

SENATE, No. 800

STATE OF NEW JERSEY

INTRODUCED FEBRUARY 15, 1996

By Senator LaROSSA

1 AN ACT designated the "New Jersey Urban Redevelopment Act,"
2 creating the New Jersey Redevelopment Authority, and providing
3 a source of funding therefor, permitting revenue allocation
4 financing, establishing a neighborhood empowerment program,
5 allowing for abbreviated tax foreclosure and condemnation
6 compensation proceedings for abandoned properties, amending,
7 supplementing and repealing various sections of statutory law, and
8 making an appropriation.

9

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

12

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

15

16 2. (New section) The Legislature finds and determines that:

17 a. As one of the nation's most densely populated States and one of
18 the earliest settled, New Jersey is beset by a host of urban problems
19 attendant upon economic obsolescence, an aging infrastructure,
20 long-term underinvestment and de-industrialization;

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

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

33 d. Environmentally compromised sites present a particular
34 challenge to the State's urban centers, particularly those with major

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

Matter underlined thus is new matter.

1 associated cleanup liability and, notwithstanding the impressive strides
2 taken by this Legislature to address remediation issues, further
3 remedies are necessary in order to imbue those sites with renewed
4 economic potential;

5 e. Given the number of years over which these problems have
6 developed and in light of the enormity of the challenges which lay
7 ahead, it is incumbent upon this Legislature to create an entity that has
8 as its primary focus the State's urban centers, and to endow that entity
9 with the powers and financial resources necessary to reverse decades
10 of decay and neglect;

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

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

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

29

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

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

36 "Council" means the Urban Policy Coordinating Council established
37 pursuant to section 7 of P.L. , c. (C.) (pending before the
38 Legislature as this bill).

39 "Department" means the Department of the Treasury.

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

1 Legislature as this bill) in a qualified municipality, and which falls
2 within any of the following classifications:

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

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

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

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

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

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

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

36 "Subsidiary" means a subsidiary corporation formed by the
37 authority pursuant to section 13 of P.L. , c. (C.) (pending before
38 the Legislature as this bill).

39

40 4. (New section) a. There is hereby established the New Jersey
41 Redevelopment Authority as the successor to the New Jersey Urban
42 Development Corporation, except as provided in section 38 of
43 P.L. , c. (C.) (pending before the Legislature as this bill).
44 For the purpose of complying with the provisions of Article V, Section
45 IV, paragraph 1 of the Constitution of the State of New Jersey, this
46 authority is allocated to the Department of the Treasury; but,

1 notwithstanding that allocation, the authority shall be independent of
2 any supervision or control by the department or by any other board or
3 officer thereof.

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

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

43 d. Each ex officio member may designate an officer or employee of
44 his department to represent him at authority meetings. The
45 designation shall be in writing, delivered into the hands of the
46 secretary of the authority, and shall continue in effect until revoked or

1 amended in the same manner.

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

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

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

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

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

43 j. A true copy of the minutes of every meeting of the authority shall
44 be forthwith delivered by and under the certification of the secretary
45 thereof to the Governor. No action taken at such meeting by the
46 authority shall have force or effect until 10 days, Saturdays, Sundays,

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

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

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

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

34
35 5. (New section) The authority shall have the following powers:

36 a. to sue and be sued;

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

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

44 d. to make and alter by-laws for its organization and internal
45 management and, subject to agreements with noteholders or
46 bondholders, to make rules and regulations with respect to its projects,

- 1 operations, properties and facilities;
- 2 e. to invest any funds held in reserve or sinking funds, or any
3 moneys not required for immediate use and disbursement, at the
4 discretion of the authority, in obligations of this State or of the United
5 States, or obligations the principal and interest of which are
6 guaranteed by this State or the United States;
- 7 f. to sell, lease, assign, transfer, convey, exchange, mortgage, or
8 otherwise dispose of or encumber any project, and in the case of the
9 sale of any project, to accept a purchase money mortgage in
10 connection therewith; and to lease, repurchase or otherwise acquire
11 and hold any project which the corporation has theretofore sold,
12 leased or otherwise conveyed, transferred or disposed of;
- 13 g. to acquire or contract to acquire from any individual,
14 partnership, trust, association or corporation, or any public agency, by
15 grant, purchase or otherwise, real or personal property or any interest
16 therein; to own, hold, clear, improve, rehabilitate and develop, and to
17 sell, assign, exchange, transfer, convey, lease, mortgage or otherwise
18 dispose of or encumber the same;
- 19 h. to acquire in the name of the authority by purchase or otherwise,
20 on such terms and conditions and such manner as it may deem proper,
21 or by the exercise of the power of eminent domain in the manner
22 provided by the "Eminent Domain Act of 1971," P.L.1971, c.361
23 (C.20:3-1 et seq.), any lands or interests therein or other property
24 which it may determine is reasonably necessary for any project;
25 provided, however, that except in connection with a property included
26 on the abandoned property list pursuant to section 75 of P.L. , c.
27 (C.) (pending before the Legislature as this bill), the authority shall
28 not take by exercise of the power of eminent domain any real property
29 except upon consent thereto given by resolution of the governing body
30 of the municipality in which such real property is located; and provided
31 further that the authority shall be limited in its exercise of the power
32 of eminent domain to qualified municipalities;
- 33 i. to acquire, construct, reconstruct, rehabilitate, improve, alter or
34 repair or provide for construction, reconstruction, rehabilitation,
35 improvement, alteration or repair of any project;
- 36 j. to arrange or contract with a municipality for the planning,
37 replanning, opening, grading or closing of streets, roads, roadways,
38 alleys or other places, or for the furnishing of facilities or for the
39 acquisition by a municipality of property or property rights or for the
40 furnishing of property or services, in connection with a project;
- 41 k. to grant options to purchase any project or to renew any leases
42 entered into by it in connection with any of its projects, on such terms
43 and conditions as it may deem advisable;
- 44 l. to prepare or cause to be prepared plans, specifications, designs
45 and estimates of costs for the construction, reconstruction,
46 rehabilitation, improvement, alteration or repair of any project, and

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

1 maintenance of reserve and insurance funds, and to require the
2 inclusion in any mortgage, lease, contract, loan and security agreement
3 or other instrument, such provisions for the construction, use,
4 operation and maintenance and financing of a project as the authority
5 may deem necessary or desirable;

6 v. to borrow money, secure credit against the assets of the
7 authority on a temporary, short-term, interim or long-term basis and
8 to issue bonds of the authority and to provide for the rights of the
9 holders thereof, as provided in P.L. , c. (C.) (pending before the
10 Legislature as this bill);

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

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

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

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

32 aa. to establish, levy and collect, in connection with any civic
33 project or utilities project managed or operated by the authority,
34 whether then owned or leased by the authority, user fees and facility
35 charges;

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

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

45 dd. to contract for, and to accept, any gifts or grants or loans of
46 funds or property or financial or other aid in any form from the federal

1 government or any agency or instrumentality thereof, or from the State
2 or a municipality or any agency or instrumentality thereof, or from any
3 other source, and, subject to the provisions of P.L. , c. (C.)
4 (pending before the Legislature as this bill) and any other applicable
5 law, to comply with the terms and conditions thereof;

6 ee. to create subsidiary corporations as provided in section 13 of
7 P.L. , c. (C.) (pending before the Legislature as this bill);

8 ff. to act as a district agent pursuant to section 41 of P.L. , c.
9 (C.) (pending before the Legislature as this bill);

10 gg. to assist municipalities, counties, public or private county and
11 municipal development agencies, district management corporations
12 created pursuant to section 4 of P.L.1972, c.134 (C.40:56-68),
13 community action boards established pursuant to section 4 of
14 P.L.1991, c.51 (C.52:27D-398), or sponsors of neighborhood
15 empowerment organizations, in formulating and implementing
16 community redevelopment plans, which shall include, but not be
17 limited to, neighborhood restoration, residential development, and
18 industrial and commercial development;

19 hh. to fund, or assist in funding, community redevelopment
20 projects by municipalities, counties, public or private county and
21 municipal development agencies, district management corporations
22 created pursuant to section 4 of P.L.1972, c.134 (C.40:56-68),
23 community action boards established pursuant to section 4 of
24 P.L.1991, c.51 (C.52:27D-398), or sponsors of neighborhood
25 empowerment organizations, which shall include, but not be limited to,
26 direct loan assistance, including loan guarantees, procuring capital
27 from private developers and lending institutions, and facilitating access
28 to State, federal, and private sources of loans or grants, including, but
29 not limited to, the New Jersey Economic Development Authority and
30 the Casino Redevelopment Authority;

31 ii. to assist in providing access to support services, including
32 technical assistance and job training programs, for projects developed
33 in connection with comprehensive community redevelopment plans and
34 neighborhood empowerment programs established pursuant to this act;

35 jj. to provide assistance to urban areas in attracting industrial and
36 commercial projects, in rehabilitating existing industrial and
37 commercial facilities to restore them to productive use through the
38 establishment of marketing programs and incentive programs;

39 kk. to provide professional or technical expertise and funding for
40 the establishment and implementation of neighborhood empowerment
41 plans developed pursuant to this act;

42 ll. to enter into partnerships with private developers, the New
43 Jersey Economic Development Authority or any other public entity,
44 for the purpose of community redevelopment, and establish fees
45 therefor;

46 mm. to enter into agreements with municipalities or counties

1 regarding projects to be financed through the use of payment in lieu of
2 taxes, as provided for in section 70 of P.L. , c. (C.) (pending
3 before the Legislature as this bill); and

4 nn. to do any and all things necessary or convenient to carry out its
5 purposes and exercise the powers given and granted in P.L. , c.
6 (C.) (pending before the Legislature as this bill).

7
8 6. (New section) The authority, in determining which projects to
9 approve for financing, shall accord first priority to any project situated
10 in a municipality which at the time the application for project financing
11 is submitted is eligible to receive aid under the "Special Municipal Aid
12 Act," P.L.1987, c.75 (C.52:27D-118.24 et seq.) and is coextensive
13 with a "special needs district" designated pursuant to the "Quality
14 Education Act of 1990," P.L.1990, c.52 (C.18A:7D-1 et seq.).
15 Subsequent priority shall be assigned to projects in any municipality
16 which, at the time the application for project financing is submitted, is
17 coextensive with a "special needs district" and projects in a qualified
18 municipality shall receive last priority. In making project financing
19 decisions, the authority shall give preference to any project situated in
20 an empowerment neighborhood designated pursuant to section 88 of
21 P.L. c. (C.) (pending before the Legislature as this bill).
22 With respect to projects for which costs are to be financed by the
23 authority, the authority shall consider the following factors:

24 (1) the economic feasibility of the project;

25 (2) the extent of economic and related social distress in the
26 municipality and the area to be affected by the project;

27 (3) the degree to which the project will advance State, regional and
28 local development strategies;

29 (4) the likelihood that the project shall upon completion be capable
30 of repaying all or part of any financing costs incurred;

31 (5) the relationship of the project to a comprehensive local
32 development strategy, including other major projects undertaken
33 within the municipality; and

34 (6) the degree to which the project interfaces with public
35 transportation systems.

36
37 7. (New section) For the purpose of assuring effective
38 coordination of urban policies among those public agencies and
39 officers having responsibilities which affect the physical, economic and
40 social life of the State's urban areas, the Governor shall establish an
41 Urban Policy Coordinating Council within the authority to advise the
42 authority board and shall designate to serve on the council designees
43 of all Cabinet members, State authorities, boards and commissions,
44 and other State public bodies whose activities may affect or be
45 affected by the operations of the authority.

- 1 8. (New section) The Urban Policy Coordinating Council shall:
- 2 a. Ensure that State agencies coordinate responses and provide
- 3 assistance to projects and programs outlined in neighborhood
- 4 empowerment plans developed pursuant to section 11 of P.L. , c.
- 5 (C.)(pending before the Legislature as this bill), and projects and
- 6 programs established by the New Jersey Redevelopment Authority, the
- 7 New Jersey Economic Development Authority, and development
- 8 initiatives proposed by municipal and county governments, including
- 9 making available the resources of the departments of the State in
- 10 implementing those programs;
- 11 b. Make available the resources of its member agencies to assist
- 12 local sponsors in implementing neighborhood empowerment plans;
- 13 c. Form interagency teams of State representatives. The
- 14 membership of each interagency team shall be determined by the needs
- 15 outlined in the neighborhood empowerment plan. Each interagency
- 16 team shall serve as the primary link between the neighborhood and
- 17 State government in responding to programming needs, shall be co-
- 18 chaired by a case manager from the Office of Neighborhood
- 19 Empowerment, established pursuant to section 9 of P.L. , c.
- 20 (C.)(pending before the Legislature as this bill); and by the
- 21 community director, and shall include at least one representative of the
- 22 council; and
- 23 d. Assist in coordinating the activities of the New Jersey
- 24 Redevelopment Authority, municipalities, counties, public or private
- 25 county and municipal development agencies, district management
- 26 corporations created pursuant to section 4 of P.L.1972, c.134
- 27 (C.40:56-68), and community action boards established pursuant to
- 28 section 4 of P.L.1991, c.51 (C.52:27D-398).
- 29
- 30 9. (New section) There is established in the New Jersey
- 31 Redevelopment Authority an Office of Neighborhood Empowerment.
- 32 The Office of Neighborhood Empowerment shall:
- 33 a. Provide support for a community director who shall assist local
- 34 sponsors in developing or implementing neighborhood empowerment
- 35 plans;
- 36 b. Provide case management services to qualified local sponsors of
- 37 neighborhood empowerment plans;
- 38 c. Assist neighborhoods in developing and implementing
- 39 neighborhood empowerment plans;
- 40 d. Ensure that communities receive technical assistance in
- 41 neighborhood planning;
- 42 e. Train and provide administrative support for interagency teams;
- 43 f. Assist local sponsors in evaluating progress through mutually
- 44 agreed upon measures;
- 45 g. Provide assistance in obtaining private sector support for
- 46 developing and implementing neighborhood empowerment plans;

- 1 h. Maintain and make available a complete inventory of State
2 programs, services and funding that are available to municipalities; and
3 i. Enter into partnerships with qualified local sponsors.

4
5 10. (New section) In order to qualify to receive the services of the
6 Office of Neighborhood Empowerment and of an interagency team, a
7 community must first have developed a neighborhood empowerment
8 plan which shall be submitted to the Urban Policy Coordinating
9 Council established pursuant to section 7 of P.L. , c. (C.)
10 (pending before the Legislature as this bill). A neighborhood
11 empowerment plan shall incorporate and address the needs of the
12 neighborhood as identified by the community. It shall be
13 comprehensive and shall take into consideration and show the
14 relationship to the municipal master plan, other locally adopted plans
15 (including, but not limited to urban enterprise zone plans,
16 redevelopment plans and neighborhood social service plans), and the
17 State Development and Redevelopment Plan, and shall outline how
18 residents, municipal government, the private sector and neighborhood
19 organizations will cooperate with the State and with each other during
20 implementation. Neighborhood empowerment plans shall focus on
21 neighborhood restoration. They may include, but need not be limited
22 to, projects for infrastructure improvement and expansion,
23 rehabilitation and construction of affordable housing, increased public
24 safety, facility rehabilitation and construction, economic development,
25 recreation and open space, environmental cleanup, employment and
26 training, improvement of educational opportunities for youth, and
27 efficient and humane provision of social services dedicated to
28 strengthening the community's human capital.

29
30 11. (New section) Neighborhood empowerment plans shall be
31 developed by local sponsors with the guidance of a community
32 director and under the direction of, and with the participation of,
33 residents, community-based organizations, the private sector, and the
34 municipal government. A local sponsor may be a municipality, county,
35 public or private county and municipal development agency, district
36 management corporation created pursuant to section 4 of P.L.1972,
37 c.134 (C.40:56-68), community action board established pursuant to
38 section 4 of P.L.1991, c.51 (C.52:27D-398), sponsors of
39 neighborhood empowerment organizations, and institution, such as a
40 hospital, college or university, or a community-based organization.

41 The entity that will implement the neighborhood empowerment plan
42 shall be either a new or existing community development organization
43 or a consortium of existing community based organizations.

44
45 12. (New section) In planning and carrying out projects pursuant
46 to P.L. , c. (C.) (pending before the Legislature as this bill) the

1 authority and its subsidiaries shall endeavor to enlist the cooperation
2 and assistance, on a volunteer basis, of private business firms and
3 individual business executives whose experience and training qualify
4 them to advise the authority and its subsidiaries on the design and
5 coordination of aid and development programs for the revitalization of
6 urban centers, and to advise upon the most efficient and businesslike
7 manner of managing and directing such programs.

8
9 13. (New section) a. In order to carry out the purposes and
10 provisions of P.L. , c. (C.) (pending before the Legislature as this
11 bill), the authority, in addition to any powers granted to it elsewhere
12 in P.L. , c. (C.) (pending before the Legislature as this bill), shall
13 have the authority to form, purchase or assume control of one or more
14 subsidiaries, in the manner and for the purposes set forth in this
15 section.

16 b. The authority may form a subsidiary by filing with the Secretary
17 of State a certificate of incorporation, which may be amended from
18 time to time and which shall set forth the name of the subsidiary, its
19 duration, the location of its principal office, the joint owners thereof,
20 and the purposes of the subsidiary.

21 c. The directors of the subsidiary shall be members or employees
22 of the authority, who shall constitute at least a majority, and such
23 other persons representing any joint owner or owners as may be
24 provided for in the agreement in connection with the incorporation of
25 the subsidiary.

26 d. The subsidiary shall have all the powers vested in the authority
27 which the authority may delegate to it by terms of the agreement of
28 incorporation, except that it shall not have the power to contract
29 indebtedness independently of the authority. The subsidiary and any
30 of its properties, functions and activities shall have all the privileges,
31 immunities, tax exemptions and other exemptions as the authority's
32 property, functions and activities. The subsidiary shall also be subject
33 to the restrictions and limitations to which the authority is subject.
34 The subsidiary shall be subject to suit as if it were the authority itself.

35 e. Whenever the State or any municipality, commission, public
36 authority, agency, officer, department, board, or division is authorized
37 and empowered for any purposes of P.L. , c. (C.) (pending before
38 the Legislature as this bill) to cooperate and enter into agreements
39 with the authority or to grant any consent to the authority or to grant,
40 convey, lease or otherwise transfer any property to the authority or to
41 execute any document, the State or such municipality, commission,
42 public authority, agency, officer, department, board, or division shall
43 have the same authorization and power for any of such purposes to
44 cooperate and enter into agreements with the subsidiary, to grant
45 consents to the subsidiary, to grant, convey, lease or otherwise
46 transfer property to the subsidiary and to execute documents for the

1 subsidiary.

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

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

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

10

11 14. (New section) The authority, or any subsidiary, may enter into
12 agreements with any individual, partnership, trust, association or
13 corporation, or any public agency, under which the authority or
14 subsidiary and such other entity or entities shall undertake a project as
15 a joint venture, with the authority or subsidiary providing such
16 financial assistance, through loans, grants or the acquisition of an
17 ownership interest in the project, and such technical or managerial
18 assistance or advice, as the agreement may provide.

19

20 15. (New section) The authority, or any subsidiary, may make
21 loans to any individual, partnership, trust, association or corporation
22 for the purpose of enabling such entity to undertake any work,
23 improvement or other activity in a qualified municipality which, if
24 undertaken by the authority or a subsidiary, would be a "project"
25 within the meaning of section 3 of P.L. , c. (C.) (pending before
26 the Legislature as this bill). The authority, or any subsidiary, may also
27 pledge its credit for the repayment of any such loan made for like
28 purposes by any financial institution in the State.

29

30 16. (New section) For the purpose of providing funds to pay all or
31 any part of the cost of any project or projects, to make loans in
32 accordance with the provisions of P.L. , c. (C.) (pending before
33 the Legislature as this bill), and for the funding or refunding of any
34 bonds, the authority shall have the power to authorize or provide for
35 the issuance of bonds pursuant to P.L. , c. (C.) (pending before
36 the Legislature as this bill).

37

38 17. (New section) By resolution, the authority shall have power
39 to incur indebtedness, borrow money and issue its bonds for the
40 purposes stated in section 16 of P.L. , c. (C.) (pending before
41 the Legislature as this bill). Except as may otherwise be expressly
42 provided by the authority, every issue of its bonds shall be general
43 obligations of the authority payable from any revenues or moneys of
44 the authority or any other contracted with or agreed upon source,
45 subject only to any agreements with the holders of particular bonds or
46 notes pledging any particular revenues or moneys. Bonds shall be

1 authorized by resolution and may be issued in one or more series and
2 shall bear that date or those dates, mature at that time or those times
3 not exceeding 40 years from the date thereof, bear interest at a rate or
4 rates, be in that denomination or those denominations, be in such form,
5 either coupon or registered, carry such conversion or registration
6 privileges, have such rank or priority, be executed in such manner, be
7 payable from such sources in such medium of payment at such place
8 or places within or without the State, and be subject to such terms of
9 redemption (with or without premium) as the resolution may provide.
10 Bonds of the authority may be sold by the authority at public or
11 private sale at such price or prices as the authority shall determine.
12

13 18. (New section) Any provision of any law to the contrary
14 notwithstanding, any bond or other obligation issued pursuant
15 to P.L. , c. (C.) (pending before the Legislature as this bill) shall
16 be fully negotiable within the meaning and for all purposes of Title
17 12A, Commercial Transactions, of the New Jersey Statutes, and each
18 holder or owner of such a bond or other obligation, or of any coupon
19 appurtenant thereto, by accepting such bond or coupon shall be
20 conclusively deemed to have agreed that such bond, obligation or
21 coupon is and shall be fully negotiable within the meaning and for all
22 purposes of Title 12A of the New Jersey Statutes.
23

24 19. (New section) In order to secure the payment of such bonds
25 and in addition to its other powers, the authority shall have power by
26 resolution to covenant and agree with the several holders of such
27 bonds, as to:

28 a. the custody, security, use, expenditure or application of the
29 proceeds of the bonds;

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

32 c. payment of the principal of or interest on the bonds, or any other
33 obligations, and the sources and methods thereof, the rank or priority
34 of any such bonds or obligations as to any lien or security, or the
35 acceleration of the maturity of any such bonds or obligations;

36 d. the use and disposition of any moneys of the authority, including
37 all revenues or other moneys derived or to be derived from any project
38 or projects;

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

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

46 g. the rents, fees or other charges for the use of any project or

1 projects, including any parts thereof theretofore constructed or
2 acquired and any parts, replacements or improvements thereof
3 thereafter constructed or acquired, and the fixing, establishment,
4 collection and enforcement of the same;

5 h. limitation on the issuance of additional bonds or any other
6 obligations or on the incurrance of indebtedness of the authority;

7 i. vesting in a trustee or trustees, fiscal or escrow agent or agents
8 within or without the State such property, rights, powers and duties
9 in trust as the authority may determine and limiting the rights, duties
10 and powers of such trustee or agent;

11 j. payment of costs or expenses incident to the enforcement of the
12 bonds or of the provisions of the resolution or of any covenant or
13 contract with the holders of the bonds;

14 k. the procedure, if any, by which the terms of any covenant or
15 contract with, or duty to, the holders of bonds may be amended or
16 abrogated, the amount of bonds the holders of which must consent
17 thereto, and the manner in which such consent may be given or
18 evidenced; or

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

22 All such provisions of the resolution and all such covenants and
23 agreements shall constitute valid and legally-binding contracts between
24 the authority and the several holders of the bonds, regardless of the
25 time of issuance of such bonds, and shall be enforceable by any such
26 holder or holders by appropriate action, suit or proceeding in any
27 court of competent jurisdiction, or by proceeding in lieu of prerogative
28 writ.

29
30 20. (New section) Any pledge of revenues or other moneys made
31 by the authority shall be valid and binding from the time that the
32 pledge is made. The revenues or other moneys so pledged and
33 thereafter received by the authority shall immediately be subject to the
34 lien of such pledge without any physical delivery thereof or further act,
35 and the lien of any such pledge shall be valid and binding as against
36 all parties having claims of any kind in tort, contract or otherwise
37 against the authority, irrespective of whether such parties have notice
38 thereof. Neither the resolution nor any other instrument by which a
39 pledge is created need be filed or recorded except in the records of the
40 authority.

41
42 21. (New section) Any public or private agency, organization,
43 corporation, or association which is not legally barred from investing
44 in the bonds or stock of the New Jersey Housing and Mortgage
45 Finance Agency or any of its subsidiary corporations may lawfully

1 invest in the corresponding securities of the authority and its
2 subsidiaries.

3
4 22. (New section) a. Notwithstanding the provisions of section 5
5 of P.L.1945, c.162 (C.54:10A-5), or of N.J.S.54A:2-1 to the contrary,
6 a qualified taxpayer that expands its operations in a qualified
7 municipality shall pay tax on its income generated by new activities in
8 a qualified municipality at an effective reduced rate, determined by
9 multiplying the taxpayer's income generated by new activities in a
10 qualified municipality by the multiplier determined pursuant to
11 subsection b. of this section for the five privilege periods, in the case
12 of a taxpayer pursuant to P.L.1945, c.162 (C.54:10A-1 et seq.), or the
13 five taxable years, in the case of a taxpayer pursuant to N.J.S.54A:1-1
14 et seq., next ending after the commencement of operations at a
15 location in a qualified municipality.

16 b. For the purposes of subsection a. of this section, the income
17 multiplier for each of the five privilege periods or taxable years next
18 ending after the commencement of operations shall be as follows:

19	20	21	22	23	24	25	26
	Period/	Year					Multiplier
	First						0.00
	Second						0.20
	Third						0.40
	Fourth						0.60
	Fifth						0.80
	Sixth year and thereafter						1.00

27
28 c. For the purposes of this section:

29 "Qualified taxpayer" means a taxpayer engaged in the active
30 conduct of a trade or business at a location in a qualified municipality
31 that has at least 25% of its full-time employees at that location meeting
32 one or more of the following criteria:

33 (1) resides within the qualified municipality or within another
34 qualified municipality; or

35 (2) unemployed for at least six months prior to being hired and
36 residing in New Jersey, and recipients of New Jersey public assistance
37 programs for at least six months prior to being hired, or either of the
38 aforesaid; or

39 (3) determined to be economically disadvantaged pursuant to the
40 "Job Training Partnership Act," Pub.L.97-300 (29 U.S.C.§1501 et
41 seq.);

42 "Income generated by new activities in a qualified municipality"
43 means that portion of a taxpayer's income that is generated by its
44 activities commencing at a location in a qualified municipality on or
45 after the designation of the municipality as qualified and that is not
46 generated by a transfer of its previous activities at a location in this

1 State to the qualified municipality. For a taxpayer pursuant to
2 P.L.1945, c.162 (C.54:10A-1 et seq.), "taxpayer's income" in this
3 definition means that portion of the taxpayer's entire net income that
4 is taxable under the Corporation Business Tax Act (1945), P.L.1945,
5 c.162 (C.54:10A-1 et seq.). For a taxpayer pursuant to N.J.S.54A:1-1
6 et seq., "taxpayer's income" in this definition means, in the case of a
7 sole proprietor that part of the profits from business derived from lines
8 of business with operations in a qualified municipality; in the case of
9 a partner or a member of a limited liability company, that part of the
10 partner or member's distributive share of partnership income of a
11 partnership or limited liability company with operations in a qualified
12 municipality allocated to this State pursuant to N.J.S.54A:5-7; and in
13 the case of a shareholder of an S corporation, the pro rata share of S
14 corporation income of an S corporation with operations in a qualified
15 municipality.

16 d. For a taxpayer pursuant to P.L.1945, c.162 (C.54:10A-1 et
17 seq.), notwithstanding the provisions of section 19 of P.L.1983, c.303
18 (C.52:27H-78), section 12 of P.L.1985, c.227 (C.55:19-13), section
19 42 of P.L.1987, c.102 (C.54:10A-5.3), section 1 of P.L.1993, c.150
20 (C.27:26A-15), section 3 of P.L.1993, c.170 (C.54:10A-5.6), sections
21 3 or 4 of P.L.1993, c.171 (C.54:10A-5.18 or C.54:10A-5.19), or
22 section 1 of P.L.1993, c.175 (C.54:10A-5.24), to the contrary, no
23 credits otherwise allowed pursuant to those sections shall be allowed
24 against income generated by new activities in a qualified municipality
25 for the five privilege periods ending after the commencement of
26 operations in a qualified municipality for which the income generated
27 by new activities in a qualified municipality is allowed a multiplier
28 pursuant to this section. For the purposes of section 19 of P.L.1983,
29 c.303 (C.52:27H-78), section 12 of P.L.1985, c.227 (C.55:19-13),
30 section 42 of P.L.1987, c.102 (C.54:10A-5.3), section 1 of P.L.1993,
31 c.150 (C.27:26A-15), section 3 of P.L.1993, c.170 (C.54:10A-5.6),
32 sections 3 or 4 of P.L.1993, c.171 (C.54:10A-5.18 or C.54:10A-5.19),
33 and section 1 of P.L.1993, c.175 (C.54:10A-5.24), any income or
34 liability limits established pursuant to those sections shall be deemed
35 to refer only to income that is not income generated by new activities
36 in a qualified municipality, and any salary, wages or remuneration paid
37 to employees employed at the location in the qualified municipality,
38 the cost of any property installed or employed at the location in the
39 qualified municipality and any expenses incurred at or for the location
40 in the qualified municipality shall be disallowed from the inclusion in
41 any calculation under those sections.

42

43 23. (New section) Neither the members of the authority nor any
44 person executing bonds issued pursuant to P.L. , c. (C.) (pending
45 before the Legislature as this bill) shall be liable personally on the
46 bonds by reason of the issuance thereof. Bonds or other obligations

1 issued by the authority pursuant to P.L. , c. (C.) (pending before
2 the Legislature as this bill) shall not be in any way a debt or liability of
3 the State or of any political subdivision thereof and shall not create or
4 constitute any indebtedness, liability or obligation of the State or of
5 any political subdivision, either legal, moral or otherwise, and nothing
6 contained in P.L. , c. (C.) (pending before the Legislature as this
7 bill) shall be construed to authorize the authority to incur any
8 indebtedness on behalf of or in any way to obligate the State or any
9 political subdivision, and all such bonds shall contain on the face
10 thereof a statement to that effect.

11

12 24. (New section) a. No member, officer, agent or employee of
13 the authority or of any of its subsidiaries shall take any official action
14 on any matter in which he or she has a direct or indirect financial
15 interest, except that the ownership of, or tenancy in, one's own private
16 residence shall not be considered a financial interest for the purposes
17 of this section.

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

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

23

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

40

41 26. (New section) a. Under the jurisdiction of the authority, there
42 shall be a public hearing on each project, the cost of which is estimated
43 to exceed \$250,000, within the municipality in which the project is to
44 be located. The authority shall cause notice of the hearing to be
45 published in at least two newspapers of general circulation within the
46 municipality at least 15 days prior to the date of the hearing and shall

1 also file the notice at least 15 days prior to the date of the hearing with
2 the governing body of the county and municipality in which the project
3 is to be located.

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

6 b. All testimony presented at the hearing and all material submitted
7 to the authority within 15 days following the hearing shall be included
8 in a hearing record to be prepared and made available to the public by
9 the authority.

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

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

17

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

1 matters relating thereto, provided such person shall bear and pay all
2 costs and expenses of the authority thereby incurred at the request of
3 such person or by reason of any such action taken by such person on
4 behalf of the authority. If such person occupying a project has paid
5 the amounts in lieu of taxes required by this section to be paid, such
6 person shall not be required to pay any such taxes for which a
7 payment in lieu thereof has been made to the State or to any political
8 subdivision, any other statute to the contrary notwithstanding.

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

17
18 29. (New section) Any agreement entered into pursuant to section
19 28 of P.L. , c. (C.) (pending before the Legislature as this bill) for
20 the sharing of payments and revenues derived from a project shall also
21 set forth the manner in which the costs of municipal services for such
22 project are to be apportioned and specify the services to be supplied
23 by each municipality in sufficient detail so as to permit the owners,
24 occupants and users of property within the project to determine the
25 responsibilities of each participating municipality.

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

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

44
45 32. (New section) With its first annual report, and every second
46 year thereafter, the authority shall submit a New Jersey

1 Redevelopment Strategy document, setting forth its assessment of the
2 current needs for industrial, land-use improvement, civic, utility and
3 multi-purpose projects in qualified municipalities of the State; its
4 estimate of the resources available, under the provisions of P.L. , c.
5 (C.) (pending before the Legislature as this bill), from public and
6 private sources for the undertaking of such projects; and its anticipated
7 participation in or assistance of such projects during the two years
8 next succeeding the date of submission. The document shall set forth
9 the goals and priorities governing the selection of the projects it
10 anticipates participating in or assisting; and the authority shall annually
11 review and evaluate the projects actually undertaken in light of the
12 goals and priorities established therefor by the New Jersey
13 Redevelopment Strategy document. In selecting projects for its
14 participation, and in evaluating those projects in which it has
15 participated, the authority shall devise and employ techniques for
16 forecasting and measuring relevant indices of accomplishment of its
17 goals of economic revitalization, including specifically:

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

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

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

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

28

29 33. (New section) a. Beginning 180 days after the effective date
30 of P.L. , c. (C.) (pending before the Legislature as this bill), the
31 Division of Investment may invest State-administered pension funds in
32 authority bonds or projects; provided, however, that the amount of
33 funds to be so invested in total shall not exceed one-half of one
34 percent of the aggregate amount of pension funds invested or an
35 aggregate of \$200 million, whichever is greater.

36 b. Twelve months after the effective date of P.L. , c. (C.)
37 (pending before the Legislature as this bill), the Director of the
38 Division of Investment in the Department of the Treasury shall report
39 to the State Investment Council, the Governor and the Legislature the
40 total amount of authority bonds purchased by the division and the
41 percentage that amount represents of State-administered pension
42 funds. The director of the division shall also set forth in the report
43 what return on the investment has been realized on the investment in
44 authority bonds and how that rate of return compares to the rate of
45 return on other division investments of State-administered pension
46 funds.

1 Following the first report as required herein, the council shall
2 include this information in its report submitted to the Governor, the
3 Legislature and the State Treasurer on or before January first of each
4 year pursuant to section 13 of P.L.1950, c.270 (C.52:18A-91).

5
6 34. (New section) a. There is hereby created the New Jersey
7 Redevelopment Investment Fund, or "fund," a revolving loan pool to
8 be used for the purpose of making loans, loan guarantees or grants
9 pursuant to the provisions of this act, into which shall be paid:

10 (1) moneys received from the sale of authority bonds, including
11 those moneys made available through the purchase of authority bonds
12 by the Division of Investment pursuant to section 33 of P.L. , c.
13 (C.) (pending before the Legislature as this bill).

14 (2) funds appropriated by section 97 of P.L. , c. (C.) (pending
15 before the Legislature as this bill);

16 (3) repayments of loans or other payments, including repayments
17 of principal and interest on loans, received by the authority pursuant
18 to agreements made under authority of sections 5, 13, 14, or 15 of
19 P.L. , c. (C.) (pending before the Legislature as this bill);

20 (4) \$20 million from the tax collected pursuant to section 3 of
21 P.L.1966, c.30 (C.54:32B-3);

22 (5) any income derived from investment pursuant to subsection b.
23 of this section;

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

28 (7) those bond funds made available to the New Jersey
29 Redevelopment Investment Fund from the bond funds referred to in
30 sections 101, 102 and 103 of P.L. c. (C.) (pending before
31 the Legislature as this bill); and

32 (8) such additional funds as the Legislature may from time to time
33 appropriate for the purpose.

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

43 c. The authority may resell any loan or loans made by the authority
44 pursuant to this act to any buyer or buyers; the proceeds of any such
45 sales shall be returned to the fund established pursuant to this section.

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

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

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

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

22
23 36. (New section) a. Any county, by resolution of its governing
24 body, shall have power to enter into contracts with the authority
25 relating to any project or projects situated within the county; provided,
26 however, that any such resolution shall be introduced in writing at a
27 meeting of the governing body and shall be passed upon first reading
28 which may be by title, and thereafter, the resolution shall be published
29 with notice of the introduction thereof and of the date, time and place
30 of further consideration for final passage, and on the date and at the
31 time and place so advertised, all persons interested shall be given the
32 opportunity to be heard and after the hearing, the governing body may
33 proceed to reject or finally adopt the resolution by the recorded
34 affirmative votes of at least two-thirds of the full membership of the
35 governing body; and provided, further, that the resolution shall contain
36 findings and determinations of the governing body (1) that the project
37 will maintain employment opportunities in the county or provide new
38 employment opportunities in the county and (2) that the contract with
39 the authority is a necessary inducement to the undertaking of the
40 project in that it makes the financing thereof feasible. The contract or
41 contracts may provide for the payment to the authority by the county
42 annually or otherwise of such sum or sums of money, computed at
43 fixed amounts or by any formula, or in any other manner as may be
44 fixed in or pursuant thereto. Any contract may be made and entered
45 into for a term beginning currently or at some future or contingent
46 date and with or without consideration and for a specified or unlimited

1 time and on any terms and conditions which may be approved by the
2 county and which may be agreed to by the authority in conformity with
3 its contracts with the holders of any bonds, and shall be valid and
4 binding on the county whether or not an appropriation is made thereby
5 prior to authorization or execution of the contract. Every county is
6 hereby authorized and directed to do and perform any and all acts and
7 things necessary, convenient or desirable to carry out and perform any
8 contract entered into by it and to provide for the payment or discharge
9 of any obligation thereunder in the same manner as other obligations
10 of the county.

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

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

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

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

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

40

41 37. (New section) All property of the authority shall be exempt
42 from levy and sale by virtue of an execution and no execution or other
43 judicial process shall issue against the same nor shall any judgment
44 against an authority be a charge or lien upon its property; provided,
45 that nothing herein contained shall apply to or limit the rights of the
46 holder of any bonds to pursue any remedy for the enforcement of any

1 pledge or lien given by the authority on or with respect to any project
2 or any revenues or other moneys.

3
4 38. (New section) a. The New Jersey Economic Development
5 Authority shall repay without interest to the State Treasurer all
6 moneys realized from borrowers upon loans they obtained through the
7 New Jersey Urban Development Corporation, which loans were made
8 from the sums appropriated to the Urban Development Investment
9 Fund from the Community Development Bond Fund created pursuant
10 to section 14 of the "Community Development Bond Act of 1982"
11 (P.L.1981, c.486). The repayment from moneys realized from
12 borrowers shall be considered as cash received from payments of
13 principal and interest from the borrowers and received from the
14 liquidation of collateral securing such loans. Such repayments shall be
15 net of all direct expenses incurred in servicing the loan or in protecting
16 and collecting the collateral, or both.

17 b. All sums appropriated or transferred to the New Jersey
18 Redevelopment Authority from any source, are transferred to the New
19 Jersey Redevelopment Investment Fund to carry out the purposes of
20 P.L. , c. (C.) (pending before the Legislature as this bill).

21 c. The New Jersey Economic Development Authority may, after
22 negotiation and agreement with the State Treasurer, prepay all
23 outstanding appropriations due in future years to the State Treasurer,
24 discounted at an interest rate agreeable to the State Treasurer and the
25 New Jersey Economic Development Authority.

26 d. All of the functions, powers and duties of the New Jersey Urban
27 Development Corporation, except for the administration of loans made
28 prior to the effective date of this bill, are hereby transferred to and
29 vested in the New Jersey Redevelopment Authority.

30

31

ARTICLE TWO - FINANCING

32

33 39. (New section) The Legislature finds and declares that:

34 a. There are areas within certain municipalities in this State that
35 deter private capital investment because of the deteriorating condition
36 of the land, buildings and infrastructure within those areas, or which
37 have not experienced private capital investment due to inadequate
38 infrastructure or adverse economic conditions.

39 b. These areas also create an economic burden for the municipality
40 due to the limited tax base and underutilization of resources.

41 c. The scarcity of resources available to municipalities for
42 redevelopment has severely hampered these municipalities' ability to
43 rehabilitate these areas.

44 d. In order to redevelop these areas in a beneficial manner,
45 municipalities should be provided the means to finance certain costs of
46 redevelopment so as to open new avenues for private investment;

1 stimulate commercial, industrial, recreational, cultural, entertainment,
2 civic and educational enterprise, and create favorable conditions for
3 increases in economic activity, property values, employment
4 opportunities and the provision of affordable housing.

5 e. The use of new redevelopment tools as a catalyst for economic
6 revitalization can be maximized if employed in conjunction with the
7 redevelopment planning process established pursuant to P.L.1992,
8 c.79 (C.40A:12A-1 et al.).

9 f. It is, therefore, in the public interest to authorize the use of
10 revenue allocation financing by municipalities and the dedication of
11 payments in lieu of taxes toward the retirement of debt incurred in
12 redevelopment, as set forth hereunder, to encourage private
13 investment within areas that are blighted or in need of redevelopment
14 or would otherwise remain unused.

15

16 40. (New section) As used in this article:

17 "Area in need of redevelopment" means a redevelopment area as
18 defined pursuant to section 3 of P.L.1992, c.79 (C.40A:12A-3).

19 "Board" means the Local Finance Board established in the Division
20 of Local Government Services in the Department of Community
21 Affairs.

22 "Bonds" means the bonds, notes and bond anticipation notes issued
23 to finance projects pursuant to this article.

24 "District" means the area or areas within a municipality designated
25 as a revenue allocation district pursuant to the provisions of this
26 article.

27 "District agent" means that entity designated by the municipal
28 governing body pursuant to section 41 of P.L. , c. (C.) (pending
29 before the Legislature as this bill) to administer a revenue allocation
30 plan on behalf of the municipality.

31 "Eligible revenue" means the property tax increment and any other
32 incremental revenues set forth in section 48 of P.L. , c. (C.)
33 (pending before the Legislature as this bill).

34 "Permitted investment obligations" means any securities permitted
35 for purchase by local units of government pursuant to section 8 of
36 P.L.1977, c.396 (C.40A:5-15.1).

37 "Plan" means the final revenue allocation plan developed by a
38 district agent pursuant to section 49 of P.L. , c. (C.) (pending
39 before the Legislature as this bill) and containing, among other
40 elements, the proposed projects, estimated cost of the projects,
41 sources of revenue, and the terms of any obligations, undertakings or
42 commitments to be incurred by the district agent.

43 "Pledged revenues" means those eligible revenues designated in the
44 plan for payment of project costs.

45 "Project" means the purchasing, leasing, condemning or otherwise
46 acquiring of land or other property, or an interest therein, in the

1 district or as necessary or convenient for the acquisition of any
2 right-of-way or other easement to or from the revenue allocation
3 district; the moving and relocation of persons or businesses displaced
4 by the acquisition of land or property; the acquisition, construction,
5 reconstruction or rehabilitation of land or property and the
6 improvements thereon, or the financing thereof, including demolition,
7 clearance, removal, relocation, renovation, alteration, construction,
8 reconstruction, alteration or repair of any land, building, street,
9 highway, alley, utility, mass transit facility, service or other structure,
10 infrastructure or improvement in the district or necessary to effectuate
11 the plan for the district, including infrastructure improvements outside
12 the district, but only those which are integral to the effectuation of the
13 district plan; the acquisition, construction, reconstruction,
14 rehabilitation or installation of public facilities and improvements, or
15 the financing thereof, other than facilities for the general conduct of
16 government and schools, nonprofit corporation or other suitable public
17 or private person, firm, corporation or association, including
18 educational, cultural, civic and recreational facilities including, but not
19 limited to, convention centers, arenas and public meeting facilities;
20 acquisition, construction, reconstruction or rehabilitation of residential
21 structures, or the conversion to residential use of structures previously
22 designed or used for other purposes, or the financing thereof,
23 nonprofit corporation or other suitable public or private person, firm,
24 corporation or association, and which, to the extent economically
25 feasible, shall constitute housing affordable to persons and families of
26 low and moderate income pursuant to P.L.1985, c.222 (C.52:27D-301
27 et al.) or rules and regulations adopted pursuant thereto; and all costs
28 associated with any of the foregoing, including the cost of
29 administrative appraisals, legal, financial, economic and environmental
30 analyses, engineering or cleanup, planning, design, architectural,
31 surveying or other professional and technical services necessary to
32 effectuate the purposes of P.L. , c. (C.) (pending before the
33 Legislature as this bill).

34 "Project cost" means the cost of the plan or project in all or any
35 part of the district and of all and any property, rights, easements,
36 privileges, agreements and franchises deemed by the district agent to
37 be necessary or useful and convenient therefor or in connection
38 therewith, including interest or discount on bonds; cost of issuance of
39 bonds; engineering and inspection costs; legal expenses; costs of
40 financial and other professional estimates and advice; organization,
41 administrative, operating and other expenses of the district agent prior
42 to and during the planning and implementation of a development, plan
43 or project, including such provision as the district agent may determine
44 for the payment, or security for payment, of principal of or interest on
45 bonds during or after the implementation of any development, plan or
46 project.

1 "Property tax increment" means the amount obtained by:

2 (1) multiplying the general tax rate levied each year by the taxable
3 value of all the property assessed within a district in the same year,
4 excluding any special assessments; and

5 (2) multiplying that product by a fraction having a numerator equal
6 to the taxable value of all the property assessed within the district,
7 minus the property tax increment base, and having a denominator
8 equal to the taxable value of all property assessed within the district.

9 "Property tax increment base" means the aggregate taxable value of
10 all property assessed which is located within a district as of October
11 1 of the year preceding the year in which the district is authorized
12 pursuant to this article.

13 "Redevelopment plan" means a redevelopment plan as the term is
14 defined pursuant to section 3 of P.L.1992, c.79 (C.40A:12A-3).

15 "Revenue increment base" means the amount of any eligible
16 revenues, other than the property tax increment, collected in the
17 calendar year immediately preceding the adoption of the plan.

18 "Taxing entity" means the county, the school district or districts,
19 and the municipality authorized to levy a tax on the taxable property
20 within a municipality.

21

22 41. (New section) A revenue allocation district shall consist of all
23 lots and streets within the borders of an area within a municipality or
24 within areas of the municipality designated in the plan. The lots and
25 streets shall be contiguous unless the municipality determines that
26 non-contiguous areas of the municipality should comprise one district
27 because those areas are part of a common development project or
28 plan. The total taxable value in all districts designated shall not exceed
29 15 percent of the total taxable property assessed within the
30 municipality, as determined by the municipal assessor, except that,
31 upon a request by the governing body, the board may approve for
32 inclusion in the district up to 20 percent of the total taxable property
33 assessed in the municipality, as determined by the municipal assessor.
34 The lots and streets to be designated as part of the plan shall be
35 designated as a revenue allocation district as part of a duly adopted
36 redevelopment plan approved by the governing body.

37 The governing body of a municipality may by ordinance establish a
38 district or districts. In the case of a municipality whose redevelopment
39 powers are assigned by law to a regional planning commission, the
40 commission may, by resolution, establish a district or districts in the
41 area within which the commission has jurisdiction. The ordinance or
42 resolution, as appropriate, shall be adopted as provided in section 44
43 of P.L. , c. (C.) (pending before the Legislature as this bill), and
44 shall include or incorporate:

45 a. a map designating the area or areas within the municipality as a
46 district or districts;

- 1 b. a certification by the municipal assessor that, upon the basis of
2 property assessments as of October 1 of the year preceding the
3 certification, the total taxable property value in all districts designated
4 by the municipality, including the district being proposed in the
5 ordinance, does not exceed 15 or 20 percent of the total taxable
6 property assessed in the municipality, as appropriate, as provided in
7 the ordinance adopted in accordance with the provisions of this
8 section;
- 9 c. the designation of a district agent, which may be a county
10 improvement authority, a municipal redevelopment agency, a local
11 housing authority with redevelopment powers, the New Jersey
12 Redevelopment Authority established pursuant to P.L. , c.
13 (C.) (pending before the Legislature as this bill) or one of its
14 subsidiaries or the local governing body; provided, however, that if a
15 district is created in an area under the jurisdiction of a regional
16 planning commission which has been assigned redevelopment powers
17 pursuant to law, that commission shall serve as the district agent in
18 connection with that district;
- 19 d. a designation of all or any percentage of any eligible revenue or
20 revenues as pledged revenues;
- 21 e. a statement of whether or not the municipality intends that the
22 bonds issued by the district agent be guaranteed by the municipality,
23 or be issued as qualified bonds pursuant to the "Municipal Qualified
24 Bond Act," P.L.1976, c.38 (C.40A:3-1 et seq.), or both;
- 25 f. a proposed preliminary revenue allocation plan, as set forth in
26 section 42 of P.L. , c. (C.) (pending before the Legislature as
27 this bill); and
- 28 g. documentation that the district has been identified in the
29 appropriate redevelopment plan.
- 30
- 31 42. (New section) The proposed preliminary revenue allocation
32 plan shall include:
- 33 a. a certification by the municipal tax assessor of the property tax
34 increment base of the district;
- 35 b. a statement of the revenues if any to be pledged to support
36 bonds of the district, the percentage of such revenues to be so
37 pledged, and a certification by the chief financial officer of the
38 municipality of the revenue increment base for each of the pledged
39 revenues other than the property tax revenue base. If the amount of
40 any such revenue base cannot be certified, then the chief financial
41 officer shall estimate the amount and describe the basis for preparing
42 the estimate and the manner in which the revenue increment base will
43 be determined after adoption of the plan;
- 44 c. a description of the proposed project or projects, an estimate of
45 their cost, a proposed construction schedule, and the projected debt
46 service on the bonds issued to finance the project and the anticipated

1 amount of private activity bonds, as that term is defined in 26
2 U.S.C. §141, to be issued, if any;

3 d. a description of the development expected or planned within the
4 district, including the identification of the developers, if any, other
5 than the district agent or the municipality, and their contractual
6 relationship, if any, with the district agent or the municipality;

7 e. an estimate of the taxable value of the assessed property within
8 a district upon completion of the projects;

9 f. a projection of the amount of the pledged revenues during the
10 period in which any bond will be outstanding;

11 g. a statement of whether or not the district agent intends to create
12 a reserve for payment of project costs prior to the adoption of the final
13 revenue allocation plan;

14 h. a statement of whether or not tax abatements or exemptions are
15 expected to be granted in the district; and

16 i. a fiscal impact statement for the taxing entities involved.

17

18 43. (New section) When an ordinance establishing or amending a
19 district has passed first reading, it shall be submitted as an application,
20 together with all included and incorporated certificates and documents
21 and such additional documentation as the board may by rule prescribe,
22 to the board and the State Treasurer. The board shall notify the State
23 Treasurer of its receipt of the submission.

24 The board shall approve the ordinance if it determines that:

25 a. the planned developments are likely to be realized and would not
26 likely be accomplished by private enterprise without the creation of the
27 district and the revenue allocation financing of the proposed project or
28 projects;

29 b. the revenue increments and any other pledged revenues will be
30 sufficient to pay debt service on bonds issued to effectuate the plan;

31 c. the credit of the municipality and its ability to pay the principal
32 of and interest on its debts and to provide essential public services will
33 not be impaired;

34 d. the creation of the district will contribute to the economic
35 development of the municipality;

36 e. the size of the proposed district and the amount of the pledged
37 revenues do not exceed the size and amount necessary to accomplish
38 the purposes of the plan; and

39 f. the pledged revenue or guarantees would not pose inappropriate
40 risk or undue financial hardship to the taxpayers of the community in
41 the event of default.

42 In approving ordinances, the board shall give priority to any
43 municipality in which an empowerment neighborhood has been
44 designated.

45

46 44. (New section) a. The board and the State Treasurer may make

1 written recommendations as to any aspect of the ordinance and the
2 preliminary revenue allocation plan and any related fiscal matters of
3 the municipality which in the opinion of the board or the State
4 Treasurer must be changed in order to effectuate the plan. The board
5 may condition its approval of the ordinance upon the adoption of its
6 recommendations by the municipality.

7 b. The board shall approve, approve with conditions, or disapprove
8 the ordinance within 60 days of its receipt of an application which the
9 board has deemed to be complete. If the board does not act within 60
10 days the ordinance shall be deemed approved. If the board
11 disapproves the ordinance it shall, within 30 days of signifying its
12 disapproval, set forth its reasons in writing. The municipality may
13 amend the ordinance and resubmit it to the board and the State
14 Treasurer.

15 c. Upon receipt of the approved ordinance from the board, the
16 municipal governing body may adopt the ordinance at a meeting of the
17 governing body by a majority of the authorized membership thereof.

18

19 45. (New section) After adoption of the ordinance establishing a
20 district there shall be no changes in the boundaries of the district, the
21 designation of the district agent, or the designation of the pledged
22 revenues without cause and without adoption of an amending
23 ordinance approved by the board as provided in section 44 of P.L. ,
24 c. (C.) (pending before the Legislature as this bill).

25 Cause for expanding the district or enlarging the designation of
26 pledged revenues shall be based on the need to maintain pledged
27 revenues sufficient to secure all outstanding and anticipated
28 indebtedness of the district agent or to undertake additional projects.

29 Cause for contracting the district or reducing the designation of
30 pledged revenues shall be based on the need to create other districts
31 within the municipality and on the demonstration that the amount of
32 the pledged revenue is excessive for the purposes of the district;
33 however, in no case shall the size of the district be contracted or the
34 pledged revenues be reduced if the district agent has issued bonds or
35 incurred obligations and if such contraction or reduction would impair
36 the security of the bonds or the district agent's ability to pay its
37 obligations.

38

39 46. (New section) Whenever a district is expanded as permitted
40 under section 45 of P.L. , c. (C.) (pending before the Legislature
41 as this bill) the property tax increment base for any area added to the
42 district shall be the aggregate taxable value of all property assessed
43 which is located within the added area as of October 1 of the year
44 preceding the year in which the area is added, as certified by the
45 municipal assessor. The revenue increment base of all other eligible
46 revenues shall include the amounts of all other eligible revenues from

1 sources within the added area in the calendar year preceding the year
2 in which the area is added, as certified by the chief financial officer of
3 the municipality.

4 Whenever a district is contracted as permitted under section 45 of
5 P.L. , c. (C.) (pending before the Legislature as this bill) the tax
6 increment base and the increment base of all other eligible revenues of
7 the district shall be adjusted as if that area had not been a part of the
8 district at the time when it became part of the district.

9

10 47. (New section) The district agent shall have the following
11 powers and responsibilities:

12 a. to make and enter into contracts or agreements with public
13 agencies, nonprofit corporations or other suitable public or private
14 persons, firms, corporations or associations, and to make loans or
15 grants to, or guarantee the obligations of, any other public agency or
16 corporation, as may be necessary, convenient or incidental to the
17 execution of the plan and the exercise of the district agent's powers
18 under P.L. , c. (C.) (pending before the Legislature as this bill).

19 b. to enter into agreements or other transactions with, and accept
20 grants, loans, appropriations or other assistance or cooperation from
21 the United States or any agency thereof, or from the State or a county
22 or municipal governing body or any agency thereof, or any nonprofit
23 corporation or other suitable public or private person, firm,
24 corporation or association in furtherance of the purposes
25 of P.L. , c. (C.) (pending before the Legislature as this bill);

26 c. to prepare and administer the plan according to the provisions
27 of P.L. , c. (C.) (pending before the Legislature as this bill);

28 d. to hire or consult with private consultants when preparing the
29 plan, or to enter into agreements with public or nonprofit private
30 agencies to prepare and administer the plan;

31 e. to issue bonds for any purpose of the district authorized by or
32 pursuant to P.L. , c. (C.) (pending before the Legislature as this
33 bill), or to issue refunding bonds for the purpose of paying or retiring
34 bonds previously issued by it, and to issue notes in anticipation of the
35 issuance of bonds as provided in P.L. , c. (C.) (pending before the
36 Legislature as this bill);

37 f. to seek and receive funds from local, State and federal
38 governments and from private sources for the purpose of implementing
39 any authorized development or project or meeting any project cost;
40 and

41 g. to pay project costs, specifically including payments to a private
42 developer, as reimbursement for project costs incurred by a private
43 developer, in accordance with a redevelopment agreement entered into
44 by the municipality or municipalities and the private developer.

45 Nothing herein is intended to limit the powers granted under any
46 other law or regulation to the entity acting as district agent under

1 P.L. , c. (C.) (pending before the Legislature as this bill).

2

3 48. (New section) In addition to the property tax increment, the
4 plan may include one or more of the following eligible revenues if the
5 municipality is otherwise authorized by law to collect such revenues:

6 a. incremental payments in lieu of taxes, with respect to property
7 located in the district, made pursuant to the "Long Term Tax
8 Exemption Law," P.L.1991, c.431 (C.40A:20-1 et al.);

9 b. incremental revenues from payroll or wage taxes with respect to
10 activities carried on within the district;

11 c. incremental revenue from lease payments made to the
12 municipality or district agent with respect to property located in the
13 district;

14 d. incremental revenue from payments in lieu of taxes or service
15 charges with respect to property located within the district;

16 e. incremental revenue from parking taxes derived from parking
17 facilities located within the district;

18 f. admissions and sales taxes received from the operation of a
19 public facility which the district agent is authorized by law to retain;

20 g. sales and excise taxes which are derived from activities within
21 the district and which are rebated to or retained by the municipality
22 pursuant to the "New Jersey Urban Enterprise Zones Act," P.L.1983,
23 c.303 (C.52:27H-60 et seq.) or any other law providing for such
24 rebate or retention;

25 h. parking revenue from public parking facilities built as part of a
26 project except for public parking facilities owned by parking
27 authorities pursuant to the "Parking Authority Law," P.L.1948, c.198
28 (C.40:11A-1 et seq.);

29 i. assessments levied against properties in a special improvement
30 district pursuant to section 8 of P.L.1972, c.134 (C.40:56-72), if
31 consented to by the governing body of the municipality in which the
32 special improvement district is situated.

33 The incremental revenue for the revenues listed in subsections b.,
34 c., d. and e. of this section shall be calculated as the difference
35 between the amount collected in any calendar year from any eligible
36 revenue source included in the plan, less the revenue increment base
37 for that eligible revenue.

38

39 49. (New section) Before pledging any revenues, issuing any
40 bonds, incurring any obligations or guaranteeing the obligations of any
41 other entity with respect to the project costs of any project, the district
42 agent shall adopt a final revenue allocation plan for that project. That
43 plan shall include:

44 a. a description of the project or projects to be financed, including
45 the projected cost and construction schedule;

46 b. a description of any development to be undertaken by any

- 1 developer in connection with the project, including an estimate of the
2 eligible revenues anticipated from the development;
- 3 c. a description of the eligible revenues to be pledged to the
4 support of the project, or to the bonds or other obligations to be
5 issued or incurred by the district agent;
- 6 d. a description of other anticipated projects for the district and
7 the anticipated means of financing those projects;
- 8 e. a copy of any proposed bond resolution, contract, lease or other
9 agreement to be adopted or authorized by the district agent. Any
10 proposed bond resolution shall include a description of the security
11 features of the bonds, including reserve funds or other security
12 enhancements, if any, such as a municipal guarantee, qualified bond
13 authorization, bond insurance or letter of credit; the maturity schedule
14 for the bonds; the estimated interest rate; the period of capitalized
15 interest, if any; an estimate of the costs of issuance, with identification
16 of bond counsel, financial advisers, underwriters and other
17 professionals engaged to assist in the issuance of bonds; lien priorities
18 among projects, if any; and such other information as the board may
19 require; and
- 20 f. a certification by the chief financial officer of the property tax
21 increment base, if property tax increment revenue is to be pledged, and
22 of the revenue increment base for each other pledged revenue. If the
23 amount of any such revenue increment base cannot be certified, then
24 the chief financial officer shall estimate the amount and describe the
25 basis for preparing the estimate and the manner in which the revenue
26 increment base will be determined after adoption of the final plan.
27
- 28 50. (New section) A final revenue allocation plan shall be
29 submitted to the governing body of the municipality for approval by
30 ordinance. When an ordinance embodying a final revenue allocation
31 plan has been introduced in writing at a meeting of the governing body
32 and approved on first reading, which may be by title, by a majority of
33 the authorized membership thereof, it shall be submitted, together with
34 all included and incorporated certificates and documents and such
35 additional supporting documentation as the board may by rule
36 prescribe, to the board and the State Treasurer. The board shall notify
37 the State Treasurer of the receipt of the submission.
- 38 The board shall approve the plan if it determines that:
- 39 a. the planned developments are likely to be realized and would not
40 be accomplished by private enterprise without the creation of the
41 district and the financing of the proposed project or projects;
- 42 b. the pledged revenues will be sufficient to pay debt service on
43 bonds and discharge any obligations undertaken by the district agent
44 to effectuate the plan;
- 45 c. the credit of the municipality and its ability to pay the principal
46 of and interest on its debts and to provide essential public services will

1 not be impaired; and

2 d. the pledged revenues or guarantees would not pose
3 inappropriate risk or undue financial hardship to the taxpayers of the
4 community in the event of default.

5

6 51. (New section) a. The board and the State Treasurer may make
7 written recommendations as to any aspect of the plan and any related
8 fiscal matters of the municipality or the district agent which, in the
9 determination of the board and the State Treasurer, must be changed
10 in order to effectuate the plan, and the board may condition its
11 approval of the plan upon the adoption of its recommendations or
12 those of the State Treasurer.

13 b. The board shall approve, approve with conditions, or
14 disapprove the plan within 60 days of its receipt of an application
15 which the board has deemed to be complete. If the board does not act
16 within 60 days the plan shall be deemed approved. If the board
17 disapproves the plan it shall set forth its reasons in writing within 30
18 days of its disapproval. The governing body, upon recommendation
19 of the district agent, may amend the ordinance and resubmit it to the
20 board and the State Treasurer.

21 c. Upon receipt of the approved ordinance from the board the
22 municipal governing body may adopt the ordinance at a meeting of the
23 governing body by a majority of the authorized membership thereof.
24 Any changes to the plan as embodied in the ordinance shall be by
25 amendment of the ordinance adopted and approved by the same
26 method as prescribed in section 44 of P.L. , c. (C.) (pending
27 before the Legislature as this bill) in connection with the proposed
28 preliminary revenue allocation plan included in the ordinance
29 establishing the district.

30

31 52. (New section) If the preliminary revenue allocation plan has
32 designated the property tax increment as a pledged revenue, the
33 property tax increment shall be calculated and paid to the revenue
34 allocation fund or the bond trustee, as appropriate, as provided
35 hereunder.

36 a. Upon the striking of the tax rate in each year following the
37 adoption of the ordinance creating the district, the chief financial
38 officer of the municipality, with assistance provided by the assessor
39 and collector, shall calculate the amount of property tax increment, if
40 any, for each revenue allocation district within the municipality and
41 shall certify to the district agent of each such district a copy of that
42 calculation. Thereafter the chief financial officer shall, within 10 days
43 after each date fixed by statute for the payment of property taxes,
44 cause to be deposited in the revenue allocation fund of the district
45 agent or paid to the trustees as provided in the resolution authorizing
46 the issuance of bonds the percentage of the property tax increments

1 certified in the plan as designated to be so deposited or paid. The
2 calculation of the property tax increment shall be based on the amount
3 to be billed at the quarterly payment date, regardless of whether or not
4 the increment is actually collected from the taxpayers within the
5 district.

6 b. Whenever an added assessment shall occur within a district, the
7 chief financial officer of the municipality shall notify the district agent
8 and thereafter shall, within 10 days of the date fixed by law for
9 payment of property taxes on such added assessment, cause to be paid
10 to the revenue allocation fund or the bond trustee, as appropriate, the
11 property taxes, or a percentage thereof as designated in the plan, billed
12 upon such added assessment, regardless of whether or not the tax or
13 any portion thereof is actually collected.

14 c. Whenever an omitted assessment which if not omitted would
15 have been included in the computation of the tax increment of a
16 district occurs, the chief financial officer of the municipality shall
17 notify the district agent and thereafter shall, within 10 days after the
18 date fixed by statute for payment of taxes upon such omitted
19 assessments, cause to be deposited to the revenue allocation fund or
20 paid to the bond trustees of the district, as appropriate, the proportion
21 of tax upon such omitted assessments designated in the plan for such
22 deposit or payment, regardless of whether or not the tax or any
23 portion thereof is actually collected.

24 d. In no event shall any changes in assessed valuation within a
25 district due to appeals or correction of errors with respect to a tax
26 year subsequent to the creation of the district alter the amount of
27 property tax increment certified pursuant to this section for that tax
28 year.

29 e. In no event shall any changes in assessed valuation within a
30 district due to appeals or correction of errors alter the property tax
31 increment base of the district.

32 f. Whenever a revaluation or general reassessment occurs in a
33 municipality which has designated one or more districts, the property
34 tax increment base for each district shall be adjusted to equal the
35 absolute difference between the taxable value of the property in the
36 district after revaluation or reassessment less the amount of the
37 property tax increment base for the year immediately prior to the
38 revaluation or reassessment divided by the adjusted tax rate. The
39 adjusted tax rate shall be a fraction, the numerator of which is the total
40 tax levy of the municipality before revaluation or reassessment and the
41 denominator of which is the total taxable value of all taxable property
42 in the municipality after revaluation or reassessment.

43

44 53. (New section) If the preliminary revenue allocation plan has
45 designated any eligible revenues, in addition to or other than the
46 property tax increment, as a pledged revenue, the other pledged

1 revenues shall be deposited as provided in this section.

2 a. The collector of any pledged revenues shall certify to the
3 municipal chief financial officer the amount of the eligible revenue
4 collected in the preceding calendar year no later than January 30 of
5 each year and shall pay to the municipality such amount, or the
6 percentage thereof designated in the plan, beginning in the first
7 calendar year after the creation of the district.

8 b. The municipality shall include in its budget the amount certified
9 as collected in the preceding year and shall pay to the district agent for
10 deposit in the revenue allocation financing fund the amount certified
11 in the plan as designated for such payment.

12 c. Payments in lieu of taxes shall be deposited in four equal
13 installments, regardless of the date or dates fixed for such payments by
14 statute, agreement or otherwise.

15

16 54. (New section) The district agent shall submit its operating
17 budget for the district annually to the Director of the Division of Local
18 Government Services in the Department of Community Affairs and to
19 the State Treasurer. If the district agent certifies that the budget is in
20 compliance with a preliminary or final financing plan and all other
21 relevant statutes and rules, the director shall approve the budget within
22 45 days of receipt. If the director disapproves the budget he shall
23 state the reasons therefor. The district agent may then make the
24 necessary changes and resubmit the budget for approval. The director
25 may adopt rules and regulations in accordance with the
26 "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et
27 seq.), to ensure the fiscal integrity of districts and effectuate the intent
28 of P.L. , c. (C.) (pending before the Legislature as this bill).

29

30 55. (New section) The district agent shall establish and maintain
31 a special fund called the "(Name of district agent) Revenue Allocation
32 Fund," and herein referred to as "district fund" or "fund."

33 The fund shall be used by the district agent for purposes of P.L. ,
34 c. (C.) (pending before the Legislature as this bill), including but
35 not limited to:

36 a. paying the project costs;

37 b. paying the principal of and interest on bonds or other obligations
38 issued or guaranteed pursuant to P.L. , c. (C.) (pending before the
39 Legislature as this bill);

40 c. prepaying the principal of and interest on the bonds or other
41 obligations;

42 d. paying additional property tax increment revenue, if any, to
43 taxing entities, as provided for in subsections b. and c. of section 56
44 of P.L. , c. (C.) (pending before the Legislature as this bill) or in
45 the final revenue allocation plan; and

46 e. reimbursing the municipality for any payments made by the State

1 pursuant to the "Municipal Qualified Bond Act," P.L.1976, c.38
2 (C.40A:3-1 et seq.) to pay debt service on any qualified bonds issued
3 pursuant to section 63 of P.L. , c. (C.) (pending before the
4 Legislature as this bill).

5
6 56. (New section) a. Prior to the adoption of a final revenue
7 allocation plan, the district agent may draw money from the revenue
8 allocation fund for purposes of paying all project costs incurred in
9 connection with the development of the final revenue allocation plan
10 as provided in the approved operating budget, including a reserve for
11 project costs if such reserve is part of the preliminary plan.

12 b. At the end of each calendar year, any moneys in the fund not
13 required by the district agent for development of the plan shall be
14 distributed to the taxing entities that shall forgo the pledged revenues.
15 The revenues shall be distributed by the district agent in proportion to
16 the taxing effort of each taxing entity in the year of distribution; except
17 that no revenues deposited in the fund shall be included in the
18 calculation of any adjustment payments payable to an intermunicipal
19 account pursuant to statute.

20 c. After the adoption of the final revenue allocation plan the district
21 agent may decide to distribute to the taxing entities that shall forgo the
22 revenues pursuant to P.L. , c. (C.) (pending before the Legislature
23 as this bill) a portion of the revenue increments received by the district
24 agent not pledged to the payment of debt service or necessary to pay
25 project costs. The revenues shall be distributed in proportion to the
26 taxing effort of each such taxing entity in the year of distribution.

27 d. Moneys in the fund may be invested in the State of New Jersey
28 Cash Management Fund established pursuant to section 1 of P.L.1977,
29 c.281 (C.52:18A-90.4) or in any securities that a local government is
30 permitted to purchase pursuant to section 8 of P.L.1977, c.396
31 (C.40A:5-15.1).

32
33 57. (New section) Except where the municipal governing body has
34 designated itself as the district agent, or except in municipalities which
35 are under the jurisdiction of a regional planning commission assigned
36 redevelopment powers pursuant to law, any action of the district agent
37 shall be subject to the veto of the mayor of the municipality. The veto
38 shall be exercised by the veto of the minutes of the district agent by
39 the mayor. The mayor shall have 10 days, Saturdays, Sundays and
40 legal holidays excepted, after receipt of the minutes to exercise the
41 veto. If a mayoral veto is exercised during that period, the action of
42 the district agent shall be considered null and void. If no veto is
43 exercised during that period, the action of the district agent shall be
44 considered valid. The mayor, upon receipt of the minutes, may in
45 writing notify the district agent of the approval of the minutes before
46 the expiration of the 10-day period. Where the municipal governing

1 body has designated itself as the district agent, the mayor shall have
2 only such veto powers as are granted to the mayor by law.

3 The veto power shall be exercised with due regard for the rights of
4 the holders of bonds issued by the district agent and shall not limit,
5 restrict or alter the obligations or powers of the district agent to carry
6 out and perform in every detail each and every covenant, agreement or
7 contract entered into with respect to the bonds or for the benefit,
8 protection or security of the bond holders.

9

10 58. (New section) Subject to the limitations contained in P.L. ,
11 c. (C.) (pending before the Legislature as this bill), each district
12 shall remain in existence until obligations for any project in that district
13 cease to be outstanding; provided, however, the district may be
14 terminated if sufficient moneys have been deposited in the revenue
15 allocation fund for the full payment of the principal of and interest on
16 the bonds at maturity or full payment of any other obligations, and if
17 the board approves the dissolution of the district. The Division of
18 Local Government Services in the Department of Community Affairs
19 may recommend to the municipality the dissolution of a district which
20 has not taken substantial steps to implement the plan, so long as there
21 are no bonded obligations outstanding or contractual obligations to
22 pay any part of project costs.

23

24 59. (New section) a. In calculating the general tax rate levied
25 each year, the aggregate amount of the ratable increments of the tax
26 increment districts shall not be considered a part of the total taxable
27 value of land and improvements within the municipality.

28 b. In calculating the net valuation on which school district taxes are
29 apportioned, the aggregate amount of the ratable increments in the tax
30 increment district shall be excluded.

31 c. For purposes of this section, "ratable increment" means the
32 taxable value of all property assessed within a district for the tax year,
33 minus the tax increment base.

34

35 60. (New section) Upon approval of the resolution by the board
36 and adoption of an ordinance approving or adopting the final revenue
37 allocation plan by the municipal governing body, the district agent
38 shall have the power to incur indebtedness, borrow money and issue
39 its bonds or notes for purposes of financing a project or funding or
40 refunding its bonds or notes. If the district agent is the municipal
41 governing body, any pledge of revenues or funds and obligations
42 incurred shall be limited to the revenues and property accruing to the
43 municipality as district agent and shall not be deemed to include any
44 other municipal revenue or property unless such revenues are pledged
45 or obligations are incurred pursuant to P.L. , c. (C.) (pending
46 before the Legislature as this bill). The district agent may from time

1 to time issue its bonds or notes in such principal amounts as in the
2 opinion of the district agent are necessary to provide sufficient funds
3 for all or any portion of project costs, including the payment, funding
4 or refunding of the principal of or interest or redemption premiums on
5 any bonds or notes issued by it, whether the bonds or notes or interest
6 to be funded or refunded has or has not become due; the establishment
7 or increase of such reserves to secure or to pay the bonds or notes or
8 interest thereon; and all other costs or expenses of the district agent
9 incident to and necessary to carrying out its corporate purposes and
10 powers.

11 Any provisions of law to the contrary notwithstanding, a bond
12 issued pursuant to P.L. , c. (C.) (pending before the Legislature
13 as this bill) shall be fully negotiable within the meaning and for all
14 purposes of Title 12A of the New Jersey Statutes, and each holder of
15 the bond, or a coupon appurtenant thereto, by accepting the bond or
16 coupon shall be conclusively deemed to have agreed that the bond or
17 coupon is and shall be fully negotiable within the meaning and for the
18 purposes of that title.

19

20 61. (New section) Bonds or notes of the district agent shall be
21 authorized by a resolution or resolutions of the district agent and may
22 be issued in one or more series and shall bear such dates, mature at
23 such times, bear interest at such rates of interest per annum, be in such
24 denominations, be in such form, either coupon or registered, carry
25 such conversion or registration privileges, have such rank or priority,
26 be executed in such manner, be payable from such sources and in such
27 medium of payment at such places within or without the State, and be
28 subject to such terms of redemption, with or without premium, as the
29 resolution or resolutions may provide.

30 Bonds or notes of the district agent may be sold at public or private
31 sale at such price and in such manner as the district agent shall
32 determine. Every bond shall mature and be paid not later than 35
33 years from the date thereof.

34 Bonds or notes may be issued under the provisions of P.L. , c.
35 (C.) (pending before the Legislature as this bill) without any other
36 proceeding or the occurrence of any other conditions or other things
37 than those proceedings, conditions or things which are specifically
38 required by P.L. , c. (C.) (pending before the Legislature as this
39 bill).

40 Bonds or notes of the district agent issued under the provisions of
41 P.L. , c. (C.) (pending before the Legislature as this bill) shall
42 contain a statement to the effect that they are issued pursuant to
43 P.L. , c. (C.) (pending before the Legislature as this bill) and
44 entitled to the provisions of P.L. , c. (C.) (pending before the
45 Legislature as this bill).

1 62. (New section) Each issue of bonds or notes of the district may,
2 if it is determined by the district agent, be general obligations thereof
3 payable out of any revenues, receipts or funds held by the district
4 agent, subject only to any agreements with the holders of particular
5 bonds or notes pledging any particular revenues or funds, and may be
6 secured by one or more of the following:

7 a. pledge of eligible revenues and any other revenues derived from
8 leases, sales agreements, service contracts or similar contractual
9 arrangements with one or more persons, firms, partnerships or
10 corporations, whether or not the same relate to the project or part
11 thereof financed with the bonds or notes;

12 b. pledge of grants, subsidies, contributions or other payments to
13 be received from the United States of America or any instrumentality
14 thereof, or from any State, county or municipal governmental body or
15 agency;

16 c. a first mortgage on all or any part of the property, real or
17 personal, of the district agent then owned or thereafter to be acquired;
18 or

19 d. pledge of any moneys, funds, accounts, securities and other
20 funds, including the proceeds of the bonds or notes.

21
22 63. (New section) The municipal governing body may issue
23 general obligation bonds to guarantee payment of the bonds or notes
24 pursuant to the provisions of the "Local Bond Law," N.J.S.40A:2-1 et
25 seq. Such guarantees shall be set forth in the final revenue allocation
26 plan approved pursuant to section 49 of P.L. , c. (C.) (pending
27 before the Legislature as this bill).

28 The district agent may file an application with the board to qualify
29 an issue of its bonds pursuant to the "Municipal Qualified Bond Act,"
30 P.L.1976, c.38 (C.40A:3-1 et seq.). Intention to file such an
31 application shall be set forth in the final revenue allocation plan
32 approved pursuant to section 49 of P.L. , c. (C.) (pending before
33 the Legislature as this bill). Bonds may be issued by the district agent
34 as municipal qualified bonds upon the review and approval of the
35 board as provided in the "Municipal Qualified Bond Act," P.L.1976,
36 c.38 (C.40A:3-1 et seq.). In considering the ordinance, the board may
37 require the governing body to adopt resolutions restricting or limiting
38 any future issuance of bonds for any purpose.

39 Upon the issuance of such bonds and certification to the State
40 Treasurer of the name and address of the paying agent, the maturity
41 schedule, interest rates and dates of payment of debt service, the State
42 Treasurer shall withhold municipal qualified revenues payable to the
43 municipality in amounts sufficient to pay debt service on such bonds
44 as the same shall mature and become due. The State Treasurer shall
45 on or before each principal and interest payment date forward such
46 withheld amounts to the paying agent for the sole purpose of paying

1 debt service on such bonds. As such withheld amounts are forwarded
2 to the paying agent, the district agent shall return a like amount of
3 eligible revenues received by the district agent, if any, which may be
4 applied to the payment of municipal operating expenses.

5
6 64. (New section) In any resolution of the district agent
7 authorizing or relating to the issuance of any bonds or notes, the
8 district agent, in order to secure the payment of the bonds or notes and
9 in addition to its other powers, shall have power by provisions in that
10 resolution, which shall constitute covenants by the district agent and
11 contracts with the holders of the bonds or notes, to:

12 a. secure the bonds or notes as provided in section 63 of P.L. ,
13 c. (C.) (pending before the Legislature as this bill);

14 b. covenant against pledging all or any part of its revenues or
15 receipts from its lease, sales arrangement, service contracts or other
16 security instruments, of the revenues or receipts under any of the
17 foregoing or the proceeds thereof, or against mortgaging or leasing all
18 or any part of the its real or personal property then owned or
19 thereafter acquired, or against permitting or suffering any of the
20 foregoing;

21 c. covenant with respect to limitations on any right to sell,
22 mortgage, lease or otherwise dispose of any project or any part thereof
23 or any property of any kind;

24 d. covenant as to any bonds and notes to be issued and the
25 limitations thereon and the terms and conditions thereof and as to the
26 custody, application, investment, and disposition of the proceeds
27 thereof;

28 e. covenant as to the issuance of additional bonds or notes or as to
29 limitations on the issuance of additional bonds or notes and on the
30 incurring of other debts by it;

31 f. covenant as to the payment of the principal of or interest on the
32 bonds or notes, or any other obligations, as to the sources and
33 methods of the payment, as to the rank or priority of the bonds, notes
34 or obligations with respect to any lien or security or as to acceleration
35 of the maturity of the bonds, notes or obligations;

36 g. provide for the replacement of lost, stolen, destroyed or
37 mutilated bonds or notes;

38 h. covenant against extending the time for the payment of bonds or
39 notes or interest thereon;

40 i. covenant as to the redemption of bonds or notes and privileges
41 of exchange thereof for other bonds or notes of the district agent;

42 j. covenant as to the fixing and collection of rents, fees, rates and
43 other charges, the amount to be raised each year or other period of
44 time by rents, fees, rates and other charges and as to the use and
45 disposition to be made thereof;

46 k. covenant to create or authorize the creation of special funds or

- 1 moneys to be held in pledge or otherwise for construction, operating
2 expenses, tax rebate, payment or redemption of bonds or notes;
3 reserves or other purposes and as to the use, investment, and
4 disposition of the moneys held in these funds;
- 5 l. establish the procedure, if any, by which the terms of any
6 contract or covenant with or for the benefit of the holders of bonds or
7 notes may be amended or abrogated, the amount of bonds or notes the
8 holders of which must consent thereto, and the manner in which the
9 consent may be given;
- 10 m. covenant as to the construction, improvement, operation or
11 maintenance of any project and its other real and personal property,
12 the replacement thereof, the insurance to be carried thereon, and the
13 use and disposition of insurance moneys;
- 14 n. provide for the release of property, leases or other agreements,
15 or revenues and receipts from any pledge or mortgage and to reserve
16 rights and powers in, or the right to dispose of, property which is
17 subject to a pledge or mortgage;
- 18 o. provide for the rights and liabilities, powers and duties arising
19 upon the breach of any covenant, condition or obligation and prescribe
20 the events of default and the terms and conditions upon which any or
21 all of the bonds, notes or other obligations of the district agent shall
22 become or may be declared due and payable before maturity and the
23 terms and conditions upon which the declaration and its consequences
24 may be waived;
- 25 p. vest in a trustee or trustees within or without the State such
26 property rights, powers and duties in trust as the district agent may
27 determine, including the right to foreclose any mortgage, which may
28 include any or all of the rights, powers and duties of any trustee
29 appointed by the holders of any bonds or notes issued pursuant to this
30 section and to limit or abrogate the right of the holders of any bonds
31 or notes of the district agent to appoint a trustee under P.L. , c.
32 (C.) (pending before the Legislature as this bill), and to limit the
33 rights, duties and powers of the trustee;
- 34 q. execute all mortgages, leases, sales agreements, service
35 contracts, bills of sale, conveyances, deeds of trust and other
36 instruments necessary or convenient in the exercise of its powers or in
37 the performance of its covenants or duties;
- 38 r. pay the costs or expenses incident to the enforcement of the
39 bonds or notes or of the provisions of the resolution or of any
40 covenant or agreement of the district agent with the holders of its
41 bonds or notes;
- 42 s. limit the rights of the holders of any bonds or notes to enforce
43 any pledge or covenant securing bonds or notes; and
- 44 t. make covenants other than or in addition to the covenants
45 authorized by P.L. , c. (C.) (pending before the Legislature as this
46 bill) of like or different character, and to make such covenants to do

1 or refrain from doing such acts and things as may be necessary, or
2 convenient and desirable, in order to better secure bonds or notes or
3 which, in the absolute discretion of the district agent will tend to make
4 bonds or notes more marketable, notwithstanding that the covenants,
5 acts or things may not be enumerated herein.

6
7 65. (New section) Any pledge of revenues, receipts, moneys,
8 funds, levies, sales agreements, service contracts or other property or
9 instruments made by the district agent shall be valid and binding from
10 the time when the pledge is made. The revenues, receipts, moneys,
11 funds or other property so pledged and thereafter received by the
12 district agent or a subsidiary shall immediately be subject to the lien
13 of the pledge without any physical delivery thereof or further act, and
14 the lien of any pledge shall be valid and binding as against all parties
15 having claims of any kind in tort, contract or otherwise against the
16 district agent irrespective of whether the parties have notice thereof.
17 Neither the resolution nor any other instrument by which a pledge
18 under this section is created need be filed or recorded except in the
19 records of the district agent.

20
21 66. (New section) Neither the directors of the district agent nor
22 any person executing bonds or notes issued pursuant to P.L. , c.
23 (C.) (pending before the Legislature as this bill) shall be liable
24 personally on the bonds or notes by reason of the issuance thereof.

25
26 67. (New section) The district agent may establish such reserves,
27 funds or account as may be, in its discretion, necessary or desirable to
28 further the accomplishment of the purposes of the district agent or to
29 comply with the provisions of any agreement made by or any
30 resolution of the district agent.

31 The State and all public officers, governmental units and agencies
32 thereof, all banks, trust companies, savings banks and institutions,
33 building and loan associations, savings and loan associations,
34 investment companies, and other persons carrying on a banking
35 business, all insurance companies, insurance associations and other
36 persons carrying on an insurance business, and all executors,
37 administrators, guardians, trustees and other fiduciaries may legally
38 invest any sinking funds, moneys or other funds belonging to them or
39 within their control in any bonds or notes issued pursuant to P.L. ,
40 c. (C.) (pending before the Legislature as this bill), and such bonds
41 or notes shall be authorized security for any and all public deposits.

42
43 68. (New section) Bonds, notes or other obligations issued
44 pursuant to P.L. , c. (C.) (pending before the Legislature as this
45 bill) are for an essential public and governmental purpose, and the
46 bonds, notes or other obligations, their transfer and the interest and

1 premium, if any, thereon and the income therefrom, including any
2 profit made on the sale thereof, and all assessments, charges, funds,
3 revenues, income and other moneys pledged or available to pay or
4 secure the payments of the bonds, or interest thereon, shall be exempt
5 from taxation of every kind by the State and the municipality, except
6 transfer inheritance and estate taxes unless exemptions from those
7 taxes have been provided under other laws.

8
9 69. (New section) If any section, part, phrase, or provision of
10 P.L. , c. (C.) (pending before the Legislature as this bill) of the
11 application thereof to any person, project or circumstances, be
12 adjudged invalid by any court of competent jurisdiction, such judgment
13 shall be confined in its operation to the section, part, phrase, provision
14 or application directly involved in the controversy in which such
15 judgment shall have been rendered and shall not affect or impair the
16 validity of the remainder of P.L. , c. (C.) (pending before the
17 Legislature as this bill) or the application thereof to other persons,
18 projects or circumstances.

19
20 70. (New section) a. In order to provide security for the bonds or
21 other obligations authorized herein, a municipality may adopt an
22 ordinance which provides for tax abatement within a redevelopment
23 area and for a payment in lieu of taxes. Any tax abatement granted by
24 the municipality and any agreement for the payment in lieu of taxes
25 shall be included as part of a financial agreement between the
26 municipality and the developer in accordance with the provisions of
27 P.L.1991, c.431 (C.40A:20-1 et seq.); provided, however, that
28 provisions of subsection b. of section 12 of P.L.1991, c.431
29 (C.40A:20-12) and subsection a. of section 14 of P.L.1991, c.431
30 (C.40A:20-14) shall not apply to any financial agreement entered into
31 pursuant to this section.

32
33 71. (New section) a. A financial agreement entered into pursuant
34 to section 70 of P.L. , c. (C.) (pending before the
35 Legislature as this bill) shall provide for payments in lieu of taxes in
36 an amount agreed upon, and, to the extent needed to pay debt service
37 and other related costs of the bonds or other obligations authorized in
38 this section, shall be pledged to the repayment of the bonds or other
39 obligations authorized in this section.

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

43 c. The New Jersey Redevelopment Authority or county
44 improvement authority may issue negotiable bonds or other obligations
45 for the purpose of financing or refinancing the construction,
46 reconstruction, repair, alteration, improvement and development of

1 any infrastructure or parking or transportation facilities or work that
2 reduces, abates or prevents environmental pollution or other
3 improvements that provide a public benefit within or to a
4 redevelopment area.

5 d. The financial agreement provided for in this section or other
6 source of revenues may be assigned, by the municipality, in whole or
7 in part, directly to the New Jersey Redevelopment Authority or county
8 improvement authority or the trustee of bonds or other obligations as
9 payment or security for the bonds or other obligations.

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

13 f. Notwithstanding any law to the contrary, the assignment of the
14 agreement for payment in lieu of taxes may be an absolute assignment
15 of all or part of the municipality's right, title and interest in such
16 agreement or in the payment in lieu of taxes, and to the extent
17 assigned, such agreement or payment shall not be included in the
18 general funds of the municipality.

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

23 h. The assignment of any mortgage that secures a payment in lieu
24 of taxes may also be an absolute assignment of all or part of the
25 municipality's right, title and interest in such mortgage and, to the
26 extent assigned, any moneys realized from the foreclosure of the
27 mortgaged property shall not be included in the general funds of the
28 municipality.

29 i. After the bonds or other obligations are paid and no longer
30 deemed to be outstanding, the assignment of the mortgage shall
31 terminate and any monies realized from the foreclosure of the
32 mortgaged property shall be included in the general funds of the
33 municipality.

34
35 72. (New section) Notwithstanding any provisions of P.L.1991,
36 c.431 (C.40A:20-1 et seq.) to the contrary, when an ordinance
37 establishing or amending a tax abatement or payment in lieu of taxes
38 pursuant to section 70 of P.L. , c. (C.) (pending before the
39 Legislature as this bill) has passed first reading, it shall be submitted
40 as an application, together with all included and incorporated
41 certificates and documents and such additional documentation as the
42 board may by rule prescribe, to the Local Finance Board and the State
43 Treasurer. The board shall notify the State Treasurer of its receipt of
44 the submission.

45 The board shall approve the ordinance if it determines that:

46 a. the planned development is likely to be realized and would not

- 1 likely be accomplished by private enterprise without the granting of
2 the tax abatement and dedication of the payments in lieu of taxes;
- 3 b. the pledged revenues will be sufficient to pay debt service on
4 bonds issued to effectuate the redevelopment plan;
- 5 c. the credit of the municipality and its ability to pay the principal
6 of and interest on its debts and to provide essential public services
7 will not be impaired;
- 8 d. the realization of the proposed redevelopment plan will
9 contribute to the economic viability of the municipality;
- 10 e. the amount of the tax revenues abated by the municipality do not
11 exceed the amount necessary to accomplish the purposes of the plan;
- 12 f. the bond guarantees would not pose inappropriate risk or undue
13 financial hardship to the taxpayers of the community in the event of
14 default.

15
16 73. (New section) a. The board and the State Treasurer may make
17 written recommendations as to any aspect of the financial agreement
18 and any related fiscal matters of the municipality district which, in the
19 determination of the board and the State Treasurer, must be changed
20 in order to effectuate the financial agreement, and the board may
21 condition its approval of the agreement upon the adoption of its
22 recommendations or those of the State Treasurer.

23 b. The board shall approve, approve with conditions, or
24 disapprove the agreement within 60 days of its receipt of an
25 application which the board has deemed to be complete. If the board
26 does not act within 60 days the agreement shall be deemed approved.
27 If the board disapproves the agreement it shall set forth its reasons in
28 writing within 30 days of its disapproval. The governing body may
29 amend the ordinance and resubmit it to the board and the State
30 Treasurer.

31 c. Upon receipt of the approved ordinance from the board the
32 municipal governing body may adopt the ordinance at a meeting of the
33 governing body by a majority of the authorized membership thereof.
34 Any changes to the agreement as embodied in the ordinance shall be
35 by amendment of the ordinance adopted and approved by the same
36 method as prescribed in section 72 of P.L. , c. (C.) (pending
37 before the Legislature as this bill) in connection with the proposed
38 financial agreement included in the ordinance.

39

40 ARTICLE 3 - ABBREVIATED FORECLOSURE AND
41 CONDEMNATION COMPENSATION PROCEEDINGS FOR
42 ABANDONED PROPERTY

43

44 74. (New section) For the purposes of this article:

45 "Abandoned property" means

46 a. real property comprising a vacant parcel of land for which

1 environmental remediation is required by the Department of
2 Environmental Protection pursuant to State law, rule or regulation; or

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

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

14

15 75. (New section) a. A qualified municipality that has designated
16 or appointed a public officer pursuant to section 3 of P.L.1942, c.112
17 (C.40:48-2.5), may adopt an ordinance directing the public officer to
18 undertake an inventory of abandoned property in those areas
19 designated by the municipality for redevelopment according to law.
20 Each item of abandoned property on the inventory shall include the tax
21 block and lot number, the name of the owner of record, if known, and
22 the street address of the lot.

23 b. In those municipalities in which an inventory has been conducted
24 in accordance with subsection a. of this section, the public officer shall
25 maintain a list of abandoned property, to be known as the "abandoned
26 property list." An abandoned property shall not be included on the
27 abandoned property list if rehabilitation is being performed in a timely
28 manner. The abandoned property list also shall include those parcels,
29 whether or not they contain buildings intended for human habitation,
30 occupancy or use, for which the cost of environmental remediation, as
31 would be required under the "Industrial Site Recovery Act," P.L.1983,
32 c.330 (C.13:1K-6 et seq.), or similar State or federal statutes, would
33 exceed the market value of the parcels if no environmental remediation
34 was required.

35 c. (1) The Department of Community Affairs shall adopt rules and
36 regulations prescribing guidelines and criteria for determining if a
37 property is in a state of disrepair and whether such property is
38 undergoing rehabilitation in a timely manner within the meaning of
39 subsection b. of this section. The public officer shall apply such
40 standards in conducting any inventory pursuant to this section.

41 (2) The Department of Community Affairs shall prepare an
42 information bulletin for distribution to every municipality describing
43 the authority of a municipality under existing statutes and regulations
44 to repair, demolish or otherwise deal with abandoned property.

45 d. (1) The public officer, within 10 days of the completion of the
46 abandoned property list, shall send a notice, by certified mail, return

1 receipt requested, and by regular mail, to the owner of record of every
2 property included on the list and shall cause the list to be published in
3 the official newspaper of the municipality, which publication shall
4 constitute public notice. The published and mailed notices shall
5 identify property determined to be abandoned by the owner of record,
6 if known, and by tax lot and block number and street address. The
7 public officer, in consultation with the tax collector, shall also send out
8 a notice by regular mail to any mortgagee, servicing organization, or
9 property tax processing organization that receives a duplicate copy of
10 the tax bill pursuant to subsection d. of R.S.54:4-64. When the owner
11 of record is not known for a particular property and cannot be
12 ascertained by the exercise of reasonable diligence by the tax collector,
13 notice shall not be mailed but instead shall be posted on the property
14 in the manner as provided in section 5 of P.L.1942, c.112
15 (C.40:48-2.7). The mailed notice shall indicate the factual basis for
16 the public officer's finding that the property is abandoned property as
17 that term is defined in section 74 of P.L. , c. (C.) (now
18 pending before the Legislature as this bill) and the rules and
19 regulations promulgated thereunder, specifying the information relied
20 upon in making such finding. In all cases a copy of the mailed or
21 posted notice shall also be filed by the public officer as a notice of lis
22 pendens in the office of the county clerk or register of deeds and
23 mortgages, as the case may be, of the county wherein the property is
24 situate.

25 (2) The authority or its subsidiaries, as appropriate, may reimburse
26 the municipality for the postage costs and search fees associated with
27 providing notice in accordance with paragraph (1) of this subsection
28 in accordance with procedures and rules promulgated by the
29 Department of Community Affairs.

30 e. An owner may challenge the inclusion of his property on the
31 abandoned property list determined pursuant to subsection b. of this
32 section by appealing that determination to the public officer within 30
33 days of the owner's receipt of the certified notice or 40 days from the
34 date upon which the notice was sent. An owner whose identity was
35 not known to the public officer shall have 40 days from the date upon
36 which notice was published or posted, whichever is later, to challenge
37 the inclusion of a property on the abandoned property list. For good
38 cause shown, the public officer shall accept a late filing of an appeal.
39 Within 30 days of receipt of a request for an appeal of the findings
40 contained in the notice pursuant to subsection d. of this section, the
41 public officer shall schedule a hearing for redetermination of the
42 matter. Any property included on the list shall be presumed to be
43 abandoned property unless the owner, through the submission of an
44 affidavit or certification by the property owner averring that the
45 property is not abandoned and stating the reasons for such averment,
46 can demonstrate that the property was erroneously included on the list.

1 The affidavit or certification shall be accompanied by supporting
2 documentation, such as but not limited to photographs, repair
3 invoices, bills and construction contracts. The sole ground for appeal
4 shall be that the property in question is not abandoned property as that
5 term is defined in section 74 of P.L. , c. (C.) (now pending
6 before the Legislature as this bill). The public officer shall decide any
7 timely filed appeal within 10 days of the hearing on the appeal and
8 shall promptly, by certified mail, return receipt requested, and by
9 regular mail, notify the property owner of the decision and the reasons
10 therefore.

11 f. The property owner may challenge an adverse determination of
12 an appeal with the public officer pursuant to subsection e. of this
13 section, by instituting, in accordance with the New Jersey Court Rules,
14 a summary proceeding in the Superior Court, Law Division, venued in
15 the county in which the property is located, which action shall be tried
16 de novo. Such action shall be instituted within 20 days of the date of
17 the notice of decision mailed by the public officer pursuant to
18 subsection e. of this section. The sole ground for appeal shall be that
19 the property in question is not abandoned property as that term is
20 defined in section 74 of P.L. , c. (C.) (now pending before
21 the Legislature as this bill). The failure to institute an action of appeal
22 on a timely basis shall constitute a jurisdictional bar to challenging the
23 adverse determination, except that, for good cause shown, the court
24 may extend the deadline for instituting the action.

25 g. The public officer shall promptly remove any property from the
26 abandoned property list that has been determined not to be abandoned
27 on appeal.

28

29 76. (New section) a. Notwithstanding R.S.54:5-19 or the
30 provisions of any other law to the contrary, if a property is included
31 on the abandoned property list and the property taxes or other
32 municipal liens due on the property are not current as of the date of
33 expiration of the right to appeal inclusion on the list, then the tax lien
34 on the property may be sold in accordance with the procedures in the
35 "tax sale law," R.S.54:5-1 et seq., on or after the 90th day following
36 the expiration of that time of appeal. The purchaser of a tax sale
37 certificate sold pursuant to this subsection, unless it is the municipality
38 or the authority or its subsidiaries, shall be required to post bond to
39 guarantee the rehabilitation of the property in accordance with the
40 requirements for an owner to remove the property from the abandoned
41 property list pursuant to section 75 of P.L. , c. (C.) (pending
42 before the Legislature as this bill). The cost of the bond posted by the
43 purchaser of the tax sale certificate shall be added to the amount
44 required to be paid by the owner for redemption of the property. The
45 municipality may, at its option, require that the sale of the tax sale
46 certificate or any subsequent assignment or transfer of a tax sale

1 certificate held by the municipality be subject to the express condition
2 that the purchaser or assignee shall be obliged to perform and
3 conclude any rehabilitation or repairs necessary to remove the
4 property from the abandoned property list pursuant to section 75 of
5 P.L. , c. (C.) (pending before the Legislature as this bill) and
6 to post a bond in favor of the municipality to guarantee the
7 rehabilitation or repair of the property. The cost of rehabilitation and
8 repairs and the cost of the bond shall be added to the amount required
9 to be paid by the owner for redemption of the property. The
10 purchaser, assignee or transferee of the tax sale certificate who is
11 required to rehabilitate and repair the property shall be required to file
12 the appropriate affidavits with the tax collector, pursuant to R.S.54:5-
13 62, representing the amounts of monies expended periodically toward
14 the rehabilitation or repair of the property. A purchaser, assignee or
15 transferee shall be entitled to interest on the amounts expended, as set
16 forth in the affidavits, at the delinquent rate of interest for
17 delinquencies in excess of \$1,500 pursuant to R.S.54:4-67 of the
18 municipality in effect for the time period when the amounts were
19 expended. The tax sale certificate purchaser, assignee or transferee,
20 under the auspices and with the authority of the municipality, shall be
21 permitted to enter in and upon the property for the purposes of
22 appraising the costs of rehabilitation and repair and to perform all
23 other acts required to guarantee the completion of the rehabilitation or
24 repair of the property. If the tax sale certificate is not purchased at the
25 initial auction of the tax sale certificate and the municipality purchases
26 the certificate pursuant to R.S.54:5-34, then the municipality is
27 authorized and empowered to convey and transfer to the authority or
28 any of its subsidiaries, without receiving compensation therefor, all of
29 its right, title and interest in that certificate.

30 b. (1) If the municipality or the authority or its subsidiaries
31 acquires the tax sale certificate for a property on the abandoned
32 property list, then, upon 10 days' written notice to the property owner
33 and any mortgagee as of the date of the filing of the lis pendens notice
34 under subsection d. of section 75 of P.L. , c. (C.) (pending
35 before the Legislature as this bill), that entity shall be permitted to
36 enter upon the property and remediate any conditions that caused the
37 property to be included on the abandoned property list. No
38 remediation shall be commenced, however, if within that 10 day period
39 the owner or mortgagee shall have notified the municipality or
40 authority or its subsidiary, as appropriate, in writing that the owner or
41 mortgagee has elected to perform the remediation itself. When the
42 owner or mortgagee elects to perform the remediation itself, it shall be
43 required to post bond in favor of the municipality or authority or its
44 subsidiaries, as appropriate, in order to ensure performance. The
45 amount and conditions of the bond shall be determined by the public
46 officer.

1 (2) The cost of remediation incurred by the municipality or the
2 authority or its subsidiaries pursuant to this subsection, as so certified
3 by the entity incurring the cost upon completion of the remediation,
4 shall constitute a lien upon the property first in time and right to any
5 other, except for municipal taxes, liens and assessments and any lien
6 imposed pursuant to the "Spill Compensation and Control Act,"
7 P.L.1976, c.141 (C.58:10-23.11 et seq.). The certification of cost
8 shall be filed as a lien by the entity incurring the cost with the county
9 clerk or register of deeds and mortgages, as appropriate, in the county
10 in which the property is located.

11 c. (1) Failure of an owner to remove a property from the
12 abandoned property list within 60 days after expiration of the period
13 of time for appeal of inclusion of the property on the list pursuant to
14 subsection c. of section 75 of P.L. , c. (C.) (pending before
15 the Legislature as this bill), shall be prima facie evidence of the intent
16 of the owner to continue to maintain the property as abandoned
17 property.

18 (2) Notwithstanding sections 5, 8 and 12 of P.L.1971, c.361
19 (C.20:3-5; 20:3-8; 20:3-12), or any other law to the contrary, the
20 owner of property that is on the abandoned property list and that is
21 being maintained as abandoned property pursuant to paragraph (1) of
22 this subsection shall be deemed to have waived the appointment of
23 commissioners to fix just compensation required to be paid by the
24 municipality, the authority or its subsidiaries through the exercise of
25 their power of eminent domain.

26

27 77. (New section) a. An owner may remove a property from the
28 list of abandoned properties prior to sale of the tax sale certificate by
29 paying all taxes and municipal liens due, including interest and
30 penalties and:

31 (1) by posting cash or a bond equal to the cost of remediating all
32 conditions because of which the property has been deemed to be
33 abandoned pursuant to section 75 of P.L. , c. (C.) (pending
34 before the Legislature as this bill) and posting cash or a bond to cover
35 the cost of any environmental cleanup required on the property,
36 evidenced by a certification by the Department of Environmental
37 Protection that the cash or bond adequately covers the cost of the
38 cleanup; or

39 (2) by demonstrating to the satisfaction of the public officer that the
40 conditions rendering the property abandoned have been remediated in
41 full; provided, however, that where the public officer finds that the
42 owner is actively engaged in remediating the conditions because of
43 which the property was deemed abandoned pursuant to section 75 of
44 P.L. , c. (C.) (pending before the Legislature as this bill), as
45 evidenced by significant rehabilitation activity on the property, the
46 public officer may grant an extension of time of not more than 120

1 days for the owner to complete all work, during which time no further
2 proceedings will be taken against the owner or the property.

3 b. If the owner has posted cash or a bond in order to have a
4 property removed from the abandoned property list and the conditions
5 because of which the property was deemed abandoned have not been
6 fully remediated within one year of the date of posting the cash or
7 bond, or, in the case of a property which requires environmental
8 cleanup, if the cleanup has not been substantially completed within one
9 year of the date of posting the cash or bond, the cash or bond shall be
10 forfeited to the municipality which shall use the cash or bond and any
11 interest which has accrued thereon for the purpose of demolishing or
12 rehabilitating the property or performing the environmental cleanup.
13 Any funds remaining after the property has been demolished,
14 rehabilitated or cleaned up shall be returned to the owner.

15

16 78. (New section) a. Notwithstanding section 6 of P.L.1948, c.96
17 (C.54:5-104.34), when a person other than the municipality or the
18 authority or its subsidiaries acquires a tax sale certificate for a
19 property on the abandoned property list at tax sale, the purchaser may
20 institute an action to foreclose the right of redemption at any time
21 after the expiration of six months following the date of sale.

22 b. Notwithstanding section 6 of P.L.1948, c.96 (C.54:5-104.34),
23 when the municipality is the purchaser at tax sale of any property on
24 the abandoned property list pursuant to R.S.54:5-34, or when the
25 authority or any of its subsidiaries acquires the tax sale certificate
26 pursuant to subsection a. of section 76 of P.L. , c. (C.)
27 (pending before the Legislature as this bill), an action to foreclose the
28 right of redemption may be instituted at any time after the expiration
29 of 10 days following the date of sale, assignment or transfer.

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

34 (1) posts cash or a bond equal to the cost of remediating the
35 conditions because of which the property was deemed abandoned
36 pursuant to section 75 of P.L. , c. (C.) (pending before the
37 Legislature as this bill), as determined by the court; or

38 (2) demonstrates to the court that the conditions because of which
39 the property was deemed abandoned pursuant to section 75 of P.L. ,
40 c. (C.) (pending before the Legislature as this bill) have been
41 remedied in full.

42

43 79. (New section) Once a final judgment barring the right of
44 redemption with respect to a property on the list of abandoned
45 properties has been recorded, no court shall entertain any application
46 to reopen such judgment at any time except on the grounds of lack of

1 jurisdiction or fraud in the conduct of the action; in any such
2 proceeding, the provisions of P.L. , c. (C.) (pending before the
3 Legislature as this bill) shall be construed liberally in favor of the
4 purchaser.

5
6 80. R.S.54:5-86 is amended to read as follows:

7 54:5-86. [The purchaser, his heirs or assigns, in] In addition to the
8 remedy provided by article eight of this chapter (s. 54:5-77 et seq.),
9 when the municipality is the purchaser of a tax sale certificate, the
10 municipality, or its assignee or transferee, may, at any time after the
11 expiration of the term of 6 months from the date of sale [when the
12 municipality is the purchaser, and 2 years from the date of sale for all
13 other purchasers], whether notice to redeem has been given or not,
14 institute an action to foreclose the right of redemption. For all other
15 persons that do not acquire a tax sale certificate held by a municipality,
16 an action to foreclose the right of redemption may be instituted at any
17 time after the expiration of the term of two years from the date of sale
18 of the tax sale certificate. On instituting the action the right to redeem
19 shall exist and continue until barred by the judgment of the Superior
20 Court.

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

22
23 81. Section 30 of P.L.1971, c.361 (C.20:3-30) is amended to read
24 as follows:

25 30. Just compensation shall be determined as of the date of the
26 earliest of the following events: (a) the date possession of the
27 property being condemned is taken by the condemnor in whole or in
28 part; (b) the date of the commencement of the action; (c) the date on
29 which action is taken by the condemnor which substantially affects the
30 use and enjoyment of the property by the condemnee. In the case of
31 a property on the abandoned property list and being maintained as an
32 abandoned property pursuant to subsection c. of section 76 of P.L. ,
33 c. (pending before the Legislature as this bill), just compensation
34 shall be determined as of the date of the declaration of blight by the
35 governing body upon a report by a planning board pursuant to section
36 38 of P.L.1971, c.361 (C.20:3-38), or, if there was no declaration of
37 blight, as of the date of expiration of the condemnee's right to appeal
38 inclusion of the property on the abandoned property list.

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

40
41 82. R.S.54:5-113 is amended to read as follows:

42 54:5-113. When a municipality has or shall have acquired title to
43 real estate by reason of its having been struck off and sold to the
44 municipality at a sale for delinquent taxes and assessments, the
45 governing body thereof may by resolution authorize a private sale of
46 the certificate of tax sale therefor, together with subsequent liens

1 thereon, for not less than the amount of liens charged against such real
2 estate, except as provided in section 2 of P.L.1993, c.113
3 (C.54:5-113.1) and subsection a. of section 77 of P.L. , c.
4 (C.) (pending before the Legislature as this bill). The sale
5 shall be made by assignment executed by such officers as may be
6 designated in the resolution. When the total amount of the municipal
7 liens shall, at the time of the proposed sale or assignment, exceed the
8 assessed value of the real estate as of the date of the last sale thereof
9 for unpaid taxes and assessments, the certificates, together with
10 subsequent liens thereon, may be sold and assigned for a sum not less
11 than such assessed value.

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

13

14 ARTICLE 4 - NEIGHBORHOOD EMPOWERMENT PROGRAM

15

16 83. (New section) a. Within one year of the effective date
17 of P.L. , c. (C.) (pending before the Legislature as this bill), the
18 New Jersey Redevelopment Authority shall distribute to the clerk of
19 each qualified municipality eligibility guidelines for participation in the
20 neighborhood empowerment program. The eligibility guidelines shall
21 be established by the authority but shall require the approval of the
22 Urban Policy Coordinating Council established pursuant to section 7
23 of P.L. c. (C.) (pending before the Legislature as this bill)
24 prior to being issued.

25 b. In order to be eligible for priority consideration by the authority
26 in designating empowerment neighborhoods, a qualified municipality
27 shall demonstrate, to the satisfaction of the authority, that the
28 municipality is willing to forgive back taxes on properties which are
29 currently tax delinquent in order to allow for a sale to a new owner
30 who demonstrates, to the satisfaction of the municipality, that the
31 property is to be part of a redevelopment plan. In adopting such a tax
32 forgiveness policy, a municipality may establish whatever safeguards
33 are necessary to ensure that the new owner is in no way associated
34 with the previous owner who incurred the tax liability and may also
35 adopt an ordinance providing for reimbursement by a redeveloper for
36 taxes foregone and penalties if the new owner does not redevelop the
37 property within such period of time as is specified in the ordinance.
38 Such a policy may only be adopted by a municipality if in the
39 determination of the municipality or the authority, the property on
40 which taxes are forgiven would not be redeveloped without public
41 intervention.

42

43 84. (New section) Before applying for participation in the
44 neighborhood empowerment program, the municipal governing body
45 shall cause a preliminary comprehensive plan to be formulated, either
46 by the planning board or the governing body, with the assistance of

1 those officers and agencies of the municipality as the governing body
2 shall designate. The preliminary comprehensive plan shall set forth the
3 boundaries of the proposed empowerment neighborhood, findings of
4 fact concerning the economic and social conditions existing in the area
5 proposed for an empowerment neighborhood, and the municipality's
6 policy and intentions for addressing those conditions and shall include
7 a statement of:

8 a. how existing powers granted to the municipality by law will be
9 utilized to further economic development;

10 b. how State moneys and other assistance made available by the
11 authority will be utilized to further economic revitalization goals;

12 c. how public participation was elicited in preparing the
13 comprehensive plan, including local associations and voluntary
14 community organizations supported by residents and businesses in the
15 empowerment neighborhood;

16 d. how planning and zoning laws will be utilized to enhance the
17 attractiveness of the empowerment neighborhood to potential
18 developers;

19 e. what infrastructure needs exist within the empowerment
20 neighborhood and State participation which needs to be secured in
21 order to promote economic activity;

22 f. an inventory of sites in the empowerment neighborhood which
23 require any environmental cleanup;

24 g. proposed projects which may be initiated or advanced with
25 authority assistance; and

26 h. the availability and efficiency of support services, public and
27 private, generally used by and necessary to the efficient functioning of
28 commercial and industrial facilities in the area and the extent to which
29 the increase or improvement is to be provided and financed by the
30 municipal government or by other entities.

31

32 85. (New section) In designating qualified municipalities for
33 participation in the neighborhood empowerment program, the
34 authority shall accord preference to comprehensive plans which:

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

37 b. are designed to address the greatest degree of urban distress, as
38 measured by existing levels of unemployment, poverty, and property
39 tax arrearages;

40 c. demonstrate the most substantial and reliable commitments of
41 resources by empowerment neighborhood businesses, associations,
42 voluntary community organizations and other private entities to the
43 economic success of the empowerment neighborhood;

44 d. demonstrate the most substantial effort and commitment by the
45 municipality to encourage economic activity in the area and to remove
46 disincentives for job creation compatible with the fiscal condition of

1 the municipality; and

2 e. demonstrate most convincingly to the authority how the
3 proposed plan will increase jobs and ratables in the neighborhood,
4 thereby lessening the need for municipal tax increases.

5

6 86. (New section) In addition to the considerations set forth in
7 section 85 of P.L. , c. (C.) (pending before the Legislature as this
8 bill), the authority in evaluating a comprehensive plan for designation
9 purposes shall consider:

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

12 b. the adverse or beneficial effects of an empowerment
13 neighborhood located at the proposed area upon economic
14 development activities or projects of State or other public agencies
15 which are in operation or are approved for operation in the qualified
16 municipality;

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

21 d. the impact of the comprehensive plan upon the social,
22 educational, natural and historic environment of the proposed
23 empowerment neighborhood; and

24 e. the degree to which the implementation of the plan involves the
25 relocation of residents from the proposed empowerment neighborhood
26 and the adequacy of commitments and provisions with respect thereto.

27

28 87. (New section) Any qualified municipality may designate any
29 area set forth in the comprehensive plan as an empowerment
30 neighborhood. Upon receipt of an application from a qualified
31 municipality, the authority shall review the application to determine
32 whether or not it meets the minimum criteria established pursuant to
33 subsection b. of section 83 of P.L. , c. (C.) (pending
34 before the Legislature as this bill). The authority shall complete its
35 review within 90 days of receiving an application, but may extend this
36 time period by an additional 60 days if necessary.

37

38 88. (New section) a. Once the authority has identified those
39 qualified municipalities whose comprehensive plans fulfill the criteria
40 for designation set forth in sections 83 and 84 of P.L. , c.
41 (C.) (pending before the Legislature as this bill), the authority
42 shall hold public hearings for the purpose of receiving public
43 comments on the applications. At least one public hearing shall be
44 held in a municipality which has applied for empowerment
45 neighborhood designation. The authority shall give at least 30 days'
46 public notice of each hearing in advertisements in at least two

1 newspapers which circulate in the area served by the hearing and at
2 least 30 days' notice to the governing body and planning board of each
3 county and municipality in the area served by the hearing.

4 b. Taking full account of the testimony presented at the public
5 hearings, the authority shall make a determination regarding the
6 designation of empowerment neighborhoods within 30 days of the final
7 hearing.

8 c. The authority shall designate as many empowerment
9 neighborhoods as possible given available financial resources and the
10 ability of the authority to oversee project implementation. The
11 application process for each application cycle, including the public
12 hearings, shall occur as set forth in this section.

13
14 89. (New section) Any municipality in which an empowerment
15 neighborhood has been designated shall be eligible for investments by
16 the authority from the New Jersey Redevelopment Investment Fund in
17 infrastructure improvements and any other projects which the
18 authority may choose to invest in; however, the authority shall give
19 priority to financing projects in empowerment neighborhoods. The
20 authority shall accord priority to empowerment neighborhoods in
21 allocating any moneys for code enforcement or demolition activities.
22 In addition, the following powers may be exercised in empowerment
23 neighborhoods:

24 a. Notwithstanding the provisions of the "Local Lands and
25 Buildings Law," P.L.1971, c.199 (C.40A:12-1 et seq.) or any other
26 law to the contrary, the authority may convey property acquired by the
27 authority to a private developer for nominal consideration in
28 connection with a project approved by the authority;

29 b. Any person who owns or has acquired property in a designated
30 empowerment neighborhood which is the site of a hazardous substance
31 discharge, and did not discharge the hazardous substance and who was
32 in no way responsible for or associated with the actions which caused
33 the initial discharge, and would, except for the provisions of this
34 section, be liable for cleanup and removal costs pursuant to section 8
35 of P.L.1976, c.141 (C.58:10-23.11g), shall not be required to pay
36 cleanup and removal costs greater than 133% of the appraised value
37 of the property subject to the cleanup and removal if that property has
38 been transferred to the property owner subsequent to having been
39 acquired by the municipality or the authority through the accelerated
40 foreclosure process and is to be redeveloped as part of a project
41 undertaken by or in association with the authority. The difference
42 between the cost of the cleanup and removal and the cost allocated to
43 the property owner shall be paid from any funds made available for the
44 cleanup and removal pursuant to sections 27 or 28 of P.L.1993, c.139
45 (C.58:10B-5 or C.58:10B-6), the New Jersey Redevelopment
46 Investment Fund established pursuant to section 34 of P.L. , c.

1 (C.) (pending before the Legislature as this bill) or from other
2 persons liable pursuant to section 8 of P.L.1976, c.141
3 (C.58:10-23.11g). Nothing in this subsection shall afford a property
4 owner or the authority a higher priority to receive funding from the
5 Hazardous Discharge Site Remediation Fund than would otherwise be
6 the case. Any person who owns or has acquired property in a
7 designated empowerment neighborhood and whose liability for cleanup
8 costs has been limited to 133% of appraised value pursuant to this
9 subsection may not make a claim from the New Jersey Spill
10 Compensation Fund for any cleanup or removal costs or for any direct
11 or indirect damages pursuant to the provisions of P.L.1976, c.141
12 (C.58:10-23.11 et seq.). This limitation on the right to make a claim
13 against the New Jersey Spill Compensation Fund shall not affect the
14 right of any other person, except the property owner, to make such a
15 claim against the fund. The limit on liability provided in this section
16 shall apply on a per property basis even if more than one person has
17 acquired the property.

18 The authority shall, to the extent possible, make funds available on
19 the same basis to persons situated in a qualified municipality in which
20 a designated empowerment neighborhood is located, but outside
21 neighborhood boundaries.

22 c. Notwithstanding any other law to the contrary, any person who
23 owns or has acquired property in a designated empowerment
24 neighborhood which is the site of a hazardous discharge, and did not
25 discharge the hazardous substance and who was in no way responsible
26 for or associated with the actions which caused the initial discharge,
27 shall only be required to perform those cleanup and removal actions
28 that are necessary to make the property safe for its intended use. The
29 property owner shall not be required to perform any additional cleanup
30 or removal actions on that property and that property owner shall not
31 be liable in any civil, criminal, or administrative action for any damages
32 caused to any other person due to the existence of any hazardous
33 substance on or off-site that the property owner was not required to
34 clean up or remove pursuant to this section. In making the property
35 safe for its intended use the property owner shall comply with the
36 remediation standards, remedial actions, limitations on the use of the
37 property, and any other conditions as may be required pursuant to
38 sections 35 and 36 of P.L.1993, c.139 (C.58:10B-12 and
39 C.58:10B-13). In addition, if the owner of the property proposes to
40 change the use of the property, notice shall be given to the enforcing
41 agency pursuant to P.L.1975, c.217 (C.52:27D-119 et seq.). The
42 enforcing agency may only issue a certificate of occupancy to use the
43 property in the manner in which the change of use is intended if that
44 use is consistent with the restrictions on the use of that property as
45 required pursuant to section 36 of P.L.1993, c.139 (C.58:10B-13).

46 d. Whenever grant money is provided for a cleanup and removal

1 from the Hazardous Discharge Remediation Fund or the New Jersey
2 Redevelopment Investment Fund pursuant subsection b. of this
3 section, a lien for 50% of the amount of any grant monies expended
4 from either fund shall attach against the property once it is conveyed
5 to another person from the authority or municipality. The lien shall
6 expire after five years if the person maintains ownership of that
7 property. If the property is sold prior to the five year period the
8 amount of the lien shall become due and shall be repaid to the fund
9 from which the grant was made.

10

11 ARTICLE 5 - URBAN SITE REMEDIATION STANDARDS

12

13 90. (New section) a. If the Department of Environmental
14 Protection issues a no further action letter or approves a remedial
15 action workplan, for a discharge which occurred prior to or after the
16 effective date of this act, then any person who is not otherwise liable
17 for the discharge shall not be liable for the discharge based solely on
18 becoming an owner or operator of the site of the discharge within an
19 empowerment neighborhood designated pursuant to section 88 of
20 P.L. , c. (C.)(pending before the Legislature as this bill), after the
21 discharge has occurred. The provisions of this section shall only apply
22 when the person is in compliance with all of the conditions of the no
23 further action letter or is in compliance with the remedial action
24 workplan; and the person has maintained all applicable engineering and
25 institutional controls.

26

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

30

31 91. Section 35 of P.L.1993, c.139 (C.58:10B-12) is amended to
32 read as follows:

33

34 35. a. The Department of Environmental Protection [and Energy]
35 shall adopt minimum remediation standards for soil, groundwater, and
36 surface water quality necessary for the remediation of contamination
37 of real property. The remediation standards shall be developed to
38 ensure that the potential for harm to public health and safety and to the
39 environment is minimized to acceptable levels, taking into
40 consideration the location, the surroundings, the intended use of the
41 property, the potential exposure to the discharge, and the surrounding
42 ambient conditions, whether naturally occurring or man-made.

42

43 Until the minimum remediation standards for the protection of
44 public health and safety as described herein are adopted, the
45 department shall apply public health and safety remediation standards
46 for contamination at a site on a case-by-case basis based upon the
47 considerations and criteria enumerated in this section.

1 The department shall not propose or adopt remediation standards
2 protective of the environment pursuant to this section, except
3 standards for groundwater or surface water, until recommendations
4 are made by the Environment Advisory Task Force created pursuant
5 to section 37 of P.L.1993, c.139. Until the Environment Advisory
6 Task Force issues its recommendations and the department adopts
7 remediation standards protective of the environment as required by
8 this section, the department shall continue to determine the need for
9 and the application of remediation standards protective of the
10 environment on a case-by-case basis in accordance with the guidance
11 and regulations of the United States Environmental Protection Agency
12 pursuant to the "Comprehensive Environmental Response,
13 Compensation and Liability Act of 1980," 42 U.S.C. §9601 et seq. and
14 other statutory authorities as applicable.

15 b. In developing minimum remediation standards the department
16 shall:

17 (1) base the standards on generally accepted and peer reviewed
18 scientific evidence or methodologies;

19 (2) base the standards upon reasonable assumptions of exposure
20 scenarios as to amounts of contaminants to which humans or other
21 receptors will be exposed, when and where those exposures will occur,
22 and the amount of that exposure;

23 (3) avoid the use of redundant conservative assumptions. The
24 department shall avoid the use of redundant conservative assumptions
25 by the use of parameters that provide an adequate margin of safety and
26 which avoid the use of unrealistic conservative exposure parameters
27 and which guidelines make use of the guidance and regulations for
28 exposure assessment developed by the United States Environmental
29 Protection Agency pursuant to the "Comprehensive Environmental
30 Response, Compensation, and Liability Act of 1980," 42 U.S.C. §9601
31 et seq. and other statutory authorities as applicable; and

32 (4) where feasible, establish the remediation standards as numeric
33 or narrative standards setting forth acceptable levels or concentrations
34 for particular contaminants.

35 c. (1) The department shall develop residential and nonresidential
36 soil remediation standards that are protective of public health and
37 safety. For contaminants that are mobile and transportable to
38 groundwater, the residential and nonresidential soil remediation
39 standards shall be protective of groundwater and surface water.
40 Residential soil remediation standards shall be set at levels or
41 concentrations of contamination for real property based upon the use
42 of that property for residential or similar uses and which will allow the
43 unrestricted use of that property without exceeding a health risk level
44 greater than that provided in subsection d. of this section.
45 Nonresidential soil remediation standards shall be set at levels or
46 concentrations of contaminants that recognize the lower likelihood of

1 exposure to contamination on property that will not be used for
2 residential or similar uses. Whenever real property is remediated to a
3 nonresidential soil remediation standard, except as otherwise provided
4 in paragraph (3) of subsection g. of this section, the department shall
5 require, pursuant to section 36 of P.L.1993, c.139 (C.58:10B-13), that
6 the use of the property be restricted to nonresidential or other uses
7 compatible with the extent of the contamination of the soil and that
8 access to that site be restricted in a manner compatible with the
9 allowable use of that property.

10 (2) The department may develop differential remediation standards
11 for surface water or groundwater that take into account the current,
12 planned, or potential use of that water in accordance with the "Clean
13 Water Act" (33 U.S.C. §1251 et seq.) and the "Water Pollution
14 Control Act," P.L.1977, c.74 (C.58:10A-1 et seq.).

15 d. In developing minimum remediation standards intended to be
16 protective of public health and safety, the department shall identify the
17 hazards posed by a contaminant to determine whether exposure to that
18 contaminant can cause an increase in the incidence of an adverse health
19 effect and whether the adverse health effect may occur in humans.
20 The department shall set minimum soil remediation standards for both
21 residential and nonresidential uses that:

22 (1) for human carcinogens, as categorized by the United States
23 Environmental Protection Agency, will result in an additional cancer
24 risk of one in one million;

25 (2) for noncarcinogens, will limit the Hazard Index for any given
26 effect to a value not exceeding one.

27 The health risk levels established in this subsection are for any
28 particular contaminant and not for the cumulative effects of more than
29 one contaminant at a site.

30 e. Remediation standards and other requirements established
31 pursuant to this section shall apply to remediation activities required
32 pursuant to the "Spill Compensation and Control Act," P.L.1976,
33 c.141 (C.58:10-23.11 et seq.), the "Water Pollution Control Act,"
34 P.L.1977, c.74 (C.58:10A-1 et seq.), P.L.1986, c.102 (C.58:10A-21
35 et seq.), the "Industrial Site Recovery Act," P.L.1983, c.330
36 (C.13:1K-6 et al.), the "Solid Waste Management Act (1970),"
37 P.L.1970, c.39 (C.13:1E-1 et seq.), the "Comprehensive Regulated
38 Medical Waste Management Act," P.L.1989, c.34 (C.13:1E-48.1 et
39 seq.), the "Major Hazardous Waste Facilities Siting Act," P.L.1981,
40 c.279 (C.13:1E-49 et seq.), the "Sanitary Landfill Facility Closure and
41 Contingency Fund Act," P.L.1981, c.306 (C.13:1E-100 et seq.), the
42 "Regional Low-Level Radioactive Waste Disposal Facility Siting Act,"
43 P.L.1987, c.333 (C.13:1E-177 et seq.), or any other law or regulation
44 by which the State may compel a person to perform remediation
45 activities on contaminated property. However, nothing in this
46 subsection shall be construed to limit the authority of the department

1 to establish discharge limits for pollutants or to prescribe penalties for
2 violations of those limits pursuant to the "Water Pollution Control
3 Act." P.L.1977, c.74 (C.58:10A-1 et seq.), or to require the complete
4 removal of nonhazardous solid waste pursuant to law.

5 f. (1) A person performing a remediation of contaminated real
6 property, in lieu of using the established minimum soil remediation
7 standard for either residential use or nonresidential use adopted by the
8 department pursuant to subsection c. of this section, may submit to the
9 department a request to use an alternative residential use or
10 nonresidential use soil remediation standard. The use of an alternative
11 soil remediation standard shall be based upon site specific factors
12 which may include (1) physical site characteristics which may vary
13 from those used by the department in the development of the soil
14 remediation standards adopted pursuant to this section; or (2) a site
15 specific risk assessment. If a person performing a remediation
16 requests to use an alternative soil remediation standard based upon a
17 site specific risk assessment, that person shall demonstrate to the
18 department that the requested deviation from the risk assessment
19 protocol used by the department in the development of soil
20 remediation standards pursuant to this section is consistent with the
21 guidance and regulations for exposure assessment developed by the
22 United States Environmental Protection Agency pursuant to the
23 "Comprehensive Environmental Response, Compensation, and
24 Liability Act of 1980," 42 U.S.C. §9601 et seq. and other statutory
25 authorities as applicable. A site specific risk assessment may consider
26 exposure scenarios and assumptions that take into account the form of
27 the contaminant present, natural biodegradation, fate and transport of
28 the contaminant, and available toxicological data that are based upon
29 generally accepted and peer reviewed scientific evidence or
30 methodologies.

31 Upon a determination by the department that the requested
32 alternative remediation standard is protective of public health and
33 safety, as established in subsection d. of this section, and protective of
34 the environment pursuant to subsection a. of this section, the
35 alternative residential use or nonresidential use soil remediation
36 standard shall be approved by the department.

37 (2) The department may, upon its own initiative, require an
38 alternative remediation standard for a particular contaminant for a
39 specific real property site, in lieu of using the established minimum
40 residential use or nonresidential use soil remediation standard adopted
41 by the department for a particular contaminant pursuant to this
42 section. The department may require an alternative remediation
43 standard pursuant to this paragraph upon a determination by the
44 department, based on the weight of the scientific evidence, that due to
45 specific physical site characteristics of the subject real property, the
46 use of the adopted residential use or nonresidential use soil

1 remediation standards would not be protective of public health or
2 safety or of the environment, as appropriate.

3 g. The development, selection, and implementation of any
4 remediation standard or remedial action shall ensure that it is
5 protective of public health, safety, and the environment, as applicable,
6 as provided in this section. In determining the appropriate remedial
7 action that shall occur at a site in order to meet the established
8 remediation standards, the department, or any person performing the
9 remediation, shall base its decision on the following factors:

10 (1) Permanent and nonpermanent remedies shall be allowed except
11 that permanent remedies shall be preferred over nonpermanent
12 remedies for remedial actions;

13 (2) Contamination may, upon the department's approval, be left
14 onsite at levels or concentrations that exceed the minimum soil
15 remediation standards for residential use or nonresidential use if the
16 implementation of institutional or engineering controls at that site will
17 result in the protection of public health, safety and the environment at
18 the risk level established in subsection d. of this section and if the
19 requirements established in subsections a., b., c. and d. of section 36
20 of P.L.1993, c.139 (C.58:10B-13) are met;

21 (3) Real property on which there is soil that has not been
22 remediated to the residential soil remediation standards, or real
23 property on which the soil, groundwater, or surface water has been
24 remediated to meet the required health risk level by the use of
25 engineering or institutional controls, may be developed or used for
26 residential purposes, or for any other similar purpose, if (a) all areas
27 of that real property at which a person may come into contact with soil
28 are remediated to meet the residential soil remediation standards and
29 (b) it is clearly demonstrated that for all areas of the real property,
30 other than those described in subparagraph (a) above, engineering and
31 institutional controls can be implemented and maintained on the real
32 property sufficient to meet the health risk level as established in
33 subsection d. of [this] section 35 of P.L.1993, c.139 (C.58:10B-12);

34 (4) Remediation shall not be required beyond the regional natural
35 background levels for any particular contaminant. The department
36 shall develop regulations that set forth a process to identify
37 background levels of contaminants for a particular region. For the
38 purpose of this paragraph "regional natural background levels" means
39 the concentration of a contaminant consistently present in the
40 environment of the region of the site and which has not been
41 influenced by localized human activities;

42 (5) Remediation shall not be required of the owner or operator of
43 real property for contamination coming onto the site from another
44 property owned and operated by another person, unless the owner or
45 operator is in any way responsible for the discharge;

46 (6) Groundwater that is contaminated shall not be required to be

1 remediated to a level or concentration for any particular contaminant
2 lower than the level or concentration that is migrating onto the
3 property from another property owned and operated by another
4 person;

5 (7) The technical performance, effectiveness and reliability of the
6 proposed remedial action in attaining and maintaining compliance with
7 applicable remediation standards and required health risk levels. In
8 reviewing a proposed remedial action, the department shall also
9 consider the ability of the owner or operator to implement the
10 proposed remedial action within a reasonable time frame without
11 jeopardizing public health, safety or the environment;

12 (8) In the case of a proposed remedial action that will not meet the
13 established minimum residential use soil remediation standards, the
14 cost of all available permanent remedies is unreasonable, as determined
15 by department rules designed to provide a cost-based preference for
16 the use of permanent remedies. The department shall adopt
17 regulations, no later than 18 months after the effective date of this act,
18 establishing criteria and procedures for allowing a person to
19 demonstrate that the cost of all available permanent remedies is
20 unreasonable. Until the department adopts those regulations, it shall
21 not require a person performing a remedial action to implement a
22 permanent remedy, unless the cost of implementing a nonpermanent
23 remedy is 50 percent or more than the cost of implementing a
24 permanent remedy; provided, however, that the preceding provision
25 shall not apply to any owner or operator of an industrial establishment
26 who is implementing a remedial action pursuant to subsection i. of
27 section 4 of P.L.1983, c.330 (C.13:1K-9);

28 (9) The use of the established nonresidential soil remediation
29 standard shall not be unreasonably disapproved by the department.

30 The department may require the person performing the remediation
31 to supply the information required pursuant to this subsection as is
32 necessary for the department to make a determination.

33 h. (1) The department shall adopt regulations which establish a
34 procedure for a person to demonstrate that a particular parcel of land
35 contains large quantities of historical fill material. Upon a
36 determination by the department that large quantities of historic fill
37 material exist on that parcel of land, there is a rebuttable presumption
38 that the department shall not require any person to remove or treat the
39 fill material in order to comply with a remediation standard. In these
40 areas the department shall establish by regulation the requirement for
41 engineering or institutional controls that are designed to prevent
42 exposure of these contaminants to humans, that allow for the
43 continued use of the property, that are less costly than removal or
44 treatment, which maintain the health risk levels as established in
45 subsection d. of this section, and, as applicable, are protective of the
46 environment. The department may rebut the presumption only upon

1 a finding by the preponderance of the evidence that the use of
2 engineering or institutional controls would not be effective in
3 protecting public health, safety, and the environment. For the purposes
4 of this paragraph "historic fill material" means generally large volumes
5 of non-indigenous material, used to raise the topographic elevation of
6 a site, which were contaminated prior to emplacement and are in no
7 way connected with the operations at the location of emplacement and
8 which include, but are not limited to, construction debris, dredge
9 spoils, incinerator residue, demolition debris, fly ash, and
10 non-hazardous solid waste. Historic fill material shall not include any
11 material which is substantially chromate chemical production waste or
12 any other chemical production waste or waste from processing of
13 metal or mineral ores, residues, slags or tailings.

14 (2) The department shall develop recommendations for remedial
15 actions in large areas of historic industrial contamination. These
16 recommendations shall be designed to meet the health risk levels
17 established in subsection d. of this section, and to be protective of the
18 environment and shall take into account the industrial history of these
19 sites, the extent of the contamination that may exist, the costs of
20 remedial actions, the economic impacts of these policies, and the
21 anticipated uses of these properties. The department, within one year
22 of the enactment of this act, shall issue a report to the Senate
23 Environment Committee and to the Assembly Energy and Hazardous
24 Waste Committee, or their successors, explaining these
25 recommendations and making any recommendations for legislative or
26 regulatory action.

27 (3) The department may not, as a condition of allowing the use of
28 a nonresidential use soil remediation standard, or the use of
29 institutional or engineering controls, require the owner of that real
30 property, except as provided in section 36 of P.L.1993, c.139
31 (C.58:10B-13), to restrict the use of that property through the filing
32 of a deed easement, covenant, or condition.

33 (4) The department shall adopt regulations whereby a person who
34 is performing a remediation on real property located in a qualified
35 municipality, may apply for that property to receive an urban
36 redevelopment remediation exemption. Upon a determination that a
37 parcel of real property qualifies for the exemption because of its
38 location in a qualified municipality, there is a rebuttable presumption
39 that the remedial action workplan is in compliance with the
40 department's regulations and is approved. For properties that qualify
41 for the exemption, the department shall establish by regulation the
42 requirements and standards for the contents of the remedial action
43 workplan. Notwithstanding the exemption granted pursuant to this
44 paragraph, the department may require the removal of the source of
45 continuing contamination. The department may rebut the presumption
46 only upon a finding by the preponderance of the evidence that the

1 remedial action workplan does not conform to the requirements and
2 standards established by regulation or that it would not be effective in
3 protecting public health, safety, and the environment.

4 i. The department may not require a remedial action workplan to
5 be prepared or implemented or engineering or institutional controls to
6 be imposed upon any real property unless sampling performed at that
7 real property demonstrates the existence of contamination above the
8 applicable remediation standards.

9 j. Upon the approval by the department of a remedial action
10 workplan, or similar plan that describes the extent of contamination at
11 a site and the remedial action to be implemented to address that
12 contamination, the department may not subsequently require a change
13 to that workplan or similar plan in order to compel a different
14 remediation standard due to the fact that the established remediation
15 standards have changed; however, the department may compel a
16 different remediation standard if the difference between the new
17 remediation standard and the remediation standard approved in the
18 workplan or other plan differs by an order of magnitude. The
19 limitation to the department's authority to change a workplan or
20 similar plan pursuant to this subsection shall only apply if the workplan
21 or similar plan is being implemented in a reasonable time frame, as may
22 be indicated in the approved remedial action workplan or similar plan.

23 k. Notwithstanding any other provisions of this section, all
24 remediation standards and remedial actions that involve real property
25 located in the Pinelands area shall be consistent with the provisions of
26 the "Pinelands Protection Act," P.L.1979, c.111 (C.13:18A-1 et seq.),
27 any rules and regulations promulgated pursuant thereto, and with
28 section 502 of the "National Parks and Recreation Act of 1978," [16
29 U.S.C. §4711] 16 U.S.C. §471.

30 l. Upon the adoption of a remediation standard for a particular
31 contaminant in soil, groundwater, or surface water pursuant to this
32 section, the department may amend that remediation standard only
33 upon a finding that a new standard is necessary to maintain the health
34 risk levels established in subsection d. of section 35 of P.L.1993, c.139
35 (C.58:10B-12) or to protect the environment, as applicable. The
36 department may not amend a public health based soil remediation
37 standard to a level that would result in a health risk level more
38 protective than that provided for in subsection d. of section 35 of
39 P.L.1993, c.139 (C.58:10B-12).

40 m. Nothing in P.L.1993, c.139 shall be construed to restrict or in
41 any way diminish the public participation which is otherwise provided
42 under the provisions of the "Spill Compensation and Control Act,"
43 P.L.1976, c.141 (C.58:10-23.11 et seq.).

44 (cf: P.L.1993, c.139, s.35)

45

46 92. (New section) a. The Commissioner of Environmental

1 Protection shall appoint an Urban Site Remediation Coordinator. The
2 coordinator shall be responsible for the oversight and approval of site
3 remediations conducted in areas designated as empowerment
4 neighborhoods pursuant to article 4 of P.L. , c. (C.) (pending
5 before the Legislature as this bill). The Commissioner of
6 Environmental Protection shall vest in the coordinator sufficient
7 authority to properly manage the timely approval of site remediation
8 activities in empowerment neighborhoods. The director shall report
9 directly to the commissioner. The coordinator shall meet regularly
10 with the commissioner to ensure the proper and efficient coordination
11 of these projects.

12 b. Upon the submittal of the administratively and technically
13 complete and accurate results of a phase of a remediation required to
14 be submitted that requires the department's review and approval in
15 order to comply with the applicable laws and regulations concerning
16 a site remediation conducted in an area designated as an empowerment
17 neighborhood, the department shall review and approve, approve with
18 conditions, or disapprove the submission or other documents within
19 the following time frames:

- 20 (1) preliminary assessment - 15 days;
21 (2) site investigation - 15 days;
22 (3) remedial investigation workplan - 30 days;
23 (4) remedial investigation report - 60 days;
24 (5) remedial action workplan - 90 days;
25 (6) remedial action progress reports - 30 days;
26 (7) remedial action final report - 45 days.

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

30 27. a. (1) Financial assistance from the remediation fund, made to
31 persons other than municipal governmental entities, the New Jersey
32 Redevelopment Authority, or to persons who voluntarily undertake a
33 remediation, may only be rendered to persons who cannot establish a
34 remediation funding source for the full amount of a remediation.
35 Financial assistance pursuant to this act may be rendered only for that
36 amount of the cost of a remediation for which the person cannot
37 establish a remediation funding source.

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

42 b. Financial assistance may be rendered from the remediation fund
43 to (1) owners or operators of industrial establishments who are
44 required to perform remediation activities pursuant to P.L.1983, c.330
45 (C.13:1K-6 et al.), upon closing operations or prior to the transfer of
46 ownership or operations of an industrial establishment, (2) persons

1 who have discharged a hazardous substance or who are in any way
2 responsible for a hazardous substance pursuant to P.L.1976, c.141
3 (C.58:10-23.11 et seq.), and (3) persons who voluntarily undertake the
4 remediation of a discharge of a hazardous substance or hazardous
5 waste and who have not been ordered or directed to perform the
6 remediation by the department or by a court.

7 c. Financial assistance and grants may be made from the
8 remediation fund to municipal governmental entities that own or hold
9 a tax sale certificate on real property on which there has been a
10 discharge or on which there is a suspected discharge of a hazardous
11 substance or hazardous waste or the New Jersey Redevelopment
12 Authority established pursuant to P.L. , c. (C.) (pending
13 before the Legislature as this bill) for any such real property upon
14 which the New Jersey Redevelopment Authority owns or holds the tax
15 sale certificate.

16 d. Grants may be made from the remediation fund to persons,
17 including the New Jersey Redevelopment Authority, other than other
18 governmental entities who own real property on which there has been
19 a discharge of a hazardous substance or a hazardous waste and that
20 person qualifies for an innocent party grant pursuant to section 28 of
21 P.L.1993, c.139 (C.58:10B-6).

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

26
27 94. Section 28 of P.L.1993, c.139 (C.58:10B-6) is amended to
28 read as follows:

29 28. a. Except for moneys deposited in the remediation fund for
30 specific purposes, financial assistance and grants from the remediation
31 fund shall be rendered for the following purposes and, on an annual
32 basis, obligated in the percentages as provided in this subsection.
33 Upon a written joint determination by the authority and the department
34 that it is in the public interest, financial assistance and grants dedicated
35 for the purposes and in the percentages set forth in paragraph (1), (2),
36 or (3) of this subsection, may, for any particular year, be obligated to
37 other purposes set forth in this subsection. The written determination
38 shall be sent to the Senate Environment Committee, and the Assembly
39 Environment and Energy [and Hazardous Waste] Committee, or their
40 successors. For the purposes of this section, "person" shall include the
41 New Jersey Redevelopment Authority established pursuant to P.L. ,
42 c. (C.) (pending before the Legislature as this bill).

43 (1) At least 15% of the moneys shall be allocated for financial
44 assistance to persons, including the New Jersey Redevelopment
45 Authority, other than other governmental entities, for remediation of
46 real property located in a qualifying municipality as defined in section

- 1 1 of P.L.1978, c.14 (C.52:27D-178);
- 2 (2) At least 10% of the moneys shall be allocated for financial
3 assistance and grants to municipal governmental entities that [own or]
4 hold a tax sale certificate on real property or have acquired through
5 foreclosure or other similar means real property on which there has
6 been or on which there is suspected of being a discharge of hazardous
7 substances or hazardous wastes or the New Jersey Redevelopment
8 Authority established pursuant to P.L. , c. (C.) (pending
9 before the Legislature as this bill), for any such real property upon
10 which the New Jersey Redevelopment Authority owns or holds the tax
11 sale certificate. Grants shall be used for performing preliminary
12 assessments [and], site investigations, and remedial investigations on
13 property [owned] acquired by a municipal governmental entity or the
14 New Jersey Redevelopment Authority, as the case may be, or on which
15 the municipality or the New Jersey Redevelopment Authority owns or
16 holds a tax sale certificate, in order to determine the existence or
17 extent of any hazardous substance or hazardous waste contamination
18 on those properties. A municipal governmental entity that has
19 performed a preliminary assessment [and], site investigation and
20 remedial investigation on property or the New Jersey Redevelopment
21 Authority, in any case where the New Jersey Redevelopment Authority
22 has performed the preliminary assessment, site investigation, and
23 remedial investigation may obtain a loan for the purpose of continuing
24 the remediation on those properties it owns as necessary to comply
25 with the applicable remediation standards adopted by the department;
- 26 (3) At least 15% of the moneys shall be allocated for financial
27 assistance to persons [or], including the New Jersey Redevelopment
28 Authority, or municipal governmental entities for remediation activities
29 at sites that have been contaminated by a discharge of a hazardous
30 substance or hazardous waste, or at which there is an imminent and
31 significant threat of a discharge of a hazardous substance or hazardous
32 waste, and the discharge or threatened discharge poses or would pose
33 an imminent and significant threat to a drinking water source, to
34 human health, or to a sensitive or significant ecological area;
- 35 (4) At least 10% of the moneys shall be allocated for financial
36 assistance to persons, other than municipal governmental entities, who
37 voluntarily undertake the remediation of a hazardous substance or
38 hazardous waste discharge, and who have not been ordered to
39 undertake the remediation by the department or by a court;
- 40 (5) At least 20% of the moneys shall be allocated for financial
41 assistance to persons, other than municipal governmental entities, who
42 are required to perform remediation activities at an industrial
43 establishment pursuant to P.L.1983, c.330 (C.13:1K-6 et al.), as a
44 condition of the closure, transfer, or termination of operations at that
45 industrial establishment;
- 46 (6) At least 20% of the moneys shall be allocated for grants to

1 persons, other than municipal governmental entities, who own real
2 property on which there has been a discharge of a hazardous
3 substance or a hazardous waste and that person qualifies for an
4 innocent party grant. A person qualifies for an innocent party grant if
5 that person acquired the property prior to December 31, 1983, except
6 as provided hereunder, the hazardous substance or hazardous waste
7 that was discharged at the property was not used by the person at that
8 site, and that person certifies that he did not discharge any hazardous
9 substance or hazardous waste at an area where a discharge is
10 discovered; provided, however, that if the person is the New Jersey
11 Redevelopment Authority established pursuant to P.L. _____, c. _____
12 (C. _____) (pending before the Legislature as this bill), the authority
13 shall qualify for an innocent party grant pursuant to this paragraph
14 regardless of when the authority acquired the property. A grant
15 authorized pursuant to this paragraph may be for up to 50% of the
16 remediation costs at the area of concern for which the person qualifies
17 for an innocent party grant, except that no grant awarded pursuant to
18 this paragraph to any person including the New Jersey Redevelopment
19 Authority may exceed \$1,000,000; and

20 (7) Ten percent of the moneys in the remediation fund shall be
21 allocated for financial assistance or grants for any of the purposes
22 enumerated in paragraphs (1) through (6) of this subsection, except
23 that where moneys in the fund are insufficient to fund all the
24 applications in any calendar year that would otherwise qualify for
25 financial assistance or a grant pursuant to this paragraph, the authority
26 shall give priority to financial assistance applications that meet the
27 criteria enumerated in paragraph (3) of this subsection.

28 b. Loans issued from the remediation fund shall be for a term not
29 to exceed ten years, except that upon the transfer of ownership of any
30 real property for which the loan was made, the unpaid balance of the
31 loan shall become immediately payable in full. Loans to municipal
32 governmental entities and the New Jersey Redevelopment Authority
33 established pursuant to P.L. _____, c. _____ (C. _____) (pending before the
34 Legislature as this bill), shall bear an interest rate equal to 2 points
35 below the Federal Discount Rate at the time of approval or at the time
36 of loan closing, whichever is lower, except that the rate shall be no
37 lower than 3 percent. All other loans shall bear an interest rate equal
38 to the Federal Discount Rate at the time of approval or at the time of
39 the loan closing, whichever is lower, except that the rate on such loans
40 shall be no lower than five percent. Financial assistance and grants
41 may be issued for up to 100% of the estimated applicable remediation
42 cost, except that the cumulative maximum amount of financial
43 assistance which may be issued to a person other than a governmental
44 entity, including the New Jersey Redevelopment Authority, in any
45 calendar year, for one or more properties, shall be \$1,000,000.
46 Financial assistance and grants to any one municipal governmental

1 entity, including the New Jersey Redevelopment Authority, may not
2 exceed \$2,000,000 in any calendar year. Repayments of principal and
3 interest on the loans issued from the remediation fund shall be paid to
4 the authority and shall be deposited into the remediation fund.

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

11 d. The authority may use a sum that represents up to 2% of the
12 moneys issued as financial assistance or grants from the remediation
13 fund each year for administrative expenses incurred in connection with
14 the operation of the fund and the issuance of financial assistance and
15 grants.

16 e. Prior to March 1 of each year, the authority shall submit to the
17 Senate Environment Committee and the Assembly Environment and
18 Energy [and Hazardous Waste] Committee, or their successors, a
19 report detailing the amount of money that was available for financial
20 assistance and grants from the remediation fund for the previous
21 calendar year, the amount of money estimated to be available for
22 financial assistance and grants for the current calendar year, the
23 amount of financial assistance and grants issued for the previous
24 calendar year and the category for which each financial assistance and
25 grant was rendered, and any suggestions for legislative action the
26 authority deems advisable to further the legislative intent to facilitate
27 remediation and promote the redevelopment and use of existing
28 industrial sites.

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

30
31 95. Section 29 of P.L.1993, c.139 (C.58:10B-7) is amended to read
32 as follows:

33 29. a. A qualified applicant for financial assistance or a grant from
34 the remediation fund shall be awarded financial assistance or a grant
35 by the authority upon the availability of sufficient moneys in the
36 remediation fund for the purpose of the financial assistance or grant.
37 Priority for awarding financial assistance and grants from the
38 remediation fund shall be based upon the date of receipt by the
39 authority of a complete application from the applicant. If an
40 application is determined to be incomplete by the authority, an
41 applicant shall have 30 days from receipt of written notice of
42 incompleteness to file any additional information as may be required
43 by the authority for a completed application. If an applicant fails to
44 file the additional information within those 30 days, the filing date for
45 that application shall be the date that the additional information is
46 received by the authority. An application shall be deemed complete

1 when all the information required by the authority has been received
2 in the required form. Notwithstanding that the New Jersey
3 Redevelopment Authority is eligible for grants and financial assistance
4 from the fund, the authority shall be awarded a grant or financial
5 assistance based upon the priority system for such awards as provided
6 in this subsection.

7 b. Within 90 days, for a private entity, or 180 days for a municipal
8 governmental entity or the New Jersey Redevelopment Authority, of
9 notice of approval of a financial assistance or grant application, an
10 applicant shall submit to the authority an executed contract for the
11 remediation activities for which the financial assistance or grant
12 application was made. The contract shall be consistent with the terms
13 and conditions for which the financial assistance or grant was
14 rendered. Failure to submit an executed contract within the time
15 provided, without good cause, shall constitute grounds for the
16 alteration of an applicant's priority ranking for the awarding of
17 financial assistance or a grant.

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

19
20 96. The following are hereby repealed: P.L.1984, c.172
21 (C.52:27D-250 et seq.) and P.L.1985, c.227 (C.55:19-1 et seq.);
22 provided, however, that this repeal shall not affect any obligation, lien
23 or duty to pay taxes, interest or penalties which has been reduced or
24 which may be reduced by virtue of any credits allowed pursuant to the
25 provisions of the law repealed by P.L. , c. (C.) (pending before
26 the Legislature as this bill), or which may be allowed with respect to
27 any redetermination, correction, recomputation or deficiency
28 assessment; and provided that this repeal shall not affect the legal
29 rights of any taxpayer to protest or appeal any taxes due or which may
30 be due, together with such interest and penalties as may accrue
31 thereon, with regard to any credits granted under the provisions of the
32 law repealed.

33
34 97. There is appropriated to the New Jersey Redevelopment
35 Authority from the General Fund a sum of \$250,000 to effectuate the
36 purposes of this act.

37
38 98. (New section) Beginning in the calendar year following the
39 effective date of this act, the New Jersey Economic Development
40 Authority shall allocate no less than 12-1/2 percent of the aggregate
41 amount of loans and loan guarantees made by the authority in any
42 fiscal year to projects that are approved by the New Jersey
43 Redevelopment Authority as being consistent with the provisions of
44 "The New Jersey Economic Development Authority Act," P.L.1974,
45 c.80 (C.34:1B-1 et seq.) and that are located in municipalities
46 designated as qualified municipalities pursuant to section 3 of P.L. ,

1 c. (C.) (pending before the Legislature as this bill).

2

3 99. (New section) Beginning in the calendar year following the
4 effective date of this act, the New Jersey Commission on Science and
5 Technology established pursuant to section 3 of P.L.1985, c.102
6 (C.52:9X-3), shall allocate no less than 15 percent of any monies
7 which the Commission spends during any fiscal year for applied
8 technology or technology transfer to projects located in municipalities
9 designated as qualified municipalities pursuant to section 3 of P.L. ,
10 c. (C.) (pending before the Legislature as this bill) and shall
11 notify the New Jersey Redevelopment Authority of the nature of the
12 project, the location of the project, and the amount of public funds
13 expended on the project.

14

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

22

23 101. a. There is appropriated to the New Jersey Redevelopment
24 Investment Fund established pursuant to section 34 of P.L. , c.
25 (C.) (pending before the Legislature as this bill) from the "1992
26 New Jersey Green Trust Fund" established pursuant to section 22 of
27 the "Green Acres, Clean Water, Farmland and Historic Preservation
28 Bond Act of 1992," P.L.1992, c.88, a sum of \$8 million for the
29 purposes of financing projects in accordance with the New Jersey
30 Redevelopment Strategy document adopted by the authority pursuant
31 to section 32 of P.L. , c. (C.) (pending before the
32 Legislature as this bill) which are consistent with the purposes of
33 P.L.1992, c.88.

34 b. The expenditure of the sums appropriated by this section is
35 subject to the provisions and conditions of P.L.1992, c.88.

36 c. In addition to any other reporting requirement imposed pursuant
37 to the "Green Acres, Clean Water, Farmland and Historic Preservation
38 Bond Act of 1992," the State Treasurer shall, through the
39 Administrator of the General Services Administration in the
40 Department of the Treasury, prepare and submit to the Joint Budget
41 Oversight Committee, or its successor, periodic progress reports,
42 based on project site inspections and other inquiries, describing the
43 status of projects financed in whole or in part with moneys
44 appropriated in this act. Each progress report shall indicate the total
45 project cost, the funding sources allocated to the project, the status of
46 construction or development of the project, estimated project

1 completion date and whether there are any potential scheduling or
2 financial difficulties or circumstances warranting special attention or
3 review by the Joint Budget Oversight Committee. The first such
4 report shall be submitted not later than June 1, 1997.

5
6 102. a. There is appropriated to the New Jersey Redevelopment
7 Investment Fund established pursuant to section 34 of P.L. , c.
8 (C.) (pending before the Legislature as this bill) from the "Jobs,
9 Education and Competitiveness Fund" established pursuant to section
10 15 of the "Jobs, Education and Competitiveness Bond Act of 1988"
11 P.L.1988, c.78, a sum of \$15 million for the purposes of financing
12 projects in accordance with the New Jersey Redevelopment Strategy
13 document adopted by the authority pursuant to section 32 of P.L. ,
14 c. (C.) (pending before the Legislature as this bill) which are
15 consistent with the purposes of P.L.1988, c.78.

16 b. The expenditure of the sums appropriated by this section is
17 subject to the provisions and conditions of P.L.1988, c.78.

18 c. In addition to any other reporting requirement imposed pursuant
19 to the "Jobs, Education and Competitiveness Bond Act of 1988," the
20 State Treasurer shall, through the Administrator of the General
21 Services Administration in the Department of the Treasury, prepare
22 and submit to the Joint Budget Oversight Committee, or its successor,
23 periodic progress reports, based on project site inspections and other
24 inquiries, describing the status of projects financed in whole or in part
25 with moneys appropriated in this act. Each progress report shall
26 indicate the total project cost, the funding sources allocated to the
27 project, the status of construction or development of the project,
28 estimated project completion date and whether there are any potential
29 scheduling or financial difficulties or circumstances warranting special
30 attention or review by the Joint Budget Oversight Committee. The
31 first such report shall be submitted not later than June 1, 1997.

32
33 103. a. There is appropriated to the New Jersey Redevelopment
34 Investment Fund established pursuant to section 34 of P.L. , c.
35 (C.) (pending before the Legislature as this bill) from the "Water
36 Supply Fund" established pursuant to section 15 of the "Water Supply
37 Bond Act of 1981," P.L.1981, c.261, a sum of \$5 million for the
38 purposes of financing projects in accordance with the New Jersey
39 Redevelopment Strategy document adopted by the authority pursuant
40 to section 32 of P.L. , c. (C.) (pending before the Legislature
41 as this bill) which are consistent with the purposes of P.L.1981, c.261.

42 b. The expenditure of the sums appropriated by this section is
43 subject to the provisions and conditions of P.L.1981, c.261.

44 c. In addition to any other reporting requirement imposed pursuant
45 to the "Water Supply Bond Act of 1981," the State Treasurer shall,
46 through the Administrator of the General Services Administration in

1 the Department of the Treasury, prepare and submit to the Joint
2 Budget Oversight Committee, or its successor, periodic progress
3 reports, based on project site inspections and other inquiries,
4 describing the status of projects financed in whole or in part with
5 moneys appropriated in this act. Each progress report shall indicate
6 the total project cost, the funding sources allocated to the project, the
7 status of construction or development of the project, estimated project
8 completion date and whether there are any potential scheduling or
9 financial difficulties or circumstances warranting special attention or
10 review by the Joint Budget Oversight Committee. The first such
11 report shall be submitted not later than June 1, 1997.

12

13 104. This act shall take effect on the first day of the seventh month
14 next following enactment.

15

16

17

STATEMENT

18

19 This bill creates the New Jersey Redevelopment Authority (NJRA),
20 with far-reaching powers to assist in the revitalization of New Jersey's
21 urban areas. The bill establishes the authority in, but not of, the
22 Department of the Treasury and confers upon it all of the powers
23 necessary to oversee the revitalization of the State's urban areas.

24

25 In addition, the bill authorizes municipalities, by ordinance, to
26 establish districts in which development activities are anticipated and
27 to support certain projects therein using tax increment financing.
28 Article 3 creates a framework under which properties declared as
29 abandoned based on their condition may be acquired in an abbreviated
30 manner and redeveloped. That article also authorizes the use of
31 payments in lieu of taxes as a financing method.

32

33 The bill establishes an empowerment neighborhood program in
34 which certain municipalities are made eligible for financial assistance
35 from the NJRA. Article 5 sets forth procedures for remediating
36 contaminated properties in empowerment neighborhoods.

37

38 The bill appropriates \$250,000 for administrative costs of the
39 authority and sets aside a portion of the aggregate amount of loans and
40 loan guarantees made by the Economic Development Authority for
41 projects that are approved by the NJRA. In addition, the bill makes
42 available funds out of pre-existing bond issues for authority projects
43 which are consistent with the purposes of those bond issues.

44

45

46

47

48 Designated the "New Jersey Urban Redevelopment Act;" appropriates
49 \$250,000.