
34 may seek review before the board of appeals.

35       b. A person aggrieved by any action of the assessor or of the  
36 county tax board may seek a review of such action in the State Tax  
37 Court by filing a complaint in the Tax Court, pursuant to rules of  
38 court.

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40       7. The director shall adopt, pursuant to the “Administrative  
41 Procedure Act,” P.L.1968, c.410 (C.52:14B-1 et seq.), rules and  
42 regulations necessary for the proper certification of a tax exemption  
43 pursuant to this act, the form of a certificate to be issued, standards  
44 with respect to the technical sufficiency of a water quality  
45 management system to qualify for the exemption, and any other  
46 matter related to the exemption.

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48       8. This act shall be effective on the first day of the taxable year

1 next following the date of enactment, except that the director may  
2 take any advance administrative actions necessary for the  
3 implementation of the act.

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6 STATEMENT  
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8 This bill would exempt from real property taxation certain water  
9 quality management structures funded, in whole or in part, by  
10 certain federal and State grants. The bill defines “water quality  
11 management structure” as a physical structure designed and  
12 installed using a grant from the United States Conservation Service  
13 in the Department of Agriculture, the Department of Agriculture, or  
14 the State Agriculture Development Committee for purposes of  
15 improving water quality. Any water quality management structure  
16 that qualifies under the bill would be exempt from property taxation  
17 under chapter 4 of Title 54. The owner of real property with a  
18 certified water quality management structure would have exempted  
19 annually from the assessed valuation of the real property a sum  
20 equal to the remainder of the assessed valuation of the real property  
21 with the water quality management structure included, minus the  
22 assessed valuation of the real property without the water quality  
23 management structure.

24 The enforcing agency in any municipality would make the  
25 decision to grant a certification that the structures qualify after  
26 receiving a written application. The enforcing agency may inquire  
27 into the right of a claimant to the exemption and may require the  
28 filing of a new application or the submission of any proof necessary  
29 to determine the continuation of the exemption. The enforcing  
30 agency would also have the authority to make an inspection of the  
31 premises. The exemption for the water quality management  
32 structure would begin the tax year following the year in which  
33 certification was granted.

34 The enforcing agency may revoke the certificate if: the  
35 certificate was obtained by fraud or misrepresentation; the claimant  
36 fails to proceed with the construction, reconstruction, installation,  
37 or acquisition of a water quality management structure; the water  
38 quality management structure to which the certificate relates is  
39 being used for a different primary purpose; or the claimant has so  
40 departed from the equipment, design, and construction previously  
41 certified by the enforcing agency that, the water quality  
42 management structure is not suitable the purposes initially intended.

43 The bill also requires the Director of the Division of Taxation in  
44 the Department of the Treasury to adopt rules and regulations  
45 necessary for certification of the water quality management  
46 systems, including the technical sufficiency of a water quality  
47 management system to qualify for an exemption, for the  
48 implementation of the act.