

[Second Reprint]

ASSEMBLY, No. 2041

STATE OF NEW JERSEY

218th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2018 SESSION

Sponsored by:

Assemblyman CRAIG J. COUGHLIN

District 19 (Middlesex)

Assemblyman JAMEL C. HOLLEY

District 20 (Union)

Assemblywoman ELIANA PINTOR MARIN

District 29 (Essex)

Senator JOSEPH F. VITALE

District 19 (Middlesex)

Senator VIN GOPAL

District 11 (Monmouth)

Co-Sponsored by:

Assemblywomen Mosquera, Murphy, Assemblymen Lagana, Schaer, Conaway, Assemblywoman Pinkin, Assemblyman Houghtaling, Senators Brown and Ruiz

SYNOPSIS

Establishes “Economic Redevelopment and Growth Grant Bond Financing Act,” authorizing issuance of bonds secured by pledge of Economic Redevelopment and Growth Grant proceeds, municipal liens, and special assessment; expands “Redevelopment Area Bond Financing Law;” extends time to complete certain projects under “Long Term Tax Exemption Law.”

CURRENT VERSION OF TEXT

As reported by the Senate Budget and Appropriations Committee on June 18, 2018, with amendments.

(Sponsorship Updated As Of: 6/26/2018)

AN ACT concerning tax exemptions, the issuance of bonds and imposition of certain municipal liens and special assessments, establishing the “Economic Redevelopment and Growth Grant Bond Financing Act,” supplementing Title 52 of the Revised Statutes, amending ¹[and supplementing]¹ the “Redevelopment Area Bond Financing Law,” P.L.2001, c.310 (C.40A:12A-64 et seq.), and amending the “Long Term Tax Exemption Law,” P.L.1991, c.431 (C.40A:20-1 et seq.).

BE IT ENACTED by the Senate and General Assembly of the State of New Jersey:

1. (New section) Sections 1 through 11 of this act shall be known and may be cited as the “Economic Redevelopment and Growth Grant Bond Financing Act.”

2. (New section) As used in sections 1 through 11 of P.L. , c. (C.) (pending before the Legislature as this bill):

“Authority” means the New Jersey Economic Development Authority established pursuant to P.L.1974, c.80 (C.34:1B-1 et seq.), the New Jersey Redevelopment Authority established pursuant to section 4 of P.L.1996, c.62 (C.55:19-23), a county improvement authority established pursuant to P.L.1960, c.183 (C.40:37A-44 et seq.), or other instrumentality created by law of the State with the power to incur debt and issue bonds and other obligations. ²The issuance of debt in accordance herewith is hereby deemed an essential public, governmental, and corporate purpose of all such authorities.²

“Board” means the Local Finance Board established in the Division of Local Government Services in the Department of Community Affairs.

“Bonds” mean bonds, notes^{2, 2} or other obligations issued by an authority ²[, including any State entity,² or a municipality to finance or refinance economic redevelopment and growth grant projects, and in connection therewith, to finance or refinance any other cost or expense of an authority ²[, a State entity]² or a municipality pursuant to sections 1 through 11 of P.L. , c. (C.) (pending before the Legislature as this bill), the “Local Redevelopment and Housing Law,” P.L.1992, c.79 (C.40A:12A-1 et al), or other applicable law.

“Developer” means any person who enters or proposes to enter into a redevelopment incentive grant agreement pursuant to the provisions of section 9 of P.L.2009, c.90 (C.52:27D-489i), or its

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.

Matter enclosed in superscript numerals has been adopted as follows:

¹Assembly ACE committee amendments adopted February 8, 2018.

²Senate SBA committee amendments adopted June 18, 2018.

1 successors or assigns, including but not limited to a lender that
2 completes an economic redevelopment and growth grant project,
3 operates an economic redevelopment and growth grant project, or
4 completes and operates an economic redevelopment and growth
5 grant project. A developer also may be a municipal redeveloper as
6 defined herein.

7 “Economic redevelopment and growth grant project” means a
8 project for which an incentive grant has been approved pursuant to
9 section 4 or section 5 of P.L.2009, c.90 (C.52:27D-489d or
10 C.52:27D-489e).

11 “Incentive grant” means reimbursement of all or a portion of the
12 project financing gap of an economic redevelopment and growth
13 grant project through the State or a local Economic Redevelopment
14 and Growth Grant program pursuant to section 4 or section 5 of
15 P.L.2009, c. 90 (C.52:27D-489d or C.52:27D-489e). ²The amount
16 of reimbursements for a State economic redevelopment and growth
17 grant project is subject to appropriation by the Legislature and to
18 availability of funds.²

19 “Incentive grant pledge” means an agreement ²[between a
20 developer and the issuer of bonds pursuant to which the developer]
21 that² pledges ²[its] a developer's right to collect incremental revenues
22 from an² incentive grant ²[for] as² repayment ²[of the] for² bonds,
23 which pledge may be part of a bond indenture or other agreement
24 related to the issuance of the bonds. ²The pledge of a State
25 incentive grant shall be made only upon notice to and consent of the
26 New Jersey Economic Development Authority and the State
27 Treasurer in accordance with section 9 of P.L.2009, c.90
28 (C.52:27D-489i).²

29 “Municipal redeveloper” means an applicant for a redevelopment
30 incentive grant agreement, which applicant is:

31 a. a municipal government, a municipal parking authority, or a
32 redevelopment agency acting on behalf of a municipal government
33 as defined in section 3 of P.L.1992, c.79 (C.40A:12A-3); or

34 b. a developer of a mixed use parking project, provided that the
35 parking component of the mixed use parking project is operated and
36 maintained by a municipal parking authority for the term of any
37 financial assistance granted pursuant to P.L.2015, c.69.

38 “Municipality” means the municipal governing body or an entity
39 acting on behalf of the municipality if permitted by the federal
40 Internal Revenue Code of 1986, or, if a redevelopment agency or
41 redevelopment entity is established in the municipality pursuant to
42 P.L.1992, c.79 (C.40A:12A-1 et seq.) and the municipality so
43 provides, the redevelopment agency or entity so established.

44 “Redevelopment incentive grant agreement” means an agreement
45 between:

46 a. the State and the New Jersey Economic Development
47 Authority and a developer; or

1 b. a municipality and a developer, or a municipal ordinance
 2 authorizing a project to be undertaken by a municipal redeveloper,
 3 under which, in exchange for the proceeds of an incentive grant, the
 4 developer agrees to perform any work or undertaking necessary for
 5 an economic redevelopment and growth grant project, including the
 6 clearance, development or redevelopment, construction, or
 7 rehabilitation of any structure or improvement of commercial,
 8 industrial, residential, or public structures or improvements within a
 9 qualifying economic redevelopment and growth grant incentive area
 10 or a transit village.

11 “Special assessment” means an assessment upon the lands or
 12 improvements on such lands, or both, on the real property
 13 benefitted by improvements undertaken pursuant to sections 1
 14 through 11 of P.L. , c. (C.) (pending before the Legislature
 15 as this bill) and assessed pursuant to chapter 56 of Title 40 of the
 16 Revised Statutes, R.S.40:56-1 et seq., except as otherwise provided
 17 in subsection b. of section 3 of P.L. , c. (C.) (pending
 18 before the Legislature as this bill).

19 “State entity” means ²the New Jersey Sports and Exposition
 20 Authority established pursuant to P.L.1971, c.137 (C.5:10-1 et seq.)
 21 or² any ²other² entity created by State law ²**【with the power to**
 22 **undertake】** which undertakes² an economic redevelopment and
 23 growth grant project ²**【directly or through a State entity**
 24 **developer】**² and ²**【with】** which has² the power to determine the
 25 location, type, and character of ²**【an economic redevelopment and**
 26 **growth grant project or part of an economic redevelopment and**
 27 **growth grant project】** projects² on land owned or controlled by it.

28 ²**【“State entity developer”** means any person, firm, or
 29 corporation that shall enter into or propose to enter into a State
 30 entity development agreement with a State entity for an economic
 31 redevelopment and growth grant project under the enabling
 32 legislation governing the actions of the State entity or for any
 33 construction or other work forming a part of an economic
 34 redevelopment and growth grant project.

35 “State entity development agreement” means an agreement
 36 between a State entity and a State entity developer for an economic
 37 redevelopment and growth grant project.²
 38

39 3. (New section) a. In connection with any economic
 40 redevelopment and growth grant project, the municipality in which
 41 the project is located may issue bonds itself in the manner provided
 42 for herein or pursuant to the “Local Redevelopment and Housing
 43 Law,” P.L.1992, c.79 (C.40A:12A-1 et al.) or may apply to an
 44 authority to issue bonds, regardless of whether the economic
 45 redevelopment and growth grant project is undertaken ²**【under**
 46 **municipal authority】**² pursuant to section 4 ²or section 5² of
 47 P.L.2009, c.90 (C.52:27D-489d ²or C.52:27D-489e²) ²**【or by a State**

1 entity developer pursuant to a State entity development
 2 agreement¹, which, in any case, may be secured by an incentive
 3 grant pledge, and may be further secured by a municipal lien, by
 4 special assessments, or both a municipal lien and special
 5 assessments, by the adoption of a resolution or ordinance, as
 6 applicable, of the governing body of the municipality ²or² the
 7 authority ²or the State entity² to that effect. ²The term of any
 8 bond secured in whole or in part by an incentive grant pledge shall
 9 not exceed the eligibility period of the redevelopment incentive
 10 grant agreement that provides for the incentive grant that is
 11 pledged.

12 Nothing contained in sections 1 through 11 of
 13 P.L. , c. (C.) (pending before the Legislature as this bill)
 14 shall be construed as preventing the pledge, assignment, transfer, or
 15 sale of any or all of a developer's right, title, and interest in and to a
 16 redevelopment incentive grant agreement and in the incentive grants
 17 payable thereunder, and the right to receive same, along with the
 18 rights and remedies provided to a developer under a redevelopment
 19 incentive grant agreement in accordance with subsection g. of
 20 section 9 of P.L.2009, c.90 (C.52:27D-489i.) or subsection g of
 21 section 11 of P.L.2009, c.90 (C.52:27D-489k.), as applicable, or
 22 shall purport to limit the use of such pledge, assignment, transfer, or
 23 sale with respect to the issuance of bonds hereunder or under other
 24 applicable law. Furthermore, nothing contained in sections 1
 25 through 11 of P.L. , c. (C.) (pending before the Legislature
 26 as this bill) shall prevent a State entity from financing an economic
 27 redevelopment and growth grant project in accordance with the
 28 State entity's enabling legislation and section 9 of P.L.2009, c.90
 29 (C.52:27D-489i), which financing shall not be subject to the
 30 provisions of sections 1 through 11 of P.L. , c. (C.)
 31 (pending before the Legislature as this bill).²

32 b. ²In addition to, or in lieu of, an incentive grant pledge, a
 33 A² municipality may provide by ordinance for one or more special
 34 assessments on the economic redevelopment and growth grant
 35 project in accordance with chapter 56 of Title 40 of the Revised
 36 Statutes, R.S.40:56-1 et seq.; provided, however, the local
 37 improvements for which such special assessments may be made
 38 may include any improvement in the economic redevelopment and
 39 growth grant project whether or not listed at R.S.40:56-1 and,
 40 provided further, that the provisions of R.S.40:56-35 shall be
 41 applied so that if any installment of a special assessment shall
 42 remain unpaid for 30 days after the time at which it shall become
 43 due, the municipality may provide, by ordinance, either that: (1) the
 44 whole assessment or balance due thereon shall become and be
 45 immediately due; or, (2) any subsequent installments which would
 46 not yet have become due except for the default shall be considered
 47 as not in default and that the lien for the installments not yet due

1 shall continue; and provided, further, that the ordinance may require
2 that the assessments be payable in quarterly, semi-annual, or yearly
3 installments, with legal interest thereon, over a period of years up to
4 but in no event exceeding the period of years for which the bonds
5 were issued ²[, or for 30 years, whichever shall be less]². In
6 levying a special assessment on the lands or improvements, or both,
7 on which the economic redevelopment and growth grant project is
8 located, the municipality may provide that the amount of the special
9 assessment shall be a specific amount, not to exceed the cost of the
10 improvements, plus any out-of-pocket costs or expenses incurred in
11 connection with such improvements, including, but not limited to,
12 architectural, engineering, financing, legal, and other professional
13 fees, paid with respect to property ²[on which the economic
14 redevelopment and growth grant project is located] benefitted by the
15 improvements². That specific amount shall, to the extent accepted
16 by the owner of the property benefitted, be deemed the conferred
17 benefit, in lieu of the amount being determined by the procedures
18 otherwise applicable to determining the actual benefit conferred on
19 the property. Special assessments levied pursuant to an ordinance
20 adopted under this subsection shall constitute a municipal lien
21 under R.S.40:56-33.

22 c. Upon adoption, a copy of the ordinance shall be filed for
23 public inspection in the office of the municipal clerk, and there
24 shall be published in a newspaper, published or circulating in the
25 municipality, a notice stating the fact and the date of adoption and
26 the place where the ordinance is filed and a summary of the
27 contents of the ordinance. The notice shall state that any action or
28 proceeding of any kind or nature in any court questioning the
29 validity or proper authorization of the ordinance or the actions
30 authorized to be taken as set forth in the ordinance shall be
31 commenced within 20 days after the publication of the notice. If no
32 action or proceeding questioning the validity of the ordinance
33 providing for special assessments or other actions authorized by the
34 ordinance shall be commenced or instituted within 20 days after the
35 publication of the notice, the county and the school district and all
36 other municipalities within the county and all residents and
37 taxpayers and owners of property therein shall be forever barred
38 and foreclosed from instituting or commencing any action or
39 proceeding in any court questioning the validity or enforceability of
40 the ordinance or the validity or enforceability of acts authorized
41 under the ordinance, and the ordinance and acts authorized by the
42 ordinance shall be conclusively deemed to be valid and enforceable
43 in accordance with their terms and tenor.

44 d. The municipality may include in the terms of a bond or
45 contract, including an incentive grant pledge, a provision that the
46 pledge of an incentive grant or special assessments shall constitute a
47 municipal charge for the purposes of R.S.54:4-66.

1 e. The incentive grant pledge or special assessments, or both,
2 may be assigned directly by the municipality or the authority to the
3 trustee for the bonds as payment or security for the bonds ²,
4 provided that the assignment of the pledge of a State incentive grant
5 shall be made only upon notice to and consent of the New Jersey
6 Economic Development Authority and the State Treasurer².
7 Notwithstanding any law to the contrary, the assignment shall be an
8 absolute assignment of all the municipality's right, title, and interest
9 in the incentive grant pledge or special assessments, or both, or
10 portion thereof, along with the rights and remedies provided to the
11 municipality under the agreement including, but not limited to, the
12 right of collection of payments due. ²**【**Pursuant to an absolute
13 assignment, the trustee, in lieu of the municipality, shall possess the
14 power to conduct a sale of the land or improvements thereon, or
15 both, or any leasehold interests in the land or improvements
16 thereon, or both, to satisfy delinquencies in incentive grant pledges
17 or special assessments, or both. The sale shall be held in
18 accordance with the provisions of the "tax sale law," R.S.54:5-1 et
19 seq.; provided, however that notwithstanding any provision of that
20 law, the trustee shall have the power to issue a tax sale certificate
21 making sale of any interest, including any interest less than a fee
22 interest, that is subject to a lien established under this section. Prior
23 to conducting a sale of the lands or improvements or issuing a tax
24 sale certificate pursuant to the power conferred under this section,
25 the trustee shall provide the governing body of the municipality
26 with written notice of the proposed sale or issuance at least five
27 working days prior to the date of the proposed sale or issuance.**】**²
28 Any interest that is subject to a lien established under this section
29 shall not be transferred, conveyed, assigned, disposed of, or sold,
30 whether by tax sale or otherwise, free and clear of the
31 redevelopment incentive grant agreement and any incentive grant
32 pledges due thereunder while bonds are secured thereby, regardless
33 of the consent of the parties or order of any court, whether in law or
34 in equity, unless any such transfer or conveyance is provided for
35 under the terms and conditions set forth in the bond resolution or
36 bond ordinance, as applicable. Any purchaser, transferee,
37 successor, grantee, or assignee of such interest, whether at a tax sale
38 or otherwise, shall take title to such interest subject to the
39 obligations imposed by the redevelopment incentive grant
40 agreement. ²Notwithstanding any provision in this section or in any
41 other law to the contrary, no purchaser, transferee, successor,
42 grantee, or assignee shall be assigned a State redevelopment
43 incentive grant agreement or have any of the rights, duties, or
44 obligations of a State redevelopment incentive grant agreement
45 without notice to and consent of the New Jersey Economic
46 Development Authority and the State Treasurer.² Incentive grant
47 pledges and special assessments assigned as provided hereunder

1 shall not be included in the general funds of the municipality, nor
 2 shall they be subject to any laws regarding the receipt, deposit,
 3 investment, or appropriation of public funds and shall retain such
 4 status notwithstanding enforcement of the payment or assessment
 5 by the municipality or assignee as provided herein. The
 6 municipality shall be a “person” within the meaning of that term as
 7 defined in section 3 of P.L.1974, c.80 (C.34:1B-3); and the purpose
 8 described in this section shall be a “project” within the meaning of
 9 that term as defined in section 3 of P.L.1974, c.80 (C.34:1B-3).

10 f. Notwithstanding the provisions of subsection g. of section
 11 37 of P.L.1992, c.79 (C.40A:12A-37), the bonds issued pursuant to
 12 this section ²~~may~~ shall² be issued as non-recourse obligations,
 13 and ²~~unless otherwise provided for by a separate action of the~~
 14 municipality to guarantee such bonds or otherwise provide for a
 15 pledge of the municipality's full faith and credit² shall not ²~~,~~
 16 except for such action,² be considered to be direct and general
 17 obligations of the municipality, and ²~~absent such action,~~² the
 18 municipality shall not be obligated to levy and collect a tax
 19 sufficient in an amount to pay the principal and interest on the
 20 bonds when the same become due and payable. The provisions of
 21 the “Local Government Supervision Act (1947),” P.L.1947, c.151
 22 (C.52:27BB-1 et seq.) shall not apply to any bonds issued or
 23 authorized pursuant to this section and those bonds shall not be
 24 considered gross debt of the municipality on any debt statement
 25 filed in accordance with the “Local Bond Law,” N.J.S.40A:2-1 et
 26 seq., and the provisions of chapter 27 of Title 52 of the Revised
 27 Statutes shall not apply to such bonds.

28 g. The proceeds from the sale of bonds and any funds provided
 29 by any department of the State, authority created by the State, or bi-
 30 state authority, for the purposes described in sections 1 through 11
 31 of P.L. , c. (C.) (pending before the Legislature as this bill),
 32 or for the purpose of financing or refinancing an economic
 33 redevelopment and growth grant project pursuant to ²~~a State entity~~
 34 development agreement² section 5 of P.L.2009, c.90 (C.52:27D-
 35 489e)² , shall not require compliance with public bidding laws,
 36 including the “Local Public Contracts Law,” P.L.1971,
 37 c.198 (C.40A:11-1 et seq.), or any other statute where the developer
 38 ²~~or State entity developer, as the case may be,~~² shall undertake
 39 the economic redevelopment and growth grant project. The use of
 40 these funds shall be subject to public accountability and oversight
 41 by the issuer of those bonds, regardless of whether the municipality,
 42 agency, or authority provides the funds.

43 h. ²~~In order to provide additional security for bonds issued to~~
 44 finance an economic redevelopment and growth grant project, the
 45 municipality may utilize powers otherwise provided by law,
 46 including the “Local Redevelopment and Housing Law,” P.L.1992,
 47 c.79 (C.40A:12A-1 et al), to provide for any extension of the

1 municipality's credit to any developer or State entity developer, as
 2 the case may be, or its full faith and credit which may include a full
 3 faith and credit lease as security for the bonds or any loan to a
 4 developer or State entity developer, as the case may be. To the
 5 extent that the municipality provides for a full faith and credit
 6 guarantee of any bonds, but determines not to authorize the issuance
 7 of bonds or notes to provide for the funding source thereof, or
 8 otherwise determines to enter into a full faith and credit lease, it
 9 may do so by resolution approved by a majority of the full
 10 governing body. To the extent that bonds or notes are authorized as
 11 provided above, such bonds or notes shall be authorized pursuant to
 12 the provisions of the "Local Bond Law," N.J.S.40A:2-1 et seq., and
 13 shall be deductible from the gross debt of the municipality until
 14 such time as such bonds or notes are actually issued, and only up to
 15 the amount actually issued, to fund such guarantee.

16 i.² A bond, whether issued by a municipality or an authority,
 17 ²which is secured in whole or in part by the full faith and credit
 18 thereof as provided herein,² shall be subject to the review and
 19 approval of the Local Finance Board. That review and approval
 20 shall be made prior to approval of ²[, in the case of a municipal
 21 governing body,² an ²introduced² ordinance or ²[, in the case of
 22 an authority or redevelopment entity that is not a municipal
 23 governing body,² a resolution ², as may be required by the law
 24 pursuant to which the bonds are issued². The board shall be entitled
 25 to receive from the applicant an amount sufficient to provide for all
 26 reasonable professional and other fees and expenses incurred by it
 27 for the review, analysis, and determination with respect thereto. As
 28 part of its review, the board shall specifically solicit comments from
 29 the New Jersey Economic Development Authority in addition to
 30 comments from the public. As part of the board's review and
 31 approval, it shall consider comments submitted, and whether the
 32 issuance of the bond will adversely impact the financial stability of
 33 the municipality or the service area of the authority.

34 ²j. i.² A municipality that has assigned any portion of the
 35 incentive grant pledge it receives as payment or security for bonds,
 36 may, with the consent of the developer, ²the New Jersey Economic
 37 Development Authority, and the State Treasurer,² also pledge a
 38 portion of the incentive grant pledge as payment or security for
 39 bonds in order to finance or refinance any cost or expense of the
 40 municipality ²[, State entity]² or authority.

41 ²k. j.² In the case of a municipality which is otherwise
 42 subject to tax or revenue sharing pursuant to law and which assigns
 43 a portion of the incentive grant pledge or special assessments to
 44 secure bonds issued by the municipality or the authority, the
 45 assigned portion of the incentive grant pledge or special
 46 assessments shall not be considered part of the tax or revenue
 47 sharing formula or calculation of municipal revenues for the

1 purpose of determining whether that municipality is obligated to
2 make payment to, or receive a credit from, any tax sharing or
3 revenue sharing pool.

4 ²[l.] k.² Notwithstanding any law to the contrary, in the event
5 that bonds shall be issued that are secured by incentive grant
6 pledges pursuant to a redevelopment incentive grant agreement, the
7 redevelopment incentive grant agreement shall not be terminated for
8 any reason ²after such bonds are issued and² during the period that
9 the bonds are outstanding ², except solely in the instances where the
10 economic redevelopment and growth grant project has not been
11 completed within the period of time required by the redevelopment
12 incentive grant agreement, or the economic redevelopment and
13 growth grant project has materially changed without prior approval
14 of the New Jersey Economic Development Authority and the State
15 Treasurer, in which cases the New Jersey Economic Development
16 Authority and the State Treasurer may terminate the redevelopment
17 incentive grant agreement in accordance with its terms. Nothing
18 herein shall preclude the New Jersey Economic Development
19 Authority or State Treasurer from exercising its rights under the
20 redemption incentive grant agreement to compel specific
21 performance or terminating the redevelopment incentive grant
22 agreement prior to the issuance of bonds for any reason in
23 accordance with its terms².

24
25 4. (New section) a. If authorized by ordinance of a
26 municipality adopted pursuant to subsection a. of section 3 of
27 P.L. , c. (C.) (pending before the Legislature as this bill),
28 payments required to be made in accordance with an incentive grant
29 pledge entered into pursuant to sections 1 through 11 of P.L. , c.
30 (C.) (pending before the Legislature as this bill) shall be a
31 continuous lien on the land or improvements thereon, or both, or a
32 continuous lien on any leasehold interests in the land or
33 improvements thereon, or both, against which the ordinance is
34 recorded on and after the date of recordation of both the ordinance
35 and the agreement, whether simultaneously or not, or the date of
36 confirmation of the special assessments, whichever is earlier. All
37 subsequent payments of the incentive grant pledge thereunder,
38 interest, penalties, and costs of collection which thereafter fall due
39 or accrue shall be added and relate back to and be a part of the
40 initial lien. Upon recordation of the ordinance and agreement, the
41 incentive grant pledge shall constitute an automatic, enforceable,
42 and perfected statutory municipal lien for all purposes, including
43 the federal bankruptcy code, regardless of whether ²[or not]² the
44 amount of the incentive grant pledge has been determined at the
45 time the lien attaches to any interest in the land, leasehold estate, or
46 improvements, as applicable. A confirmation hearing process to
47 determine the amount due shall not affect the commencement or

1 validity of a lien established pursuant to subsection a. of section 3
2 of P.L. , c. (C.) (pending before the Legislature as this bill).
3 Notwithstanding any other applicable law, for the purposes of
4 subsection a. of section 3 of P.L. , c. (C.) (pending before
5 the Legislature as this bill), a municipal lien on a leasehold estate
6 shall constitute a lien against such leasehold estate only, unless the
7 redevelopment incentive grant agreement specifically provides for a
8 lien on the underlying fee interest in the land. In any case,
9 enforcement of a municipal lien on a leasehold estate shall be
10 limited to an in rem proceeding only. No municipal lien shall
11 attach to any interest of ²[a] an authority or any entity created by
12 the² State ²[entity]² unless ²[such State] the authority or² entity
13 shall have expressly consented to such lien in the redevelopment
14 incentive grant agreement.

15 b. If bonds are issued, the municipality ²[.] or² the developer
16 ²[or the State entity developer]², as the case may be, may record,
17 either simultaneously or at different times, any ordinance adopted
18 by the municipality relating to the incentive grant pledge or special
19 assessments and, either simultaneously with the ordinance or at
20 different times, a copy of the agreement or agreements. The
21 ordinance, when recorded, shall contain a legend at the top of the
22 front page substantially as follows:

23
24 THIS ORDINANCE SECURES BONDS OR OTHER
25 OBLIGATIONS ISSUED IN ACCORDANCE WITH THE
26 PROVISIONS OF THE "ECONOMIC REDEVELOPMENT AND
27 GROWTH GRANT BOND FINANCING ACT" AND THE LIEN
28 HEREOF IN FAVOR OF THE OWNERS OF SUCH BONDS OR
29 OTHER OBLIGATIONS IS A MUNICIPAL LIEN SUPERIOR TO
30 ALL OTHER NON-MUNICIPAL LIENS HEREFTER
31 RECORDED.

32
33 c. Notwithstanding any law to the contrary, upon recordation
34 of both the ordinance and any accompanying agreement, the lien
35 thereof shall be perfected for all purposes in accordance with law
36 and the lien shall thereafter be superior to (1) all ²[municipal and]²
37 non-municipal liens thereafter recorded or otherwise arising, and,
38 (2) each prior lien where the lienholder consents, without any
39 additional notice, recording, filing, continuation filing, or action,
40 until the payment in full of the bonds. The lien thereby established
41 shall apply not only to the bonds initially issued, but also to any
42 refinancing or refunding thereof, as well as to any additional bonds
43 thereafter issued on a parity therewith in accordance with the
44 provisions of the original documents securing the initial bonds;
45 provided, however, that in the event any ordinance or agreement is
46 amended or supplemented in a way which increases the amount of
47 an incentive grant pledge or special assessments, the lien as to that

1 increase shall be perfected and apply upon the recordation of the
2 amended or supplemented ordinance and agreement (including the
3 above-recited legend). Except as set forth in this section, no
4 amendment or supplement to the ordinance or agreement thereafter
5 recorded shall affect the perfection or priority of the lien established
6 upon original recordation thereof.

7 d. Upon the final payment in full of any bonds secured as
8 provided in sections 1 through 11 of P.L. , c. (C.) (pending
9 before the Legislature as this bill), the lien established hereby shall
10 terminate, and the ²【municipality】 trustee² shall record a notice to
11 that effect.

12
13 5. (New section) a. In lieu of, or in addition to, the provisions
14 of section 4 of P.L. , c. (C.) (pending before the Legislature
15 as this bill), the municipality may provide in the agreement that the
16 incentive grant pledge, if any, is to be secured by a mortgage. In
17 that event the mortgage may also be assigned and pledged to the
18 repayment of the bonds authorized herein.

19 b. The assignment of any mortgage that secures an incentive
20 grant pledge, if any, may also be an absolute assignment of all or
21 part of the municipality's right, title, and interest in the mortgage
22 and, to the extent assigned, any moneys realized from the
23 foreclosure of the mortgaged property shall not be included in the
24 general funds of the municipality.

25 c. After the bonds are paid and no longer deemed to be
26 outstanding, the assignment of the mortgage shall terminate.

27
28 6. (New section) All bonds issued pursuant to sections 1
29 through 11 of P.L. , c. (C.) (pending before the Legislature
30 as this bill), are hereby declared to be issued by a political
31 subdivision of this State and for an essential public and
32 governmental purpose and the bonds, and the interest thereon and
33 the income therefrom, and all facility charges, funds, revenues, and
34 other moneys pledged or available to pay or secure the payment of
35 the bonds, or interest thereon, shall at all times be exempt from
36 taxation except for transfer inheritance and estate taxes.

37
38 7. (New section) The State of New Jersey does hereby pledge
39 to and covenant and agree with the holders of any bonds issued
40 pursuant to sections 1 through 11 of P.L. , c. (C.) (pending
41 before the Legislature as this bill) that the State will not limit or
42 alter the terms of any agreement, ordinance, or resolution made in
43 connection with the security for and the issuance and sale of any
44 bonds, so as to in any way impair the rights or remedies of such
45 holders, and will not modify in any way the exemption from
46 taxation provided for in sections 1 through 11 of P.L. , c. (C.)
47 (pending before the Legislature as this bill) until the bonds, together
48 with interest thereon, with interest on any unpaid installments of

1 interest, and all costs and expenses in connection with any action or
2 proceeding by or on behalf of such holders, are fully met and
3 discharged or provided for.

4
5 8. (New section) If any section, subsection, clause or provision
6 of the “Economic Redevelopment and Growth Grant Bond
7 Financing Act,” sections 1 through 11 of P.L. , c. (C.)
8 (pending before the Legislature as this bill), shall be adjudged to be
9 unconstitutional or ineffective in whole or in part, to the extent that
10 it is not adjudged unconstitutional or is not ineffective, it shall be
11 valid and effective and no other section, subsection, clause or
12 provision of the “Economic Redevelopment and Growth Grant
13 Bond Financing Act,” sections 1 through 11 of P.L. , c. (C.)
14 (pending before the Legislature as this bill), shall on account
15 thereof be deemed invalid or ineffective, and the inapplicability or
16 invalidity of any section, subsection, clause or provision of the
17 “Economic Redevelopment and Growth Grant Bond Financing
18 Act,” sections 1 through 11 of P.L. , c. (C.) (pending before
19 the Legislature as this bill), in any one or more instances or under
20 any one or more circumstances shall not be taken to affect or
21 prejudice in any way its applicability or validity in any other
22 instance or under any other circumstance.

23
24 9. (New section) An authority or municipality, as applicable,
25 shall cause a copy of any bond resolution or bond ordinance, as
26 applicable, adopted by it to be filed for public inspection in the
27 office of the municipal clerk of the municipality wherein the project
28 financed by the bonds is located. In the case of an authority, the
29 resolution also shall be filed for public inspection in its office. The
30 authority or municipality may cause to be published, at least once in
31 a newspaper published or circulating in the municipality, if there be
32 one, and if not, in a newspaper published and circulating in the
33 county, a notice stating the fact and date of the adoption and the
34 places where the bond resolution or bond ordinance, as applicable,
35 has been so filed for public inspection along with the date of the
36 first publication of the notice and also stating that any action or
37 proceeding of any kind or nature in any court questioning the
38 validity or proper authorization of bonds provided for by the bond
39 resolution or bond ordinance, as applicable, or the validity of any
40 covenants, agreements or contracts provided for by the bond
41 resolution or bond ordinance, as applicable, shall be commenced
42 within 20 days after the first publication of that notice. If any such
43 notice shall at any time be published and if no action or proceeding
44 questioning the validity or proper authorization of bonds provided
45 for by the bond resolution or bond ordinance, as applicable, referred
46 to in said notice, or the validity of any covenants, agreements, or
47 contracts provided for by said bond resolution or bond ordinance, as
48 applicable, shall be commenced or instituted within 20 days after

1 the first publication of the notice, then all persons shall be forever
2 barred and foreclosed from instituting or commencing any action or
3 proceeding in any court, or from pleading any defense to any action
4 or proceeding, questioning the validity or proper authorization of
5 such bonds, or the validity of such covenants, agreements, or
6 contracts, and said bonds, covenants, agreements, and contracts
7 shall be conclusively deemed to be valid and binding obligations in
8 accordance with their terms and tenor.

9
10 10. (New section) Any municipality may undertake, as a local
11 improvement; the investigation, analysis, planning, monitoring,
12 acquisition, removal, containment, remediation, construction, or
13 improvement of any real property or facility necessary or desirable
14 for the cleanup of actual, potential, or perceived environmental
15 contamination or pollution, including without limitation, water
16 pollution, air pollution, pollution caused by solid waste disposal,
17 thermal pollution, radiation contamination, or other general
18 environmental contamination or pollution which is or may become
19 injurious to the environment or to the public health, safety, or
20 welfare.

21 The governing body of a municipality undertaking a local
22 improvement under this section may make, amend, repeal, and
23 enforce ordinances for carrying into effect the powers granted in
24 this section. Whenever convenient, one or more of the works
25 provided for in R.S.40:56-1 may be undertaken together with the
26 local improvement authorized under this section as one
27 improvement.

28
29 11. (New section) Whenever a municipality issues bonds in
30 accordance with sections 1 through 11 of P.L. , c. (C.)
31 (pending before the Legislature as this bill), or a municipality
32 applies to an authority to issue bonds pursuant to sections 1 through
33 11 of P.L. , c. (C.) (pending before the Legislature as this
34 bill), the municipality by ordinance may cause local improvements
35 to be undertaken, or otherwise agree to acknowledge the
36 undertaking of local improvements, by or on behalf of a
37 redeveloper, for the powers granted under R.S.40:56-1 et seq.,
38 including section 10 of P.L. , c. (C.) (pending before the
39 Legislature as this bill).

40
41 12. Section 2 of P.L.2001, c.310 (C.40A:12A-65) is amended to
42 read as follows:

43 2. As used in sections 1 through 10 of P.L.2001, c.310
44 (C.40A:12A-64 et seq.):

45 "Authority" means the New Jersey Economic Development
46 Authority established pursuant to P.L.1974, c.80 (C.34:1B-1 et
47 seq.), the New Jersey Redevelopment Authority established
48 pursuant to section 4 of P.L.1996, c.62 (C.55:19-23), a county

1 improvement authority established pursuant to P.L.1960, c.183
2 (C.40:37A-44 et seq.), or other instrumentality created by law [by]
3 of the State with the power to incur debt and issue bonds and other
4 obligations. ²The issuance of debt in accordance herewith is hereby
5 deemed an essential public, governmental, and corporate purpose of
6 all such authorities.²

7 "Board" means the Local Finance Board established in the
8 Division of Local Government Services in the Department of
9 Community Affairs.

10 "Bonds" mean bonds, notes^{2,2} or other obligations issued by the
11 authority, including any State entity, or a municipality to finance or
12 refinance redevelopment projects, and in connection therewith, to
13 finance or refinance any other cost or expense of an authority, a
14 State entity or a municipality pursuant to the "Redevelopment Area
15 Bond Financing Law," sections 1 through 10 of P.L.2001, c.310
16 (C.40A:12A-64 et seq.), the "Local Redevelopment and Housing
17 Law", P.L.1992, c.79 (C.40A:12A-1 et seq.), or other applicable
18 law.

19 "Environmental remediation" means the investigation, analysis,
20 planning, monitoring, acquisition, removal, containment,
21 remediation, construction, or improvement of any real property or
22 facility necessary or desirable for the cleanup of actual, potential, or
23 perceived environmental contamination or pollution, including
24 without limitation, water pollution, air pollution, pollution caused
25 by solid waste disposal, thermal pollution, radiation contamination,
26 or other general environmental contamination or pollution which is
27 or may become injurious to the environment or to the public health,
28 safety, or welfare.

29 "Financial agreement" means an agreement that meets the
30 requirements of a financial agreement under P.L.1991, c.431
31 (C.40A:20-1 et seq.) or, in the event that real property within a
32 redevelopment area is exempt from taxation or has been or will be
33 abated pursuant to applicable law, an agreement among , as
34 applicable, a State entity [.] or a municipality or both, and a State
35 entity redeveloper providing for payment of payments in lieu of
36 taxes or special assessments by the State entity redeveloper with
37 respect to a redevelopment project, or part thereof, to be carried out
38 pursuant to a State entity redevelopment agreement.

39 "Municipality" means the municipal governing body or an entity
40 acting on behalf of the municipality if permitted by the federal
41 Internal Revenue Code of 1986, or, if a redevelopment agency or
42 redevelopment entity is established in the municipality pursuant to
43 P.L.1992, c.79 (C.40A:12A-1 et seq.) and the municipality so
44 provides, the redevelopment agency or entity so established.

45 "Redeveloper" means any person, firm, corporation^{2,2} or public
46 body, including the New Jersey Economic Development Authority
47 or the New Jersey Redevelopment Authority to the extent permitted

1 by law, that shall enter into or propose to enter into a contract with
2 a municipality or other redevelopment entity for the redevelopment
3 or rehabilitation of an area in need of redevelopment, or an area in
4 need of rehabilitation, or any part thereof, under the provisions of
5 the "Redevelopment Area Bond Financing Law," sections 1 through
6 10 of P.L.2001, c.310 (C.40A:12A-64 et seq.), or for any
7 construction or other work forming part of a redevelopment or
8 rehabilitation project.

9 "Redevelopment" means clearance, replanning, development^{2,2},
10 and redevelopment; the conservation and rehabilitation of any
11 structure or improvement, the construction and provision for
12 construction of residential, commercial, industrial, public^{2,2} or
13 other structures **[and]**, the grant or dedication of spaces as may be
14 appropriate or necessary in the interest of the general welfare for
15 streets, parks, playgrounds, or other public purposes, including
16 recreational and other facilities incidental or appurtenant thereto,
17 environmental remediation, the construction, enhancement^{2,2} or
18 mitigation of wetlands impacted by a redevelopment project, and
19 any other related costs and expenses including preliminary planning
20 and development costs and any financing costs and expenses in
21 accordance with a redevelopment plan.

22 "Redevelopment bond financing agreement" means a contract
23 between a municipality and a redeveloper for any work or
24 undertaking for the redevelopment of a redevelopment area, or part
25 thereof, under the provisions of the "Redevelopment Area Bond
26 Financing Law," sections 1 through 10 of P.L.2001, c.310
27 (C.40A:12A-64 et seq.) or the "Local Redevelopment and Housing
28 Law," P.L.1992, c.79 (C.40A:12A-1 et seq.), as the case may be.

29 "Redevelopment area" means an area which has been delineated
30 a "redemption area" or "area in need of redemption" pursuant
31 to the "Local Redevelopment and Housing Law," P.L.1992, c.79
32 (C.40A:12A-1 et seq.) or with respect to a State entity, an area in
33 need of, or suitable for, redemption delineated by a resolution of
34 a State entity or a State entity redemption agreement, in either
35 case, in accordance with the provisions of the enabling statute
36 governing that State entity.

37 "Redevelopment plan" means a plan for the redemption or
38 rehabilitation of all or any part of a redemption area as described
39 in the redemption plan adopted pursuant to section 7 of
40 P.L.1992, c.79 (C.40A:12A-7) or as described in the resolution
41 adopted by a State entity determining the location, type^{2,2} and
42 character of a redemption project.

43 "Redevelopment project" means any work or undertaking
44 pursuant to a redemption plan; such undertaking may include
45 any buildings, land, including demolition, clearance^{2,2} or removal
46 of buildings from land, equipment, facilities, or other real or
47 personal properties which are necessary, convenient, or desirable

1 appurtenances, such as but not limited to streets, sewers, utilities,
 2 parks, site preparation, landscaping, and administrative, community,
 3 health, recreational, educational, and welfare facilities and any
 4 other related costs and expenses including preliminary planning and
 5 development costs and any financing costs and expenses.

6 "Special assessment" means an assessment upon the lands or
 7 improvements on such lands, or both, in the redevelopment area
 8 benefitted by improvements undertaken pursuant to the
 9 "Redevelopment Area Bond Financing Law," sections 1 through 10
 10 of P.L.2001, c.310 (C.40A:12A-64 et seq.), or the "Local
 11 Redevelopment and Housing Law," P.L.1992, c.79 (C.40A:12A-1 et
 12 seq.), and assessed pursuant to chapter 56 of Title 40 of the Revised
 13 Statutes, R.S. 40:56-1 et seq., except as otherwise provided in
 14 subsection c. of section 3 of P.L.2001, c.310 (C.40A:12A-66).

15 "State entity" means **the New Jersey Meadowlands Commission**
 16 **established pursuant to P.L.1968, c.404 (C.13:17-1 et seq.) or** ²the
 17 New Jersey Sports and Exposition Authority established pursuant to
 18 P.L.1971, c.137 (C.5:10-1 et seq.) or ²any **other** ²other ²entity
 19 created by State law ²**with the power to undertake** which
 20 undertakes ²a redevelopment project directly or through a State
 21 entity redeveloper and ²**with** which has ²the power to determine
 22 the location, type^{2,2} and character of ²**a redevelopment project or**
 23 **part of a redevelopment project** projects ²on land owned or
 24 controlled by it.

25 "State entity redeveloper" means any person, firm^{2,2} or
 26 corporation that shall enter into or propose to enter into a State
 27 entity redevelopment agreement with a State entity for the
 28 redevelopment or rehabilitation of a redevelopment area under the
 29 enabling legislation governing the actions of the State entity or for
 30 any construction or other work forming a part of a redevelopment
 31 project.

32 "State entity redevelopment agreement" means an agreement
 33 between a State entity and a State entity redeveloper for any work
 34 or undertaking in a redevelopment area.

35 (cf: P.L.2004, c.112, s.1)

36
 37 13. Section 3 of P.L.2001, c.310 (C.40A:12A-66) is amended
 38 to read as follows:

39 3. a. A municipality that has designated a redevelopment area
 40 or a municipality in which a redevelopment project is undertaken by
 41 a State entity redeveloper pursuant to a State entity redevelopment
 42 agreement may provide for tax abatement within that
 43 redevelopment area and for payments in lieu of taxes in accordance
 44 with the provisions of P.L.1991, c.431 (C.40A:20-1 et seq.) and
 45 P.L.1991, c.441 (C.40A:21-1 et seq.); provided, however, that the
 46 provisions of section 12 of P.L.1991, c.431 (C.40A:20-12)
 47 establishing a minimum or maximum annual service charge and

1 requiring staged increases in annual service charges over the term
2 of the exemption period, and of section 13 of P.L.1991, c.431
3 (C.40A:20-13) permitting the relinquishment of status under that
4 act, shall not apply to redevelopment projects financed with bonds.

5 b. A municipality in which a redevelopment project is
6 undertaken by a State entity redeveloper pursuant to a State entity
7 redevelopment agreement regarding real property that is **【or may be**
8 **abated by applicable law】** not otherwise subject to real property tax
9 may provide for **【a tax abatement within the redevelopment area**
10 **and for】** payments in lieu of taxes pursuant to a financial agreement
11 **【between】** among, as applicable, the State entity or the municipality
12 or both, and the State entity redeveloper receiving the benefits of
13 **【P.L.2004, c.112】** sections 1 through 10 of P.L.2001, c.310
14 (C.40A:12A-64 et seq.) without regard to the **【limitations and**
15 **other】** provisions of P.L.1991, c.431 (C.40A:20-1 et seq.).

16 c. In addition to, or in lieu of, the **【tax abatement】** payments in
17 lieu of taxes provided for in subsection a. or b. of this section, the
18 municipality may provide by ordinance for one or more special
19 assessments within the redevelopment area in accordance with
20 chapter 56 of Title 40 of the Revised Statutes, R.S.40:56-1 et seq.,
21 provided, however, the local improvements for which special
22 assessments may be made may include any improvement in the
23 redevelopment area whether or not listed at R.S.40:56-1 and
24 environmental remediation and, provided further, that the
25 provisions of R.S.40:56-35 shall be applied so that if any
26 installment of a special assessment shall remain unpaid for 30 days
27 after the time at which it shall become due, the municipality may
28 provide, by ordinance, either that: (1) the whole assessment or
29 balance due thereon shall become and be immediately due; or, (2)
30 any subsequent installments which would not yet have become due
31 except for the default shall be considered as not in default and that
32 the lien for the installments not yet due shall continue; and
33 provided, further, that the ordinance may require that the
34 assessments be payable in quarterly, semi-annual^{2, 2} or yearly
35 installments, with legal interest thereon, over a period of years up to
36 but in no event exceeding the period of years for which the bonds
37 were issued ²**【, or for 30 years, whichever shall be less】**². In
38 levying a special assessment on the lands or improvements, or both,
39 located in the redevelopment area, the municipality may provide
40 that the amount of the special assessment shall be a specific
41 amount, not to exceed the cost of the improvements, plus any out-
42 of-pocket costs or expenses incurred in connection with such
43 improvements, including, but not limited to, architectural,
44 engineering, financing, legal, and other professional fees, paid with
45 respect to property located in the redevelopment area. That specific
46 amount shall, to the extent accepted by the owner of the property
47 benefitted, be deemed the conferred benefit, in lieu of the amount

1 being determined by the procedures otherwise applicable to
2 determining the actual benefit conferred on the property. Special
3 assessments levied pursuant to an ordinance adopted under this
4 subsection shall constitute a municipal lien under R.S.40:56-33.

5 d. Upon adoption, a copy of the ordinance shall be filed for
6 public inspection in the office of the municipal clerk, and there
7 shall be published in a newspaper, published or circulating in the
8 municipality, a notice stating the fact and the date of adoption and
9 the place where the ordinance is filed and a summary of the
10 contents of the ordinance. The notice shall state that any action or
11 proceeding of any kind or nature in any court questioning the
12 validity or proper authorization of the ordinance or the actions
13 authorized to be taken as set forth in the ordinance shall be
14 commenced within 20 days after the publication of the notice. If no
15 action or proceeding questioning the validity of the ordinance
16 providing for tax abatement, special assessments, payments in lieu
17 of taxes^{2, 2}, or other actions authorized by the ordinance shall be
18 commenced or instituted within 20 days after the publication of the
19 notice, the county and the school district and all other
20 municipalities within the county and all residents and taxpayers and
21 owners of property therein shall be forever barred and foreclosed
22 from instituting or commencing any action or proceeding in any
23 court questioning the validity or enforceability of the ordinance or
24 the validity or enforceability of acts authorized under the ordinance,
25 and the ordinance and acts authorized by the ordinance shall be
26 conclusively deemed to be valid and enforceable in accordance with
27 their terms and tenor.

28 e. Notwithstanding any provision of the "Redevelopment Area
29 Bond Financing Law," sections 1 through 10 of P.L.2001, c.310
30 (C.40A:12A-64 et seq.), or the "Long Term Tax Exemption Law,"
31 P.L.1991, c.431 (C.40A:20-1 et seq.), to the contrary, whenever
32 proceeds of a bond are used to conduct environmental remediation,
33 the term of any agreement securing that bond, whether a financial
34 agreement providing a payment in lieu of taxes or a special
35 assessment agreement providing for the payment of a special
36 assessment, or both, may, subject to the board's review and
37 approval pursuant to subsection g. of section 4 of P.L.2001, c.310
38 (C.40A:12A-67), be 35 years plus the anticipated duration of
39 conducting environmental remediation; provided, however, that the
40 term of any such agreement securing the bonds shall not exceed 30
41 years from substantial completion of the redevelopment project
42 associated with the environmental remediation.

43 (cf: P.L.2004, c.112. s.2)
44

45 14. Section 4 of P.L.2001, c.310 (C.40A:12A-67) is amended
46 to read as follows:

47 4. a. The municipality may issue bonds itself in the manner
48 provided for herein or pursuant to the "Local Redevelopment and

1 Housing Law," P.L.1992, c.79 (C.40A:12A-1 et seq.) or may apply
2 to **the** an authority to issue bonds, regardless of whether the
3 redevelopment project is undertaken under municipal authority
4 pursuant to P.L.1991, c.431 (C.40A:20-1 et seq.) or by a State
5 entity redeveloper pursuant to a State entity redevelopment
6 agreement, which in any case may be secured by payments in lieu
7 of taxes or special assessments or both or a portion thereof, by the
8 adoption of a resolution or ordinance, as applicable, of the
9 governing body of the municipality, authority, or State entity to that
10 effect.

11 b. A municipality that has designated a redevelopment area or
12 in which a redevelopment project is undertaken by a State entity
13 redeveloper pursuant to a State entity redevelopment agreement
14 may, by resolution of its governing body, if it determines to issue
15 bonds through **the** an authority, enter into contracts with the
16 authority relating to that redevelopment project, or to act as a
17 redeveloper or to finance or refinance a redevelopment project
18 undertaken by a State entity redeveloper pursuant to a State entity
19 redevelopment agreement within a redevelopment area. A
20 resolution so adopted shall contain findings and determinations of
21 the governing body: (1) that all or a portion of the redevelopment
22 project undertaken within the municipality will result in the
23 redevelopment of the municipality; and, (2) that the contract with
24 the authority or, to the extent applicable, the financial agreement
25 with the State entity redeveloper, is a necessary or important
26 inducement to the undertaking of the project or the redevelopment
27 project undertaken by the State entity redeveloper in that it makes
28 the financing thereof feasible. The contract or contracts, or the
29 terms of any bonds issued directly by a municipality may provide
30 for the assignment, for the benefit of bondholders, of all or any
31 portion of payments in lieu of taxes, or special assessments, or
32 both **the** A contract , and may further provide that the State entity
33 redeveloper may use, access, or draw upon bond proceeds to pay
34 costs of the redevelopment project. These contracts may be made
35 and entered into for a term beginning currently or at some future or
36 contingent date, and with or without consideration, and for a
37 specified or unlimited time, and on any terms and conditions which
38 may be requested by the municipality and, to the extent applicable,
39 the State entity redeveloper, and, if applicable, as may be agreed to
40 by the authority and, to the extent applicable, the State entity
41 redeveloper, in conformity with its contracts with the holders of
42 bonds, and shall be valid and binding on the municipality. The
43 municipality is hereby authorized and directed to do and perform
44 any contract so entered into by it and to provide for the discharge of
45 any obligation thereunder in the same manner as other obligations
46 of the municipality.

47 Any contract, and any instrument making or evidencing the
48 same, may be pledged or assigned by the authority, with the consent

1 of the municipality executing the contract, and, to the extent
2 applicable, the consent of the State entity redeveloper, to secure its
3 bonds and thereafter may not be modified except as provided by the
4 terms of the instrument or by the terms of the pledge or assignment.

5 The municipality may include in the terms of a bond or contract,
6 including a financial agreement, a provision that the payments in
7 lieu of taxes or special assessments shall constitute a municipal
8 charge for the purposes of R.S.54:4-66.

9 c. The payments in lieu of taxes or special assessments, or
10 both, may be assigned directly by the municipality or the authority
11 **[or]** to the trustee for the bonds as payment or security for the
12 bonds. Notwithstanding any law to the contrary, the assignment
13 shall be an absolute assignment of all the municipality's right, title,
14 and interest in the payment in lieu of taxes or special assessments,
15 or both, or portion thereof, along with the rights and remedies
16 provided to the municipality under the agreement including, but not
17 limited to, the right of collection of payments due. ²**[Pursuant to an**
18 absolute assignment, the trustee, in lieu of the municipality, shall
19 possess the power to conduct a sale of the land or improvements
20 thereon, or both, or any leasehold interests in the land or
21 improvements thereon, or both, to satisfy delinquencies in payments
22 in lieu of taxes or special assessments, or both. The sale shall be
23 held in accordance with the provisions of the "tax sale law,"
24 R.S.54:5-1 et seq.; provided, however that notwithstanding any
25 provision of that law, the trustee shall have the power to issue a tax
26 sale certificate making sale of any interest, including any interest
27 less than a fee interest, that is subject to the lien established under
28 the "Redevelopment Area Bond Financing Law," sections 1 through
29 10 of P.L.2001, c.310 (C.40A:12A-64 et seq.). Prior to conducting
30 a sale of the lands or improvements or issuing a tax sale certificate
31 pursuant to the power conferred under this section, the trustee shall
32 provide the governing body of the municipality with written notice
33 of the proposed sale or issuance at least five working days prior to
34 the date of the proposed sale or issuance.]² Any interest that is
35 subject to the lien established under the "Redevelopment Area Bond
36 Financing Law" shall not be transferred, conveyed, assigned,
37 disposed of, or sold, whether by tax sale or otherwise, free and clear
38 of the financial agreement and any payments in lieu of taxes due
39 thereunder while bonds are secured thereby, regardless of the
40 consent of the parties or order of any court, whether in law or in
41 equity, unless any such transfer or conveyance is provided for under
42 the terms and conditions set forth in the bond resolution or bond
43 ordinance, as applicable. Any purchaser, transferee, successor,
44 grantee, or assignee of such interest, whether at tax sale or
45 otherwise, shall take title to such interest subject to the obligations
46 imposed by the financial agreement. Payments in lieu of taxes and
47 special assessments assigned as provided hereunder shall not be
48 included in the general funds of the municipality, nor shall they be

1 subject to any laws regarding the receipt, deposit, investment^{2,2} or
2 appropriation of public funds and shall retain such status
3 notwithstanding enforcement of the payment or assessment by the
4 municipality or assignee as provided herein. The municipality shall
5 be a "person" within the meaning of that term as defined in section
6 3 of P.L.1974, c.80 (C.34:1B-3); and the purpose described in this
7 section shall be a "project" within the meaning of that term as
8 defined in section 3 of P.L.1974, c.80 (C.34:1B-3).

9 d. Notwithstanding the provisions of subsection g. of section
10 37 of P.L.1992, c.79 (C.40A:12A-37), the bonds issued pursuant to
11 this section may be issued as non-recourse obligations, and unless
12 otherwise provided for by a separate action of the municipality to
13 guarantee such bonds or otherwise provide for a pledge of the
14 municipality's full faith and credit shall not, except for such action,
15 be considered to be direct and general obligations of the
16 municipality, and, absent such action, the municipality shall not be
17 obligated to levy and collect a tax sufficient in an amount to pay the
18 principal and interest on the bonds when the same become due and
19 payable. The provisions of the "Local Government Supervision Act
20 (1947)," P.L.1947, c.151 (C.52:27BB-1 et seq.) shall not apply to
21 any bonds issued or authorized pursuant to this section and those
22 bonds shall not be considered gross debt of the municipality on any
23 debt statement filed in accordance with the "Local Bond Law,"
24 N.J.S.40A:2-1 et seq., unless those bonds were guaranteed by the
25 municipality.² and the provisions of chapter 27 of Title 52 of the
26 Revised Statutes shall not apply to such bonds.

27 e. The proceeds from the sale of bonds and any funds provided
28 by any department of the State, authority created by the State² or bi-
29 state authority² for the purposes described in the "Redevelopment
30 Area Bond Financing Law," sections 1 through 10 of P.L.2001,
31 c.310 (C.40A:12A-64 et seq.) or for the purpose of financing or
32 refinancing a redevelopment project pursuant to a State entity
33 redevelopment agreement, shall not require compliance with public
34 bidding laws, including the "Local Public Contracts Law,"
35 P.L.1971, c.198 (C.40A:11-1 et seq.), or any other statute where the
36 redeveloper or State entity redeveloper, as the case may be, shall
37 undertake the redevelopment project. The use of these funds shall
38 be subject to public accountability and oversight by the issuer of
39 those bonds, regardless of whether the municipality, agency^{2,2} or
40 authority provides the funds.

41 f. In order to provide additional security for any loan to a
42 redeveloper or a State entity redeveloper, as the case may be, or to
43 bonds issued to finance a redevelopment project, regardless of
44 whether that redevelopment project is undertaken under municipal
45 authority pursuant to P.L.1991, c.431 (C.40A:20-1 et seq.) or by a
46 State entity redeveloper pursuant to a State entity redevelopment
47 agreement, the municipality may utilize powers otherwise provided
48 by law, including the "Local Redevelopment and Housing Law,"

1 P.L.1992, c.79 (C.40A:12A-1 et seq.), to provide for any extension
 2 of the municipality's credit to any redeveloper or State entity
 3 redeveloper, as the case may be, or its full faith and credit which
 4 may include a full faith and credit lease as security for the bonds or
 5 any loan to a redeveloper or State entity redeveloper, as the case
 6 may be. To the extent that the municipality provides for a full faith
 7 and credit guarantee of any loan to a redeveloper or State entity
 8 redeveloper, as the case may be, or any bonds, but determines not to
 9 authorize the issuance of bonds or notes to provide for the funding
 10 source thereof, or otherwise determines to enter into a full faith and
 11 credit lease, it may do so by an ordinance introduced, adopted, and
 12 published in accordance with the provisions of N.J.S.40A:2-17 and
 13 N.J.S.40A:2-19. Such ordinance shall take effect 20 days after the
 14 first publication of the ordinance or of a summary thereof after final
 15 adoption. To the extent that bonds or notes are authorized as
 16 provided above, such bonds or notes shall be authorized pursuant to
 17 the provisions of the "Local Bond Law," N.J.S.40A:2-1 et seq., and
 18 shall be deductible from the gross debt of the municipality until
 19 such time as such bonds or notes are actually issued, and only up to
 20 the amount actually issued, to fund such guarantee.

21 g. **【A financial instrument】** A bond, issued in accordance with
 22 the "Redevelopment Area Bond Financing Law," sections 1 through
 23 10 of P.L.2001, c.310 (C.40A:12A-64 et seq.), whether issued by a
 24 municipality or an authority, that is secured in whole or in part by
 25 payments in lieu of taxes or by special assessments, or both, as
 26 provided herein shall be subject to the review and approval of the
 27 board. That review and approval shall be made prior to approval of
 28 ²**【, in the case of a】² 【municipality】 ²【municipal governing body,
 29 an introduced ordinance or, in the case of an authority or
 30 redevelopment entity that is not a municipal governing body, a
 31 resolution】 an ordinance or a resolution, as may be required by the
 32 law pursuant to which the bonds are issued². The board shall be
 33 entitled to receive from the applicant an amount sufficient to
 34 provide for all reasonable professional and other fees and expenses
 35 incurred by it for the review, analysis²,² and determination with
 36 respect thereto. As part of its review, the board shall specifically
 37 solicit comments from the Office of State Planning and the New
 38 Jersey Economic Development Authority in addition to comments
 39 from the public. The ²**【Office of State Planning】** Department of
 40 Community Affairs, Office of Local Planning Services,² shall provide
 41 comments on whether the redevelopment project or plan promotes
 42 congestion reduction, enhanced mobility, further redevelopment,
 43 and otherwise improves the quality of life of residents. As part of
 44 the board's review and approval, it shall consider the comments
 45 submitted and whether the issuance of the redevelopment area bond
 46 will adversely impact the financial stability of the municipality or
 47 service area of the authority.**

1 h. A municipality that has assigned any portion of the
2 payments in lieu of taxes it receives pursuant to a financial
3 agreement, as payment or security for bonds, may also pledge a
4 portion of those payments in lieu of taxes as payment or security for
5 bonds in order to finance or refinance any cost or expense of the
6 municipality, State entity or authority.

7 i. In the case of a municipality which is otherwise subject to
8 tax or revenue sharing pursuant to law and which assigns a portion
9 of the payments in lieu of taxes or special assessments pursuant to a
10 financial agreement to secure bonds issued by the municipality or
11 the authority, the assigned portion of those payments in lieu of taxes
12 or special assessments shall not be considered part of the tax or
13 revenue sharing formula or calculation of municipal revenues for
14 the purpose of determining whether that municipality is obligated to
15 make payment to, or receive a credit from, any tax sharing or
16 revenue sharing pool.

17 j. Notwithstanding any law to the contrary, including subsection
18 a. of section 3 of P.L.2001, c.310 (C.40A:12A-66), payments in lieu
19 of taxes pursuant to a financial agreement to secure bonds may be
20 established in such amounts as shall be sufficient to pay the
21 principal of, redemption premium, if any, and interest on the bonds.

22 k. Notwithstanding any law to the contrary, in the event that
23 bonds shall be issued that are secured by payments in lieu of taxes
24 pursuant to a financial agreement, the financial agreement shall not
25 be terminated for any reason during the period that the bonds are
26 outstanding², except that this provision shall not be construed to
27 prejudice the rights and remedies afforded a municipality or
28 authority under the terms of the financial agreement where other
29 parties are in violation of the terms of the agreement².

30 (cf: P.L.2015, c.95, s.26)

31
32 15. Section 5 of P.L.2001, c.310 (C.40A:12A-68) is amended to
33 read as follows:

34 5. a. Payments required to be made in accordance with an
35 agreement for payments in lieu of taxes entered into under section 3
36 of P.L.2001, c.310 (C.40A:12A-66) shall be a continuous lien on
37 the land or improvements thereon, or both, or a continuous lien on
38 any leasehold interests in the land or improvements thereon, or
39 both, against which the ordinance is recorded on and after the date
40 of recordation of both the ordinance and the agreement, whether
41 simultaneously or not, or the date of confirmation of the special
42 assessments, whichever is earlier. All subsequent payments in lieu
43 of taxes thereunder, interest, penalties^{2,2} and costs of collection
44 which thereafter fall due or accrue shall be added and relate back to
45 and be a part of the initial lien. Upon recordation of the ordinance
46 and agreement, payments in lieu of taxes shall constitute **[a]** an
47 automatic, enforceable, and perfected statutory municipal lien

1 【within the meaning, and】 for all purposes, 【of law】 including the
2 federal bankruptcy code, regardless of whether ²【or not】² the
3 amount of the payments to be made in lieu of taxes has been
4 determined at the time the lien attaches to any interest in the land,
5 leasehold estate, or improvements, as applicable. A confirmation
6 hearing process to determine the amount due shall not affect the
7 commencement or validity of the lien. Notwithstanding any other
8 applicable law, for the purposes of the “Redevelopment Area Bond
9 Financing Law,” sections 1 through 10 of P.L.2001, c.310
10 (C.40A:12A-64 et seq.), a municipal lien on a leasehold estate shall
11 constitute a lien against such leasehold estate only, unless the
12 financial agreement specifically provides for a lien on the
13 underlying fee interest in the land. In any case, enforcement of a
14 municipal lien on a leasehold estate shall be limited to an in rem
15 proceeding only. No municipal lien shall attach to any interest of a
16 State entity unless such State entity shall have expressly consented
17 to such lien in the financial agreement.

18 b. If bonds are issued, the municipality, the redeveloper or the
19 State entity redeveloper, as the case may be, may record, either
20 simultaneously or at different times, any ordinance enacted by the
21 municipality relating to the payment in lieu of taxes agreement or
22 special assessments and, either simultaneously with the ordinance
23 or at different times, a copy of the agreement or agreements. The
24 ordinance, when recorded, shall contain a legend at the top of the
25 front page substantially as follows:

26
27 "THIS ORDINANCE SECURES BONDS OR OTHER
28 OBLIGATIONS ISSUED IN ACCORDANCE WITH THE
29 PROVISIONS OF THE 'REDEVELOPMENT AREA BOND
30 FINANCING LAW' AND THE LIEN HEREOF IN FAVOR OF
31 THE OWNERS OF SUCH BONDS OR OTHER OBLIGATIONS
32 IS A MUNICIPAL LIEN SUPERIOR TO ALL OTHER NON-
33 MUNICIPAL LIENS HEREAFTER RECORDED."
34

35 c. Notwithstanding any law to the contrary, upon recordation
36 of both the ordinance and any accompanying agreement, the lien
37 thereof shall be perfected for all purposes in accordance with law
38 and the lien shall thereafter be superior to (1) all ²【municipal and】²
39 non-municipal liens thereafter recorded or otherwise arising, and
40 (2) all prior liens where lienholder consents, without any additional
41 notice, recording, filing, continuation filing^{2,2} or action, until the
42 payment in full of the bonds. The lien thereby established shall
43 apply not only to the bonds initially issued, but also to any
44 refinancing or refunding thereof, as well as to any additional bonds
45 thereafter issued on a parity therewith in accordance with the
46 provisions of the original documents securing the initial bonds;
47 provided, however, that in the event any ordinance or agreement is
48 amended or supplemented in a way which increases the amount of

1 payment in lieu of taxes or special assessments, the lien as to that
2 increase shall be perfected and apply upon the recordation of the
3 amended or supplemented ordinance and agreement (including the
4 above-recited legend). Except as set forth in this section, no
5 amendment or supplement to the ordinance or agreement thereafter
6 recorded shall affect the perfection or priority of the lien established
7 upon original recordation thereof.

8 d. Upon the final payment in full of any bonds secured as
9 provided in this section and section 4 of P.L.2001, c.310
10 (C.40A:12A-67), the lien established hereby shall terminate, and the
11 ²**["municipality"] trustee²** shall record a notice to that effect.
12 (cf: P.L.2004, c.112, s.4)

13
14 16. Section 10 of P.L.2001, c.310 (C.40A:12A-73) is amended
15 to read as follows:

16 10. **["After issuance, pursuant to the "Redevelopment Area Bond**
17 **Financing Law," P.L.2001, c.310 (C.40A:12A-64 et seq.) all bonds**
18 **shall be conclusively presumed to be fully authorized and issued by**
19 **all courts and officers of this State, and any person shall be**
20 **estopped from questioning their sale, execution or delivery.】** An
21 authority or municipality, as applicable, shall cause a copy of any
22 bond resolution or bond ordinance, as applicable, adopted by it to
23 be filed for public inspection in the office of the municipal clerk of
24 the municipality wherein the project financed by the bonds is
25 located. In the case of an authority, the resolution also shall be
26 filed for public inspection in its office. The authority or
27 municipality may cause to be published, at least once in a
28 newspaper published or circulating in the municipality, if there be
29 one, and if not, in a newspaper published and circulating in the
30 county, a notice stating the fact and date of the adoption and the
31 places where the bond resolution or bond ordinance, as applicable,
32 has been so filed for public inspection along with the date of the
33 first publication of the notice and also stating that any action or
34 proceeding of any kind or nature in any court questioning the
35 validity or proper authorization of bonds provided for by the bond
36 resolution or bond ordinance, as applicable, or the validity of any
37 covenants, agreements or contracts provided for by the bond
38 resolution or bond ordinance, as applicable, shall be commenced
39 within 20 days after the first publication of that notice. If any such
40 notice shall at any time be published and if no action or proceeding
41 questioning the validity or proper authorization of bonds provided
42 for by the bond resolution or bond ordinance, as applicable, referred
43 to in said notice, or the validity of any covenants, agreements, or
44 contracts provided for by said bond resolution or bond ordinance, as
45 applicable, shall be commenced or instituted within 20 days after
46 the first publication of the notice, then all persons shall be forever
47 barred and foreclosed from instituting or commencing any action or
48 proceeding in any court, or from pleading any defense to any action

1 or proceeding, questioning the validity or proper authorization of
2 such bonds, or the validity of such covenants, agreements, or
3 contracts, and said bonds, covenants, agreements, and contracts
4 shall be conclusively deemed to be valid and binding obligations in
5 accordance with their terms and tenor.

6 (cf: P.L.2001, c.310, s.10)

7
8 17. Section 12 of P.L.1991, c.431 (C.40A:20-12) is amended to
9 read as follows:

10 12. The rehabilitation or improvements made in the development
11 or redevelopment of a redevelopment area or area appurtenant
12 thereto or for a redevelopment relocation housing project, pursuant
13 to P.L.1991, c.431 (C.40A:20-1 et seq.), shall be exempt from
14 taxation for a limited period as hereinafter provided. When housing
15 is to be constructed, acquired or rehabilitated by an urban renewal
16 entity, the land upon which that housing is situated shall be exempt
17 from taxation for a limited period as hereinafter provided. The
18 exemption shall be allowed when the clerk of the municipality
19 wherein the property is situated shall certify to the municipal tax
20 assessor that a financial agreement with an urban renewal entity for
21 the development or the redevelopment of the property, or the
22 provision of a redevelopment relocation housing project, or the
23 provision of a low and moderate income housing project has been
24 entered into and is in effect as required by P.L.1991, c.431
25 (C.40A:20-1 et seq.).

26 Delivery by the municipal clerk to the municipal tax assessor of
27 a certified copy of the ordinance of the governing body approving
28 the tax exemption and financial agreement with the urban renewal
29 entity shall constitute the required certification. For each
30 exemption granted pursuant to P.L.2003, c.125 (C.40A:12A-4.1 et
31 al.), upon certification as required hereunder, the tax assessor shall
32 implement the exemption and continue to enforce that exemption
33 without further certification by the clerk until the expiration of the
34 entitlement to exemption by the terms of the financial agreement or
35 until the tax assessor has been duly notified by the clerk that the
36 exemption has been terminated.

37 Within 10 calendar days following the later of the effective date
38 of an ordinance following its final adoption by the governing body
39 approving the tax exemption or the execution of the financial
40 agreement by the urban renewal entity, the municipal clerk shall
41 transmit a certified copy of the ordinance and financial agreement
42 to the chief financial officer of the county and to the county counsel
43 for informational purposes.

44 Whenever an exemption status changes during a tax year, the
45 procedure for the apportionment of the taxes for the year shall be
46 the same as in the case of other changes in tax exemption status
47 during the tax year. Tax exemptions granted pursuant to P.L.2003,
48 c.125 (C.40A:12A-4.1 et al.) represent long term financial

1 agreements between the municipality and the urban renewal entity
 2 and as such constitute a single continuing exemption from local
 3 property taxation for the duration of the financial agreement. The
 4 validity of a financial agreement or any exemption granted pursuant
 5 thereto may be challenged only by filing an action in lieu of
 6 prerogative writ within 20 days from the publication of a notice of
 7 the adoption of an ordinance by the governing body granting the
 8 exemption and approving the financial agreement. Such notice
 9 shall be published in a newspaper of general circulation in the
 10 municipality and in a newspaper of general circulation in the county
 11 if different from the municipal newspaper.

12 a. The 'financial agreement shall specify the' duration of the
 13 exemption for urban renewal entities '[shall be as follows] in
 14 accordance with the parameters of either paragraph (1) or paragraph
 15 (2) of this subsection':

16 (1) '[for]' [all projects, a term of]' '[a project other than a
 17 project that qualifies under paragraph (2) of this subsection,] the
 18 financial agreement may specify a duration of' not more than 30
 19 years from the completion of the entire project, or unit of the
 20 project if the project is undertaken in units, or not more than 35
 21 years from the execution of the financial agreement between the
 22 municipality and the urban renewal entity; 'or'

23 (2) for each project undertaken pursuant to a redevelopment
 24 agreement which allows the redeveloper to undertake two or more
 25 projects sequentially, 'the financial agreement may specify a
 26 duration of' not more than 30 years from the completion of a
 27 project, or unit of the project if the project is undertaken in units, or
 28 not more than 50 years from the execution of the first financial
 29 agreement implementing a project under the redevelopment
 30 agreement. As used in this subsection, "redevelopment agreement"
 31 means an agreement entered into pursuant to subsection f. of section
 32 8 of P.L.1992, c.79 (C.40A:12A-8) between a municipality or
 33 redevelopment entity and a redeveloper .

34 'A financial agreement may provide for an exemption period of
 35 less than 30 years from the completion of the entire project, less
 36 than 35 years from the execution of the financial agreement, or less
 37 than 50 years from the execution of the first financial agreement
 38 implementing a project under the redevelopment agreement.
 39 Nothing in this subsection shall be construed as requiring a
 40 financial agreement for a project undertaken pursuant to a
 41 redevelopment agreement which allows the redeveloper to
 42 undertake two or more projects sequentially to specify a duration
 43 within the parameters of paragraph (2) of this subsection.'

44 b. During the term of any exemption, in lieu of any taxes to be
 45 paid on the buildings and improvements of the project and, to the
 46 extent authorized pursuant to this section, on the land, the urban
 47 renewal entity shall make payment to the municipality of an annual

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

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

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

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

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

45 (b) For the second stage of the exemption period, which shall
46 not be less than one year nor more than six years, as specified in the
47 financial agreement, an amount equal to either the amount
48 determined pursuant to paragraph (1) of this subsection and section

1 11 of P.L.1991, c.431 (C.40A:20-11), or 20% of the amount of
2 taxes otherwise due on the value of the land and improvements,
3 whichever shall be greater;

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

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

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

25 If the financial agreement provides for an exemption period of
26 less than 30 years from the completion of the entire project, ¹~~or~~¹
27 less than 35 years from the execution of the financial agreement, ¹~~or~~
28 less than 50 years from the execution of the first financial
29 agreement implementing a project under the redevelopment
30 agreement.¹ the financial agreement shall set forth a schedule of
31 annual service charges for the exemption period which shall be
32 based upon the minimum service charges and staged adjustments set
33 forth in this section.

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

37 Each municipality which enters into a financial agreement on or
38 after the effective date of P.L.2003, c.125 (C.40A:12A-4.1 et al.)
39 shall remit 5 percent of the annual service charge collected by the
40 municipality to the county in accordance with the provisions of
41 R.S.54:4-74.

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

46 Notwithstanding the provisions of this section or of the financial
47 agreement, the minimum annual service charge shall be the amount
48 of the total taxes levied against all real property in the area covered

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

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

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

17 (cf: P.L.2015, c.247, s.1)

18
19 18. Section 13 of P.L.1991, c.431 (C.40A:20-13) is amended
20 to read as follows:

21 13. The tax exemption provided in **[this act]** P.L.1991, c.431
22 (C.40A:20-1 et seq.) shall apply only so long as the urban renewal
23 entity and its project remain subject to the provisions of **[this act]**
24 P.L.1991, c.431 (C.40A:20-1 et seq.), but in no event more than: 35
25 years from the date of the execution of the financial agreement; or,
26 if authorized pursuant to paragraph (2) of subsection a. of section
27 12 of P.L.1991, c.431 (C.40A:20-12), 50 years from the date of the
28 execution of the ²financial agreement, in the case of a phased
29 project, or from the² first financial agreement implementing a
30 project under the redevelopment agreement ², in the case of two or
31 more projects². A tax exemption authorized in connection with a
32 nonprofit limited dividend cooperative housing project under a
33 financial agreement entered into pursuant to the "Limited-Dividend
34 Nonprofit Housing Corporations or Associations Law," P.L.1949,
35 c.184 (C.55:16-1 et seq.) may be extended to coincide with existing
36 first mortgage financing. The terms of any such extension shall be
37 set forth in an amended financial agreement between the urban
38 renewal entity and the municipality. An urban renewal entity may
39 at any time after the expiration of one year from the completion
40 date of the project, notify the governing body of the municipality
41 that, as of a certain date designated in the notice, it relinquishes its
42 status under ²**[this act]** P.L.1991, c.431 (C.40A:20-1 et seq.)², and if
43 the project includes housing units, that the urban renewal entity has
44 obtained the consent of the Commissioner of Community Affairs to
45 such a relinquishment. As of that date, the tax exemption, the
46 service charges, and the profit and dividend restrictions shall
47 terminate. The date of termination of tax exemption, whether by

1 relinquishment by the entity or by terms of the financial agreement,
2 shall be deemed the close of the fiscal year of the entity. Within 90
3 days of that date, the urban renewal entity shall pay to the
4 municipality the amount of reserve, if any maintained pursuant to
5 section 15 or 16 of **【this act】** P.L.1991, c.431 (C.40A:20-15 or
6 40A:20-16), as well as the excess net profits, if any, payable as of
7 that date.
8 (cf: P.L.1999, c.220, s.1)
9
10 19. This act shall take effect immediately.