

SENATE, No. 2373

STATE OF NEW JERSEY 217th LEGISLATURE

INTRODUCED JUNE 16, 2016

Sponsored by:

Senator M. TERESA RUIZ

District 29 (Essex)

SYNOPSIS

Permits municipal land banking in conjunction with online property database development.

CURRENT VERSION OF TEXT

As introduced.



1 AN ACT concerning municipal land banking and online mapping,
2 and amending P.L.1960, c.183 and P.L.1971, c.199, and
3 amending and supplementing P.L.1992, c.79.
4

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

8 1. (New section) Sections 1 through 16 of P.L. , c. (C.)
9 (pending before the Legislature as this bill) shall be known and may
10 be cited as the “New Jersey Land Bank Law.”
11

12 2. (New section) The Legislature finds and declares that:

13 a. Difficult economic conditions coupled with the continued
14 high rate of foreclosures have significantly increased the number of
15 vacant, abandoned, and other problem properties in the State’s
16 municipalities, particularly its older cities;

17 b. The continued presence and proliferation of these vacant,
18 abandoned, and other problem properties in the communities of this
19 State has a negative effect on the public health and welfare, reduces
20 property values and municipal revenues, and impedes the economic
21 development and revitalization of the State’s municipalities,
22 particularly its older cities;

23 c. At present, many vacant, abandoned and other problem
24 properties, rather than being productively reused, remain vacant
25 despite frequent changes in ownership, and continue to have a
26 blighting effect on their surroundings;

27 d. The State’s municipalities can benefit from more effective
28 tools to control the inventory of vacant, abandoned, and other
29 problem properties, in order to both minimize the harm that they do
30 in their present condition and to facilitate their restoration to
31 productive use;

32 e. In order to most effectively engage the local community in
33 identifying problem properties, the State’s municipalities can also
34 benefit from the publication of interactive online mapping databases
35 of vacant and abandoned properties;

36 f. To ensure that land banking activities are conducted in an
37 honest and open manner, the public can also benefit from the
38 inclusion of properties subject to land banking agreements within
39 the interactive online mapping databases regardless of whether or
40 not such properties are vacant and abandoned; and

41 g. It is, therefore, in the best interest of this State to allow
42 municipalities to designate single entities to act on their behalf to
43 acquire, maintain, and sell, lease and otherwise dispose of vacant,
44 abandoned and problem properties, in order to carry out strategies
45 to ensure that the reuse of these properties provides the greatest

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 long-term benefit to the physical, social and economic condition of
2 the municipality.

3

4 3. (New section) As used in sections 3 through 16 of P.L. , c.
5 (C.) (pending before the Legislature as this bill):

6 “Land bank entity” means a redevelopment entity, or a non-profit
7 entity, that has entered into a land banking agreement.

8 “Land bank property” means property subject to a land banking
9 agreement.

10 “Land banking agreement” means an agreement between a
11 municipality and a land bank entity to act on behalf of the
12 municipality to hold, maintain and sell, lease, or convey property
13 owned by the municipality and not needed for any public purpose.

14 “Redevelopment entity” means either:

15 (1) A redevelopment entity designated by the municipality
16 pursuant to section 4 of the “Local Redevelopment and Housing
17 Law,” P.L.1992, c.79 (C.40A:12A-4);

18 (2) A county improvement authority designated by the
19 municipality to act as a redevelopment entity pursuant to the
20 “county improvement authorities law,” P.L.1960, c.183 (C.40:37A-
21 44 et seq.) for the purpose of entering into a land banking
22 agreement with said entity, without regard to whether the county
23 improvement authority is otherwise acting as a redevelopment
24 entity in the municipality; or

25 (3) The municipality itself, or one of its departments or
26 agencies, but only if the municipality is executing redevelopment
27 responsibilities directly pursuant to section 4 of P.L.1992, c.79
28 (C.40A:12A-4). In such cases, the designated redevelopment entity
29 shall not need to adopt separate ordinances or resolutions, as
30 appropriate, for the purpose of adopting a land banking agreement
31 or amendments pursuant to subsections d. and e. of section 5 of
32 P.L. , c. (C.) (pending before the Legislature as this bill),
33 and the adoption of one ordinance to create the land banking
34 agreement, and one ordinance for each amendment thereto shall
35 suffice. Termination notice requirements, prescribed by section 14
36 of P.L. , c. (C.) (pending before the Legislature as this bill),
37 also shall not be necessary.

38

39 4. (New section) a. A municipality may enter into a land
40 banking agreement with a redevelopment entity, and designate the
41 redevelopment entity as its land bank entity.

42 b. A municipality may enter into a land banking agreement with
43 a non-profit entity so long as the by-laws of the non-profit entity
44 provide that the chief financial officer of the municipality serves on
45 the board of the non-profit entity, ex officio.

1 5. (New section) a. A land banking agreement shall establish
2 the responsibilities of the land bank entity and shall specify the
3 terms and conditions under which the land bank entity may acquire
4 property on behalf of the municipality, demolish and otherwise
5 clear buildings and conduct other site improvements located on the
6 property, maintain and secure the property, conduct other activities
7 on the property, and, notwithstanding the provisions of the “Local
8 Lands and Buildings Law,” P.L.1971, c.199 (C.40A:12-1 et seq.),
9 sell, lease, or convey property held on behalf of the municipality.
10 The land banking agreement also shall provide for such municipal
11 oversight of the land bank entity as the municipality deems
12 necessary and appropriate and shall establish the manner in which
13 any costs and revenues, including proceeds of the sale or leasing of
14 land bank property shall be distributed. The land bank entity shall
15 not lease any land bank property for an individual term of more
16 than 10 years. Land bank property that is sold, leased, or conveyed
17 by a land bank entity, shall be subject to ordinances adopted
18 pursuant to the “Municipal Land Use Law,” P.L.1975, c.291
19 (C.40:55D-1 et seq.), and other applicable State statutes following
20 the sale, lease, or conveyance.

21 b. Prior to submission of the land banking agreement for
22 approval by the municipal governing body, the municipality shall
23 hold a public meeting to solicit the advice of the public on the
24 substance and intent of the land banking agreement.

25 c. The ordinance comprising the land banking agreement shall
26 include findings establishing the need for land bank activity in the
27 municipality, and the qualifications of the land bank entity to carry
28 out the responsibilities established pursuant to P.L. , c. (C.)
29 (pending before the Legislature as this bill).

30 d. The land banking agreement shall be adopted by an
31 ordinance of the governing body of the municipality and by
32 resolution of the governing body of the land bank entity.

33 e. The land banking agreement may be amended at any time by
34 ordinance of the governing body of the municipality and by
35 resolution of the governing body of the land bank entity.

36

37 6. (New section) Pursuant to the land banking agreement or any
38 subsequent amendment thereto, the land bank entity may be
39 designated by the municipality to:

40 a. acquire properties on its behalf through contribution, gift,
41 grant, bequest, purchase or otherwise, whether or not the property is
42 located in an area designated as a redevelopment area or an area in
43 need of rehabilitation; and

44 b. act as its agent, or in place of its municipal officer, with
45 respect to acquisition of property, including but not limited to
46 purchase of tax and other liens, foreclosure of tax and other liens,
47 and individual abandoned property takings pursuant to paragraph
48 (2) of subsection c. of section 37 of the “New Jersey Urban

1 Redevelopment Act,” P.L.1996, c.62 (C.55:19-56) on behalf of the
2 municipality and to take title to such properties on behalf of the
3 municipality; provided, however, that nothing in this section shall
4 authorize the use of eminent domain beyond that use already
5 permitted by law.

6
7 7. (New section) a. For purposes of this section, a municipality,
8 through the land banking agreement itself, or through the adoption
9 of a separate ordinance, may sell, lease, or convey to the land bank
10 entity, and the land bank entity may take title to, any property or
11 properties held by the municipality and not needed for any public
12 purpose, whether or not the property is located in an area designated
13 as a redevelopment area or an area in need of rehabilitation, without
14 public bidding and at such prices and upon such terms as the
15 municipality deems reasonable. Unless the terms of the land
16 banking agreement provide otherwise, such sales, leases, and
17 conveyances to the land bank entity itself shall be conditioned on
18 the municipality’s ability to regain control of the properties
19 pursuant to subsection c. of section 14 of P.L. , c. (C.)
20 (pending before the Legislature as this bill).

21 b. Through the land banking agreement itself, or through the
22 adoption of a separate ordinance, a municipality may assign any tax
23 liens or other liens to the land bank entity with or without
24 consideration and at such prices and upon such terms as it deems
25 reasonable.

26
27 8. (New section) a. To the extent that the statute under which
28 a redevelopment entity was established, section 4 of P.L.1992, c.79
29 (C.40A:12A-4) or P.L.1960, c.183 (C.40:37A-44 et seq.) in the case
30 of a county improvement authority, confers on that entity the power
31 to borrow funds and incur debt, the redevelopment entity may
32 exercise those powers in furtherance of its land banking obligations
33 subject to the conditions and limitations set forth in section 4 of
34 P.L.1992, c.79 (C.40A:12A-4) or P.L.1960, c.183 (C.40:37A-44 et
35 seq.).

36 b. To the extent that the statute under which the redevelopment
37 entity was established, section 4 of P.L.1992, c.79 (C.40A:12A-4)
38 or P.L.1960, c.183 (C.40:37A-44 et seq.) in the case of a county
39 improvement authority, provides that the municipality may
40 guarantee its debt or other borrowing, the municipality may also
41 guarantee its debt or other borrowing under the same terms and
42 conditions, in furtherance of the entity’s obligations as a land bank
43 entity.

44 c. The guaranteeing of debt and borrowing of funds permitted
45 under subsections a. and b. of this section only shall be permitted so
46 long as the land banking agreement itself also explicitly permits
47 these actions.

1 9. (New section) In selling, leasing, or conveying land bank
2 property, a redevelopment entity shall not be subject to the
3 provisions of section 9 of P.L.1992, c.79 (C.40A:12A-9), but shall
4 be subject to any terms and conditions set forth in the land banking
5 agreement and by the regulations of the redevelopment entity,
6 adopted pursuant to section 10 of P.L. , c. (C.) (pending
7 before the Legislature as this bill).

8
9 10. (New section) Within six months after designation by the
10 municipality, the land bank entity shall adopt written regulations
11 governing the sales, leases, and conveyances of land bank property
12 consistent with any provisions of the land banking agreement and
13 with respect to any other matters that may be required by said
14 agreement, which regulations shall be published on the Internet web
15 sites of the land bank entity and the municipality, along with the
16 database required pursuant to subsection c. of section 11 of P.L. ,
17 c. (C.) (pending before the Legislature as this bill).

18
19 11. (New section) a. Within six months after designation by the
20 municipality the land bank entity shall create a community advisory
21 board, which shall consist of representatives of recognized
22 community associations and non-profit organizations operating
23 within the municipality, in particular those associations and
24 organizations active in areas where the land bank entity anticipates
25 holding properties.

26 b. The land bank entity shall adopt policies and procedures to
27 ensure that the community advisory board is provided with
28 adequate information and opportunity to provide valued input into
29 the decisions of the land bank entity in its capacity as a land bank
30 entity.

31 c. (1) In coordination with the municipality and the community
32 advisory board, the land bank entity shall, within a reasonable time,
33 create, maintain, and make publicly available on its Internet
34 website, a database listing all current and former land bank
35 properties, each owner of record since each property became a land
36 bank property, and the sales price of each land bank property that
37 has been sold or purchased by the land bank entity.

38 (2) In coordination with the municipality and the community
39 advisory board, the land bank entity is encouraged to incorporate
40 into the online database:

41 (a) a list of all vacant and abandoned properties within the
42 municipality;

43 (b) a mechanism to allow the public to offer suggestions
44 concerning what properties should be labeled as vacant and
45 abandoned; and

46 (c) an interactive mapping component to allow the public to
47 visualize the impact of land banking and the extent of vacant and
48 abandoned properties within the municipality.

1 d. On an annual basis at minimum, the community advisory
2 board shall report on the accuracy, integrity, accessibility, and
3 comprehensiveness of the database established pursuant to
4 subsection c. of this section. Each annual report shall be accessible
5 to the public through the internet website of the municipality and
6 the land bank entity. The fact that a land bank entity has failed to
7 comply with the database requirement under subsection c. of this
8 section shall be prominently noted in each annual report, but no
9 other penalty shall inure to that failure.

10 e. The Division of Local Government Services in the
11 Department of Community Affairs shall, within six months of the
12 effective date of P.L. , c. (C.) (pending before the
13 Legislature as this bill), publish and disseminate a guidebook of
14 good practice for creating and maintaining databases established
15 pursuant to subsection c. of this section.

16
17 12. (New section) The land bank entity shall provide an annual
18 report to the municipal governing body and the public describing
19 the properties being held by it as a land bank entity and the
20 activities that it carried out during the year as a land bank entity.

21
22 13. (New section) The land banking agreement between the
23 municipality and a non-profit entity may provide that properties
24 sold, leased, or conveyed by the municipality to the non-profit
25 entity pursuant to section 7 of P.L. , c. (C.) (pending before
26 the Legislature as this bill), or acquired by the non-profit entity
27 pursuant to section 6 of P.L. , c. (C.) (pending before the
28 Legislature as this bill), are held by the entity on behalf of the
29 municipality for a public purpose and shall be exempt from property
30 taxation until or unless sold, leased, or conveyed by the entity or
31 used by the entity for a purpose that is not eligible for exemption
32 from taxation.

33
34 14. (New section) a. The municipality may terminate the land
35 banking agreement at any time by providing the land bank entity
36 with one year's notice of termination.

37 b. Termination of the land banking agreement shall not affect
38 the status of any transaction properly entered into by the land bank
39 entity prior to termination.

40 c. Within 90 days following the date of termination, the land
41 bank entity shall convey to the municipality all land bank property
42 without consideration; provided, however, that the municipality and
43 the entity may agree to allow the entity to retain title to any
44 properties that are the subject of a pending transaction by the entity
45 until completion of the transaction, and until the end of any lease.

46
47 15. (New section) A land bank entity may act as a land bank
48 entity for more than one municipality at the same time, subject to

1 the provisions of the “Uniform Shared Services and Consolidation
2 Act,” P.L.2007, c.63 (C.40A:65-1 et seq.).

3
4 16. (New section) a. A municipal governing body may provide
5 by ordinance that an amount equaling up to 50 percent of property
6 taxes or payments in lieu of taxes collected on land bank properties
7 each year shall be returned to the land bank entity for up to 10 years
8 following a sale or conveyance of those properties from the land
9 bank entity to a private owner. Such ordinance may only be applied
10 to real property on which no property tax has been paid, or payment
11 in lieu of taxes collected, for at least two years prior to the property
12 becoming a land bank property. Such ordinance may be applied to
13 any individual sale or conveyance, any group of sales and
14 conveyances, or all future sales and conveyances that fit these
15 criteria.

16 b. The distribution of any proceeds associated with the sales
17 and leasing of land bank property shall be addressed in the land
18 banking agreement itself and in amendments thereto. Proceeds
19 associated with the sales and leasing of land bank property, and all
20 other proceeds obtained by the land bank entity under the
21 ordinance, shall be maintained in one or more accounts, separate
22 from all other accounts maintained by the entity serving as the land
23 bank entity. The account or accounts shall be deemed to be
24 government records and subject to the provisions of P.L.1963, c.73
25 (C.47:1A-1 et seq.), commonly known as the open public records
26 act.

27 c. As used in this section, “conveyance” shall not be construed
28 to include a lease.

29
30 17. Section 12 of P.L.1960, c.183 (C.40:37A-55) is amended to
31 read as follows:

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

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

40 (b) To sue and be sued;

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

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

45 (e) Subject to the provisions of section 26 of this act, to acquire
46 by purchase, gift, condemnation or otherwise, or lease as lessee,
47 real property and easements or interests therein necessary or useful
48 and convenient for the purposes of the authority, whether subject to

1 mortgages, deeds of trust or other liens or otherwise, and to hold
2 and to use the same, and to dispose of property so acquired no
3 longer necessary for the purposes of the authority; provided that the
4 authority may dispose of such property at any time to any
5 governmental unit or person if the authority shall receive a
6 leasehold interest in the property for such term as the authority
7 deems appropriate to fulfill its purposes;

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

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

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

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

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

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

45 (k) To apply for and to accept gifts or grants of real or personal
46 property, money, material, labor or supplies for the purposes of the
47 authority from any governmental unit or person, and to make and
48 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
47 desirable for the purpose of the authority to achieve more favorable
48 interest rates and terms for those local governmental units ; and

1 (v) To act as and exercise the powers of a land bank entity
2 pursuant to P.L. , c. (C.) (pending before the Legislature as
3 this bill) for any municipality situated within the county pursuant to
4 a land banking agreement approved by an ordinance adopted by the
5 municipal governing body.

6 (cf: P.L.2011, c.187, s.4)

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

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

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

42 (b) Any nationally chartered organization or association of
43 veterans of any war, in which the United States has or shall have
44 been engaged, by a conveyance for consideration, a part of which
45 may be an agreement by the organization or association to render
46 service or to provide facilities for the general public of the county
47 or municipality, of a kind which the county or municipality may
48 furnish to its citizens and to the general public, or

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

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

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

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

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

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

35 (i) Any county or municipal sewerage authority serving the
36 residents of the county or municipality, for the use thereof for
37 sewerage authority purposes, or

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

44 (k) Any duly incorporated nonprofit organization or association,
45 other than a political, partisan, sectarian, denominational or
46 religious organization or association, which includes among its
47 principal purposes the provision of educational, gardening,

1 recreational, medical or social services to the general public,
2 including residents of the county or municipality, or

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

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

11 (n) Any duly incorporated nonprofit organization or association
12 for the cultivation and sale of fresh fruits and vegetables on a tract
13 of land of less than five acres within a municipality, provided that
14 the nonprofit organization or association is not controlled, directly
15 or indirectly, by any agricultural, commercial, or other business.
16 The nonprofit organization or association shall be authorized to sell
17 fresh fruits and vegetables either on the land that was conveyed, off
18 that land, or both, provided, that the sales are related and incidental
19 to the non-profit purposes of the organization or association and the
20 net proceeds received by the nonprofit organization or association
21 are used to further the non-profit purposes of the organization or
22 association.

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

28 The provisions of this section shall not be deemed to restrict land
29 banking agreements undertaken pursuant to P.L. , c. (C.)
30 (pending before the Legislature as this bill).
31 (cf: P.L.2011, c.171, s.3)

32

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

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

40 a. To sue and be sued; to have a seal and to alter the same at
41 pleasure; to have perpetual succession; to make and execute
42 contracts and other instruments necessary and convenient to the
43 exercise of the powers of the agency or authority; and to make and
44 from time to time amend and repeal bylaws, rules and regulations,
45 not inconsistent with this act, to carry into effect its powers and
46 purposes.

47 b. Pursuant to an adopted cash management plan, invest any
48 funds held in reserve or sinking funds, or any funds not required for

- 1 immediate disbursement, in property or securities in which
2 governmental units may legally invest funds subject to their control;
3 to purchase its bonds at a price not more than the principal amount
4 thereof and accrued interest, all bonds so purchased to be cancelled.
- 5 c. Borrow money and receive grants and loans from any source
6 for the financing of a redevelopment project or housing project.
- 7 d. Invest in an obligee the right in the event of a default by the
8 agency to foreclose and take possession of the project covered by
9 the mortgage or apply for the appointment of a receiver.
- 10 e. Invest in a trustee or trustees or holders of bonds the right to
11 enforce the payment of the bonds or any covenant securing or
12 relating to the bonds, which may include the right, in the event of
13 the default, to take possession and use, operate and manage any
14 project or part thereof, and to collect the rents and revenues arising
15 therefrom and to dispose of the moneys in accordance with the
16 agreement of the authority with the trustee.
- 17 f. Provide for the refunding of any of its bonds, by the issuance
18 of such obligations, in such manner and form, and upon such terms
19 and conditions, as it shall deem in the best interests of the public.
- 20 g. Consent to the modification of any contract, bond indenture,
21 mortgage or other instrument entered into by it.
- 22 h. Pay or compromise any claim arising on, or because of any
23 agreement, bond indenture, mortgage or instrument.
- 24 i. Acquire or contract to acquire from any person, firm, or
25 corporation, public or private, by contribution, gift, grant, bequest,
26 devise, purchase, or otherwise, real or personal property or any
27 interest therein, including such property as it may deem necessary
28 or proper, although temporarily not required for such purposes, in a
29 redevelopment area or in any area designated by the governing body
30 as necessary for carrying out the relocation of the residents,
31 industry and commerce displaced from a redevelopment area.
- 32 j. Subordinate, waive, sell, assign or release any right, title,
33 claim, lien or demand however acquired, including any equity or
34 right of redemption, foreclosure, sell or assign any mortgage held
35 by it, or any interest in real or personal property; and purchase at
36 any sale, upon such terms and at such prices as it determines to be
37 reasonable, and to take title to the property, real, personal, or
38 mixed, so acquired and similarly to sell, exchange, assign, convey
39 or otherwise dispose of any property.
- 40 k. Complete, administer, operate, obtain and pay for insurance
41 on, and maintain, renovate, repair, modernize, lease or otherwise
42 deal with any property.
- 43 l. Employ or retain consulting and other attorneys, planners,
44 engineers, architects, managers and financial experts and other
45 employees and agents of a permanent or temporary nature as may
46 be necessary, determine their qualifications, duties and
47 compensation, and delegate to one or more of its agents or
48 employees such powers and duties as it deems proper. For such

1 legal services as may be required, a redevelopment agency or
2 housing authority may call upon the chief law officers of the
3 municipality or county, as the case may be, or may employ its own
4 counsel and legal staff.

5 m. Arrange or contract with a public agency, to the extent that it
6 is within the scope of that agency's functions, to cause the services
7 customarily provided by such other agency to be rendered for the
8 benefit of the occupants of any redevelopment area or housing
9 project, and have such other agency provide and maintain parks,
10 recreation centers, schools, sewerage, transportation, water and
11 other municipal facilities adjacent to or in connection with a
12 redevelopment area or project.

13 n. Conduct examinations and investigations, hear testimony
14 and take proof, under oath at public or private hearings of any
15 material matter, compel witnesses and the production of books and
16 papers and issue commissions for the examination of witnesses who
17 are out of State, unable to attend, or excused from attendance;
18 authorize a committee designated by it consisting of one or more
19 members, or counsel, or any officer or employee to conduct the
20 examination or investigation, in which case it may authorize in its
21 name the committee, counsel, officer or employee to administer
22 oaths, take affidavits and issue subpoenas or commissions.

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

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

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

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

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

39
40 20. This act shall take effect immediately.

41
42
43 STATEMENT

44
45 This bill allows municipalities to designate non-profit entities,
46 and redevelopment entities, including the municipality itself when it
47 serves as its own redevelopment entity, to act as land bank entities
48 on behalf of the municipality. Non-profit land bank entities shall

1 allow the chief financial officer of the municipality to serve on the
2 board of the entity as an ex officio member.

3 This bill is similar to A-441 of 2014-2015. However, this bill
4 addresses concerns expressed in the Governor's Veto Statement to
5 that bill related to the need for greater transparency and oversight of
6 land bank entities. The bill addresses these concerns through a
7 requirement for the land bank entity to develop and maintain an
8 online database of land bank properties that is accessible to the
9 public, and that provides comprehensive information on the
10 ownership and sales prices of those properties. The bill further
11 encourages the land bank entity to incorporate into the database a
12 list of all vacant and abandoned properties within the municipality,
13 a mechanism to allow the public to offer suggestions concerning
14 what properties should be labeled as vacant and abandoned, and an
15 interactive mapping feature to allow the public to visualize the
16 impact of land banking and the extent of vacant and abandoned
17 properties within the municipality.

18 Under this bill, a municipality may convey municipal-owned
19 properties and assign municipal-owned liens to the land bank entity.
20 The land bank entity may also acquire properties for the land bank
21 through gift or purchase, and act as the municipality's agent to
22 purchase liens at tax sale, and carry out lien foreclosures and
23 individual abandoned property takings.

24 Land bank entity designation is accomplished through a formal
25 agreement adopted by the municipality and the entity after
26 community input. The agreement establishes the terms and
27 conditions by which the entity may acquire and may sell, lease, or
28 convey a property, a mechanism for sharing costs and revenues
29 between the municipality and the entity, and the level of municipal
30 oversight. The agreement can be amended at any time by mutual
31 consent, and terminated by the municipality by giving one year's
32 notice to the entity.

33 When the land bank entity is a non-profit rather than
34 governmental entity, the municipality may exempt the land bank
35 properties held by the land bank entity from property taxes.

36 The land bank entity is required to develop and maintain an
37 online database of current and former land bank properties. The
38 land bank entity shall create a community advisory board, and adopt
39 procedures to ensure the advisory board has access to information
40 and opportunity to provide input into the entity's decisions.

41 The community advisory board shall report on the accuracy,
42 integrity, accessibility, and comprehensiveness of the online
43 mapping database on at least an annual basis. If a land bank entity
44 fails to comply with the database requirement, the community
45 advisory board shall prominently note that failure in each annual
46 report, but no other penalty shall result. The land bank entity must
47 also submit an annual report on its land banking activities to the
48 municipal governing body and the public.

1 Once designated by a municipality, land bank entities may serve
2 the same function for other municipalities, subject to a shared
3 services agreement between the designated municipality and any
4 other municipalities. A municipality also may adopt an ordinance to
5 remit to the land bank entity an amount equaling up to 50 percent of
6 the property taxes or payments in lieu of taxes collected for up to 10
7 years on parcels sold or conveyed, but not leased, by the land bank
8 entity to private entities, provided that property taxes were not paid
9 on the parcel for at least two years preceding the date when the
10 parcel became a land bank property.