

SENATE, No. 1326

STATE OF NEW JERSEY
219th LEGISLATURE

INTRODUCED FEBRUARY 10, 2020

Sponsored by:

Senator SHIRLEY K. TURNER

District 15 (Hunterdon and Mercer)

SYNOPSIS

Eliminates property tax exempt status of certain school faculty housing.

CURRENT VERSION OF TEXT

As introduced.



1 AN ACT concerning the taxation of certain real property and
2 amending R.S.54:4-3.6.

3

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, including student dormitories, a
11 maintenance supervisor residence, and a presidential residence, but
12 not housing for faculty or other employees, provided that if any
13 portion of such buildings are leased to profit-making organizations
14 or otherwise used for purposes which are not themselves exempt
15 from taxation, said portion shall be subject to taxation and the
16 remaining portion only shall be exempt; all buildings actually used
17 for historical societies, associations or exhibitions, when owned by
18 the State, county or any political subdivision thereof or when
19 located on land owned by an educational institution which derives
20 its primary support from State revenue; all buildings actually and
21 exclusively used for public libraries, asylum or schools for adults
22 and children with intellectual disabilities; all buildings used
23 exclusively by any association or corporation formed for the
24 purpose and actually engaged in the work of preventing cruelty to
25 animals; all buildings actually and exclusively used and owned by
26 volunteer first-aid squads, which squads are or shall be incorporated
27 as associations not for pecuniary profit; all buildings actually used
28 in the work of associations and corporations organized exclusively
29 for the moral and mental improvement of men, women and
30 children, provided that if any portion of a building used for that
31 purpose is leased to profit-making organizations or is otherwise
32 used for purposes which are not themselves exempt from taxation,
33 that portion shall be subject to taxation and the remaining portion
34 only shall be exempt; all buildings actually used in the work of
35 associations and corporations organized exclusively for religious
36 purposes, including religious worship, or charitable purposes,
37 provided that if any portion of a building used for that purpose is
38 leased to a profit-making organization or is otherwise used for
39 purposes which are not themselves exempt from taxation, that
40 portion shall be subject to taxation and the remaining portion shall
41 be exempt from taxation, and provided further that if any portion of
42 a building is used for a different exempt use by an exempt entity,
43 that portion shall also be exempt from taxation; all buildings
44 actually used in the work of associations and corporations organized
45 exclusively for hospital purposes, provided that if any portion of a

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

Matter underlined thus is new matter.

1 building used for hospital purposes is leased to profit-making
2 organizations or otherwise used for purposes which are not
3 themselves exempt from taxation, that portion shall be subject to
4 taxation and the remaining portion only shall be exempt; all
5 buildings owned or held by an association or corporation created for
6 the purpose of holding the title to such buildings as are actually and
7 exclusively used in the work of two or more associations or
8 corporations organized exclusively for the moral and mental
9 improvement of men, women and children; all buildings owned by a
10 corporation created under or otherwise subject to the provisions of
11 Title 15 of the Revised Statutes or Title 15A of the New Jersey
12 Statutes and actually and exclusively used in the work of one or
13 more associations or corporations organized exclusively for
14 charitable or religious purposes, which associations or corporations
15 may or may not pay rent for the use of the premises or the portions
16 of the premises used by them; the buildings, not exceeding two,
17 actually occupied as a parsonage by the officiating clergymen of
18 any religious corporation of this State, together with the accessory
19 buildings located on the same premises; the land whereon any of the
20 buildings hereinbefore mentioned are erected, and which may be
21 necessary for the fair enjoyment thereof, and which is devoted to
22 the purposes above mentioned and to no other purpose and does not
23 exceed five acres in extent; the furniture and personal property in
24 said buildings if used in and devoted to the purposes above
25 mentioned; all property owned and used by any nonprofit
26 corporation in connection with its curriculum, work, care, treatment
27 and study of men, women, or children with intellectual disabilities
28 shall also be exempt from taxation, provided that such corporation
29 conducts and maintains research or professional training facilities
30 for the care and training of men, women, or children with
31 intellectual disabilities; provided, in case of all the foregoing, the
32 buildings, or the lands on which they stand, or the associations,
33 corporations or institutions using and occupying them as aforesaid,
34 are not conducted for profit, except that the exemption of the
35 buildings and lands used for charitable, benevolent or religious
36 purposes shall extend to cases where the charitable, benevolent or
37 religious work therein carried on is supported partly by fees and
38 charges received from or on behalf of beneficiaries using or
39 occupying the buildings; provided the building is wholly controlled
40 by and the entire income therefrom is used for said charitable,
41 benevolent or religious purposes; and any tract of land purchased
42 pursuant to subsection (n) of section 21 of P.L.1971, c.199
43 (C.40A:12-21), and located within a municipality, actually used for
44 the cultivation and sale of fresh fruits and vegetables and owned by
45 a duly incorporated nonprofit organization or association which
46 includes among its principal purposes the cultivation and sale of
47 fresh fruits and vegetables, other than a political, partisan, sectarian,
48 denominational or religious organization or association. The

1 foregoing exemption shall apply only where the association,
2 corporation or institution claiming the exemption owns the property
3 in question and is incorporated or organized under the laws of this
4 State and authorized to carry out the purposes on account of which
5 the exemption is claimed or where an educational institution, as
6 provided herein, has leased said property to a historical society or
7 association or to a corporation organized for such purposes and
8 created under or otherwise subject to the provisions of Title 15 of
9 the Revised Statutes or Title 15A of the New Jersey Statutes.

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

19 (cf: P.L.2011, c.171, s.4)

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21 2. This act shall take effect on January 1 next following the
22 date of enactment.

23 24 25 STATEMENT

26
27 Under R.S.54:4-3.6, all buildings actually used for colleges,
28 schools, academies, and seminaries, are exempt from property
29 taxation. This exemption extends to faculty housing provided at
30 these educational institutions. These educational institutions that
31 provide faculty housing to faculty members who may have children
32 attending local public schools currently contribute nothing toward
33 the education of those children, thereby burdening other property
34 taxpayers with the cost of educating these children in the local
35 public schools. Property tax exempt faculty housing also does not
36 support the costs of providing municipal and county services.

37 This bill would limit property tax exempt housing at these
38 educational institutions to only student dormitories, a maintenance
39 supervisor's residence, and a presidential residence, and not to
40 housing for faculty or other employees of the educational
41 institution, thereby requiring educational institutions to pay
42 property taxes on the assessed value of their faculty housing for the
43 support of all governmental entities funded through the local
44 property tax levy.