

# SENATE, No. 757

## STATE OF NEW JERSEY 213th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2008 SESSION

**Sponsored by:**

**Senator RONALD L. RICE**

**District 28 (Essex)**

### **SYNOPSIS**

Revises procedures for the use of eminent domain in municipal redevelopment programs.

### **CURRENT VERSION OF TEXT**

As introduced.



- 1   **AN ACT** concerning redevelopment and eminent domain, amending  
2       and supplementing various parts of the statutory law.  
3
- 4   **WHEREAS**, Article VIII, Section III, paragraph 1 of the New Jersey  
5       Constitution empowers the Legislature to authorize  
6       municipalities to clear, replan, develop, and redevelop blighted  
7       areas; and
- 8   **WHEREAS**, the Legislature has authorized municipalities to  
9       undertake programs to redevelop blighted areas; and
- 10   **WHEREAS**, municipalities have used these programs to arrest and  
11       reverse blighted conditions to promote sound planning,  
12       revitalize tax bases, and improve the public safety, health, and  
13       welfare of their communities; and
- 14   **WHEREAS**, in exercising their responsibilities and implementing  
15       redevelopment programs municipalities have exercised the  
16       power of eminent domain; and
- 17   **WHEREAS**, the increase in redevelopment activity throughout the  
18       State, including the use of eminent domain, together with the  
19       2005 United States Supreme Court decision in *Kelo v. City of*  
20       *New London, Connecticut*, 545 U.S. 469 (2005), have heightened  
21       the public concern with municipal redevelopment activities; and
- 22   **WHEREAS**, the Legislature has undertaken a comprehensive review  
23       of the redevelopment laws and has convened public meetings and  
24       received testimony and correspondence from groups and  
25       individuals interested in redevelopment programs, including  
26       municipal officials, property owners, developers, and members  
27       of the general public; and
- 28   **WHEREAS**, following this comprehensive review, the Legislature  
29       now declares that redevelopment remains a valid and important  
30       public purpose and that the implementation of redevelopment  
31       programs continues to be a vital tool for municipal officials that  
32       must be maintained to allow them to continue to meet their  
33       governmental responsibilities to prevent, arrest, and reverse  
34       deleterious property conditions within their municipal borders;  
35       and that the power of eminent domain remains necessary in  
36       certain cases to effectively implement such redevelopment  
37       responsibilities and powers; and
- 38   **WHEREAS**, following this comprehensive review, the Legislature  
39       also declares that changes to the existing law are necessary: to  
40       ensure that affected property owners and the general public are  
41       provided adequate notice of a municipality's interest in  
42       developing a redevelopment program; to revise the definition of  
43       blight so that it is more specific, more objective, and  
44       incorporates terms that have well-established or historical  
45       meanings, are capable of third party review, or limit the

**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 possibility of very broad and expansive interpretation; to afford  
2 stakeholders the opportunity to be heard during the process  
3 undertaken to develop redevelopment programs; to add  
4 transparency to the exercise of a legitimate governmental  
5 function; to create certainty that redevelopment programs are  
6 authorized and undertaken in a deliberative and open process; to  
7 ensure that the social and economic impacts of redevelopment  
8 are adequately addressed, including affordable housing and  
9 comparable replacement housing for households displaced by  
10 redevelopment; to provide that such programs, once properly  
11 adopted, are implemented in a fair and certain manner, including  
12 a public process, where appropriate, for the selection of  
13 redevelopers seeking the assistance of municipal officials in  
14 constructing a redevelopment project on municipally owned or  
15 acquired property; to ensure that the use of eminent domain for  
16 redevelopment is an absolute last resort, used only after other  
17 options have been fully explored and deemed insufficient to  
18 reasonably achieve the goals of the redevelopment plan; to  
19 provide a just measure of compensation to property owners who  
20 are subject to eminent domain; and to afford protection and  
21 finality to such redevelopment programs properly created under  
22 these heightened standards for enactment. These changes will  
23 restore public confidence in local redevelopment programs by  
24 assuring that interested parties are provided access into a fair,  
25 open, and deliberative process; and

26 **WHEREAS**, the sole reliance by municipal planning boards on  
27 criteria in subsection e. of section 5 of P.L.1992, c.79  
28 (C.40A:12A-5), concerning the blighting of property because it  
29 is deemed to be "not fully productive," has been refuted by the  
30 New Jersey Supreme Court in *Gallenthin Realty Development,*  
31 *Inc. v. Borough of Paulsboro*, 191 N.J. 344 (2007), which is  
32 consistent with the intent of the Legislature to limit the  
33 circumstances under which eminent domain can be used; and

34 **WHEREAS**, the Legislature also declares that the use of the  
35 redevelopment process and the taking of property by eminent  
36 domain would be reduced, especially in urban areas, if  
37 municipalities could provide owners and developers greater  
38 incentives for making improvements through the use of long-  
39 term property tax incentives in redevelopment areas where the  
40 use of eminent domain is not contemplated; now, therefore:

41  
42 **BE IT ENACTED** by the Senate and General Assembly of the State  
43 of New Jersey:

44  
45 1. Section 2 of P.L.1971, c.361 (C.20:3-2) is amended to read as  
46 follows:

1       2. When used in **【this act】** P.L.1971, c.361 (C.20:3-1 et seq.),  
2 unless the context or subject matter otherwise requires, the  
3 following words shall have the meanings ascribed to them under  
4 this section:

5       (a) "Condemn" means to take private property for a public  
6 purpose under the power of eminent domain;

7       (b) "Condemnor" or "taking agency" means the entity, public or  
8 private, including the State of New Jersey, which is condemning or  
9 has the power to condemn private property for a public purpose  
10 under the power of eminent domain;

11       (c) "Condemnee" or "prospective condemnee" means the owner  
12 of an interest in the private property **【being condemned】** subject to  
13 potential or actual condemnation for a public purpose under the  
14 power of eminent domain;

15       (d) "Property" means land, or any interest in land, and (1) any  
16 building, structure or other improvement imbedded or affixed to  
17 land, and any article so affixed or attached to such building,  
18 structure or improvement as to be an essential and integral part  
19 thereof, (2) any article affixed or attached to such property in such  
20 manner that it cannot be removed without material injury to itself  
21 or to the property, (3) any article so designed, constructed, or  
22 specially adapted to the purpose for which such property is used  
23 that (a) it is an essential accessory or part of such property; (b) it is  
24 not capable of use elsewhere; and (c) would lose substantially all  
25 its value if removed from such property;

26       (e) "Court" means Superior Court of New Jersey;

27       (f) "Rules" means the applicable rules governing the courts of  
28 the State of New Jersey as promulgated from time to time by the  
29 Supreme Court of New Jersey;

30       (g) "Action" means the legal proceeding in which

31       (1) property is being condemned or required to be condemned;

32       (2) the amount of compensation to be paid for such  
33 condemnation is being fixed;

34       (3) the persons entitled to such compensation and their interests  
35 therein are being determined; and

36       (4) all other matters incidental to or arising therefrom are being  
37 adjudicated.

38       (h) "Compensation" means the just compensation which the  
39 condemnor is required to pay and the condemnee is entitled to  
40 receive according to law as the result of the condemnation of  
41 property;

42       (i) "Award" means the award of compensation made by the  
43 commissioners provided for herein;

44       (j) "Judgment" means the adjudication by the court of any issue  
45 of fact or law, or both, arising under this act. The adjudication of  
46 the right to condemn shall be a final judgment. All other judgments

1 shall be interlocutory or final, according to law, or as may be  
2 prescribed by the rules;

3 (k) "Recording office" means the county office of each county  
4 in which the property being condemned, or any part thereof, is  
5 located, in which office conveyances of real property may be  
6 recorded;

7 (l) "Days" means calendar days, calculated in accordance with  
8 the rules of court;

9 (m) "Public utility" means and includes every public utility, as  
10 the same are enumerated in Revised Statutes 48:2-13, and every  
11 natural gas pipeline utility as defined in P.L.1952, chapter 166  
12 (C.48:10-2 et seq.) vested with the power of eminent domain and  
13 subject to regulation under State or Federal law.

14 (n) Words used in the singular shall include the plural and vice  
15 versa. Words used in the neuter gender shall include masculine and  
16 feminine gender, as the case may be.

17 (cf: P.L.1971, c.361, s.2)

18

19 2. Section 6 of P.L.1971, c.361 (C.20:3-6) is amended to read as  
20 follows:

21 6. a. Whenever any condemnor shall have determined to acquire  
22 property pursuant to law, including public property already devoted  
23 to public purpose, but cannot acquire title thereto or possession  
24 thereof by agreement with a prospective condemnee, whether by  
25 reason of disagreement concerning the compensation to be paid or  
26 for any other cause, the condemnation of such property and the  
27 compensation to be paid therefor, and to whom payable, and all  
28 matters incidental thereto and arising therefrom shall be governed,  
29 ascertained and paid by and in the manner provided by this act;  
30 provided, however, that no action to condemn shall be instituted  
31 unless the condemnor is unable to acquire such title or possession  
32 through bona fide negotiations with the prospective condemnee,  
33 which negotiations shall include an offer in writing by the  
34 condemnor to the prospective condemnee holding the title of record  
35 to the property being condemned, setting forth the property and  
36 interest therein to be acquired, the compensation offered to be paid  
37 and **【a reasonable disclosure of the manner in which the amount of**  
38 **such offered compensation has been calculated】** a copy of the  
39 appraisal upon which the offer has been based and which was  
40 approved by the condemnor, and such other matters as may be  
41 required by the rules.

42 b. Prior to such offer the taking agency shall appraise said  
43 property and the owner, his agents and consultants shall be given an  
44 opportunity to accompany the appraiser and any other non-real  
45 estate expert or consultant hired by the condemnor or redeveloper  
46 during inspection of the property. 【Such offer】 The owner, his  
47 agents and consultants may provide to the taking agency's appraiser,

1 other expert or consultant, information or data, or otherwise raise  
2 issues of concern, including information concerning outstanding  
3 balances on bona fide mortgages that were valid liens encumbering  
4 the property at least 180 days prior to the initiation of negotiations  
5 for the acquisition of that property, and otherwise raise issues  
6 relating to the valuation of the property and damages to the  
7 remainder arising from the proposed acquisition.

8 c. (1) The appraiser, redeveloper, and any other non-real estate  
9 experts or consultants hired by the redeveloper or taking agency  
10 shall transmit to the taking agency, in written form signed by the  
11 property owner, all information and issues of concern provided to  
12 those persons by the owner and his agents and consultants.

13 (2) The approved appraisal shall include any such information in  
14 the determination of the estimate of fair market value to the extent  
15 that it has an effect, if any, upon fair market value as permitted by  
16 law.

17 (3) If the owner declines to sign the written information and  
18 issues of concern, the appraiser, redeveloper, or other non-real  
19 estate experts or consultants, as appropriate, shall send a confirming  
20 letter to that effect to the taking agency, with a copy to the property  
21 owner by certified mail, return receipt requested. The confirming  
22 letter shall satisfy the requirements of this section.

23 d. The value of a location premium that will be lost due to  
24 dislocation shall be paid pursuant to the requirements of subsection  
25 d. of section 4 of P.L.1971, c.362 (C.20:4-4), if it was not included  
26 in the approved appraisal or compensation offer to acquire a  
27 property pursuant to a redevelopment plan. For the purposes of this  
28 subsection, "location premium" means the benefits that accrue to a  
29 business as a result of favorable pedestrian, mass transportation, or  
30 vehicular traffic peculiar to its location.

31 e. The written offer made by a condemnor to a prospective  
32 condemnee holding record title to the property shall be served by  
33 certified mail, return receipt requested, by a private courier or in  
34 person along with a copy of the approved appraisal. In no event  
35 shall such offer be less than the taking agency's approved appraisal  
36 【of the fair market value】 of such property; provided, however, that  
37 when the condemnation is authorized under the "Local  
38 Redevelopment and Housing Law," P.L.1992, c.79 (C.40A:12A-1 et  
39 al.), if the amount of the approved appraisal is less than the amount  
40 of one or more bona fide mortgages, which were valid liens  
41 encumbering the property for not less than 180 days prior to the  
42 initiation of negotiations for the acquisition of such property, the  
43 amount of the written offer shall be no less than the payoff amount  
44 for those mortgage liens, calculated in accordance with the  
45 provision in section 5 of P.L.1971, c.362 (C.20:4-5). 【A rejection  
46 of said offer or failure to accept the same within the period fixed in

1 written offer, which shall in no case be less than 14 days from the  
2 mailing of the offer, shall】

3 f. (1) The prospective condemnee shall be afforded 45 calendar  
4 days from receipt of the written offer to review the offer and the  
5 approved appraisal upon which the offer was based, to seek  
6 clarification thereof as well as any other relevant information, to  
7 allow an opportunity to negotiate the compensation to be paid, and  
8 to request an opportunity to discuss the offer and the basis thereof  
9 with a representative of the condemnor in person.

10 (2) Prior to the expiration of this 45-day period, the prospective  
11 condemnee may request, in writing, an extension of this 45-day  
12 period for a period not exceeding an additional 25 days, for a total  
13 of 70 calendar days, which shall not be denied except for good  
14 cause shown by the condemnor. During this period, as it may be  
15 extended, the prospective condemnee may seek additional relevant  
16 information regarding the offer or regarding the project.

17 (3) Within the time period, as may be extended, the condemnor  
18 shall provide reasonable and timely responses to requests for  
19 information and for explanations and shall afford an opportunity for  
20 the condemnee to meet in person on at least one occasion with a  
21 representative of the condemnor to discuss the offer and the basis  
22 thereof.

23 (4) The prospective condemnee may also obtain its own appraisal  
24 and share it with the prospective condemnor and seek a review  
25 thereof by the prospective condemnor.

26 (5) If the prospective condemnee rejects the written offer of the  
27 condemnor or otherwise does not affirmatively respond to the offer,  
28 the condemnor may then send in writing by certified mail, private  
29 courier, or in person, a letter setting forth an intent to commence  
30 condemnation proceedings in the Superior Court. Such letter, upon  
31 receipt, shall conclude bona fide negotiations between the  
32 prospective condemnor and condemnee.

33 (6) A disagreement over the amount of the offer, how the offer  
34 was calculated, or the method or manner in which the property was  
35 appraised shall not constitute grounds to continue negotiations or  
36 prevent the condemnor from successfully acquiring the property  
37 through the commencement of a condemnation proceeding and the  
38 appointment of condemnation commissioners.

39 g. Nothing in this section shall be construed as requiring a  
40 condemnor to increase the amount of an offer during the review and  
41 negotiation period.

42 h. A condemnor may file a complaint for condemnation in the  
43 manner provided by the Rules of Court anytime after expiration of  
44 the initial review and negotiation period, including any extension  
45 thereof, all as provided for in this section, without the consent of  
46 the prospective condemnee, provided the condemnor is otherwise

1 empowered to exercise the power of eminent domain and the  
2 condemnor has complied with the provisions of this section.

3 i. Proof of the delivery of a written offer and a copy of the  
4 approved appraisal and the delivery of a letter of intent at the  
5 expiration of the negotiation period as set forth above, shall be  
6 deemed to be conclusive proof [of the] that bona fide negotiations  
7 were, in fact, conducted by the condemnor with the prospective  
8 condemnee and that there was an inability on the part of the  
9 condemnor and prospective condemnee to agree to the  
10 compensation to [acquire the property or possession thereof  
11 through negotiations] obtain title and possession to the property  
12 sought to be acquired other than by filing an action in  
13 condemnation.

14 j. When the holder of the title is unknown, resides out of the  
15 State, or for other good cause, the court, upon application as a  
16 notice of motion as provided by the Rules of Court, may dispense  
17 with the necessity of such negotiations.

18 k. Neither the offer or the amount thereof, nor the refusal thereof  
19 by the prospective condemnee shall be evidential in the  
20 determination of compensation.

21 l. A complaint on the authority to use eminent domain to acquire  
22 a specific property or properties for redevelopment purposes  
23 pursuant to P.L.1992, c.79 (C.40A:12A-1 et al.) shall be heard on a  
24 priority basis with the goal of expediting the proceedings to the  
25 greatest extent possible.

26 (cf: P.L.1971, c. 361, s. 6)

27  
28 3. Section 3 of P.L.1971, c.362 (C.20:4-3) is amended to read as  
29 follows:

30 3. As used in this act the term:

31 a. "Taking agency" means the entity, public or private,  
32 including the State of New Jersey, which is condemning or has the  
33 power to condemn private property for a public purpose under the  
34 power of eminent domain.

35 b. "Person" means any individual, partnership, corporation, or  
36 association.

37 c. "Displaced person" means any person who, on or after the  
38 effective date of this act, moves from real property, or moves his  
39 personal property from real property, as a result of the acquisition  
40 of such real property, in whole or in part, or as the result of the  
41 written order of the acquiring agency to vacate real property, for a  
42 program or project undertaken by a taking agency; and solely for  
43 the purposes of sections 4 a. and b. and section 7 of this act, as a  
44 result of the acquisition of or as the result of the written order of the  
45 acquiring agency to vacate other real property, on which such  
46 person conducts a business or farm operation, for such program or  
47 project.



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1 d. "Business" means any lawful activity, excepting a farm  
2 operation, conducted primarily:

3 (1) for the purchase, sale, lease and rental of personal and real  
4 property, and for the manufacture, processing, or marketing of  
5 products, commodities, or any other personal property;

6 (2) for the sale of services to the public;

7 (3) by a nonprofit organization; or

8 (4) solely for the purposes of section 4 a. of this act for assisting  
9 in the purchase, sale, resale, manufacture, processing, or marketing  
10 of products, commodities, personal property, or services by the  
11 erection and maintenance of an outdoor advertising display or  
12 displays, whether or not such display or displays are located on the  
13 premises on which any of the above activities are conducted.

14 e. "Farm operation" means any activity conducted solely or  
15 primarily for the production of one or more agricultural products or  
16 commodities, including timber, for sale or home use, and  
17 customarily producing such products or commodities in sufficient  
18 quantity to be capable of contributing materially to the operator's  
19 support.

20 f. The term "commissioner" ~~【shall mean】~~ means the  
21 Commissioner of ~~【the Department of】~~ Community Affairs.

22 (cf: P.L.1971, c.362, s.3)

23

24 4. Section 4 of P.L.1971, c.362 (C.20:4-4) is amended to read as  
25 follows.

26 4. a. If a taking agency acquires real property for public use, it  
27 shall make fair and reasonable relocation payments to displaced  
28 persons and businesses as required by this act, for:

29 (1) actual reasonable expenses in moving himself, his family,  
30 business, farm operation, or other personal property;

31 (2) actual direct losses of tangible personal property as a result of  
32 moving or discontinuing a business or farm operation, but not to  
33 exceed an amount equal to the reasonable expenses that would have  
34 been required to relocate such property, as determined by the taking  
35 agency; ~~【and】~~

36 (3) actual reasonable expenses in searching for a replacement  
37 business or farm ; and

38 (4) actual direct losses of fixtures and capital improvements  
39 made by a lessee or tenant of a property that are not subject to  
40 reimbursement by the lessor.

41 b. Any displaced person eligible for payments under subsection  
42 a. of this section who is displaced from a dwelling and who elects to  
43 accept the payments authorized by this subsection in lieu of the  
44 payments authorized by subsection a. of this section may receive a  
45 moving expense allowance, determined according to a schedule  
46 established by the taking agency, not to exceed ~~【\$300.00】~~ \$450,  
47 provided that on the first day of the 12th month next following

1 enactment of P.L. , c. (C. ) (pending before the Legislature  
2 as this bill), the moving expense allowance shall be increased to an  
3 amount not to exceed \$900, and further increased on the first day of  
4 the 24th month next following enactment of P.L. , c. (C. )  
5 (pending before the Legislature as this bill), to an amount not to  
6 exceed \$1,350, and a dislocation allowance of ~~[\$200.00]~~ \$300,  
7 provided that on the first day of the 12th month next following  
8 enactment of P.L. , c. (C. ) (pending before the Legislature  
9 as this bill), the dislocation allowance shall be \$600, and on the first  
10 day of the 24th month next following enactment of P.L. ,  
11 c. (C. ) (pending before the Legislature as this bill), that  
12 allowance shall be \$900 provided, however, such amounts shall be  
13 adjusted annually in accordance with section 7 of P.L. ,  
14 c. (C. ) (pending before the Legislature as this bill).

15 c. Any displaced person eligible for payments under subsection  
16 a. of this section who is displaced from his place of business or  
17 from his farm operation and who elects to accept the payment  
18 authorized by this subsection in lieu of the payment authorized by  
19 subsection a. of this section, may receive a fixed payment in an  
20 amount equal to the average annual net earnings of the business or  
21 farm operation, except that such payment shall not be less than  
22 ~~[\$2,500.00]~~ \$3,750, provided that on the first day of the 12th  
23 month next following enactment of P.L. , c. (C. ) (pending  
24 before the Legislature as this bill), the payment shall not be less  
25 than \$7,500, and on the first day of the 24th month next following  
26 enactment of P.L. , c. (C. ) (pending before the Legislature  
27 as this bill), the payment shall not be less than \$11,250 nor more  
28 than ~~[\$10,000.00]~~ \$15,000, provided on the first day of the 12th  
29 month next following enactment of P.L. , c. (C. ) (pending  
30 before the Legislature as this bill), the payment shall not be more  
31 than \$22,500, and on the first day of the 24th month next following  
32 enactment of P.L. , c. (C. ) (pending before the Legislature  
33 as this bill), the payment shall not be more than \$45,000 provided,  
34 however, such amounts shall be adjusted annually in accordance  
35 with section 7 of P.L. , c. (C. ) (pending before the  
36 Legislature as this bill). In the case of a business no payment shall  
37 be made under this subsection unless the taking agency is satisfied  
38 that the business (1) cannot be relocated without a substantial loss  
39 of its existing patronage, and (2) is not a part of a commercial  
40 enterprise having at least one other establishment not being  
41 acquired by the taking agency, which is engaged in the same or  
42 similar business. The business owner shall have the right to appeal  
43 this decision in court. For purposes of this subsection, the term  
44 "average annual net earnings," means 1/2 of any net earnings of the  
45 business or farm operation, before Federal, State, and local income  
46 taxes, during the 2 taxable years immediately preceding the taxable  
47 year in which such business or farm operation moves from the real

1 property acquired or leased for such project, or during such other  
2 period as such agency determines to be more equitable for  
3 establishing such earnings, and includes any compensation paid by  
4 the business or farm operation to the owner, his spouse, or his  
5 dependents during such period.

6 d. Whenever the value of a location premium that will be lost to  
7 an owner of a business due to dislocation is not included in the  
8 approved appraisal or compensation offer to acquire a property, the  
9 taking agency shall be responsible for making an additional  
10 payment to that owner for the value of that location premium that  
11 will be lost due to dislocation. The Commissioner of Community  
12 Affairs shall promulgate rules and regulations setting forth  
13 reasonable qualifications and limits for the payment of location  
14 premiums; provided, however, in no case shall the value of a  
15 location premium exceed the loss of profit to the business over a  
16 five-year period from the date of its relocation. For the purposes of  
17 this subsection, "location premium" means the benefits that accrue  
18 to a business as a result of favorable pedestrian, mass  
19 transportation, or vehicular traffic peculiar to its location.

20 (cf: P.L.1971, c.362, s.4)

21  
22 5. Section 5 of P.L.1971, c.362 (C.20:4-5) is amended to read as  
23 follows:

24 5. a. In addition to payments otherwise authorized by **[this act]**  
25 P.L.1971, c.362 (C.20:4-1 et seq.), the taking agency shall make an  
26 additional payment not in excess of **[\$15,000.00]** \$22,500,  
27 provided that on the first day of the 12th month next following  
28 enactment of P.L. , c. (C. ) (pending before the Legislature  
29 as this bill), the additional payment shall not be in excess of  
30 \$45,000, and on the first day of the 24th month next following  
31 enactment of P.L. , c. (C. ) (pending before the Legislature  
32 as this bill), the additional payment shall not be in excess of  
33 \$67,500, to any displaced person who is displaced from a dwelling  
34 actually owned and occupied by such displaced person for not less  
35 than 180 days prior to the initiation of negotiations for the  
36 acquisition of the property; provided, however, such amounts shall  
37 be adjusted annually in accordance with section 7 of P.L. ,  
38 c. (C. ) (pending before the Legislature as this bill). Such  
39 additional payment shall include the following elements:

40 (1) The amount, if any, which when added to the acquisition cost  
41 of the dwelling acquired, equals the reasonable cost of a comparable  
42 replacement dwelling which is a decent, safe, and sanitary dwelling  
43 adequate to accommodate such displaced person, reasonably  
44 accessible to public services and places of employment and  
45 available on the private market. All determinations required to  
46 carry out this subparagraph shall be determined by regulations

1 issued pursuant to section 10 of **[this act]** P.L.1971, c.362 (C.20:4-  
2 10).

3 (2) The amount, if any, which will compensate such displaced  
4 person for any increased interest costs which such person is  
5 required to pay for financing the acquisition of any such  
6 comparable replacement dwelling. Such amount shall be paid only  
7 if the dwelling acquired was encumbered by a bona fide mortgage  
8 which was a valid lien on such dwelling for not less than 180 days  
9 prior to the initiation of negotiations for the acquisition of such  
10 dwelling. Such amount shall be equal to the excess in the  
11 aggregate interest and other debt service costs of that amount of the  
12 principal of the mortgage on the replacement dwelling which is  
13 equal to the unpaid balance of the mortgage on the acquired  
14 dwelling, over the remainder term of the mortgage on the acquired  
15 dwelling, reduced to discounted present value. The discount rate  
16 shall be determined by regulations issued pursuant to section 10 of  
17 **[this act]** P.L.1971, c.362 (C.20:4-10).

18 (3) Reasonable expenses incurred by such displaced person for  
19 evidence of title, recording fees, and other closing costs incident to  
20 the purchase of the replacement dwelling, but not including prepaid  
21 expenses.

22 (4) Penalty costs for prepayment of any mortgage entered into in  
23 good faith encumbering such real property if such mortgage is on  
24 record or has been filed for record as provided by law on the date of  
25 approval by taking agency of the location of such project.

26 (5) The pro rata portion of real property taxes payable during the  
27 calendar year in which the property was acquired which are  
28 allocable to the period of the year subsequent to the date of vesting  
29 of title in the taking agency, or the effective date of the possession  
30 of such real property by the taking agency, whichever is earlier.

31 b. The additional payment authorized by this section shall be  
32 made only to such a displaced person who purchases and occupies a  
33 replacement dwelling which is decent, safe, and sanitary not later  
34 than the end of the one year period beginning on the date on which  
35 he receives final payment of all costs of the acquired dwelling, or  
36 on the date on which he moves from the acquired dwelling,  
37 whichever is the later date.

38 (cf: P.L.1971, c.362, s.5)

39

40 6. Section 6 of P.L.1971, c.362 (C.20:4-6) is amended to read as  
41 follows:

42 6. In addition to amounts otherwise authorized by **[this act]**  
43 P.L.1971, c.362 (C.20:4-1 et seq.), a taking agency shall make a  
44 payment to or for any displaced person displaced from any dwelling  
45 not eligible to receive a payment under section 5 which dwelling  
46 was actually and lawfully occupied by such displaced person for not  
47 less than 90 days prior to the initiation of negotiations for

1 acquisition of such dwelling. Such payment shall be either:  
2 a. the amount necessary ~~【to enable】~~, that when added to the  
3 amount the displaced person pays to rent the dwelling he is being  
4 displaced from, would enable such displaced person to lease or rent  
5 for a period not to exceed ~~【4】~~ five years, a decent, safe, and  
6 sanitary dwelling of standards adequate to accommodate such  
7 person in areas not generally less desirable in regard to public  
8 utilities and public and commercial facilities, and reasonably  
9 accessible to his place of employment ~~【, but not to exceed~~  
10 ~~\$4,000.00】~~; or  
11 b. the amount necessary to enable such person to make a  
12 downpayment (including incidental expenses described in section 5  
13 a. (3) of P.L.1971, c.362 (C.20:4-5)) on the purchase of a decent,  
14 safe, and sanitary dwelling of standards adequate to accommodate  
15 such persons in areas not generally less desirable in regard to public  
16 utilities and public and commercial facilities, ~~【but not to exceed~~  
17 ~~\$4,000.00】~~ up to \$6,000. On the first day of the 12th month next  
18 following enactment of P.L. , c. (C. ) (pending before the  
19 Legislature as this bill), the maximum permitted amount shall be  
20 \$12,000. On the first day of the 24th month next following  
21 enactment of P.L. , c. (C. ) (pending before the Legislature  
22 as this bill), the maximum permitted amount shall be \$18,000. Of  
23 those phased-in maximum amounts, the first 【\$2,000.00】 \$3,000,  
24 \$6,000, and \$9,000 respectively, 【of which is to】 shall be paid  
25 without contribution from the displaced person, but thereafter such  
26 payments will only be made on a matching dollar-for-dollar basis  
27 with the displaced person provided, however, all such amounts in  
28 this section shall be adjusted annually in accordance with section 7  
29 of P.L. , c. (C. ) (pending before the Legislature as this  
30 bill).  
31 (cf: P.L.1971, c.362, s.6)

32  
33 7. (New section) Beginning on the first day of the 36th month  
34 next following enactment of P.L. , c. (pending before the  
35 Legislature as this bill) all payment amounts set forth in sections 4  
36 through 6 of P.L.1971, c.362 (C.20:4-4 through 20:4-6), shall be  
37 annually automatically adjusted on the basis of the Consumer Price  
38 Index for All Urban Consumers (CPI-U), U. S. City Average,  
39 published by the United States Department of Labor, Bureau of  
40 Labor Statistics, using the last published index figure as of the date  
41 of displacement as the numerator and the index figure for the month  
42 in which P.L. , c. (C. ) (pending before the Legislature as  
43 this bill) becomes effective as the denominator.

44  
45 8. Section 22 of P.L.1971, c.362 (C.20:4-22) is amended to read  
46 as follows:

1       22. The provisions of this act shall not apply to the State  
2 Department of Transportation or the New Jersey Transit  
3 Corporation; provided, however, that the State Department of  
4 Transportation and the New Jersey Transit Corporation shall  
5 supplement its existing relocation assistance program designed to  
6 minimize the hardships of persons and business concerns displaced  
7 as a result of the acquisition by said State Department of  
8 Transportation and the New Jersey Transit Corporation of any real  
9 property for a public use, by July 1, 1972. Said supplemented  
10 program shall be in compliance with the rules and regulations of the  
11 Federal Highway Administration and the Federal Transit  
12 Administration relating to relocation assistance so as to fully  
13 qualify the Department of Transportation and the New Jersey  
14 Transit Corporation for Federal aid reimbursement and to equal or  
15 exceed the requirements of this statute. For purposes of  
16 coordinating and formulating uniform relocation programs of the  
17 State, the Commissioner of Transportation shall consult with the  
18 Commissioner of the Department of Community Affairs in order  
19 that said relocation assistance program will be in general  
20 conformity with any rules and regulations promulgated by the  
21 Commissioner of the Department of Community Affairs pursuant to  
22 P.L. 91-646, the Uniform Relocation Assistance and Real Property  
23 Acquisition Policies Act of 1970, and amendments thereto.

24       The Commissioner of Transportation shall have the right and  
25 authority to promulgate regulations appropriate for the relocation  
26 programs of both the State Department of Transportation and the  
27 New Jersey Transit Corporation. The Department of Transportation  
28 shall act as the lead entity with regard to relocation appeals.  
29 (cf: P.L.1971, c.362, s.22)

30  
31       9. Section 19 of P.L.1975, c.291 (C.40:55D-28) is amended to  
32 read as follows:

33       19. **【Preparation; contents; modification.】** a. The planning  
34 board may prepare and, after public hearing, adopt or amend a  
35 master plan or component parts thereof, to guide the use of lands  
36 within the municipality in a manner which protects public health  
37 and safety and promotes the general welfare.

38       b. The master plan shall generally comprise a report or  
39 statement and land use and development proposals, with maps,  
40 diagrams and text, presenting, at least the following elements (1)  
41 and (2) and, where appropriate, the following elements (3) through  
42 **【15】 16**):

43       (1) A statement of objectives, principles, assumptions, policies  
44 and standards upon which the constituent proposals for the physical,  
45 economic and social development of the municipality are based;

46       (2) A land use plan element (a) taking into account and stating its  
47 relationship to the statement provided for in paragraph (1) hereof,

1 and other master plan elements provided for in paragraphs (3)  
2 through (14) 16) hereof and natural conditions, including, but not  
3 necessarily limited to, topography, soil conditions, water supply,  
4 drainage, flood plain areas, marshes, and woodlands; (b) showing  
5 the existing and proposed location, extent and intensity of  
6 development of land to be used in the future for varying types of  
7 residential, commercial, industrial, agricultural, recreational,  
8 educational and other public and private purposes or combination of  
9 purposes; and stating the relationship thereof to the existing and any  
10 proposed zone plan and zoning ordinance; and (c) showing the  
11 existing and proposed location of any airports and the boundaries of  
12 any airport safety zones delineated pursuant to the "Air Safety and  
13 Zoning Act of 1983," P.L.1983, c.260 (C.6:1-80 et seq.); and (d)  
14 including a statement of the standards of population density and  
15 development intensity recommended for the municipality;

16 (3) A housing plan element pursuant to section 10 of P.L.1985,  
17 c.222 (C.52:27D-310), including, but not limited to, residential  
18 standards and proposals for the construction and improvement of  
19 housing;

20 (4) A circulation plan element showing the location and types of  
21 facilities for all modes of transportation required for the efficient  
22 movement of people and goods into, about, and through the  
23 municipality, taking into account the functional highway  
24 classification system of the Federal Highway Administration and  
25 the types, locations, conditions and availability of existing and  
26 proposed transportation facilities, including air, water, road and rail;

27 (5) A utility service plan element analyzing the need for and  
28 showing the future general location of water supply and distribution  
29 facilities, drainage and flood control facilities, sewerage and waste  
30 treatment, solid waste disposal and provision for other related  
31 utilities, and including any storm water management plan required  
32 pursuant to the provisions of P.L.1981, c.32 (C.40:55D-93 et al.). If  
33 a municipality prepares a utility service plan element as a condition  
34 for adopting a development transfer ordinance pursuant to  
35 subsection c. of section 4 of P.L.2004, c.2 (C.40:55D-140), the plan  
36 element shall address the provision of utilities in the receiving zone  
37 as provided thereunder;

38 (6) A community facilities plan element showing the existing  
39 and proposed location and type of educational or cultural facilities,  
40 historic sites, libraries, hospitals, firehouses, police stations and  
41 other related facilities, including their relation to the surrounding  
42 areas;

43 (7) A recreation plan element showing a comprehensive system  
44 of areas and public sites for recreation;

45 (8) A conservation plan element providing for the preservation,  
46 conservation, and utilization of natural resources, including, to the  
47 extent appropriate, energy, open space, water supply, forests, soil,

1 marshes, wetlands, harbors, rivers and other waters, fisheries,  
2 endangered or threatened species wildlife and other resources, and  
3 which systemically analyzes the impact of each other component  
4 and element of the master plan on the present and future  
5 preservation, conservation and utilization of those resources;

6 (9) An economic plan element considering all aspects of  
7 economic development and sustained economic vitality, including  
8 (a) a comparison of the types of employment expected to be  
9 provided by the economic development to be promoted with the  
10 characteristics of the labor pool resident in the municipality and  
11 nearby areas and (b) an analysis of the stability and diversity of the  
12 economic development to be promoted;

13 (10) An historic preservation plan element: (a) indicating the  
14 location and significance of historic sites and historic districts; (b)  
15 identifying the standards used to assess worthiness for historic site  
16 or district identification; and (c) analyzing the impact of each  
17 component and element of the master plan on the preservation of  
18 historic sites and districts;

19 (11) Appendices or separate reports containing the technical  
20 foundation for the master plan and its constituent elements;

21 (12) A recycling plan element which incorporates the State  
22 Recycling Plan goals, including provisions for the collection,  
23 disposition and recycling of recyclable materials designated in the  
24 municipal recycling ordinance, and for the collection, disposition  
25 and recycling of recyclable materials within any development  
26 proposal for the construction of 50 or more units of single-family  
27 residential housing or 25 or more units of multi-family residential  
28 housing and any commercial or industrial development proposal for  
29 the utilization of 1,000 square feet or more of land;

30 (13) A farmland preservation plan element, which shall include:  
31 an inventory of farm properties and a map illustrating significant  
32 areas of agricultural land; a statement showing that municipal  
33 ordinances support and promote agriculture as a business; and a  
34 plan for preserving as much farmland as possible in the short term  
35 by leveraging moneys made available by P.L.1999, c.152 (C.13:8C-  
36 1 et al.) through a variety of mechanisms including, but not limited  
37 to, utilizing option agreements, installment purchases, and  
38 encouraging donations of permanent development easements;

39 (14) A development transfer plan element which sets forth the  
40 public purposes, the locations of sending and receiving zones and  
41 the technical details of a development transfer program based on the  
42 provisions of section 5 of P.L.2004, c.2 (C.40:55D-141); **[and]**

43 (15) An educational facilities plan element which incorporates  
44 the purposes and goals of the "long-range facilities plan" required to  
45 be submitted to the Commissioner of Education by a school district  
46 pursuant to section 4 of P.L.2000, c.72 (C.18A:7G-4); and



1     (16) A redevelopment plan element identifying all areas that  
2     have been designated redevelopment areas, or areas in need of  
3     rehabilitation in the municipality, as well as additional areas that  
4     may be so designated in the future, the goals and objectives of  
5     projected redevelopment activities in those areas during the time  
6     period covered by the master plan, the manner in which those  
7     activities further the social, economic, and physical improvement of  
8     the municipality, and the manner in which redevelopment activities  
9     are linked to other activities being carried out by the municipality  
10    pursuant to the municipal master plan, including improvements to  
11    infrastructure, transportation improvements, and the construction of  
12    public and community facilities.

13     c. The master plan and its plan elements may be divided into  
14     subplans and subplan elements projected according to periods of  
15     time or staging sequences.

16     d. The master plan shall include a specific policy statement  
17     indicating the relationship of the proposed development of the  
18     municipality, as developed in the master plan to (1) the master plans  
19     of contiguous municipalities, (2) the master plan of the county in  
20     which the municipality is located, (3) the State Development and  
21     Redevelopment Plan adopted pursuant to the "State Planning Act,"  
22     sections 1 through 12 of P.L.1985, c.398 (C.52:18A-196 et seq.)  
23     and (4) the district solid waste management plan required pursuant  
24     to the provisions of the "Solid Waste Management Act," P.L.1970,  
25     c.39 (C.13:1E-1 et seq.) of the county in which the municipality is  
26     located.

27     In the case of a municipality situated within the Highlands  
28     Region, as defined in section 3 of P.L.2004, c.120 (C.13:20-3), the  
29     master plan shall include a specific policy statement indicating the  
30     relationship of the proposed development of the municipality, as  
31     developed in the master plan, to the Highlands regional master plan  
32     adopted pursuant to section 8 of P.L.2004, c.120 (C.13:20-8).

33     (cf: P.L.2007, c.137, s.59)

34  
35     10. Section 3 of P.L.1992, c.79 (C.40A:12A-3) is amended to  
36     read as follows:

37     3. As used in this act:

38     "Bonds" means any bonds, notes, interim certificates, debentures  
39     or other obligations issued by a municipality, county,  
40     redevelopment entity, or housing authority pursuant to this act.

41     "Comparable affordable replacement housing" means housing  
42     offered to households being displaced as a result of a  
43     redevelopment project, that is affordable to that household as  
44     defined by the Council on Affordable Housing in the Department of  
45     Community Affairs, and that is comparable to the household's  
46     dwelling in the redevelopment area with respect to the size and  
47     amenities of the dwelling unit, the quality of the neighborhood, and

1 the level of public services and facilities offered by the municipality  
2 in which the redevelopment area is located.

3 "Condemnation redevelopment area" means an area subject to a  
4 declaration of blight, pursuant to the criteria listed in subsection k.  
5 of section 5 of P.L.1992, c.79 (C.40A:12A-5), to permit the use of  
6 eminent domain authorized under Article VIII, Section III,  
7 paragraph 1 of the New Jersey Constitution, as well as the granting  
8 of tax exemptions.

9 "Contamination" means any discharged hazardous substance as  
10 defined pursuant to section 3 of P.L.1976, c.141 (C.58:10-23.11b),  
11 hazardous waste as defined pursuant to section 1 of P.L.1976, c.99  
12 (C.13:1E-38), or pollutant as defined pursuant to section 3 of  
13 P.L.1977, c.74 (C.58:10A-3).

14 "Detrimental to the safety, health, or welfare of the community"  
15 means objective evidence of detriment, consisting of or similar to:  
16 substantial building or health code violations; a repeated need for  
17 police intervention over an extended period of time; or a lack of  
18 structural integrity. For commercial and industrial properties, the  
19 objective evidence of detriment also may include a lack of proper  
20 utilization of the land or structures resulting in conditions that are  
21 stagnant and not fully productive under zoning ordinances in effect  
22 at the time that the planning board performs its investigation  
23 pursuant to section 6 of P.L.1992, c.79 (C.40A:12A-6).

24 "Development" means the division of a parcel of land into two or  
25 more parcels, the construction, reconstruction, conversion,  
26 structural alteration, relocation, or enlargement of any building or  
27 other structure, or of any mining, excavation or landfill, and any use  
28 or change in the use of any building or other structure, or land or  
29 extension of use of land, for which permission may be required  
30 pursuant to the "Municipal Land Use Law," P.L.1975, c.291  
31 (C.40:55D-1 et seq.).

32 "Governing body" means the body exercising general legislative  
33 powers in a county or municipality according to the terms and  
34 procedural requirements set forth in the form of government  
35 adopted by the county or municipality.

36 "Housing authority" means a housing authority created or  
37 continued pursuant to this act.

38 "Housing project" means a project, or distinct portion of a  
39 project, which is designed and intended to provide decent, safe and  
40 sanitary dwellings, apartments or other living accommodations for  
41 persons of low and moderate income; such work or undertaking  
42 may include buildings, land, equipment, facilities and other real or  
43 personal property for necessary, convenient or desirable  
44 appurtenances, streets, sewers, water service, parks, site  
45 preparation, gardening, administrative, community, health,  
46 recreational, educational, welfare or other purposes. The term  
47 "housing project" also may be applied to the planning of the

1 buildings and improvements, the acquisition of property, the  
2 demolition of existing structures, the construction, reconstruction,  
3 alteration and repair of the improvements and all other work in  
4 connection therewith.

5 “Major amendment” means a change in a redevelopment plan  
6 that (1) increases the number of properties that are subject to  
7 condemnation through eminent domain; (2) increases the residential  
8 density by 20 percent or more; (3) increases the non-residential  
9 square footage by 20 percent or more; or (4) increases the area  
10 subject to the redevelopment plan.

11 “Minor amendment” means a change in a redevelopment plan  
12 that does not (1) increase the number of properties subject to  
13 condemnation through eminent domain; (2) increase the residential  
14 density by 20 percent or more; or (3) increase the non-residential  
15 square footage by 20 percent or more.

16 “Oversight document” means “oversight document” as defined in  
17 section 4 of P.L.2006, c.65 (C.58:10B-24.4).

18 “Persons of low and moderate income” means persons or  
19 families who are, in the case of State assisted projects or programs,  
20 so defined by the Council on Affordable Housing in the Department  
21 of Community Affairs, or in the case of federally assisted projects  
22 or programs, defined as of “low and very low income” by the  
23 United States Department of Housing and Urban Development.

24 “Public body” means the State or any county, municipality,  
25 school district, authority or other political subdivision of the State.

26 “Public housing” means any housing for persons of low and  
27 moderate income owned by a municipality, county, the State or the  
28 federal government, or any agency or instrumentality thereof.

29 “Publicly assisted housing” means privately owned housing  
30 which receives public assistance or subsidy, which may be grants or  
31 loans for construction, reconstruction, conservation, or  
32 rehabilitation of the housing, or receives operational or maintenance  
33 subsidies either directly or through rental subsidies to tenants, from  
34 a federal, State or local government agency or instrumentality.

35 “Real property” means all lands, including improvements and  
36 fixtures thereon, and property of any nature appurtenant thereto or  
37 used in connection therewith, and every estate, interest and right,  
38 legal or equitable, therein, including terms for years and liens by  
39 way of judgment, mortgage or otherwise, and indebtedness secured  
40 by such liens.

41 “Redeveloper” means any person, firm, corporation or public  
42 body that shall enter into or propose to enter into a contract with a  
43 municipality or other redevelopment entity for the redevelopment or  
44 rehabilitation of an area in need of redevelopment, or an area in  
45 need of rehabilitation, or any part thereof, under the provisions of  
46 this act, or for any construction or other work forming part of a  
47 redevelopment or rehabilitation project.

1       “Redevelopment” means clearance, replanning, development and  
2 redevelopment; the conservation and rehabilitation of any structure  
3 or improvement, the construction and provision for construction of  
4 residential, commercial, industrial, public or other structures and  
5 the grant or dedication of spaces as may be appropriate or necessary  
6 in the interest of the general welfare for streets, parks, playgrounds,  
7 or other public purposes, including recreational and other facilities  
8 incidental or appurtenant thereto, in accordance with a  
9 redevelopment plan.

10       “Redevelopment agency” means a redevelopment agency created  
11 pursuant to subsection a. of section 11 of P.L.1992, c.79  
12 (C.40A:12A-11) or established heretofore pursuant to the  
13 “Redevelopment Agencies Law,” P.L.1949, c.306 (C.40:55C-1 et  
14 seq.), repealed by this act, which has been permitted in accordance  
15 with the provisions of this act to continue to exercise its  
16 redevelopment functions and powers.

17       “Redevelopment area” or “area in need of redevelopment” means  
18 an area determined to be in need of redevelopment, whether for  
19 condemnation purposes or tax exemption purposes, as appropriate,  
20 pursuant to sections 5 and 6 of P.L.1992, c.79 (C.40A:12A-5 and  
21 40A:12A-6) or determined heretofore to be a “blighted area”  
22 pursuant to P.L.1949, c.187 (C.40:55-21.1 et seq.) repealed by this  
23 act, both determinations as made pursuant to the authority of Article  
24 VIII, Section III, paragraph 1 of the Constitution. [A  
25 redevelopment area may include lands, buildings, or improvements  
26 which of themselves are not detrimental to the public health, safety  
27 or welfare, but the inclusion of which is found necessary, with or  
28 without change in their condition, for the effective redevelopment  
29 of the area of which they are a part.]

30       “Redevelopment area for tax exemption purposes” means an area  
31 subject to a declaration of blight, pursuant to the criteria listed in  
32 subsection i. of section 5 of P.L.1992, c.79 (C.40A:12A-5), to  
33 permit tax exemptions authorized under Article VIII, Section III,  
34 paragraph 1 of the New Jersey Constitution.

35       “Redevelopment entity” means a municipality or an entity  
36 authorized by the governing body of a municipality pursuant to  
37 subsection c. of section 4 of P.L.1992, c.79 (C.40A:12A-4) to  
38 implement redevelopment plans and carry out redevelopment  
39 projects in an area in need of redevelopment, or in an area in need  
40 of rehabilitation, or in both.

41       “Redevelopment plan” means a plan adopted by the governing  
42 body of a municipality for the redevelopment or rehabilitation of all  
43 or any part of a redevelopment area, or an area in need of  
44 rehabilitation, which plan shall be sufficiently complete to indicate  
45 its relationship to definite municipal objectives as to appropriate  
46 land uses, public transportation and utilities, recreational and  
47 municipal facilities, and other public improvements; and to indicate

1 proposed land uses and building requirements in the redevelopment  
2 area or area in need of rehabilitation, or both.

3 “Redevelopment project” means any work or undertaking  
4 pursuant to a redevelopment plan; such undertaking may include  
5 any buildings, land, including demolition, clearance or removal of  
6 buildings from land, equipment, facilities, or other real or personal  
7 properties which are necessary, convenient, or desirable  
8 appurtenances, such as but not limited to streets, sewers, utilities,  
9 parks, site preparation, landscaping, and administrative, community,  
10 health, recreational, educational, and welfare facilities.

11 “Rehabilitation” means an undertaking, by means of extensive  
12 repair, reconstruction or renovation of existing structures, with or  
13 without the introduction of new construction or the enlargement of  
14 existing structures, in any area that has been determined to be in  
15 need of rehabilitation or redevelopment, to eliminate substandard  
16 structural or housing conditions and arrest the deterioration of that  
17 area.

18 “Rehabilitation area” or “area in need of rehabilitation” means  
19 any area determined to be in need of rehabilitation pursuant to  
20 section 14 of P.L.1992, c.79 (C.40A:12A-14).  
21 (cf: P.L.1992, c.79, s.3)  
22

23 11. Section 4 of P.L.1992, c.79 (C.40A:12A-4) is amended to  
24 read as follows:

25 4. In exercising the redevelopment and rehabilitation functions  
26 provided for in this act:

27 a. A municipal governing body shall have the power to:

28 (1) Cause a preliminary investigation to be made pursuant to  
29 subsection a. of section 6 of P.L.1992, c.79 (C.40A:12A-6) as to  
30 whether an area is in need of redevelopment;

31 (2) Determine pursuant to subsection b. or subsection f. of  
32 section 6 of P.L.1992, c.79 (C.40A:12A-6) that an area is in need of  
33 redevelopment;

34 (3) Adopt a redevelopment plan pursuant to section 7 of  
35 P.L.1992, c.79 (C.40A:12A-7);

36 (4) Determine pursuant to section 14 of P.L.1992, c.79  
37 (C.40A:12A-14) that an area is in need of rehabilitation.

38 b. A municipal planning board shall have the power to:

39 (1) Conduct, when authorized by the municipal governing body,  
40 a preliminary investigation and hearing and make a  
41 recommendation pursuant to subsection b. or subsection f. of  
42 section 6 of P.L.1992, c.79 (C.40A:12A-6) as to whether an area is  
43 in need of redevelopment;

44 (2) Make recommendations concerning a redevelopment plan  
45 pursuant to subsection e. of section 7 of P.L.1992, c.79  
46 (C.40A:12A-7), or prepare a redevelopment plan pursuant to  
47 subsection f. of that section.

1 (3) Make recommendations concerning the determination of an  
2 area in need of rehabilitation pursuant to section 14 of P.L.1992,  
3 c.79 (C.40A:12A-14).

4 c. The municipality shall be responsible for implementing  
5 redevelopment plans and carrying out redevelopment projects  
6 pursuant to section 8 of P.L.1992, c.79 (C.40A:12A-8). The  
7 municipality may execute these responsibilities directly, or in  
8 addition thereto or in lieu thereof, **[through]** may designate by  
9 ordinance either a municipal redevelopment agency, or a municipal  
10 housing authority authorized to exercise redevelopment powers  
11 pursuant to section 21 of P.L.1992, c.79 (C.40A:12A-21), but there  
12 shall be only one redevelopment entity responsible for each  
13 redevelopment project. A county improvement authority authorized  
14 to undertake redevelopment projects pursuant to the “county  
15 improvement authorities law,” P.L.1960, c.183 (C.40:37A-44 et  
16 seq.) may also act as a redevelopment entity pursuant to this act.  
17 The redevelopment entity, so authorized, may contract with any  
18 other public body, in accordance with the provisions of section 8 of  
19 P.L.1992, c.79 (C.40A:12A-8), for the carrying out of a  
20 redevelopment project or any part thereof under its jurisdiction.  
21 Notwithstanding the above, the governing body of the municipality  
22 may, by ordinance, change or rescind the designation of the  
23 redevelopment **[entity responsible for implementing]** agency or  
24 housing authority designated to implement a redevelopment plan  
25 and **[carrying]** carry out a redevelopment project and may have the  
26 municipality assume this responsibility **[itself, but]** ; provided,  
27 however, that only the redevelopment entity authorized to undertake  
28 a particular redevelopment project shall remain authorized to  
29 complete it, unless the redevelopment entity and redeveloper agree  
30 otherwise, or unless no obligations have been entered into by the  
31 redevelopment entity with parties other than the municipality. This  
32 shall not diminish the power of the municipality to dissolve a  
33 redevelopment entity pursuant to section 24 of P.L.1992, c.79  
34 (C.40A:12A-24), and section 20 of the “Local Authorities Fiscal  
35 Control Law,” P.L.1983, c.313 (C.40A:5A-20). For each  
36 redevelopment project, the New Jersey Redevelopment Authority,  
37 established pursuant to section 4 of P.L.1996, c.62 (C.55:19-23),  
38 shall have the authority to act as a redevelopment entity in order to  
39 expedite the project.

40 d. (1) No municipality shall exercise the power of eminent  
41 domain in a condemnation redevelopment area for the acquisition of  
42 land subject to the protections provided under section 12 of  
43 P.L.1983, c.32 (C.4:1C-19) or for the acquisition of  
44 environmentally contaminated property subject to a bona fide  
45 oversight document with the Department of Environmental  
46 Protection for the remediation of that property.

1     (2) (a) A municipality, either for itself or on behalf of a  
 2     redevelopment entity or redeveloper, may request the compliance  
 3     status of a property located within the municipality with regard to a  
 4     Department of Environment Protection oversight document.

5     (b) The Department of Environmental Protection shall provide to  
 6     the clerk of a municipality requesting information under  
 7     subparagraph (a) of this paragraph, information as to whether the  
 8     property in question is in compliance with an oversight document,  
 9     including whether a notice of violation concerning the failure of the  
 10    person responsible for the remediation of that property has been  
 11    issued.

12    e. A municipal governing body, a municipal planning board, or a  
 13    redevelopment entity may exercise any power and carry out any  
 14    responsibility under P.L.1992, c.79 (40A:12A-1 et seq.),  
 15    notwithstanding that the municipality's master plan does not contain  
 16    a redevelopment plan element as set forth in paragraph (15) of  
 17    subsection b. of section 19 of P.L.1975, c.291 (C.40:55D-28)  
 18    (pending before the Legislature as section 9 of this bill).

19    ~~(cf: P.L.1992, c.79, s.4)~~

20  
 21    12. Section 5 of P.L.1992, c.79 (C.40A:12A-5) is amended to  
 22    read as follows:

23    5. **【A delineated area may be determined to be in need of**  
 24    **redevelopment if, after investigation, notice and hearing as provided**  
 25    **in section 6 of P.L.1992, c.79 (C.40A:12A-6), the governing body**  
 26    **of the municipality by resolution concludes that within the**  
 27    **delineated area any of the following conditions is found:】**

28    a. **【The generality of buildings are substandard, unsafe,**  
 29    **unsanitary, dilapidated, or obsolescent, or possess any of such**  
 30    **characteristics, or are so lacking in light, air, or space, as to be**  
 31    **conducive to unwholesome living or working conditions.】** ~~(Deleted~~  
 32    ~~by amendment, P.L. , c. .) (pending before the Legislature as this~~  
 33    ~~bill)~~

34    b. **【The discontinuance of the use of buildings previously used**  
 35    **for commercial, manufacturing, or industrial purposes; the**  
 36    **abandonment of such buildings; or the same being allowed to fall**  
 37    **into so great a state of disrepair as to be untenable.】** ~~(Deleted by~~  
 38    ~~amendment, P.L. , c. .) (pending before the Legislature as this~~  
 39    ~~bill)~~

40    c. **【Land that is owned by the municipality, the county, a local**  
 41    **housing authority, redevelopment agency or redevelopment entity,**  
 42    **or unimproved vacant land that has remained so for a period of ten**  
 43    **years prior to adoption of the resolution, and that by reason of its**  
 44    **location, remoteness, lack of means of access to developed sections**  
 45    **or portions of the municipality, or topography, or nature of the soil,**  
 46    **is not likely to be developed through the instrumentality of private**

- 1 capital.】 (Deleted by amendment, P.L. , c. .) (pending before the  
2 Legislature as this bill)
- 3 d. 【Areas with buildings or improvements which, by reason of  
4 dilapidation, obsolescence, overcrowding, faulty arrangement or  
5 design, lack of ventilation, light and sanitary facilities, excessive  
6 land coverage, deleterious land use or obsolete layout, or any  
7 combination of these or other factors, are detrimental to the safety,  
8 health, morals, or welfare of the community.】 (Deleted by  
9 amendment, P.L. , c. .) (pending before the Legislature as this  
10 bill)
- 11 e. 【A growing lack or total lack of proper utilization of areas  
12 caused by the condition of the title, diverse ownership of the real  
13 property therein or other conditions, resulting in a stagnant or not  
14 fully productive condition of land potentially useful and valuable  
15 for contributing to and serving the public health, safety and  
16 welfare.】 (Deleted by amendment, P.L. , c. .) (pending before  
17 the Legislature as this bill)
- 18 f. 【Areas, in excess of five contiguous acres, whereon buildings  
19 or improvements have been destroyed, consumed by fire,  
20 demolished or altered by the action of storm, fire, cyclone, tornado,  
21 earthquake or other casualty in such a way that the aggregate  
22 assessed value of the area has been materially depreciated.】  
23 (Deleted by amendment, P.L. , c. .) (pending before the  
24 Legislature as this bill)
- 25 g. 【In any municipality in which an enterprise zone has been  
26 designated pursuant to the "New Jersey Urban Enterprise Zones  
27 Act," P.L.1983, c.303 (C.52:27H-60 et seq.) the execution of the  
28 actions prescribed in that act for the adoption by the municipality  
29 and approval by the New Jersey Urban Enterprise Zone Authority  
30 of the zone development plan for the area of the enterprise zone  
31 shall be considered sufficient for the determination that the area is  
32 in need of redevelopment pursuant to sections 5 and 6 of P.L.1992,  
33 c.79 (C.40A:12A-5 and 40A:12A-6) for the purpose of granting tax  
34 exemptions within the enterprise zone district pursuant to the  
35 provisions of P.L.1991, c.431 (C.40A:20-1 et seq.) or the adoption  
36 of a tax abatement and exemption ordinance pursuant to the  
37 provisions of P.L.1991, c.441 (C.40A:21-1 et seq.). The  
38 municipality shall not utilize any other redevelopment powers  
39 within the urban enterprise zone unless the municipal governing  
40 body and planning board have also taken the actions and fulfilled  
41 the requirements prescribed in P.L.1992, c.79 (C.40A:12A-1 et al.)  
42 for determining that the area is in need of redevelopment or an area  
43 in need of rehabilitation and the municipal governing body has  
44 adopted a redevelopment plan ordinance including the area of the  
45 enterprise zone.】 (Deleted by amendment, P.L. , c. .) (pending  
46 before the Legislature as this bill)



1 h. **【The designation of the delineated area is consistent with**  
2 **smart growth planning principles adopted pursuant to law or**  
3 **regulation.】** (Deleted by amendment, P.L. , c. .) (pending before  
4 the Legislature as this bill)

5 i. A delineated area may be determined to be in need of  
6 redevelopment for tax exemption purposes if, after investigation,  
7 notice and hearing as provided in subsection a. of section 6 of  
8 P.L.1992, c.79 (C.40A:12A-6), the governing body of the  
9 municipality, by resolution, concludes that within the delineated  
10 area any of the following conditions is found:

11 (1) The generality of buildings are substandard, unsafe,  
12 unsanitary, dilapidated, or obsolescent, or possess any of such  
13 characteristics, or are so lacking in light, air, or space, as to be  
14 conducive to unwholesome living or working conditions.

15 (2) The discontinuance of the use of buildings previously used  
16 for commercial, manufacturing, or industrial purposes; the  
17 abandonment of such buildings; or the same being allowed to fall  
18 into so great a state of disrepair as to be untenable.

19 (3) Land that is owned by the municipality, the county, a local  
20 housing authority, redevelopment agency or redevelopment entity,  
21 or unimproved vacant land that has remained so for a period of five  
22 years prior to adoption of the resolution, and that by reason of its  
23 location, remoteness, lack of means of access to developed sections  
24 or portions of the municipality, or topography, or nature of the soil,  
25 is not likely to be developed through the instrumentality of private  
26 capital.

27 (4) Areas with buildings or improvements which, by reason of  
28 dilapidation, obsolescence, overcrowding, faulty arrangement or  
29 design, lack of ventilation, light and sanitary facilities, excessive  
30 land coverage, deleterious land use or obsolete layout, or any  
31 combination of these or other factors, do not serve the safety,  
32 health, morals, or welfare of the community.

33 (5) A growing lack or total lack of proper utilization of areas  
34 caused by the condition of the title, diverse ownership of the real  
35 property therein or other similar conditions, resulting in a stagnant  
36 or not fully productive condition of land potentially useful and  
37 valuable for contributing to and serving the public health, safety  
38 and welfare.

39 (6) Areas, in excess of five contiguous acres, whereon buildings  
40 or improvements have been destroyed, consumed by fire,  
41 demolished or altered by the action of storm, fire, cyclone, tornado,  
42 earthquake or other casualty in such a way that the aggregate  
43 assessed value of the area has been materially depreciated.

44 (7) An area which has been designated an enterprise zone  
45 pursuant to the "New Jersey Urban Enterprise Zones Act,"  
46 P.L.1983, c.303 (C.52:27H-60 et seq.).

1     (8) Property either that is vacant, including undeveloped  
2 property, or that has been substantially underutilized for a period of  
3 24 consecutive months due to environmental contamination.

4     j. An area in need of redevelopment for tax exemption purposes  
5 may include parcels containing lands, buildings, or improvements  
6 which do not meet any of the criteria set forth in this section, but  
7 the inclusion of which is found necessary, with or without change in  
8 their condition, for the effective redevelopment of the area of which  
9 they are a part; provided, however, that when such parcels, in the  
10 aggregate, shall comprise in excess of 20% of the land mass of the  
11 designated redevelopment area for tax exemption purposes, the  
12 planning board shall be required to hold an additional public  
13 hearing on the matter.

14     k. A delineated area may be determined to be a condemnation  
15 redevelopment area for both the exercise of the power of  
16 condemnation and tax exemption purposes if, after investigation,  
17 notice and hearing as provided in subsection e. of section 6 of  
18 P.L.1992, c.79 (C.40A:12A-6), the governing body of the  
19 municipality, by ordinance, concludes that within the delineated  
20 area, and with respect to every lot therein, any of the following  
21 conditions is found:

22     (1) At least one or more buildings or structures on an improved  
23 lot are substandard, unsafe, unsanitary, dilapidated, or obsolescent,  
24 or are so lacking in light, air, or space, as to be conducive to  
25 unwholesome living or working conditions.

26     (2) The discontinuance of the use of buildings previously used  
27 for commercial, manufacturing, or industrial purposes; the  
28 abandonment of such buildings; or the same being allowed to fall  
29 into so great a state of disrepair as to be untenable.

30     (3) Unimproved vacant private land that has remained so for a  
31 period of at least 10 years prior to the investigation by the planning  
32 board, and that by reason of its location, remoteness, lack of means  
33 of access to developed sections or portions of the municipality, or  
34 topography or nature of the soil, (a) is not likely to be developed  
35 through the instrumentality of private capital during the period of  
36 the implementation of the redevelopment plan, or (b) is determined  
37 to be detrimental to the safety, health, or welfare of the community.

38     (4) Areas with buildings or improvements which, by reason of  
39 dilapidation, obsolescence, overcrowding, faulty arrangement or  
40 design, lack of ventilation, light and sanitary facilities, excessive  
41 land coverage, deleterious land use or obsolete layout, or any  
42 combination of these or other factors, do not serve the safety,  
43 health, morals, or welfare of the community.

44     (5) Areas, in excess of five contiguous acres, whereon buildings  
45 or improvements have been destroyed, consumed by fire,  
46 demolished or altered by the action of storm, fire, cyclone, tornado,

1 earthquake or other casualty in such a way that the aggregate  
2 assessed value of the area has been materially depreciated.

3 (6) Property either that is vacant, including undeveloped  
4 property, or that has been substantially underutilized due to  
5 environmental contamination, unless the entire property is the  
6 subject of an oversight document with the Department of  
7 Environmental Protection for the remediation of the property.

8 1. Notwithstanding subsection k. of this section, a condemnation  
9 redevelopment area may include non-blighted parcels, being those  
10 parcels containing lands, buildings, or improvements which do not  
11 meet the criteria of a condemnation redevelopment area under this  
12 section, the inclusion of which are found necessary, with or without  
13 change in their condition, for the effective redevelopment of the  
14 area of which they are a part; provided, however, that when such  
15 parcels, in the aggregate, shall comprise more than 10% of the land  
16 mass of the designated condemnation redevelopment area, the  
17 municipality shall be required to adopt a separate ordinance  
18 authorizing the inclusion of the extra non-blighted parcels.  
19 Environmentally contaminated property that is subject to an  
20 oversight document with the Department of Environmental  
21 Protection, or lands subject to the protections provided under  
22 section 12 of P.L.1983, c.32 (C.4:1C-19), shall not be included as  
23 "non-blighted parcels necessary to the effective redevelopment of  
24 the area" without the express written consent of the property owner.  
25 An additional hearing by the planning board shall be required for  
26 the inclusion of non-blighted parcels within the condemnation  
27 redevelopment area, with notice provided to the owners and  
28 interested parties as provided in subparagraph (b) of paragraph (3)  
29 of subsection f. of section 6 of P.L.1992, c.79 (C.40A:12A-6).

30 (cf: P.L.2003, c.125, s.3)

31  
32 13. Section 6 of P.L.1992, c.79 (C.40A:12A-6) is amended to  
33 read as follows:

34 6. a. No area of a municipality shall be determined a  
35 redevelopment area for tax exemption purposes unless the  
36 governing body of the municipality shall, by resolution, authorize  
37 the planning board to undertake a preliminary investigation to  
38 determine whether the proposed area is a redevelopment area for tax  
39 exemption purposes according to the criteria set forth in subsection  
40 i. of section 5 of P.L.1992, c.79 (C.40A:12A-5) (pending before the  
41 Legislature as section 12 of this bill). Such determination shall be  
42 made after public notice and public hearing as provided in  
43 subsection b. of this section. The governing body of a municipality  
44 shall assign the conduct of the investigation and hearing to the  
45 planning board of the municipality.

46 b. (1) Before proceeding to a public hearing on the matter, the  
47 planning board shall prepare a map showing the boundaries of the

1 proposed redevelopment area and the location of the various parcels  
2 of property included therein. There shall be appended to the map a  
3 statement setting forth the basis for the investigation.

4 (2) The planning board shall specify a date for and give notice of  
5 a hearing for the purpose of hearing persons who are interested in or  
6 would be affected by a determination that the delineated area is a  
7 redevelopment area.

8 (3) (a) The hearing notice shall set forth the general boundaries  
9 of the area to be investigated and state that a map has been prepared  
10 and can be inspected at the office of the municipal clerk. The  
11 notice shall identify the office in which the public may inspect  
12 documents relevant to the determination that an area is in need of  
13 redevelopment for tax exemption purposes. The notice shall be  
14 written in simple, clear, understandable, and easily readable  
15 language. The notice shall include the following statement in bold  
16 typeface:

17  
18 **THE GOVERNING BODY OF \_\_\_\_\_ IS**  
19 **CONSIDERING DESIGNATING PART OF THE**  
20 **MUNICIPALITY AS A "REDEVELOPMENT AREA FOR**  
21 **TAX EXEMPTION PURPOSES." THIS DOES NOT**  
22 **ALLOW PRIVATE PROPERTIES LOCATED WITHIN**  
23 **THAT REDEVELOPMENT AREA TO BE TAKEN BY**  
24 **CONDEMNATION. NO PRIVATE PROPERTY WILL BE**  
25 **TAKEN BY CONDEMNATION UNLESS IT IS LOCATED**  
26 **IN AN AREA DESIGNATED AS A "CONDEMNATION**  
27 **REDEVELOPMENT AREA" AND THE OWNER IS**  
28 **PROVIDED WITH SPECIFIC NOTICE.**  
29

30 (b) A copy of the notice shall be published in a newspaper of  
31 general circulation in the municipality once each week for two  
32 consecutive weeks, and the last publication shall be not less than ten  
33 days prior to the date set for the hearing. If the municipality has an  
34 Internet web site, the notice shall be posted thereon. A copy of the  
35 notice also shall be posted in such other places within or proximate  
36 to the proposed redevelopment area for tax exemption purposes as  
37 may be available and appropriate. A copy of the notice shall be  
38 mailed at least ten days prior to the date set for the hearing to the  
39 last owner, if any, of each parcel of property within the area  
40 according to the assessment records of the municipality. A notice  
41 shall also be sent to all persons at their last known address, if any,  
42 whose names are noted on the assessment records as claimants of an  
43 interest in any such parcel. The assessor of the municipality shall  
44 make a notation upon the records when requested to do so by any  
45 person claiming to have an interest in any parcel of property in the  
46 municipality. The notice shall be published and mailed by the  
47 municipal clerk, or by such clerk or official as the planning board

1 shall otherwise designate. Failure to mail any such notice shall [not  
2 invalidate the investigation or determination thereon] be governed  
3 by the provisions of section 22 of P.L. , c. (C. ) (pending  
4 before the Legislature as this bill).

5 (c) Prior to the hearing, a copy of all documents relevant to the  
6 determination that an area is in need of redevelopment for tax  
7 exemption purposes shall be available for public inspection during  
8 regular business hours at a location set forth in the notice, and if the  
9 municipality has an Internet web site, they shall be posted thereon.

10 (4) At the hearing, which may be adjourned from time to time,  
11 the planning board shall hear all persons who are interested in or  
12 would be affected by a determination that the delineated area is a  
13 redevelopment area for tax exemption purposes. All objections to  
14 such a determination and evidence in support of those objections,  
15 given orally or in writing, shall be received and considered and  
16 made part of the public record.

17 (5) After completing its hearing on this matter, the planning  
18 board shall recommend that the delineated area, or any part thereof,  
19 be determined, or not be determined, by the municipal governing  
20 body to be a redevelopment area for tax exemption purposes. After  
21 receiving the recommendation of the planning board, the municipal  
22 governing body may adopt a resolution determining that the  
23 delineated area, or any part thereof, is a redevelopment area for tax  
24 exemption purposes. Upon the adoption of a resolution, the clerk of  
25 the municipality shall, forthwith, transmit a copy of the resolution  
26 to the Commissioner of Community Affairs for review. If the area  
27 in need of redevelopment for tax exemption purposes is not situated  
28 in an area in which development or redevelopment is to be  
29 encouraged pursuant to any State law or regulation promulgated  
30 pursuant thereto, the determination shall not take effect without first  
31 receiving the review and the approval of the commissioner. If the  
32 commissioner does not issue an approval or disapproval within 30  
33 calendar days of transmittal by the clerk, the determination shall be  
34 deemed to be approved. If the area in need of redevelopment is  
35 situated in an area in which development or redevelopment is to be  
36 encouraged pursuant to any State law or regulation promulgated  
37 pursuant thereto, then the determination shall take effect after the  
38 clerk has transmitted a copy of the resolution to the commissioner.  
39 The determination, if supported by substantial evidence and, if  
40 required, approved by the commissioner, shall be binding and  
41 conclusive upon all persons affected by the determination. Notice  
42 of the determination shall be served, within 10 days after the  
43 determination, upon each person who filed a written objection  
44 thereto and stated, in or upon the written submission, an address to  
45 which notice of determination may be sent.

46 (6) If written objections were filed in connection with the  
47 hearing, the municipality shall, for 45 days next following its

1 determination to which the objections were filed, take no further  
2 action to **[acquire any property by condemnation]** grant tax  
3 exemptions within the redevelopment area for tax exemption  
4 purposes.

5 (7) If a person who filed a written objection to a determination  
6 by the municipality pursuant to this subsection shall, within 45 days  
7 after the adoption by the municipality of the determination to which  
8 the person objected, apply to the Superior Court, the court may  
9 grant further review of the determination by procedure in lieu of  
10 prerogative writ; and in any such action the court may make any  
11 incidental order that it deems proper.

12 c. An area determined to be in need of redevelopment for tax  
13 exemption purposes pursuant to subsections a. and b. of this section  
14 shall be deemed to be a "blighted area" for all of the purposes of  
15 Article VIII, Section III, paragraph 1 of the Constitution except for  
16 the purpose of acquiring property through the exercise of the power  
17 of eminent domain. If an area is determined to be a redevelopment  
18 area for tax exemption purposes and a redevelopment plan is  
19 adopted for that area in accordance with the provisions of this act,  
20 the municipality is authorized to utilize all those powers provided in  
21 section 8 of P.L.1992, c.79 (C.40A:12A-8), except that the power of  
22 condemnation shall be exercised only in an area declared to be a  
23 condemnation redevelopment area pursuant to subsection e. of this  
24 section.

25 d. Designation of an area as a redevelopment area shall lapse 10  
26 years following: (1) the adoption of the resolution or ordinance, as  
27 appropriate, making the determination if the municipality has not  
28 adopted a redevelopment plan for that redevelopment area and made  
29 substantial progress on implementing the plan, or (2) the final  
30 adoption of the original redevelopment plan if no projects have  
31 been commenced pursuant to the redevelopment plan, or one or  
32 more projects have been commenced but substantial progress is not  
33 being made towards implementing the plan. For the purposes of  
34 this subsection, a bona fide agreement for project financing shall  
35 constitute commencement of a project or substantial progress on  
36 implementing the plan.

37 e. (1) No area of a municipality shall be determined a  
38 condemnation redevelopment area unless the governing body of the  
39 municipality shall, by ordinance, authorize the planning board to  
40 undertake a preliminary investigation to determine whether the  
41 proposed area is a condemnation redevelopment area according to  
42 the criteria set forth in subsection k. of section 5 of P.L.1992, c.79  
43 (C.40A:12A-5). The determination shall be made after public  
44 notice and public hearing as provided in subsection f. of this  
45 section. The notice required under R.S.40:49-2 for final passage of  
46 the ordinance shall clearly state that final passage of the ordinance

1 will begin the process through which private property may be taken  
2 by condemnation.

3 (2) (a) The governing body of a municipality shall assign the  
4 conduct of the investigation and hearing required by this subsection  
5 to the planning board of the municipality.

6 (b) In the case of any proposed condemnation redevelopment  
7 area of a municipality that is more than 10 acres in area, or that  
8 contains more than 100 occupied dwelling units or more than 50  
9 operating business premises, the governing body shall hold a public  
10 informational meeting prior to adoption of the ordinance  
11 authorizing the planning board to undertake a preliminary  
12 investigation as set forth in this subsection. Notice of the public  
13 informational meeting shall be as in subparagraph (b) of paragraph  
14 (3) of subsection f. of this section, except that notice to individual  
15 property owners and tenants shall not be required.

16 (3) A redeveloper shall not conduct or fund any part of the  
17 investigation unless that fact has been clearly disclosed in the  
18 authorizing ordinance adopted pursuant to this subsection, or any  
19 amendment thereto. A redeveloper in violation of this paragraph is  
20 disqualified from entering into a redevelopment agreement pursuant  
21 to section 20 of P.L. , c. (C. ) (pending before the  
22 Legislature as this bill).

23 f. (1) Before proceeding to a public hearing on the matter, the  
24 planning board shall prepare a map showing the boundaries of the  
25 proposed condemnation redevelopment area and the location, by  
26 block, lot, and street address, of the various parcels of property  
27 included therein. There shall be appended to the map a report  
28 setting forth the factual and legal basis for the investigation.

29 (2) The planning board shall specify a date for, and give notice  
30 of, a public hearing for the purpose of hearing persons who are  
31 interested in, or would be affected by, a determination that the  
32 delineated area is a condemnation redevelopment area.

33 (3) (a) The public hearing notice shall be written in simple, clear,  
34 understandable, and easily readable language. It shall set forth the  
35 general boundaries of the area to be investigated and state that a  
36 map and report have been prepared and can be inspected during  
37 regular business hours at a location identified in the notice. The  
38 hearing notice also shall include the following statement in bold  
39 typeface:

40  
41 **THE GOVERNING BODY OF IS**  
42 **CONSIDERING DESIGNATING PART OF THE**  
43 **MUNICIPALITY AS A "CONDEMNATION**  
44 **REDEVELOPMENT AREA." THIS WOULD ALLOW**  
45 **PRIVATE PROPERTIES LOCATED WITHIN THE**  
46 **CONDEMNATION AREA TO BE TAKEN BY**  
47 **CONDEMNATION. NO PRIVATE PROPERTY WILL BE**

**TAKEN BY CONDEMNATION UNLESS THE OWNER IS  
PROVIDED WITH SPECIFIC NOTICE.**

The hearing notice shall further recommend that anyone with an interest in any property within that area retain legal counsel and that any indigent property owner contact the Office of the Public Advocate for legal assistance.

(b) (i) A copy of the public hearing notice shall be published in a newspaper of general circulation in the municipality once each week for two consecutive weeks, and the last publication shall be not less than 10 days prior to the date set for the public hearing.

(ii) If the municipality has an Internet web site, the notice shall be posted thereon.

(iii) A copy of the notice also shall be posted within or proximate to each property within the proposed condemnation redevelopment area.

(iv) A copy of the notice shall be mailed at least 15 days prior to the date of the public hearing to the last owner, if any, of each parcel of property within the proposed condemnation redevelopment area as shown on the most recent assessment records of the municipality, and to any legal tenant or lessee of any of those properties. The municipal clerk or other clerk or official designated by the planning board shall make a diligent effort to ascertain the names and addresses of the legal tenants and lessees by contacting the legal owner of the rental property, or a management company identified by such owner. If the municipal clerk or other clerk or official designated by the planning board is still unable to ascertain the names and addresses of the legal tenants and lessees, then those notices shall be mailed, by regular mail only, addressed to "occupant," and a copy of the notice shall be posted on properties known to contain rental units. A notice also shall be sent to all persons at their last known address, if any, whose names are noted on the assessment records as claimants of an interest in any such parcel. The assessor of the municipality shall make a notation upon the records when requested to do so by any person claiming to have an interest in any parcel of property in the municipality. The notice required by this paragraph shall be published, posted, and mailed by the municipal clerk, or by such clerk or official as the planning board shall otherwise designate. Mailing shall be by regular mail and by certified mail, return receipt requested. Failure to mail any such notice shall be governed by the provisions of section 22 of P.L. , c. (C. ) (pending before the Legislature as this bill).

(c) Prior to the public hearing, a copy of all documents relevant to the determination that an area is a condemnation redevelopment area shall be available for public inspection during regular business hours at a location identified in the notice, and if the municipality has an Internet web site, they shall be posted thereon.



1       (4) At the public hearing, which may be adjourned from time to  
2 time, the planning board shall hear all persons who are interested in,  
3 or would be affected by, a determination that the delineated area is  
4 a condemnation redevelopment area. All objections to such a  
5 determination and evidence in support of those objections, given  
6 orally or in writing, shall be received and considered, and made part  
7 of the public record.

8       (5) (a) After completing its hearing on this matter, the planning  
9 board shall recommend that the delineated area, or any part thereof,  
10 be determined, or not be determined, by the municipal governing  
11 body to be a condemnation redevelopment area.

12       (b) After receiving the recommendation of the planning board,  
13 the municipal governing body may adopt an ordinance determining  
14 that the delineated area, or any part thereof, is a condemnation  
15 redevelopment area. Prior to final adoption of the ordinance the  
16 clerk of the municipality shall forthwith transmit a copy of the  
17 ordinance to the Commissioner of Community Affairs and to the  
18 Office of the Public Advocate for informational purposes only. No  
19 parcel shall be included in the condemnation redevelopment area  
20 that was not recommended for inclusion by the planning board.

21       (6) (a) Notice of final adoption of an ordinance making a  
22 determination that an area is a condemnation redevelopment area  
23 shall be served, within 10 days after the final adoption of the  
24 ordinance making the determination, upon each person who  
25 received notice of the public hearing in accordance with paragraph  
26 (3) of this subsection in the same manner as provided therein.  
27 Additionally, notice of final adoption of an ordinance making a  
28 determination of a condemnation redevelopment area shall be  
29 published in the official newspaper of the municipality, together  
30 with the date of the first publication of such notice and also a  
31 statement that any action or proceeding of any kind or nature in any  
32 court questioning the validity of the adoption of the ordinance or  
33 the determination contained therein, shall be commenced within 60  
34 days after the first publication of such notice.

35       (b) In any action or proceeding before the court questioning the  
36 validity of the determination of a property to be within a  
37 condemnation redevelopment area, the municipality, redevelopment  
38 entity, or redeveloper shall have the burden of going forward to  
39 prove, by substantial evidence, that at least one of the conditions  
40 listed in subsection k. of section 5 of P.L.1992, c.79 (C.40A:12A-6)  
41 existed on the property at the time of the investigation by the  
42 planning board and of the adoption of the ordinance delineating the  
43 condemnation area, or that the municipality, redevelopment entity,  
44 or redeveloper, as the case may be, is entitled to include the  
45 property in the condemnation redevelopment area.

46       (7) Upon finding that any property is not necessary for the  
47 completion of a redevelopment project, the municipal governing

1 body shall adopt a resolution to omit that property from the  
2 redevelopment plan and shall not have to take further action to  
3 amend the plan.

4 g. An area determined to be a condemnation redevelopment area  
5 pursuant to subsections e. and f. of this section shall be deemed to  
6 be a "blighted area" for all of the purposes of Article VIII, Section  
7 III, paragraph 1 of the Constitution. If an area is determined to be a  
8 condemnation redevelopment area and a redevelopment plan is  
9 adopted for that area in accordance with the provisions of P.L.1992,  
10 c.79 (C.40A:12A-1 et al.), the municipality is authorized to utilize  
11 all those powers provided in section 8 of P.L.1992, c.79  
12 (C.40A:12A-8).

13 (cf: P.L.2003, c.125, s.4)

14  
15 14. Section 7 of P.L.1992, c.79 (C.40A:12A-7) is amended to  
16 read as follows:

17 7. a. Following the determination of a redevelopment area for  
18 tax exemption or condemnation purposes pursuant to section 6 of  
19 P.L.1992, c.79 (C.40A:12A-6), or a determination of an area in  
20 need of rehabilitation pursuant to section 14 of P.L.1992, c.79  
21 (C.40A:12A-14), the municipality may undertake the preparation of  
22 a redevelopment plan for all or some part of the area determined to  
23 be in need of redevelopment or rehabilitation, directly in  
24 accordance with subsection e. of this section, or, by resolution, may  
25 direct the municipal planning board to develop such plan in  
26 accordance with subsection f. of this section. No redevelopment  
27 project shall be undertaken or carried out except in accordance with  
28 a redevelopment plan [adopted by ordinance of the municipal  
29 governing body, upon its finding that the] relating to a specifically  
30 delineated project area that is located in an area in need of  
31 redevelopment or in an area in need of rehabilitation, or in both,  
32 according to criteria set forth in section 5 or section 14 of P.L.1992,  
33 c.79 (C.40A:12A-5 or 40A:12A-14), as appropriate.

34 [The] A redevelopment plan shall include an outline for the  
35 planning, development, redevelopment, or rehabilitation of the  
36 project area sufficient to indicate:

37 (1) [Its] The relationship of the plan to [definite] local  
38 objectives as set forth in the municipal master plan or other official  
39 documents with respect to [appropriate] land uses, density of  
40 population, [and improved] improvements or changes to traffic  
41 circulation, pedestrian circulation and public transportation, public  
42 utilities, recreational and community facilities and other public  
43 improvements.

44 (2) Proposed land uses and building requirements in the project  
45 area, including the character, intensity and scale of proposed  
46 redevelopment activities, and the design and planning standards and  
47 guidelines to govern those activities.

1       (3) **【Adequate provision for】** A relocation study adequate to  
2 identify available units suitable to the temporary and permanent  
3 relocation, as necessary, of residents and businesses in the project  
4 area, as required by the “Relocation Assistance Act,” P.L.1971,  
5 c.362 (C.20:4-1 et seq.), and any other applicable law, including,  
6 for residents, an estimate of the extent to which **【decent, safe and**  
7 **sanitary dwelling units affordable to displaced residents】**  
8 comparable, affordable replacement housing will be available **【to**  
9 **them】** in the existing local housing market, an assessment of the  
10 disparity between the availability of comparable, affordable  
11 replacement housing and the needs of the residents in the project  
12 area, an estimate of the amount and type of replacement housing  
13 that will have to be provided within or without the redevelopment  
14 area in order to meet the relocation needs of residents in the project  
15 area, and a plan setting forth the manner and timetable in which that  
16 housing, if needed, will be provided.

17       (4) (a) An identification, by block and lot and street address, if  
18 any, of **【any】 every** property within the redevelopment area  
19 **【which】.** The redevelopment plan shall indicate whether a property  
20 is proposed to be acquired **【in accordance with the redevelopment**  
21 plan**】** and whether that property will be subject to demolition or  
22 infill.

23       (b) With regard to properties located within a condemnation  
24 redevelopment area, the redevelopment plan shall indicate each  
25 property's relationship to the objectives of the redevelopment plan  
26 that cannot be realistically achieved without the acquisition of that  
27 property, any alternatives that were considered to the proposed  
28 acquisition, and the reasons that such alternatives would not provide  
29 for realistic achievement of the objectives of the redevelopment  
30 plan, if adopted. The allocation of the cost of this assessment shall  
31 be negotiated and agreed upon between the municipality and the  
32 redevelopment entity.

33       (5) Any significant relationship of the redevelopment plan to (a)  
34 the master plans of contiguous municipalities, (b) the master plan of  
35 the county in which the municipality is located, and (c) the State  
36 Development and Redevelopment Plan adopted pursuant to the  
37 “State Planning Act,” P.L.1985, c.398 (C.52:18A-196 et al.).

38       (6) The social and economic impact of the redevelopment area,  
39 including its effect on those parts of the municipality adjacent to the  
40 redevelopment area, and on the low and moderate income residents  
41 of the area, further including estimates of the number of temporary  
42 and permanent jobs that will be available to the low and moderate  
43 income residents of the area.

44       (7) An explanation of how any development controls contained  
45 in the redevelopment plan are consistent with smart growth  
46 planning principles adopted pursuant to law or regulation.

1     (8) An estimate of the number of dwelling units for low and  
2 moderate income households that may be required as a result of  
3 implementing the redevelopment plan, in order to meet the  
4 municipality's obligations under the "Fair Housing Act," P.L.1985,  
5 c.222 (C.52:27D-301 et al.), and the municipality's plan for meeting  
6 those obligations within or outside the redevelopment area.

7     (9) Provisions for the replacement of any housing that was  
8 constructed for low and moderate income households under the  
9 terms of any State or federal housing subsidy program, which  
10 housing is to be removed as a result of the redevelopment plan;  
11 provided that any such replacement unit shall not be counted toward  
12 the municipal obligation under paragraph (8) of this subsection if  
13 the housing which is removed had previously counted toward an  
14 obligation. Any rental housing constructed under this paragraph  
15 shall remain affordable to low and moderate income households, in  
16 the same manner as the removed housing, for a period of at least 45  
17 years, unless another period is established under an applicable State  
18 or federal financing program. In addition, displaced residents of  
19 housing units provided under any State or federal housing subsidy  
20 program or the "Fair Housing Act," P.L.1985, c.222 (C.52:27D-301  
21 et al.) shall have first priority for those replacement units provided.

22     (10) Preservation or conservation strategies and goals for the  
23 assets contained in the inventory of environmental, historical, and  
24 cultural assets in the delineated project area.

25     (11) A statement setting forth the municipal planning board's  
26 ability, if any, to grant relief to applicants from elements of the  
27 redevelopment plan when reviewing and approving development  
28 applications, including, but not limited to, variances, exceptions,  
29 and waivers as defined in the "Municipal Land Use Law," P.L.1975,  
30 c.291 (C.40:55D-1 et seq.).

31     b. **[A]** In addition to that housing provided pursuant to  
32 paragraph (8) of subsection a. of this section, a redevelopment plan  
33 may include the provision of affordable housing in accordance with  
34 the "Fair Housing Act," P.L.1985, c.222 (C.52:27D-301 et al.) and  
35 the housing element of the municipal master plan.

36     c. The redevelopment plan shall describe its relationship to  
37 pertinent municipal development regulations as defined in the  
38 "Municipal Land Use Law," P.L.1975, c.291 (C.40:55D-1 et seq.).  
39 The redevelopment plan shall supersede applicable provisions of the  
40 development regulations of the municipality or constitute an  
41 overlay zoning district within the redevelopment area. When the  
42 redevelopment plan supersedes any provision of the development  
43 regulations, the ordinance adopting the redevelopment plan shall  
44 contain an explicit amendment to the zoning district map included  
45 in the zoning ordinance. The zoning district map as amended shall  
46 indicate the redevelopment area to which the redevelopment plan  
47 applies. Notwithstanding the provisions of the "Municipal Land

1 Use Law,” P.L.1975, c.291 (C.40:55D-1 et seq.) or of other law, no  
2 notice beyond that required for adoption of ordinances by the  
3 municipality shall be required for the hearing on or adoption of the  
4 redevelopment plan or subsequent amendments thereof.

5 d. All provisions of the redevelopment plan shall be either  
6 substantially consistent with the municipal master plan or designed  
7 to effectuate the master plan; but the municipal governing body may  
8 adopt a redevelopment plan which is inconsistent with or not  
9 designed to effectuate the master plan by affirmative vote of a  
10 majority of its full authorized membership with the reasons for so  
11 acting set forth in the redevelopment plan.

12 e. ~~【Prior to the adoption of a redevelopment plan, or revision or~~  
13 ~~amendment thereto, the】~~ If a municipality prepares a redevelopment  
14 plan directly, the municipal governing body shall refer the proposed  
15 redevelopment plan to the municipal planning board for review.  
16 Such referral may be by resolution. The municipal planning board  
17 shall transmit to the governing body, within 45 days after referral, a  
18 report containing its recommendation concerning the redevelopment  
19 plan. This report shall include an identification of any provisions in  
20 the proposed redevelopment plan which are inconsistent with the  
21 master plan and recommendations concerning these inconsistencies  
22 and any other matters as the board deems appropriate. The  
23 governing body, when considering the adoption of a redevelopment  
24 plan or revision or amendment thereof, shall review the report of  
25 the planning board and may approve or disapprove or change any  
26 recommendation by a vote of a majority of its full authorized  
27 membership and shall record in its minutes the reasons for not  
28 following the recommendations. Failure of the planning board to  
29 transmit its report within the required 45 days shall relieve the  
30 governing body from the requirements of this subsection with  
31 regard to the pertinent proposed redevelopment plan ~~【or revision or~~  
32 ~~amendment thereof】~~. Nothing in this subsection shall diminish the  
33 applicability of the provisions of subsection d. of this section with  
34 respect to any redevelopment plan or revision or major amendment  
35 thereof.

36 f. The governing body of a municipality may direct the planning  
37 board to prepare a redevelopment plan ~~【or an amendment or~~  
38 ~~revision to a redevelopment plan】~~ for a designated redevelopment  
39 area. After completing the redevelopment plan, the planning board  
40 shall transmit the proposed plan to the governing body for its  
41 adoption. The governing body, when considering the proposed  
42 plan, may amend or revise any portion of the proposed  
43 redevelopment plan by an affirmative vote of the majority of its full  
44 authorized membership and shall record in its minutes the reasons  
45 for each amendment or revision. When a redevelopment plan ~~【or~~  
46 ~~amendment to a redevelopment plan】~~ is referred to the governing  
47 body by the planning board under this subsection, the governing

1 body shall be relieved of the referral requirements of subsection e.  
2 of this section.

3 g. (1) The redevelopment plan for a redevelopment area for tax  
4 exemption purposes shall be adopted by ordinance of the municipal  
5 governing body.

6 (2) (a) The redevelopment plan for a condemnation  
7 redevelopment area shall be adopted by ordinance of the municipal  
8 governing body.

9 (b) Prior to final adoption of the ordinance, the municipal  
10 governing body shall conduct a public hearing on the ordinance and  
11 all interested persons shall be allowed to speak.

12 (c) Notice of the public hearing shall state the date, time, and  
13 location of the public hearing, shall identify where the proposed  
14 redevelopment plan is available for examination and shall identify,  
15 by block and lot and street address, if any, the parcels that may be  
16 included in a condemnation area and subject to eminent domain  
17 under the proposed redevelopment plan.

18 (3) (a) The full text of the redevelopment plan to be considered  
19 by the governing body along with any maps or other exhibits  
20 thereto, shall be made available to the public in the municipal  
21 building and shall be posted on the municipality's Internet web site,  
22 if any, at the time such notice to such hearing is to be provided.

23 (b) Copies of the proposed redevelopment plan shall be available  
24 for purchase by any interested party. A copy of the notice of the  
25 public hearing in the case of a redevelopment plan for a  
26 condemnation redevelopment area shall be published in a  
27 newspaper of general circulation in the municipality once each  
28 week for two consecutive weeks, and the last publication shall be  
29 not less than 10 days prior to the date set for the hearing, and shall  
30 be posted on the municipality's Internet web site, if any, and in a  
31 reasonable number of public places within or proximate to the  
32 proposed condemnation redevelopment area as may be available  
33 and appropriate. A copy of the notice shall be mailed by the  
34 municipal clerk, by regular mail, at least 10 days prior to the date  
35 set for the hearing to the last owner, if any, of each parcel of  
36 property within the area according to the assessment records of the  
37 municipality and to any legal tenant or lessee. The municipal clerk  
38 shall make a diligent effort to ascertain the names and addresses of  
39 legal tenants and lessees by contacting the legal owner of the rental  
40 property or a management company identified by such owner, but if  
41 unable to do so shall have a copy of the notice posted on properties  
42 known to contain rental units.

43 (c) (i) For property owners whose properties do not exhibit  
44 conditions of blight and are proposed to be acquired under the  
45 redevelopment plan for a condemnation redevelopment area, the  
46 notice shall specify the reason why acquiring the property is  
47 necessary for the redevelopment of the area.

1     (ii) A notice shall also be sent by the municipal clerk to all  
2 persons at their last known address, if any, whose names are noted  
3 on the assessment records as claimants of an interest in any such  
4 parcel. The assessor of the municipality shall make a notation upon  
5 the records when requested to do so by any person claiming to have  
6 an interest in any parcel of property in the municipality.

7     (iii) The notice shall be published and mailed by the municipal  
8 clerk. Failure to mail any such notice shall be governed by the  
9 provisions of section 22 of P.L. , c. (C. ) (pending before the  
10 Legislature as this bill).

11     (iv) At such public hearing, the municipal governing body shall  
12 hear all persons who are interested in or would be affected by the  
13 provisions of the redevelopment plan, although the governing body  
14 may, by vote of its majority, restrict or limit the amount of time  
15 afforded each such person to speak. A record of the public hearing  
16 shall be kept by the municipal clerk. Upon the close of the public  
17 hearing, the municipal governing body may vote to finally adopt the  
18 ordinance.

19     h. Notice of final adoption of an ordinance adopting a  
20 redevelopment plan for a condemnation redevelopment area shall be  
21 mailed, within 10 days after the final adoption of the ordinance  
22 making such determination, to each person who received notice of  
23 the public hearing in accordance with subsection g. of this section,  
24 in the same manner as provided therein. Additionally, notice of  
25 final adoption of an ordinance making a determination shall be  
26 published in the official newspaper of the municipality, together  
27 with the date of the first publication of such notice and also a  
28 statement that any action or proceeding of any kind or nature in any  
29 court questioning the validity of the adoption of the ordinance or  
30 the determination contained therein, shall be commenced within 45  
31 days after the first publication of such notice.

32     i. The municipality may not finally authorize and execute an  
33 agreement with a redeveloper until 60 days next following the final  
34 adoption of the ordinance adopting a redevelopment plan for a  
35 condemnation redevelopment area pursuant to this section, unless  
36 the redeveloper is the owner of the property that is the subject of the  
37 redevelopment agreement.

38     j. Amendments to redevelopment plans shall be prepared and  
39 adopted as follows:

40     (1) A minor amendment shall be adopted by ordinance to comply  
41 with the procedural provisions of subsections g. and h. of this  
42 section.

43     (2) A major amendment shall be adopted in the same manner as  
44 provided for a redevelopment plan.

45     (3) A question over the determination of an amendment as minor  
46 or major may be filed with the New Jersey Superior Court for a

1 declaratory judgment determining that the amendment is minor or  
2 major.

3 (cf: P.L.1992, c.79, s.7)

4  
5 15. Section 8 of P.L.1992, c.79 (C.40A:12A-8) is amended to  
6 read as follows:

7 8. Upon the adoption of a redevelopment plan pursuant to  
8 section 7 of P.L.1992, c.79 (C.40A:12A-7), the municipality or  
9 redevelopment entity designated by the governing body may  
10 proceed with the clearance, replanning, development and  
11 redevelopment of the area designated in that plan. In order to carry  
12 out and effectuate the purposes of this act and the terms of the  
13 redevelopment plan, the municipality or designated redevelopment  
14 entity may:

15 a. Undertake redevelopment projects, and for this purpose issue  
16 bonds in accordance with the provisions of section 29 of P.L.1992,  
17 c.79 (C.40A:12A-29).

18 b. Acquire property pursuant to subsection i. of section 22 of  
19 P.L.1992, c.79 (C.40A:12A-22).

20 c. Acquire, by condemnation, any land or building which is in a  
21 condemnation redevelopment area pursuant to subsection k. of  
22 section 5 of P.L.192, c.79 (C.40A:12A-5) and necessary for the  
23 redevelopment project, pursuant to the provisions of the "Eminent  
24 Domain Act of 1971," P.L.1971, c.361 (C.20:3-1 et seq.) and the  
25 "Local Redevelopment and Housing Law," P.L.1992, c.79  
26 (C.40A:12A-1 et al.).

27 d. Clear any area owned or acquired and install, construct or  
28 reconstruct streets, facilities, utilities, and site improvements  
29 essential to the preparation of sites for use in accordance with the  
30 redevelopment plan.

31 e. Prepare or arrange by contract for the provision of  
32 professional services and the preparation of plans by registered  
33 architects, licensed professional engineers or planners, or other  
34 consultants for the carrying out of redevelopment projects.

35 f. Arrange or contract with public agencies or redevelopers for  
36 the planning, replanning, construction, or undertaking of any  
37 project or redevelopment work, or any part thereof; negotiate and  
38 collect revenue from a redeveloper to defray the costs of the  
39 redevelopment entity, including where applicable the costs incurred  
40 in conjunction with bonds, notes or other obligations issued by the  
41 redevelopment entity, and to secure payment of such revenue; as  
42 part of any such arrangement or contract, provide for extension of  
43 credit, or making of loans, to redevelopers to finance any project or  
44 redevelopment work, or upon a finding that the project or  
45 redevelopment work would not be undertaken but for the provision  
46 of financial assistance, or would not be undertaken in its intended  
47 scope without the provision of financial assistance, provide as part



1 of an arrangement or contract for capital grants to redevelopers; and  
2 arrange or contract with public agencies or redevelopers for the  
3 opening, grading or closing of streets, roads, roadways, alleys, or  
4 other places or for the furnishing of facilities or for the acquisition  
5 by such agency of property options or property rights or for the  
6 furnishing of property or services in connection with a  
7 redevelopment area.

8 g. Lease or convey property or improvements to any other party  
9 pursuant to this section, without public bidding and at such prices  
10 and upon such terms as it deems reasonable, provided that the lease  
11 or conveyance is made in conjunction with a redevelopment plan,  
12 notwithstanding the provisions of any law, rule, or regulation to the  
13 contrary.

14 h. Enter upon any building or property in any redevelopment  
15 area in order to conduct investigations or make surveys, sounding or  
16 test borings necessary to carry out the purposes of this act.

17 i. Arrange or contract with a public agency for the relocation,  
18 pursuant to the "Relocation Assistance Law of 1967," P.L.1967,  
19 c.79 (C.52:31B-1 et seq.) and the "Relocation Assistance Act,"  
20 P.L.1971, c.362 (C.20:4-1 et seq.), of residents, industry or  
21 commerce displaced from a redevelopment area.

22 j. Make, consistent with the redevelopment plan: (1) plans for  
23 carrying out a program of voluntary repair and rehabilitation of  
24 buildings and improvements; and (2) plans for the enforcement of  
25 laws, codes, and regulations relating to the use and occupancy of  
26 buildings and improvements, and to the compulsory repair,  
27 rehabilitation, demolition, or removal of buildings and  
28 improvements.

29 k. Request that the planning board recommend and governing  
30 body designate particular areas as being in need of redevelopment  
31 or rehabilitation in accordance with the provisions of this act and  
32 make recommendations for the redevelopment or rehabilitation of  
33 such areas.

34 l. Study the recommendations of the planning board or  
35 governing body for redevelopment of the area.

36 m. Publish and disseminate information concerning any  
37 redevelopment area, plan or project.

38 n. Do all things necessary or convenient to carry out its powers.

39 o. Request expedited permit application reviews and approval,  
40 in accordance with P.L.2004, c.89 (C.52:27D-10.2 et al.), for  
41 projects in a redevelopment area, and utilize the New Jersey  
42 Redevelopment Authority for these purposes.

43 (cf: P.L.1992, c.79, s.8)

44  
45 16. (New section) a. For all areas determined to be in need of  
46 redevelopment, the municipality shall submit to the Department of  
47 Community Affairs a map outlining the physical boundaries of the

1 redevelopment area, the preliminary investigation report, and a  
2 copy of the ordinance making the determination. This information  
3 shall be transmitted on or before the 60th day following the  
4 effective date of P.L. , c. (C. ) (pending before the Legislature  
5 as this bill) for areas that were determined to be in need of  
6 redevelopment on or prior to the effective date of P.L. ,  
7 c. (C. ) (pending before the Legislature as this bill), or within 10  
8 days after the area is determined to be in need of redevelopment  
9 after the effective date of P.L. , c. (C. ) (pending before the  
10 Legislature as this bill). The municipality also shall disclose to the  
11 Department of Community Affairs, with updates as required by the  
12 department, an accounting of the cost of all municipal investments  
13 made in the redevelopment area subsequent to the final adoption of  
14 a resolution or ordinance, as applicable, determining the area as in  
15 need of redevelopment, including, but not limited to, the granting of  
16 tax exemptions, the issuance of density bonuses, and the value of  
17 municipal infrastructure provided in the implementation of the plan.  
18 In addition, the municipality shall disclose any other public  
19 infrastructure to be provided in the redevelopment area using public  
20 funds.

21 b. For all condemnations of properties that occur in a  
22 condemnation redevelopment area pursuant to subsection c. of  
23 section 8 of P.L.1992, c.79 (C.40A:12A-8), the municipality shall  
24 submit to the Department of Community Affairs record of the  
25 condemnation and the compensation provided to the property owner  
26 on or before the 10th day following the taking.

27 c. Each year the Department of Community Affairs shall issue a  
28 report that lists the location of all areas currently determined to be  
29 in need of redevelopment in New Jersey; basic data for each area  
30 about its size, population, the status of the redevelopment plan  
31 implementation, the length of time the area has been designated as  
32 an area in need of redevelopment, an accounting of the cost of all  
33 municipal investments and an enumeration of other investments  
34 made in the area using public funds subsequent to the final adoption  
35 of an ordinance determining the area as in need of redevelopment,  
36 as set forth in subsection a. of this section, the number of times  
37 eminent domain has been used in each condemnation  
38 redevelopment area, and data on compensation received by property  
39 owners, when available. This report shall be made available to the  
40 general public upon request and on the Department of Community  
41 Affairs Internet web site.

42

43 17. (New section) a. When a redevelopment entity seeks to  
44 acquire property in a condemnation redevelopment area, the written  
45 offer of just compensation required under section 6 of P.L.1971,  
46 c.361 (C.20:3-6) shall include the amount of the approved appraisal,

1 the amounts required pursuant to section 26 of P.L.1971, c.361  
2 (C.20:3-26), plus:

3 (1) reimbursement for reasonable costs to verify the appraisal on  
4 residential and small business property;

5 (2) reimbursement for reasonable legal costs of the prospective  
6 condemnee to review the basis for condemnation on residential and  
7 small business property, up to \$500;

8 (3) lost rents for period of time between declaration of the  
9 condemnation area and date of taking date of possession by the  
10 redevelopment entity;

11 (4) the amount of relocation assistance that the prospective  
12 condemnee would be entitled; and

13 (5) with regard to a prospective condemnee who has an approved  
14 application for development under the "Municipal Land Use Law,"  
15 P.L.1975, c.291 (C.40:55D-1 et seq.), restitution damages and  
16 expectancy damages related to the approved development, unless  
17 the condemnor can demonstrate that the prospective condemnee is  
18 unable or unwilling to complete the development.

19 b. When the amount of the approved appraisal is less than the  
20 amount of one or more bona fide mortgages, which were valid liens  
21 encumbering the property for not less than 180 days prior to the  
22 initiation of negotiations for the acquisition of such property, the  
23 amount of the written offer shall be no less than the payoff amount  
24 for those mortgage liens, calculated in accordance with the  
25 provision in section 5 of P.L.1971, c.362 (C.20:4-5).

26 c. Notwithstanding the requirements of section 30 of P.L.1971,  
27 c.361 (C.20:3-30) concerning the date for the determination of just  
28 compensation, if applicable, the approved appraisal for the property  
29 shall be calculated on the basis of the date set forth below that  
30 results in the highest appraisal:

31 (1) the date on which action is taken by the condemnor which  
32 substantially affects the use and enjoyment of the property by the  
33 condemnee; or (2) the date on which the property is determined to  
34 be in a condemnation redevelopment area by the governing body.

35 d. If an offer is not accepted and the award of the condemnation  
36 commissioners is increased on appeal pursuant to section 13 of  
37 P.L.1971, c.361 (C.20:3-13), then the condemnor also shall pay the  
38 condemnee's reasonable legal fees expended by the condemnee to  
39 appeal the commissioners' award.

40 e. No property shall be subject to condemnation unless it has  
41 been identified for acquisition in the redevelopment plan or any  
42 amendment thereto, pursuant to paragraph (4), subsection a. of  
43 section 7 of P.L.1992, c.79 (C.40A:12A-7).

44 f. When a non-blighted property is included in a condemnation  
45 redevelopment area, the property shall not be condemned unless the  
46 condemnor is able to certify in its condemnation complaint that it  
47 has exhausted all avenues to acquire the property, that acquisition

1 of the property cannot be negotiated despite its best efforts, and that  
2 the property is necessary to the viability of the redevelopment  
3 project.

4 g. Every resident and small business operator displaced as a  
5 result of a redevelopment project shall have a limited right of first  
6 refusal to purchase or lease a dwelling unit or business space  
7 subsequently constructed within the redevelopment project as set  
8 forth in this section:

9 (1) At such time residents and small business operators are  
10 provided notice under a workable relocation assistance program  
11 pursuant to law or regulation, they shall be provided with the  
12 opportunity to have their names entered into a registry of residents  
13 or a registry of small business operators, as the case may be,  
14 seeking the opportunity to purchase or lease a dwelling unit or  
15 business space, as the case may be, in the redevelopment project.  
16 The registry shall be maintained by the municipal relocation officer  
17 designated under the workable relocation assistance program, a  
18 copy of which shall be forwarded to, and also maintained by, the  
19 Department of Community Affairs.

20 (2) At such time that any residential development containing  
21 more than 10 dwelling units, or any nonresidential or mixed use  
22 development containing more than 18,000 square feet of floor area,  
23 shall be constructed in any redevelopment area as a redevelopment  
24 project, the developer shall notify each individual on the  
25 appropriate registry, by registered mail and by e-mail to their last  
26 known mailing or e-mail address, as may be available, of their  
27 opportunity to purchase or lease a dwelling unit or business space,  
28 as applicable. It shall be the sole responsibility of the individual to  
29 maintain a current mailing address with the registry, and the  
30 developer shall be under no obligation to provide notice except as  
31 set forth in this subsection.

32 (3) From the date of mailing of the notice, the individuals on the  
33 registry shall have 20 business days before the units in such  
34 development are offered to the general public in order to enter into  
35 a contract of purchase or a lease for a unit in the development. Such  
36 contract or lease shall be on the same terms and at the same price as  
37 those on which the unit is initially offered to the general public.

38  
39 18. Section 14 of P.L.1992, c.79 (C.40A:12A-14) is amended to  
40 read as follows:

41 14. a. A delineated area may be determined to be in need of  
42 rehabilitation if the governing body of the municipality determines  
43 by resolution that a program of rehabilitation may be expected to  
44 prevent further deterioration and promote the overall development  
45 of the community and that there exist in that area conditions such  
46 that;

1 (1) a significant portion of structures therein are in a deteriorated  
2 or substandard condition and there is a continuing pattern of  
3 vacancy, abandonment or underutilization of properties in the area,  
4 ~~with which may be reflected in a persistent arrearage of property~~  
5 ~~tax payments thereon; or~~

6 (2) ~~more than half~~ a significant amount of the housing stock  
7 ~~in the delineated area is at least 50 years old, or a majority of the~~  
8 ~~water and sewer~~ or infrastructure in the delineated area, or both, is  
9 ~~at least 50 years old and is~~ in need of repair or substantial  
10 maintenance; and

11 (3) ~~a program of rehabilitation, as defined in section 3 of~~  
12 ~~P.L.1992, c.79 (C.40A:12A-3), may be expected to prevent further~~  
13 ~~deterioration and promote the overall development of the~~  
14 ~~community~~ (Deleted by amendment, P.L. , c. .) (pending  
15 before the Legislature as this bill);

16 (4) ~~areas with a significant portion of its buildings or~~  
17 ~~improvements evidencing dilapidation, obsolescence,~~  
18 ~~overcrowding, faulty arrangement or design, lack of ventilation,~~  
19 ~~light and sanitary facilities, excessive land coverage, deleterious~~  
20 ~~land use or obsolete layout, or any combination of these or other~~  
21 ~~factors; or~~

22 (5) ~~a growing lack or total lack of proper utilization of areas~~  
23 ~~resulting in a stagnant or not fully productive condition of land~~  
24 ~~potentially useful and valuable for contributing to and serving the~~  
25 ~~public health, safety, and welfare.~~

26 ~~The resolution determining that the area is in need of~~  
27 ~~rehabilitation shall be based upon a written report documenting the~~  
28 ~~conditions that provide the basis for the determination that the area~~  
29 ~~is in need of rehabilitation.~~ Where warranted by consideration of  
30 the overall conditions and requirements of the community, a finding  
31 of need for rehabilitation may extend to the entire area of a  
32 municipality. Prior to adoption of the resolution, the governing  
33 body shall submit ~~it~~ the proposed resolution together with the  
34 ~~report that provides the basis for the determination~~ to the municipal  
35 planning board for its review. Within 45 days of its receipt of the  
36 proposed resolution, the municipal planning board shall submit its  
37 recommendations regarding the proposed resolution, including any  
38 modifications which it may recommend, to the governing body for  
39 its consideration. Thereafter, or after the expiration of the 45 days  
40 if the municipal planning board does not submit recommendations,  
41 the governing body may adopt the resolution, with or without  
42 modification. The resolution shall not become effective without the  
43 approval of the commissioner pursuant to section 6 of P.L.1992,  
44 c.79 (C.40A:12A-6), if otherwise required pursuant to that section.

45 b. A delineated area shall be deemed to have been determined to  
46 be an area in need of rehabilitation in accordance with the

1 provisions of this act if it has heretofore been determined to be an  
2 area in need of rehabilitation pursuant to P.L.1975, c.104 (C.54:4-  
3 3.72 et seq.), P.L.1977, c.12 (C.54:4-3.95 et seq.) or P.L.1979,  
4 c.233 (C.54:4-3.121 et seq.).

5 c. (1) A municipality may adopt an ordinance declaring a  
6 renovation housing project to be an area in need of rehabilitation for  
7 the purposes of Article VIII, Section I, paragraph 6 of the New  
8 Jersey Constitution if the need for renovation resulted from  
9 conflagration.

10 (2) For the purposes of this subsection, "renovation housing  
11 project" means any work or undertaking to provide a decent, safe,  
12 and sanitary dwelling, to exclusively benefit a specific household,  
13 by the renovation, reconstruction, or replacement of the household's  
14 home on the same lot by either a charitable entity organized to  
15 perform home renovations or by a for-profit builder using 75% or  
16 more volunteer labor-hours to accomplish the construction for the  
17 project. The undertaking may include any buildings; demolition,  
18 clearance, or removal of buildings from land; equipment; facilities;  
19 or other personal properties or interests therein which are necessary,  
20 convenient, or desirable appurtenances of the undertaking.

21 d. (1) A municipality may adopt an ordinance declaring a  
22 renovation housing project to be an area in need of rehabilitation for  
23 the purposes of Article VIII, Section I, paragraph 6 of the New  
24 Jersey Constitution if at least half of the number of people  
25 occupying the dwelling as their primary residence qualify for a  
26 federal income tax credit pursuant to 26 U.S.C. s.22 as a result of  
27 being permanently and totally disabled and the improvements to be  
28 made to the dwelling are made substantially to accommodate those  
29 disabilities.

30 (2) For the purposes of this subsection, "renovation housing  
31 project" means any work or undertaking to provide a decent, safe,  
32 and sanitary single-family dwelling, to exclusively benefit at least  
33 half of the number of people occupying a dwelling as their primary  
34 residence, by the renovation, reconstruction, or replacement of that  
35 dwelling on the same lot by either a charitable entity organized to  
36 perform home renovations or by a for-profit builder using 75% or  
37 more volunteer labor-hours to accomplish the construction for the  
38 project. The undertaking may include any buildings; demolition,  
39 clearance, or removal of buildings from land; equipment; facilities;  
40 or other personal properties or interests therein which are necessary,  
41 convenient, or desirable appurtenances of the undertaking.  
42 (cf: P.L.2007, c.91, s.1)

43  
44 19. Section 15 of P.L.1992, c.79 (C40A:12A-15) is amended to  
45 read as follows:

46 15. In accordance with the provisions of a redevelopment plan  
47 adopted pursuant to section 7 of P.L.1992, c.79 (C.40A:12A-7), a

1 municipality or redevelopment entity may proceed with clearance,  
2 replanning, conservation, development, redevelopment and  
3 rehabilitation of an area in need of rehabilitation. **【With respect to**  
4 **a redevelopment project in】** In an area in need of rehabilitation, the  
5 municipality or redevelopment entity, upon the adoption of a  
6 redevelopment plan for the area, may perform any of the actions set  
7 forth in section 8 of P.L.1992, c.79 (C.40A:12A-8), except that  
8 **【with respect to such a project】** the municipality shall not have the  
9 power to use eminent domain to take or acquire private property by  
10 condemnation in furtherance of a redevelopment plan, unless **【**: a.  
11 the area is within an area determined to be in need of  
12 redevelopment pursuant to this act; or b.**】** exercise of that power is  
13 authorized under any other law of this State.  
14 (cf: P.L.1992, c.79, s.15)  
15

16 20. (New section) a. Whenever a municipality or  
17 redevelopment entity wishes to enter into an agreement with a  
18 redeveloper and either (1) 20% or more of the redevelopment  
19 project or projects will be constructed on land owned by the  
20 municipality which will be conveyed to that redeveloper, or (2)  
21 20% or more of the project or projects will be constructed upon  
22 land within an area in need of redevelopment that is subject to  
23 acquisition by the municipality or redevelopment entity pursuant to  
24 the redevelopment plan, then the municipality shall approve, by  
25 ordinance, a written agreement designating a redeveloper selected  
26 in accordance with this section.

27 b. The municipality or redevelopment entity shall prepare or  
28 have prepared request for proposal documentation, which shall  
29 include: all requirements deemed appropriate and necessary to  
30 allow for full and free competition between potential redevelopers;  
31 information necessary for potential redevelopers to submit a  
32 proposal, including a copy of the redevelopment plan, a general  
33 description of the project or projects, and such municipal public  
34 records relating to buildings and improvements within the  
35 redevelopment area, including, but not limited to, services provided  
36 by public utilities, building permit, and assessment records; and a  
37 methodology by which the municipality will evaluate and rank  
38 proposals received from potential redevelopers.

39 c. The methodology for selecting a redeveloper shall be based  
40 on an evaluation and ranking which may include overall design,  
41 technical expertise, demonstrated experience on projects similar to  
42 the proposed project, the ability to finance the proposed project, and  
43 such other stated criteria as the municipality shall deem relevant.

44 d. (1) At no time during the proposal solicitation process shall  
45 the municipality or redevelopment entity, or any employee or agent  
46 thereof, knowingly convey information to the public or any  
47 potential redeveloper which could confer an unfair advantage upon

1 that potential redeveloper over any other potential redeveloper. If  
2 the municipality or redevelopment entity desires to change proposal  
3 documentation, the municipality or redevelopment entity shall  
4 notify only those potential developers who received the proposal  
5 documentation of any and all changes in writing, and all existing  
6 documentation shall be changed appropriately.

7 (2) Any person who violates the provisions of this subsection  
8 shall be guilty of a crime of the fourth degree.

9 e. All proposals shall be required to contain a statement of  
10 corporate ownership in accordance with the provisions of section 1  
11 of P.L.1977, c.33 (C.52:25-24.2) and specifications concerning  
12 equal employment opportunity and affirmative action pursuant to  
13 P.L.1975, c.127 (C.10:5-31 et seq.), and the requirement that the  
14 work to be performed under the contract shall ensure that  
15 employment and other economic opportunities generated by the  
16 redevelopment project shall, to the greatest extent feasible, be  
17 directed to businesses that are located, and persons who reside,  
18 within the area determined to be in need of redevelopment or  
19 rehabilitation.

20 f. A notice of the availability of request for proposal  
21 documentation shall be published in an official newspaper of the  
22 municipality at least 30 days prior to the date established for the  
23 submission of proposals. Such notice shall provide the name,  
24 address, and phone number of the person who can provide  
25 additional information and a proposal document to an interested  
26 party. The municipality or redevelopment entity shall promptly  
27 reply to any request by an interested party by providing a copy of  
28 the request for proposals. The municipality or redevelopment entity  
29 may charge a fee for the proposal documentation that shall not  
30 exceed \$50 or the cost of reproducing the documentation,  
31 whichever is greater.

32 g. Each interested potential redeveloper shall submit a proposal  
33 which shall include all the information required by the request for  
34 proposals. Failure to meet the requirements of the request for  
35 proposals may result in the municipality or redevelopment entity  
36 disqualifying the potential redeveloper from further consideration.

37 h. The municipality or redevelopment entity shall review and  
38 evaluate all proposals only in accordance with the methodology  
39 described in the request for proposals. The review shall be  
40 conducted in a manner that avoids disclosure of the contents of any  
41 proposal prior to the selection of a redeveloper. The municipality  
42 or redevelopment entity may conduct discussions with a potential  
43 redeveloper submitting a proposal for the purpose of clarifying the  
44 information submitted in the proposal. The municipality or  
45 redevelopment entity may at any time revise its proposal document  
46 after the review of the submitted proposals if it notifies  
47 simultaneously, and in writing, each potential redeveloper that



1 submitted a proposal of the revision and provides a uniform time  
2 within which the potential redevelopers may submit a revised  
3 proposal for review.

4 i. The municipality or redevelopment entity shall select the  
5 proposal that received the highest evaluation and shall negotiate an  
6 agreement with the potential redeveloper that submitted the selected  
7 proposal. If the municipality or redevelopment entity is unable to  
8 negotiate a satisfactory agreement with the potential redeveloper  
9 that submitted the selected proposal, it may select the proposal that  
10 received the second highest evaluation from among those submitted  
11 and proceed to negotiate a satisfactory contract with the potential  
12 redeveloper that submitted that proposal. The process shall  
13 continue until a redeveloper is selected or the process is abandoned  
14 by the municipality or redevelopment entity. The decision to  
15 abandon the proposal process shall be by a resolution adopted by  
16 the governing body of the municipality or redevelopment entity.

17 j. After a redeveloper has been selected and a satisfactory  
18 agreement has been negotiated, but prior to the execution of the  
19 agreement by the governing body or redevelopment entity, the  
20 municipality or redevelopment entity shall prepare a report  
21 concerning the proposal selection process. The report shall list the  
22 names of all potential redevelopers who submitted a proposal and  
23 shall summarize the proposals of each potential redeveloper. The  
24 report shall contain objective, material reasons, such as, but not  
25 limited to, design, cost of materials, and square footage, as to why  
26 each potential redeveloper who was not selected, was rejected. The  
27 report shall (1) rank the potential redevelopers in order of  
28 evaluation; (2) summarize, in general terms, any unsuccessful  
29 negotiations with potential redevelopers that submitted proposals  
30 which were ranked higher than the proposal of the selected  
31 redeveloper; (3) recommend the selected redeveloper; and (4)  
32 summarize the project to be undertaken and the relevant terms of  
33 the proposed agreement. The municipal clerk shall make the report  
34 available to the members of the governing body of the municipality,  
35 to the members of the redevelopment entity when it is not the  
36 municipality, and to the public at least 48 hours prior to the  
37 introduction of an ordinance authorizing an agreement with the  
38 redeveloper.

39 k. The governing body of the municipality or redevelopment  
40 entity shall have the right to reject all proposals for any reason, but  
41 such reason must be given and the municipality shall not authorize  
42 another request for proposals concerning the same project or  
43 projects for a period of 30 days after the date of rejection or  
44 abandonment by the governing body.

45 l. Nothing in this section shall limit the authority of a  
46 municipality to convey property within a redevelopment area for  
47 nominal consideration to any of the entities designated in section 21

1 of the "Local Lands and Buildings Law," P.L.1971, c.199  
2 (C.40A:12-21) for any of the uses set forth therein, and to enter into  
3 redevelopment agreements with such entities for such uses without  
4 complying with the provisions of this section.

5  
6 21. (New section) a. If any agreement between a  
7 redevelopment entity and a redeveloper shall provide for the use or  
8 potential use of eminent domain by the redevelopment entity, such  
9 agreement shall contain:

10 (1) a block and lot identification of all parcels which may be  
11 subject to eminent domain at the request of the redeveloper;

12 (2) a schedule of acquisition by the redeveloper; and

13 (3) a provision stating that the ability of the redeveloper to  
14 request acquisition by eminent domain shall lapse within five years  
15 of the effective date of the agreement, which provision may only be  
16 further extended by an ordinance adopted by the governing body  
17 after notice to any property owner whose rights will be directly  
18 affected by such an extension.

19 b. All mandatory schedules and time limitations within the  
20 provisions set forth in subsection a. of this section may be subject to  
21 tolling for any contingencies set forth in the agreement.

22  
23 22. (New section) If a court finds that any notice required to be  
24 sent by mail under the "Local Redevelopment and Housing Law,"  
25 P.L.1992, c.79 (C.40A:12A-1 et al.), was defective, the court may  
26 order all or certain redevelopment activities to be suspended until  
27 the defective notices have been remedied and the interests of the  
28 parties accommodated to the court's satisfaction.

29  
30 23. Section 5 of P.L.1996, c.62 (C.55:19-24) is amended to read  
31 as follows:

32 5. The authority shall have the following powers:

33 a. to sue and be sued;

34 b. to have a seal and alter the same at the authority's pleasure;

35 c. to enter into contracts upon such terms and conditions as the  
36 authority shall determine to be reasonable, including, but not  
37 limited to, reimbursement for the planning, designing, financing,  
38 construction, reconstruction, improvement, equipping, furnishing,  
39 operation and maintenance of the project and to pay or compromise  
40 any claims arising therefrom;

41 d. to make and alter bylaws for its organization and internal  
42 management and, subject to agreements with noteholders or  
43 bondholders, to make rules and regulations with respect to its  
44 projects, operations, properties and facilities;

45 e. to invest any funds held in reserve or sinking funds, or any  
46 moneys not required for immediate use and disbursement, at the  
47 discretion of the authority, in obligations of this State or of the

- 1 United States, or obligations the principal and interest of which are  
2 guaranteed by this State or the United States;
- 3 f. to sell, lease, assign, transfer, convey, exchange, mortgage, or  
4 otherwise dispose of or encumber any project, and in the case of the  
5 sale of any project, to accept a purchase money mortgage in  
6 connection therewith; and to lease, repurchase or otherwise acquire  
7 and hold any project which the corporation has theretofore sold,  
8 leased or otherwise conveyed, transferred or disposed of;
- 9 g. to acquire or contract to acquire from any individual,  
10 partnership, trust, association or corporation, or any public agency,  
11 by grant, purchase or otherwise, real or personal property or any  
12 interest therein; to own, hold, clear, improve, rehabilitate and  
13 develop, and to sell, assign, exchange, transfer, convey, lease,  
14 mortgage or otherwise dispose of or encumber the same;
- 15 h. to acquire in the name of the authority by purchase or  
16 otherwise, on such terms and conditions and such manner as it may  
17 deem proper any lands or interests therein or other property which it  
18 may determine is reasonably necessary for any project;
- 19 i. to acquire, construct, reconstruct, rehabilitate, improve, alter  
20 or repair or provide for construction, reconstruction, rehabilitation,  
21 improvement, alteration or repair of any project;
- 22 j. to arrange or contract with a municipality for the planning,  
23 replanning, opening, grading or closing of streets, roads, roadways,  
24 alleys or other places, or for the furnishing of facilities or for the  
25 acquisition by a municipality of property or property rights or for  
26 the furnishing of property or services, in connection with a project;
- 27 k. to grant options to purchase any project or to renew any  
28 leases entered into by it in connection with any of its projects, on  
29 such terms and conditions as it may deem advisable;
- 30 l. to prepare or cause to be prepared plans, specifications,  
31 designs and estimates of costs for the construction, reconstruction,  
32 rehabilitation, improvement, alteration or repair of any project, and  
33 from time to time to modify such plans, specifications, designs or  
34 estimates;
- 35 m. to manage any project, whether then owned or leased by the  
36 authority, and to enter into agreements with any individual,  
37 partnership, trust, association or corporation, or with any public  
38 agency, for the purpose of causing any project to be managed;
- 39 n. to hold any property owned or acquired by the authority in the  
40 name of the authority;
- 41 o. to provide advisory, consultative, training and educational  
42 services, technical assistance and advice to any individual,  
43 partnership, trust, association or corporation, or to any public  
44 agency, in order to carry out the purposes of P.L.1996, c.62  
45 (C.55:19-20 et al.);
- 46 p. to issue, purchase, pledge and sell stock in projects of the  
47 authority and to purchase, sell or pledge the shares, or other

- 1 obligations or securities of any subsidiary corporation, on such  
2 terms and conditions as the authority or subsidiary corporation may  
3 deem advisable;
- 4 q. subject to the provisions of any contract with noteholders, to  
5 consent to the modification, with respect to rate of interest, time of  
6 payment or any installment of principal or interest, security, or any  
7 other terms, of any loan, mortgage, commitment, contract or  
8 agreement of any kind to which the authority is a party;
- 9 r. in connection with any property on which it has made a  
10 mortgage loan, to foreclose on the property or commence any action  
11 to protect or enforce any right conferred upon it by any law,  
12 mortgage, contract or other agreement, and to bid for or purchase  
13 the property at any foreclosure or at any other sale, or acquire or  
14 take possession of the property; and in such event the authority  
15 may complete, administer, pay the principal of and interest on any  
16 obligations incurred in connection with the property, dispose of and  
17 otherwise deal with the property, in such manner as may be  
18 necessary or desirable to protect the interests of the authority  
19 therein;
- 20 s. to acquire, purchase, manage and operate, hold and dispose of  
21 real and personal property or interests therein, take assignments of  
22 rentals and leases and make and enter into all contracts, leases,  
23 agreements and arrangements necessary or incidental to the  
24 performance of its duties;
- 25 t. to purchase, acquire and take assignments of notes, mortgages  
26 and other forms of security and evidences of indebtedness;
- 27 u. to extend credit or make loans to any person for the planning,  
28 designing, acquiring, constructing, reconstructing, improving,  
29 equipping and furnishing of a project, which credits or loans may be  
30 secured by loan and security agreements, mortgages, leases and any  
31 other instruments, upon such terms and conditions as the authority  
32 shall deem reasonable, including provision for the establishment  
33 and maintenance of reserve and insurance funds, and to require the  
34 inclusion in any mortgage, lease, contract, loan and security  
35 agreement or other instrument, such provisions for the construction,  
36 use, operation and maintenance and financing of a project as the  
37 authority may deem necessary or desirable;
- 38 v. to borrow money, secure credit against the assets of the  
39 authority on a temporary, short-term, interim or long-term basis and  
40 to issue bonds of the authority and to provide for the rights of the  
41 holders thereof, as provided in P.L.1996, c.62 (C.55:19-20 et al.);
- 42 w. to make short-term loans or advances to developers for  
43 construction in anticipation of the issuance of permanent loans;
- 44 x. to exercise sole authority for investment, reinvestment or  
45 expenditure of its revenues, fund balances and appropriations  
46 consistent with the purposes of P.L.1996, c.62 (C.55:19-20 et al.)  
47 on projects and investments utilizing revenues from the sale of

- 1 revenue bonds, which projects shall be subject to the approval of  
2 the State Treasurer, and the Treasurer's actions shall be based solely  
3 on his fiduciary role to ensure that all applicable federal and State  
4 tax laws are adhered to regarding the investment of bond funds;
- 5 y. notwithstanding any law to the contrary, and upon resolution  
6 of the municipal governing body, to act as the redevelopment  
7 agency of any municipality in which there is not established a  
8 redevelopment agency pursuant to subsection a. of section 11 of  
9 P.L.1992, c.79 (C.40A:12A-11) and which is not precluded from  
10 establishing such an agency;
- 11 z. in connection with any application for assistance under  
12 P.L.1996, c.62 (C.55:19-20 et al.) or commitments therefor, to  
13 require and collect such fees and charges as the authority shall  
14 determine to be reasonable;
- 15 aa. to establish, levy and collect, in connection with any civic  
16 project or utilities project managed or operated by the authority,  
17 whether then owned or leased by the authority, user fees and facility  
18 charges;
- 19 bb. to procure insurance against any loss in connection with its  
20 property and other assets and operations, in such amounts and from  
21 such insurers as it deems desirable;
- 22 cc. to employ consulting engineers, architects, attorneys, real  
23 estate counselors, appraisers, and such other consultants and  
24 employees as may be required in the judgment of the authority to  
25 carry out the purposes of the act, and to fix and pay their  
26 compensation from funds available to the authority therefor, all  
27 without regard to the provisions of Title 11A, Civil Service, of the  
28 New Jersey Statutes;
- 29 dd. to contract for, and to accept, any gifts or grants or loans of  
30 funds or property or financial or other aid in any form from the  
31 federal government or any agency or instrumentality thereof, or  
32 from the State or a municipality or any agency or instrumentality  
33 thereof, or from any other source, and, subject to the provisions of  
34 P.L.1996, c.62 (C.55:19-20 et al.) and any other applicable law, to  
35 comply with the terms and conditions thereof;
- 36 ee. to create subsidiary corporations as provided in section 8 of  
37 P.L.1996, c.62 (C.55:19-27);
- 38 ff. to assist municipalities, counties, public or private county and  
39 municipal development agencies, district management corporations  
40 created pursuant to section 4 of P.L.1972, c.134 (C.40:56-68),  
41 community action boards established pursuant to section 4 of  
42 P.L.1991, c.51 (C.52:27D-398), or sponsors of neighborhood  
43 empowerment organizations, in formulating and implementing  
44 community redevelopment plans, which shall include, but not be  
45 limited to, neighborhood restoration, residential development, and  
46 industrial and commercial development;

1       gg. to fund, or assist in funding, community redevelopment  
2 projects by municipalities, counties, public or private county and  
3 municipal development agencies, district management corporations  
4 created pursuant to section 4 of P.L.1972, c.134 (C.40:56-68),  
5 community action boards established pursuant to section 4 of  
6 P.L.1991, c.51 (C.52:27D-398), or sponsors of neighborhood  
7 empowerment organizations, which shall include, but not be limited  
8 to, direct loan assistance, including loan guarantees, procuring  
9 capital from private developers and lending institutions, and  
10 facilitating access to State, federal, and private sources of loans or  
11 grants, including, but not limited to, the New Jersey Economic  
12 Development Authority and the Casino Redevelopment Authority;

13       hh. to assist in providing access to support services, including  
14 technical assistance and job training programs, for projects  
15 developed in connection with comprehensive community  
16 redevelopment plans and neighborhood empowerment programs  
17 established pursuant to this act;

18       ii. to provide assistance to urban areas in attracting industrial  
19 and commercial projects, in rehabilitating existing industrial and  
20 commercial facilities to restore them to productive use through the  
21 establishment of marketing programs and incentive programs;

22       jj. to assist in facilitating the work of the Office of  
23 Neighborhood Empowerment established pursuant to this act, which  
24 assistance shall include, but not be limited to, providing  
25 professional or technical expertise and funding for the  
26 establishment and implementation of neighborhood empowerment  
27 plans developed pursuant to this act;

28       kk. to enter into partnerships with private developers, the New  
29 Jersey Economic Development Authority or any other public entity,  
30 for the purpose of community redevelopment, and establish fees  
31 therefor;

32       ll. to enter into agreements with municipalities or counties  
33 regarding projects to be financed through the use of payment in lieu  
34 of taxes, as provided for in section 33 of P.L.1996, c.62 (C.55:19-  
35 52); **[and]**

36       mm. to do any and all things necessary or convenient to carry  
37 out its purposes and exercise the powers given and granted in  
38 P.L.1996, c.62 (C.55:19-20 et al.); and

39       nn. to have all of the powers and authority of the Smart Growth  
40 Ombudsman under P.L.2004, c.89 (C.52:27D-10.2 et al.), that are  
41 necessary to facilitate and expedite the review and approval of  
42 permits in areas determined to be in need of redevelopment  
43 pursuant to sections 5 and 6 of P.L.1992, c.79 (C.40A:12A-5 and  
44 40A:12A-6).

45 (cf: P.L.1996, c.62, s.5)

46  
47       24. R.S.40:8-1 is amended to read as follows:

1       40:8-1. The governing body of any county and the governing  
2 body of any municipality, or either of them, may acquire by gift,  
3 grant, purchase, condemnation or in any other lawful manner real  
4 estate or any right or interest therein for airport purposes and so use  
5 lands theretofore acquired for other public purposes and being used  
6 for airport purposes and erect thereon and maintain buildings for the  
7 airport purposes, except that no county, municipality, school  
8 district, or their agencies, shall acquire by condemnation any  
9 airport, or property bordering an airport, that has had its  
10 development rights purchased under section 11 of P.L.1983, c.264  
11 (C.6:1-95), or any other law, or any property bordering an airport  
12 that is within the confines of a New Jersey Department of  
13 Transportation approved Master Plan, or an airport safety zone, as  
14 defined in section 3 of the "Air Safety and Zoning Act of 1983,"  
15 P.L.1983, c.260 (C.6:1-82).

16       Upon such acquisition or use, the governing body of any county  
17 and the governing body of any municipality, or either of them, may  
18 lease the real estate, so acquired, with or without consideration to  
19 the state of New Jersey, or any agency thereof, or may lease it to  
20 any person for such consideration and for such term of years as may  
21 be agreed upon.

22       (cf: R.S.40:8-1)

23

24       25. Section 12 of P.L.1991, c.431 (C.40A:20-12) is amended to  
25 read as follows:

26       12. The rehabilitation or improvements made in the  
27 development or redevelopment of a redevelopment area or area  
28 appurtenant thereto or for a redevelopment relocation housing  
29 project, pursuant to P.L.1991, c.431 (C.40A:20-1 et seq.), shall be  
30 exempt from taxation for a limited period as hereinafter provided.  
31 When housing is to be constructed, acquired or rehabilitated by an  
32 urban renewal entity, the land upon which that housing is situated  
33 shall be exempt from taxation for a limited period as hereinafter  
34 provided. The exemption shall be allowed when the clerk of the  
35 municipality wherein the property is situated shall certify to the  
36 municipal tax assessor that a financial agreement with an urban  
37 renewal entity for the development or the redevelopment of the  
38 property, or the provision of a redevelopment relocation housing  
39 project, or the provision of a low and moderate income housing  
40 project has been entered into and is in effect as required by  
41 P.L.1991, c.431 (C.40A:20-1 et seq.).

42       Delivery by the municipal clerk to the municipal tax assessor of  
43 a certified copy of the ordinance of the governing body approving  
44 the tax exemption and financial agreement with the urban renewal  
45 entity shall constitute the required certification. For each  
46 exemption granted pursuant to P.L.2003, c.125 (C.40A:12A-4.1 et  
47 al.), upon certification as required hereunder, the tax assessor shall

1 implement the exemption and continue to enforce that exemption  
2 without further certification by the clerk until the expiration of the  
3 entitlement to exemption by the terms of the financial agreement or  
4 until the tax assessor has been duly notified by the clerk that the  
5 exemption has been terminated.

6 Upon the adoption of a financial agreement pursuant to  
7 P.L.1991, c.431 (C.40A:20-1 et seq.), a certified copy of the  
8 ordinance of the governing body approving the tax exemption and  
9 the financial agreement with the urban renewal entity shall  
10 forthwith be transmitted to the Director of the Division of Local  
11 Government Services. The governing body also shall post  
12 information concerning the financial agreement, and the tax  
13 exemption granted thereunder, on its official Internet web site, if  
14 any, along with similar information concerning every other  
15 financial agreement in effect in the municipality, in a form as  
16 determined appropriate through rule and regulation of the director.  
17 A database of financial agreements in effect throughout the State,  
18 including details identifying the parties, the effective dates, the  
19 amounts of the exemptions granted, and the amount of any services  
20 charges also shall be published electronically by the director on the  
21 Internet web site of the Department of Community Affairs, to the  
22 extent that those data are available.

23 Whenever an exemption status changes during a tax year, the  
24 procedure for the apportionment of the taxes for the year shall be  
25 the same as in the case of other changes in tax exemption status  
26 during the tax year. Tax exemptions granted pursuant to P.L.2003,  
27 c.125 (C.40A:12A-4.1 et al.) represent long term financial  
28 agreements between the municipality and the urban renewal entity  
29 and as such constitute a single continuing exemption from local  
30 property taxation for the duration of the financial agreement. The  
31 validity of a financial agreement or any exemption granted pursuant  
32 thereto may be challenged only by filing an action in lieu of  
33 prerogative writ within 20 days from the publication of a notice of  
34 the adoption of an ordinance by the governing body granting the  
35 exemption and approving the financial agreement. Such notice  
36 shall be published in a newspaper of general circulation in the  
37 municipality and in a newspaper of general circulation in the county  
38 if different from the municipal newspaper.

39 a. The duration of the exemption for urban renewal entities shall  
40 be as follows: for all projects, a term of not more than 30 years  
41 from the completion of the entire project, or unit of the project if  
42 the project is undertaken in units, or not more than 35 years from  
43 the execution of the financial agreement between the municipality  
44 and the urban renewal entity.

45 b. During the term of any exemption, in lieu of any taxes to be  
46 paid on the buildings and improvements of the project and, to the  
47 extent authorized pursuant to this section, on the land, the urban



1 renewal entity shall make payment to the municipality of an annual  
2 service charge, which shall remit a portion of that revenue to the  
3 county as provided hereinafter. In addition, the municipality may  
4 assess an administrative fee, not to exceed two percent of the annual  
5 service charge, for the processing of the application. The annual  
6 service charge for municipal services supplied to the project to be  
7 paid by the urban renewal entity for any period of exemption, shall  
8 be determined as follows:

9 (1) An annual amount equal to a percentage determined pursuant  
10 to this subsection and section 11 of P.L.1991, c.431 (C.40A:20-11),  
11 of the annual gross revenue from each unit of the project, if the  
12 project is undertaken in units, or from the total project, if the project  
13 is not undertaken in units. The percentage of the annual gross  
14 revenue shall not be more than 15% in the case of a low and  
15 moderate income housing project, nor less than 10% in the case of  
16 all other projects.

17 At the option of the municipality, or where because of the nature  
18 of the development, ownership, use or occupancy of the project or  
19 any unit thereof, if the project is to be undertaken in units, the total  
20 annual gross rental or gross shelter rent or annual gross revenue  
21 cannot be reasonably ascertained, the governing body shall provide  
22 in the financial agreement that the annual service charge shall be a  
23 sum equal to a percentage determined pursuant to this subsection  
24 and section 11 of P.L.1991, c.431 (C.40A:20-11), of the total  
25 project cost or total project unit cost determined pursuant to  
26 P.L.1991, c.431 (C.40A:20-1 et seq.) calculated from the first day  
27 of the month following the substantial completion of the project or  
28 any unit thereof, if the project is undertaken in units. The  
29 percentage of the total project cost or total project unit cost shall not  
30 be more than 2% in the case of a low and moderate income housing  
31 project, and shall not be less than 2% in the case of all other  
32 projects.

33 (2) In either case, the financial agreement shall establish a  
34 schedule of annual service charges to be paid over the term of the  
35 exemption period, which shall be in stages as follows:

36 (a) For the first stage of the exemption period, which shall  
37 commence with the date of completion of the unit or of the project,  
38 as the case may be, and continue for a time of not less than six years  
39 nor more than 15 years, as specified in the financial agreement, the  
40 urban renewal entity shall pay the municipality an annual service  
41 charge for municipal services supplied to the project in an annual  
42 amount equal to the amount determined pursuant to paragraph (1) of  
43 this subsection and section 11 of P.L.1991, c.431 (C.40A:20-11).  
44 For the remainder of the period of the exemption, if any, the annual  
45 service charge shall be determined as follows:

46 (b) For the second stage of the exemption period, which shall not  
47 be less than one year nor more than six years, as specified in the

1 financial agreement, an amount equal to either the amount  
2 determined pursuant to paragraph (1) of this subsection and section  
3 11 of P.L.1991, c.431 (C.40A:20-11), or 20% of the amount of  
4 taxes otherwise due on the value of the land and improvements,  
5 whichever shall be greater;

6 (c) For the third stage of the exemption period, which shall not  
7 be less than one year nor more than six years, as specified in the  
8 financial agreement, an amount equal to either the amount  
9 determined pursuant to paragraph (1) of this subsection and section  
10 11 of P.L.1991, c.431 (C.40A:20-11), or 40% of the amount of  
11 taxes otherwise due on the value of the land and improvements,  
12 whichever shall be greater;

13 (d) For the fourth stage of the exemption period, which shall not  
14 be less than one year nor more than six years, as specified in the  
15 financial agreement, an amount equal to either the amount  
16 determined pursuant to paragraph (1) of this subsection and section  
17 11 of P.L.1991, c.431 (C.40A:20-11), or 60% of the amount of  
18 taxes otherwise due on the value of the land and improvements,  
19 whichever shall be greater; and

20 (e) For the final stage of the exemption period, the duration of  
21 which shall not be less than one year and shall be specified in the  
22 financial agreement, an amount equal to either the amount  
23 determined pursuant to paragraph (1) of this subsection and section  
24 11 of P.L.1991, c.431 (C.40A:20-11), or 80% of the amount of  
25 taxes otherwise due on the value of the land and improvements,  
26 whichever shall be greater.

27 If the financial agreement provides for an exemption period of  
28 less than 30 years from the completion of the entire project, or less  
29 than 35 years from the execution of the financial agreement, the  
30 financial agreement shall set forth a schedule of annual service  
31 charges for the exemption period which shall be based upon the  
32 minimum service charges and staged adjustments set forth in this  
33 section.

34 The annual service charge shall be paid to the municipality on a  
35 quarterly basis in a manner consistent with the municipality's tax  
36 collection schedule.

37 Each municipality which enters into a financial agreement on or  
38 after the effective date of P.L.2003, c.125 (C.40A:12A-4.1 et al.)  
39 shall remit 5 percent of the annual service charge to the county  
40 upon receipt of that charge in accordance with the provisions of this  
41 section.

42 Against the annual service charge the urban renewal entity shall  
43 be entitled to credit for the amount, without interest, of the real  
44 estate taxes on land paid by it in the last four preceding quarterly  
45 installments.

46 Notwithstanding the provisions of this section or of the financial  
47 agreement, the minimum annual service charge shall be the amount

1 of the total taxes levied against all real property in the area covered  
2 by the project in the last full tax year in which the area was subject  
3 to taxation, and the minimum annual service charge shall be paid in  
4 each year in which the annual service charge calculated pursuant to  
5 this section or the financial agreement would be less than the  
6 minimum annual service charge.

7 c. All exemptions granted pursuant to the provisions of  
8 P.L.1991, c.431 (C.40A:20-1 et seq.) shall terminate at the time  
9 prescribed in the financial agreement.

10 Upon the termination of the exemption granted pursuant to the  
11 provisions of P.L.1991, c.431 (C.40A:20-1 et seq.), the project, all  
12 affected parcels, land and all improvements made thereto shall be  
13 assessed and subject to taxation as are other taxable properties in  
14 the municipality. After the date of termination, all restrictions and  
15 limitations upon the urban renewal entity shall terminate and be at  
16 an end upon the entity's rendering its final accounting to and with  
17 the municipality.

18 (cf: P.L.2003, c.125, s.11)

19  
20 26. This act shall take effect on the first day of the fourth month  
21 next following enactment. Any final action taken by a municipality  
22 or redevelopment entity with respect to: a determination that an area  
23 is in need of redevelopment or in need of rehabilitation; enactment  
24 of a redevelopment plan; or designation of a redeveloper, or  
25 approval of a redevelopment agreement, prior to the effective date  
26 of this act shall have full force and effect, but any subsequent  
27 official action by the municipality or redevelopment entity after the  
28 effective date of this act shall be subject to its provisions.

## 31 STATEMENT

32  
33 This bill is intended to preserve the ability of municipalities to  
34 redevelop blighted areas while enhancing the notice and hearing  
35 requirements afforded under current law and ensuring that owners  
36 of property acquired by public entities are afforded just  
37 compensation and appropriate relocation benefits. Under the bill,  
38 redevelopment determinations that would not contain authorizations  
39 to utilize eminent domain would be made under procedures and in  
40 accordance with criteria substantially similar to that contained in  
41 current law. The designation of areas in which eminent domain  
42 could be utilized would be subject to more rigorous notice and other  
43 transparency provisions.

44 Sections 1 and 2 of the bill would amend provisions of the  
45 "Eminent Domain Act of 1971" in order to afford those whose  
46 properties are sought to be acquired a greater opportunity to  
47 negotiate for just compensation of their properties, specifically by:

- 1 - requiring a condemnor's written offer to include a copy of the  
2 appraisal upon which the offer has been based and which was  
3 approved by the condemnor;
- 4 - empowering condemnees to provide appraisers with information  
5 and require appraisers to transmit that information to the taking  
6 agency which, in turn will be required to consider that  
7 information in calculating its offer;
- 8 - prohibiting offers from being less than the payoff amount of  
9 valid mortgages encumbering the property sought to be  
10 condemned;
- 11 - providing condemnees a 45-day period to review the offer  
12 (extendable up to 70 days total) with rights to:
  - 13 (1) request more information from the condemnor,
  - 14 (2) meet with a representative of the condemnor, and
  - 15 (3) obtain their own appraisals;
- 16 - providing that at the expiration of the time period or rejection of  
17 the offer, transmittal of the condemnor's letter to the condemnee  
18 concludes negotiations and establishes the right of the  
19 condemnor to file a complaint for condemnation;
- 20 - expediting determinations to condemn for redevelopment  
21 purposes.

22 Sections 3 through 8 of the bill would make substantial changes  
23 to the "Relocation Assistance Act."

24 This would be accomplished by:

- 25 - amending the definition of "taking agency" under this act to  
26 indicate that property owners whose properties are acquired (not  
27 just condemned) by public entities who have the power to  
28 condemn are entitled to relocation assistance.
- 29 - increasing various amounts of relocation assistance, which  
30 amounts have not been increased since adopted in 1971.
- 31 - enhancing rental assistance to renters displaced by  
32 condemnation, specifically by increasing from 4 to 5 years the  
33 period of lease payments and removing the \$4,000 cap on lease  
34 payments.
- 35 - requiring a taking agency to pay a "location premium" to  
36 represent the intangible loss that a business owner of a property  
37 acquired pursuant to a redevelopment plan might suffer if  
38 relocated from a site with favorable pedestrian, mass transit or  
39 vehicular traffic.
- 40 - providing that all relocation assistance payment amounts revised  
41 under this bill would increase annually to reflect inflation.

42 Section 9 of the bill would amend the "Municipal Land Use  
43 Law" to allow municipal master plans to include a redevelopment  
44 plan element.

45 Sections 10 through 22 of the bill would amend and supplement  
46 the "Local Redevelopment and Housing Law" (LRHL). The bill is  
47 designed to allow public entities to designate blighted areas as

1 “redevelopment areas for tax exemption purposes” or as  
2 “condemnation redevelopment areas.” Designation of a blighted  
3 area as a “redevelopment area for tax exemption purposes” would  
4 be a more simplified process than that set forth for designation of a  
5 blighted area as a “condemnation redevelopment area,” however,  
6 the power of eminent domain under the LRHL could only be  
7 utilized in “condemnation redevelopment areas.”

8 Section 12 of the bill would amend N.J.S.A. 40A:12A-5, the  
9 provision of the LRHL setting forth the criteria for determining  
10 whether an area is in need of redevelopment. While deleting the  
11 current criteria, subsections a. through h. of the section, the bill  
12 would reestablish those criteria, with minor modifications, in a new  
13 subsection i. as the criteria which must exist to determine that an  
14 area is a “redevelopment area for tax exemption purposes.” The  
15 modifications from current law are the elimination of the “smart  
16 growth” criteria contained in current subsection h., the addition of a  
17 new criteria to address contaminated properties, shortening the time  
18 frame that unimproved vacant land must remain vacant from 10  
19 years to five years, and clarifying the criteria concerning lack of  
20 proper utilization due to the condition of title and ownership by  
21 providing that the “other conditions” must be other *similar*  
22 conditions to those explicitly listed. The bill would add a new  
23 subsection j. to this section to provide that whenever a proposed  
24 “area in need of redevelopment for tax exemption purposes”  
25 contains parcels that do not satisfy one of the criteria, and those  
26 parcels exceed 20% of the land mass of the proposed area, the  
27 planning board would be required to hold an additional public  
28 hearing.

29 This section would also be amended by adding a new subsection  
30 k. setting forth criteria for the designation of a “condemnation  
31 redevelopment area.” These criteria are similar to the criteria  
32 contained in current law and those set forth above for determination  
33 that an area is in need of redevelopment for tax exemption purposes  
34 but more rigorous in that they omit one of the most often criticized  
35 criteria, the one concerning lack of proper utilization of the  
36 property. This section is also being amended by the addition of a  
37 new subsection l. providing that if a proposed “condemnation  
38 redevelopment area” includes non-blighted parcels comprising more  
39 than 10% of the land mass of the proposed area, the municipality  
40 would be required to adopt a separate ordinance authorizing the  
41 inclusion in the area of those parcels.

42 Section 13 of the bill amends N.J.S.A. 40A:12A-6 to enhance the  
43 transparency of the process. Parallel provisions are set forth in  
44 subsections a. through d., for designation of an area as a  
45 redevelopment area for tax exemption purposes, and in subsections  
46 e. through g., for designation of an area as a condemnation  
47 redevelopment area, providing greater protections to potentially

1 aggrieved members of the general public in the process governing  
2 the designation of an area as a condemnation redevelopment area.  
3 This section provides that a redevelopment area designation would  
4 lapse after 10 years.

5 Section 14 amends N.J.S.A. 40A:12A-7 to expand the scope of  
6 redevelopment plans to identify the benefits and costs that can be  
7 envisioned through the redevelopment of the area. In addition to an  
8 analysis of the land use controls, a redevelopment plan would be  
9 required to contain an inventory of environmental, historical and  
10 cultural assets within the redevelopment area, together with  
11 preservation and conservation strategies for such assets.  
12 Additionally, the redevelopment plan would need to quantify the  
13 impact of the plan on surrounding areas and the legal obligations  
14 applicable to low and moderate income persons within the  
15 municipality and the relocation needs arising from any displacement  
16 of residents or businesses as a result of the plan. A redevelopment  
17 plan would estimate the number of jobs, temporary and permanent,  
18 that will be available to low and moderate income residents of the  
19 redevelopment area. A redevelopment plan would also need to  
20 document consistency with smart growth planning principles.  
21 These provisions will ensure that local governing bodies consider  
22 all relevant factors before adopting a plan. This section of the bill  
23 details numerous steps to enhance the transparency of the adoption  
24 of redevelopment plans, addressing issues such as notice and  
25 hearings, affording affected residents and the public opportunities  
26 to inspect a proposed plan, and specifying the mechanism to prepare  
27 major and minor amendments to redevelopment plans.

28 Section 15 amends N.J.S.A. 40A:12A-8 to provide that property  
29 could only be condemned in furtherance of a redevelopment project  
30 if the property is in a “condemnation redevelopment area.” This  
31 section also allows the municipality or redevelopment entity to  
32 request the assistance of the New Jersey Redevelopment Authority  
33 (NJRA) to expedite permit applications and approvals in the  
34 redevelopment area. (Section 23 of the bill provides the NJRA with  
35 all the powers and authority of the smart growth ombudsman  
36 necessary to facilitate and expedite permits in redevelopment areas.)

37 Section 16, a new section, would require a municipality to  
38 submit to the Department of Community Affairs (DCA) a map  
39 outlining the boundaries of redevelopment areas, the investigation  
40 report and the ordinance making the determination. Additional  
41 accounting to DCA would be required under this section to enable  
42 DCA to annually issue a report on the use of redevelopment in New  
43 Jersey.

44 Section 17 adds a new section setting forth rules governing  
45 property acquisitions in condemnation areas intended to ensure that  
46 property owners who lose their properties to redevelopment projects  
47 are fairly compensated.

1 In addition to the appraised value of the property being taken, the  
2 written offer of just compensation would have to include:

- 3 (1) reimbursement for reasonable costs to verify the appraisal;  
4 (2) reasonable legal costs of the prospective condemnee to  
5 review the basis for condemnation;  
6 (3) lost rents for the period of time between declaration of the  
7 condemnation area and date of taking possession by the  
8 redevelopment entity;  
9 (4) the amount of relocation assistance that the prospective  
10 condemnee would be entitled; and  
11 (5) with regard to a prospective condemnee who has an approved  
12 application for development under the "Municipal Land Use Law,"  
13 P.L.1975, c.291 (C.40:55D-1 et seq.), restitution damages and  
14 expectancy damages related to the approved development, unless  
15 the condemnor can demonstrate that the prospective condemnee is  
16 unable or unwilling to complete the development.

17 Furthermore, the amount of the written offer could be no less than  
18 the payoff amount for bona fide mortgages encumbering the  
19 property.

20 The section also provides that an appraisal for the property must  
21 reflect its highest value at either:

- 22 (1) the date on which action is taken by the condemnor which  
23 substantially affects the use and enjoyment of the property by the  
24 condemnee; or  
25 (2) the date on which the property is determined to be in a  
26 condemnation redevelopment area.

27 Under this section, whenever an award is increased on appeal,  
28 the condemnor also shall pay the condemnee's reasonable legal fees  
29 expended by the condemnee to appeal the commissioners' award.

30 This section also provides that when a "non-blighted" property is  
31 included in a condemnation redevelopment area, the property shall  
32 not be condemned unless the condemnor is able to certify in its  
33 condemnation complaint that it has exhausted all avenues to acquire  
34 the property, that acquisition of the property cannot be negotiated  
35 despite its best efforts, and that the property is necessary to the  
36 viability of the redevelopment project.

37 This section also bestows upon every resident and small business  
38 operator displaced because of redevelopment, a right of first refusal  
39 to purchase or lease property in the redevelopment area post-  
40 development.

41 Sections 18 and 19 amend N.J.S.A.40A:12A-14 and 40A:12A-  
42 15, respectively, by expanding the criteria for areas in need of  
43 rehabilitation. Areas in need of rehabilitation exist today and can  
44 be subjected to the controls and visions set forth in the  
45 redevelopment plan. Municipalities have the same powers to  
46 implement a redevelopment plan for an area in need of  
47 rehabilitation as a redevelopment area, except that municipalities

1 cannot exercise the power of eminent domain. The proposed  
2 changes are designed to permit certain parcels to be designated an  
3 area in need of rehabilitation if they would be qualified for  
4 designation as an area in need of redevelopment under current law,  
5 but would not support such designation under the proposed  
6 amendments. The bill would allow municipalities to identify areas  
7 that may be studied in the future for designation as redevelopment  
8 or rehabilitation areas when revising municipal master plans.

9 Section 20 sets forth a process for selecting redevelopers for  
10 large redevelopment projects.

11 Section 21 requires documentation in redeveloper agreements  
12 about properties subject to condemnation. A provision of this  
13 section provides that the ability of a redeveloper to request  
14 acquisition by eminent domain lapses five years from the date of the  
15 agreement unless extended by the municipal governing body upon  
16 notice to affected property owners of a hearing on the matter.

17 Section 22 provides that if a court finds any notice required  
18 under the LRHL to be defective, the court may order all or certain  
19 redevelopment activities suspended until the defect is remedied.

20 Section 23 provides the NJRA with all the powers and authority  
21 of the smart growth ombudsman necessary to facilitate and expedite  
22 permits in redevelopment areas.

23 Section 24 contains provisions designed to protect certain  
24 airports from eminent domain.

25 Section 25 amends N.J.S.A. 40A:20-12 to establish a reporting  
26 requirement for financial agreements and tax exemptions granted  
27 under the "Long Term Tax Exemption Law."

28 Section 26 is the bill's effective date. It provides that the bill  
29 would be effective on the first day of the fourth month next  
30 following enactment. Recognizing that a redevelopment process  
31 contains four distinctive steps: designation of an area in need of  
32 redevelopment or rehabilitation, adoption of a redevelopment plan,  
33 designation of a redeveloper, and approval of a redevelopment  
34 agreement, this bill would grandfather existing redevelopment  
35 activities to the extent such activities are matured. Thus, if an area  
36 has already been designated as a redevelopment area under existing  
37 law, or a redevelopment plan has already been adopted, or a  
38 redevelopment agreement has already been authorized and  
39 executed, these "final actions" of the municipality or redevelopment  
40 entity would remain valid and given full force and effect. Future  
41 actions occurring after the effective date of this bill, however,  
42 would be governed by the provisions of the bill.