

# **Bond Case Briefs**

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## **TAX - NEW JERSEY**

### **NJ DEP/UFT v. Township of Upper Freehold**

**Tax Court of New Jersey - July 26, 2019 - N.J.Tax - 2019 WL 3406316**

For-profit company sought a local property tax exemption for state-owned golf course and restaurant that it operated.

Company moved for summary judgment.

The Tax Court held that:

- Golf course was exempt from local property tax, and
- Restaurant was exempt from local property tax.

Restaurant on state-owned golf course property operated by for-profit company was exempt from local property tax, where provision of food and beverages was an expected amenity to golf course, restaurant was necessary to success of golf course, restaurant was located directly adjacent to the golf course and received a large percentage of patronage from golfers, and golf course furthered public purpose by providing recreational activity.

Leasing documents between government and for-profit company operating golf course and restaurant on state-owned property did not preclude application for tax-exempt status, even though the lease directed company to “pay all property taxes assessed,” where documents also directed payment of taxes “if applicable,” and no language in documents expressly precluded application for exemption.