

ASSEMBLY, No. 441

STATE OF NEW JERSEY

216th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2014 SESSION

Sponsored by:

Assemblywoman MILA M. JASEY

District 27 (Essex and Morris)

Assemblyman GILBERT "WHIP" L. WILSON

District 5 (Camden and Gloucester)

Co-Sponsored by:

Assemblyman Eustace

SYNOPSIS

Allows municipalities to designate redevelopment entities and certain non-profits to act as land banks.

CURRENT VERSION OF TEXT

Introduced Pending Technical Review by Legislative Counsel



1 **AN ACT** authorizing municipalities to designate redevelopment
 2 entities and specified non-profit entities to act as land bank
 3 entities on their behalf, amending P.L.1960, c.183, P.L.1971,
 4 c.199 and P.L.1992, c.79 and supplementing Title 40A of the
 5 New Jersey Statutes.

6
 7 **BE IT ENACTED** *by the Senate and General Assembly of the State*
 8 *of New Jersey:*

- 9
 10 1. (New section) The Legislature finds and declares that:
 11 a. Difficult economic conditions coupled with the continued
 12 high rate of foreclosures have significantly increased the number of
 13 vacant, abandoned and other problem properties in the State's
 14 municipalities, particularly its older cities.
 15 b. The continued presence and proliferation of these vacant,
 16 abandoned and other problem properties in the communities of this
 17 State has a negative effect on the public health and welfare, reduces
 18 property values and municipal revenues, and impedes the economic
 19 development and revitalization of the State's municipalities,
 20 particularly its older cities.
 21 c. At present, many vacant, abandoned and other problem
 22 properties, rather than being productively reused, remain vacant
 23 despite frequent changes in ownership, and continue to have a
 24 blighting effect on their surroundings.
 25 d. The State's cities can benefit from stronger, more effective
 26 tools to control the inventory of vacant, abandoned and other
 27 problem properties, in order to both minimize the harm that they do
 28 in their present condition and to facilitate their restoration to
 29 productive use.
 30 e. To that end, municipalities can benefit greatly from the
 31 ability to designate single entities to act on their behalf to acquire,
 32 maintain and dispose of vacant, abandoned and problem properties,
 33 in order to carry out strategies to ensure that the reuse of these
 34 properties provides the greatest long-term benefit to the physical,
 35 social and economic condition of the municipality.
 36 f. Through previous enactments, the Legislature has already
 37 authorized the creation of legal entities by municipalities, whose
 38 powers and capabilities can be harnessed to carry out these
 39 responsibilities, so that there is no need for the Legislature to create
 40 or authorize the creation of new legal entities for these purposes.
 41
 42 2. (New section) a. (1) Any municipality may enter into a
 43 land banking agreement with any entity which the municipality has
 44 designated as a redevelopment entity pursuant to section 4 of 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 “Local Redevelopment and Housing Law,” P.L.1992, c.79
2 (C.40A:12A-4), to act on behalf of the municipality to hold,
3 maintain and dispose of property owned by the municipality and not
4 needed for any public purpose. The terms of a land banking
5 agreement entered into pursuant to this section are subject to the
6 approval of the Department of Community Affairs, and subject to
7 rules and regulations promulgated by the Commissioner of
8 Community Affairs. No land banking agreement between a
9 municipality and a designated redevelopment entity or other land
10 bank entity shall take effect until it is approved by the
11 Commissioner of Community Affairs.

12 (2) A municipality may designate a county improvement
13 authority to act as a redevelopment entity pursuant to the “county
14 improvement authorities law,” P.L.1960, c.183 (C.40:37A-44 et
15 seq.) for the purpose of entering into a land banking agreement with
16 said entity, without regard to whether the county improvement
17 authority is otherwise acting as a redevelopment entity in the
18 municipality.

19 (3) Subject to rules and regulations promulgated by the
20 Commissioner of Community Affairs, a municipality may designate
21 itself, or one of its departments or agencies, to act as a
22 redevelopment entity pursuant to section 3 of P.L.1992, c.79
23 (C.40A:12A-3) for the purpose of entering into a land banking
24 agreement. In such cases, the designated redevelopment entity shall
25 not need to adopt separate ordinances or resolutions, as appropriate,
26 for the purpose of adopting an agreement or amendments pursuant
27 to paragraphs (4) and (5) of subsection b. of this section.
28 Termination notice requirements, prescribed by subsection l. of this
29 section, also shall not be necessary.

30 b. (1) The agreement shall set forth the responsibilities of the
31 redevelopment entity acting as a land bank entity on behalf of the
32 municipality, shall specify the terms and conditions under which the
33 land bank entity may acquire property on behalf of the municipality,
34 demolish or otherwise clear buildings and other site improvements
35 located on the property, maintain and secure the property, and
36 dispose of property held on behalf of the municipality, shall provide
37 for such municipal oversight of the land bank entity as the
38 municipality deems necessary and appropriate, and shall set forth
39 the manner in which any costs and revenues, including proceeds of
40 sale of property, resulting from the activities of the land bank entity
41 shall be distributed.

42 (2) Prior to submission of the agreement for approval by the
43 municipal governing body, the municipality shall hold a public
44 meeting to solicit public comment on the substance and intent of the
45 agreement.

46 (3) The ordinance comprising the land bank agreement shall
47 include findings establishing the need for land bank activity in the

1 municipality, and the qualifications of the redevelopment entity to
2 carry out the responsibilities of a land bank entity as set forth in
3 P.L. , c. (C.) (pending before the Legislature as this bill).

4 (4) The agreement shall be adopted by an ordinance of the
5 governing body of the municipality and by resolution of the
6 governing body of the redevelopment entity, and shall be filed by
7 the municipal clerk along with the enabling ordinance and
8 resolution with the Commissioner of Community Affairs. The
9 Commissioner of Community Affairs shall have 30 days from the
10 receipt of the ordinance, agreement, and resolution to approve,
11 conditionally approve, or deny the agreement. If the Commissioner
12 does not act within 30 days, then the agreement shall be considered
13 approved.

14 (5) The agreement may be amended at any time by ordinance of
15 the governing body of the municipality and by resolution of the
16 governing body of the redevelopment entity. Before any
17 amendments created pursuant to this paragraph may take effect, the
18 municipal clerk must file the amended agreement along with the
19 enabling ordinance and resolution with the Commissioner of
20 Community Affairs. The Commissioner of Community Affairs
21 shall have 30 days from the receipt of the ordinance, amended
22 agreement, and resolution to approve, conditionally approve, or
23 deny the amended agreement. If the Commissioner does not act
24 within 30 days, then the amended agreement shall be considered
25 approved.

26 c. Pursuant to the agreement between the municipality and the
27 redevelopment entity or any subsequent amendment thereto, the
28 redevelopment entity acting as a land bank entity may be designated
29 by the municipality to acquire properties on its behalf through
30 contribution, gift, grant, bequest, purchase or otherwise, whether or
31 not the property is located in an area designated as a redevelopment
32 area or an area in need of rehabilitation, and may be designated by
33 the municipality to act as its agent with respect to acquisition of
34 property, including but not limited to purchase of tax and other
35 liens, foreclosure of tax and other liens, and individual abandoned
36 property takings pursuant to paragraph (2) of subsection c. of
37 section 37 of the "New Jersey Urban Redevelopment Act,"
38 P.L.1996, c.62 (C.55:19-56) on behalf of the municipality and to
39 take title to such properties on behalf of the municipality; provided,
40 however, that nothing in this section shall authorize the use of
41 eminent domain beyond that already permitted by law or the
42 adoption of any procedure for conduct of any municipal action other
43 than that already set forth in law.

44 d. For purposes of this section, a municipality may, through
45 resolution of the governing body, convey to the redevelopment
46 entity, and said redevelopment entity may take title to, any
47 property, held by the municipality and not needed for any public

1 purpose, whether or not the property is located in an area designated
2 as a redevelopment area or an area in need of rehabilitation, without
3 public bidding and at such prices and upon such terms as it deems
4 reasonable, but under no circumstances shall the price be less than
5 80 percent of the current appraised value of the subject property or
6 properties.

7 e. A municipality may assign any tax liens or other liens to the
8 redevelopment entity with or without consideration and at such
9 prices and upon such terms as it deems reasonable, so long as that
10 consideration is not less than the principal due on any tax liens so
11 assigned.

12 f. (1) To the extent that the statute under which the
13 redevelopment entity was established confers on that entity the
14 power to borrow funds and incur debt, an entity designated as a land
15 bank entity under P.L. , c. (C.) (pending before the
16 Legislature as this bill) may exercise those powers in furtherance of
17 its obligations as a land bank entity subject to the conditions and
18 limitations set forth in that statute, any other conditions and
19 limitations set forth by ordinance of the governing body, and
20 subject to the terms of the land banking agreement approved by the
21 Department of Community Affairs. This statute shall not be
22 construed to eliminate other bonding, financing or debt approvals
23 that the redevelopment entity may be subject to under other statutes,
24 rules or regulations.

25 (2) To the extent that the statute under which the redevelopment
26 entity was established, section 4 of P.L.1992, c.79 (C.40A:12A-4)
27 or P.L.1960, c.183 (C.40:37A-44 et seq.) in the case of a county
28 improvement authority, provides that the municipality may
29 guarantee the debt or other borrowing of that entity, the
30 municipality may guarantee the debt or other borrowing of an entity
31 designated as a land bank entity under P.L. , c. (C.)
32 (pending before the Legislature as this bill) under the same terms
33 and conditions, in furtherance of the entity's obligations as a land
34 bank entity.

35 g. In disposing of property it holds as a land bank entity, the
36 redevelopment entity shall not be subject to the provisions of
37 section 9 of P.L.1992, c.79 (C.40A:12A-9), but shall be subject to
38 any terms and conditions set forth in the agreement establishing the
39 land bank entity, by the regulations of the entity adopted pursuant to
40 subsection h. of this section, and subject to rules and regulations
41 promulgated by the Commissioner of Community Affairs.

42 h. The redevelopment entity shall adopt written regulations,
43 which shall be incorporated into the land banking agreement with
44 the municipality, governing the disposition of properties it holds as
45 a land bank entity consistent with any provisions of the agreement
46 establishing the land bank entity and with respect to any other

1 matters that may be required by said agreement, which regulations
2 shall be published on the web site of the redevelopment entity.

3 i. (1) Within six months after designation by the municipality
4 the redevelopment entity shall create a community advisory board,
5 which shall consist of representatives of recognized community
6 associations and non-profit organizations in the municipality, in
7 particular those associations and organizations active in areas where
8 the land bank anticipates holding properties. The advisory board
9 shall have a minimum of five members, one of whom shall be a
10 member or designee of the governing body.

11 (2) The redevelopment entity shall adopt policies and
12 procedures to ensure that the community advisory board is provided
13 with adequate information and opportunity to provide valued input
14 into the decisions of the redevelopment entity in its capacity as a
15 land bank entity.

16 j. The redevelopment entity shall maintain, make available for
17 public view, and file annually with the Department of Community
18 Affairs and the Department of the Treasury, a registry of all
19 properties that it holds as a land bank entity on behalf of the
20 municipality, which shall distinguish those properties from any
21 other properties held by the redevelopment entity for any other
22 purpose.

23 k. The redevelopment entity shall provide an annual report to
24 the municipal governing body, the Department of Community
25 Affairs, and the public describing the properties being held as a land
26 bank entity and the activities that it carried out during the year as a
27 land bank entity.

28 l. (1) The municipality may terminate the agreement at any
29 time by providing the land bank entity with one year's notice of
30 termination.

31 (2) Termination of the agreement shall not affect the status of
32 any transaction properly entered into by the land bank entity prior
33 to termination.

34 (3) Within 90 days following the date of termination, the entity
35 shall convey to the municipality any and all properties held by the
36 entity on behalf of the municipality without consideration;
37 provided, however, that the municipality and the entity may agree
38 to allow the entity to retain title to any or all properties that are the
39 subject of a pending transaction by the entity until completion of
40 the transaction. A municipality receiving property through this type
41 of conveyance shall also assume any current debt on the property
42 which had received prior approval by the municipal governing
43 body.

44
45 3. (New section) a. Any municipality may enter into a land
46 banking agreement with a non-profit entity which the municipality
47 has designated for the purpose of furthering the economic

1 development or redevelopment of the municipality, and where the
2 by-laws of said entity provide that the chief financial officer or the
3 municipality serves on the board of said entity, ex officio. The
4 terms of a land banking agreement entered into pursuant to this
5 section are subject to the approval of the Department of Community
6 Affairs, and subject to rules and regulations promulgated by the
7 Commissioner of Community Affairs. No land banking agreement
8 between a municipality and a designated non-profit entity or other
9 land bank entity shall take effect until it is approved by the
10 Commissioner of Community Affairs.

11 b. (1) The agreement shall set forth the responsibilities of the
12 non-profit entity as a land bank entity on behalf of the municipality,
13 shall specify the terms and conditions under which the land bank
14 entity may acquire property on behalf of the municipality, demolish
15 or otherwise clear buildings and other site improvements located on
16 the property, maintain and secure the property, and dispose of
17 property held on behalf of the municipality, shall provide for such
18 municipal oversight of the land bank entity as the municipality
19 deems necessary and appropriate, and shall set forth the manner in
20 which any costs and revenues, including proceeds of sale of
21 property, resulting from the activities of the land bank entity shall
22 be distributed.

23 (2) Prior to submission of the agreement for approval by the
24 municipal governing body, the municipality shall hold one or more
25 public meetings to solicit public comment on the substance and
26 intent of the agreement.

27 (3) The ordinance comprising the land bank agreement shall
28 include findings establishing the need for land bank activity in the
29 municipality, and the qualifications of the non-profit entity to carry
30 out the responsibilities of a land bank entity as set forth in P.L. ,
31 c. (C.) (pending before the Legislature as this bill).

32 (4) The agreement shall be adopted by an ordinance of the
33 governing body of the municipality and a resolution of the
34 governing body of the non-profit entity, and shall be filed by the
35 municipal clerk along with the enabling ordinance and resolution
36 with the Commissioner of Community Affairs. The Commissioner
37 of Community Affairs shall have 30 days from the receipt of the
38 ordinance, agreement, and resolution to approve, conditionally
39 approve, or deny the agreement. If the commissioner does not act
40 within 30 days, then the agreement shall be considered approved.

41 (5) The agreement can be amended at any time by ordinance of
42 the governing body of the municipality and by resolution of the
43 governing body of the non-profit entity. Before any amendments
44 created pursuant to this paragraph may take effect, the municipal
45 clerk shall file the amended agreement along with the enabling
46 ordinance and resolution with the Commissioner of Community
47 Affairs. The Commissioner of Community Affairs shall have 30

1 days from the receipt of the ordinance, amended agreement, and
2 resolution to approve, conditionally approve, or deny the amended
3 agreement. If the commissioner does not act within 30 days, then
4 the amended agreement shall be considered approved.

5 c. Pursuant to the agreement between the municipality and the
6 non-profit entity or any subsequent amendment thereto, the non-
7 profit entity acting as a land bank entity may be designated by the
8 municipality to acquire properties on its behalf through
9 contribution, gift, grant, bequest, purchase or otherwise, and may be
10 designated by the municipality to act as its agent with respect to
11 acquisition of property, including but not limited to purchase of tax
12 and other liens, foreclosures of tax and other liens, and individual
13 abandoned property takings pursuant to paragraph (2) of subsection
14 c. of section 37 of the "New Jersey Urban Redevelopment Act,"
15 P.L.1996, c.62 (C.55:19-56) on behalf of the municipality and to
16 take title to such properties on behalf of the municipality; provided,
17 however, that nothing in this section shall authorize the use of
18 eminent domain beyond that already permitted by law or the
19 adoption of any procedure for conduct of any municipal action other
20 than that already set forth in law.

21 d. For purposes of this section, a municipality may, through
22 resolution of the governing body, convey to a non-profit entity
23 which it has designated as a land bank entity, and said entity may
24 take title to, any property, held by the municipality and not needed
25 for any public purpose, without public bidding and at such prices
26 and upon such terms as it deems reasonable, but under no
27 circumstances shall the price be less than 80 percent of the current
28 appraised value of the subject property or properties.

29 e. A municipality may assign any tax liens or other liens to the
30 non-profit entity with or without consideration and at such prices
31 and upon such terms as it deems reasonable, so long as that
32 consideration is not less than the principal due on any tax liens so
33 assigned.

34 f. The agreement between the municipality and the non-profit
35 entity may provide, subject to rules and regulations promulgated by
36 the Commissioner of Community Affairs, that properties conveyed
37 by the municipality to the entity pursuant to subsection d. of this
38 section, or acquired by the entity pursuant to subsection c. of this
39 section, are held by the entity on behalf of the municipality for a
40 public purpose and shall be exempt from property taxation until or
41 unless conveyed by the entity or used by the entity for a purpose
42 that is not eligible for exemption from taxation.

43 g. The non-profit entity shall adopt written regulations, which
44 shall be incorporated into the land banking agreement with the
45 municipality, governing the disposition of properties it holds as a
46 land bank entity consistent with any provisions of the agreement
47 establishing the land bank entity and with respect to any other

1 matters that may be required by said agreement, which regulations
2 shall be published on the web site of the nonprofit entity.

3 h. (1) Within six months after designation by the municipality
4 the non-profit entity shall create a community advisory board,
5 which shall consist of representatives of recognized community
6 associations and non-profit organizations within the municipality, in
7 particular those associations and organizations active in areas where
8 the land bank anticipates holding properties. The advisory board
9 shall have a minimum of five members, one of whom shall be a
10 member or designee of the governing body.

11 (2) The non-profit entity shall adopt policies and procedures to
12 ensure that the community advisory board is provided with
13 adequate information and opportunity to provide valued input into
14 the decisions of the non-profit entity in its capacity as land bank
15 entity.

16 i. The non-profit entity shall maintain, make available for
17 public view, and file annually with the Department of Community
18 Affairs and the Department of the Treasury, a registry of all
19 properties that it holds as a land bank entity on behalf of the
20 municipality under this section, which shall distinguish those
21 properties from any other properties held by the entity for any other
22 purpose.

23 j. The non-profit entity shall provide an annual report to the
24 municipal governing body, the Department of Community Affairs,
25 and the public describing the properties being held as a land bank
26 entity and the activities that it carried out during the year as a land
27 bank entity.

28 k. (1) The municipality may terminate the agreement at any
29 time by providing the land bank entity with one year's notice of
30 termination.

31 (2) Termination of the agreement shall not affect the status of
32 any transaction properly entered into by the land bank entity prior
33 to termination.

34 (3) Within 90 days following the date of termination, the entity
35 shall convey to the municipality any and all properties held by the
36 entity on behalf of the municipality without consideration;
37 provided, however, that the municipality and the entity may agree
38 to allow the entity to retain title to any and all properties that are the
39 subject of a pending transaction by the entity until completion of
40 the transaction. A municipality receiving property through this type
41 of conveyance shall also assume any current debt on the property
42 which had received prior approval by the municipal governing
43 body.

44
45 4. (New section) Any entity that has been designated a land
46 bank entity under section 2 or section 3 of P.L. , c. (C.)
47 (pending before the Legislature as this bill) may act as a land bank

1 entity for any other municipality pursuant to an agreement entered
2 into between that municipality and the municipality designating the
3 land bank entity and approved by the governing body of the
4 redevelopment entity or non-profit entity, which agreement shall be
5 subject to the approval of the Department of Community Affairs
6 and governed by the provisions of the “Uniform Shared Services
7 and Consolidation Act,” P.L.2007, c.63 (C.40A:65-1 et seq.).
8

9 5. (New section) a. With respect to any or all sales of real
10 property held by the land bank entity and conveyed to a private
11 owner, on which no property taxes have been paid for a period of at
12 least two years prior to the conveyance of each property, a
13 municipal governing body may provide by resolution that property
14 taxes or payments in lieu of taxes collected from that property for a
15 period of up to 10 years from the first taxable year after conveyance
16 of the property shall be remitted to the land bank entity to carry out
17 its responsibilities under P.L. , c. (C.) (pending before the
18 Legislature as this bill), but under no circumstances shall such
19 remittances amount to greater than 50 percent of the subject
20 property’s property tax for the land, and 30 percent of the subject
21 property’s property tax for the site improvements.

22 b. The municipality shall submit to the Department of
23 Community Affairs and the Department of the Treasury an annual
24 report listing all the properties subject to the treatment detailed in
25 subsection a. of this section.
26

27 6. Section 12 of P.L.1960, c.183 (C.40:37A-55) is amended to
28 read as follows:

29 12. Every authority shall be a public body politic and corporate
30 constituting a political subdivision of the State established as an
31 instrumentality exercising public and essential governmental
32 functions to provide for the public convenience, benefit and welfare
33 and shall have perpetual succession and, for the effectuation of its
34 purposes, have the following additional powers:

35 (a) To adopt and have a common seal and to alter the same at
36 pleasure;

37 (b) To sue and be sued;

38 (c) To acquire, hold, use and dispose of its facility charges and
39 other revenues and other moneys;

40 (d) To acquire, rent, hold, use and dispose of other personal
41 property for the purposes of the authority;

42 (e) Subject to the provisions of section 26 of this act, to acquire
43 by purchase, gift, condemnation or otherwise, or lease as lessee,
44 real property and easements or interests therein necessary or useful
45 and convenient for the purposes of the authority, whether subject to
46 mortgages, deeds of trust or other liens or otherwise, and to hold
47 and to use the same, and to dispose of property so acquired no

1 longer necessary for the purposes of the authority; provided that the
2 authority may dispose of such property at any time to any
3 governmental unit or person if the authority shall receive a
4 leasehold interest in the property for such term as the authority
5 deems appropriate to fulfill its purposes;

6 (f) Subject to the provisions of section 13 of this act, to lease to
7 any governmental unit or person, all or any part of any public
8 facility for such consideration and for such period or periods of
9 time and upon such other terms and conditions as it may fix and
10 agree upon;

11 (g) To enter into agreements to lease, as lessee, public facilities
12 for such term and under such conditions as the authority may deem
13 necessary and desirable to fulfill its purposes, and to agree,
14 pursuant thereto, to be unconditionally obligated to make payments
15 for the term of the lease, without set-off or counterclaim, whether or
16 not the public facility is completed, operating or operable, and
17 notwithstanding the destruction of, damage to, or suspension,
18 interruption, interference, reduction or curtailment of the
19 availability or output of the public facility to which the agreement
20 applies;

21 (h) To extend credit or make loans to any governmental unit or
22 person for the planning, design, acquisition, construction, equipping
23 and furnishing of a public facility, upon the terms and conditions
24 that the loans be secured by loan and security agreements,
25 mortgages, leases and other instruments, the payments on which
26 shall be sufficient to pay the principal of and interest on any bonds
27 issued for the purpose by the authority, and upon such other terms
28 and conditions as the authority shall deem reasonable;

29 (i) Subject to the provisions of section 13 of this act, to make
30 agreements of any kind with any governmental unit or person for
31 the use or operation of all or any part of any public facility for such
32 consideration and for such period or periods of time and upon such
33 other terms and conditions as it may fix and agree upon;

34 (j) (1) To borrow money and issue negotiable bonds or notes or
35 other obligations and provide for and secure the payment of any
36 bonds and the rights of the holders thereof, and to purchase, hold
37 and dispose of any bonds;

38 (2) To issue bonds, notes or other obligations to provide funding
39 to a municipality that finances the purchase and installation of
40 renewable energy systems and energy efficiency improvements by
41 property owners as provided in section 2 of P.L.2011, c.187
42 (C.40:56-13.1);

43 (k) To apply for and to accept gifts or grants of real or personal
44 property, money, material, labor or supplies for the purposes of the
45 authority from any governmental unit or person, and to make and
46 perform agreements and contracts and to do any and all things

- 1 necessary or useful and convenient in connection with the
2 procuring, acceptance or disposition of such gifts or grants;
- 3 (l) To determine the location, type and character of any public
4 facility and all other matters in connection with all or any part of
5 any public facility which it is authorized to own, construct,
6 establish, effectuate or control;
- 7 (m) To make and enforce bylaws or rules and regulations for the
8 management and regulation of its business and affairs and for the
9 use, maintenance and operation of any public facility, and to amend
10 the same;
- 11 (n) To do and perform any acts and things authorized by this act
12 under, through or by means of its own officers, agents and
13 employees, or by contract with any governmental unit or person;
- 14 (o) To acquire, purchase, construct, lease, operate, maintain and
15 undertake any project and to fix and collect facility charges for the
16 use thereof;
- 17 (p) To mortgage, pledge or assign or otherwise encumber all or
18 any portion of its revenues and other income, real and personal
19 property, projects and facilities for the purpose of securing its
20 bonds, notes and other obligations or otherwise in furtherance of the
21 purpose of this act;
- 22 (q) To extend credit or make loans to redevelopers for the
23 planning, designing, acquiring, constructing, reconstructing,
24 improving, equipping and furnishing any redevelopment project or
25 redevelopment work;
- 26 (r) To conduct examinations and investigations, hear testimony
27 and take proof, under oath at public or private hearings of any
28 material matter, require the attendance of witnesses and the
29 production of books and papers and issue commissions for the
30 examination of witnesses who are out of the State, unable to attend,
31 or excused from attendance;
- 32 (s) To authorize a committee designated by it consisting of one
33 or more members, or counsel, or any officer or employee to conduct
34 any such investigation or examination, in which case such
35 committee, counsel, officer or employee shall have power to
36 administer oaths, take affidavits and issue subpoenas or
37 commissions;
- 38 (t) To enter into any and all agreements or contracts, execute
39 any and all instruments, and do and perform any and all acts or
40 things necessary, convenient or desirable for the purposes of the
41 authority or to carry out any power expressly given in this act
42 subject to the "Local Public Contracts Law," P.L.1971, c.198
43 (C.40A:11-1 et seq.); **[and]**
- 44 (u) To pool loans for any local governmental units within the
45 county or any beneficiary county that are refunding bonds and do
46 and perform any and all acts or things necessary, convenient or

1 desirable for the purpose of the authority to achieve more favorable
2 interest rates and terms for those local governmental units **【.】** ; and
3 (v) To act as and exercise the powers of a land bank entity
4 pursuant to P.L. , c. (C.) (pending before the Legislature as
5 this bill) for any municipality situated within the county pursuant to
6 a land banking agreement approved by an ordinance adopted by the
7 municipal governing body.
8 (cf: P.L.2002, c.42, s.9)
9

10 7. Section 21 of P.L.1971, c.199 (C.40A:12-21) is amended to
11 read as follows:

12 21. Private sales to certain organizations upon nominal
13 consideration. When the governing body of any county or
14 municipality shall determine that all or any part of a tract of land,
15 with or without improvements, owned by the county or
16 municipality, is not then needed for county or municipal purposes,
17 as the case may be, said governing body, by resolution or
18 ordinance, may authorize a private sale and conveyance of the
19 same, or any part thereof without compliance with any other law
20 governing disposal of lands by counties and municipalities, for a
21 consideration, which may be nominal, and containing a limitation
22 that such lands or buildings shall be used only for the purposes of
23 such organization or association, and to render such services or to
24 provide such facilities as may be agreed upon, and except as
25 provided in subsection (n) of this section not for commercial
26 business, trade or manufacture, and that, unless waived, released,
27 modified, or subordinated pursuant to P.L.1943, c.33 (C.40:60-
28 51.2), if said lands or buildings are not used in accordance with said
29 limitation, title thereto shall revert to the county or municipality
30 without any entry or reentry made thereon on behalf of such county
31 or municipality, to

32 (a) A duly incorporated volunteer fire company or board of fire
33 commissioners or first aid and emergency or volunteer ambulance
34 or rescue squad association of a municipality within the county, in
35 the case of a county, or of the municipality, in the case of a
36 municipality, for the construction thereon of a firehouse or fire
37 school or a first aid and emergency or volunteer ambulance or
38 rescue squad building or for the use of any existing building for any
39 or all of said purposes and any such land or building sold to any
40 duly incorporated volunteer fire company may be leased by such
41 fire company to any volunteer firemen's association for the use
42 thereof for fire school purposes for the benefit of the members of
43 such association, or

44 (b) Any nationally chartered organization or association of
45 veterans of any war, in which the United States has or shall have
46 been engaged, by a conveyance for consideration, a part of which
47 may be an agreement by the organization or association to render

1 service or to provide facilities for the general public of the county
2 or municipality, of a kind which the county or municipality may
3 furnish to its citizens and to the general public, or

4 (c) A duly incorporated nonprofit hospital association for the
5 construction or maintenance thereon of a general hospital, or

6 (d) Any paraplegic veteran, that is to say, any officer, soldier,
7 sailor, marine, nurse or other person, regularly enlisted or inducted,
8 who was or shall have been in the active military or naval forces of
9 the United States in any war in which the United States was
10 engaged, including any member of the American Merchant Marine
11 during World War II who is declared by the United States
12 Department of Defense to be eligible for federal veterans' benefits,
13 and who, at the time he was commissioned, enlisted, inducted,
14 appointed or mustered into such military or naval service, was a
15 resident of and who continues to reside in this State, who is
16 suffering from paraplegia and has permanent paralysis of both legs
17 or the lower parts of the body resulting from injuries sustained
18 through enemy action or accident while in such active military or
19 naval service, for the construction of a home to domicile him, or to
20 any organization or association of veterans, for the construction of a
21 home or homes to domicile paraplegic veterans, with powers to
22 convey said lands and premises to the paraplegic veteran or
23 veterans on whose behalf said organization or association shall
24 acquire title to said land, or

25 (e) Any duly incorporated nonprofit association or any regional
26 commission or authority composed of one or more municipalities or
27 one or more counties for the construction or maintenance thereon of
28 an animal shelter, or

29 (f) Any duly incorporated nonprofit historical society for the
30 acquisition of publicly owned historic sites for their restoration,
31 preservation, improvement and utilization for the benefit of the
32 general public, or

33 (g) Any duly incorporated nonprofit cemetery organization or
34 association serving the residents of the municipality or county, or

35 (h) Any duly incorporated nonprofit organization for the
36 principal purpose of the education or treatment of persons afflicted
37 with developmental disabilities including cerebral palsy, or

38 (i) Any county or municipal sewerage authority serving the
39 residents of the county or municipality, for the use thereof for
40 sewerage authority purposes, or

41 (j) Any duly incorporated nonprofit organization for the
42 purpose of building or rehabilitating residential property for resale.
43 Any profits from the resale of the property shall be applied by the
44 nonprofit organization to the costs of acquiring and rehabilitating
45 other residential property in need of rehabilitation owned by the
46 county or municipality, or

(k) Any duly incorporated nonprofit organization or association, other than a political, partisan, sectarian, denominational or religious organization or association, which includes among its principal purposes the provision of educational, gardening, recreational, medical or social services to the general public, including residents of the county or municipality, or

(l) Any duly incorporated nonprofit housing corporation or any limited-dividend housing corporation or housing association organized pursuant to P.L.1949, c.184 (C.55:16-1 et seq.) for the purpose of constructing housing for low or moderate income persons or families or handicapped persons, or

(m) Any duly incorporated nonprofit hospice organization whose principal purpose is to provide hospice services to the terminally ill, or

(n) Any duly incorporated nonprofit organization or association for the cultivation and sale of fresh fruits and vegetables on a tract of land of less than five acres within a [city of the first, second, third or fourth class] municipality, provided that the nonprofit organization or association is not controlled, directly or indirectly, by any agricultural, commercial, or other business. The nonprofit organization or association shall be authorized to sell fresh fruits and vegetables either on the land that was conveyed, off that land, or both, provided, that the sales are related and incidental to the non-profit purposes of the organization or association and the net proceeds received by the nonprofit organization or association are used to further the non-profit purposes of the organization or association.

Whenever a sale of property is proposed pursuant to subsection (k), for gardening, or subsection (n) of this section, the county or municipality shall comply with all notice requirements for an application for development under section 7.1 of P.L.1975, c.291 (C.40:55D-12).

(o) The provisions of this section shall not be deemed to restrict land banking agreements undertaken pursuant to P.L. , c. (C.) (pending before the Legislature as this bill).
(cf: P.L.2011, c.35, s.3)

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

22. A municipality, county, redevelopment agency, or housing authority is authorized to exercise all those public and essential governmental functions necessary or convenient to effectuate the purposes of this act, including the following powers which shall be in addition to those otherwise granted by this act or by other law:

a. To sue and be sued; to have a seal and to alter the same at pleasure; to have perpetual succession; to make and execute contracts and other instruments necessary and convenient to the

- 1 exercise of the powers of the agency or authority; and to make and
2 from time to time amend and repeal bylaws, rules and regulations,
3 not inconsistent with this act, to carry into effect its powers and
4 purposes.
- 5 b. Pursuant to an adopted cash management plan, invest any
6 funds held in reserve or sinking funds, or any funds not required for
7 immediate disbursement, in property or securities in which
8 governmental units may legally invest funds subject to their control;
9 to purchase its bonds at a price not more than the principal amount
10 thereof and accrued interest, all bonds so purchased to be cancelled.
- 11 c. Borrow money and receive grants and loans from any source
12 for the financing of a redevelopment project or housing project.
- 13 d. Invest in an obligee the right in the event of a default by the
14 agency to foreclose and take possession of the project covered by
15 the mortgage or apply for the appointment of a receiver.
- 16 e. Invest in a trustee or trustees or holders of bonds the right to
17 enforce the payment of the bonds or any covenant securing or
18 relating to the bonds, which may include the right, in the event of
19 the default, to take possession and use, operate and manage any
20 project or part thereof, and to collect the rents and revenues arising
21 therefrom and to dispose of the moneys in accordance with the
22 agreement of the authority with the trustee.
- 23 f. Provide for the refunding of any of its bonds, by the issuance
24 of such obligations, in such manner and form, and upon such terms
25 and conditions, as it shall deem in the best interests of the public.
- 26 g. Consent to the modification of any contract, bond indenture,
27 mortgage or other instrument entered into by it.
- 28 h. Pay or compromise any claim arising on, or because of any
29 agreement, bond indenture, mortgage or instrument.
- 30 i. Acquire or contract to acquire from any person, firm, or
31 corporation, public or private, by contribution, gift, grant, bequest,
32 devise, purchase, or otherwise, real or personal property or any
33 interest therein, including such property as it may deem necessary
34 or proper, although temporarily not required for such purposes, in a
35 redevelopment area or in any area designated by the governing body
36 as necessary for carrying out the relocation of the residents,
37 industry and commerce displaced from a redevelopment area.
- 38 j. Subordinate, waive, sell, assign or release any right, title,
39 claim, lien or demand however acquired, including any equity or
40 right of redemption, foreclosure, sell or assign any mortgage held
41 by it, or any interest in real or personal property; and purchase at
42 any sale, upon such terms and at such prices as it determines to be
43 reasonable, and to take title to the property, real, personal, or
44 mixed, so acquired and similarly to sell, exchange, assign, convey
45 or otherwise dispose of any property.

1 k. Complete, administer, operate, obtain and pay for insurance
2 on, and maintain, renovate, repair, modernize, lease or otherwise
3 deal with any property.

4 l. Employ or retain consulting and other attorneys, planners,
5 engineers, architects, managers and financial experts and other
6 employees and agents of a permanent or temporary nature as may
7 be necessary, determine their qualifications, duties and
8 compensation, and delegate to one or more of its agents or
9 employees such powers and duties as it deems proper. For such
10 legal services as may be required, a redevelopment agency or
11 housing authority may call upon the chief law officers of the
12 municipality or county, as the case may be, or may employ its own
13 counsel and legal staff.

14 m. Arrange or contract with a public agency, to the extent that it
15 is within the scope of that agency's functions, to cause the services
16 customarily provided by such other agency to be rendered for the
17 benefit of the occupants of any redevelopment area or housing
18 project, and have such other agency provide and maintain parks,
19 recreation centers, schools, sewerage, transportation, water and
20 other municipal facilities adjacent to or in connection with a
21 redevelopment area or project.

22 n. Conduct examinations and investigations, hear testimony
23 and take proof, under oath at public or private hearings of any
24 material matter, compel witnesses and the production of books and
25 papers and issue commissions for the examination of witnesses who
26 are out of State, unable to attend, or excused from attendance;
27 authorize a committee designated by it consisting of one or more
28 members, or counsel, or any officer or employee to conduct the
29 examination or investigation, in which case it may authorize in its
30 name the committee, counsel, officer or employee to administer
31 oaths, take affidavits and issue subpoenas or commissions.

32 o. Make and enter into all contracts and agreements necessary
33 or incidental to the performance of the duties authorized in this act.

34 p. After thorough evaluation and investigation, bring an action
35 on behalf of a tenant to collect or enforce any violation of
36 subsection g. or h. of section 11 of the "Law Against
37 Discrimination," P.L.1945, c.169 (C.10:5-12).

38 q. Designate members or employees, who shall be
39 knowledgeable of federal and State discrimination laws, and who
40 shall be available during all normal business hours, to evaluate a
41 complaint made by a tenant pursuant to the "Law Against
42 Discrimination," P.L.1945, c.169 (C.10:5-12).

43 r. Act as and exercise the powers of a land bank entity
44 pursuant to P.L. , c. (C.) (pending before the Legislature as
45 this bill) under a land banking agreement approved by an ordinance
46 adopted by the municipal governing body.

47 (cf: P.L.2002, c.82, s.5)

1 9. (New section) The Commissioner of Community Affairs
2 shall promulgate rules and regulations necessary to effectuate the
3 provisions of P.L. , c. (C.) (pending before the Legislature
4 as this bill) not later than the first day of the seventh month next
5 following enactment.

6
7 10. This act shall take effect immediately, but its provisions
8 shall remain inoperative until the first day of the seventh month
9 next following enactment.

10
11
12 STATEMENT

13
14 This bill allows municipalities to designate redevelopment
15 entities, as well as certain non-profit entities, to act as land bank
16 entities on their behalf. Eligible non-profit entities are limited to
17 those designated by the municipality for the purpose of
18 redevelopment or economic development, where the chief financial
19 officer of the municipality serves on the board of the entity as an ex
20 officio member.

21 The bill requires a municipality to file any land banking
22 agreement with DCA and obtain DCA approval of any land banking
23 agreement, or subsequent amendments to the agreement, before the
24 agreement, or subsequent amendments, may become effective.
25 Specifically, DCA will have 30 days from receipt of the agreement,
26 along with the associated municipal ordinance and resolution of the
27 land bank entity, to approve, conditionally approve, or deny the
28 agreement or amended agreement. If DCA does not act within the
29 30 days, then the agreement or amended agreement will be
30 considered approved.

31 The municipality may also convey municipal-owned properties
32 and assign municipal-owned liens to that entity. The municipality's
33 governing body must approve of any property conveyance to a
34 land bank entity. The land bank entity may also acquire properties
35 for the land bank through gift or purchase, and act as the
36 municipality's agent to purchase liens at tax sale, and carry out lien
37 foreclosures and individual abandoned property takings. The bill
38 ensures that no property will be conveyed from a municipality to a
39 land bank entity for a price of less than 80 percent of the current
40 appraised value. The bill also requires that when a municipality
41 assigns a tax lien to a land bank entity, the consideration must not
42 be less than the principal due on the tax lien.

43 Land bank entity designation is accomplished through a formal
44 agreement adopted by the municipality and the entity after
45 community input. The agreement establishes the terms and
46 conditions by which the entity could acquire and dispose of
47 property, requires a land banking agreement to specify the terms

1 and conditions under which the designated land banking entity may
2 maintain and secure the property, and demolish or otherwise clear
3 buildings and other site improvements, a mechanism for sharing
4 costs and revenues between the municipality and the entity, and the
5 level of municipal oversight. The agreement can be amended at any
6 time by mutual consent, and terminated by the municipality by
7 giving one year's notice to the entity. The bill requires that a
8 municipality receiving property pursuant to the termination of a
9 land banking agreement must also assume any current debt on the
10 property which had received prior approval by the municipal
11 governing body.

12 Where the land bank entity is a non-profit rather than
13 governmental entity, the municipality may exempt the properties it
14 holds as a land bank entity from property taxes.

15 The entity is required to keep a registry of properties held as a
16 land bank entity, separate from other properties it might own, and
17 make the registry publically available and file the registry annually
18 with DCA and with the Department of the Treasury. The entity
19 must submit an annual report on its land banking activities to the
20 municipal governing body DCA, and the public. The entity also
21 must create a community advisory board, and adopt procedures to
22 ensure the advisory board has access to information and opportunity
23 to provide input into the entity's decisions.

24 Once designated by a municipality, land bank entities may serve
25 the same function for other municipalities subject to a shared
26 services agreement between two or more municipalities. A
27 municipality may also remit to the land bank up to 50 percent of the
28 property taxes or payments in lieu of taxes, in an amount no greater
29 than 30 percent of the property's property tax for site
30 improvements, collected for up to 10 years on parcels conveyed by
31 the land bank to private entities, when the parcel had not paid taxes
32 for two years preceding conveyance. The municipality is required
33 to submit an annual report listing all properties subject to this type
34 of tax remittance to both DCA and the Department of the Treasury.