

ASSEMBLY, No. 1820

STATE OF NEW JERSEY

INTRODUCED MARCH 28, 1996

By Assemblyman CORODEMUS

1 AN ACT designated the "New Jersey Urban Redevelopment Act,"
2 reconstituting the New Jersey Urban Development Corporation as
3 the New Jersey Redevelopment Authority, providing a source of
4 funding therefor, establishing a neighborhood empowerment
5 program, amending, supplementing and repealing various sections
6 of statutory law, and making an appropriation.

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

10
11 1. (New section) This act shall be known and may be cited as the
12 "New Jersey Urban Redevelopment Act."

13
14 2. (New section) The Legislature finds and determines that:
15 a. As one of the nation's most densely populated States and one of
16 the earliest settled, New Jersey is beset by a host of urban problems
17 attendant upon economic obsolescence, an aging infrastructure,
18 long-term underinvestment and de-industrialization;

19 b. Although the State Development and Redevelopment Plan has
20 fostered a more coordinated and integrated State planning process and
21 has placed renewed emphasis on urban revitalization goals, the
22 realization of those revitalization goals still presents a critical
23 challenge to the private sector and the myriad of governmental entities
24 whose policies touch urban areas;

25 c. The rapid pace of technological change with which the late
26 twentieth century is associated, represented by the development and
27 growth of the "information superhighway," and increasing world
28 competition, spurred on by recent and ongoing international free trade
29 agreements, threatens to further marginalize our already distressed and
30 beleaguered urban centers;

31 d. Environmentally compromised sites present a particular
32 challenge to the State's urban centers, particularly those with major
33 associated cleanup liability and, notwithstanding the impressive strides
34 taken by this Legislature to address remediation issues, further

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 remedies are necessary in order to imbue those sites with renewed
2 economic potential;

3 e. Given the number of years over which these problems have
4 developed and in light of the enormity of the challenges which lay
5 ahead, it is incumbent upon this Legislature to designate an entity that
6 has as its primary focus the State's urban centers, and to provide that
7 entity with resources to effectuate renewal in these urban areas;

8 f. At present, a vast and complex network of State agencies and
9 policies which should cooperate in the identification and resolution of
10 urban problems too often work at cross-purposes and so it is vital that
11 this new entity bring together those agencies whose policies are most
12 strongly felt in urban areas in order to promote their economic and
13 social viability in a coordinated fashion;

14 g. There is a need for a redevelopment agency whose focus is
15 developing and implementing strategic revitalization plans and
16 neighborhood empowerment plans for urban neighborhoods to serve
17 as the State's primary community development agency with particular
18 focus on technical assistance, grants, low and no interest loans, loan
19 guarantees, and capacity building for community development
20 organizations; and

21 h. This legislative initiative is intended to implement the urban
22 redevelopment initiative concept and philosophy articulated by the
23 sponsor which calls for the establishment of an independent entity
24 which will allow for a coordinated approach to urban revitalization and
25 succeed in achieving its goals where previous urban efforts have failed.

26

27 3. (New section) As used in P.L. , c. (C.) (pending before the
28 Legislature as this bill), except as otherwise clearly required by the
29 context:

30 "Authority" means the New Jersey Redevelopment Authority
31 established pursuant to section 4 of P.L. , c. (C.) (pending before
32 the Legislature as this bill).

33 "Council" means the Urban Coordinating Council established
34 pursuant to section 45 of P.L. , c. (C.) (pending before the
35 Legislature as this bill).

36 "Department" means the Department of the Commerce and
37 Economic Development.

38 "Project" means a specific work or improvement, including lands,
39 buildings, improvements, real and personal property or any interest
40 therein, including lands under water, riparian rights, space rights and
41 air rights, acquired, owned, constructed, reconstructed, rehabilitated
42 or improved by the authority or a subsidiary, or by any other person,
43 firm or corporation under agreement with the authority or subsidiary
44 pursuant to the provisions of P.L. , c. (C.) (pending before the
45 Legislature as this bill) in a qualified municipality, and which falls
46 within any of the following classifications:

1 (1) "Industrial project"--a project designed and intended to provide
2 facilities for manufacturing, industrial, commercial, wholesale, retail,
3 warehousing, or research and development purposes, including but not
4 limited to machinery and equipment deemed necessary for the
5 operation thereof, when the authority finds that there is a compelling
6 public need to undertake such project.

7 (2) "Land-use improvement project"--a project for the clearance,
8 replanning, reconstruction, rehabilitation, renewal, redevelopment,
9 conservation, restoration or improvement of an area, in cooperation
10 or under agreement with a qualified municipality which has designated
11 the area in need of redevelopment.

12 (3) "Civil project"--a project designed and intended to provide
13 facilities for educational, cultural, health, recreational, community or
14 other civic purposes.

15 (4) "Utility project"--a project designed and intended to provide
16 facilities for provision of water, sewerage, solid waste disposal,
17 transportation, utility or other public services necessary for the
18 accommodation of a project of another classification undertaken
19 pursuant to P.L. , c. (C.) (pending before the Legislature as this
20 bill), but accommodation of needs greater than those of the other
21 project may be encompassed.

22 (5) "Mixed-use project"--a project consisting of housing
23 development and commercial development, in which the prorated cost
24 of the housing development is equivalent to no more than one-third of
25 the cost of the total project.

26 (6) "Multi-purpose project"--a project combining the purposes of
27 two or more of the foregoing classifications.

28 "Qualified municipality" means any municipality which at the time
29 of the initiation of a project was either eligible to receive aid under the
30 "Special Municipal Aid Act," P.L.1987, c.75 (C.52:27D-118.24 et
31 seq.) or was coextensive with a school district which qualified for
32 designation as a "special needs district" pursuant to the "Quality
33 Education Act of 1990," P.L.1990, c.52 (C.18A:7D-1 et seq.).

34 "Subsidiary" means a subsidiary corporation formed by the
35 authority pursuant to section 8 of P.L. , c. (C.) (pending before
36 the Legislature as this bill).

37
38 4. (New section) a. The New Jersey Urban Development
39 Corporation established pursuant to P.L.1985, c.227 (C.55:19-1 et.
40 seq.) is reconstituted as the New Jersey Redevelopment Authority.
41 For the purpose of complying with the provisions of Article V, Section
42 IV, paragraph 1 of the Constitution of the State of New Jersey, this
43 authority is allocated to the Department of Commerce and Economic
44 Development; but, notwithstanding that allocation, the authority shall
45 be independent of any supervision or control by the department or by
46 any other board or officer thereof. All references in any law, order,

1 rule, regulation, contract, loan, document or otherwise to the New
2 Jersey Urban Development Corporation in the Department of
3 Commerce and Economic Development shall mean the New Jersey
4 Redevelopment Authority in the Department of Commerce and
5 Economic Development.

6 b. The authority shall constitute a body corporate and politic and
7 an instrumentality exercising public and essential governmental
8 functions, and the exercise by the authority of the powers conferred by
9 P.L. , c. (C.) (pending before the Legislature as this bill) shall be
10 deemed and held to be an essential governmental function of the State.

11 c. The authority shall consist of the State Treasurer, the Attorney
12 General, the Commissioner of Community Affairs, the Commissioner
13 of Education, the Commissioner of Environmental Protection, the
14 Commissioner of Health, the Commissioner of Human Services, the
15 Commissioner of Labor, the Commissioner of Transportation, and the
16 Commissioner of Commerce and Economic Development who shall be
17 members and who shall serve ex officio, and eleven public members of
18 whom seven shall be appointed by the Governor with the advice and
19 consent of the Senate, two shall be appointed by the Senate President
20 and two shall be appointed by the Speaker of the General Assembly,
21 for terms of three years, except as provided hereunder. Of the seven
22 members appointed by the Governor, one shall represent the interests
23 of the for-profit development industry; one shall represent the interests
24 of the non-profit development community, two shall be mayors of
25 municipalities which are coextensive with "special needs districts" as
26 defined pursuant to section 3 of P.L.1990, c.52 (C.18A:7D-3); two
27 shall be mayors of municipalities which are contiguous to
28 municipalities which are coterminous with special needs districts; and
29 one shall represent the interest of the banking, insurance or real estate
30 financing industries. Each member shall hold office for the term of his
31 appointment and until his successor shall have been appointed and
32 qualified. A member shall be eligible for reappointment. Each mayor
33 shall serve for a term of three years, but shall continue to serve only
34 as long as the mayor continues to hold mayoral office. The members
35 appointed by each of the presiding officers of both Houses of the
36 Legislature shall not represent the same political party, and none of the
37 legislative appointees shall be members of the Legislature. Any
38 vacancy in the membership occurring other than by expiration of term
39 shall be filled in the same manner as the original appointment but for
40 the unexpired term only. In appointing public members, the presiding
41 officers shall have regard to providing an adequate depth and diversity
42 of knowledge and experience in the financial, physical and social
43 aspects of urban development, and of other relevant expertise in urban
44 matters.

45 d. Each ex officio member may designate an officer or employee of
46 his department to represent him at authority meetings. The

1 designation shall be in writing, delivered into the hands of the
2 secretary of the authority, and shall continue in effect until revoked or
3 amended in the same manner.

4 e. Each member appointed by the Governor may be removed from
5 office by the Governor, for cause, after a public hearing, and may be
6 suspended by the Governor pending the completion of the hearing.
7 Each member before entering upon his duties shall take and subscribe
8 an oath to perform the duties of his office faithfully, impartially and
9 justly to the best of his ability. A record of such oaths shall be filed in
10 the office of the Secretary of State.

11 f. The Governor shall appoint a chairperson, with the advice and
12 consent of the Senate, from the members of the authority other than
13 the ex officio members and the members of the authority shall elect
14 from their remaining number a vice chairperson and a treasurer
15 thereof. The authority shall employ an executive director who shall be
16 its secretary and chief executive officer. The powers of the authority
17 shall be vested in the members thereof in office from time to time and
18 eleven members of the authority shall constitute a quorum at any
19 meeting thereof. Action may be taken, and motions and resolutions
20 adopted, by the authority at any meeting thereof by the affirmative
21 vote of at least eleven members of the authority. No vacancy in the
22 membership of the authority shall impair the right of a quorum of the
23 members to exercise all of the powers and perform all of the duties of
24 the authority.

25 g. Each public member of the authority shall execute a bond to be
26 conditioned upon the faithful performance of the duties of such
27 member in such form and amount as may be prescribed by the State
28 Comptroller. Such bonds shall be filed in the office of the Secretary
29 of State. At all times thereafter the members and treasurer of the
30 authority shall maintain such bonds in full force and effect. All costs
31 of such bonds shall be borne by the authority.

32 h. The members of the authority shall serve without compensation,
33 but the authority shall reimburse its members for actual expenses
34 necessarily incurred in the discharge of their duties. Notwithstanding
35 the provisions of any other law, no officer or employee of the State
36 shall be deemed to have forfeited or shall forfeit his or her office or
37 employment or any benefits or emoluments thereof by reason of his or
38 her acceptance of the office of ex officio member of the authority or
39 his or her services therein.

40 i. The authority may be dissolved by act of the Legislature on
41 condition that the authority has no debts or obligations outstanding or
42 that provision has been made for the payment or retirement of such
43 debts or obligations. Upon any such dissolution of the authority, all
44 property, funds and assets thereof shall be vested in the State.

45 j. A true copy of the minutes of every meeting of the authority shall
46 be forthwith delivered by and under the certification of the secretary

1 thereof to the Governor. No action taken at such meeting by the
2 authority shall have force or effect until 10 days, Saturdays, Sundays,
3 and public holidays excepted, after a copy of the minutes shall have
4 been so delivered unless during that 10-day period the Governor shall
5 approve the same in which case such action shall become effective
6 upon approval. If, within the 10-day period, the Governor returns the
7 copy of the minutes with a veto of any action taken by the authority or
8 any member thereof at the meeting, that action shall be null and void
9 and of no effect. The powers conferred in this subsection upon the
10 Governor shall be exercised with due regard for the rights of the
11 holders of bonds and notes of the authority at any time outstanding,
12 and nothing in or done pursuant to this subsection shall in any way
13 limit, restrict or alter the obligation or powers of the authority or any
14 representative or officer of the authority to carry out and perform in
15 every detail each and every covenant, agreement or contract at any
16 time made or entered into by or on behalf of the authority with respect
17 to its bonds or notes or for the benefit, protection or security of the
18 holders thereof. The Governor may approve all or part of the action
19 taken at such meeting prior to the expiration of the 10-day period.

20 k. On or before March 31 of each year, the authority shall make an
21 annual report of its activities for the preceding calendar year to the
22 Governor and the Legislature. Each such report shall set forth a
23 complete operating and financial statement covering the authority's
24 operations during the year. The authority shall cause an audit of its
25 books and accounts to be made at least once in each year by certified
26 public accountants and cause a copy thereof to be filed with the
27 Secretary of State and the State Comptroller.

28 1. The State Comptroller and his legally authorized representatives
29 are hereby authorized and empowered from time to time to examine
30 the accounts, books and records of the authority, including its receipts,
31 disbursements, contracts, sinking funds, investments, and any other
32 matters relating thereto and to its financial standing.

33 m. No member, officer, employee or agent of the authority shall be
34 interested, either directly or indirectly, in any project or in any
35 contract, sale, purchase, lease or transfer of real or personal property
36 to which the authority is a party.

37
38 5. (New section) The authority shall have the following powers:

39 a. to sue and be sued;

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

41 c. to enter into contracts upon such terms and conditions as the
42 authority shall determine to be reasonable, including, but not limited
43 to, reimbursement for the planning, designing, financing, construction,
44 reconstruction, improvement, equipping, furnishing, operation and
45 maintenance of the project and to pay or compromise any claims
46 arising therefrom;

- 1 d. to make and alter by-laws for its organization and internal
2 management and, subject to agreements with noteholders or
3 bondholders, to make rules and regulations with respect to its projects,
4 operations, properties and facilities;
- 5 e. to invest any funds held in reserve or sinking funds, or any
6 moneys not required for immediate use and disbursement, at the
7 discretion of the authority, in obligations of this State or of the United
8 States, or obligations the principal and interest of which are
9 guaranteed by this State or the United States;
- 10 f. to sell, lease, assign, transfer, convey, exchange, mortgage, or
11 otherwise dispose of or encumber any project, and in the case of the
12 sale of any project, to accept a purchase money mortgage in
13 connection therewith; and to lease, repurchase or otherwise acquire
14 and hold any project which the corporation has theretofore sold,
15 leased or otherwise conveyed, transferred or disposed of;
- 16 g. to acquire or contract to acquire from any individual,
17 partnership, trust, association or corporation, or any public agency, by
18 grant, purchase or otherwise, real or personal property or any interest
19 therein; to own, hold, clear, improve, rehabilitate and develop, and to
20 sell, assign, exchange, transfer, convey, lease, mortgage or otherwise
21 dispose of or encumber the same;
- 22 h. to acquire in the name of the authority by purchase or otherwise,
23 on such terms and conditions and such manner as it may deem proper
24 any lands or interests therein or other property which it may determine
25 is reasonably necessary for any project;
- 26 i. to acquire, construct, reconstruct, rehabilitate, improve, alter or
27 repair or provide for construction, reconstruction, rehabilitation,
28 improvement, alteration or repair of any project;
- 29 j. to arrange or contract with a municipality for the planning,
30 replanning, opening, grading or closing of streets, roads, roadways,
31 alleys or other places, or for the furnishing of facilities or for the
32 acquisition by a municipality of property or property rights or for the
33 furnishing of property or services, in connection with a project;
- 34 k. to grant options to purchase any project or to renew any leases
35 entered into by it in connection with any of its projects, on such terms
36 and conditions as it may deem advisable;
- 37 l. to prepare or cause to be prepared plans, specifications, designs
38 and estimates of costs for the construction, reconstruction,
39 rehabilitation, improvement, alteration or repair of any project, and
40 from time to time to modify such plans, specifications, designs or
41 estimates;
- 42 m. to manage any project, whether then owned or leased by the
43 authority, and to enter into agreements with any individual,
44 partnership, trust, association or corporation, or with any public
45 agency, for the purpose of causing any project to be managed;
- 46 n. to hold any property owned or acquired by the authority in the

- 1 name of the authority;
- 2 o. to provide advisory, consultative, training and educational
3 services, technical assistance and advice to any individual, partnership,
4 trust, association or corporation, or to any public agency, in order to
5 carry out the purposes of P.L. , c. (C.) (pending before the
6 Legislature as this bill);
- 7 p. to issue, purchase, pledge and sell stock in projects of the
8 authority and to purchase, sell or pledge the shares, or other
9 obligations or securities of any subsidiary corporation, on such terms
10 and conditions as the authority or subsidiary corporation may deem
11 advisable;
- 12 q. subject to the provisions of any contract with noteholders, to
13 consent to the modification, with respect to rate of interest, time of
14 payment or any installment of principal or interest, security, or any
15 other terms, of any loan, mortgage, commitment, contract or
16 agreement of any kind to which the authority is a party;
- 17 r. in connection with any property on which it has made a
18 mortgage loan, to foreclose on the property or commence any action
19 to protect or enforce any right conferred upon it by any law,
20 mortgage, contract or other agreement, and to bid for or purchase the
21 property at any foreclosure or at any other sale, or acquire or take
22 possession of the property; and in such event the authority may
23 complete, administer, pay the principal of and interest on any
24 obligations incurred in connection with the property, dispose of and
25 otherwise deal with the property, in such manner as may be necessary
26 or desirable to protect the interests of the authority therein;
- 27 s. to acquire, purchase, manage and operate, hold and dispose of
28 real and personal property or interests therein, take assignments of
29 rentals and leases and make and enter into all contracts, leases,
30 agreements and arrangements necessary or incidental to the
31 performance of its duties;
- 32 t. to purchase, acquire and take assignments of notes, mortgages
33 and other forms of security and evidences of indebtedness;
- 34 u. to extend credit or make loans to any person for the planning,
35 designing, acquiring, constructing, reconstructing, improving,
36 equipping and furnishing of a project, which credits or loans may be
37 secured by loan and security agreements, mortgages, leases and any
38 other instruments, upon such terms and conditions as the authority
39 shall deem reasonable, including provision for the establishment and
40 maintenance of reserve and insurance funds, and to require the
41 inclusion in any mortgage, lease, contract, loan and security agreement
42 or other instrument, such provisions for the construction, use,
43 operation and maintenance and financing of a project as the authority
44 may deem necessary or desirable;
- 45 v. to borrow money, secure credit against the assets of the
46 authority on a temporary, short-term, interim or long-term basis and

1 to issue bonds of the authority and to provide for the rights of the
2 holders thereof, as provided in P.L. , c. (C.) (pending before the
3 Legislature as this bill);

4 w. to make short-term loans or advances to developers for
5 construction in anticipation of the issuance of permanent loans;

6 x. to exercise sole authority for investment, reinvestment or
7 expenditure of its revenues, fund balances and appropriations
8 consistent with the purposes of P.L. , c. (C.) (pending before the
9 Legislature as this bill) on projects and investments utilizing revenues
10 from the sale of revenue bonds, which projects shall be subject to the
11 approval of the State Treasurer, and the Treasurer's actions shall be
12 based solely on his fiduciary role to ensure that all applicable federal
13 and State tax laws are adhered to regarding the investment of bond
14 funds;

15 y. notwithstanding any law to the contrary, and upon resolution of
16 the municipal governing body, to act as the redevelopment agency of
17 any municipality in which there is not established a redevelopment
18 agency pursuant to subsection a. of section 11 of P.L.1992, c.79
19 (C.40A:12A-11) and which is not precluded from establishing such an
20 agency;

21 z. in connection with any application for assistance under P.L. ,
22 c. (C.) (pending before the Legislature as this bill) or commitments
23 therefor, to require and collect such fees and charges as the authority
24 shall determine to be reasonable;

25 aa. to establish, levy and collect, in connection with any civic
26 project or utilities project managed or operated by the authority,
27 whether then owned or leased by the authority, user fees and facility
28 charges;

29 bb. to procure insurance against any loss in connection with its
30 property and other assets and operations, in such amounts and from
31 such insurers as it deems desirable;

32 cc. to employ consulting engineers, architects, attorneys, real
33 estate counselors, appraisers, and such other consultants and
34 employees as may be required in the judgment of the authority to carry
35 out the purposes of the act, and to fix and pay their compensation
36 from funds available to the authority therefor, all without regard to the
37 provisions of Title 11A, Civil Service, of the New Jersey Statutes;

38 dd. to contract for, and to accept, any gifts or grants or loans of
39 funds or property or financial or other aid in any form from the federal
40 government or any agency or instrumentality thereof, or from the State
41 or a municipality or any agency or instrumentality thereof, or from any
42 other source, and, subject to the provisions of P.L. , c. (C.)
43 (pending before the Legislature as this bill) and any other applicable
44 law, to comply with the terms and conditions thereof;

45 ee. to create subsidiary corporations as provided in section 8 of
46 P.L. , c. (C.) (pending before the Legislature as this bill);

- 1 ff. to assist municipalities, counties, public or private county and
2 municipal development agencies, district management corporations
3 created pursuant to section 4 of P.L.1972, c.134 (C.40:56-68),
4 community action boards established pursuant to section 4 of
5 P.L.1991, c.51 (C.52:27D-398), or sponsors of neighborhood
6 empowerment organizations, in formulating and implementing
7 community redevelopment plans, which shall include, but not be
8 limited to, neighborhood restoration, residential development, and
9 industrial and commercial development;
- 10 gg. to fund, or assist in funding, community redevelopment
11 projects by municipalities, counties, public or private county and
12 municipal development agencies, district management corporations
13 created pursuant to section 4 of P.L.1972, c.134 (C.40:56-68),
14 community action boards established pursuant to section 4 of
15 P.L.1991, c.51 (C.52:27D-398), or sponsors of neighborhood
16 empowerment organizations, which shall include, but not be limited to,
17 direct loan assistance, including loan guarantees, procuring capital
18 from private developers and lending institutions, and facilitating access
19 to State, federal, and private sources of loans or grants, including, but
20 not limited to, the New Jersey Economic Development Authority and
21 the Casino Redevelopment Authority;
- 22 hh. to assist in providing access to support services, including
23 technical assistance and job training programs, for projects developed
24 in connection with comprehensive community redevelopment plans and
25 neighborhood empowerment programs established pursuant to this act;
- 26 ii. to provide assistance to urban areas in attracting industrial and
27 commercial projects, in rehabilitating existing industrial and
28 commercial facilities to restore them to productive use through the
29 establishment of marketing programs and incentive programs;
- 30 jj. to assist in facilitating the work of the Office of Neighborhood
31 Empowerment established pursuant to this act, which assistance shall
32 include, but not be limited to, providing professional or technical
33 expertise and funding for the establishment and implementation of
34 neighborhood empowerment plans developed pursuant to this act;
- 35 kk. to enter into partnerships with private developers, the New
36 Jersey Economic Development Authority or any other public entity,
37 for the purpose of community redevelopment, and establish fees
38 therefor;
- 39 ll. to enter into agreements with municipalities or counties
40 regarding projects to be financed through the use of payment in lieu of
41 taxes, as provided for in section 33 of P.L. , c. (C.) (pending
42 before the Legislature as this bill); and
- 43 mm. to do any and all things necessary or convenient to carry out
44 its purposes and exercise the powers given and granted in P.L. , c.
45 (C.) (pending before the Legislature as this bill).

1 6. (New section) The authority, in determining which projects to
2 approve for financing, shall accord first priority to any project situated
3 in a municipality which at the time the application for project financing
4 is submitted is eligible to receive aid under the "Special Municipal Aid
5 Act," P.L.1987, c.75 (C.52:27D-118.24 et seq.) and is coextensive
6 with a "special needs district" designated pursuant to the "Quality
7 Education Act of 1990," P.L.1990, c.52 (C.18A:7D-1 et seq.).
8 Subsequent priority shall be assigned to projects in any municipality
9 which, at the time the application for project financing is submitted, is
10 coextensive with a "special needs district" and projects in a qualified
11 municipality shall receive last priority. In making project financing
12 decisions, the authority shall give preference to any project situated in
13 an empowerment neighborhood designated pursuant to section 54 of
14 P.L....., c....., (C.....)(now pending before the Legislature as
15 this bill). With respect to projects for which costs are to be financed
16 by the authority, the authority shall consider the following factors:

- 17 (1) the economic feasibility of the project;
- 18 (2) the extent of economic and related social distress in the
19 municipality and the area to be affected by the project;
- 20 (3) the degree to which the project will advance State, regional and
21 local development strategies;
- 22 (4) the likelihood that the project shall upon completion be capable
23 of repaying all or part of any financing costs incurred;
- 24 (5) the relationship of the project to a comprehensive local
25 development strategy, including other major projects undertaken
26 within the municipality; and
- 27 (6) the degree to which the project interfaces with public
28 transportation systems.

29
30 7. (New section) In planning and carrying out projects pursuant to
31 P.L. , c. (C.) (pending before the Legislature as this bill) the
32 authority and its subsidiaries shall endeavor to enlist the cooperation
33 and assistance, on a volunteer basis, of private business firms and
34 individual business executives whose experience and training qualify
35 them to advise the authority and its subsidiaries on the design and
36 coordination of aid and development programs for the revitalization of
37 urban centers, and to advise upon the most efficient and businesslike
38 manner of managing and directing such programs.

39
40 8. (New section) a. In order to carry out the purposes and
41 provisions of P.L. , c. (C.) (pending before the Legislature as this
42 bill), the authority, in addition to any powers granted to it elsewhere
43 in P.L. , c. (C.) (pending before the Legislature as this bill), shall
44 have the authority to form, purchase or assume control of one or more
45 subsidiaries, in the manner and for the purposes set forth in this
46 section.

1 b. The authority may form a subsidiary by filing with the Secretary
2 of State a certificate of incorporation, which may be amended from
3 time to time and which shall set forth the name of the subsidiary, its
4 duration, the location of its principal office, the joint owners thereof,
5 and the purposes of the subsidiary.

6 c. The directors of the subsidiary shall be members or employees
7 of the authority, who shall constitute at least a majority, and such
8 other persons representing any joint owner or owners as may be
9 provided for in the agreement in connection with the incorporation of
10 the subsidiary.

11 d. The subsidiary shall have all the powers vested in the authority
12 which the authority may delegate to it by terms of the agreement of
13 incorporation, except that it shall not have the power to contract
14 indebtedness independently of the authority. The subsidiary and any
15 of its properties, functions and activities shall have all the privileges,
16 immunities, tax exemptions and other exemptions as the authority's
17 property, functions and activities. The subsidiary shall also be subject
18 to the restrictions and limitations to which the authority is subject.
19 The subsidiary shall be subject to suit as if it were the authority itself.

20 e. Whenever the State or any municipality, commission, public
21 authority, agency, officer, department, board, or division is authorized
22 and empowered for any purposes of P.L. , c. (C.) (pending before
23 the Legislature as this bill) to cooperate and enter into agreements
24 with the authority or to grant any consent to the authority or to grant,
25 convey, lease or otherwise transfer any property to the authority or to
26 execute any document, the State or such municipality, commission,
27 public authority, agency, officer, department, board, or division shall
28 have the same authorization and power for any of such purposes to
29 cooperate and enter into agreements with the subsidiary, to grant
30 consents to the subsidiary, to grant, convey, lease or otherwise
31 transfer property to the subsidiary and to execute documents for the
32 subsidiary.

33 f. Among the powers that shall be granted to a subsidiary
34 corporation established by the authority, or which may be exercised by
35 the authority itself, are:

36 (1) the power to participate as a co-owner or co-venturer in any
37 activity financed by a loan from the authority; and

38 (2) the power to issue its stock and employ the proceeds of such
39 sales for capital investment in, or other expenses in connection with,
40 the projects of the subsidiary, upon authorization by the authority.

41
42 9. (New section) The authority, or any subsidiary, may enter into
43 agreements with any individual, partnership, trust, association or
44 corporation, or any public agency, under which the authority or
45 subsidiary and such other entity or entities shall undertake a project as
46 a joint venture, with the authority or subsidiary providing such

1 financial assistance, through loans, grants or the acquisition of an
2 ownership interest in the project, and such technical or managerial
3 assistance or advice, as the agreement may provide.

4
5 10. (New section) The authority, or any subsidiary, may make
6 loans to any individual, partnership, trust, association or corporation
7 for the purpose of enabling such entity to undertake any work,
8 improvement or other activity in a qualified municipality which, if
9 undertaken by the authority or a subsidiary, would be a "project"
10 within the meaning of section 3 of P.L. , c. (C.) (pending before
11 the Legislature as this bill). The authority, or any subsidiary, may also
12 pledge its credit for the repayment of any such loan made for like
13 purposes by any financial institution in the State.

14
15 11. (New section) For the purpose of providing funds to pay all or
16 any part of the cost of any project or projects, to make loans in
17 accordance with the provisions of P.L. , c. (C.) (pending before
18 the Legislature as this bill), and for the funding or refunding of any
19 bonds, the authority shall have the power to authorize or provide for
20 the issuance of bonds pursuant to P.L. , c. (C.) (pending before
21 the Legislature as this bill).

22
23 12. (New section) By resolution, the authority shall have power to
24 incur indebtedness, borrow money and issue its bonds for the purposes
25 stated in section 11 of P.L. , c. (C.) (pending before the
26 Legislature as this bill) ; provided, however, that the authority shall
27 not issue more than \$100 million of bonds in any one year. Except as
28 may otherwise be expressly provided by the authority, every issue of
29 its bonds shall be general obligations of the authority payable from any
30 revenues or moneys of the authority or any other contracted with or
31 agreed upon source, subject only to any agreements with the holders
32 of particular bonds or notes pledging any particular revenues or
33 moneys. Bonds shall be authorized by resolution and may be issued in
34 one or more series and shall bear that date or those dates, mature at
35 that time or those times not exceeding 40 years from the date thereof,
36 bear interest at a rate or rates, be in that denomination or those
37 denominations, be in such form, either coupon or registered, carry
38 such conversion or registration privileges, have such rank or priority,
39 be executed in such manner, be payable from such sources in such
40 medium of payment at such place or places within or without the
41 State, and be subject to such terms of redemption (with or without
42 premium) as the resolution may provide. Bonds of the authority may
43 be sold by the authority at public or private sale at such price or prices
44 as the authority shall determine.

45
46 13. (New section) Any provision of any law to the contrary

1 notwithstanding, any bond or other obligation issued pursuant
2 to P.L. , c. (C.) (pending before the Legislature as this bill) shall
3 be fully negotiable within the meaning and for all purposes of Title
4 12A, Commercial Transactions, of the New Jersey Statutes, and each
5 holder or owner of such a bond or other obligation, or of any coupon
6 appurtenant thereto, by accepting such bond or coupon shall be
7 conclusively deemed to have agreed that such bond, obligation or
8 coupon is and shall be fully negotiable within the meaning and for all
9 purposes of Title 12A of the New Jersey Statutes.

10
11 14. (New section) In order to secure the payment of such bonds
12 and in addition to its other powers, the authority shall have power by
13 resolution to covenant and agree with the several holders of such
14 bonds, as to:

15 a. the custody, security, use, expenditure or application of the
16 proceeds of the bonds;

17 b. the use, regulation, operation, maintenance, insurance or
18 disposition of all or any part of any project or projects;

19 c. payment of the principal of or interest on the bonds, or any other
20 obligations, and the sources and methods thereof, the rank or priority
21 of any such bonds or obligations as to any lien or security, or the
22 acceleration of the maturity of any such bonds or obligations;

23 d. the use and disposition of any moneys of the authority, including
24 all revenues or other moneys derived or to be derived from any project
25 or projects;

26 e. pledging, setting aside, depositing or trusteeing all or any part
27 of the revenues or other moneys of the authority to secure the payment
28 of the principal of or interest on the bonds or any other obligations and
29 the powers and duties of any trustee with regard thereto;

30 f. the setting aside out of the revenues or other moneys of the
31 authority of reserves and sinking funds, and the source, custody,
32 security, regulation, application and disposition thereof;

33 g. the rents, fees or other charges for the use of any project or
34 projects, including any parts thereof theretofore constructed or
35 acquired and any parts, replacements or improvements thereof
36 thereafter constructed or acquired, and the fixing, establishment,
37 collection and enforcement of the same;

38 h. limitation on the issuance of additional bonds or any other
39 obligations or on the incurrence of indebtedness of the authority;

40 i. vesting in a trustee or trustees, fiscal or escrow agent or agents
41 within or without the State such property, rights, powers and duties
42 in trust as the authority may determine and limiting the rights, duties
43 and powers of such trustee or agent;

44 j. payment of costs or expenses incident to the enforcement of the
45 bonds or of the provisions of the resolution or of any covenant or
46 contract with the holders of the bonds;

1 k. the procedure, if any, by which the terms of any covenant or
2 contract with, or duty to, the holders of bonds may be amended or
3 abrogated, the amount of bonds the holders of which must consent
4 thereto, and the manner in which such consent may be given or
5 evidenced; or

6 l. any other matter or course of conduct which, by recital in the
7 resolution, is declared to further secure the payment of the principal
8 of or interest on the bonds.

9 All such provisions of the resolution and all such covenants and
10 agreements shall constitute valid and legally-binding contracts between
11 the authority and the several holders of the bonds, regardless of the
12 time of issuance of such bonds, and shall be enforceable by any such
13 holder or holders by appropriate action, suit or proceeding in any
14 court of competent jurisdiction, or by proceeding in lieu of prerogative
15 writ.

16

17 15. (New section) Any pledge of revenues or other moneys made
18 by the authority shall be valid and binding from the time that the
19 pledge is made. The revenues or other moneys so pledged and
20 thereafter received by the authority shall immediately be subject to the
21 lien of such pledge without any physical delivery thereof or further act,
22 and the lien of any such pledge shall be valid and binding as against all
23 parties having claims of any kind in tort, contract or otherwise against
24 the authority, irrespective of whether such parties have notice thereof.
25 Neither the resolution nor any other instrument by which a pledge is
26 created need be filed or recorded except in the records of the
27 authority.

28

29 16. (New section) Any public or private agency, organization,
30 corporation, or association which is not legally barred from investing
31 in the bonds or stock of the New Jersey Housing and Mortgage
32 Finance Agency or any of its subsidiary corporations may lawfully
33 invest in the corresponding securities of the authority and its
34 subsidiaries.

35

36 17. (New section) Neither the members of the authority nor any
37 person executing bonds issued pursuant to P.L. , c. (C.) (pending
38 before the Legislature as this bill) shall be liable personally on the
39 bonds by reason of the issuance thereof. Bonds or other obligations
40 issued by the authority pursuant to P.L. , c. (C.) (pending before
41 the Legislature as this bill) shall not be in any way a debt or liability of
42 the State or of any political subdivision thereof and shall not create or
43 constitute any indebtedness, liability or obligation of the State or of
44 any political subdivision, either legal, moral or otherwise, and nothing
45 contained in P.L. , c. (C.) (pending before the Legislature as this
46 bill) shall be construed to authorize the authority to incur any

1 indebtedness on behalf of or in any way to obligate the State or any
2 political subdivision, and all such bonds shall contain on the face
3 thereof a statement to that effect.

4
5 18. (New section) a. No member, officer, agent or employee of the
6 authority or of any of its subsidiaries shall take any official action on
7 any matter in which he or she has a direct or indirect financial interest,
8 except that the ownership of, or tenancy in, one's own private
9 residence shall not be considered a financial interest for the purposes
10 of this section.

11 b. Any action taken or approval granted by the authority or any of
12 its subsidiaries in violation of this section is voidable.

13 c. Any person who knowingly violates any provision of this section
14 shall forfeit his office or employment and is guilty of a crime of the
15 fourth degree.

16
17 19. (New section) Any builder, contractor or subcontractor
18 engaged upon a project within the meaning of P.L. , c. (C.)
19 (pending before the Legislature as this bill), and any person, firm or
20 authority managing or operating such a project, including the authority
21 and its subsidiaries, shall pay the workmen employed in the
22 construction, reconstruction, demolition, or rehabilitation thereof not
23 less than the prevailing wage rate. The prevailing wage rate shall be
24 determined by the Commissioner of Labor in all cases, except that the
25 prevailing wage rate shall be determined by the Secretary of the United
26 States Department of Labor in accordance with the Davis-Bacon Act
27 as amended (40 U.S.C. § 276a to 276a-5), when the loan or other
28 assistance given by the authority in connection with the work, or the
29 funds of the authority or subsidiary thereof expended for the work, are
30 the subject of direct or indirect federal assistance other than federal tax
31 exemption of the interest paid on obligations of the authority or a
32 subsidiary thereof.

33
34 20. (New section) a. Under the jurisdiction and at the discretion
35 of the authority, there may be a public hearing on each project, the
36 cost of which is estimated to exceed \$250,000, within the municipality
37 in which the project is to be located. In the event that a hearing is to
38 be conducted, the authority shall cause notice of the hearing to be
39 published in at least two newspapers of general circulation within the
40 municipality at least 15 days prior to the date of the hearing and shall
41 also file the notice at least 15 days prior to the date of the hearing with
42 the governing body of the county and municipality in which the project
43 is to be located.

44 The notice shall summarize the project and specify where and how
45 additional information may be obtained.

46 b. All testimony presented at the hearing and all material submitted

1 to the authority within 15 days following the hearing shall be included
2 in a hearing record to be prepared and made available to the public by
3 the authority.

4 c. The governing body of the county or municipality in receipt of
5 the notice prescribed in subsection a. of this section may file with the
6 authority, within 15 days following the hearing, a written objection to
7 the project, stating in detail the nature of the objection.

8 d. The authority shall respond in writing to any objection filed
9 pursuant to subsection c. of this section, including specific responses
10 to the data, views, and arguments contained in the objection.

11

12 21. (New section) The exercise of the powers granted by P.L. ,
13 c. (C.) (pending before the Legislature as this bill) shall constitute
14 the performance of an essential governmental function and the
15 authority shall not be required to pay any taxes or assessments upon
16 or in respect of a project, or any property or moneys of the authority,
17 and the authority, its projects, property and moneys and any bonds and
18 notes issued under the provisions of P.L. , c. (C.) (pending before
19 the Legislature as this bill), their transfer and the income therefrom,
20 including any profit made on the sale thereof, shall at all times be free
21 from taxation of every kind by the State except for transfer,
22 inheritance and estate taxes and by any political subdivision of the
23 State; provided, that any person occupying a project whether as lessee,
24 vendee or otherwise shall, as long as title thereto shall remain in the
25 authority, pay to the political subdivision in which such project is
26 located a payment in lieu of taxes which shall equal the taxes on real
27 and personal property, including water and sewer service charges or
28 assessments, which such person would have been required to pay had
29 it been the owner of such property during the period for which such
30 payment is made and neither the authority nor its projects, properties,
31 money or bonds and notes shall be obligated, liable or subject to lien
32 of any kind for the enforcement, collection or payment thereof. If and
33 to the extent the proceedings under which the bonds authorized to be
34 issued under the provisions of P.L. , c. (C.) (pending before the
35 Legislature as this bill) so provide, the authority may agree to
36 cooperate with such person occupying a project, in connection with
37 any administrative or judicial proceedings for determining the validity
38 or amount of such payments and may agree to appoint or designate
39 and reserve the right in and for such person to take all action which
40 the authority may lawfully take in respect of such payments and all
41 matters relating thereto, provided such person shall bear and pay all
42 costs and expenses of the authority thereby incurred at the request of
43 such person or by reason of any such action taken by such person on
44 behalf of the authority. If such person occupying a project has paid
45 the amounts in lieu of taxes required by this section to be paid, such
46 person shall not be required to pay any such taxes for which a

1 payment in lieu thereof has been made to the State or to any political
2 subdivision, any other statute to the contrary notwithstanding.

3

4 22. (New section) The governing bodies of any two contiguous
5 municipalities within which is located or is to be located a New Jersey
6 Redevelopment Authority project situated in part within each
7 municipality, may by reciprocal ordinances enter into agreements with
8 each other to share all tax revenues, payments in lieu of taxes or other
9 revenues as shall be derived from the entire project, and to which they
10 are by law entitled, in such proportion as they deem proper.

11

12 23. (New section) Any agreement entered into pursuant to section
13 22 of P.L. , c. (C.) (pending before the Legislature as this bill) for
14 the sharing of payments and revenues derived from a project shall also
15 set forth the manner in which the costs of municipal services for such
16 project are to be apportioned and specify the services to be supplied
17 by each municipality in sufficient detail so as to permit the owners,
18 occupants and users of property within the project to determine the
19 responsibilities of each participating municipality.

20

21 24. (New section) Notwithstanding any restriction contained in any
22 other law, the State and all political subdivisions of this State, and all
23 other persons who are or may hereafter be authorized to invest in
24 bonds or other obligations of the State, may invest any sinking funds,
25 moneys or other funds, including capital, belonging to them or within
26 their control in any bonds or notes issued by the authority under the
27 provisions of P.L. , c. (C.) (pending before the Legislature as this
28 bill).

29

30 25. (New section) The foregoing sections of P.L. , c. (C.)
31 (pending before the Legislature as this bill) shall be deemed to provide
32 a complete method for the doing of things authorized thereby and shall
33 be regarded as not in conflict with, or as restrictive of, powers
34 conferred by any other laws, and the provisions of P.L. , c. (C.)
35 (pending before the Legislature as this bill) shall be complete authority
36 for the issuance of bonds by the authority and the provisions of any
37 other laws shall not apply to the issuance of such bonds.

38

39 26. (New section) With its first annual report, and every second
40 year thereafter, the authority shall submit a New Jersey
41 Redevelopment Strategy document, setting forth the goals and
42 priorities governing the selection of the projects it anticipates
43 participating in or assisting; and the authority shall annually review and
44 evaluate the projects actually undertaken in light of the goals and
45 priorities established therefor by the New Jersey Redevelopment
46 Strategy document. In selecting projects for its participation, and in

1 evaluating those projects in which it has participated, the authority
2 shall devise and employ techniques for forecasting and measuring
3 relevant indices of accomplishment of its goals of economic
4 revitalization, including specifically:

5 a. the number of jobs created, or to be created, by, or as a result
6 of, the project;

7 b. the cost, or estimated cost, to the State, involved in the creation
8 of those jobs;

9 c. the amount of private capital investment in, or stimulated by, a
10 project, in proportion to the public funds invested therein; and

11 d. in the case of an industrial project or a multi-purpose project
12 which has, as one of its elements, a project classified as an industrial
13 project, a determination, based upon written findings, that the project
14 would not be undertaken but for the participation of the authority.
15

16 27. (New section) a. There is hereby created the New Jersey
17 Redevelopment Investment Fund, or "fund," a revolving loan pool to
18 be used for the purpose of making loans, loan guarantees or grants
19 pursuant to the provisions of this act, into which shall be paid:

20 (1) moneys received from the sale of authority bonds.

21 (2) funds appropriated by section 68 of P.L. , c. (C.) (pending
22 before the Legislature as this bill) as may be determined by the
23 authority;

24 (3) repayments of loans or other payments, including repayments
25 of principal and interest on loans, received by the authority pursuant
26 to agreements made under authority of sections 5, 8, 9 or 10 of P.L. ,
27 c. (C.) (pending before the Legislature as this bill);

28 (4) any income derived from investment pursuant to subsection b.
29 of this section;

30 (5) moneys collected as user fees and facility charges in connection
31 with any civic project or utilities project managed or operated by the
32 authority as authorized by subsection z. of section 5 of P.L. , c.
33 (C.) (pending before the Legislature as this bill); and

34 (6) such additional funds as the Legislature may from time to time
35 appropriate for the purpose.

36 b. The fund shall be in the custody and control of the authority,
37 which may invest and reinvest any portion thereof not immediately
38 required for the purposes of the authority in the manner provided by
39 law for investment of public funds on projects and investments
40 utilizing revenues from the sale of general obligation bonds, which
41 projects shall be subject to the approval of the State Treasurer, and the
42 State Treasurer's actions shall be based solely on his fiduciary role to
43 ensure that all applicable federal and State tax laws are adhered to
44 regarding the investment of bond funds.

45 c. The authority may resell any loan or loans made by the authority
46 pursuant to this act to any buyer or buyers; the proceeds of any such

1 sales shall be returned to the fund established pursuant to this section.

2

3 28. (New section) a. Loan rates and maturities of loans made by
4 the New Jersey Redevelopment Authority shall be established by the
5 State Treasurer taking into consideration rates available in capital
6 markets for comparable maturities and comparable credit quality.
7 Local governments may secure interim financing under this act to
8 enable a project to be undertaken before permanent financing is
9 secured or may secure permanent financing under P.L. , c. (C.)
10 (pending before the Legislature as this bill) with a final maturity
11 related to the expected useful life of the project being so financed.

12 b. Pending their application to the purposes provided in P.L. , c.
13 (C.) (pending before the Legislature as this bill), the monies in the
14 New Jersey Redevelopment Investment Fund may be invested and
15 reinvested as are other trust funds in the custody of the State
16 Treasurer, in the manner provided by law. Net earnings received from
17 the investment or deposit of that fund shall be paid into the New
18 Jersey Redevelopment Investment Fund.

19 c. No interest-free loan shall be permitted without the written
20 approval of the State Treasurer or his designee.

21 d. The State Treasurer or the Director of the Division of Budget
22 and Accounting in the Department of the Treasury shall approve
23 expenditures from the fund for administrative costs.

24

25 29. (New section) a. Any county, by resolution of its governing
26 body, shall have power to enter into contracts with the authority
27 relating to any project or projects situated within the county; provided,
28 however, that any such resolution shall be introduced in writing at a
29 meeting of the governing body and shall be passed upon first reading
30 which may be by title, and thereafter, the resolution shall be published
31 with notice of the introduction thereof and of the date, time and place
32 of further consideration for final passage, and on the date and at the
33 time and place so advertised, all persons interested shall be given the
34 opportunity to be heard and after the hearing, the governing body may
35 proceed to reject or finally adopt the resolution by the recorded
36 affirmative votes of at least two-thirds of the full membership of the
37 governing body; and provided, further, that the resolution shall contain
38 findings and determinations of the governing body (1) that the project
39 will maintain employment opportunities in the county or provide new
40 employment opportunities in the county and (2) that the contract with
41 the authority is a necessary inducement to the undertaking of the
42 project in that it makes the financing thereof feasible. The contract or
43 contracts may provide for the payment to the authority by the county
44 annually or otherwise of such sum or sums of money, computed at
45 fixed amounts or by any formula, or in any other manner as may be
46 fixed in or pursuant thereto. Any contract may be made and entered

1 into for a term beginning currently or at some future or contingent
2 date and with or without consideration and for a specified or unlimited
3 time and on any terms and conditions which may be approved by the
4 county and which may be agreed to by the authority in conformity with
5 its contracts with the holders of any bonds, and shall be valid and
6 binding on the county whether or not an appropriation is made thereby
7 prior to authorization or execution of the contract. Every county is
8 hereby authorized and directed to do and perform any and all acts and
9 things necessary, convenient or desirable to carry out and perform any
10 contract entered into by it and to provide for the payment or discharge
11 of any obligation thereunder in the same manner as other obligations
12 of the county.

13 b. For the purpose of aiding the authority and cooperating in the
14 planning, designing, acquiring, constructing, reconstructing,
15 improving, equipping and furnishing of any project situate in any
16 county, any county, by ordinance of its governing body, shall have
17 power from time to time and for such period and upon such terms,
18 with or without consideration, as may be provided by the ordinance
19 and accepted by the authority:

20 (1) to appropriate moneys for the purposes of the authority with
21 respect to the project, and to loan or donate such money to the
22 authority in such installments and upon such terms as may be agreed
23 upon with the authority;

24 (2) upon authorization by it in accordance with law of the
25 performance of any act or thing which it is empowered by law to
26 authorize or perform and after appropriation of the moneys, if any,
27 necessary for that performance, to covenant and agree with the
28 authority to do and perform any act and as to the time, manner and
29 other details of its doing and performance; and

30 (3) to appropriate money for all or any part of the cost of the
31 acquisition or construction of the project, and, in accordance with the
32 limitations and exceptions thereto and in the manner or mode of
33 procedure prescribed by the local bond law to incur indebtedness,
34 borrow money and issue its negotiable bonds for the purpose of the
35 project and appropriation, and to pay the proceeds of those bonds to
36 the authority.

37 c. Any contract, and any instrument making or evidencing the
38 same, may be pledged or assigned by the authority, with the consent
39 of the county executing the contract, to secure its bonds and thereafter
40 may not be modified except as provided by the terms of such
41 instrument or by the terms of the pledge or assignment.

42

43 30. (New section) All property of the authority shall be exempt
44 from levy and sale by virtue of an execution and no execution or other
45 judicial process shall issue against the same nor shall any judgment
46 against an authority be a charge or lien upon its property; provided,

1 that nothing herein contained shall apply to or limit the rights of the
2 holder of any bonds to pursue any remedy for the enforcement of any
3 pledge or lien given by the authority on or with respect to any project
4 or any revenues or other moneys.

5
6 31. (New section) a. All sums appropriated, transferred or
7 otherwise available to the New Jersey Redevelopment Authority from
8 any source, are transferred to the New Jersey Redevelopment
9 Investment Fund to carry out the purposes of P.L. , c. (C.)
10 (pending before the Legislature as this bill).

11 b. All of the functions, powers and duties of the New Jersey Urban
12 Development Corporation are hereby transferred to and vested in the
13 New Jersey Redevelopment Authority.

14 c. At the discretion of the board of the New Jersey Redevelopment
15 Authority, all employees employed by the New Jersey Urban
16 Development Corporation as of the effective date of this act may serve
17 the New Jersey Redevelopment Authority.

18 d. All records, property, outstanding loans, loan guarantees and
19 other obligations of the New Jersey Urban Development Corporation
20 shall be transferred to, and assumed by, the New Jersey
21 Redevelopment Authority.

22 23 ARTICLE TWO - FINANCING

24
25 32. (New section) Moneys deposited in the fund established
26 pursuant to section 4 of P.L.1983, c.190 (C.34:1B-39), shall be used
27 to provide financial assistance to sponsors for implementation of
28 projects as defined pursuant to P.L.1974, c.80 (C.34:1B-1 et seq.).
29 Financial assistance provided by the fund shall be used to meet eligible
30 project costs as defined pursuant thereto. Eligible projects to be
31 undertaken by the New Jersey Redevelopment Authority pursuant to
32 P.L. , c. (C.) (pending before the Legislature as this bill), shall be
33 given priority consideration by the Commissioner of Commerce and
34 Economic Development in administering this fund.

35
36 33. (New section) In order to provide security for the bonds or
37 other obligations authorized herein, a municipality may adopt an
38 ordinance which provides for tax abatement within a redevelopment
39 area and for a payment in lieu of taxes. Any tax abatement granted by
40 the municipality and any agreement for the payment in lieu of taxes
41 shall be included as part of a financial agreement between the
42 municipality and the developer in accordance with the provisions of
43 P.L.1991, c.431 (C.40A:20-1 et seq.); provided, however, that
44 provisions of subsection b. of section 12 of P.L.1991, c.431
45 (C.40A:20-12), subsection a. of section 14 of P.L.1991, c.431
46 (C.40A:20-14) and subsection c. of section 18 of P.L.1991, c.431

1 (C.40A:20-18) shall not apply to any financial agreement entered into
2 pursuant to this section.

3
4 34. (New section) a. A financial agreement entered into pursuant
5 to section 33 of P.L. , c. (C.) (pending before the
6 Legislature as this bill) shall provide for payments in lieu of taxes in an
7 amount agreed upon, and, to the extent needed to pay debt service and
8 other related costs of the bonds or other obligations authorized in this
9 section, shall be pledged to the repayment of the bonds or other
10 obligations authorized in this section.

11 b. The bonds or other obligations authorized in this section shall be
12 special and limited obligations secured by the agreement for payment
13 in lieu of taxes or other available sources.

14 c. The New Jersey Redevelopment Authority, New Jersey
15 Economic Development Authority or county improvement authority
16 may issue negotiable bonds or other obligations for the purpose of
17 financing or refinancing the construction, reconstruction, repair,
18 alteration, improvement and development of any infrastructure or
19 parking or transportation facilities or work that reduces, abates or
20 prevents environmental pollution or other improvements that provide
21 a public benefit within or to a redevelopment area.

22 d. The financial agreement provided for in this section or other
23 source of revenues may be assigned, by the municipality, in whole or
24 in part, directly to the New Jersey Redevelopment Authority, New
25 Jersey Economic Development Authority or county improvement
26 authority or the trustee of bonds or other obligations as payment or
27 security for the bonds or other obligations.

28 e. In the event the payment in lieu of taxes is secured by a
29 mortgage, the mortgage may also be assigned and pledged to the
30 repayment of the bonds authorized herein.

31 f. Notwithstanding any law to the contrary, the assignment of the
32 agreement for payment in lieu of taxes may be an absolute assignment
33 of all or part of the municipality's right, title and interest in such
34 agreement or in the payment in lieu of taxes, and to the extent
35 assigned, such agreement or payment shall not be included in the
36 general funds of the municipality.

37 g. After the bonds or other obligations are paid and no longer
38 deemed to be outstanding, the entire payment in lieu of taxes shall be
39 paid directly to the municipality and shall be included within its general
40 funds.

41 h. The assignment of any mortgage that secures a payment in lieu
42 of taxes may also be an absolute assignment of all or part of the
43 municipality's right, title and interest in such mortgage and, to the
44 extent assigned, any moneys realized from the foreclosure of the
45 mortgaged property shall not be included in the general funds of the
46 municipality.

1 i. After the bonds or other obligations are paid and no longer
2 deemed to be outstanding, the assignment of the mortgage shall
3 terminate and any monies realized from the foreclosure of the
4 mortgaged property shall be included in the general funds of the
5 municipality.

6
7 ARTICLE 3 - ABBREVIATED FORECLOSURE PROCEEDINGS
8 FOR ABANDONED PROPERTY

9
10 35. (New section) For the purposes of this article:

11 "Abandoned property" means

12 a. real property for which substantial environmental remediation is
13 required by the Department of Environmental Protection pursuant to
14 State law, rule or regulation, which remediation has not been
15 substantially completed within 12 months of the order from the
16 Department of Environmental Protection; or

17 b. a building or structure found or declared to be inimical to the
18 welfare, including the economic welfare, of the residents of the
19 municipality wherein the building or structure is located, pursuant to
20 section 1 of P.L.1989, c.91 (C.40:48-2.3a) or unfit for human
21 habitation, occupancy or use pursuant to section 3 of P.L.1942, c.112
22 (C.40:48-2.5), along with the parcel of land upon which the building
23 or structure is situate.

24 "Public officer" means a person designated or appointed by the
25 municipal governing body pursuant to section 3 of P.L.1942, c.112
26 (C.40:48-2.5) who is responsible for determining that a property is
27 abandoned.

28
29 36. (New section) a. A qualified municipality that has designated
30 or appointed a public officer pursuant to section 3 of P.L.1942, c.112
31 (C.40:48-2.5), may adopt an ordinance directing the public officer to
32 undertake an inventory of abandoned property in those areas
33 designated for redevelopment pursuant to the "Local Redevelopment
34 and Housing Law," P.L.1992, c.79 (C.40A:12A-1 et seq.). The
35 ordinance may direct the public officer to exclude from the inventory
36 of abandoned property that property for which the expense to the
37 municipality of determining the cost of environmental remediation
38 required under State or federal law would be excessive, in the
39 judgment of the municipal governing body. Each item of abandoned
40 property on the inventory shall include the tax block and lot number,
41 the name of the owner of record, if known, and the street address of
42 the lot.

43 b. In those municipalities in which an inventory has been conducted
44 in accordance with subsection a. of this section, the public officer shall
45 maintain a list of abandoned property, to be known as the "abandoned
46 property list." An abandoned property shall not be included on the

1 abandoned property list if rehabilitation is being performed in a timely
2 manner.

3 c. (1) The Department of Community Affairs shall adopt rules and
4 regulations prescribing guidelines and criteria for determining if a
5 property is inimical to the welfare, including the economic welfare, of
6 the residents of the municipality wherein the building or structure is
7 located, pursuant to section 1 of P.L.1989, c.91 (C.40:48-2.3a) or
8 unfit for human habitation, occupancy or use pursuant to section 3 of
9 P.L.1942, c.112 (C.40:48-2.5), and whether such property is
10 undergoing rehabilitation in a timely manner within the meaning of
11 subsection b. of this section. The public officer shall apply such
12 standards in conducting any inventory pursuant to this section.

13 (2) The Department of Community Affairs in conjunction with the
14 Department of Environmental Protection shall prepare an information
15 bulletin for distribution to every municipality describing the authority
16 of a municipality under existing statutes and regulations to repair,
17 demolish or otherwise deal with abandoned property.

18 d. (1) The public officer, within 10 days of the completion of the
19 abandoned property list, shall send a notice, by certified mail, return
20 receipt requested, and by regular mail, to the owner of record of every
21 property included on the list and shall cause the list to be published in
22 the official newspaper of the municipality, which publication shall
23 constitute public notice. The published and mailed notices shall
24 identify property determined to be abandoned setting forth the owner
25 of record, if known, the tax lot and block number and street address.
26 The public officer, in consultation with the tax collector, shall also
27 send out a notice by regular mail to any mortgagee, servicing
28 organization, or property tax processing organization that receives a
29 duplicate copy of the tax bill pursuant to subsection d. of R.S.54:4-64.
30 When the owner of record is not known for a particular property and
31 cannot be ascertained by the exercise of reasonable diligence by the tax
32 collector, notice shall not be mailed but instead shall be posted on the
33 property in the manner as provided in section 5 of P.L.1942, c.112
34 (C.40:48-2.7). The mailed notice shall indicate the factual basis for
35 the public officer's finding that the property is abandoned property as
36 that term is defined in section 35 of P.L. , c. (C.) (now
37 pending before the Legislature as this bill) and the rules and
38 regulations promulgated thereunder, specifying the information relied
39 upon in making such finding. In all cases a copy of the mailed or
40 posted notice shall also be filed by the public officer as a notice of lis
41 pendens , indexed by the name of the property owner as defendant and
42 the name of the municipality as plaintiff, in the office of the county
43 clerk or register of deeds and mortgages, as the case may be, of the
44 county wherein the property is situate.

45 (2) The authority or its subsidiaries, as appropriate, may reimburse
46 the municipality for the postage costs and search fees associated with

1 providing notice in accordance with paragraph (1) of this subsection
2 in accordance with procedures and rules promulgated by the
3 Department of Community Affairs.

4 e. An owner or lienholder may challenge the inclusion of his
5 property on the abandoned property list determined pursuant to
6 subsection b. of this section by appealing that determination to the
7 public officer within 30 days of the owner's receipt of the certified
8 notice or 40 days from the date upon which the notice was sent. An
9 owner whose identity was not known to the public officer shall have
10 40 days from the date upon which notice was published or posted,
11 whichever is later, to challenge the inclusion of a property on the
12 abandoned property list. For good cause shown, the public officer
13 shall accept a late filing of an appeal. Within 30 days of receipt of a
14 request for an appeal of the findings contained in the notice pursuant
15 to subsection d. of this section, the public officer shall schedule a
16 hearing for redetermination of the matter. Any property included on
17 the list shall be presumed to be abandoned property unless the owner,
18 through the submission of an affidavit or certification by the property
19 owner averring that the property is not abandoned and stating the
20 reasons for such averment, can demonstrate that the property was
21 erroneously included on the list. The affidavit or certification shall be
22 accompanied by supporting documentation, such as but not limited to
23 photographs, repair invoices, bills and construction contracts. The
24 sole ground for appeal shall be that the property in question is not
25 abandoned property as that term is defined in section 35 of P.L. ,
26 c. (C.) (now pending before the Legislature as this bill). The
27 public officer shall decide any timely filed appeal within 10 days of the
28 hearing on the appeal and shall promptly, by certified mail, return
29 receipt requested, and by regular mail, notify the property owner of
30 the decision and the reasons therefore.

31 f. The property owner may challenge an adverse determination of
32 an appeal with the public officer pursuant to subsection e. of this
33 section, by instituting, in accordance with the New Jersey Court Rules,
34 a summary proceeding in the Superior Court, Law Division, venued in
35 the county in which the property is located, which action shall be tried
36 de novo. Such action shall be instituted within 20 days of the date of
37 the notice of decision mailed by the public officer pursuant to
38 subsection e. of this section. The sole ground for appeal shall be that
39 the property in question is not abandoned property as that term is
40 defined in section 35 of P.L. , c. (C.) (now pending before
41 the Legislature as this bill). The failure to institute an action of appeal
42 on a timely basis shall constitute a jurisdictional bar to challenging the
43 adverse determination, except that, for good cause shown, the court
44 may extend the deadline for instituting the action.

45 g. The public officer shall promptly remove any property from the
46 abandoned property list that has been determined not to be abandoned

1 on appeal.

2
3 37. (New section) a. Notwithstanding R.S.54:5-19 or the
4 provisions of any other law to the contrary, if a property is included
5 on the abandoned property list and the property taxes or other
6 municipal liens due on the property are delinquent six or more quarters
7 as of the date of expiration of the right to appeal inclusion on the list,
8 or, if an appeal is pending, as of the date that all opportunities for
9 appeal of inclusion on the list have been exhausted, then the tax lien
10 on the property may be sold in accordance with the procedures in the
11 "tax sale law," R.S.54:5-1 et seq., on or after the 90th day following
12 the expiration of that time of appeal or final determination on an
13 appeal, as appropriate. The purchaser of a tax sale certificate sold
14 pursuant to this subsection, unless it is the municipality or the
15 authority or its subsidiaries, shall be required to post bond to
16 guarantee the rehabilitation of the property in accordance with the
17 requirements for an owner to remove the property from the abandoned
18 property list pursuant to section 36 of P.L. , c. (C.) (pending
19 before the Legislature as this bill). The cost of the bond posted by the
20 purchaser of the tax sale certificate shall be added to the amount
21 required to be paid by the owner for redemption of the property. The
22 municipality may, at its option, require that the sale of the tax sale
23 certificate or any subsequent assignment or transfer of a tax sale
24 certificate held by the municipality be subject to the express condition
25 that the purchaser or assignee shall be obliged to perform and
26 conclude any rehabilitation or repairs necessary to remove the
27 property from the abandoned property list pursuant to section 36 of
28 P.L. , c. (C.) (pending before the Legislature as this bill) and
29 to post a bond in favor of the municipality to guarantee the
30 rehabilitation or repair of the property. The cost of rehabilitation and
31 repairs and the cost of the bond shall be added to the amount required
32 to be paid by the owner for redemption of the property. The
33 purchaser, assignee or transferee of the tax sale certificate who is
34 required to rehabilitate and repair the property shall be required to file
35 the appropriate affidavits with the tax collector, pursuant to R.S.54:5-
36 62, representing the amounts of monies expended periodically toward
37 the rehabilitation or repair of the property. A purchaser, assignee or
38 transferee shall be entitled to interest on the amounts expended, as set
39 forth in the affidavits, at the delinquent rate of interest for
40 delinquencies in excess of \$1,500 pursuant to R.S.54:4-67 of the
41 municipality in effect for the time period when the amounts were
42 expended. The tax sale certificate purchaser, assignee or transferee,
43 under the auspices and with the authority of the municipality, shall be
44 permitted to enter in and upon the property for the purposes of
45 appraising the costs of rehabilitation and repair and to perform all
46 other acts required to guarantee the completion of the rehabilitation or

1 repair of the property. No rehabilitation or repair work shall be
2 commenced, however, until proof of adequate liability insurance and
3 an indemnification agreement holding the municipality harmless is filed
4 with the public officer. If the tax sale certificate is not purchased at
5 the initial auction of the tax sale certificate and the municipality
6 purchases the certificate pursuant to R.S.54:5-34, then the
7 municipality is authorized and empowered to convey and transfer to
8 the authority or any of its subsidiaries, without receiving compensation
9 therefor, all of its right, title and interest in that certificate; however,
10 any portion of the amount paid to the tax collector to redeem the tax
11 sale certificate that represents tax or other municipal lien delinquencies
12 and subsequent municipal liens, including interest, shall be returned by
13 the tax collector to the municipality.

14 b. (1) If the municipality or the authority or its subsidiaries
15 acquires the tax sale certificate for a property on the abandoned
16 property list, then, upon 10 days' written notice to the property owner
17 and any mortgagee as of the date of the filing of the lis pendens notice
18 under subsection d. of section 36 of P.L. , c. (C.) (pending
19 before the Legislature as this bill), that entity shall be permitted to
20 enter upon the property and remediate any conditions that caused the
21 property to be included on the abandoned property list. No
22 remediation shall be commenced, however, if within that 10 day period
23 the owner or mortgagee shall have notified the municipality or
24 authority or its subsidiary, as appropriate, in writing that the owner or
25 mortgagee has elected to perform the remediation itself. When the
26 owner or mortgagee elects to perform the remediation itself, it shall be
27 required to post bond in favor of the municipality or authority or its
28 subsidiaries, as appropriate, in order to ensure performance. The
29 amount and conditions of the bond shall be determined by the public
30 officer.

31 (2) The cost of remediation incurred by the municipality or the
32 authority or its subsidiaries pursuant to this subsection, as so certified
33 by the entity incurring the cost upon completion of the remediation,
34 shall constitute a lien upon the property first in time and right to any
35 other, except for municipal taxes, liens and assessments and any lien
36 imposed pursuant to the "Spill Compensation and Control Act,"
37 P.L.1976, c.141 (C.58:10-23.11 et seq.), together with any interest
38 thereon. The certification of cost shall be filed as a lien by the entity
39 incurring the cost with the county clerk or register of deeds and
40 mortgages, as appropriate, in the county in which the property is
41 located.

42 c. (1) Failure of an owner or lienholder to remove a property from
43 the abandoned property list within 60 days after expiration of the
44 period of time for appeal of inclusion of the property on the list
45 pursuant to subsection e. of section 36 of P.L. , c. (C.)
46 (pending before the Legislature as this bill), shall be prima facia

1 evidence of the intent of the owner to continue to maintain the
2 property as abandoned property.

3 (2) The clearance, development, redevelopment, or repair of
4 property being maintained as an abandoned property pursuant to
5 paragraph (1) of this subsection shall be a public purpose and public
6 use for which the power of eminent domain may be exercised.

7

8 38. (New section) a. An owner may remove a property from the
9 list of abandoned properties prior to sale of the tax sale certificate by
10 paying all taxes and municipal liens due, including interest and
11 penalties and:

12 (1) by posting cash or a bond equal to the cost of remediating all
13 conditions because of which the property has been determined to be
14 abandoned pursuant to section 36 of P.L. , c. (C.) (pending
15 before the Legislature as this bill) and posting cash or a bond to cover
16 the cost of any environmental cleanup required on the property,
17 evidenced by a certification by the Department of Environmental
18 Protection that the cash or bond adequately covers the cost of the
19 cleanup; or

20 (2) by demonstrating to the satisfaction of the public officer that
21 the conditions rendering the property abandoned have been remediated
22 in full; provided, however, that where the public officer finds that the
23 owner is actively engaged in remediating the conditions because of
24 which the property was determined to be abandoned pursuant to
25 section 36 of P.L. , c. (C.) (pending before the Legislature
26 as this bill), as evidenced by significant rehabilitation activity on the
27 property, the public officer may grant an extension of time of not more
28 than 120 days for the owner to complete all work, during which time
29 no further proceedings will be taken against the owner or the property.

30 b. If the owner has posted cash or a bond in order to have a
31 property removed from the abandoned property list and the conditions
32 because of which the property was determined to be abandoned have
33 not been fully remediated within one year of the date of posting the
34 cash or bond, or, in the case of a property which requires
35 environmental cleanup, if the cleanup has not been substantially
36 completed within one year of the date of posting the cash or bond, the
37 cash or bond shall be forfeited to the municipality which shall use the
38 cash or bond and any interest which has accrued thereon for the
39 purpose of demolishing or rehabilitating the property or performing
40 the environmental cleanup. Any funds remaining after the property has
41 been demolished, rehabilitated or cleaned up shall be returned to the
42 owner.

43

44 39. (New section) a. When a person other than the municipality or
45 the authority or its subsidiaries acquires a tax sale certificate for a
46 property on the abandoned property list at tax sale, the purchaser may

1 institute an action to foreclose the right of redemption at any time
2 after the expiration of six months following the date of sale.

3 b. Notwithstanding section 6 of P.L.1948, c.96 (C.54:5-104.34),
4 when the municipality is the purchaser at tax sale of any property on
5 the abandoned property list pursuant to R.S.54:5-34, or when the
6 authority or any of its subsidiaries acquires the tax sale certificate
7 pursuant to subsection a. of section 37 of P.L. , c.
8 (C.) (pending before the Legislature as this bill), an action to
9 foreclose the right of redemption may be instituted in accordance with
10 the provisions of R.S.54:5-77, subject to the provisions of subsection
11 c. of this section.

12 c. After the foreclosure action is instituted, the right to redeem
13 shall exist and continue to exist until barred by the judgment of the
14 Superior Court; provided, however, that no redemption shall be
15 permitted except where the owner:

16 (1) posts cash or a bond equal to the cost of remediating the
17 conditions because of which the property was determined to be
18 abandoned pursuant to section 36 of P.L. , c. (C.) (pending
19 before the Legislature as this bill), as determined by the court; or

20 (2) demonstrates to the court that the conditions because of which
21 the property was determined to be abandoned pursuant to section 36
22 of P.L. , c. (C.) (pending before the Legislature as this bill)
23 have been remedied in full.

24

25 40. (New section) Once a final judgment barring the right of
26 redemption with respect to a property on the list of abandoned
27 properties has been recorded, no court shall reopen such judgment at
28 any time except on the grounds of lack of jurisdiction or fraud in the
29 conduct of the action; in any such proceeding, the provisions of
30 P.L. , c. (C.) (pending before the Legislature as this bill) shall be
31 construed liberally in favor of the purchaser, assignee or transferee of
32 the tax sale certificate.

33

34 41. R.S.54:5-86 is amended to read as follows:

35 54:5-86. [The purchaser, his heirs or assigns, in In addition to the
36 remedy provided by article eight of this chapter (s.54:5-77 et seq.),
37 when] When the municipality is the purchaser of a tax sale certificate,
38 the municipality, or its assignee or transferee, may, at any time after
39 the expiration of the term of 6 months from the date of sale [when the
40 municipality is the purchaser, and 2 years from the date of sale for all
41 other purchasers, whether notice to redeem has been given or not],
42 institute an action to foreclose the right of redemption. Except as
43 provided in subsection a. of section 39 of P.L. , c. (C.), for all
44 other persons that do not acquire a tax sale certificate from a
45 municipality, an action to foreclose the right of redemption may be
46 instituted at any time after the expiration of the term of two years from

1 the date of sale of the tax sale certificate. On instituting the action the
2 right to redeem shall exist and continue until barred by the judgment
3 of the Superior Court.

4 (cf: P.L.1974, c.91, s.4)

5
6 42. Section 30 of P.L.1971, c.361 (C.20:3-30) is amended to read
7 as follows:

8 30. Just compensation shall be determined as of the date of the
9 earliest of the following events: (a) the date possession of the
10 property being condemned is taken by the condemnor in whole or in
11 part; (b) the date of the commencement of the action; (c) the date on
12 which action is taken by the condemnor which substantially affects the
13 use and enjoyment of the property by the condemnee; or (d) the date
14 of the declaration of blight by the governing body upon a report by a
15 planning board pursuant to section 38 of P.L.1971, c.361 (C.20:3-38),
16 or, in the case of a property being maintained as an abandoned
17 property for failure to remove the property from the abandoned
18 property list, as provided pursuant to subsection c. of section 37 of
19 P.L. , c. (C.) (pending before the Legislature as this bill), if there
20 was no declaration of blight, as of the date of expiration of the
21 condemnee's right to appeal inclusion of the property on the
22 abandoned property list.

23 (cf: P.L.1971, c.361, s.30)

24
25 43. R.S.54:5-112 is amended to read as follows:

26 54:5-112. When a municipality has or shall have acquired title to
27 real estate by reason of its having been struck off and sold to the
28 municipality at a sale for delinquent taxes or assessments, the
29 governing body thereof may, by resolution adopted by a majority
30 thereof by roll call, sell such real estate at private sale to such person
31 and for such sums, not less than the amount of municipal liens charged
32 against the same, except as provided in subsection a. of section 38 of
33 P.L. , c. (C.) (pending before the Legislature as this bill), as
34 shall seem to be to the best interest of the municipality. Upon the
35 adoption of the resolution and the payment of the consideration as
36 stated therein, the officers of the governing body authorized by
37 resolution shall make, execute, acknowledge and deliver a deed
38 without covenants to the purchaser, which deed shall vest in the
39 purchaser all of the right, title and interest of the municipality in the
40 real estate therein described. The deed need not contain any recitals,
41 except a statement of the actual consideration. Such sales shall not
42 include real estate, title to which has been perfected by the
43 municipality.

44 (cf: R.S.54:5-112)

45
46 44. R.S.54:5-113 is amended to read as follows:

1 54:5-113. When a municipality has or shall have acquired title to
2 real estate by reason of its having been struck off and sold to the
3 municipality at a sale for delinquent taxes and assessments, the
4 governing body thereof may by resolution authorize a private sale of
5 the certificate of tax sale therefor, together with subsequent liens
6 thereon, for not less than the amount of liens charged against such real
7 estate, except as provided in section 2 of P.L.1993, c.113
8 (C.54:5-113.1) and subsection a. of section 38 of P.L. , c.
9 (C.) (pending before the Legislature as this bill). The sale
10 shall be made by assignment executed by such officers as may be
11 designated in the resolution. When the total amount of the municipal
12 liens shall, at the time of the proposed sale or assignment, exceed the
13 assessed value of the real estate as of the date of the last sale thereof
14 for unpaid taxes and assessments, the certificates, together with
15 subsequent liens thereon, may be sold and assigned for a sum not less
16 than such assessed value.

17 (cf: P.L.1993, c.113, s.1)

18

19 ARTICLE 4 - NEIGHBORHOOD EMPOWERMENT PROGRAM

20

21 45. (New section) a. There is established in, but not of, the
22 Department of Community Affairs an Urban Coordinating Council.

23 b. The Urban Coordinating Council shall be comprised of the
24 Governor, the chief officer of each department of the executive
25 branch, and the executive directors of the New Jersey Redevelopment
26 Authority, the New Jersey Economic Development Authority, the
27 Casino Reinvestment Development Authority, the State Planning
28 Commission, the New Jersey Housing and Mortgage Finance Agency,
29 the Juvenile Justice Commission and the Commission on Higher
30 Education. The council shall be chaired by the Governor. Members
31 of the council may be represented on the council by their designees.

32

33 46. (New section) The Urban Coordinating Council shall:

34 a. Ensure that State agencies coordinate responses and provide
35 assistance to projects and programs outlined in neighborhood
36 empowerment plans developed pursuant to section 49 of P.L. , c.
37 (C.) (pending before the Legislature as this bill), and projects and
38 programs established by the New Jersey Redevelopment Authority, the
39 New Jersey Economic Development Authority, and development
40 initiatives proposed by municipal and county governments, including
41 making available the resources of the departments of the State in
42 implementing those programs;

43 b. Supervise and control the Office of Neighborhood
44 Empowerment created pursuant to section 48 of P.L. , c. (C.)
45 (pending before the Legislature as this bill);

46 c. Make available the resources of its member agencies to assist

1 local sponsors in implementing neighborhood empowerment plans;
2 d. Form interagency teams of State representatives. The
3 membership of each interagency team shall be determined by the needs
4 outlined in the neighborhood empowerment plan. Each interagency
5 team shall serve as the primary link between the neighborhood and
6 State government in responding to programming needs, shall be co-
7 chaired by a case manager from the Office of Neighborhood
8 Empowerment established pursuant to section 48 of P.L. , c.
9 (C.) (pending before the Legislature as this bill); and by the
10 community director, and shall include at least one representative of the
11 council; and

12 e. Have authority to adopt, amend and repeal rules relating to the
13 exercise by the council and the Office of Neighborhood Empowerment
14 established pursuant to section 48 of P.L. , c. (C.) (pending
15 before the Legislature as this bill), of their respective functions and
16 duties pursuant to this act;

17 f. Publish an annual report on the status of redevelopment activity
18 which shall describe the progress toward achieving the goals of this
19 act; and

20 g. Assist in coordinating the activities of the New Jersey
21 Redevelopment Authority, municipalities, counties, public or private
22 county and municipal development agencies, district management
23 corporations created pursuant to section 4 of P.L.1972, c.134
24 (C.40:56-68), and community action boards established pursuant to
25 section 4 of P.L.1991, c.51 (C.52:27D-398) that have developed
26 neighborhood empowerment plans pursuant to section 49 of P.L. , c.
27 (C.) (pending before the Legislature as this bill) or comprehensive
28 community development plans.

29

30 47. (New section) a. There is established in, but not of, the
31 Department of Community Affairs an Office of Neighborhood
32 Empowerment.

33 b. The Governor shall appoint an executive director of the Office
34 of Neighborhood Empowerment who shall serve at the pleasure of the
35 Governor. The executive director shall report solely to the Urban
36 Coordinating Council, which shall supervise and control the office.

37 c. The executive director of the Office of Neighborhood
38 Empowerment may hire employees as may be required to carry out the
39 purposes of this section, and to fix and pay their compensation from
40 funds available, all without regard to the provisions of Title 11A, Civil
41 Service, of the New Jersey Statutes.

42

43 48. (New section) The Office of Neighborhood Empowerment
44 shall:

45 a. Provide support for a community director who shall assist local
46 sponsors in developing or implementing neighborhood empowerment

- 1 plans;
- 2 b. Provide case management services to qualified local sponsors of
- 3 neighborhood empowerment plans;
- 4 c. Assist neighborhoods in developing and implementing
- 5 neighborhood empowerment plans;
- 6 d. Ensure that communities receive technical assistance in
- 7 neighborhood planning;
- 8 e. Train and provide administrative support for interagency teams;
- 9 f. Assist local sponsors in evaluating progress through mutually
- 10 agreed upon measures;
- 11 g. Provide assistance in obtaining private sector support for
- 12 developing and implementing neighborhood empowerment plans;
- 13 h. Maintain and make available a complete inventory of State
- 14 programs, services and funding that are available to municipalities; and
- 15 i. Enter into partnerships with qualified local sponsors.

16

17 49. (New section) In order to qualify to receive the services of the

18 Office of Neighborhood Empowerment and of an interagency team, a

19 community must first have developed a neighborhood empowerment

20 plan which shall be submitted to the Urban Coordinating Council

21 established pursuant to section 45 of P.L. , c. (C.) (pending before

22 the Legislature as this bill). A neighborhood empowerment plan shall

23 incorporate and address the needs of the neighborhood as identified by

24 the community. It shall be comprehensive and shall take into

25 consideration and show the relationship to the municipal master plan,

26 other locally adopted plans (including, but not limited to urban

27 enterprise zone plans, redevelopment plans and neighborhood social

28 service plans), and the State Development and Redevelopment Plan,

29 and shall outline how residents, municipal government, the private

30 sector and neighborhood organizations will cooperate with the State

31 and with each other during implementation. Neighborhood

32 empowerment plans shall focus on neighborhood restoration. They

33 may include, but need not be limited to, projects for infrastructure

34 improvement and expansion, rehabilitation and construction of

35 affordable housing, increased public safety, facility rehabilitation and

36 construction, economic development, recreation and open space,

37 environmental cleanup, employment and training, improvement of

38 educational opportunities for youth, and efficient and humane

39 provision of social services dedicated to strengthening the community's

40 human capital.

41

42 50 (New section) Within one year of the effective date of P.L. ,

43 c. (C.) (pending before the Legislature as this bill), the Urban

44 Coordinating Council established pursuant to P.L. , c. (C.)

45 (pending before the Legislature as this bill), shall distribute to the

46 clerk of each qualified municipality eligibility guidelines for

1 participation in the neighborhood empowerment program. The
2 eligibility guidelines for participation in the neighborhood
3 empowerment program shall be established by the Urban Coordinating
4 Council established pursuant to section 46 of P.L. c. (C.)
5 (pending before the Legislature as this bill) in consultation and in
6 conjunction with the New Jersey Redevelopment Authority.

7

8 51. (New section) In designating qualified municipalities for
9 participation in the neighborhood empowerment program, the Urban
10 Coordinating Council in consultation with the authority shall accord
11 preference to neighborhood empowerment plans which:

12 a. have the greatest potential for success in stimulating primarily
13 new economic activity in the area;

14 b. are designed to address the greatest degree of urban distress, as
15 measured by existing levels of unemployment and poverty;

16 c. demonstrate the most substantial and reliable commitments of
17 resources by empowerment neighborhood businesses, associations,
18 voluntary community organizations and other private entities to the
19 successful redevelopment of the empowerment neighborhood;

20 d. demonstrate the most substantial effort and commitment by the
21 municipality to encourage economic activity in the area and to remove
22 disincentives for job creation compatible with the fiscal condition of
23 the municipality; and

24 e. demonstrate most convincingly how the proposed plan will
25 increase jobs for neighborhood residents and ratables in the
26 neighborhood, thereby lessening the need for municipal tax increases.

27

28 52. (New section) In addition to the considerations set forth in
29 section 51 of P.L. , c. (C.) (pending before the Legislature as this
30 bill), the Urban Coordinating Council in consultation with the authority
31 in evaluating a neighborhood empowerment plan for designation
32 purposes shall consider:

33 a. the likelihood of attracting other State or federal assistance or
34 both to projects in the designated area;

35 b. the adverse or beneficial effects of an empowerment
36 neighborhood located at the proposed area upon economic
37 development activities or projects of State or other public agencies
38 which are in operation or are approved for operation in the qualified
39 municipality;

40 c. the degree of commitment made by public and private entities to
41 utilize minority contractors and assure equal opportunities for
42 employment in connection with any construction or reconstruction to
43 be undertaken in the eligible area;

44 d. the impact of the plan upon the social, educational, natural and
45 historic environment of the proposed empowerment neighborhood; and

46 e. the degree to which the implementation of the plan involves the

1 relocation of residents from the proposed empowerment neighborhood
2 and the adequacy of commitments and provisions with respect thereto.
3

4 53. (New section) Upon receipt of an application from a qualified
5 municipality, the Urban Coordinating Council in consultation with the
6 authority shall review the application to determine whether or not it
7 meets the eligibility guidelines established pursuant to section 50 of
8 P.L. , c. (C.) (pending before the Legislature as this bill).
9 The Urban Coordinating Council shall complete its review within 90
10 days of receiving an application, but may extend this time period by an
11 additional 60 days if necessary.
12

13 54. (New section) a. Once the Urban Coordinating Council in
14 consultation and in conjunction with the authority has identified those
15 qualified municipalities whose neighborhood empowerment plans fulfill
16 the criteria for designation set forth in sections 51 and 52 of P.L. ,
17 c. (C.) (pending before the Legislature as this bill), the Urban
18 Coordinating Council may, at its discretion, hold public hearings for
19 the purpose of receiving public comments on the applications. In the
20 event that a hearing is to be conducted, at least one public hearing
21 shall be held in a municipality which has applied for empowerment
22 neighborhood designation. The Urban Coordinating Council shall give
23 at least 30 days' public notice of each hearing in advertisements in at
24 least two newspapers which circulate in the area served by the hearing
25 and at least 30 days' notice to the governing body and planning board
26 of each county and municipality in the area served by the hearing.

27 b. Taking full account of the testimony presented at the public
28 hearings, the Urban Coordinating Council in consultation and in
29 conjunction with the authority shall make a determination regarding
30 the designation of empowerment neighborhoods within 30 days of the
31 final hearing.

32 c. The Urban Coordinating Council in consultation and in
33 conjunction with the authority shall designate as many empowerment
34 neighborhoods as possible given available financial resources and the
35 ability of the Urban Coordinating Council to oversee project
36 implementation. The application process for each application cycle,
37 including the public hearings, shall occur as set forth in this section.
38

39 55. (New section) a. Any municipality in which an empowerment
40 neighborhood has been designated shall be eligible for investments by
41 the authority from the New Jersey Redevelopment Investment Fund in
42 infrastructure improvements and any other projects which the
43 authority may choose to invest in.

44 b. State programs shall give consideration to projects included in
45 neighborhood empowerment plans developed pursuant to section of
46 P.L. , c. (C.) (pending before the Legislature as this bill), or

1 community development plans, as far as practicable.

2

3 ARTICLE 5 - URBAN SITE REMEDIATION STANDARDS

4

5 56. Section 8 of P.L.1976, c.141 (C.58:10-23.11g) is amended to
6 read as follows:

7 8. a. The fund shall be strictly liable, without regard to fault, for
8 all cleanup and removal costs and for all direct and indirect damages
9 no matter by whom sustained, including but not limited to:

10 (1) The cost of restoring, repairing, or replacing any real or
11 personal property damaged or destroyed by a discharge, any income
12 lost from the time such property is damaged to the time such property
13 is restored, repaired or replaced, and any reduction in value of such
14 property caused by such discharge by comparison with its value prior
15 thereto;

16 (2) The cost of restoration and replacement, where possible, of any
17 natural resource damaged or destroyed by a discharge;

18 (3) Loss of income or impairment of earning capacity due to
19 damage to real or personal property, including natural resources
20 destroyed or damaged by a discharge; provided that such loss or
21 impairment exceeds 10% of the amount which claimant derives, based
22 upon income or business records, exclusive of other sources of
23 income, from activities related to the particular real or personal
24 property or natural resources damaged or destroyed by such discharge
25 during the week, month or year for which the claim is filed;

26 (4) Loss of tax revenue by the State or local governments for a
27 period of one year due to damage to real or personal property
28 proximately resulting from a discharge;

29 (5) Interest on loans obtained or other obligations incurred by a
30 claimant for the purpose of ameliorating the adverse effects of a
31 discharge pending the payment of a claim in full as provided by this
32 act.

33 b. The damages which may be recovered by the fund, without
34 regard to fault, subject to the defenses enumerated in subsection d. of
35 this section against the owner or operator of a major facility or vessel,
36 shall not exceed \$50,000,000.00 for each major facility or \$150.00 per
37 gross ton for each vessel, except that such maximum limitation shall
38 not apply and the owner or operator shall be liable, jointly and
39 severally, for the full amount of such damages if it can be shown that
40 such discharge was the result of (1) gross negligence or willful
41 misconduct, within the knowledge and privity of the owner, operator
42 or person in charge, or (2) a gross or willful violation of applicable
43 safety, construction or operating standards or regulations. Damages
44 which may be recovered from, or by, any other person shall be limited
45 to those authorized by common or statutory law.

46 c. (1) Any person who has discharged a hazardous substance, or

1 is in any way responsible for any hazardous substance, shall be strictly
2 liable, jointly and severally, without regard to fault, for all cleanup and
3 removal costs no matter by whom incurred. Such person shall also be
4 strictly liable, jointly and severally, without regard to fault, for all
5 cleanup and removal costs incurred by the department or a local unit
6 pursuant to subsection b. of section 7 of P.L.1976, c.141
7 (C.58:10-23.11f).

8 (2) In addition to the persons liable pursuant to paragraph (1) of
9 this subsection, in the case of a discharge of a hazardous substance
10 from a vessel into the waters of the State, the owner or operator of a
11 refinery, storage, transfer, or pipeline facility to which the vessel was
12 en route to deliver the hazardous substance who, by contract,
13 agreement, or otherwise, was scheduled to assume ownership of the
14 discharged hazardous substance, and any other person who was so
15 scheduled to assume ownership of the discharged hazardous substance,
16 shall be strictly liable, jointly and severally, without regard to fault, for
17 all cleanup and removal costs if the owner or operator of the vessel did
18 not have the evidence of financial responsibility required pursuant to
19 section 2 of P.L.1991, c.58 (C.58:10-23.11g2).

20 Where a person is liable for cleanup and removal costs as provided
21 in this paragraph, any expenditures made by the administrator for that
22 cleanup and removal shall constitute a debt of that person to the fund.
23 The debt shall constitute a lien on all property owned by that person
24 when a notice of lien identifying the nature of the discharge and the
25 amount of the cleanup, removal and related costs expended from the
26 fund is duly filed with the clerk of the Superior Court. The clerk shall
27 promptly enter upon the civil judgment or order docket the name and
28 address of the liable person and the amount of the lien as set forth in
29 the notice of lien. Upon entry by the clerk, the lien, to the amount
30 committed by the administrator for cleanup and removal, shall attach
31 to the revenues and all real and personal property of the liable person,
32 whether or not that person is insolvent.

33 For the purpose of determining priority of this lien over all other
34 claims or liens which are or have been filed against the property of an
35 owner or operator of a refinery, storage, transfer, or pipeline facility,
36 the lien on the facility to which the discharged hazardous substance
37 was en route shall have priority over all other claims or liens which are
38 or have been filed against the property. The notice of lien filed
39 pursuant to this paragraph which affects any property of a person
40 liable pursuant to this paragraph other than the property of an owner
41 or operator of a refinery, storage, transfer, or pipeline facility to which
42 the discharged hazardous substance was en route, shall have priority
43 from the day of the filing of the notice of the lien over all claims and
44 liens filed against the property, but shall not affect any valid lien, right,
45 or interest in the property filed in accordance with established
46 procedure prior to the filing of a notice of lien pursuant to this

1 paragraph.

2 To the extent that a person liable pursuant to this paragraph is not
3 otherwise liable pursuant to paragraph (1) of this subsection, or under
4 any other provision of law or under common law, that person may
5 bring an action for indemnification for costs paid pursuant to this
6 paragraph against any other person who is strictly liable pursuant to
7 paragraph (1) of this subsection.

8 Nothing in this paragraph shall be construed to extend or negate the
9 right of any person to bring an action for contribution that may exist
10 under P.L.1976, c.141, or any other act or under common law.

11 d. (1) In addition to those defenses provided in this subsection, an
12 act or omission caused solely by war, sabotage, or God, or a
13 combination thereof, shall be the only defenses which may be raised by
14 any owner or operator of a major facility or vessel responsible for a
15 discharge in any action arising under the provisions of this act.

16 (2) A person, including an owner or operator of a major facility,
17 who owns real property acquired after the effective date of P.L.1993,
18 c.139 (C.13:1K-9.6 et al.), on which there has been a discharge, shall
19 be considered a person in any way responsible for the discharged
20 hazardous substance pursuant to subsection c. of this section, unless
21 that person can establish by a preponderance of the evidence that all
22 of the following apply:

23 (a) the person acquired the real property after the discharge of that
24 hazardous substance at the real property;

25 (b) (i) at the time the person acquired the real property, the person
26 did not know and had no reason to know that any hazardous substance
27 had been discharged at the real property, or (ii) the person acquired
28 the real property by devise or succession, except that any other funds
29 or property received by that person from the deceased real property
30 owner who discharged a hazardous substance or was in any way
31 responsible for a hazardous substance, shall be made available to
32 satisfy the requirements of P.L.1976, c.141;

33 (c) the person did not discharge the hazardous substance and is not
34 in any way responsible for the hazardous substance; and

35 (d) the person gave notice of the discharge to the department upon
36 actual discovery of that discharge.

37 To establish that a person had no reason to know that any
38 hazardous substance had been discharged for the purposes of this
39 paragraph (2), the person must have undertaken, at the time of
40 acquisition, all appropriate inquiry into the previous ownership and
41 uses of the property. For the purposes of this paragraph (2), all
42 appropriate inquiry shall mean the performance of a preliminary
43 assessment, and site investigation (if the preliminary assessment
44 indicates that a site investigation is necessary), as defined in section 23
45 of P.L.1993, c.139 (C.58:10B-1), and performed in accordance with
46 rules and regulations promulgated by the department defining these

1 terms.

2 Nothing in this paragraph (2) shall be construed to alter liability of
3 any person who acquired real property prior to the effective date of
4 P.L.1993, c.139 (C.13:1K-9.6 et al.).

5 (3) Notwithstanding the provisions of paragraph (2) of this
6 subsection to the contrary, if a person who owns real property obtains
7 actual knowledge of a discharge of a hazardous substance at the real
8 property during the period of that person's ownership and
9 subsequently transfers ownership of the property to another person
10 without disclosing that knowledge, the transferor shall be strictly liable
11 for the cleanup and removal costs of the discharge and no defense
12 under this subsection shall be available to that person.

13 (4) Any federal, State, or local governmental entity which acquires
14 ownership of real property through bankruptcy, tax delinquency,
15 abandonment, escheat, eminent domain, condemnation or any
16 circumstance in which the government involuntarily acquires title by
17 virtue of its function as sovereign, shall not be liable for the cleanup
18 and removal costs of any discharge which occurred or began prior to
19 that ownership. This paragraph shall not apply to any federal, State
20 or local governmental entity which has caused or contributed to the
21 discharge of a hazardous substance.

22 e. (1) If the Department of Environmental Protection issues a no
23 further action letter or approves a remedial action workplan after the
24 effective date of this act for a site at which a discharge occurred prior
25 to or after the effective date of this act, then any person who is not
26 otherwise liable for any discharge at the site which occurred prior to
27 the department's approval of the no further action letter or remedial
28 action workplan shall not be liable for the discharge based solely on
29 that person becoming an owner or operator of the site of the discharge
30 after the discharge has occurred. For the purposes of this section, a
31 site shall constitute the real property defined in the remedial action
32 workplan or, if no remedial action workplan is required, the no further
33 action letter. The provisions of this section shall only apply when the
34 site is located in a qualified municipality as defined pursuant to section
35 3 of P.L. , c. (C.) (pending before the Legislature as this bill) and
36 there is continued compliance with all of the conditions of the no
37 further action letter, the remedial action workplan and all applicable
38 engineering and institutional controls.

39 (2) The fund established pursuant to the "Spill Compensation and
40 Control Act," P.L.1976, c.141 (C.58:10-23.11 et seq.), shall not be
41 liable for any damages incurred by any person who is relieved from
42 liability pursuant to this section.

43 (cf: P.L.1993, c.139, s.44)

44

45 57. (New section) a. When a person who is performing a
46 remediation on real property located in a qualified municipality, as

1 defined by section 3 of P.L. , c. (C.) (pending before the
2 Legislature as this bill) and who has entered into a memorandum of
3 agreement with the department, subsequently submits to the
4 department documents relating to the remediation of that property, the
5 department shall:

6 (1) review those documents in a timely fashion and provide
7 approval, disapproval or conditional approval, as required by section
8 58 of P.L. , c. (C.) (pending before the Legislature as this bill),
9 and

10 (2) provide in writing to that person a document detailing the basis
11 for any disapproval or conditional approval.

12 b. Where a person who is performing a remediation on real
13 property located in a qualified municipality, as defined by section 3 of
14 P.L. , c. (C.) (pending before the Legislature as this bill) and
15 who has entered into a memorandum of agreement with the
16 department, subsequently submits to the department a remedial action
17 workplan which proposes innovative technologies, the department
18 shall:

19 (1) review the remedial action workplan in a timely fashion and
20 provide approval, disapproval or conditional approval, as required by
21 section 58 of P.L. , c. (C.) (pending before the Legislature as
22 this bill), and

23 (2) provide in writing to that person a document detailing the basis
24 for any disapproval or conditional approval.

25

26 58. (New section) a. The Commissioner of Environmental
27 Protection shall appoint an Urban Site Remediation Coordinator. The
28 coordinator shall be responsible for the oversight and approval of site
29 remediations conducted in areas designated as empowerment
30 neighborhoods pursuant to article 4 of P.L. , c. (C.) (pending
31 before the Legislature as this bill). The Commissioner of
32 Environmental Protection shall vest in the coordinator sufficient
33 authority to properly manage the timely approval of site remediation
34 activities in empowerment neighborhoods. The coordinator shall
35 report directly to the commissioner. The coordinator shall meet
36 regularly with the commissioner to ensure the proper and efficient
37 coordination of these projects.

38 b. Upon the submittal of the administratively and technically
39 complete and accurate results of a phase of a remediation required to
40 be submitted that requires the department's review and approval in
41 order to comply with the applicable laws and regulations concerning
42 a site remediation conducted in an area designated as an empowerment
43 neighborhood, the department shall review and approve, approve with
44 conditions, or disapprove the submission or other documents within
45 the following time frames:

46 (1) preliminary assessment - 15 days;

- 1 (2) site investigation - 15 days;
- 2 (3) remedial investigation workplan - 30 days;
- 3 (4) remedial investigation report - 60 days;
- 4 (5) remedial action workplan - 90 days;
- 5 (6) remedial action progress reports - 30 days;
- 6 (7) remedial action final report - 45 days.

7

8 59. (New section) Beginning in the calendar year following the
9 effective date of this act, the New Jersey Economic Development
10 Authority shall allocate no less than 12-1/2 percent of the aggregate
11 amount of loans and loan guarantees made by the New Jersey
12 Economic Development Authority in any fiscal year to projects
13 consistent with the provisions of "The New Jersey Economic
14 Development Authority Act," P.L.1974, c.80 (C.34:1B-1 et seq.) and
15 that are located in municipalities designated as qualified municipalities
16 pursuant to section 3 of P.L. , c. (C.) (pending before the
17 Legislature as this bill).

18

19 60. (New section) The New Jersey Redevelopment Authority shall
20 fund such projects as may be practicable in any municipality eligible
21 for designation as an empowerment zone or enterprise zone under
22 federal law through the issuance of tax exempt bonds as provided in
23 section 1394 of P.L.103-66; 107 Stat 548, which bonds shall also be
24 exempt from any tax levied pursuant to Title 54 of the Revised
25 Statutes or Title 54A of the New Jersey Statutes.

26

27 61. (New section) In determining the projects to be funded from
28 the issuance and sale of bonds pursuant to the "Water Supply Bond
29 Act of 1981," P.L.1981, c.261, consideration shall be given to funding
30 such projects as may be practicable in an empowerment zone or
31 enterprise community as designated under federal law or which are
32 part of an approved neighborhood empowerment plan or other
33 authority projects under this act or community redevelopment plan, or
34 which will benefit urban residents, so long as they are consistent with
35 the purposes of P.L.1981, c.261.

36

37 62. (New section) In determining the projects to be funded from
38 the issuance and sale of bonds pursuant to the "Green Acres, Clean
39 Water, Farmland and Historic Preservation Bond Act of 1992,"
40 P.L.1992, c.88, consideration shall be given to funding such projects
41 as may be practicable in an empowerment zone or enterprise
42 community as designated under federal law or which are part of an
43 approved neighborhood empowerment plan or other authority projects
44 under this act or community redevelopment plan, or which will benefit
45 urban residents, so long as they are consistent with the purposes of
46 P.L.1992, c.88.

1 63. (New section) In determining the projects to be funded
2 pursuant to the "1992 New Jersey Employment and Workforce
3 Development Act," P.L.1992, c.43, consideration shall be given to
4 funding such projects as may be practicable in an empowerment zone
5 or enterprise community as designated under federal law or which are
6 part of an approved neighborhood empowerment plan or other
7 authority projects under this act or community redevelopment plan, or
8 which will benefit urban residents, so long as they are consistent with
9 the purposes of P.L.1992, c.43.

10
11 64. Section 27 of P.L.1993, c.139 (C.58:10B-5) is amended to
12 read as follows:

13 27. a. (1) Financial assistance from the remediation fund, made to
14 persons other than municipal governmental entities, the New Jersey
15 Redevelopment Authority, or to persons who voluntarily undertake a
16 remediation, may only be rendered to persons who cannot establish a
17 remediation funding source for the full amount of a remediation.
18 Financial assistance pursuant to this act may be rendered only for that
19 amount of the cost of a remediation for which the person cannot
20 establish a remediation funding source.

21 (2) Financial assistance rendered to persons who voluntarily
22 undertake a remediation may only be made for that amount of the cost
23 of the remediation that the person cannot otherwise fund by any of the
24 authorized methods to establish a remediation funding source.

25 b. Financial assistance may be rendered from the remediation fund
26 to (1) owners or operators of industrial establishments who are
27 required to perform remediation activities pursuant to P.L.1983, c.330
28 (C.13:1K-6 et al.), upon closing operations or prior to the transfer of
29 ownership or operations of an industrial establishment, (2) persons
30 who have discharged a hazardous substance or who are in any way
31 responsible for a hazardous substance pursuant to P.L.1976, c.141
32 (C.58:10-23.11 et seq.), and (3) persons who voluntarily undertake the
33 remediation of a discharge of a hazardous substance or hazardous
34 waste and who have not been ordered or directed to perform the
35 remediation by the department or by a court.

36 c. Financial assistance and grants may be made from the
37 remediation fund to municipal governmental entities that own or hold
38 a tax sale certificate on real property on which there has been a
39 discharge or on which there is a suspected discharge of a hazardous
40 substance or hazardous waste or the New Jersey Redevelopment
41 Authority established pursuant to P.L. , c. (C.) (pending
42 before the Legislature as this bill) for any such real property upon
43 which the New Jersey Redevelopment Authority owns or holds the tax
44 sale certificate.

45 d. Grants may be made from the remediation fund to persons,
46 including the New Jersey Redevelopment Authority, other than other

1 governmental entities who own real property on which there has been
2 a discharge of a hazardous substance or a hazardous waste and that
3 person qualifies for an innocent party grant pursuant to section 28 of
4 P.L.1993, c.139 (C.58:10B-6).

5 For the purposes of this section, "person" shall include the New
6 Jersey Redevelopment Authority established pursuant to P.L. , c.
7 (C.) (pending before the Legislature as this bill).
8 (cf: P.L.1993, c.139, s.27)

9
10 65. Section 28 of P.L.1993, c.139 (C.58:10B-6) is amended to
11 read as follows:

12 28. a. Except for moneys deposited in the remediation fund for
13 specific purposes, financial assistance and grants from the remediation
14 fund shall be rendered for the following purposes and, on an annual
15 basis, obligated in the percentages as provided in this subsection.
16 Upon a written joint determination by the authority and the department
17 that it is in the public interest, financial assistance and grants dedicated
18 for the purposes and in the percentages set forth in paragraph (1), (2),
19 or (3) of this subsection, may, for any particular year, be obligated to
20 other purposes set forth in this subsection. The written determination
21 shall be sent to the Senate Environment Committee, and the Assembly
22 Environment and Energy [and Hazardous Waste] Committee, or their
23 successors. For the purposes of this section, "person" shall include the
24 New Jersey Redevelopment Authority established pursuant to P.L. ,
25 c. (C.) (pending before the Legislature as this bill).

26 (1) At least 15% of the moneys shall be allocated for financial
27 assistance to persons, including the New Jersey Redevelopment
28 Authority, other than other governmental entities, for remediation of
29 real property located in a qualifying municipality as defined in section
30 1 of P.L.1978, c.14 (C.52:27D-178);

31 (2) At least 10% of the moneys shall be allocated for financial
32 assistance and grants to municipal governmental entities that [own or]
33 hold a tax sale certificate on real property or have acquired through
34 foreclosure or other similar means real property on which there has
35 been or on which there is suspected of being a discharge of hazardous
36 substances or hazardous wastes or the New Jersey Redevelopment
37 Authority established pursuant to P.L. , c. (C.) (pending
38 before the Legislature as this bill), for any such real property upon
39 which the New Jersey Redevelopment Authority owns or holds the tax
40 sale certificate. Grants shall be used for performing preliminary
41 assessments [and], site investigations, and remedial investigations on
42 property [owned] acquired by a municipal governmental entity or the
43 New Jersey Redevelopment Authority, as the case may be, or on which
44 the municipality or the New Jersey Redevelopment Authority owns or
45 holds a tax sale certificate, in order to determine the existence or
46 extent of any hazardous substance or hazardous waste contamination

1 on those properties. A municipal governmental entity that has
2 performed a preliminary assessment [and], site investigation and
3 remedial investigation on property or the New Jersey Redevelopment
4 Authority, in any case where the New Jersey Redevelopment Authority
5 has performed the preliminary assessment, site investigation, and
6 remedial investigation may obtain a loan for the purpose of continuing
7 the remediation on those properties it owns as necessary to comply
8 with the applicable remediation standards adopted by the department;

9 (3) At least 15% of the moneys shall be allocated for financial
10 assistance to persons [or], including the New Jersey Redevelopment
11 Authority, or municipal governmental entities for remediation activities
12 at sites that have been contaminated by a discharge of a hazardous
13 substance or hazardous waste, or at which there is an imminent and
14 significant threat of a discharge of a hazardous substance or hazardous
15 waste, and the discharge or threatened discharge poses or would pose
16 an imminent and significant threat to a drinking water source, to
17 human health, or to a sensitive or significant ecological area;

18 (4) At least 10% of the moneys shall be allocated for financial
19 assistance to persons, other than municipal governmental entities, who
20 voluntarily undertake the remediation of a hazardous substance or
21 hazardous waste discharge, and who have not been ordered to
22 undertake the remediation by the department or by a court;

23 (5) At least 20% of the moneys shall be allocated for financial
24 assistance to persons, other than municipal governmental entities, who
25 are required to perform remediation activities at an industrial
26 establishment pursuant to P.L.1983, c.330 (C.13:1K-6 et al.), as a
27 condition of the closure, transfer, or termination of operations at that
28 industrial establishment;

29 (6) At least 20% of the moneys shall be allocated for grants to
30 persons, other than municipal governmental entities, who own real
31 property on which there has been a discharge of a hazardous
32 substance or a hazardous waste and that person qualifies for an
33 innocent party grant. A person qualifies for an innocent party grant if
34 that person acquired the property prior to December 31, 1983, except
35 as provided hereunder, the hazardous substance or hazardous waste
36 that was discharged at the property was not used by the person at that
37 site, and that person certifies that he did not discharge any hazardous
38 substance or hazardous waste at an area where a discharge is
39 discovered; provided, however, that if the person is the New Jersey
40 Redevelopment Authority established pursuant to P.L. _____, c. _____
41 (C. _____) (pending before the Legislature as this bill), the authority
42 shall qualify for an innocent party grant pursuant to this paragraph
43 where the immediate predecessor in title to the authority qualified for
44 but failed to receive such grant. A grant authorized pursuant to this
45 paragraph may be for up to 50% of the remediation costs at the area
46 of concern for which the person qualifies for an innocent party grant,

1 except that no grant awarded pursuant to this paragraph to any person
2 including the New Jersey Redevelopment Authority may exceed
3 \$1,000,000; and

4 (7) Ten percent of the moneys in the remediation fund shall be
5 allocated for financial assistance or grants for any of the purposes
6 enumerated in paragraphs (1) through (6) of this subsection, except
7 that where moneys in the fund are insufficient to fund all the
8 applications in any calendar year that would otherwise qualify for
9 financial assistance or a grant pursuant to this paragraph, the authority
10 shall give priority to financial assistance applications that meet the
11 criteria enumerated in paragraph (3) of this subsection.

12 b. Loans issued from the remediation fund shall be for a term not
13 to exceed ten years, except that upon the transfer of ownership of any
14 real property for which the loan was made, the unpaid balance of the
15 loan shall become immediately payable in full. Loans to municipal
16 governmental entities and the New Jersey Redevelopment Authority
17 established pursuant to P.L. , c. (C.) (pending before the
18 Legislature as this bill), shall bear an interest rate equal to 2 points
19 below the Federal Discount Rate at the time of approval or at the time
20 of loan closing, whichever is lower, except that the rate shall be no
21 lower than 3 percent. All other loans shall bear an interest rate equal
22 to the Federal Discount Rate at the time of approval or at the time of
23 the loan closing, whichever is lower, except that the rate on such loans
24 shall be no lower than five percent. Financial assistance and grants
25 may be issued for up to 100% of the estimated applicable remediation
26 cost, except that the cumulative maximum amount of financial
27 assistance which may be issued to a person other than a governmental
28 entity, including the New Jersey Redevelopment Authority, in any
29 calendar year, for one or more properties, shall be \$1,000,000.
30 Financial assistance and grants to any one municipal governmental
31 entity, including the New Jersey Redevelopment Authority, may not
32 exceed \$2,000,000 in any calendar year. Repayments of principal and
33 interest on the loans issued from the remediation fund shall be paid to
34 the authority and shall be deposited into the remediation fund.

35 c. No person, other than a municipal governmental entity, the New
36 Jersey Redevelopment Authority or a person engaging in a voluntary
37 remediation, shall be eligible for financial assistance from the
38 remediation fund to the extent that person is capable of establishing a
39 remediation funding source for the remediation as required pursuant
40 to section 25 of P.L.1993, c.139 (C.58:10B-3).

41 d. The authority may use a sum that represents up to 2% of the
42 moneys issued as financial assistance or grants from the remediation
43 fund each year for administrative expenses incurred in connection with
44 the operation of the fund and the issuance of financial assistance and
45 grants.

46 e. Prior to March 1 of each year, the authority shall submit to the

1 Senate Environment Committee and the Assembly Environment and
2 Energy [and Hazardous Waste] Committee, or their successors, a
3 report detailing the amount of money that was available for financial
4 assistance and grants from the remediation fund for the previous
5 calendar year, the amount of money estimated to be available for
6 financial assistance and grants for the current calendar year, the
7 amount of financial assistance and grants issued for the previous
8 calendar year and the category for which each financial assistance and
9 grant was rendered, and any suggestions for legislative action the
10 authority deems advisable to further the legislative intent to facilitate
11 remediation and promote the redevelopment and use of existing
12 industrial sites.

13 (cf: P.L.1993, c.139, s.28)

14

15 66. Section 29 of P.L.1993, c.139 (C.58:10B-7) is amended to
16 read as follows:

17 29. a. A qualified applicant for financial assistance or a grant from
18 the remediation fund shall be awarded financial assistance or a grant
19 by the authority upon the availability of sufficient moneys in the
20 remediation fund for the purpose of the financial assistance or grant.
21 Priority for awarding financial assistance and grants from the
22 remediation fund shall be based upon the date of receipt by the
23 authority of a complete application from the applicant. If an
24 application is determined to be incomplete by the authority, an
25 applicant shall have 30 days from receipt of written notice of
26 incompleteness to file any additional information as may be required
27 by the authority for a completed application. If an applicant fails to
28 file the additional information within those 30 days, the filing date for
29 that application shall be the date that the additional information is
30 received by the authority. An application shall be deemed complete
31 when all the information required by the authority has been received
32 in the required form. Notwithstanding that the New Jersey
33 Redevelopment Authority is eligible for grants and financial assistance
34 from the fund, the authority shall be awarded a grant or financial
35 assistance based upon the priority system for such awards as provided
36 in this subsection.

37 b. Within 90 days, for a private entity, or 180 days for a municipal
38 governmental entity or the New Jersey Redevelopment Authority, of
39 notice of approval of a financial assistance or grant application, an
40 applicant shall submit to the authority an executed contract for the
41 remediation activities for which the financial assistance or grant
42 application was made. The contract shall be consistent with the terms
43 and conditions for which the financial assistance or grant was
44 rendered. Failure to submit an executed contract within the time
45 provided, without good cause, shall constitute grounds for the
46 alteration of an applicant's priority ranking for the awarding of

1 financial assistance or a grant.

2 (cf: P.L.1993, c.139, s.29)

3

4 67. The following is hereby repealed: P.L.1984, c.172
5 (C.52:27D-250 et seq.).

6

7 68. There is appropriated to the New Jersey Redevelopment
8 Authority from the General Fund \$9,000,000 to effectuate the
9 purposes of this act. There is appropriated to the Office of
10 Neighborhood Empowerment established pursuant to section 47 of
11 P.L. c. (C.) (pending before the Legislature as this bill) from the
12 General Fund \$1,000,000 to effectuate the purposes of this act.

13

14 69. This act shall take effect on the 60th day following enactment,
15 except that section 4 shall take effect immediately.

16

17

18 STATEMENT

19

20 Senate Bill 800 (1R) creates the New Jersey Redevelopment
21 Authority (NJRA), with far-reaching powers to assist in the
22 revitalization of New Jersey's urban areas. The bill establishes the
23 authority in, but not of, the Department of Commerce and Economic
24 Development and confers upon it all of the powers necessary to
25 oversee the revitalization of the State's urban areas. The NJRA is
26 given bonding authority with an annual bonding cap of \$100 million.

27 In addition, the bill creates a framework under which properties
28 declared as abandoned based on their condition may be acquired in an
29 abbreviated manner and redeveloped. The bill also authorizes the use
30 of payments in lieu of taxes as a financing method for redevelopment
31 projects.

32 The bill establishes an empowerment neighborhood program
33 through which certain municipalities may be made eligible for financial
34 assistance from the NJRA. The Office of Neighborhood Empowerment
35 will be in, but not of, the Department of Community Affairs.

36 Finally, the bill also sets forth procedures for remediating
37 contaminated properties.

38

39

40

41

42 _____
43 Designated the New Jersey Urban Redevelopment Act; appropriates
\$10 million.