

[First Reprint]
SENATE, No. 800

STATE OF NEW JERSEY

INTRODUCED FEBRUARY 15, 1996

By Senators LaROSSA and BRYANT

1 AN ACT designated the "New Jersey Urban Redevelopment Act,"
2 ¹[creating] reconstituting the New Jersey Urban Development
3 Corporation as¹ the New Jersey Redevelopment Authority, ¹[and]¹
4 providing a source of funding therefor, ¹[permitting revenue
5 allocation financing,]¹ establishing a neighborhood empowerment
6 program, ¹[allowing for abbreviated tax foreclosure and
7 condemnation compensation proceedings for abandoned
8 properties,]¹ amending, supplementing and repealing various
9 sections of statutory law, and making an appropriation.

10

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

13

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

16

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

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

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

28 c. The rapid pace of technological change with which the late
29 twentieth century is associated, represented by the development and
30 growth of the "information superhighway," and increasing world
31 competition, spurred on by recent and ongoing international free trade

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

Matter underlined thus is new matter.

Matter enclosed in superscript numerals has been adopted as follows:

¹ Senate SUP committee amendments adopted March 14, 1996.

1 agreements, threatens to further marginalize our already distressed and
2 beleaguered urban centers;

3 d. Environmentally compromised sites present a particular
4 challenge to the State's urban centers, particularly those with major
5 associated cleanup liability and, notwithstanding the impressive strides
6 taken by this Legislature to address remediation issues, further
7 remedies are necessary in order to imbue those sites with renewed
8 economic potential;

9 e. Given the number of years over which these problems have
10 developed and in light of the enormity of the challenges which lay
11 ahead, it is incumbent upon this Legislature to ¹[create] designate¹ an
12 entity that has as its primary focus the State's urban centers, and to
13 ¹[endow that entity with the powers and financial resources necessary
14 to reverse decades of decay and neglect] provide that entity with
15 resources to effectuate renewal in these urban areas¹;

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

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

29 h. This legislative initiative is intended to implement the urban
30 redevelopment initiative concept and philosophy articulated by the
31 sponsor which calls for the establishment of ¹[a new] an independent¹
32 entity which will allow for a coordinated approach to urban
33 revitalization and succeed in achieving its goals where previous urban
34 efforts have failed.

35

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

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

42 "Council" means the Urban ¹[Policy]¹ Coordinating Council
43 established pursuant to section ¹[7] 45¹ of P.L. , c. (C.) (pending
44 before the Legislature as this bill).

45 "Department" means the Department of the ¹[Treasury] Commerce
46 and Economic Development¹.

1 "Project" means a specific work or improvement, including lands,
2 buildings, improvements, real and personal property or any interest
3 therein, including lands under water, riparian rights, space rights and
4 air rights, acquired, owned, constructed, reconstructed, rehabilitated
5 or improved by the authority or a subsidiary, or by any other person,
6 firm or corporation under agreement with the authority or subsidiary
7 pursuant to the provisions of P.L. , c. (C.) (pending before the
8 Legislature as this bill) in a qualified municipality, and which falls
9 within any of the following classifications:

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

16 (2) "Land-use improvement project"--a project for the clearance,
17 replanning, reconstruction, rehabilitation, renewal, redevelopment,
18 conservation, restoration or improvement of an area, in cooperation
19 or under agreement with a qualified municipality which has designated
20 the area in need of redevelopment.

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

24 (4) "Utility project"--a project designed and intended to provide
25 facilities for provision of water, sewerage, solid waste disposal,
26 transportation, utility or other public services necessary for the
27 accommodation of a project of another classification undertaken
28 pursuant to P.L. , c. (C.) (pending before the Legislature as this
29 bill), but accommodation of needs greater than those of the other
30 project may be encompassed.

31 (5) "Mixed-use project"--a project consisting of housing
32 development and commercial development, in which the prorated cost
33 of the housing development is equivalent to no more than one-third of
34 the cost of the total project.

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

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

43 "Subsidiary" means a subsidiary corporation formed by the
44 authority pursuant to section ¹[13] §¹ of P.L. , c. (C.) (pending
45 before the Legislature as this bill).

1 4. (New section) a. ¹[There is hereby established the New Jersey
2 Redevelopment Authority as the successor to the New Jersey Urban
3 Development Corporation, except as provided in section 38 of
4 P.L. , c. (C.) (pending before the Legislature as this bill).]
5 The New Jersey Urban Development Corporation established pursuant
6 to P.L.1985, c.227 (C.55:19-1 et. seq.) is reconstituted as the New
7 Jersey Redevelopment Authority.¹ For the purpose of complying with
8 the provisions of Article V, Section IV, paragraph 1 of the
9 Constitution of the State of New Jersey, this authority is allocated to
10 the Department of ¹[the Treasury] Commerce and Economic
11 Development¹; but, notwithstanding that allocation, the authority shall
12 be independent of any supervision or control by the department or by
13 any other board or officer thereof. ¹All references in any law, order,
14 rule, regulation, contract, loan, document or otherwise to the New
15 Jersey Urban Development Corporation in the Department of
16 Commerce and Economic Development shall mean the New Jersey
17 Redevelopment Authority in the Department of Commerce and
18 Economic Development.¹

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

24 c. The authority shall consist of the State Treasurer, the Attorney
25 General, the Commissioner of Community Affairs, the Commissioner
26 of Education, the Commissioner of Environmental Protection, the
27 Commissioner of Health, the Commissioner of Human Services, the
28 Commissioner of Labor, the Commissioner of Transportation, and the
29 Commissioner of Commerce and Economic Development who shall be
30 members and who shall serve ex officio, and eleven public members of
31 whom seven shall be appointed by the Governor with the advice and
32 consent of the Senate, two shall be appointed by the Senate President
33 and two shall be appointed by the Speaker of the General Assembly,
34 for terms of three years, except as provided hereunder. Of the seven
35 members appointed by the Governor, one shall represent the interests
36 of the for-profit development industry; one shall represent the interests
37 of the non-profit development community, two shall be mayors of
38 municipalities which are coextensive with "special needs districts" as
39 defined pursuant to section 3 of P.L.1990, c.52 (C.18A:7D-3); two
40 shall be mayors of municipalities which are contiguous to
41 municipalities which are coterminous with special needs districts; and
42 one shall represent the interest of the banking, insurance or real estate
43 financing industries. Each member shall hold office for the term of his
44 appointment and until his successor shall have been appointed and
45 qualified. A member shall be eligible for reappointment. Each mayor
46 shall serve for a term of three years, but shall continue to serve only

1 as long as the mayor continues to hold mayoral office. The members
2 appointed by each of the presiding officers of both Houses of the
3 Legislature shall not represent the same political party, and none of the
4 legislative appointees shall be members of the Legislature. Any
5 vacancy in the membership occurring other than by expiration of term
6 shall be filled in the same manner as the original appointment but for
7 the unexpired term only. In appointing public members, the presiding
8 officers shall have regard to providing an adequate depth and diversity
9 of knowledge and experience in the financial, physical and social
10 aspects of urban development, and of other relevant expertise in urban
11 matters.

12 d. Each ex officio member may designate an officer or employee of
13 his department to represent him at authority meetings. The
14 designation shall be in writing, delivered into the hands of the
15 secretary of the authority, and shall continue in effect until revoked or
16 amended in the same manner.

17 e. Each member appointed by the Governor may be removed from
18 office by the Governor, for cause, after a public hearing, and may be
19 suspended by the Governor pending the completion of the hearing.
20 Each member before entering upon his duties shall take and subscribe
21 an oath to perform the duties of his office faithfully, impartially and
22 justly to the best of his ability. A record of such oaths shall be filed in
23 the office of the Secretary of State.

24 f. The Governor shall appoint a chairperson, with the advice and
25 consent of the Senate, from the members of the authority other than
26 the ex officio members and the members of the authority shall elect
27 from their remaining number a vice chairperson and a treasurer
28 thereof. The authority shall employ an executive director who shall be
29 its secretary and chief executive officer. The powers of the authority
30 shall be vested in the members thereof in office from time to time and
31 eleven members of the authority shall constitute a quorum at any
32 meeting thereof. Action may be taken, and motions and resolutions
33 adopted, by the authority at any meeting thereof by the affirmative
34 vote of at least eleven members of the authority. No vacancy in the
35 membership of the authority shall impair the right of a quorum of the
36 members to exercise all of the powers and perform all of the duties of
37 the authority.

38 g. Each public member of the authority shall execute a bond to be
39 conditioned upon the faithful performance of the duties of such
40 member in such form and amount as may be prescribed by the State
41 Comptroller. Such bonds shall be filed in the office of the Secretary
42 of State. At all times thereafter the members and treasurer of the
43 authority shall maintain such bonds in full force and effect. All costs
44 of such bonds shall be borne by the authority.

45 h. The members of the authority shall serve without compensation,
46 but the authority shall reimburse its members for actual expenses

1 necessarily incurred in the discharge of their duties. Notwithstanding
2 the provisions of any other law, no officer or employee of the State
3 shall be deemed to have forfeited or shall forfeit his or her office or
4 employment or any benefits or emoluments thereof by reason of his or
5 her acceptance of the office of ex officio member of the authority or
6 his or her services therein.

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

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

33 k. On or before March 31 of each year, the authority shall make an
34 annual report of its activities for the preceding calendar year to the
35 Governor and the Legislature. Each such report shall set forth a
36 complete operating and financial statement covering the authority's
37 operations during the year. The authority shall cause an audit of its
38 books and accounts to be made at least once in each year by certified
39 public accountants and cause a copy thereof to be filed with the
40 Secretary of State and the State Comptroller.

41 1. The State Comptroller and his legally authorized representatives
42 are hereby authorized and empowered from time to time to examine
43 the accounts, books and records of the authority, including its receipts,
44 disbursements, contracts, sinking funds, investments, and any other
45 matters relating thereto and to its financial standing.

46 m. No member, officer, employee or agent of the authority shall be

1 interested, either directly or indirectly, in any project or in any
2 contract, sale, purchase, lease or transfer of real or personal property
3 to which the authority is a party.

4

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

6 a. to sue and be sued;

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

8 c. to enter into contracts upon such terms and conditions as the
9 authority shall determine to be reasonable, including, but not limited
10 to, reimbursement for the planning, designing, financing, construction,
11 reconstruction, improvement, equipping, furnishing, operation and
12 maintenance of the project and to pay or compromise any claims
13 arising therefrom;

14 d. to make and alter by-laws for its organization and internal
15 management and, subject to agreements with noteholders or
16 bondholders, to make rules and regulations with respect to its projects,
17 operations, properties and facilities;

18 e. to invest any funds held in reserve or sinking funds, or any
19 moneys not required for immediate use and disbursement, at the
20 discretion of the authority, in obligations of this State or of the United
21 States, or obligations the principal and interest of which are
22 guaranteed by this State or the United States;

23 f. to sell, lease, assign, transfer, convey, exchange, mortgage, or
24 otherwise dispose of or encumber any project, and in the case of the
25 sale of any project, to accept a purchase money mortgage in
26 connection therewith; and to lease, repurchase or otherwise acquire
27 and hold any project which the corporation has theretofore sold,
28 leased or otherwise conveyed, transferred or disposed of;

29 g. to acquire or contract to acquire from any individual,
30 partnership, trust, association or corporation, or any public agency, by
31 grant, purchase or otherwise, real or personal property or any interest
32 therein; to own, hold, clear, improve, rehabilitate and develop, and to
33 sell, assign, exchange, transfer, convey, lease, mortgage or otherwise
34 dispose of or encumber the same;

35 h. to acquire in the name of the authority by purchase or otherwise,
36 on such terms and conditions and such manner as it may deem proper
37 ¹[, or by the exercise of the power of eminent domain in the manner
38 provided by the "Eminent Domain Act of 1971," P.L.1971, c.361
39 (C.20:3-1 et seq.),]¹ any lands or interests therein or other property
40 which it may determine is reasonably necessary for any project;
41 ¹[provided, however, that except in connection with a property
42 included on the abandoned property list pursuant to section 75
43 of P.L. , c. (C.) (pending before the Legislature as this bill), the
44 authority shall not take by exercise of the power of eminent domain
45 any real property except upon consent thereto given by resolution of
46 the governing body of the municipality in which such real property is

- 1 located; and provided further that the authority shall be limited in its
2 exercise of the power of eminent domain to qualified municipalities;]¹
- 3 i. to acquire, construct, reconstruct, rehabilitate, improve, alter or
4 repair or provide for construction, reconstruction, rehabilitation,
5 improvement, alteration or repair of any project;
- 6 j. to arrange or contract with a municipality for the planning,
7 replanning, opening, grading or closing of streets, roads, roadways,
8 alleys or other places, or for the furnishing of facilities or for the
9 acquisition by a municipality of property or property rights or for the
10 furnishing of property or services, in connection with a project;
- 11 k. to grant options to purchase any project or to renew any leases
12 entered into by it in connection with any of its projects, on such terms
13 and conditions as it may deem advisable;
- 14 l. to prepare or cause to be prepared plans, specifications, designs
15 and estimates of costs for the construction, reconstruction,
16 rehabilitation, improvement, alteration or repair of any project, and
17 from time to time to modify such plans, specifications, designs or
18 estimates;
- 19 m. to manage any project, whether then owned or leased by the
20 authority, and to enter into agreements with any individual,
21 partnership, trust, association or corporation, or with any public
22 agency, for the purpose of causing any project to be managed;
- 23 n. to hold any property owned or acquired by the authority in the
24 name of the authority;
- 25 o. to provide advisory, consultative, training and educational
26 services, technical assistance and advice to any individual, partnership,
27 trust, association or corporation, or to any public agency, in order to
28 carry out the purposes of P.L. , c. (C.) (pending before the
29 Legislature as this bill);
- 30 p. to issue, purchase, pledge and sell stock in projects of the
31 authority and to purchase, sell or pledge the shares, or other
32 obligations or securities of any subsidiary corporation, on such terms
33 and conditions as the authority or subsidiary corporation may deem
34 advisable;
- 35 q. subject to the provisions of any contract with noteholders, to
36 consent to the modification, with respect to rate of interest, time of
37 payment or any installment of principal or interest, security, or any
38 other terms, of any loan, mortgage, commitment, contract or
39 agreement of any kind to which the authority is a party;
- 40 r. in connection with any property on which it has made a
41 mortgage loan, to foreclose on the property or commence any action
42 to protect or enforce any right conferred upon it by any law,
43 mortgage, contract or other agreement, and to bid for or purchase the
44 property at any foreclosure or at any other sale, or acquire or take
45 possession of the property; and in such event the authority may
46 complete, administer, pay the principal of and interest on any

- 1 obligations incurred in connection with the property, dispose of and
2 otherwise deal with the property, in such manner as may be necessary
3 or desirable to protect the interests of the authority therein;
- 4 s. to acquire, purchase, manage and operate, hold and dispose of
5 real and personal property or interests therein, take assignments of
6 rentals and leases and make and enter into all contracts, leases,
7 agreements and arrangements necessary or incidental to the
8 performance of its duties;
- 9 t. to purchase, acquire and take assignments of notes, mortgages
10 and other forms of security and evidences of indebtedness;
- 11 u. to extend credit or make loans to any person for the planning,
12 designing, acquiring, constructing, reconstructing, improving,
13 equipping and furnishing of a project, which credits or loans may be
14 secured by loan and security agreements, mortgages, leases and any
15 other instruments, upon such terms and conditions as the authority
16 shall deem reasonable, including provision for the establishment and
17 maintenance of reserve and insurance funds, and to require the
18 inclusion in any mortgage, lease, contract, loan and security agreement
19 or other instrument, such provisions for the construction, use,
20 operation and maintenance and financing of a project as the authority
21 may deem necessary or desirable;
- 22 v. to borrow money, secure credit against the assets of the
23 authority on a temporary, short-term, interim or long-term basis and
24 to issue bonds of the authority and to provide for the rights of the
25 holders thereof, as provided in P.L. , c. (C.) (pending before the
26 Legislature as this bill);
- 27 w. to make short-term loans or advances to developers for
28 construction in anticipation of the issuance of permanent loans;
- 29 x. to exercise sole authority for investment, reinvestment or
30 expenditure of its revenues, fund balances and appropriations
31 consistent with the purposes of P.L. , c. (C.) (pending before the
32 Legislature as this bill) on projects and investments utilizing revenues
33 from the sale of revenue bonds, which projects shall be subject to the
34 approval of the State Treasurer, and the Treasurer's actions shall be
35 based solely on his fiduciary role to ensure that all applicable federal
36 and State tax laws are adhered to regarding the investment of bond
37 funds;
- 38 y. notwithstanding any law to the contrary, and upon resolution of
39 the municipal governing body, to act as the redevelopment agency of
40 any municipality in which there is not established a redevelopment
41 agency pursuant to subsection a. of section 11 of P.L.1992, c.79
42 (C.40A:12A-11) and which is not precluded from establishing such an
43 agency;
- 44 z. in connection with any application for assistance under P.L. ,
45 c. (C.) (pending before the Legislature as this bill) or commitments
46 therefor, to require and collect such fees and charges as the authority

1 shall determine to be reasonable;

2 aa. to establish, levy and collect, in connection with any civic
3 project or utilities project managed or operated by the authority,
4 whether then owned or leased by the authority, user fees and facility
5 charges;

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

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

15 dd. to contract for, and to accept, any gifts or grants or loans of
16 funds or property or financial or other aid in any form from the federal
17 government or any agency or instrumentality thereof, or from the State
18 or a municipality or any agency or instrumentality thereof, or from any
19 other source, and, subject to the provisions of P.L. , c. (C.)
20 (pending before the Legislature as this bill) and any other applicable
21 law, to comply with the terms and conditions thereof;

22 ee. to create subsidiary corporations as provided in section ¹[13]
23 8¹ of P.L. , c. (C.) (pending before the Legislature as this bill);

24 ff.¹[to act as a district agent pursuant to section 41 of P.L. , c.
25 (C.) (pending before the Legislature as this bill);

26 gg.]¹ to assist municipalities, counties, public or private county and
27 municipal development agencies, district management corporations
28 created pursuant to section 4 of P.L.1972, c.134 (C.40:56-68),
29 community action boards established pursuant to section 4 of
30 P.L.1991, c.51 (C.52:27D-398), or sponsors of neighborhood
31 empowerment organizations, in formulating and implementing
32 community redevelopment plans, which shall include, but not be
33 limited to, neighborhood restoration, residential development, and
34 industrial and commercial development;

35 ¹[hh.] gg.¹ to fund, or assist in funding, community redevelopment
36 projects by municipalities, counties, public or private county and
37 municipal development agencies, district management corporations
38 created pursuant to section 4 of P.L.1972, c.134 (C.40:56-68),
39 community action boards established pursuant to section 4 of
40 P.L.1991, c.51 (C.52:27D-398), or sponsors of neighborhood
41 empowerment organizations, which shall include, but not be limited to,
42 direct loan assistance, including loan guarantees, procuring capital
43 from private developers and lending institutions, and facilitating access
44 to State, federal, and private sources of loans or grants, including, but
45 not limited to, the New Jersey Economic Development Authority and
46 the Casino Redevelopment Authority;

1 ¹[ii.]hh.¹ to assist in providing access to support services, including
2 technical assistance and job training programs, for projects developed
3 in connection with comprehensive community redevelopment plans and
4 neighborhood empowerment programs established pursuant to this act;

5 ¹[jj.] ii.¹ to provide assistance to urban areas in attracting industrial
6 and commercial projects, in rehabilitating existing industrial and
7 commercial facilities to restore them to productive use through the
8 establishment of marketing programs and incentive programs;

9 ¹[kk. to provide] jj. to assist in facilitating the work of the Office
10 of Neighborhood Empowerment established pursuant to this act, which
11 assistance shall include, but not be limited to, providing¹ professional
12 or technical expertise and funding for the establishment and
13 implementation of neighborhood empowerment plans developed
14 pursuant to this act;

15 ¹[ll.] kk.¹ to enter into partnerships with private developers, the
16 New Jersey Economic Development Authority or any other public
17 entity, for the purpose of community redevelopment, and establish fees
18 therefor;

19 ¹[mm.] ll.¹ to enter into agreements with municipalities or counties
20 regarding projects to be financed through the use of payment in lieu of
21 taxes, as provided for in section ¹[70] 33¹ of P.L. , c. (C.)
22 (pending before the Legislature as this bill); and

23 ¹[nn.] mm.¹ to do any and all things necessary or convenient to
24 carry out its purposes and exercise the powers given and granted in
25 P.L. , c. (C.) (pending before the Legislature as this bill).

26

27 6. (New section) The authority, in determining which projects to
28 approve for financing, shall accord first priority to any project situated
29 in ¹[a] an empowerment neighborhood designated pursuant to section
30 54 of P.L. , c. (C.) (pending before the Legislature as this bill),
31 second priority to any¹ municipality which at the time the application
32 for project financing is submitted is eligible to receive aid under the
33 "Special Municipal Aid Act," P.L.1987, c.75 (C.52:27D-118.24 et
34 seq.) and is coextensive with a "special needs district" designated
35 pursuant to the "Quality Education Act of 1990," P.L.1990, c.52
36 (C.18A:7D-1 et seq.). Subsequent priority shall be assigned to
37 projects in any municipality which, at the time the application for
38 project financing is submitted, is coextensive with a "special needs
39 district" and projects in a qualified municipality shall receive last
40 priority. ¹[In making project financing decisions, the authority shall
41 give preference to any project situated in an empowerment
42 neighborhood designated pursuant to section 88 of P.L. c.
43 (C.) (pending before the Legislature as this bill).]¹ With respect
44 to projects for which costs are to be financed by the authority, the
45 authority shall consider the following factors:

46 (1) the economic feasibility of the project;

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

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

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

7 (5) the relationship of the project to a comprehensive local
8 development strategy, including other major projects undertaken
9 within the municipality; and

10 (6) the degree to which the project interfaces with public
11 transportation systems.

12

13 ¹[7. (New section) For the purpose of assuring effective
14 coordination of urban policies among those public agencies and
15 officers having responsibilities which affect the physical, economic and
16 social life of the State's urban areas, the Governor shall establish an
17 Urban Policy Coordinating Council within the authority to advise the
18 authority board and shall designate to serve on the council designees
19 of all Cabinet members, State authorities, boards and commissions,
20 and other State public bodies whose activities may affect or be
21 affected by the operations of the authority.]¹

22

23 ¹[8. (New section) The Urban Policy Coordinating Council shall:

24 a. Ensure that State agencies coordinate responses and provide
25 assistance to projects and programs outlined in neighborhood
26 empowerment plans developed pursuant to section 11 of P.L. , c.
27 (C.)(pending before the Legislature as this bill), and projects and
28 programs established by the New Jersey Redevelopment Authority, the
29 New Jersey Economic Development Authority, and development
30 initiatives proposed by municipal and county governments, including
31 making available the resources of the departments of the State in
32 implementing those programs;

33 b. Make available the resources of its member agencies to assist
34 local sponsors in implementing neighborhood empowerment plans;

35 c. Form interagency teams of State representatives. The
36 membership of each interagency team shall be determined by the needs
37 outlined in the neighborhood empowerment plan. Each interagency
38 team shall serve as the primary link between the neighborhood and
39 State government in responding to programming needs, shall be co-
40 chaired by a case manager from the Office of Neighborhood
41 Empowerment, established pursuant to section 9 of P.L. , c.
42 (C.)(pending before the Legislature as this bill); and by the
43 community director, and shall include at least one representative of the
44 council; and

45 d. Assist in coordinating the activities of the New Jersey
46 Redevelopment Authority, municipalities, counties, public or private

1 county and municipal development agencies, district management
2 corporations created pursuant to section 4 of P.L.1972, c.134
3 (C.40:56-68), and community action boards established pursuant to
4 section 4 of P.L.1991, c.51 (C.52:27D-398).]¹

5
6 ¹[9. (New section) There is established in the New Jersey
7 Redevelopment Authority an Office of Neighborhood Empowerment.

8 The Office of Neighborhood Empowerment shall:

9 a. Provide support for a community director who shall assist local
10 sponsors in developing or implementing neighborhood empowerment
11 plans;

12 b. Provide case management services to qualified local sponsors of
13 neighborhood empowerment plans;

14 c. Assist neighborhoods in developing and implementing
15 neighborhood empowerment plans;

16 d. Ensure that communities receive technical assistance in
17 neighborhood planning;

18 e. Train and provide administrative support for interagency teams;

19 f. Assist local sponsors in evaluating progress through mutually
20 agreed upon measures;

21 g. Provide assistance in obtaining private sector support for
22 developing and implementing neighborhood empowerment plans;

23 h. Maintain and make available a complete inventory of State
24 programs, services and funding that are available to municipalities; and

25 i. Enter into partnerships with qualified local sponsors.]]¹

26
27 ¹[10. (New section) In order to qualify to receive the services of
28 the Office of Neighborhood Empowerment and of an interagency
29 team, a community must first have developed a neighborhood
30 empowerment plan which shall be submitted to the Urban Policy
31 Coordinating Council established pursuant to section 7 of P.L. , c.
32 (C.) (pending before the Legislature as this bill). A neighborhood
33 empowerment plan shall incorporate and address the needs of the
34 neighborhood as identified by the community. It shall be
35 comprehensive and shall take into consideration and show the
36 relationship to the municipal master plan, other locally adopted plans
37 (including, but not limited to urban enterprise zone plans,
38 redevelopment plans and neighborhood social service plans), and the
39 State Development and Redevelopment Plan, and shall outline how
40 residents, municipal government, the private sector and neighborhood
41 organizations will cooperate with the State and with each other during
42 implementation. Neighborhood empowerment plans shall focus on
43 neighborhood restoration. They may include, but need not be limited
44 to, projects for infrastructure improvement and expansion,
45 rehabilitation and construction of affordable housing, increased public
46 safety, facility rehabilitation and construction, economic development,

1 recreation and open space, environmental cleanup, employment and
2 training, improvement of educational opportunities for youth, and
3 efficient and humane provision of social services dedicated to
4 strengthening the community's human capital.]¹

5
6 ¹[11. (New section) Neighborhood empowerment plans shall be
7 developed by local sponsors with the guidance of a community
8 director and under the direction of, and with the participation of,
9 residents, community-based organizations, the private sector, and the
10 municipal government. A local sponsor may be a municipality, county,
11 public or private county and municipal development agency, district
12 management corporation created pursuant to section 4 of P.L.1972,
13 c.134 (C.40:56-68), community action board established pursuant to
14 section 4 of P.L.1991, c.51 (C.52:27D-398), sponsors of
15 neighborhood empowerment organizations, and institution, such as a
16 hospital, college or university, or a community-based organization.

17 The entity that will implement the neighborhood empowerment plan
18 shall be either a new or existing community development organization
19 or a consortium of existing community based organizations.]¹

20

21 ¹[12.] 7.¹ (New section) In planning and carrying out projects
22 pursuant to P.L. , c. (C.) (pending before the Legislature as this
23 bill) the authority and its subsidiaries shall endeavor to enlist the
24 cooperation and assistance, on a volunteer basis, of private business
25 firms and individual business executives whose experience and training
26 qualify them to advise the authority and its subsidiaries on the design
27 and coordination of aid and development programs for the
28 revitalization of urban centers, and to advise upon the most efficient
29 and businesslike manner of managing and directing such programs.

30

31 ¹[13.] 8.¹ (New section) a. In order to carry out the purposes and
32 provisions of P.L. , c. (C.) (pending before the Legislature as this
33 bill), the authority, in addition to any powers granted to it elsewhere
34 in P.L. , c. (C.) (pending before the Legislature as this bill), shall
35 have the authority to form, purchase or assume control of one or more
36 subsidiaries, in the manner and for the purposes set forth in this
37 section.

38 b. The authority may form a subsidiary by filing with the Secretary
39 of State a certificate of incorporation, which may be amended from
40 time to time and which shall set forth the name of the subsidiary, its
41 duration, the location of its principal office, the joint owners thereof,
42 and the purposes of the subsidiary.

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

1 the subsidiary.

2 d. The subsidiary shall have all the powers vested in the authority
3 which the authority may delegate to it by terms of the agreement of
4 incorporation, except that it shall not have the power to contract
5 indebtedness independently of the authority. The subsidiary and any
6 of its properties, functions and activities shall have all the privileges,
7 immunities, tax exemptions and other exemptions as the authority's
8 property, functions and activities. The subsidiary shall also be subject
9 to the restrictions and limitations to which the authority is subject.
10 The subsidiary shall be subject to suit as if it were the authority itself.

11 e. Whenever the State or any municipality, commission, public
12 authority, agency, officer, department, board, or division is authorized
13 and empowered for any purposes of P.L. , c. (C.) (pending before
14 the Legislature as this bill) to cooperate and enter into agreements
15 with the authority or to grant any consent to the authority or to grant,
16 convey, lease or otherwise transfer any property to the authority or to
17 execute any document, the State or such municipality, commission,
18 public authority, agency, officer, department, board, or division shall
19 have the same authorization and power for any of such purposes to
20 cooperate and enter into agreements with the subsidiary, to grant
21 consents to the subsidiary, to grant, convey, lease or otherwise
22 transfer property to the subsidiary and to execute documents for the
23 subsidiary.

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

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

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

32
33 ¹[14.] 9.¹ (New section) The authority, or any subsidiary, may
34 enter into agreements with any individual, partnership, trust,
35 association or corporation, or any public agency, under which the
36 authority or subsidiary and such other entity or entities shall undertake
37 a project as a joint venture, with the authority or subsidiary providing
38 such financial assistance, through loans, grants or the acquisition of an
39 ownership interest in the project, and such technical or managerial
40 assistance or advice, as the agreement may provide.

41
42 ¹[15.] 10.¹ (New section) The authority, or any subsidiary, may
43 make loans to any individual, partnership, trust, association or
44 corporation for the purpose of enabling such entity to undertake any
45 work, improvement or other activity in a qualified municipality which,
46 if undertaken by the authority or a subsidiary, would be a "project"

1 within the meaning of section 3 of P.L. , c. (C.) (pending before
2 the Legislature as this bill). The authority, or any subsidiary, may also
3 pledge its credit for the repayment of any such loan made for like
4 purposes by any financial institution in the State.

5
6 ¹[16.] 11.¹ (New section) For the purpose of providing funds to
7 pay all or any part of the cost of any project or projects, to make loans
8 in accordance with the provisions of P.L. , c. (C.) (pending before
9 the Legislature as this bill), and for the funding or refunding of any
10 bonds, the authority shall have the power to authorize or provide for
11 the issuance of bonds pursuant to P.L. , c. (C.) (pending before
12 the Legislature as this bill).

13
14 ¹[17.] 12.¹ (New section) By resolution, the authority shall have
15 power to incur indebtedness, borrow money and issue its bonds for the
16 purposes stated in section ¹[16] 11¹ of P.L. , c. (C.) (pending
17 before the Legislature as this bill) ¹: provided, however, that the
18 authority shall not issue more than \$100 million of bonds in any one
19 year¹. Except as may otherwise be expressly provided by the
20 authority, every issue of its bonds shall be general obligations of the
21 authority payable from any revenues or moneys of the authority or any
22 other contracted with or agreed upon source, subject only to any
23 agreements with the holders of particular bonds or notes pledging any
24 particular revenues or moneys. Bonds shall be authorized by resolution
25 and may be issued in one or more series and shall bear that date or
26 those dates, mature at that time or those times not exceeding 40 years
27 from the date thereof, bear interest at a rate or rates, be in that
28 denomination or those denominations, be in such form, either coupon
29 or registered, carry such conversion or registration privileges, have
30 such rank or priority, be executed in such manner, be payable from
31 such sources in such medium of payment at such place or places within
32 or without the State, and be subject to such terms of redemption (with
33 or without premium) as the resolution may provide. Bonds of the
34 authority may be sold by the authority at public or private sale at such
35 price or prices as the authority shall determine.

36
37 ¹[18.] 13.¹ (New section) Any provision of any law to the contrary
38 notwithstanding, any bond or other obligation issued pursuant
39 to P.L. , c. (C.) (pending before the Legislature as this bill) shall
40 be fully negotiable within the meaning and for all purposes of Title
41 12A, Commercial Transactions, of the New Jersey Statutes, and each
42 holder or owner of such a bond or other obligation, or of any coupon
43 appurtenant thereto, by accepting such bond or coupon shall be
44 conclusively deemed to have agreed that such bond, obligation or
45 coupon is and shall be fully negotiable within the meaning and for all
46 purposes of Title 12A of the New Jersey Statutes.

1 ¹[19.] 14.¹ (New section) In order to secure the payment of such
2 bonds and in addition to its other powers, the authority shall have
3 power by resolution to covenant and agree with the several holders of
4 such bonds, as to:

- 5 a. the custody, security, use, expenditure or application of the
6 proceeds of the bonds;
- 7 b. the use, regulation, operation, maintenance, insurance or
8 disposition of all or any part of any project or projects;
- 9 c. payment of the principal of or interest on the bonds, or any other
10 obligations, and the sources and methods thereof, the rank or priority
11 of any such bonds or obligations as to any lien or security, or the
12 acceleration of the maturity of any such bonds or obligations;
- 13 d. the use and disposition of any moneys of the authority, including
14 all revenues or other moneys derived or to be derived from any project
15 or projects;
- 16 e. pledging, setting aside, depositing or trusteeing all or any part
17 of the revenues or other moneys of the authority to secure the payment
18 of the principal of or interest on the bonds or any other obligations and
19 the powers and duties of any trustee with regard thereto;
- 20 f. the setting aside out of the revenues or other moneys of the
21 authority of reserves and sinking funds, and the source, custody,
22 security, regulation, application and disposition thereof;
- 23 g. the rents, fees or other charges for the use of any project or
24 projects, including any parts thereof theretofore constructed or
25 acquired and any parts, replacements or improvements thereof
26 thereafter constructed or acquired, and the fixing, establishment,
27 collection and enforcement of the same;
- 28 h. limitation on the issuance of additional bonds or any other
29 obligations or on the incurrence of indebtedness of the authority;
- 30 i. vesting in a trustee or trustees, fiscal or escrow agent or agents
31 within or without the State such property, rights, powers and duties
32 in trust as the authority may determine and limiting the rights, duties
33 and powers of such trustee or agent;
- 34 j. payment of costs or expenses incident to the enforcement of the
35 bonds or of the provisions of the resolution or of any covenant or
36 contract with the holders of the bonds;
- 37 k. the procedure, if any, by which the terms of any covenant or
38 contract with, or duty to, the holders of bonds may be amended or
39 abrogated, the amount of bonds the holders of which must consent
40 thereto, and the manner in which such consent may be given or
41 evidenced; or
- 42 l. any other matter or course of conduct which, by recital in the
43 resolution, is declared to further secure the payment of the principal
44 of or interest on the bonds.

45 All such provisions of the resolution and all such covenants and
46 agreements shall constitute valid and legally-binding contracts between

1 the authority and the several holders of the bonds, regardless of the
 2 time of issuance of such bonds, and shall be enforceable by any such
 3 holder or holders by appropriate action, suit or proceeding in any
 4 court of competent jurisdiction, or by proceeding in lieu of prerogative
 5 writ.

6
 7 ¹[20.] 15.¹ (New section) Any pledge of revenues or other moneys
 8 made by the authority shall be valid and binding from the time that the
 9 pledge is made. The revenues or other moneys so pledged and
 10 thereafter received by the authority shall immediately be subject to the
 11 lien of such pledge without any physical delivery thereof or further act,
 12 and the lien of any such pledge shall be valid and binding as against
 13 all parties having claims of any kind in tort, contract or otherwise
 14 against the authority, irrespective of whether such parties have notice
 15 thereof. Neither the resolution nor any other instrument by which a
 16 pledge is created need be filed or recorded except in the records of the
 17 authority.

18
 19 ¹[21.] 16.¹ (New section) Any public or private agency,
 20 organization, corporation, or association which is not legally barred
 21 from investing in the bonds or stock of the New Jersey Housing and
 22 Mortgage Finance Agency or any of its subsidiary corporations may
 23 lawfully invest in the corresponding securities of the authority and its
 24 subsidiaries.

25
 26 ¹[22. (New section) a. Notwithstanding the provisions of section
 27 5 of P.L.1945, c.162 (C.54:10A-5), or of N.J.S.54A:2-1 to the
 28 contrary, a qualified taxpayer that expands its operations in a qualified
 29 municipality shall pay tax on its income generated by new activities in
 30 a qualified municipality at an effective reduced rate, determined by
 31 multiplying the taxpayer's income generated by new activities in a
 32 qualified municipality by the multiplier determined pursuant to
 33 subsection b. of this section for the five privilege periods, in the case
 34 of a taxpayer pursuant to P.L.1945, c.162 (C.54:10A-1 et seq.), or the
 35 five taxable years, in the case of a taxpayer pursuant to N.J.S.54A:1-1
 36 et seq., next ending after the commencement of operations at a
 37 location in a qualified municipality.

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

41	42	43	44	45	46
	Period/ Year		Multiplier		
	First		0.00		
	Second		0.20		
	Third		0.40		
	Fourth		0.60		

1	Fifth	0.80
2	Sixth year and thereafter	1.00

3

4 c. For the purposes of this section:

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

9 (1) resides within the qualified municipality or within another
10 qualified municipality; or

11 (2) unemployed for at least six months prior to being hired and
12 residing in New Jersey, and recipients of New Jersey public assistance
13 programs for at least six months prior to being hired, or either of the
14 aforesaid; or

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

18 "Income generated by new activities in a qualified municipality"
19 means that portion of a taxpayer's income that is generated by its
20 activities commencing at a location in a qualified municipality on or
21 after the designation of the municipality as qualified and that is not
22 generated by a transfer of its previous activities at a location in this
23 State to the qualified municipality. For a taxpayer pursuant to
24 P.L.1945, c.162 (C.54:10A-1 et seq.), "taxpayer's income" in this
25 definition means that portion of the taxpayer's entire net income that
26 is taxable under the Corporation Business Tax Act (1945), P.L.1945,
27 c.162 (C.54:10A-1 et seq.). For a taxpayer pursuant to N.J.S.54A:1-1
28 et seq., "taxpayer's income" in this definition means, in the case of a
29 sole proprietor that part of the profits from business derived from lines
30 of business with operations in a qualified municipality; in the case of
31 a partner or a member of a limited liability company, that part of the
32 partner or member's distributive share of partnership income of a
33 partnership or limited liability company with operations in a qualified
34 municipality allocated to this State pursuant to N.J.S.54A:5-7; and in
35 the case of a shareholder of an S corporation, the pro rata share of S
36 corporation income of an S corporation with operations in a qualified
37 municipality.

38 d. For a taxpayer pursuant to P.L.1945, c.162 (C.54:10A-1 et
39 seq.), notwithstanding the provisions of section 19 of P.L.1983, c.303
40 (C.52:27H-78), section 12 of P.L.1985, c.227 (C.55:19-13), section
41 42 of P.L.1987, c.102 (C.54:10A-5.3), section 1 of P.L.1993, c.150
42 (C.27:26A-15), section 3 of P.L.1993, c.170 (C.54:10A-5.6), sections
43 3 or 4 of P.L.1993, c.171 (C.54:10A-5.18 or C.54:10A-5.19), or
44 section 1 of P.L.1993, c.175 (C.54:10A-5.24), to the contrary, no
45 credits otherwise allowed pursuant to those sections shall be allowed
46 against income generated by new activities in a qualified municipality

1 for the five privilege periods ending after the commencement of
2 operations in a qualified municipality for which the income generated
3 by new activities in a qualified municipality is allowed a multiplier
4 pursuant to this section. For the purposes of section 19 of P.L.1983,
5 c.303 (C.52:27H-78), section 12 of P.L.1985, c.227 (C.55:19-13),
6 section 42 of P.L.1987, c.102 (C.54:10A-5.3), section 1 of P.L.1993,
7 c.150 (C.27:26A-15), section 3 of P.L.1993, c.170 (C.54:10A-5.6),
8 sections 3 or 4 of P.L.1993, c.171 (C.54:10A-5.18 or C.54:10A-5.19),
9 and section 1 of P.L.1993, c.175 (C.54:10A-5.24), any income or
10 liability limits established pursuant to those sections shall be deemed
11 to refer only to income that is not income generated by new activities
12 in a qualified municipality, and any salary, wages or remuneration paid
13 to employees employed at the location in the qualified municipality,
14 the cost of any property installed or employed at the location in the
15 qualified municipality and any expenses incurred at or for the location
16 in the qualified municipality shall be disallowed from the inclusion in
17 any calculation under those sections.]¹

18

19 ¹[23.] 17.¹ (New section) Neither the members of the authority
20 nor any person executing bonds issued pursuant to P.L. , c. (C.)
21 (pending before the Legislature as this bill) shall be liable personally
22 on the bonds by reason of the issuance thereof. Bonds or other
23 obligations issued by the authority pursuant to P.L. , c. (C.)
24 (pending before the Legislature as this bill) shall not be in any way a
25 debt or liability of the State or of any political subdivision thereof and
26 shall not create or constitute any indebtedness, liability or obligation
27 of the State or of any political subdivision, either legal, moral or
28 otherwise, and nothing contained in P.L. , c. (C.) (pending before
29 the Legislature as this bill) shall be construed to authorize the
30 authority to incur any indebtedness on behalf of or in any way to
31 obligate the State or any political subdivision, and all such bonds shall
32 contain on the face thereof a statement to that effect.

33

34 ¹[24.] 18.¹ (New section) a. No member, officer, agent or
35 employee of the authority or of any of its subsidiaries shall take any
36 official action on any matter in which he or she has a direct or indirect
37 financial interest, except that the ownership of, or tenancy in, one's
38 own private residence shall not be considered a financial interest for
39 the purposes of this section.

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

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

45

46 ¹[25.] 19.¹ (New section) Any builder, contractor or subcontractor

1 engaged upon a project within the meaning of P.L. , c. (C.)
2 (pending before the Legislature as this bill), and any person, firm or
3 authority managing or operating such a project, including the authority
4 and its subsidiaries, shall pay the workmen employed in the
5 construction, reconstruction, demolition, or rehabilitation thereof not
6 less than the prevailing wage rate. The prevailing wage rate shall be
7 determined by the Commissioner of Labor in all cases, except that the
8 prevailing wage rate shall be determined by the Secretary of the United
9 States Department of Labor in accordance with the Davis-Bacon Act
10 as amended (40 U.S.C. § 276a to 276a-5), when the loan or other
11 assistance given by the authority in connection with the work, or the
12 funds of the authority or subsidiary thereof expended for the work, are
13 the subject of direct or indirect federal assistance other than federal tax
14 exemption of the interest paid on obligations of the authority or a
15 subsidiary thereof.

16

17 ¹[26.] 20.¹ (New section) a. Under the jurisdiction and at the
18 discretion¹ of the authority, there ¹[shall] may¹ be a public hearing on
19 each project, the cost of which is estimated to exceed \$250,000, within
20 the municipality in which the project is to be located. ¹[The] In the
21 event that a hearing is to be conducted, the¹ authority shall cause
22 notice of the hearing to be published in at least two newspapers of
23 general circulation within the municipality at least 15 days prior to the
24 date of the hearing and shall also file the notice at least 15 days prior
25 to the date of the hearing with the governing body of the county and
26 municipality in which the project is to be located.

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

29 b. All testimony presented at the hearing and all material submitted
30 to the authority within 15 days following the hearing shall be included
31 in a hearing record to be prepared and made available to the public by
32 the authority.

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

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

40

41 ¹[27.] 21.¹ (New section) The exercise of the powers granted by
42 P.L. , c. (C.) (pending before the Legislature as this bill) shall
43 constitute the performance of an essential governmental function and
44 the authority shall not be required to pay any taxes or assessments
45 upon or in respect of a project, or any property or moneys of the
46 authority, and the authority, its projects, property and moneys and any

1 bonds and notes issued under the provisions of P.L. , c. (C.)
2 (pending before the Legislature as this bill), their transfer and the
3 income therefrom, including any profit made on the sale thereof, shall
4 at all times be free from taxation of every kind by the State except for
5 transfer, inheritance and estate taxes and by any political subdivision
6 of the State; provided, that any person occupying a project whether as
7 lessee, vendee or otherwise shall, as long as title thereto shall remain
8 in the authority, pay to the political subdivision in which such project
9 is located a payment in lieu of taxes which shall equal the taxes on real
10 and personal property, including water and sewer service charges or
11 assessments, which such person would have been required to pay had
12 it been the owner of such property during the period for which such
13 payment is made and neither the authority nor its projects, properties,
14 money or bonds and notes shall be obligated, liable or subject to lien
15 of any kind for the enforcement, collection or payment thereof. If and
16 to the extent the proceedings under which the bonds authorized to be
17 issued under the provisions of P.L. , c. (C.) (pending before the
18 Legislature as this bill) so provide, the authority may agree to
19 cooperate with such person occupying a project, in connection with
20 any administrative or judicial proceedings for determining the validity
21 or amount of such payments and may agree to appoint or designate
22 and reserve the right in and for such person to take all action which
23 the authority may lawfully take in respect of such payments and all
24 matters relating thereto, provided such person shall bear and pay all
25 costs and expenses of the authority thereby incurred at the request of
26 such person or by reason of any such action taken by such person on
27 behalf of the authority. If such person occupying a project has paid
28 the amounts in lieu of taxes required by this section to be paid, such
29 person shall not be required to pay any such taxes for which a
30 payment in lieu thereof has been made to the State or to any political
31 subdivision, any other statute to the contrary notwithstanding.

32

33 ¹[28.] 22.¹ (New section) The governing bodies of any two
34 contiguous municipalities within which is located or is to be located a
35 New Jersey Redevelopment Authority project situated in part within
36 each municipality, may by reciprocal ordinances enter into agreements
37 with each other to share all tax revenues, payments in lieu of taxes or
38 other revenues as shall be derived from the entire project, and to which
39 they are by law entitled, in such proportion as they deem proper.

40

41 ¹[29.] 23.¹ (New section) Any agreement entered into pursuant to
42 section ¹[28.] 22¹ of P.L. , c. (C.) (pending before the Legislature
43 as this bill) for the sharing of payments and revenues derived from a
44 project shall also set forth the manner in which the costs of municipal
45 services for such project are to be apportioned and specify the services
46 to be supplied by each municipality in sufficient detail so as to permit

1 the owners, occupants and users of property within the project to
2 determine the responsibilities of each participating municipality.

3
4 ¹[30.] 24.¹ (New section) Notwithstanding any restriction
5 contained in any other law, the State and all political subdivisions of
6 this State, and all other persons who are or may hereafter be
7 authorized to invest in bonds or other obligations of the State, may
8 invest any sinking funds, moneys or other funds, including capital,
9 belonging to them or within their control in any bonds or notes issued
10 by the authority under the provisions of P.L. , c. (C.) (pending
11 before the Legislature as this bill).

12
13 ¹[31.] 25.¹ (New section) The foregoing sections of P.L. , c. (C.
14) (pending before the Legislature as this bill) shall be deemed to
15 provide a complete method for the doing of things authorized thereby
16 and shall be regarded as not in conflict with, or as restrictive of,
17 powers conferred by any other laws, and the provisions of P.L. , c.
18 (C.) (pending before the Legislature as this bill) shall be complete
19 authority for the issuance of bonds by the authority and the provisions
20 of any other laws shall not apply to the issuance of such bonds.

21
22 ¹[32.] 26.¹ (New section) With its first annual report, and every
23 second year thereafter, the authority shall submit a New Jersey
24 Redevelopment Strategy document, setting forth ¹[its assessment of
25 the current needs for industrial, land-use improvement, civic, utility
26 and multi-purpose projects in qualified municipalities of the State; its
27 estimate of the resources available, under the provisions of P.L. , c.
28 (C.) (pending before the Legislature as this bill), from public and
29 private sources for the undertaking of such projects; and its anticipated
30 participation in or assistance of such projects during the two years
31 next succeeding the date of submission. The document shall set
32 forth]¹ the goals and priorities governing the selection of the projects
33 it anticipates participating in or assisting; and the authority shall
34 annually review and evaluate the projects actually undertaken in light
35 of the goals and priorities established therefor by the New Jersey
36 Redevelopment Strategy document. In selecting projects for its
37 participation, and in evaluating those projects in which it has
38 participated, the authority shall devise and employ techniques for
39 forecasting and measuring relevant indices of accomplishment of its
40 goals of economic revitalization, including specifically:

- 41 a. the number of jobs created, or to be created, by, or as a result
42 of, the project;
43 b. the cost, or estimated cost, to the State, involved in the creation
44 of those jobs;
45 c. the amount of private capital investment in, or stimulated by, a
46 project, in proportion to the public funds invested therein; and

1 d. in the case of an industrial project or a multi-purpose project
2 which has, as one of its elements, a project classified as an industrial
3 project, a determination, based upon written findings, that the project
4 would not be undertaken but for the participation of the authority.
5

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

13 b. Twelve months after the effective date of P.L. , c. (C.)
14 (pending before the Legislature as this bill), the Director of the
15 Division of Investment in the Department of the Treasury shall report
16 to the State Investment Council, the Governor and the Legislature the
17 total amount of authority bonds purchased by the division and the
18 percentage that amount represents of State-administered pension
19 funds. The director of the division shall also set forth in the report
20 what return on the investment has been realized on the investment in
21 authority bonds and how that rate of return compares to the rate of
22 return on other division investments of State-administered pension
23 funds.

24 Following the first report as required herein, the council shall
25 include this information in its report submitted to the Governor, the
26 Legislature and the State Treasurer on or before January first of each
27 year pursuant to section 13 of P.L.1950, c.270 (C.52:18A-91).]¹
28

29 ¹[34.] 27.¹ (New section) a. There is hereby created the New
30 Jersey Redevelopment Investment Fund, or "fund," a revolving loan
31 pool to be used for the purpose of making loans, loan guarantees or
32 grants pursuant to the provisions of this act, into which shall be paid:

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

37 (2) funds appropriated by section ¹[97]~~68~~¹ of P.L. , c. (C.)
38 (pending before the Legislature as this bill) ¹as may be determined by
39 the authority¹;

40 (3) repayments of loans or other payments, including repayments
41 of principal and interest on loans, received by the authority pursuant
42 to agreements made under authority of sections 5, ¹[13, 14, or 15] 8,
43 9 or 10¹ of P.L. , c. (C.) (pending before the Legislature as this
44 bill);

45 (4) ¹[\$20 million from the tax collected pursuant to section 3 of
46 P.L.1966, c.30 (C.54:32B-3);

- 1 (5)]¹ any income derived from investment pursuant to subsection
2 b. of this section;
- 3 ¹[(6)] (5)¹ moneys collected as user fees and facility charges in
4 connection with any civic project or utilities project managed or
5 operated by the authority as authorized by subsection z. of section 5
6 of P.L. , c. (C.) (pending before the Legislature as this bill);
- 7 ¹[(7) those bond funds made available to the New Jersey
8 Redevelopment Investment Fund from the bond funds referred to in
9 sections 101, 102 and 103 of P.L. c. (C.) (pending before
10 the Legislature as this bill);]¹ and
- 11 ¹[(8)] (6)¹ such additional funds as the Legislature may from time
12 to time appropriate for the purpose.
- 13 b. The fund shall be in the custody and control of the authority,
14 which may invest and reinvest any portion thereof not immediately
15 required for the purposes of the authority in the manner provided by
16 law for investment of public funds on projects and investments
17 utilizing revenues from the sale of general obligation bonds, which
18 projects shall be subject to the approval of the State Treasurer, and the
19 State Treasurer's actions shall be based solely on his fiduciary role to
20 ensure that all applicable federal and State tax laws are adhered to
21 regarding the investment of bond funds.
- 22 c. The authority may resell any loan or loans made by the authority
23 pursuant to this act to any buyer or buyers; the proceeds of any such
24 sales shall be returned to the fund established pursuant to this section.
25
- 26 ¹[35.] 28.¹ (New section) a. Loan rates and maturities of loans
27 made by the New Jersey Redevelopment Authority shall be established
28 by the State Treasurer taking into consideration rates available in
29 capital markets for comparable maturities and comparable credit
30 quality. Local governments may secure interim financing under this
31 act to enable a project to be undertaken before permanent financing is
32 secured or may secure permanent financing under P.L. , c. (C.)
33 (pending before the Legislature as this bill) with a final maturity
34 related to the expected useful life of the project being so financed.
- 35 b. Pending their application to the purposes provided in P.L. , c.
36 (C.) (pending before the Legislature as this bill), the monies in the
37 New Jersey Redevelopment Investment Fund may be invested and
38 reinvested as are other trust funds in the custody of the State
39 Treasurer, in the manner provided by law. Net earnings received from
40 the investment or deposit of that fund shall be paid into the New
41 Jersey Redevelopment Investment Fund.
- 42 c. No interest-free loan shall be permitted without the written
43 approval of the State Treasurer or his designee.
- 44 d. The State Treasurer or the Director of the Division of Budget
45 and Accounting in the Department of the Treasury shall approve
46 expenditures from the fund for administrative costs.

1 ¹[36.] 29.¹ (New section) a. Any county, by resolution of its
2 governing body, shall have power to enter into contracts with the
3 authority relating to any project or projects situated within the county;
4 provided, however, that any such resolution shall be introduced in
5 writing at a meeting of the governing body and shall be passed upon
6 first reading which may be by title, and thereafter, the resolution shall
7 be published with notice of the introduction thereof and of the date,
8 time and place of further consideration for final passage, and on the
9 date and at the time and place so advertised, all persons interested
10 shall be given the opportunity to be heard and after the hearing, the
11 governing body may proceed to reject or finally adopt the resolution
12 by the recorded affirmative votes of at least two-thirds of the full
13 membership of the governing body; and provided, further, that the
14 resolution shall contain findings and determinations of the governing
15 body (1) that the project will maintain employment opportunities in the
16 county or provide new employment opportunities in the county and (2)
17 that the contract with the authority is a necessary inducement to the
18 undertaking of the project in that it makes the financing thereof
19 feasible. The contract or contracts may provide for the payment to the
20 authority by the county annually or otherwise of such sum or sums of
21 money, computed at fixed amounts or by any formula, or in any other
22 manner as may be fixed in or pursuant thereto. Any contract may be
23 made and entered into for a term beginning currently or at some future
24 or contingent date and with or without consideration and for a
25 specified or unlimited time and on any terms and conditions which may
26 be approved by the county and which may be agreed to by the
27 authority in conformity with its contracts with the holders of any
28 bonds, and shall be valid and binding on the county whether or not an
29 appropriation is made thereby prior to authorization or execution of
30 the contract. Every county is hereby authorized and directed to do
31 and perform any and all acts and things necessary, convenient or
32 desirable to carry out and perform any contract entered into by it and
33 to provide for the payment or discharge of any obligation thereunder
34 in the same manner as other obligations of the county.

35 b. For the purpose of aiding the authority and cooperating in the
36 planning, designing, acquiring, constructing, reconstructing,
37 improving, equipping and furnishing of any project situate in any
38 county, any county, by ordinance of its governing body, shall have
39 power from time to time and for such period and upon such terms,
40 with or without consideration, as may be provided by the ordinance
41 and accepted by the authority:

42 (1) to appropriate moneys for the purposes of the authority with
43 respect to the project, and to loan or donate such money to the
44 authority in such installments and upon such terms as may be agreed
45 upon with the authority;

46 (2) upon authorization by it in accordance with law of the

1 performance of any act or thing which it is empowered by law to
2 authorize or perform and after appropriation of the moneys, if any,
3 necessary for that performance, to covenant and agree with the
4 authority to do and perform any act and as to the time, manner and
5 other details of its doing and performance; and

6 (3) to appropriate money for all or any part of the cost of the
7 acquisition or construction of the project, and, in accordance with the
8 limitations and exceptions thereto and in the manner or mode of
9 procedure prescribed by the local bond law to incur indebtedness,
10 borrow money and issue its negotiable bonds for the purpose of the
11 project and appropriation, and to pay the proceeds of those bonds to
12 the authority.

13 c. Any contract, and any instrument making or evidencing the
14 same, may be pledged or assigned by the authority, with the consent
15 of the county executing the contract, to secure its bonds and thereafter
16 may not be modified except as provided by the terms of such
17 instrument or by the terms of the pledge or assignment.

18

19 ¹[37.] 30.¹ (New section) All property of the authority shall be
20 exempt from levy and sale by virtue of an execution and no execution
21 or other judicial process shall issue against the same nor shall any
22 judgment against an authority be a charge or lien upon its property;
23 provided, that nothing herein contained shall apply to or limit the
24 rights of the holder of any bonds to pursue any remedy for the
25 enforcement of any pledge or lien given by the authority on or with
26 respect to any project or any revenues or other moneys.

27

28 ¹[38.] 31.¹ (New section) a. ¹[The New Jersey Economic
29 Development Authority shall repay without interest to the State
30 Treasurer all moneys realized from borrowers upon loans they
31 obtained through the New Jersey Urban Development Corporation,
32 which loans were made from the sums appropriated to the Urban
33 Development Investment Fund from the Community Development
34 Bond Fund created pursuant to section 14 of the "Community
35 Development Bond Act of 1982" (P.L.1981, c.486). The repayment
36 from moneys realized from borrowers shall be considered as cash
37 received from payments of principal and interest from the borrowers
38 and received from the liquidation of collateral securing such loans.
39 Such repayments shall be net of all direct expenses incurred in
40 servicing the loan or in protecting and collecting the collateral, or
41 both.

42 b.]¹ All sums appropriated ¹[or],¹ transferred ¹or otherwise
43 available¹ to the New Jersey Redevelopment Authority from any
44 source, are transferred to the New Jersey Redevelopment Investment
45 Fund to carry out the purposes of P.L. , c. (C.) (pending before
46 the Legislature as this bill).

1 civic and educational enterprise, and create favorable conditions for
2 increases in economic activity, property values, employment
3 opportunities and the provision of affordable housing.

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

8 f. It is, therefore, in the public interest to authorize the use of
9 revenue allocation financing by municipalities and the dedication of
10 payments in lieu of taxes toward the retirement of debt incurred in
11 redevelopment, as set forth hereunder, to encourage private
12 investment within areas that are blighted or in need of redevelopment
13 or would otherwise remain unused.]¹

14

15 ¹[40. (New section) As used in this article:

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

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

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

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

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

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

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

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

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

44 "Project" means the purchasing, leasing, condemning or otherwise
45 acquiring of land or other property, or an interest therein, in the
46 district or as necessary or convenient for the acquisition of any

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

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

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

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

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

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

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

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

17 "Taxing entity" means the county, the school district or districts,
18 and the municipality authorized to levy a tax on the taxable property
19 within a municipality.]¹

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

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

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

46 b. a certification by the municipal assessor that, upon the basis of

1 property assessments as of October 1 of the year preceding the
2 certification, the total taxable property value in all districts designated
3 by the municipality, including the district being proposed in the
4 ordinance, does not exceed 15 or 20 percent of the total taxable
5 property assessed in the municipality, as appropriate, as provided in
6 the ordinance adopted in accordance with the provisions of this
7 section;

8 c. the designation of a district agent, which may be a county
9 improvement authority, a municipal redevelopment agency, a local
10 housing authority with redevelopment powers, the New Jersey
11 Redevelopment Authority established pursuant to P.L. , c.
12 (C.) (pending before the Legislature as this bill) or one of its
13 subsidiaries or the local governing body; provided, however, that if a
14 district is created in an area under the jurisdiction of a regional
15 planning commission which has been assigned redevelopment powers
16 pursuant to law, that commission shall serve as the district agent in
17 connection with that district;

18 d. a designation of all or any percentage of any eligible revenue or
19 revenues as pledged revenues;

20 e. a statement of whether or not the municipality intends that the
21 bonds issued by the district agent be guaranteed by the municipality,
22 or be issued as qualified bonds pursuant to the "Municipal Qualified
23 Bond Act," P.L.1976, c.38 (C.40A:3-1 et seq.), or both;

24 f. a proposed preliminary revenue allocation plan, as set forth in
25 section 42 of P.L. , c. (C.) (pending before the Legislature as
26 this bill); and

27 g. documentation that the district has been identified in the
28 appropriate redevelopment plan.]¹

29

30 ¹[42. (New section) The proposed preliminary revenue allocation
31 plan shall include:

32 a. a certification by the municipal tax assessor of the property tax
33 increment base of the district;

34 b. a statement of the revenues if any to be pledged to support
35 bonds of the district, the percentage of such revenues to be so
36 pledged, and a certification by the chief financial officer of the
37 municipality of the revenue increment base for each of the pledged
38 revenues other than the property tax revenue base. If the amount of
39 any such revenue base cannot be certified, then the chief financial
40 officer shall estimate the amount and describe the basis for preparing
41 the estimate and the manner in which the revenue increment base will
42 be determined after adoption of the plan;

43 c. a description of the proposed project or projects, an estimate of
44 their cost, a proposed construction schedule, and the projected debt
45 service on the bonds issued to finance the project and the anticipated
46 amount of private activity bonds, as that term is defined in 26

- 1 U.S.C. § 141, to be issued, if any;
- 2 d. a description of the development expected or planned within the
3 district, including the identification of the developers, if any, other
4 than the district agent or the municipality, and their contractual
5 relationship, if any, with the district agent or the municipality;
- 6 e. an estimate of the taxable value of the assessed property within
7 a district upon completion of the projects;
- 8 f. a projection of the amount of the pledged revenues during the
9 period in which any bond will be outstanding;
- 10 g. a statement of whether or not the district agent intends to create
11 a reserve for payment of project costs prior to the adoption of the final
12 revenue allocation plan;
- 13 h. a statement of whether or not tax abatements or exemptions are
14 expected to be granted in the district; and
- 15 i. a fiscal impact statement for the taxing entities involved.]¹
- 16

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

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

- 24 a. the planned developments are likely to be realized and would not
25 likely be accomplished by private enterprise without the creation of the
26 district and the revenue allocation financing of the proposed project or
27 projects;
- 28 b. the revenue increments and any other pledged revenues will be
29 sufficient to pay debt service on bonds issued to effectuate the plan;
- 30 c. the credit of the municipality and its ability to pay the principal
31 of and interest on its debts and to provide essential public services will
32 not be impaired;
- 33 d. the creation of the district will contribute to the economic
34 development of the municipality;
- 35 e. the size of the proposed district and the amount of the pledged
36 revenues do not exceed the size and amount necessary to accomplish
37 the purposes of the plan; and
- 38 f. the pledged revenue or guarantees would not pose inappropriate
39 risk or undue financial hardship to the taxpayers of the community in
40 the event of default.

41 In approving ordinances, the board shall give priority to any
42 municipality in which an empowerment neighborhood has been
43 designated.]¹

44

45 ¹[44. (New section) a. The board and the State Treasurer may
46 make written recommendations as to any aspect of the ordinance and

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

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

14 c. Upon receipt of the approved ordinance from the board, the
15 municipal governing body may adopt the ordinance at a meeting of the
16 governing body by a majority of the authorized membership thereof.]¹

17

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

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

28 Cause for contracting the district or reducing the designation of
29 pledged revenues shall be based on the need to create other districts
30 within the municipality and on the demonstration that the amount of
31 the pledged revenue is excessive for the purposes of the district;
32 however, in no case shall the size of the district be contracted or the
33 pledged revenues be reduced if the district agent has issued bonds or
34 incurred obligations and if such contraction or reduction would impair
35 the security of the bonds or the district agent's ability to pay its
36 obligations.]¹

37

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

1 in which the area is added, as certified by the chief financial officer of
2 the municipality.

3 Whenever a district is contracted as permitted under section 45 of
4 P.L. , c. (C.) (pending before the Legislature as this bill) the tax
5 increment base and the increment base of all other eligible revenues of
6 the district shall be adjusted as if that area had not been a part of the
7 district at the time when it became part of the district.]¹

8

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

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

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

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

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

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

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

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

44 Nothing herein is intended to limit the powers granted under any
45 other law or regulation to the entity acting as district agent under
46 P.L. , c. (C.) (pending before the Legislature as this bill).]¹

1 ¹[48. (New section) In addition to the property tax increment, the
2 plan may include one or more of the following eligible revenues if the
3 municipality is otherwise authorized by law to collect such revenues:
4 a. incremental payments in lieu of taxes, with respect to property
5 located in the district, made pursuant to the "Long Term Tax
6 Exemption Law," P.L.1991, c.431 (C.40A:20-1 et al.);
7 b. incremental revenues from payroll or wage taxes with respect to
8 activities carried on within the district;
9 c. incremental revenue from lease payments made to the
10 municipality or district agent with respect to property located in the
11 district;
12 d. incremental revenue from payments in lieu of taxes or service
13 charges with respect to property located within the district;
14 e. incremental revenue from parking taxes derived from parking
15 facilities located within the district;
16 f. admissions and sales taxes received from the operation of a
17 public facility which the district agent is authorized by law to retain;
18 g. sales and excise taxes which are derived from activities within
19 the district and which are rebated to or retained by the municipality
20 pursuant to the "New Jersey Urban Enterprise Zones Act," P.L.1983,
21 c.303 (C.52:27H-60 et seq.) or any other law providing for such
22 rebate or retention;
23 h. parking revenue from public parking facilities built as part of a
24 project except for public parking facilities owned by parking
25 authorities pursuant to the "Parking Authority Law," P.L.1948, c.198
26 (C.40:11A-1 et seq.);
27 i. assessments levied against properties in a special improvement
28 district pursuant to section 8 of P.L.1972, c.134 (C.40:56-72), if
29 consented to by the governing body of the municipality in which the
30 special improvement district is situated.

31 The incremental revenue for the revenues listed in subsections b.,
32 c., d. and e. of this section shall be calculated as the difference
33 between the amount collected in any calendar year from any eligible
34 revenue source included in the plan, less the revenue increment base
35 for that eligible revenue.]¹

36

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

42 a. a description of the project or projects to be financed, including
43 the projected cost and construction schedule;
44 b. a description of any development to be undertaken by any
45 developer in connection with the project, including an estimate of the
46 eligible revenues anticipated from the development;

1 c. a description of the eligible revenues to be pledged to the
2 support of the project, or to the bonds or other obligations to be
3 issued or incurred by the district agent;

4 d. a description of other anticipated projects for the district and
5 the anticipated means of financing those projects;

6 e. a copy of any proposed bond resolution, contract, lease or other
7 agreement to be adopted or authorized by the district agent. Any
8 proposed bond resolution shall include a description of the security
9 features of the bonds, including reserve funds or other security
10 enhancements, if any, such as a municipal guarantee, qualified bond
11 authorization, bond insurance or letter of credit; the maturity schedule
12 for the bonds; the estimated interest rate; the period of capitalized
13 interest, if any; an estimate of the costs of issuance, with identification
14 of bond counsel, financial advisers, underwriters and other
15 professionals engaged to assist in the issuance of bonds; lien priorities
16 among projects, if any; and such other information as the board may
17 require; and

18 f. a certification by the chief financial officer of the property tax
19 increment base, if property tax increment revenue is to be pledged, and
20 of the revenue increment base for each other pledged revenue. If the
21 amount of any such revenue increment base cannot be certified, then
22 the chief financial officer shall estimate the amount and describe the
23 basis for preparing the estimate and the manner in which the revenue
24 increment base will be determined after adoption of the final plan.]¹

25

26 ¹[50. (New section) A final revenue allocation plan shall be
27 submitted to the governing body of the municipality for approval by
28 ordinance. When an ordinance embodying a final revenue allocation
29 plan has been introduced in writing at a meeting of the governing body
30 and approved on first reading, which may be by title, by a majority of
31 the authorized membership thereof, it shall be submitted, together with
32 all included and incorporated certificates and documents and such
33 additional supporting documentation as the board may by rule
34 prescribe, to the board and the State Treasurer. The board shall notify
35 the State Treasurer of the receipt of the submission.

36 The board shall approve the plan if it determines that:

37 a. the planned developments are likely to be realized and would not
38 be accomplished by private enterprise without the creation of the
39 district and the financing of the proposed project or projects;

40 b. the pledged revenues will be sufficient to pay debt service on
41 bonds and discharge any obligations undertaken by the district agent
42 to effectuate the plan;

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

46 d. the pledged revenues or guarantees would not pose

1 inappropriate risk or undue financial hardship to the taxpayers of the
2 community in the event of default.]¹

3
4 ¹[51. (New section) a. The board and the State Treasurer may
5 make written recommendations as to any aspect of the plan and any
6 related fiscal matters of the municipality or the district agent which, in
7 the determination of the board and the State Treasurer, must be
8 changed in order to effectuate the plan, and the board may condition
9 its approval of the plan upon the adoption of its recommendations or
10 those of the State Treasurer.

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

19 c. Upon receipt of the approved ordinance from the board the
20 municipal governing body may adopt the ordinance at a meeting of the
21 governing body by a majority of the authorized membership thereof.
22 Any changes to the plan as embodied in the ordinance shall be by
23 amendment of the ordinance adopted and approved by the same
24 method as prescribed in section 44 of P.L. , c. (C.) (pending
25 before the Legislature as this bill) in connection with the proposed
26 preliminary revenue allocation plan included in the ordinance
27 establishing the district.]¹

28
29 ¹[52. (New section) If the preliminary revenue allocation plan has
30 designated the property tax increment as a pledged revenue, the
31 property tax increment shall be calculated and paid to the revenue
32 allocation fund or the bond trustee, as appropriate, as provided
33 hereunder.

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

1 to be billed at the quarterly payment date, regardless of whether or not
2 the increment is actually collected from the taxpayers within the
3 district.

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

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

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

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

30 f. Whenever a revaluation or general reassessment occurs in a
31 municipality which has designated one or more districts, the property
32 tax increment base for each district shall be adjusted to equal the
33 absolute difference between the taxable value of the property in the
34 district after revaluation or reassessment less the amount of the
35 property tax increment base for the year immediately prior to the
36 revaluation or reassessment divided by the adjusted tax rate. The
37 adjusted tax rate shall be a fraction, the numerator of which is the total
38 tax levy of the municipality before revaluation or reassessment and the
39 denominator of which is the total taxable value of all taxable property
40 in the municipality after revaluation or reassessment.]¹

41

42 ¹[53. (New section) If the preliminary revenue allocation plan has
43 designated any eligible revenues, in addition to or other than the
44 property tax increment, as a pledged revenue, the other pledged
45 revenues shall be deposited as provided in this section.

46 a. The collector of any pledged revenues shall certify to the

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

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

10 c. Payments in lieu of taxes shall be deposited in four equal
11 installments, regardless of the date or dates fixed for such payments by
12 statute, agreement or otherwise.]¹

13

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

27

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

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

34 a. paying the project costs;

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

38 c. prepaying the principal of and interest on the bonds or other
39 obligations;

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

44 e. reimbursing the municipality for any payments made by the State
45 pursuant to the "Municipal Qualified Bond Act," P.L.1976, c.38
46 (C.40A:3-1 et seq.) to pay debt service on any qualified bonds issued

1 pursuant to section 63 of P.L. , c. (C.) (pending before the
2 Legislature as this bill).]¹

3
4 ¹[56. (New section) a. Prior to the adoption of a final revenue
5 allocation plan, the district agent may draw money from the revenue
6 allocation fund for purposes of paying all project costs incurred in
7 connection with the development of the final revenue allocation plan
8 as provided in the approved operating budget, including a reserve for
9 project costs if such reserve is part of the preliminary plan.

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

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

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

30
31 ¹[57. (New section) Except where the municipal governing body
32 has designated itself as the district agent, or except in municipalities
33 which are under the jurisdiction of a regional planning commission
34 assigned redevelopment powers pursuant to law, any action of the
35 district agent shall be subject to the veto of the mayor of the
36 municipality. The veto shall be exercised by the veto of the minutes
37 of the district agent by the mayor. The mayor shall have 10 days,
38 Saturdays, Sundays and legal holidays excepted, after receipt of the
39 minutes to exercise the veto. If a mayoral veto is exercised during that
40 period, the action of the district agent shall be considered null and
41 void. If no veto is exercised during that period, the action of the
42 district agent shall be considered valid. The mayor, upon receipt of
43 the minutes, may in writing notify the district agent of the approval of
44 the minutes before the expiration of the 10-day period. Where the
45 municipal governing body has designated itself as the district agent,
46 the mayor shall have only such veto powers as are granted to the

1 mayor by law.

2 The veto power shall be exercised with due regard for the rights of
3 the holders of bonds issued by the district agent and shall not limit,
4 restrict or alter the obligations or powers of the district agent to carry
5 out and perform in every detail each and every covenant, agreement or
6 contract entered into with respect to the bonds or for the benefit,
7 protection or security of the bond holders.]¹

8
9 ¹[58. (New section) Subject to the limitations contained in P.L. ,
10 c. (C.) (pending before the Legislature as this bill), each district
11 shall remain in existence until obligations for any project in that district
12 cease to be outstanding; provided, however, the district may be
13 terminated if sufficient moneys have been deposited in the revenue
14 allocation fund for the full payment of the principal of and interest on
15 the bonds at maturity or full payment of any other obligations, and if
16 the board approves the dissolution of the district. The Division of
17 Local Government Services in the Department of Community Affairs
18 may recommend to the municipality the dissolution of a district which
19 has not taken substantial steps to implement the plan, so long as there
20 are no bonded obligations outstanding or contractual obligations to
21 pay any part of project costs.]¹

22
23 ¹[59. (New section) a. In calculating the general tax rate levied
24 each year, the aggregate amount of the ratable increments of the tax
25 increment districts shall not be considered a part of the total taxable
26 value of land and improvements within the municipality.

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

30 c. For purposes of this section, "ratable increment" means the
31 taxable value of all property assessed within a district for the tax year,
32 minus the tax increment base.]¹

33
34 ¹[60. (New section) Upon approval of the resolution by the board
35 and adoption of an ordinance approving or adopting the final revenue
36 allocation plan by the municipal governing body, the district agent
37 shall have the power to incur indebtedness, borrow money and issue
38 its bonds or notes for purposes of financing a project or funding or
39 refunding its bonds or notes. If the district agent is the municipal
40 governing body, any pledge of revenues or funds and obligations
41 incurred shall be limited to the revenues and property accruing to the
42 municipality as district agent and shall not be deemed to include any
43 other municipal revenue or property unless such revenues are pledged
44 or obligations are incurred pursuant to P.L. , c. (C.) (pending
45 before the Legislature as this bill). The district agent may from time
46 to time issue its bonds or notes in such principal amounts as in the

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

10 Any provisions of law to the contrary notwithstanding, a bond
11 issued pursuant to P.L. , c. (C.) (pending before the Legislature
12 as this bill) shall be fully negotiable within the meaning and for all
13 purposes of Title 12A of the New Jersey Statutes, and each holder of
14 the bond, or a coupon appurtenant thereto, by accepting the bond or
15 coupon shall be conclusively deemed to have agreed that the bond or
16 coupon is and shall be fully negotiable within the meaning and for the
17 purposes of that title.]¹

18

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

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

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

39 Bonds or notes of the district agent issued under the provisions of
40 P.L. , c. (C.) (pending before the Legislature as this bill) shall
41 contain a statement to the effect that they are issued pursuant to
42 P.L. , c. (C.) (pending before the Legislature as this bill) and
43 entitled to the provisions of P.L. , c. (C.) (pending before the
44 Legislature as this bill).]¹

45

46 ¹[62. (New section) Each issue of bonds or notes of the district

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

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

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

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

18 d. pledge of any moneys, funds, accounts, securities and other
19 funds, including the proceeds of the bonds or notes.]¹

20
21 ¹[63. (New section) The municipal governing body may issue
22 general obligation bonds to guarantee payment of the bonds or notes
23 pursuant to the provisions of the "Local Bond Law," N.J.S.40A:2-1 et
24 seq. Such guarantees shall be set forth in the final revenue allocation
25 plan approved pursuant to section 49 of P.L. , c. (C.) (pending
26 before the Legislature as this bill).

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

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

1 to the paying agent, the district agent shall return a like amount of
2 eligible revenues received by the district agent, if any, which may be
3 applied to the payment of municipal operating expenses.]¹

4
5 ¹[64. (New section) In any resolution of the district agent
6 authorizing or relating to the issuance of any bonds or notes, the
7 district agent, in order to secure the payment of the bonds or notes and
8 in addition to its other powers, shall have power by provisions in that
9 resolution, which shall constitute covenants by the district agent and
10 contracts with the holders of the bonds or notes, to:

11 a. secure the bonds or notes as provided in section 63 of P.L. ,

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

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

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

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

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

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

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

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

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

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

45 k. covenant to create or authorize the creation of special funds or
46 moneys to be held in pledge or otherwise for construction, operating

1 expenses, tax rebate, payment or redemption of bonds or notes;
2 reserves or other purposes and as to the use, investment, and
3 disposition of the moneys held in these funds;

4 l. establish the procedure, if any, by which the terms of any
5 contract or covenant with or for the benefit of the holders of bonds or
6 notes may be amended or abrogated, the amount of bonds or notes the
7 holders of which must consent thereto, and the manner in which the
8 consent may be given;

9 m. covenant as to the construction, improvement, operation or
10 maintenance of any project and its other real and personal property,
11 the replacement thereof, the insurance to be carried thereon, and the
12 use and disposition of insurance moneys;

13 n. provide for the release of property, leases or other agreements,
14 or revenues and receipts from any pledge or mortgage and to reserve
15 rights and powers in, or the right to dispose of, property which is
16 subject to a pledge or mortgage;

17 o. provide for the rights and liabilities, powers and duties arising
18 upon the breach of any covenant, condition or obligation and prescribe
19 the events of default and the terms and conditions upon which any or
20 all of the bonds, notes or other obligations of the district agent shall
21 become or may be declared due and payable before maturity and the
22 terms and conditions upon which the declaration and its consequences
23 may be waived;

24 p. vest in a trustee or trustees within or without the State such
25 property rights, powers and duties in trust as the district agent may
26 determine, including the right to foreclose any mortgage, which may
27 include any or all of the rights, powers and duties of any trustee
28 appointed by the holders of any bonds or notes issued pursuant to this
29 section and to limit or abrogate the right of the holders of any bonds
30 or notes of the district agent to appoint a trustee under P.L. , c.
31 (C.) (pending before the Legislature as this bill), and to limit the
32 rights, duties and powers of the trustee;

33 q. execute all mortgages, leases, sales agreements, service
34 contracts, bills of sale, conveyances, deeds of trust and other
35 instruments necessary or convenient in the exercise of its powers or in
36 the performance of its covenants or duties;

37 r. pay the costs or expenses incident to the enforcement of the
38 bonds or notes or of the provisions of the resolution or of any
39 covenant or agreement of the district agent with the holders of its
40 bonds or notes;

41 s. limit the rights of the holders of any bonds or notes to enforce
42 any pledge or covenant securing bonds or notes; and

43 t. make covenants other than or in addition to the covenants
44 authorized by P.L. , c. (C.) (pending before the Legislature as this
45 bill) of like or different character, and to make such covenants to do
46 or refrain from doing such acts and things as may be necessary, or

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

5
6 ¹[65. (New section) Any pledge of revenues, receipts, moneys,
7 funds, levies, sales agreements, service contracts or other property or
8 instruments made by the district agent shall be valid and binding from
9 the time when the pledge is made. The revenues, receipts, moneys,
10 funds or other property so pledged and thereafter received by the
11 district agent or a subsidiary shall immediately be subject to the lien
12 of the pledge without any physical delivery thereof or further act, and
13 the lien of any pledge shall be valid and binding as against all parties
14 having claims of any kind in tort, contract or otherwise against the
15 district agent irrespective of whether the parties have notice thereof.
16 Neither the resolution nor any other instrument by which a pledge
17 under this section is created need be filed or recorded except in the
18 records of the district agent.]¹

19
20 ¹[66. (New section) Neither the directors of the district agent nor
21 any person executing bonds or notes issued pursuant to P.L. , c.
22 (C.) (pending before the Legislature as this bill) shall be liable
23 personally on the bonds or notes by reason of the issuance thereof.]¹

24
25 ¹[67. (New section) The district agent may establish such reserves,
26 funds or account as may be, in its discretion, necessary or desirable to
27 further the accomplishment of the purposes of the district agent or to
28 comply with the provisions of any agreement made by or any
29 resolution of the district agent.

30 The State and all public officers, governmental units and agencies
31 thereof, all banks, trust companies, savings banks and institutions,
32 building and loan associations, savings and loan associations,
33 investment companies, and other persons carrying on a banking
34 business, all insurance companies, insurance associations and other
35 persons carrying on an insurance business, and all executors,
36 administrators, guardians, trustees and other fiduciaries may legally
37 invest any sinking funds, moneys or other funds belonging to them or
38 within their control in any bonds or notes issued pursuant to P.L. ,
39 c. (C.) (pending before the Legislature as this bill), and such bonds
40 or notes shall be authorized security for any and all public deposits.]¹

41
42 ¹[68. (New section) Bonds, notes or other obligations issued
43 pursuant to P.L. , c. (C.) (pending before the Legislature as this
44 bill) are for an essential public and governmental purpose, and the
45 bonds, notes or other obligations, their transfer and the interest and
46 premium, if any, thereon and the income therefrom, including any

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

7
8 ¹[69. (New section) If any section, part, phrase, or provision of
9 P.L. , c. (C.) (pending before the Legislature as this bill) of the
10 application thereof to any person, project or circumstances, be
11 adjudged invalid by any court of competent jurisdiction, such judgment
12 shall be confined in its operation to the section, part, phrase, provision
13 or application directly involved in the controversy in which such
14 judgment shall have been rendered and shall not affect or impair the
15 validity of the remainder of P.L. , c. (C.) (pending before the
16 Legislature as this bill) or the application thereof to other persons,
17 projects or circumstances.]¹

18
19 ¹[70.] 33.¹ (New section) ¹[a.]¹ In order to provide security for
20 the bonds or other obligations authorized herein, a municipality may
21 adopt an ordinance which provides for tax abatement within a
22 redevelopment area and for a payment in lieu of taxes. Any tax
23 abatement granted by the municipality and any agreement for the
24 payment in lieu of taxes shall be included as part of a financial
25 agreement between the municipality and the developer in accordance
26 with the provisions of P.L.1991, c.431 (C.40A:20-1 et seq.); provided,
27 however, that provisions of subsection b. of section 12 of P.L.1991,
28 c.431 (C.40A:20-12) ¹[and],¹ subsection a. of section 14 of P.L.1991,
29 c.431 (C.40A:20-14) ¹ and subsection c. of section 18 of P.L.1991,
30 c.431 (C.40A:20-18)¹ shall not apply to any financial agreement
31 entered into pursuant to this section.

32
33 ¹[71.] 34.¹ (New section) a. A financial agreement entered into
34 pursuant to section ¹[70] 33¹ of P.L. , c. (C.) (pending
35 before the Legislature as this bill) shall provide for payments in lieu
36 of taxes in an amount agreed upon, and, to the extent needed to pay
37 debt service and other related costs of the bonds or other obligations
38 authorized in this section, shall be pledged to the repayment of the
39 bonds or other 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 ¹, New Jersey
44 Economic Development Authority¹ or county improvement authority
45 may issue negotiable bonds or other obligations for the purpose of
46 financing or refinancing the construction, reconstruction, repair,

1 alteration, improvement and development of any infrastructure or
2 parking or transportation facilities or work that reduces, abates or
3 prevents environmental pollution or other improvements that provide
4 a public benefit within or to a 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 ¹, New
8 Jersey Economic Development Authority¹ or county improvement
9 authority or the trustee of bonds or other obligations as payment or
10 security for the bonds or other obligations.

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

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

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

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

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

35

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

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

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

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

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

32 c. Upon receipt of the approved ordinance from the board the
33 municipal governing body may adopt the ordinance at a meeting of the
34 governing body by a majority of the authorized membership thereof.
35 Any changes to the agreement as embodied in the ordinance shall be
36 by amendment of the ordinance adopted and approved by the same
37 method as prescribed in section 72 of P.L. , c. (C.) (pending
38 before the Legislature as this bill) in connection with the proposed
39 financial agreement included in the ordinance.]¹

40

41 ARTICLE 3 - ABBREVIATED FORECLOSURE ¹[AND
42 CONDEMNATION COMPENSATION]¹ PROCEEDINGS FOR
43 ABANDONED PROPERTY

44

45 ¹[74.] 35.¹ (New section) For the purposes of this article:
46 "Abandoned property" means

1 a. real property ¹[comprising a vacant parcel of land]¹ for which
2 ¹substantial¹ environmental remediation is required by the Department
3 of Environmental Protection pursuant to State law, rule or regulation¹,
4 which remediation has not been substantially completed within 12
5 months of the order from the Department of Environmental
6 Protection¹; or

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

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

18

19 ¹[75.] 36.¹ (New section) a. A qualified municipality that has
20 designated or appointed a public officer pursuant to section 3 of
21 P.L.1942, c.112 (C.40:48-2.5), may adopt an ordinance directing the
22 public officer to undertake an inventory of abandoned property in
23 those areas designated ¹[by the municipality] ¹ for redevelopment
24 ¹[according to law] pursuant to the "Local Redevelopment and
25 Housing Law," P.L.1992, c.79 (C.40A:12A-1 et seq.)¹. ¹The ordinance
26 may direct the public officer to exclude from the inventory of
27 abandoned property that property for which the expense to the
28 municipality of determining the cost of environmental remediation
29 required under State or federal law would be excessive, in the
30 judgment of the municipal governing body.¹ Each item of abandoned
31 property on the inventory shall include the tax block and lot number,
32 the name of the owner of record, if known, and the street address of
33 the lot.

34 b. In those municipalities in which an inventory has been conducted
35 in accordance with subsection a. of this section, the public officer shall
36 maintain a list of abandoned property, to be known as the "abandoned
37 property list." An abandoned property shall not be included on the
38 abandoned property list if rehabilitation is being performed in a timely
39 manner. ¹[The abandoned property list also shall include those
40 parcels, whether or not they contain buildings intended for human
41 habitation, occupancy or use, for which the cost of environmental
42 remediation, as would be required under the "Industrial Site Recovery
43 Act," P.L.1983, c.330 (C.13:1K-6 et seq.), or similar State or federal
44 statutes, would exceed the market value of the parcels if no
45 environmental remediation was required.]¹

46 c. (1) The Department of Community Affairs shall adopt rules and

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

11 (2) The Department of Community Affairs ¹in conjunction with the
12 Department of Environmental Protection¹ shall prepare an information
13 bulletin for distribution to every municipality describing the authority
14 of a municipality under existing statutes and regulations to repair,
15 demolish or otherwise deal with abandoned property.

16 d. (1) The public officer, within 10 days of the completion of the
17 abandoned property list, shall send a notice, by certified mail, return
18 receipt requested, and by regular mail, to the owner of record of every
19 property included on the list and shall cause the list to be published in
20 the official newspaper of the municipality, which publication shall
21 constitute public notice. The published and mailed notices shall
22 identify property determined to be abandoned ¹[by] setting forth¹ the
23 owner of record, if known, ¹[and by] the¹ tax lot and block number and
24 street address. The public officer, in consultation with the tax
25 collector, shall also send out a notice by regular mail to any
26 mortgagee, servicing organization, or property tax processing
27 organization that receives a duplicate copy of the tax bill pursuant to
28 subsection d. of R.S.54:4-64. When the owner of record is not known
29 for a particular property and cannot be ascertained by the exercise of
30 reasonable diligence by the tax collector, notice shall not be mailed but
31 instead shall be posted on the property in the manner as provided in
32 section 5 of P.L.1942, c.112 (C.40:48-2.7). The mailed notice shall
33 indicate the factual basis for the public officer's finding that the
34 property is abandoned property as that term is defined in section ¹[74]
35 35¹ of P.L. , c. (C.) (now pending before the Legislature
36 as this bill) and the rules and regulations promulgated thereunder,
37 specifying the information relied upon in making such finding. In all
38 cases a copy of the mailed or posted notice shall also be filed by the
39 public officer as a notice of lis pendens ¹, indexed by the name of the
40 property owner as defendant and the name of the municipality as
41 plaintiff,¹ in the office of the county clerk or register of deeds and
42 mortgages, as the case may be, of the county wherein the property is
43 situate.

44 (2) The authority or its subsidiaries, as appropriate, may reimburse
45 the municipality for the postage costs and search fees associated with
46 providing notice in accordance with paragraph (1) of this subsection

1 in accordance with procedures and rules promulgated by the
2 Department of Community Affairs.

3 e. An owner ¹or lienholder¹ may challenge the inclusion of his
4 property on the abandoned property list determined pursuant to
5 subsection b. of this section by appealing that determination to the
6 public officer within 30 days of the owner's receipt of the certified
7 notice or 40 days from the date upon which the notice was sent. An
8 owner whose identity was not known to the public officer shall have
9 40 days from the date upon which notice was published or posted,
10 whichever is later, to challenge the inclusion of a property on the
11 abandoned property list. For good cause shown, the public officer
12 shall accept a late filing of an appeal. Within 30 days of receipt of a
13 request for an appeal of the findings contained in the notice pursuant
14 to subsection d. of this section, the public officer shall schedule a
15 hearing for redetermination of the matter. Any property included on
16 the list shall be presumed to be abandoned property unless the owner,
17 through the submission of an affidavit or certification by the property
18 owner averring that the property is not abandoned and stating the
19 reasons for such averment, can demonstrate that the property was
20 erroneously included on the list. The affidavit or certification shall be
21 accompanied by supporting documentation, such as but not limited to
22 photographs, repair invoices, bills and construction contracts. The
23 sole ground for appeal shall be that the property in question is not
24 abandoned property as that term is defined in section ¹[74] 35¹ of P.L.
25 , c. (C.) (now pending before the Legislature as this bill). The
26 public officer shall decide any timely filed appeal within 10 days of the
27 hearing on the appeal and shall promptly, by certified mail, return
28 receipt requested, and by regular mail, notify the property owner of
29 the decision and the reasons therefore.

30 f. The property owner may challenge an adverse determination of
31 an appeal with the public officer pursuant to subsection e. of this
32 section, by instituting, in accordance with the New Jersey Court Rules,
33 a summary proceeding in the Superior Court, Law Division, venued in
34 the county in which the property is located, which action shall be tried
35 de novo. Such action shall be instituted within 20 days of the date of
36 the notice of decision mailed by the public officer pursuant to
37 subsection e. of this section. The sole ground for appeal shall be that
38 the property in question is not abandoned property as that term is
39 defined in section ¹[74] 35¹ of P.L. , c. (C.) (now pending
40 before the Legislature as this bill). The failure to institute an action of
41 appeal on a timely basis shall constitute a jurisdictional bar to
42 challenging the adverse determination, except that, for good cause
43 shown, the court may extend the deadline for instituting the action.

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

1 ¹[76.] 37.¹ (New section) a. Notwithstanding R.S.54:5-19 or the
2 provisions of any other law to the contrary, if a property is included
3 on the abandoned property list and the property taxes or other
4 municipal liens due on the property are ¹[not current] delinquent six
5 or more quarters¹ as of the date of expiration of the right to appeal
6 inclusion on the list, ¹or, if an appeal is pending, as of the date that all
7 opportunities for appeal of inclusion on the list have been exhausted.¹
8 then the tax lien on the property may be sold in accordance with the
9 procedures in the "tax sale law," R.S.54:5-1 et seq., on or after the
10 90th day following the expiration of that time of appeal ¹or final
11 determination on an appeal, as appropriate¹. The purchaser of a tax
12 sale certificate sold pursuant to this subsection, unless it is the
13 municipality or the authority or its subsidiaries, shall be required to
14 post bond to guarantee the rehabilitation of the property in accordance
15 with the requirements for an owner to remove the property from the
16 abandoned property list pursuant to section ¹[75] 36¹ of P.L. , c.
17 (C.) (pending before the Legislature as this bill). The cost of the
18 bond posted by the purchaser of the tax sale certificate shall be added
19 to the amount required to be paid by the owner for redemption of the
20 property. The municipality may, at its option, require that the sale of
21 the tax sale certificate or any subsequent assignment or transfer of a
22 tax sale certificate held by the municipality be subject to the express
23 condition that the purchaser or assignee shall be obliged to perform
24 and conclude any rehabilitation or repairs necessary to remove the
25 property from the abandoned property list pursuant to section ¹[75]
26 36¹ of P.L. , c. (C.) (pending before the Legislature as this
27 bill) and to post a bond in favor of the municipality to guarantee the
28 rehabilitation or repair of the property. The cost of rehabilitation and
29 repairs and the cost of the bond shall be added to the amount required
30 to be paid by the owner for redemption of the property. The
31 purchaser, assignee or transferee of the tax sale certificate who is
32 required to rehabilitate and repair the property shall be required to file
33 the appropriate affidavits with the tax collector, pursuant to R.S.54:5-
34 62, representing the amounts of monies expended periodically toward
35 the rehabilitation or repair of the property. A purchaser, assignee or
36 transferee shall be entitled to interest on the amounts expended, as set
37 forth in the affidavits, at the delinquent rate of interest for
38 delinquencies in excess of \$1,500 pursuant to R.S.54:4-67 of the
39 municipality in effect for the time period when the amounts were
40 expended. The tax sale certificate purchaser, assignee or transferee,
41 under the auspices and with the authority of the municipality, shall be
42 permitted to enter in and upon the property for the purposes of
43 appraising the costs of rehabilitation and repair and to perform all
44 other acts required to guarantee the completion of the rehabilitation or
45 repair of the property. ¹No rehabilitation or repair work shall be
46 commenced, however, until proof of adequate liability insurance and

1 an indemnification agreement holding the municipality harmless is filed
2 with the public officer.¹ If the tax sale certificate is not purchased at
3 the initial auction of the tax sale certificate and the municipality
4 purchases the certificate pursuant to R.S.54:5-34, then the
5 municipality is authorized and empowered to convey and transfer to
6 the authority or any of its subsidiaries, without receiving compensation
7 therefor, all of its right, title and interest in that certificate ¹; however,
8 any portion of the amount paid to the tax collector to redeem the tax
9 sale certificate that represents tax or other municipal lien delinquencies
10 and subsequent municipal liens, including interest, shall be returned by
11 the tax collector to the municipality¹.

12 b. (1) If the municipality or the authority or its subsidiaries
13 acquires the tax sale certificate for a property on the abandoned
14 property list, then, upon 10 days' written notice to the property owner
15 and any mortgagee as of the date of the filing of the lis pendens notice
16 under subsection d. of section ¹[75] 36¹ of P.L. , c. (C.)
17 (pending before the Legislature as this bill), that entity shall be
18 permitted to enter upon the property and remediate any conditions that
19 caused the property to be included on the abandoned property list. No
20 remediation shall be commenced, however, if within that 10 day period
21 the owner or mortgagee shall have notified the municipality or
22 authority or its subsidiary, as appropriate, in writing that the owner or
23 mortgagee has elected to perform the remediation itself. When the
24 owner or mortgagee elects to perform the remediation itself, it shall be
25 required to post bond in favor of the municipality or authority or its
26 subsidiaries, as appropriate, in order to ensure performance. The
27 amount and conditions of the bond shall be determined by the public
28 officer.

29 (2) The cost of remediation incurred by the municipality or the
30 authority or its subsidiaries pursuant to this subsection, as so certified
31 by the entity incurring the cost upon completion of the remediation,
32 shall constitute a lien upon the property first in time and right to any
33 other, except for municipal taxes, liens and assessments and any lien
34 imposed pursuant to the "Spill Compensation and Control Act,"
35 P.L.1976, c.141 (C.58:10-23.11 et seq.) ¹, together with any interest
36 thereon¹. The certification of cost shall be filed as a lien by the entity
37 incurring the cost with the county clerk or register of deeds and
38 mortgages, as appropriate, in the county in which the property is
39 located.

40 c. (1) Failure of an owner ¹or lienholder¹ to remove a property
41 from the abandoned property list within 60 days after expiration of the
42 period of time for appeal of inclusion of the property on the list
43 pursuant to subsection ¹[c.]e.¹ of section ¹[75] 36¹ of P.L. , c. (C.
44) (pending before the Legislature as this bill), shall be prima facie
45 evidence of the intent of the owner to continue to maintain the
46 property as abandoned property.

1 (2) ¹[Notwithstanding sections 5, 8 and 12 of P.L.1971, c.361
2 (C.20:3-5; 20:3-8; 20:3-12), or any other law to the contrary, the
3 owner of property that is on the abandoned property list and that is
4 being maintained as abandoned property pursuant to paragraph (1) of
5 this subsection shall be deemed to have waived the appointment of
6 commissioners to fix just compensation required to be paid by the
7 municipality, the authority or its subsidiaries through the exercise of
8 their power of eminent domain.] The clearance, development,
9 redevelopment, or repair of property being maintained as an
10 abandoned property pursuant to paragraph (1) of this subsection shall
11 be a public purpose and public use for which the power of eminent
12 domain may be exercised.¹

13

14 ¹[77.] 38.¹ (New section) a. An owner may remove a property
15 from the list of abandoned properties prior to sale of the tax sale
16 certificate by paying all taxes and municipal liens due, including
17 interest and penalties and:

18 (1) by posting cash or a bond equal to the cost of remediating all
19 conditions because of which the property has been ¹[deemed]
20 determined¹ to be abandoned pursuant to section ¹[75] 36¹ of P.L. ,
21 c. (C.) (pending before the Legislature as this bill) and posting
22 cash or a bond to cover the cost of any environmental cleanup required
23 on the property, evidenced by a certification by the Department of
24 Environmental Protection that the cash or bond adequately covers the
25 cost of the cleanup; or

26 (2) by demonstrating to the satisfaction of the public officer that the
27 conditions rendering the property abandoned have been remediated in
28 full; provided, however, that where the public officer finds that the
29 owner is actively engaged in remediating the conditions because of
30 which the property was ¹[deemed] determined to be¹ abandoned
31 pursuant to section ¹[75] 36¹ of P.L. , c. (C.) (pending
32 before the Legislature as this bill), as evidenced by significant
33 rehabilitation activity on the property, the public officer may grant an
34 extension of time of not more than 120 days for the owner to complete
35 all work, during which time no further proceedings will be taken
36 against the owner or the property.

37 b. If the owner has posted cash or a bond in order to have a
38 property removed from the abandoned property list and the conditions
39 because of which the property was ¹[deemed] determined to be¹
40 abandoned have not been fully remediated within one year of the date
41 of posting the cash or bond, or, in the case of a property which
42 requires environmental cleanup, if the cleanup has not been
43 substantially completed within one year of the date of posting the cash
44 or bond, the cash or bond shall be forfeited to the municipality which
45 shall use the cash or bond and any interest which has accrued thereon
46 for the purpose of demolishing or rehabilitating the property or

1 performing the environmental cleanup. Any funds remaining after the
2 property has been demolished, rehabilitated or cleaned up shall be
3 returned to the owner.

4
5 ¹[78.] 39.¹ (New section) a. ¹[Notwithstanding section 6 of
6 P.L.1948, c.96 (C.54:5-104.34), when] When¹ a person other than the
7 municipality or the authority or its subsidiaries acquires a tax sale
8 certificate for a property on the abandoned property list at tax sale, the
9 purchaser may institute an action to foreclose the right of redemption
10 at any time after the expiration of six months following the date of
11 sale.

12 b. Notwithstanding section 6 of P.L.1948, c.96 (C.54:5-104.34),
13 when the municipality is the purchaser at tax sale of any property on
14 the abandoned property list pursuant to R.S.54:5-34, or when the
15 authority or any of its subsidiaries acquires the tax sale certificate
16 pursuant to subsection a. of section ¹[76] 37.¹ of P.L. , c.
17 (C.) (pending before the Legislature as this bill), an action to
18 foreclose the right of redemption may be instituted ¹[at any time after
19 the expiration of 10 days following the date of sale, assignment or
20 transfer] in accordance with the provisions of R.S.54:5-77, subject to
21 the provisions of subsection c. of this section¹.

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

26 (1) posts cash or a bond equal to the cost of remediating the
27 conditions because of which the property was ¹[deemed] determined
28 to be¹ abandoned pursuant to section ¹[75] 36.¹ of P.L. , c.
29 (C.) (pending before the Legislature as this bill), as determined
30 by the court; or

31 (2) demonstrates to the court that the conditions because of which
32 the property was ¹[deemed] determined to be¹ abandoned pursuant to
33 section ¹[75] 36.¹ of P.L. , c. (C.) (pending before the
34 Legislature as this bill) have been remedied in full.

35
36 ¹[79.] 40.¹ (New section) Once a final judgment barring the right
37 of redemption with respect to a property on the list of abandoned
38 properties has been recorded, no court shall ¹[entertain any
39 application to]¹ reopen such judgment at any time except on the
40 grounds of lack of jurisdiction or fraud in the conduct of the action; in
41 any such proceeding, the provisions of P.L. , c. (C.) (pending
42 before the Legislature as this bill) shall be construed liberally in favor
43 of the purchaser¹, assignee or transferee of the tax sale certificate¹.

44
45 ¹[80.] 41.¹ R.S.54:5-86 is amended to read as follows:

46 54:5-86. [The purchaser, his heirs or assigns, in] ¹[In addition to

1 the remedy provided by article eight of this chapter (s. 54:5-77 et
 2 seq.), ~~when~~ When¹ the municipality is the purchaser of a tax sale
 3 certificate, the municipality, or its assignee or transferee, may, at any
 4 time after the expiration of the term of 6 months from the date of sale
 5 [when the municipality is the purchaser, and 2 years from the date of
 6 sale for all other purchasers] ¹[, whether notice to redeem has been
 7 given or not]¹, institute an action to foreclose the right of redemption.
 8 ¹[~~For~~ Except as provided in subsection a. of section 39 of P.L. , c.
 9 (C.), for¹ all other persons that do not acquire a tax sale certificate
 10 ¹held by] from¹ a municipality, an action to foreclose the right of
 11 redemption may be instituted at any time after the expiration of the
 12 term of two years from the date of sale of the tax sale certificate. On
 13 instituting the action the right to redeem shall exist and continue until
 14 barred by the judgment of the Superior Court.
 15 (cf: P.L.1974, c.91, s.4)

16

17 ¹[81.] 42.¹ Section 30 of P.L.1971, c.361 (C.20:3-30) is amended
 18 to read as follows:

19 30. Just compensation shall be determined as of the date of the
 20 earliest of the following events: (a) the date possession of the
 21 property being condemned is taken by the condemnor in whole or in
 22 part; (b) the date of the commencement of the action; (c) the date on
 23 which action is taken by the condemnor which substantially affects the
 24 use and enjoyment of the property by the condemnee ¹[. In the case
 25 of a property on the abandoned property list and being maintained as
 26 an abandoned property pursuant to subsection c. of section 76 of
 27 P.L. , c. (pending before the Legislature as this bill), just
 28 compensation shall be determined as of] ; or (d)¹ the date of the
 29 declaration of blight by the governing body upon a report by a
 30 planning board pursuant to section 38 of P.L.1971, c.361 (C.20:3-38),
 31 or, ¹in the case of a property being maintained as an abandoned
 32 property for failure to remove the property from the abandoned
 33 property list, as provided pursuant to subsection c. of section 37 of
 34 P.L. , c. (C.) (pending before the Legislature as this bill),¹ if there
 35 was no declaration of blight, as of the date of expiration of the
 36 condemnee's right to appeal inclusion of the property on the
 37 abandoned property list.

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

39

40 ¹43. R.S.54:5-112 is amended to read as follows:

41 54:5-112. When a municipality has or shall have acquired title to
 42 real estate by reason of its having been struck off and sold to the
 43 municipality at a sale for delinquent taxes or assessments, the
 44 governing body thereof may, by resolution adopted by a majority
 45 thereof by roll call, sell such real estate at private sale to such person
 46 and for such sums, not less than the amount of municipal liens charged

1 against the same, except as provided in subsection a. of section 38 of
 2 P.L. , c. (C.) (pending before the Legislature as this bill), as
 3 shall seem to be to the best interest of the municipality. Upon the
 4 adoption of the resolution and the payment of the consideration as
 5 stated therein, the officers of the governing body authorized by
 6 resolution shall make, execute, acknowledge and deliver a deed
 7 without covenants to the purchaser, which deed shall vest in the
 8 purchaser all of the right, title and interest of the municipality in the
 9 real estate therein described. The deed need not contain any recitals,
 10 except a statement of the actual consideration. Such sales shall not
 11 include real estate, title to which has been perfected by the
 12 municipality.¹

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

14

15 ¹[82.] 44.¹ R.S.54:5-113 is amended to read as follows:

16 54:5-113. When a municipality has or shall have acquired title to
 17 real estate by reason of its having been struck off and sold to the
 18 municipality at a sale for delinquent taxes and assessments, the
 19 governing body thereof may by resolution authorize a private sale of
 20 the certificate of tax sale therefor, together with subsequent liens
 21 thereon, for not less than the amount of liens charged against such real
 22 estate, except as provided in section 2 of P.L.1993, c.113
 23 (C.54:5-113.1) and subsection a. of section ¹[77] 38¹ of P.L. , c.
 24 (C.) (pending before the Legislature as this bill). The sale
 25 shall be made by assignment executed by such officers as may be
 26 designated in the resolution. When the total amount of the municipal
 27 liens shall, at the time of the proposed sale or assignment, exceed the
 28 assessed value of the real estate as of the date of the last sale thereof
 29 for unpaid taxes and assessments, the certificates, together with
 30 subsequent liens thereon, may be sold and assigned for a sum not less
 31 than such assessed value.

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

33

34 ARTICLE 4 - NEIGHBORHOOD EMPOWERMENT PROGRAM

35

36 ¹45. (New section) a. There is established in, but not of, the
 37 Department of Community Affairs an Urban Coordinating Council.

38 b. The Urban Coordinating Council shall be comprised of the
 39 Governor, the chief officer of each department of the executive
 40 branch, and the executive directors of the New Jersey Redevelopment
 41 Authority, the New Jersey Economic Development Authority, the
 42 Casino Reinvestment Development Authority, the State Planning
 43 Commission, the New Jersey Housing and Mortgage Finance Agency,
 44 the Juvenile Justice Commission and the Commission on Higher
 45 Education. The council shall be chaired by the Governor. Members
 46 of the council may be represented on the council by their designees.¹

1

2 ¹46. (New section) The Urban Coordinating Council shall:3 a. Ensure that State agencies coordinate responses and provide
4 assistance to projects and programs outlined in neighborhood
5 empowerment plans developed pursuant to section 49 of P.L. , c.
6 (C.) (pending before the Legislature as this bill), and projects and
7 programs established by the New Jersey Redevelopment Authority, the
8 New Jersey Economic Development Authority, and development
9 initiatives proposed by municipal and county governments, including
10 making available the resources of the departments of the State in
11 implementing those programs;12 b. Supervise and control the Office of Neighborhood Empowerment
13 created pursuant to section 48 of P.L. , c. (C.) (pending before the
14 Legislature as this bill;15 c. Make available the resources of its member agencies to assist
16 local sponsors in implementing neighborhood empowerment plans;17 d. Form interagency teams of State representatives. The
18 membership of each interagency team shall be determined by the needs
19 outlined in the neighborhood empowerment plan. Each interagency
20 team shall serve as the primary link between the neighborhood and
21 State government in responding to programming needs, shall be co-
22 chaired by a case manager from the Office of Neighborhood
23 Empowerment established pursuant to section 48 of P.L. , c.
24 (C.) (pending before the Legislature as this bill); and by the
25 community director, and shall include at least one representative of the
26 council; and27 e. Have authority to adopt, amend and repeal rules relating to the
28 exercise by the council and the Office of Neighborhood Empowerment
29 established pursuant to section 48 of P.L. , c. (C.) (pending
30 before the Legislature as this bill), of their respective functions and
31 duties pursuant to this act;32 f. Publish an annual report on the status of redevelopment activity
33 which shall describe the progress toward achieving the goals of this
34 act; and35 g. Assist in coordinating the activities of the New Jersey
36 Redevelopment Authority, municipalities, counties, public or private
37 county and municipal development agencies, district management
38 corporations created pursuant to section 4 of P.L.1972, c.134
39 (C.40:56-68), and community action boards established pursuant to
40 section 4 of P.L.1991, c.51 (C.52:27D-398) that have developed
41 neighborhood empowerment plans pursuant to section 49 of P.L. , c.
42 (C.) (pending before the Legislature as this bill) or comprehensive
43 community development plans.¹

44

45 ¹47. (New section) a. There is established in, but not of, the
46 Department of Community Affairs an Office of Neighborhood

1 Empowerment.

2 b. The Governor shall appoint an executive director of the Office
3 of Neighborhood Empowerment who shall serve at the pleasure of the
4 Governor. The executive director shall report solely to the Urban
5 Coordinating Council, which shall supervise and control the office.

6 c. The executive director of the Office of Neighborhood
7 Empowerment may hire employees as may be required to carry out the
8 purposes of this section, and to fix and pay their compensation from
9 funds available, all without regard to the provisions of Title 11A, Civil
10 Service, of the New Jersey Statutes.¹

11

12 ¹48. (New section) The Office of Neighborhood Empowerment
13 shall:

14 a. Provide support for a community director who shall assist local
15 sponsors in developing or implementing neighborhood empowerment
16 plans;

17 b. Provide case management services to qualified local sponsors of
18 neighborhood empowerment plans;

19 c. Assist neighborhoods in developing and implementing
20 neighborhood empowerment plans;

21 d. Ensure that communities receive technical assistance in
22 neighborhood planning;

23 e. Train and provide administrative support for interagency teams;

24 f. Assist local sponsors in evaluating progress through mutually
25 agreed upon measures;

26 g. Provide assistance in obtaining private sector support for
27 developing and implementing neighborhood empowerment plans;

28 h. Maintain and make available a complete inventory of State
29 programs, services and funding that are available to municipalities; and

30 i. Enter into partnerships with qualified local sponsors.¹

31

32 ¹49. (New section) In order to qualify to receive the services of
33 the Office of Neighborhood Empowerment and of an interagency
34 team, a community must first have developed a neighborhood
35 empowerment plan which shall be submitted to the Urban
36 Coordinating Council established pursuant to section 45 of P.L. , c.
37 (C.) (pending before the Legislature as this bill). A neighborhood
38 empowerment plan shall incorporate and address the needs of the
39 neighborhood as identified by the community. It shall be
40 comprehensive and shall take into consideration and show the
41 relationship to the municipal master plan, other locally adopted plans
42 (including, but not limited to urban enterprise zone plans,
43 redevelopment plans and neighborhood social service plans), and the
44 State Development and Redevelopment Plan, and shall outline how
45 residents, municipal government, the private sector and neighborhood
46 organizations will cooperate with the State and with each other during

1 implementation. Neighborhood empowerment plans shall focus on
2 neighborhood restoration. They may include, but need not be limited
3 to, projects for infrastructure improvement and expansion,
4 rehabilitation and construction of affordable housing, increased public
5 safety, facility rehabilitation and construction, economic development,
6 recreation and open space, environmental cleanup, employment and
7 training, improvement of educational opportunities for youth, and
8 efficient and humane provision of social services dedicated to
9 strengthening the community's human capital.¹

10
11 ¹[83.] 50¹ (New section) ¹[a.]¹ Within one year of the effective
12 date of P.L. , c. (C.) (pending before the Legislature as this bill),
13 the ¹[New Jersey Redevelopment Authority] Urban Coordinating
14 Council established pursuant to P.L. , c. (C.) (pending before the
15 Legislature as this bill).¹ shall distribute to the clerk of each qualified
16 municipality eligibility guidelines for participation in the neighborhood
17 empowerment program. The eligibility guidelines shall be established
18 by the ¹[authority but shall require the approval of the] Urban
19 ¹[Policy]¹ Coordinating Council established pursuant to section ¹[7]
20 45¹ of P.L. c. (C.) (pending before the Legislature as this
21 bill) ¹[prior to being issued] in consultation with the New Jersey
22 Redevelopment Authority¹.

23 ¹[b. In order to be eligible for priority consideration by the
24 authority in designating empowerment neighborhoods, a qualified
25 municipality shall demonstrate, to the satisfaction of the authority, that
26 the municipality is willing to forgive back taxes on properties which
27 are currently tax delinquent in order to allow for a sale to a new owner
28 who demonstrates, to the satisfaction of the municipality, that the
29 property is to be part of a redevelopment plan. In adopting such a tax
30 forgiveness policy, a municipality may establish whatever safeguards
31 are necessary to ensure that the new owner is in no way associated
32 with the previous owner who incurred the tax liability and may also
33 adopt an ordinance providing for reimbursement by a redeveloper for
34 taxes foregone and penalties if the new owner does not redevelop the
35 property within such period of time as is specified in the ordinance.
36 Such a policy may only be adopted by a municipality if in the
37 determination of the municipality or the authority, the property on
38 which taxes are forgiven would not be redeveloped without public
39 intervention.]¹

40
41 ¹[84. (New section) Before applying for participation in the
42 neighborhood empowerment program, the municipal governing body
43 shall cause a preliminary comprehensive plan to be formulated, either
44 by the planning board or the governing body, with the assistance of
45 those officers and agencies of the municipality as the governing body
46 shall designate. The preliminary comprehensive plan shall set forth the

1 boundaries of the proposed empowerment neighborhood, findings of
 2 fact concerning the economic and social conditions existing in the area
 3 proposed for an empowerment neighborhood, and the municipality's
 4 policy and intentions for addressing those conditions and shall include
 5 a statement of:

- 6 a. how existing powers granted to the municipality by law will be
 7 utilized to further economic development;
- 8 b. how State moneys and other assistance made available by the
 9 authority will be utilized to further economic revitalization goals;
- 10 c. how public participation was elicited in preparing the
 11 comprehensive plan, including local associations and voluntary
 12 community organizations supported by residents and businesses in the
 13 empowerment neighborhood;
- 14 d. how planning and zoning laws will be utilized to enhance the
 15 attractiveness of the empowerment neighborhood to potential
 16 developers;
- 17 e. what infrastructure needs exist within the empowerment
 18 neighborhood and State participation which needs to be secured in
 19 order to promote economic activity;
- 20 f. an inventory of sites in the empowerment neighborhood which
 21 require any environmental cleanup;
- 22 g. proposed projects which may be initiated or advanced with
 23 authority assistance; and
- 24 h. the availability and efficiency of support services, public and
 25 private, generally used by and necessary to the efficient functioning of
 26 commercial and industrial facilities in the area and the extent to which
 27 the increase or improvement is to be provided and financed by the
 28 municipal government or by other entities.]¹

29
 30 ¹[85.] 51.¹ (New section) In designating qualified municipalities
 31 for participation in the neighborhood empowerment program, the
 32 ¹Urban Coordinating Council in consultation with the¹ authority shall
 33 accord preference to ¹[comprehensive] neighborhood empowerment¹
 34 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 unemployment¹[,] and¹ poverty¹[, and
 39 property tax arrearages]¹;
- 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 ¹[economic success] successful redevelopment¹ of the empowerment
 44 neighborhood;
- 45 d. demonstrate the most substantial effort and commitment by the
 46 municipality to encourage economic activity in the area and to remove

1 disincentives for job creation compatible with the fiscal condition of
2 the municipality; and

3 e. demonstrate most convincingly ¹[to the authority] ¹how the
4 proposed plan will increase jobs ¹for neighborhood residents¹ and
5 ratables in the neighborhood, thereby lessening the need for municipal
6 tax increases.

7
8 ¹[86.] 52.¹ (New section) In addition to the considerations set
9 forth in section ¹[85] 51¹ of P.L. , c. (C.) (pending before the
10 Legislature as this bill), the ¹Urban Coordinating Council in
11 consultation with the¹ authority in evaluating a ¹[comprehensive]
12 neighborhood empowerment¹ plan for designation purposes shall
13 consider:

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

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

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

25 d. the impact of the ¹[comprehensive] ¹plan upon the social,
26 educational, natural and historic environment of the proposed
27 empowerment neighborhood; and

28 e. the degree to which the implementation of the plan involves the
29 relocation of residents from the proposed empowerment neighborhood
30 and the adequacy of commitments and provisions with respect thereto.

31
32 ¹[87.] 53.¹ (New section) ¹[Any qualified municipality may
33 designate any area set forth in the comprehensive plan as an
34 empowerment neighborhood.]¹ Upon receipt of an application from
35 a qualified municipality, the ¹Urban Coordinating Council in
36 consultation with the¹ authority shall review the application to
37 determine whether or not it meets the ¹[minimum criteria] eligibility
38 guidelines¹ established pursuant to ¹[subsection b. of]¹ section ¹[83]
39 50¹ of P.L. , c. (C.) (pending before the Legislature as
40 this bill). The ¹[authority] Urban Coordinating Council¹ shall
41 complete its review within 90 days of receiving an application, but may
42 extend this time period by an additional 60 days if necessary.

43
44 ¹[88.] 54.¹ (New section) a. Once the ¹Urban Coordinating
45 Council in consultation with the¹ authority has identified those
46 qualified municipalities whose ¹[comprehensive] neighborhood

1 empowerment¹ plans fulfill the criteria for designation set forth in
2 sections ¹[83 and 84] 50 and 51¹ of P.L. , c. (C.) (pending
3 before the Legislature as this bill), the ¹[authority shall] Urban
4 Coordinating Council may, at its discretion,¹ hold public hearings for
5 the purpose of receiving public comments on the applications. ¹[At]
6 In the event that a hearing is to be conducted, at¹ least one public
7 hearing shall be held in a municipality which has applied for
8 empowerment neighborhood designation. The ¹[authority] Urban
9 Coordinating Council¹ shall give at least 30 days' public notice of each
10 hearing in advertisements in at least two newspapers which circulate
11 in the area served by the hearing and at least 30 days' notice to the
12 governing body and planning board of each county and municipality in
13 the area served by the hearing.

14 b. Taking full account of the testimony presented at the public
15 hearings, the ¹Urban Coordinating Council in consultation with the¹
16 authority shall make a determination regarding the designation of
17 empowerment neighborhoods within 30 days of the final hearing.

18 c. The ¹Urban Coordinating Council in consultation with the¹
19 authority shall designate as many empowerment neighborhoods as
20 possible given available financial resources and the ability of the
21 ¹[authority] Urban Coordinating Council¹ to oversee project
22 implementation. The application process for each application cycle,
23 including the public hearings, shall occur as set forth in this section.
24

25 ¹[89.] 55.¹ (New section) a.¹ Any municipality in which an
26 empowerment neighborhood has been designated shall be eligible for
27 investments by the authority from the New Jersey Redevelopment
28 Investment Fund in infrastructure improvements and any other projects
29 which the authority may choose to invest in; however, the authority
30 shall give priority to financing projects in empowerment
31 neighborhoods. ¹[The authority shall accord priority to empowerment
32 neighborhoods in allocating any moneys for code enforcement or
33 demolition activities. In addition, the following powers may be
34 exercised in empowerment neighborhoods:

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

40 b. Any person who owns or has acquired property in a designated
41 empowerment neighborhood which is the site of a hazardous substance
42 discharge, and did not discharge the hazardous substance and who was
43 in no way responsible for or associated with the actions which caused
44 the initial discharge, and would, except for the provisions of this
45 section, be liable for cleanup and removal costs pursuant to section 8
46 of P.L.1976, c.141 (C.58:10-23.11g), shall not be required to pay

1 cleanup and removal costs greater than 133% of the appraised value
2 of the property subject to the cleanup and removal if that property has
3 been transferred to the property owner subsequent to having been
4 acquired by the municipality or the authority through the accelerated
5 foreclosure process and is to be redeveloped as part of a project
6 undertaken by or in association with the authority. The difference
7 between the cost of the cleanup and removal and the cost allocated to
8 the property owner shall be paid from any funds made available for the
9 cleanup and removal pursuant to sections 27 or 28 of P.L.1993, c.139
10 (C.58:10B-5 or C.58:10B-6), the New Jersey Redevelopment
11 Investment Fund established pursuant to section 34of P.L. , c.
12 (C.) (pending before the Legislature as this bill) or from other
13 persons liable pursuant to section 8 of P.L.1976, c.141
14 (C.58:10-23.11g). Nothing in this subsection shall afford a property
15 owner or the authority a higher priority to receive funding from the
16 Hazardous Discharge Site Remediation Fund than would otherwise be
17 the case. Any person who owns or has acquired property in a
18 designated empowerment neighborhood and whose liability for cleanup
19 costs has been limited to 133% of appraised value pursuant to this
20 subsection may not make a claim from the New Jersey Spill
21 Compensation Fund for any cleanup or removal costs or for any direct
22 or indirect damages pursuant to the provisions of P.L.1976, c.141
23 (C.58:10-23.11 et seq.). This limitation on the right to make a claim
24 against the New Jersey Spill Compensation Fund shall not affect the
25 right of any other person, except the property owner, to make such a
26 claim against the fund. The limit on liability provided in this section
27 shall apply on a per property basis even if more than one person has
28 acquired the property.

29 The authority shall, to the extent possible, make funds available on
30 the same basis to persons situated in a qualified municipality in which
31 a designated empowerment neighborhood is located, but outside
32 neighborhood boundaries.

33 c. Notwithstanding any other law to the contrary, any person who
34 owns or has acquired property in a designated empowerment
35 neighborhood which is the site of a hazardous discharge, and did not
36 discharge the hazardous substance and who was in no way responsible
37 for or associated with the actions which caused the initial discharge,
38 shall only be required to perform those cleanup and removal actions
39 that are necessary to make the property safe for its intended use. The
40 property owner shall not be required to perform any additional cleanup
41 or removal actions on that property and that property owner shall not
42 be liable in any civil, criminal, or administrative action for any damages
43 caused to any other person due to the existence of any hazardous
44 substance on or off-site that the property owner was not required to
45 clean up or remove pursuant to this section. In making the property
46 safe for its intended use the property owner shall comply with the

1 remediation standards, remedial actions, limitations on the use of the
2 property, and any other conditions as may be required pursuant to
3 sections 35 and 36 of P.L.1993, c.139 (C.58:10B-12 and
4 C.58:10B-13). In addition, if the owner of the property proposes to
5 change the use of the property, notice shall be given to the enforcing
6 agency pursuant to P.L.1975, c.217 (C.52:27D-119 et seq.). The
7 enforcing agency may only issue a certificate of occupancy to use the
8 property in the manner in which the change of use is intended if that
9 use is consistent with the restrictions on the use of that property as
10 required pursuant to section 36 of P.L.1993, c.139 (C.58:10B-13).

11 d. Whenever grant money is provided for a cleanup and removal
12 from the Hazardous Discharge Remediation Fund or the New Jersey
13 Redevelopment Investment Fund pursuant subsection b. of this
14 section, a lien for 50% of the amount of any grant monies expended
15 from either fund shall attach against the property once it is conveyed
16 to another person from the authority or municipality. The lien shall
17 expire after five years if the person maintains ownership of that
18 property. If the property is sold prior to the five year period the
19 amount of the lien shall become due and shall be repaid to the fund
20 from which the grant was made.]

21 b. State programs shall give consideration to projects included in
22 neighborhood empowerment plans developed pursuant to section of
23 P.L. , c. (C.) (pending before the Legislature as this bill), or
24 community development plans, as far as practicable.¹

25

26 ARTICLE 5 - URBAN SITE REMEDIATION STANDARDS

27

28 ¹[90. (New section) a. If the Department of Environmental
29 Protection issues a no further action letter or approves a remedial
30 action workplan, for a discharge which occurred prior to or after the
31 effective date of this act, then any person who is not otherwise liable
32 for the discharge shall not be liable for the discharge based solely on
33 becoming an owner or operator of the site of the discharge within an
34 empowerment neighborhood designated pursuant to section 88 of
35 P.L. , c. (C.)(pending before the Legislature as this bill), after the
36 discharge has occurred. The provisions of this section shall only apply
37 when the person is in compliance with all of the conditions of the no
38 further action letter or is in compliance with the remedial action
39 workplan; and the person has maintained all applicable engineering and
40 institutional controls.

41 b. The fund established pursuant to the "Spill Compensation and
42 Control Act," P.L.1976, c.141 (C.58:10-23.11 et seq.), shall not be
43 liable for any damages incurred by any person who is relieved from
44 liability pursuant to this section.]¹

45

46 ¹56. Section 8 of P.L.1976, c.141 (C.58:10-23.11g) is amended to

1 read as follows:

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

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

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

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

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

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

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

41 c. (1) Any person who has discharged a hazardous substance, or is
42 in any way responsible for any hazardous substance, shall be strictly
43 liable, jointly and severally, without regard to fault, for all cleanup and
44 removal costs no matter by whom incurred. Such person shall also be
45 strictly liable, jointly and severally, without regard to fault, for all
46 cleanup and removal costs incurred by the department or a local unit

1 pursuant to subsection b. of section 7 of P.L.1976, c.141
2 (C.58:10-23.11f).

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

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

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

43 To the extent that a person liable pursuant to this paragraph is not
44 otherwise liable pursuant to paragraph (1) of this subsection, or under
45 any other provision of law or under common law, that person may
46 bring an action for indemnification for costs paid pursuant to this

1 paragraph against any other person who is strictly liable pursuant to
2 paragraph (1) of this subsection.

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

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

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

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

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

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

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

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

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

46 (3) Notwithstanding the provisions of paragraph (2) of this

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

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

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

34 (2) The fund established pursuant to the "Spill Compensation and
35 Control Act," P.L.1976, c.141 (C.58:10-23.11 et seq.), shall not be
36 liable for any damages incurred by any person who is relieved from
37 liability pursuant to this section.¹

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

1 ¹57. (New section) a. When a person who is performing a
2 remediation on real property located in a qualified municipality, as
3 defined by section 3 of P.L. , c. (C.) (pending before the
4 Legislature as this bill) and who has entered into a memorandum of
5 agreement with the department, subsequently submits to the
6 department documents relating to the remediation of that property, the
7 department shall:

8 (1) review those documents in a timely fashion and provide
9 approval, disapproval or conditional approval, as required by section
10 58 of P.L. , c. (C.) (pending before the Legislature as this bill),
11 and

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

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

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

25 (2) provide in writing to that person a document detailing the basis
26 for any disapproval or conditional approval.¹

27

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

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

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

44 The department shall not propose or adopt remediation standards
45 protective of the environment pursuant to this section, except
46 standards for groundwater or surface water, until recommendations

1 are made by the Environment Advisory Task Force created pursuant
2 to section 37 of P.L.1993, c.139. Until the Environment Advisory
3 Task Force issues its recommendations and the department adopts
4 remediation standards protective of the environment as required by
5 this section, the department shall continue to determine the need for
6 and the application of remediation standards protective of the
7 environment on a case-by-case basis in accordance with the guidance
8 and regulations of the United States Environmental Protection Agency
9 pursuant to the "Comprehensive Environmental Response,
10 Compensation and Liability Act of 1980," 42 U.S.C. §9601 et seq. and
11 other statutory authorities as applicable.

12 b. In developing minimum remediation standards the department
13 shall:

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

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

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

29 (4) where feasible, establish the remediation standards as numeric
30 or narrative standards setting forth acceptable levels or concentrations
31 for particular contaminants.

32 c. (1) The department shall develop residential and nonresidential
33 soil remediation standards that are protective of public health and
34 safety. For contaminants that are mobile and transportable to
35 groundwater, the residential and nonresidential soil remediation
36 standards shall be protective of groundwater and surface water.
37 Residential soil remediation standards shall be set at levels or
38 concentrations of contamination for real property based upon the use
39 of that property for residential or similar uses and which will allow the
40 unrestricted use of that property without exceeding a health risk level
41 greater than that provided in subsection d. of this section.
42 Nonresidential soil remediation standards shall be set at levels or
43 concentrations of contaminants that recognize the lower likelihood of
44 exposure to contamination on property that will not be used for
45 residential or similar uses. Whenever real property is remediated to a
46 nonresidential soil remediation standard, except as otherwise provided

1 in paragraph (3) of subsection g. of this section, the department shall
2 require, pursuant to section 36 of P.L.1993, c.139 (C.58:10B-13), that
3 the use of the property be restricted to nonresidential or other uses
4 compatible with the extent of the contamination of the soil and that
5 access to that site be restricted in a manner compatible with the
6 allowable use of that property.

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

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

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

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

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

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

1 removal of nonhazardous solid waste pursuant to law.

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

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

34 (2) The department may, upon its own initiative, require an
35 alternative remediation standard for a particular contaminant for a
36 specific real property site, in lieu of using the established minimum
37 residential use or nonresidential use soil remediation standard adopted
38 by the department for a particular contaminant pursuant to this
39 section. The department may require an alternative remediation
40 standard pursuant to this paragraph upon a determination by the
41 department, based on the weight of the scientific evidence, that due to
42 specific physical site characteristics of the subject real property, the
43 use of the adopted residential use or nonresidential use soil
44 remediation standards would not be protective of public health or
45 safety or of the environment, as appropriate.

46 g. The development, selection, and implementation of any

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

7 (1) Permanent and nonpermanent remedies shall be allowed except
8 that permanent remedies shall be preferred over nonpermanent
9 remedies for remedial actions;

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

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

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

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

43 (6) Groundwater that is contaminated shall not be required to be
44 remediated to a level or concentration for any particular contaminant
45 lower than the level or concentration that is migrating onto the
46 property from another property owned and operated by another

1 person;

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

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

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

27 The department may require the person performing the remediation
28 to supply the information required pursuant to this subsection as is
29 necessary for the department to make a determination.

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

1 of this paragraph "historic fill material" means generally large volumes
2 of non-indigenous material, used to raise the topographic elevation of
3 a site, which were contaminated prior to emplacement and are in no
4 way connected with the operations at the location of emplacement and
5 which include, but are not limited to, construction debris, dredge
6 spoils, incinerator residue, demolition debris, fly ash, and
7 non-hazardous solid waste. Historic fill material shall not include any
8 material which is substantially chromate chemical production waste or
9 any other chemical production waste or waste from processing of
10 metal or mineral ores, residues, slags or tailings.

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

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

30 (4) The department shall adopt regulations whereby a person who
31 is performing a remediation on real property located in a qualified
32 municipality, may apply for that property to receive an urban
33 redevelopment remediation exemption. Upon a determination that a
34 parcel of real property qualifies for the exemption because of its
35 location in a qualified municipality, there is a rebuttable presumption
36 that the remedial action workplan is in compliance with the
37 department's regulations and is approved. For properties that qualify
38 for the exemption, the department shall establish by regulation the
39 requirements and standards for the contents of the remedial action
40 workplan. Notwithstanding the exemption granted pursuant to this
41 paragraph, the department may require the removal of the source of
42 continuing contamination. The department may rebut the presumption
43 only upon a finding by the preponderance of the evidence that the
44 remedial action workplan does not conform to the requirements and
45 standards established by regulation or that it would not be effective in
46 protecting public health, safety, and the environment.

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

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

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

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

37 m. Nothing in P.L.1993, c.139 shall be construed to restrict or in
38 any way diminish the public participation which is otherwise provided
39 under the provisions of the "Spill Compensation and Control Act,"
40 P.L.1976, c.141 (C.58:10-23.11 et seq.).
41 (cf: P.L.1993, c.139, s.35)]¹

42
43 ¹[92.] 58.1 (New section) a. The Commissioner of Environmental
44 Protection shall appoint an Urban Site Remediation Coordinator. The
45 coordinator shall be responsible for the oversight and approval of site
46 remediations conducted in areas designated as empowerment

1 neighborhoods pursuant to article 4 of P.L. , c. (C.) (pending
2 before the Legislature as this bill). The Commissioner of
3 Environmental Protection shall vest in the coordinator sufficient
4 authority to properly manage the timely approval of site remediation
5 activities in empowerment neighborhoods. The ¹[director]
6 coordinator¹ shall report directly to the commissioner. The
7 coordinator shall meet regularly with the commissioner to ensure the
8 proper and efficient coordination of these projects.

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

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

24
25 ¹59. (New section) Beginning in the calendar year following the
26 effective date of this act, the New Jersey Economic Development
27 Authority shall allocate no less than 12-1/2 percent of the aggregate
28 amount of loans and loan guarantees made by the New Jersey
29 Economic Development Authority in any fiscal year to projects
30 consistent with the provisions of "The New Jersey Economic
31 Development Authority Act," P.L.1974, c.80 (C.34:1B-1 et seq.) and
32 that are located in municipalities designated as qualified municipalities
33 pursuant to section 3 of P.L. , c. (C.) (pending before the
34 Legislature as this bill).¹

35
36 ¹60. (New section) The New Jersey Redevelopment Authority
37 shall fund such projects as may be practicable in any municipality
38 eligible for designation as an empowerment zone or enterprise zone
39 under federal law through the issuance of tax exempt bonds as
40 provided in section 1394 of P.L.103-66; 107 Stat 548, which bonds
41 shall also be exempt from any tax levied pursuant to Title 54 of the
42 Revised Statutes or Title 54A of the New Jersey Statutes.¹

43
44 ¹61. (New section) In determining the projects to be funded from
45 the issuance and sale of bonds pursuant to the "Water Supply Bond
46 Act of 1981," P.L.1981, c.261, consideration shall be given to funding

1 such projects as may be practicable in an empowerment zone or
2 enterprise community as designated under federal law or which are
3 part of an approved neighborhood empowerment plan under this act
4 or community redevelopment plan, or which will benefit urban
5 residents, so long as they are consistent with the purposes of
6 P.L.1981, c.261.¹

7
8 ¹62. (New section) In determining the projects to be funded from
9 the issuance and sale of bonds pursuant to the "Green Acres, Clean
10 Water, Farmland and Historic Preservation Bond Act of 1992,"
11 P.L.1992, c.88, consideration shall be given to funding such projects
12 as may be practicable in an empowerment zone or enterprise
13 community as designated under federal law or which are part of an
14 approved neighborhood empowerment plan under this act or
15 community redevelopment plan, or which will benefit urban residents,
16 so long as they are consistent with the purposes of P.L.1992, c.88.¹

17
18 ¹63. (New section) In determining the projects to be funded
19 pursuant to the "1992 New Jersey Employment and Workforce
20 Development Act," P.L.1992, c.43, consideration shall be given to
21 funding such projects as may be practicable in an empowerment zone
22 or enterprise community as designated under federal law or which are
23 part of an approved neighborhood empowerment plan under this act
24 or community redevelopment plan, or which will benefit urban
25 residents, so long as they are consistent with the purposes of
26 P.L.1992, c.43.¹

27
28 ¹[93.] ¹64. Section 27 of P.L.1993, c.139 (C.58:10B-5) is amended
29 to 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 ¹[94.] 65.¹ Section 28 of P.L.1993, c.139 (C.58:10B-6) is amended
 28 to 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 ¹[regardless of when the authority acquired the property] where the
15 immediate predecessor in title to the authority qualified for but failed
16 to receive such grant¹. A grant authorized pursuant to this paragraph
17 may be for up to 50% of the remediation costs at the area of concern
18 for which the person qualifies for an innocent party grant, except that
19 no grant awarded pursuant to this paragraph to any person including
20 the New Jersey Redevelopment Authority may exceed \$1,000,000; and
21 (7) Ten percent of the moneys in the remediation fund shall be
22 allocated for financial assistance or grants for any of the purposes
23 enumerated in paragraphs (1) through (6) of this subsection, except
24 that where moneys in the fund are insufficient to fund all the
25 applications in any calendar year that would otherwise qualify for
26 financial assistance or a grant pursuant to this paragraph, the authority
27 shall give priority to financial assistance applications that meet the
28 criteria enumerated in paragraph (3) of this subsection.
29 b. Loans issued from the remediation fund shall be for a term not
30 to exceed ten years, except that upon the transfer of ownership of any
31 real property for which the loan was made, the unpaid balance of the
32 loan shall become immediately payable in full. Loans to municipal
33 governmental entities and the New Jersey Redevelopment Authority
34 established pursuant to P.L. _____, c. _____ (C. _____) (pending before the
35 Legislature as this bill), shall bear an interest rate equal to 2 points
36 below the Federal Discount Rate at the time of approval or at the time
37 of loan closing, whichever is lower, except that the rate shall be no
38 lower than 3 percent. All other loans shall bear an interest rate equal
39 to the Federal Discount Rate at the time of approval or at the time of
40 the loan closing, whichever is lower, except that the rate on such loans
41 shall be no lower than five percent. Financial assistance and grants
42 may be issued for up to 100% of the estimated applicable remediation
43 cost, except that the cumulative maximum amount of financial
44 assistance which may be issued to a person other than a governmental
45 entity, including the New Jersey Redevelopment Authority, in any
46 calendar year, for one or more properties, shall be \$1,000,000.

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

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

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

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

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

31
32 ¹[95.] 66.¹ Section 29 of P.L.1993, c.139 (C.58:10B-7) is amended
33 to read as follows:

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

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

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

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

20
21 ¹[96.] 67.¹ The following ¹[are] is¹ hereby repealed: P.L.1984,
22 c.172 (C.52:27D-250 et seq.) ¹[and P.L.1985, c.227 (C.55:19-1 et
23 seq.); provided, however, that this repeal shall not affect any
24 obligation, lien or duty to pay taxes, interest or penalties which has
25 been reduced or which may be reduced by virtue of any credits
26 allowed pursuant to the provisions of the law repealed by P.L. , c.
27 (C.) (pending before the Legislature as this bill), or which may be
28 allowed with respect to any redetermination, correction,
29 recomputation or deficiency assessment; and provided that this repeal
30 shall not affect the legal rights of any taxpayer to protest or appeal any
31 taxes due or which may be due, together with such interest and
32 penalties as may accrue thereon, with regard to any credits granted
33 under the provisions of the law repealed]¹.

34
35 ¹[97.] 68.¹ There is appropriated to the New Jersey Redevelopment
36 Authority from the General Fund a sum of ¹[\$250,000] \$10,000,000¹
37 to effectuate the purposes of this act ¹; of this appropriation,
38 \$1,000,000 shall be dedicated to the Office of Neighborhood
39 Empowerment established pursuant to section 47 of P.L. c. (C.)
40 (pending before the Legislature as this bill) to effectuate the purposes
41 of this act¹.

42
43 ¹[98. (New section) Beginning in the calendar year following the
44 effective date of this act, the New Jersey Economic Development
45 Authority shall allocate no less than 12-1/2 percent of the aggregate
46 amount of loans and loan guarantees made by the authority in any

1 fiscal year to projects that are approved by the New Jersey
2 Redevelopment Authority as being consistent with the provisions of
3 "The New Jersey Economic Development Authority Act," P.L.1974,
4 c.80 (C.34:1B-1 et seq.) and that are located in municipalities
5 designated as qualified municipalities pursuant to section 3 of P.L. ,
6 c. (C.) (pending before the Legislature as this bill).]¹

7
8 ¹[99. (New section) Beginning in the calendar year following the
9 effective date of this act, the New Jersey Commission on Science and
10 Technology established pursuant to section 3 of P.L.1985, c.102
11 (C.52:9X-3), shall allocate no less than 15 percent of any monies
12 which the Commission spends during any fiscal year for applied
13 technology or technology transfer to projects located in municipalities
14 designated as qualified municipalities pursuant to section 3 of P.L. ,
15 c. (C.) (pending before the Legislature as this bill) and shall
16 notify the New Jersey Redevelopment Authority of the nature of the
17 project, the location of the project, and the amount of public funds
18 expended on the project.]¹

19
20 ¹[100. (New section) The New Jersey Redevelopment Authority
21 shall fund such projects as may be practicable in any municipality
22 eligible for designation as an empowerment zone or enterprise zone
23 under federal law through the issuance of tax exempt bonds as
24 provided in section 1394 of P.L.103-66; 107 Stat 548, which bonds
25 shall also be exempt from any tax levied pursuant to Title 54 of the
26 Revised Statutes or Title 54A of the New Jersey Statutes.]¹

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

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

41 c. In addition to any other reporting requirement imposed pursuant
42 to the "Green Acres, Clean Water, Farmland and Historic Preservation
43 Bond Act of 1992," the State Treasurer shall, through the
44 Administrator of the General Services Administration in the
45 Department of the Treasury, prepare and submit to the Joint Budget
46 Oversight Committee, or its successor, periodic progress reports,

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

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

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

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

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

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

3 c. In addition to any other reporting requirement imposed pursuant
4 to the "Water Supply Bond Act of 1981," the State Treasurer shall,
5 through the Administrator of the General Services Administration in
6 the Department of the Treasury, prepare and submit to the Joint
7 Budget Oversight Committee, or its successor, periodic progress
8 reports, based on project site inspections and other inquiries,
9 describing the status of projects financed in whole or in part with
10 moneys appropriated in this act. Each progress report shall indicate
11 the total project cost, the funding sources allocated to the project, the
12 status of construction or development of the project, estimated project
13 completion date and whether there are any potential scheduling or
14 financial difficulties or circumstances warranting special attention or
15 review by the Joint Budget Oversight Committee. The first such
16 report shall be submitted not later than June 1, 1997.]¹

17

18 ¹[104.] 69.¹ This act shall take effect on the first day of the seventh
19 month next following enactment.

20

21

22

23

24 _____

25 Designated the New Jersey Urban Redevelopment Act; appropriates
\$10 million.