

ASSEMBLY, No. 2904

STATE OF NEW JERSEY

INTRODUCED MAY 5, 1997

By Assemblywoman CRUZ-PEREZ

1 AN ACT concerning the exchange of certain lands by counties and  
2 municipalities and amending P.L.1971, c.199.

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

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7 1. Section 16 of P.L.1971, c.199 (C.40A:12-16) is amended to  
8 read as follows:

9 16. The governing body of any county, by resolution, or any  
10 municipality, by ordinances may exchange any lands or any rights or  
11 interests therein owned by the county or municipality, except lands  
12 used for public highways or places, for other lands or rights or  
13 interests therein desired for public use. The county or municipality  
14 may exact and receive a cash consideration in addition to such other  
15 lands or rights or interests therein when such exchange shall be  
16 authorized, and such governing body determines that the lands or  
17 rights or interests therein to be conveyed to such county or  
18 municipality or such lands or rights or interests therein and the cash  
19 consideration to be paid are at least of equal value to, and their  
20 acquisition is more advantageous to, the county or municipality for  
21 public use, than the lands or rights or interests therein to be conveyed  
22 by the county or municipality, and that it is in the public interest that  
23 such exchange of lands or rights or interests therein be consummated.  
24 Any prior dedication or determination for use for park purposes of  
25 such land or any part thereof, shall not preclude an exchange thereof  
26 or rights or interests therein under this section but where the lands or  
27 rights or interests therein to be exchanged by a municipality are lands  
28 or rights or interests therein that have been dedicated and determined  
29 for use for park purposes, or are rights or interests in lands so  
30 dedicated or determined, the lands or rights or interests therein  
31 received in exchange therefor by the municipality shall be used for the  
32 same purposes. For purposes of this section, any land or rights or  
33 interests therein to be exchanged by the county or municipality shall  
34 be valued at not less than the amount for which it was acquired or in

**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 the case of an acquisition by gift or devise, in an amount of not less  
2 than the "full and fair value" of the land or rights or interests therein  
3 as determined by the assessor of the municipality in which it is located  
4 pursuant to R.S.54:4-23 for the tax year in which the land was  
5 acquired by the county or the municipality. Any land or rights or  
6 interests therein which shall be conveyed to the county or municipality  
7 in exchange for any county or municipal land or rights or interests  
8 therein shall be valued at no more than the "full and fair value"  
9 determined for the land or rights or interests therein by the assessor of  
10 the municipality in which the land or rights or interests therein is  
11 located pursuant to R.S.54:4-23 for the then current tax year. In any  
12 case in which the value of the county or municipal land or rights or  
13 interests therein to be exchanged exceeds the value of the land or  
14 rights or interests therein to be received by the county or municipality,  
15 the county or municipality shall exact additional cash consideration, as  
16 authorized herein, equal to the difference of the two values as  
17 determined pursuant to this section.

18 The foregoing provisions of this section notwithstanding, a  
19 municipality or county may exchange lands or rights therein owned by  
20 the municipality or county if the value of the property to be conveyed  
21 by the municipality or county does not exceed the combined total of  
22 the value of the property being conveyed to the municipality or county  
23 and any cost savings to the municipality or county resulting from the  
24 exchange.

25 (cf: P.L.1971, c.425, s.1)

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27 2. This act shall take effect immediately.

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## STATEMENT

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32 Cost-effective redevelopment of a blighted area may require  
33 acquisition by a municipality of the few remaining viable buildings in  
34 that area. In any such situation, it may be to the mutual advantage of  
35 the municipality and of the property owners to exchange such  
36 buildings for buildings located elsewhere that have come into  
37 municipal ownership through tax lien foreclosure. Current law only  
38 allows exchanges if the value of the property being received by the  
39 municipality or county plus any cash consideration, is at least equal to  
40 the value of the property being conveyed by the municipality or  
41 county. This bill would allow cost savings to the municipality or  
42 county resulting from the exchange, such as the saving of relocation  
43 expenses, to be included in the determination as to whether the  
44 municipality or county is receiving consideration equal to the value of  
45 the property being conveyed.

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3 Permits counties and municipalities to exchange certain property.