

ASSEMBLY, No. 1343

STATE OF NEW JERSEY

Introduced Pending Technical Review by Legislative Counsel

PRE-FILED FOR INTRODUCTION IN THE 1996 SESSION

By Assemblymen DeCROCE and KAVANAUGH

1 AN ACT concerning the leasing of Department of Transportation  
2 property and amending P.L.1967, c.268 and repealing section 3 of  
3 P.L.1967, c.268.

4

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

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8 1. Section 1 of P.L.1967, c.288 (C.27:7-21.4) is amended to read  
9 as follows:

10 1. a. [Any] The Commissioner of Transportation may lease,  
11 license or contract for the use, management or operation of areas on,  
12 above or below state right-of-way or any real or personal property  
13 heretofore or hereafter acquired by the Department of Transportation  
14 for a transportation or transportation related program [or] a project or  
15 purpose [may be leased by the Commissioner of Transportation] to  
16 any person or public body or agency [on a temporary basis] in such  
17 manner as to produce revenue for the support of the State.

18 b. The revenues from a lease, license or contract entered into  
19 pursuant to the provisions of this section shall be deposited into a  
20 special account in the General Fund. All expenses incident to the  
21 lease, license, use or operation of any such property shall be paid from  
22 the special account and shall not be a charge against the State.

23 c. In entering into a lease, license or contract authorized by this  
24 section, the commissioner may set a fee for the lease, license or  
25 contract which fee shall yield at least a fair rental value for the use of  
26 the property. Alternatively, the lease, license or contract may be  
27 awarded on the basis of competitive public bids or competitive  
28 proposals to the responsible bidder or proposer whose bid or proposal  
29 is determined to be in the best interest of the State, price and other  
30 factors considered.

31 d. The commissioner shall adopt regulations, pursuant to the  
32 "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.)

EXPLANATION - Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and intended to be omitted in the law.

Matter underlined thus is new matter.

1 providing the procedures and standards for the awarding of a lease,  
2 license or contract on the basis of competitive public bids or  
3 proposals. The regulations shall provide that a brief description of the  
4 property to be leased, licensed or contracted for and a summary of the  
5 terms and conditions of the proposed lease, license or contract shall be  
6 published in at least one newspaper in the municipality in which the  
7 property is located.

8 e. The commissioner shall include a provision in [the] a lease,  
9 license or contract entered into pursuant to this section which would  
10 allow the termination of the lease, license or contract upon written  
11 notice thereof to the lessee, licensee or contractor prior to the  
12 conclusion of the term of the lease, license or contract in accordance  
13 with a minimum period of time for that notice, such provision having  
14 been the subject of negotiation between the commissioner and the  
15 prospective lessee, licensee or contractor so as to ensure that the  
16 occupancy of the property does not in any manner interfere with or  
17 delay the transportation program or project for which the property is  
18 needed. No person, public body or agency shall remain in possession  
19 of premises beyond the conclusion of the term of the lease, license or  
20 contract or, in the case of a notice of termination, the date fixed by the  
21 commissioner in the notice. If the lessee, licensee or contractor  
22 remains past conclusion of the term of the lease, license or contract or  
23 beyond the date fixed in the notice of termination, the department may  
24 institute a summary proceeding in the Superior Court, for an order to  
25 show cause as to why the department should not be granted immediate  
26 possession of the [leased] property and the property be vacated of its  
27 occupants.

28 (cf: P.L.1993, c.231, s.3)

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30 2. Section 3 of P.L.1967, c.268 (C.27:7-21.6) is repealed.

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32 3. This act shall take effect immediately.

### 33 34 35 STATEMENT

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37 This bill would authorize the Department of Transportation to  
38 lease, license or contract for the use of department property in such  
39 manner as to produce revenues for the support of the State.

40 The bill would authorize the commissioner to set a fee for the lease,  
41 license or contract, provided that the fee yields at least a fair rental  
42 value for the use of the property. A lease, license or contract may also  
43 be awarded on the basis of competitive public bids or competitive  
44 proposals. A competitively bid or proposed lease, license or contract  
45 would be awarded to the bidder or proposer whose bid or proposal is  
46 determined to be in the best interest of the State, price and other

1 factors considered.

2 The bill requires the commissioner to adopt regulations providing  
3 procedures and standards for the awarding of a lease, license or  
4 contract on the basis of competitive public bids or competitive  
5 proposals. The regulations would be required to provide that a brief  
6 description of the property to be leased, licensed or contracted for and  
7 a summary of the terms and conditions of the proposed lease, license  
8 or contract be published in at least one newspaper in the municipality  
9 in which the property is located.

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14 Authorizes lease of DOT property in such manner as to produce  
15 revenues for the support of the State.