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STATE OF NEW JERSEY  
DEPARTMENT OF CONSERVATION AND ECONOMIC DEVELOPMENT  
BOAT REGULATION COMMISSION  
TRENTON, NEW JERSEY

JACK SULLIVAN, CHAIRMAN

ROBERT F. CAMPBELL  
MICHAEL ENTWISTLE  
WILLIAM H. FEASTER, SR.  
CHARLES M. CUBBAGE  
KENNETH L. HUSTED

ROBERT A. ROE, COMMISSIONER, EX OFFICIO  
Department of Conservation and Economic  
Development

EUGENE H. MULVEY, SECRETARY

REPORT

NOVEMBER 24, 1964

New Jersey State Library



To Honorable Richard J. Hughes, Governor  
and to Members of the State and General  
Assembly of the State of New Jersey

I have the honor to transmit this special report  
of the New Jersey State Boat Regulation Commission,  
pursuant to Chapter J.R. 13, P.L. 1964 (S.J.R. No.9),  
approved May 22, 1964.

This resolution directed the Commission to study  
and determine a uniform method for the taxation, or  
other method in lieu of taxation, of boats.

The report was the result of many meetings of  
the Commission both public and in executive session,  
as well as the individual efforts of the Commissioners.  
One public hearing was held.

It was tentatively approved in executive session  
on October 19, 1964 and was formally adopted without  
change at a regular meeting called for that purpose on  
November 18, 1964.

Although the Commission was given until March 1,  
1965 to submit its findings, it was deemed advisable to  
formalize and submit it at this time.

Respectfully submitted,

Jack Sullivan, Chairman  
New Jersey State Boat  
Regulation Commission

Commissioners:  
Robert Campbell  
Charles M. Cabbage  
Michael Entwistle  
William N. Feaster, Sr.  
Kenneth L. Husted

Robert A. Roe, Commissioner ex officio  
Eugene H. Mulvey, Secretary

November 24, 1964



The following resolution was  
adopted at a regular meeting  
of the Boat Regulation Commission  
held at Trenton, New Jersey, on  
November 18, 1964.

On motion made by Commissioner Entwistle and  
seconded by Commissioner Husted the report  
and resolution tentatively adopted at the  
meeting October 19, 1964 was unanimously  
approved without change by the New Jersey  
State Boat Regulation Commission.

Jack Sullivan, Chairman

ATTEST:

Eugene H. Mulvey, Secretary



To the Honorable Richard J. Hughes, Governor, and  
Members of the Legislature:

Acting upon instructions contained in Chapter J. R. 13, P. L. 1964, the Boat Regulation Commission has reviewed and studied the problem of taxation on boats. After serious deliberation at many meetings, the Boat Regulation Commission submits the following findings and recommendations:

1. Chapter 51, Laws of 1960, as amended, states "Tangible personal property not used in business, other than tangible household personal property and personal effects, shall be assessed and taxed for local use at the general tax rate of the taxing district wherein such property is found. Such property shall be assessed according to the fair market value thereof, and the assessment shall be expressed at that percentage of such fair value as is established pursuant to law as the percentage level for the taxation of real property within the County in which the municipality is located. The taxable valuations of tangible personal property determined under this section shall be included by the assessor of each taxing district in his tax list and duplicate required to be filed on or before January 10 in each year."





2. Application of Chapter 51, Laws of 1960, as amended, to boats will force many vessels to leave the harbors and waters of New Jersey, with the inevitable result that the State will suffer a substantial decrease in the collection of boat fuel taxes and fees from boat numbering and registration. The primary reason for this boat exodus is that no State contiguous to New Jersey has a personal property tax and in every case their boating costs are comparable to or less than those in New Jersey.

3. Continuation of the present New Jersey personal property tax on boats will have an even greater impact on the general economy of the State's resort and recreational businesses. Losses of revenue would occur not only in marinas, boat yards, boat clubs, marine supply stores and services directly connected with boating, but would also adversely affect hotels, motels, restaurants, beach clubs, food suppliers, real estate sales and rentals, over-the-road automobile fuel taxes, fishing activities, amusement facilities and many others.

New Jersey's resort and recreational facilities have shown consistent growth for many years and business developed is expected to reach two billion dollars for the year 1964. If personal property taxes are applied to boats, recreational and resort growth could become stagnant, employment would be reduced and those who could not obtain work elsewhere, would be forced to seek State



aid for support of their families.

4. The mechanics of applying the personal property tax are so difficult that a fair and equitable assessment of all boats within any given area borders on the impossible. Many representatives of the State's 925 assessors have admitted publicly that they are not qualified by training or experience, nor do they have a large enough staff, to make an accurate assessment of boats, thus perpetuating an unfair and inequitable tax assessment.

5. Power vessels now pay substantial amounts to the State of New Jersey in the form of fuel taxes and numbering and registration fees. The aggregate amount of these taxes is reliably estimated to be \$1,900,000. per year. Of this amount, a very modest sum is being allotted each year to promote safety for persons and property, to provide better waterways and to promote the development of boating facilities. During the year 1963 the total of all monies allocated for the foregoing purposes amounted to approximately \$300,000.00.

In view of the serious impact which an exodus of boats could have on the economy of this State if boats are assessed and taxed under Chapter 51, Laws of 1960, as amended, and since power vessels are already paying substantial taxes to the State of New Jersey in the form of fuel taxes and numbering and registration fees, the Boat Regulation Commission makes the following



recommendation:

BE IT RESOLVED, that the laws of the State of New Jersey be amended to provide that any boat moored, docked, or otherwise stored in the state not used in business shall be exempt from all personal property taxes.

BE IT FURTHER RESOLVED, that the Boat Numbering Act of 1962, Chapter 73, P.L. 1962, be amended to include power vessels of 10 horse power and under.

To accomplish these two recommendations, the Boat Regulation Commission recognized the necessity of registering and numbering all power boats including those of 10 horse power and under. Failure to do so would invalidate one of the two principal reasons for seeking the tax relief. Furthermore, exempting only those boats now required to be registered, i.e., those of over 10 horse power would not only be unfair, but would probably be invalidated as class legislation.

The additional registration would also bring about uniformity within the State since registration and numbering of all power vessels is now required on non-tidal waters of New Jersey. Registration and numbering of power vessels is also required in all bordering states.

The additional registration and numbering of



the smaller boats would not materially increase the present costs of administration since the Boat Numbering Section is already organized. In fact, since all registration and numbering fees under present law must be allotted to improvement of the waterways, direct benefits would accrue to New Jersey boatmen.

Respectfully submitted,

Jack Sullivan, Chairman  
New Jersey State Boat  
Regulation Commission

Commission Members

Robert F. Campbell  
Michael Entwistle  
William H. Feaster, Jr.  
Charles M. Cabbage  
Kenneth L. Husted

Robert A. Roe, Commissioner, Ex Officio

Eugene H. Mulvey, Secretary

