

[Second 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.

² Senate SBA committee amendments adopted March 18, 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] ¹Coordinating 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] ²[an empowerment neighborhood designated pursuant to
 30 section 54 of P.L. , c. (C.) (pending before the Legislature as
 31 this bill), second priority to any¹] a ² municipality which at the time the
 32 application for project financing is submitted is eligible to receive aid
 33 under the "Special Municipal Aid Act," P.L.1987, c.75
 34 (C.52:27D-118.24 et seq.) and is coextensive with a "special needs
 35 district" designated pursuant to the "Quality Education Act of 1990,"
 36 P.L.1990, c.52 (C.18A:7D-1 et seq.). Subsequent priority shall be
 37 assigned to projects in any municipality which, at the time the
 38 application for project financing is submitted, is coextensive with a
 39 "special needs district" and projects in a qualified municipality shall
 40 receive last priority. ¹[In making project financing decisions, the
 41 authority shall give preference to any project situated in an
 42 empowerment neighborhood designated pursuant to section 88 of
 43 P.L. c. (C.) (pending before the Legislature as this bill).]¹

44 ²[In making project financing decisions, the authority shall give
 45 preference to any project situated in an empowerment neighborhood
 46 designated pursuant to section 54 of P.L....., c.....

1 (C.....)(now pending before the Legislature as this bill).² With
2 respect to projects for which costs are to be financed by the authority,
3 the authority shall consider the following factors:

4 (1) the economic feasibility of the project;

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

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

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

11 (5) the relationship of the project to a comprehensive local
12 development strategy, including other major projects undertaken
13 within the municipality; and

14 (6) the degree to which the project interfaces with public
15 transportation systems.

16

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

26

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

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

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

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

1 community director, and shall include at least one representative of the
2 council; and

3 d. Assist in coordinating the activities of the New Jersey
4 Redevelopment Authority, municipalities, counties, public or private
5 county and municipal development agencies, district management
6 corporations created pursuant to section 4 of P.L.1972, c.134
7 (C.40:56-68), and community action boards established pursuant to
8 section 4 of P.L.1991, c.51 (C.52:27D-398).]¹

9

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

12 The Office of Neighborhood Empowerment shall:

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

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

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

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

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

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

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

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

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

30

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1 ¹[15.] 10.¹ (New section) The authority, or any subsidiary, may
2 make loans to any individual, partnership, trust, association or
3 corporation for the purpose of enabling such entity to undertake any
4 work, improvement or other activity in a qualified municipality which,
5 if undertaken by the authority or a subsidiary, would be a "project"
6 within the meaning of section 3 of P.L. , c. (C.) (pending before
7 the Legislature as this bill). The authority, or any subsidiary, may also
8 pledge its credit for the repayment of any such loan made for like
9 purposes by any financial institution in the State.

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

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

41
42 ¹[18.] 13.¹ (New section) Any provision of any law to the contrary
43 notwithstanding, any bond or other obligation issued pursuant
44 to P.L. , c. (C.) (pending before the Legislature as this bill) shall
45 be fully negotiable within the meaning and for all purposes of Title
46 12A, Commercial Transactions, of the New Jersey Statutes, and each

1 holder or owner of such a bond or other obligation, or of any coupon
2 appurtenant thereto, by accepting such bond or coupon shall be
3 conclusively deemed to have agreed that such bond, obligation or
4 coupon is and shall be fully negotiable within the meaning and for all
5 purposes of Title 12A of the New Jersey Statutes.

6

7 ¹[19.] 14.¹ (New section) In order to secure the payment of such
8 bonds and in addition to its other powers, the authority shall have
9 power by resolution to covenant and agree with the several holders of
10 such bonds, as to:

11 a. the custody, security, use, expenditure or application of the
12 proceeds of the bonds;

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

15 c. payment of the principal of or interest on the bonds, or any other
16 obligations, and the sources and methods thereof, the rank or priority
17 of any such bonds or obligations as to any lien or security, or the
18 acceleration of the maturity of any such bonds or obligations;

19 d. the use and disposition of any moneys of the authority, including
20 all revenues or other moneys derived or to be derived from any project
21 or projects;

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

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

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

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

36 i. vesting in a trustee or trustees, fiscal or escrow agent or agents
37 within or without the State such property, rights, powers and duties
38 in trust as the authority may determine and limiting the rights, duties
39 and powers of such trustee or agent;

40 j. payment of costs or expenses incident to the enforcement of the
41 bonds or of the provisions of the resolution or of any covenant or
42 contract with the holders of the bonds;

43 k. the procedure, if any, by which the terms of any covenant or
44 contract with, or duty to, the holders of bonds may be amended or
45 abrogated, the amount of bonds the holders of which must consent
46 thereto, and the manner in which such consent may be given or

1 evidenced; or

2 1. any other matter or course of conduct which, by recital in the
3 resolution, is declared to further secure the payment of the principal
4 of or interest on the bonds.

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

12

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

24

25 ¹[21.] 16.¹ (New section) Any public or private agency,
26 organization, corporation, or association which is not legally barred
27 from investing in the bonds or stock of the New Jersey Housing and
28 Mortgage Finance Agency or any of its subsidiary corporations may
29 lawfully invest in the corresponding securities of the authority and its
30 subsidiaries.

31

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

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

1	Period/ Year	Multiplier
2	First	0.00
3	Second	0.20
4	Third	0.40
5	Fourth	0.60
6	Fifth	0.80
7	Sixth year and thereafter	1.00

8

9 c. For the purposes of this section:

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

14 (1) resides within the qualified municipality or within another
 15 qualified municipality; or

16 (2) unemployed for at least six months prior to being hired and
 17 residing in New Jersey, and recipients of New Jersey public assistance
 18 programs for at least six months prior to being hired, or either of the
 19 aforesaid; or

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

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

43 d. For a taxpayer pursuant to P.L.1945, c.162 (C.54:10A-1 et
 44 seq.), notwithstanding the provisions of section 19 of P.L.1983, c.303
 45 (C.52:27H-78), section 12 of P.L.1985, c.227 (C.55:19-13), section
 46 42 of P.L.1987, c.102 (C.54:10A-5.3), section 1 of P.L.1993, c.150

1 (C.27:26A-15), section 3 of P.L.1993, c.170 (C.54:10A-5.6), sections
2 3 or 4 of P.L.1993, c.171 (C.54:10A-5.18 or C.54:10A-5.19), or
3 section 1 of P.L.1993, c.175 (C.54:10A-5.24), to the contrary, no
4 credits otherwise allowed pursuant to those sections shall be allowed
5 against income generated by new activities in a qualified municipality
6 for the five privilege periods ending after the commencement of
7 operations in a qualified municipality for which the income generated
8 by new activities in a qualified municipality is allowed a multiplier
9 pursuant to this section. For the purposes of section 19 of P.L.1983,
10 c.303 (C.52:27H-78), section 12 of P.L.1985, c.227 (C.55:19-13),
11 section 42 of P.L.1987, c.102 (C.54:10A-5.3), section 1 of P.L.1993,
12 c.150 (C.27:26A-15), section 3 of P.L.1993, c.170 (C.54:10A-5.6),
13 sections 3 or 4 of P.L.1993, c.171 (C.54:10A-5.18 or C.54:10A-5.19),
14 and section 1 of P.L.1993, c.175 (C.54:10A-5.24), any income or
15 liability limits established pursuant to those sections shall be deemed
16 to refer only to income that is not income generated by new activities
17 in a qualified municipality, and any salary, wages or remuneration paid
18 to employees employed at the location in the qualified municipality,
19 the cost of any property installed or employed at the location in the
20 qualified municipality and any expenses incurred at or for the location
21 in the qualified municipality shall be disallowed from the inclusion in
22 any calculation under those sections.]¹

23

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

38

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

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

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

4
5 ¹[25.] 19.¹ (New section) Any builder, contractor or subcontractor
6 engaged upon a project within the meaning of P.L. , c. (C.)
7 (pending before the Legislature as this bill), and any person, firm or
8 authority managing or operating such a project, including the authority
9 and its subsidiaries, shall pay the workmen employed in the
10 construction, reconstruction, demolition, or rehabilitation thereof not
11 less than the prevailing wage rate. The prevailing wage rate shall be
12 determined by the Commissioner of Labor in all cases, except that the
13 prevailing wage rate shall be determined by the Secretary of the United
14 States Department of Labor in accordance with the Davis-Bacon Act
15 as amended (40 U.S.C. § 276a to 276a-5), when the loan or other
16 assistance given by the authority in connection with the work, or the
17 funds of the authority or subsidiary thereof expended for the work, are
18 the subject of direct or indirect federal assistance other than federal tax
19 exemption of the interest paid on obligations of the authority or a
20 subsidiary thereof.

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

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

34 b. All testimony presented at the hearing and all material submitted
35 to the authority within 15 days following the hearing shall be included
36 in a hearing record to be prepared and made available to the public by
37 the authority.

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

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

45
46 ¹[27.] 21.¹ (New section) The exercise of the powers granted by

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

37

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

45

46 ¹[29.] 23.¹ (New section) Any agreement entered into pursuant to

1 section ¹[28] 22¹ of P.L. , c. (C.) (pending before the Legislature
2 as this bill) for the sharing of payments and revenues derived from a
3 project shall also set forth the manner in which the costs of municipal
4 services for such project are to be apportioned and specify the services
5 to be supplied by each municipality in sufficient detail so as to permit
6 the owners, occupants and users of property within the project to
7 determine the responsibilities of each participating municipality.

8
9 ¹[30.] 24¹ (New section) Notwithstanding any restriction
10 contained in any other law, the State and all political subdivisions of
11 this State, and all other persons who are or may hereafter be
12 authorized to invest in bonds or other obligations of the State, may
13 invest any sinking funds, moneys or other funds, including capital,
14 belonging to them or within their control in any bonds or notes issued
15 by the authority under the provisions of P.L. , c. (C.) (pending
16 before the Legislature as this bill).

17
18 ¹[31.] 25¹ (New section) The foregoing sections of P.L. , c. (C.
19) (pending before the Legislature as this bill) shall be deemed to
20 provide a complete method for the doing of things authorized thereby
21 and shall be regarded as not in conflict with, or as restrictive of,
22 powers conferred by any other laws, and the provisions of P.L. , c.
23 (C.) (pending before the Legislature as this bill) shall be complete
24 authority for the issuance of bonds by the authority and the provisions
25 of any other laws shall not apply to the issuance of such bonds.

26
27 ¹[32.] 26¹ (New section) With its first annual report, and every
28 second year thereafter, the authority shall submit a New Jersey
29 Redevelopment Strategy document, setting forth ¹[its assessment of
30 the current needs for industrial, land-use improvement, civic, utility
31 and multi-purpose projects in qualified municipalities of the State; its
32 estimate of the resources available, under the provisions of P.L. , c.
33 (C.) (pending before the Legislature as this bill), from public and
34 private sources for the undertaking of such projects; and its anticipated
35 participation in or assistance of such projects during the two years
36 next succeeding the date of submission. The document shall set
37 forth]¹ the goals and priorities governing the selection of the projects
38 it anticipates participating in or assisting; and the authority shall
39 annually review and evaluate the projects actually undertaken in light
40 of the goals and priorities established therefor by the New Jersey
41 Redevelopment Strategy document. In selecting projects for its
42 participation, and in evaluating those projects in which it has
43 participated, the authority shall devise and employ techniques for
44 forecasting and measuring relevant indices of accomplishment of its
45 goals of economic revitalization, including specifically:

46 a. the number of jobs created, or to be created, by, or as a result

1 of, the project;

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

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

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

10

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

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

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

33

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

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

42 (2) funds appropriated by section ¹[97]68¹ of P.L. , c. (C.)
43 (pending before the Legislature as this bill) ¹as may be determined by
44 the authority¹;

45 (3) repayments of loans or other payments, including repayments
46 of principal and interest on loans, received by the authority pursuant

1 to agreements made under authority of sections 5, ¹[13, 14, or 15] 8.
2 9 or 10¹ of P.L. , c. (C.) (pending before the Legislature as this
3 bill);

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

6 (5)]¹ any income derived from investment pursuant to subsection
7 b. of this section;

8 ¹[(6)] (5)¹ moneys collected as user fees and facility charges in
9 connection with any civic project or utilities project managed or
10 operated by the authority as authorized by subsection z. of section 5
11 of P.L. , c. (C.) (pending before the Legislature as this bill);

12 ¹[(7) those bond funds made available to the New Jersey
13 Redevelopment Investment Fund from the bond funds referred to in
14 sections 101, 102 and 103 of P.L. c. (C.) (pending before
15 the Legislature as this bill);]¹ and

16 ¹[(8)] (6)¹ such additional funds as the Legislature may from time
17 to time appropriate for the purpose.

18 b. The fund shall be in the custody and control of the authority,
19 which may invest and reinvest any portion thereof not immediately
20 required for the purposes of the authority in the manner provided by
21 law for investment of public funds on projects and investments
22 utilizing revenues from the sale of general obligation bonds, which
23 projects shall be subject to the approval of the State Treasurer, and the
24 State Treasurer's actions shall be based solely on his fiduciary role to
25 ensure that all applicable federal and State tax laws are adhered to
26 regarding the investment of bond funds.

27 c. The authority may resell any loan or loans made by the authority
28 pursuant to this act to any buyer or buyers; the proceeds of any such
29 sales shall be returned to the fund established pursuant to this section.
30

31 ¹[35.] 28.¹ (New section) a. Loan rates and maturities of loans
32 made by the New Jersey Redevelopment Authority shall be established
33 by the State Treasurer taking into consideration rates available in
34 capital markets for comparable maturities and comparable credit
35 quality. Local governments may secure interim financing under this
36 act to enable a project to be undertaken before permanent financing is
37 secured or may secure permanent financing under P.L. , c. (C.)
38 (pending before the Legislature as this bill) with a final maturity
39 related to the expected useful life of the project being so financed.

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

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

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

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

41 b. For the purpose of aiding the authority and cooperating in the
42 planning, designing, acquiring, constructing, reconstructing,
43 improving, equipping and furnishing of any project situate in any
44 county, any county, by ordinance of its governing body, shall have
45 power from time to time and for such period and upon such terms,
46 with or without consideration, as may be provided by the ordinance

1 and accepted by the authority:

2 (1) to appropriate moneys for the purposes of the authority with
3 respect to the project, and to loan or donate such money to the
4 authority in such installments and upon such terms as may be agreed
5 upon with the authority;

6 (2) upon authorization by it in accordance with law of the
7 performance of any act or thing which it is empowered by law to
8 authorize or perform and after appropriation of the moneys, if any,
9 necessary for that performance, to covenant and agree with the
10 authority to do and perform any act and as to the time, manner and
11 other details of its doing and performance; and

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

19 c. Any contract, and any instrument making or evidencing the
20 same, may be pledged or assigned by the authority, with the consent
21 of the county executing the contract, to secure its bonds and thereafter
22 may not be modified except as provided by the terms of such
23 instrument or by the terms of the pledge or assignment.

24

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

33

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

1 both.

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

7 ¹[c. The New Jersey Economic Development Authority may, after
8 negotiation and agreement with the State Treasurer, prepay all
9 outstanding appropriations due in future years to the State Treasurer,
10 discounted at an interest rate agreeable to the State Treasurer and the
11 New Jersey Economic Development Authority.

12 d.] b.¹ All of the functions, powers and duties of the New Jersey
13 Urban Development Corporation ¹[,except for the administration of
14 loans made prior to the effective date of this bill,]¹ are hereby
15 transferred to and vested in the New Jersey Redevelopment Authority.

16 ¹c. At the discretion of the board of the New Jersey
17 Redevelopment Authority, all employees employed by the New Jersey
18 Urban Development Corporation as of the effective date of this act
19 may serve the New Jersey Redevelopment Authority.

20 d. All records, property, outstanding loans, loan guarantees and
21 other obligations of the New Jersey Urban Development Corporation
22 shall be transferred to, and assumed by, the New Jersey
23 Redevelopment Authority.¹

24

25 ARTICLE TWO - FINANCING

26

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

37

38 ¹[39. (New section) The Legislature finds and declares that:

39 a. There are areas within certain municipalities in this State that
40 deter private capital investment because of the deteriorating condition
41 of the land, buildings and infrastructure within those areas, or which
42 have not experienced private capital investment due to inadequate
43 infrastructure or adverse economic conditions.

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

46 c. The scarcity of resources available to municipalities for

1 redevelopment has severely hampered these municipalities' ability to
2 rehabilitate these areas.

3 d. In order to redevelop these areas in a beneficial manner,
4 municipalities should be provided the means to finance certain costs of
5 redevelopment so as to open new avenues for private investment;
6 stimulate commercial, industrial, recreational, cultural, entertainment,
7 civic and educational enterprise, and create favorable conditions for
8 increases in economic activity, property values, employment
9 opportunities and the provision of affordable housing.

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

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

20

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

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

24 "Board" means the Local Finance Board established in the Division
25 of Local Government Services in the Department of Community
26 Affairs.

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

29 "District" means the area or areas within a municipality designated
30 as a revenue allocation district pursuant to the provisions of this
31 article.

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

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

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

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

1 commitments to be incurred by the district agent.

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

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

39 "Project cost" means the cost of the plan or project in all or any
40 part of the district and of all and any property, rights, easements,
41 privileges, agreements and franchises deemed by the district agent to
42 be necessary or useful and convenient therefor or in connection
43 therewith, including interest or discount on bonds; cost of issuance of
44 bonds; engineering and inspection costs; legal expenses; costs of
45 financial and other professional estimates and advice; organization,
46 administrative, operating and other expenses of the district agent prior

1 to and during the planning and implementation of a development, plan
2 or project, including such provision as the district agent may determine
3 for the payment, or security for payment, of principal of or interest on
4 bonds during or after the implementation of any development, plan or
5 project.

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

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

10 (2) multiplying that product by a fraction having a numerator equal
11 to the taxable value of all the property assessed within the district,
12 minus the property tax increment base, and having a denominator
13 equal to the taxable value of all property assessed within the district.

14 "Property tax increment base" means the aggregate taxable value of
15 all property assessed which is located within a district as of October
16 1 of the year preceding the year in which the district is authorized
17 pursuant to this article.

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

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

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

26

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

42 The governing body of a municipality may by ordinance establish a
43 district or districts. In the case of a municipality whose redevelopment
44 powers are assigned by law to a regional planning commission, the
45 commission may, by resolution, establish a district or districts in the
46 area within which the commission has jurisdiction. The ordinance or

1 resolution, as appropriate, shall be adopted as provided in section 44
2 of P.L. , c. (C.) (pending before the Legislature as this bill), and
3 shall include or incorporate:

4 a. a map designating the area or areas within the municipality as a
5 district or districts;

6 b. a certification by the municipal assessor that, upon the basis of
7 property assessments as of October 1 of the year preceding the
8 certification, the total taxable property value in all districts designated
9 by the municipality, including the district being proposed in the
10 ordinance, does not exceed 15 or 20 percent of the total taxable
11 property assessed in the municipality, as appropriate, as provided in
12 the ordinance adopted in accordance with the provisions of this
13 section;

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

24 d. a designation of all or any percentage of any eligible revenue or
25 revenues as pledged revenues;

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

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

33 g. documentation that the district has been identified in the
34 appropriate redevelopment plan.]¹

35

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

38 a. a certification by the municipal tax assessor of the property tax
39 increment base of the district;

40 b. a statement of the revenues if any to be pledged to support
41 bonds of the district, the percentage of such revenues to be so
42 pledged, and a certification by the chief financial officer of the
43 municipality of the revenue increment base for each of the pledged
44 revenues other than the property tax revenue base. If the amount of
45 any such revenue base cannot be certified, then the chief financial
46 officer shall estimate the amount and describe the basis for preparing

- 1 the estimate and the manner in which the revenue increment base will
2 be determined after adoption of the plan;
- 3 c. a description of the proposed project or projects, an estimate of
4 their cost, a proposed construction schedule, and the projected debt
5 service on the bonds issued to finance the project and the anticipated
6 amount of private activity bonds, as that term is defined in 26
7 U.S.C.§141, to be issued, if any;
- 8 d. a description of the development expected or planned within the
9 district, including the identification of the developers, if any, other
10 than the district agent or the municipality, and their contractual
11 relationship, if any, with the district agent or the municipality;
- 12 e. an estimate of the taxable value of the assessed property within
13 a district upon completion of the projects;
- 14 f. a projection of the amount of the pledged revenues during the
15 period in which any bond will be outstanding;
- 16 g. a statement of whether or not the district agent intends to create
17 a reserve for payment of project costs prior to the adoption of the final
18 revenue allocation plan;
- 19 h. a statement of whether or not tax abatements or exemptions are
20 expected to be granted in the district; and
- 21 i. a fiscal impact statement for the taxing entities involved.]¹

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

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

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

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

4
5 ¹[44. (New section) a. The board and the State Treasurer may
6 make written recommendations as to any aspect of the ordinance and
7 the preliminary revenue allocation plan and any related fiscal matters
8 of the municipality which in the opinion of the board or the State
9 Treasurer must be changed in order to effectuate the plan. The board
10 may condition its approval of the ordinance upon the adoption of its
11 recommendations by the municipality.

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

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

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

30 Cause for expanding the district or enlarging the designation of
31 pledged revenues shall be based on the need to maintain pledged
32 revenues sufficient to secure all outstanding and anticipated
33 indebtedness of the district agent or to undertake additional projects.

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

43
44 ¹[46. (New section) Whenever a district is expanded as permitted
45 under section 45 of P.L. , c. (C.) (pending before the Legislature
46 as this bill) the property tax increment base for any area added to the

1 district shall be the aggregate taxable value of all property assessed
2 which is located within the added area as of October 1 of the year
3 preceding the year in which the area is added, as certified by the
4 municipal assessor. The revenue increment base of all other eligible
5 revenues shall include the amounts of all other eligible revenues from
6 sources within the added area in the calendar year preceding the year
7 in which the area is added, as certified by the chief financial officer of
8 the municipality.

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

14
15 ¹[47. (New section) The district agent shall have the following
16 powers and responsibilities:

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

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

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

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

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

42 f. to seek and receive funds from local, State and federal
43 governments and from private sources for the purpose of implementing
44 any authorized development or project or meeting any project cost;
45 and

46 g. to pay project costs, specifically including payments to a private

1 developer, as reimbursement for project costs incurred by a private
2 developer, in accordance with a redevelopment agreement entered into
3 by the municipality or municipalities and the private developer.

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

7
8 ¹[48. (New section) In addition to the property tax increment, the
9 plan may include one or more of the following eligible revenues if the
10 municipality is otherwise authorized by law to collect such revenues:

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

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

16 c. incremental revenue from lease payments made to the
17 municipality or district agent with respect to property located in the
18 district;

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

21 e. incremental revenue from parking taxes derived from parking
22 facilities located within the district;

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

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

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

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

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

43
44 ¹[49. (New section) Before pledging any revenues, issuing any
45 bonds, incurring any obligations or guaranteeing the obligations of any
46 other entity with respect to the project costs of any project, the district

1 agent shall adopt a final revenue allocation plan for that project. That
2 plan shall include:

- 3 a. a description of the project or projects to be financed, including
4 the projected cost and construction schedule;
- 5 b. a description of any development to be undertaken by any
6 developer in connection with the project, including an estimate of the
7 eligible revenues anticipated from the development;
- 8 c. a description of the eligible revenues to be pledged to the
9 support of the project, or to the bonds or other obligations to be
10 issued or incurred by the district agent;
- 11 d. a description of other anticipated projects for the district and
12 the anticipated means of financing those projects;
- 13 e. a copy of any proposed bond resolution, contract, lease or other
14 agreement to be adopted or authorized by the district agent. Any
15 proposed bond resolution shall include a description of the security
16 features of the bonds, including reserve funds or other security
17 enhancements, if any, such as a municipal guarantee, qualified bond
18 authorization, bond insurance or letter of credit; the maturity schedule
19 for the bonds; the estimated interest rate; the period of capitalized
20 interest, if any; an estimate of the costs of issuance, with identification
21 of bond counsel, financial advisers, underwriters and other
22 professionals engaged to assist in the issuance of bonds; lien priorities
23 among projects, if any; and such other information as the board may
24 require; and
- 25 f. a certification by the chief financial officer of the property tax
26 increment base, if property tax increment revenue is to be pledged, and
27 of the revenue increment base for each other pledged revenue. If the
28 amount of any such revenue increment base cannot be certified, then
29 the chief financial officer shall estimate the amount and describe the
30 basis for preparing the estimate and the manner in which the revenue
31 increment base will be determined after adoption of the final plan.]¹

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

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

- 44 a. the planned developments are likely to be realized and would not
45 be accomplished by private enterprise without the creation of the
46 district and the financing of the proposed project or projects;

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

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

7 d. the pledged revenues or guarantees would not pose
8 inappropriate risk or undue financial hardship to the taxpayers of the
9 community in the event of default.]¹

10

11 ¹[51. (New section) a. The board and the State Treasurer may
12 make written recommendations as to any aspect of the plan and any
13 related fiscal matters of the municipality or the district agent which, in
14 the determination of the board and the State Treasurer, must be
15 changed in order to effectuate the plan, and the board may condition
16 its approval of the plan upon the adoption of its recommendations or
17 those of the State Treasurer.

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

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

35

36 ¹[52. (New section) If the preliminary revenue allocation plan has
37 designated the property tax increment as a pledged revenue, the
38 property tax increment shall be calculated and paid to the revenue
39 allocation fund or the bond trustee, as appropriate, as provided
40 hereunder.

41 a. Upon the striking of the tax rate in each year following the
42 adoption of the ordinance creating the district, the chief financial
43 officer of the municipality, with assistance provided by the assessor
44 and collector, shall calculate the amount of property tax increment, if
45 any, for each revenue allocation district within the municipality and
46 shall certify to the district agent of each such district a copy of that

1 calculation. Thereafter the chief financial officer shall, within 10 days
2 after each date fixed by statute for the payment of property taxes,
3 cause to be deposited in the revenue allocation fund of the district
4 agent or paid to the trustees as provided in the resolution authorizing
5 the issuance of bonds the percentage of the property tax increments
6 certified in the plan as designated to be so deposited or paid. The
7 calculation of the property tax increment shall be based on the amount
8 to be billed at the quarterly payment date, regardless of whether or not
9 the increment is actually collected from the taxpayers within the
10 district.

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

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

29 d. In no event shall any changes in assessed valuation within a
30 district due to appeals or correction of errors with respect to a tax
31 year subsequent to the creation of the district alter the amount of
32 property tax increment certified pursuant to this section for that tax
33 year.

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

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

1 in the municipality after revaluation or reassessment.]¹

2

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

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

13 b. The municipality shall include in its budget the amount certified
14 as collected in the preceding year and shall pay to the district agent for
15 deposit in the revenue allocation financing fund the amount certified
16 in the plan as designated for such payment.

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

20

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

34

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

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

41 a. paying the project costs;

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

45 c. prepaying the principal of and interest on the bonds or other
46 obligations;

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

5 e. reimbursing the municipality for any payments made by the State
6 pursuant to the "Municipal Qualified Bond Act," P.L.1976, c.38
7 (C.40A:3-1 et seq.) to pay debt service on any qualified bonds issued
8 pursuant to section 63 of P.L. , c. (C.) (pending before the
9 Legislature as this bill).]¹

10

11 ¹[56. (New section) a. Prior to the adoption of a final revenue
12 allocation plan, the district agent may draw money from the revenue
13 allocation fund for purposes of paying all project costs incurred in
14 connection with the development of the final revenue allocation plan
15 as provided in the approved operating budget, including a reserve for
16 project costs if such reserve is part of the preliminary plan.

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

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

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

37

38 ¹[57. (New section) Except where the municipal governing body
39 has designated itself as the district agent, or except in municipalities
40 which are under the jurisdiction of a regional planning commission
41 assigned redevelopment powers pursuant to law, any action of the
42 district agent shall be subject to the veto of the mayor of the
43 municipality. The veto shall be exercised by the veto of the minutes
44 of the district agent by the mayor. The mayor shall have 10 days,
45 Saturdays, Sundays and legal holidays excepted, after receipt of the
46 minutes to exercise the veto. If a mayoral veto is exercised during that

1 period, the action of the district agent shall be considered null and
2 void. If no veto is exercised during that period, the action of the
3 district agent shall be considered valid. The mayor, upon receipt of
4 the minutes, may in writing notify the district agent of the approval of
5 the minutes before the expiration of the 10-day period. Where the
6 municipal governing body has designated itself as the district agent,
7 the mayor shall have only such veto powers as are granted to the
8 mayor by law.

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

15

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

29

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

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

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

40

41 ¹[60. (New section) Upon approval of the resolution by the board
42 and adoption of an ordinance approving or adopting the final revenue
43 allocation plan by the municipal governing body, the district agent
44 shall have the power to incur indebtedness, borrow money and issue
45 its bonds or notes for purposes of financing a project or funding or
46 refunding its bonds or notes. If the district agent is the municipal

1 governing body, any pledge of revenues or funds and obligations
2 incurred shall be limited to the revenues and property accruing to the
3 municipality as district agent and shall not be deemed to include any
4 other municipal revenue or property unless such revenues are pledged
5 or obligations are incurred pursuant to P.L. , c. (C.) (pending
6 before the Legislature as this bill). The district agent may from time
7 to time issue its bonds or notes in such principal amounts as in the
8 opinion of the district agent are necessary to provide sufficient funds
9 for all or any portion of project costs, including the payment, funding
10 or refunding of the principal of or interest or redemption premiums on
11 any bonds or notes issued by it, whether the bonds or notes or interest
12 to be funded or refunded has or has not become due; the establishment
13 or increase of such reserves to secure or to pay the bonds or notes or
14 interest thereon; and all other costs or expenses of the district agent
15 incident to and necessary to carrying out its corporate purposes and
16 powers.

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

25

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

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

40 Bonds or notes may be issued under the provisions of P.L. , c.
41 (C.) (pending before the Legislature as this bill) without any other
42 proceeding or the occurrence of any other conditions or other things
43 than those proceedings, conditions or things which are specifically
44 required by P.L. , c. (C.) (pending before the Legislature as this
45 bill).

46 Bonds or notes of the district agent issued under the provisions of

1 P.L. , c. (C.) (pending before the Legislature as this bill) shall
2 contain a statement to the effect that they are issued pursuant to
3 P.L. , c. (C.) (pending before the Legislature as this bill) and
4 entitled to the provisions of P.L. , c. (C.) (pending before the
5 Legislature as this bill).]¹

6

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

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

18 b. pledge of grants, subsidies, contributions or other payments to
19 be received from the United States of America or any instrumentality
20 thereof, or from any State, county or municipal governmental body or
21 agency;

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

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

27

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

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

45 Upon the issuance of such bonds and certification to the State
46 Treasurer of the name and address of the paying agent, the maturity

1 schedule, interest rates and dates of payment of debt service, the State
2 Treasurer shall withhold municipal qualified revenues payable to the
3 municipality in amounts sufficient to pay debt service on such bonds
4 as the same shall mature and become due. The State Treasurer shall
5 on or before each principal and interest payment date forward such
6 withheld amounts to the paying agent for the sole purpose of paying
7 debt service on such bonds. As such withheld amounts are forwarded
8 to the paying agent, the district agent shall return a like amount of
9 eligible revenues received by the district agent, if any, which may be
10 applied to the payment of municipal operating expenses.]¹

11

12 ¹[64. (New section) In any resolution of the district agent
13 authorizing or relating to the issuance of any bonds or notes, the
14 district agent, in order to secure the payment of the bonds or notes and
15 in addition to its other powers, shall have power by provisions in that
16 resolution, which shall constitute covenants by the district agent and
17 contracts with the holders of the bonds or notes, to:

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

20 b. covenant against pledging all or any part of its revenues or
21 receipts from its lease, sales arrangement, service contracts or other
22 security instruments, of the revenues or receipts under any of the
23 foregoing or the proceeds thereof, or against mortgaging or leasing all
24 or any part of the its real or personal property then owned or
25 thereafter acquired, or against permitting or suffering any of the
26 foregoing;

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

30 d. covenant as to any bonds and notes to be issued and the
31 limitations thereon and the terms and conditions thereof and as to the
32 custody, application, investment, and disposition of the proceeds
33 thereof;

34 e. covenant as to the issuance of additional bonds or notes or as to
35 limitations on the issuance of additional bonds or notes and on the
36 incurring of other debts by it;

37 f. covenant as to the payment of the principal of or interest on the
38 bonds or notes, or any other obligations, as to the sources and
39 methods of the payment, as to the rank or priority of the bonds, notes
40 or obligations with respect to any lien or security or as to acceleration
41 of the maturity of the bonds, notes or obligations;

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

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

46 i. covenant as to the redemption of bonds or notes and privileges

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

1 bonds or notes;

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

4 t. make covenants other than or in addition to the covenants
5 authorized by P.L. , c. (C.) (pending before the Legislature as this
6 bill) of like or different character, and to make such covenants to do
7 or refrain from doing such acts and things as may be necessary, or
8 convenient and desirable, in order to better secure bonds or notes or
9 which, in the absolute discretion of the district agent will tend to make
10 bonds or notes more marketable, notwithstanding that the covenants,
11 acts or things may not be enumerated herein.]¹

12

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

26

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

31

32 ¹[67. (New section) The district agent may establish such reserves,
33 funds or account as may be, in its discretion, necessary or desirable to
34 further the accomplishment of the purposes of the district agent or to
35 comply with the provisions of any agreement made by or any
36 resolution of the district agent.

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

1 or notes shall be authorized security for any and all public deposits.]¹

2

3 ¹[68. (New section) Bonds, notes or other obligations issued
4 pursuant to P.L. , c. (C.) (pending before the Legislature as this
5 bill) are for an essential public and governmental purpose, and the
6 bonds, notes or other obligations, their transfer and the interest and
7 premium, if any, thereon and the income therefrom, including any
8 profit made on the sale thereof, and all assessments, charges, funds,
9 revenues, income and other moneys pledged or available to pay or
10 secure the payments of the bonds, or interest thereon, shall be exempt
11 from taxation of every kind by the State and the municipality, except
12 transfer inheritance and estate taxes unless exemptions from those
13 taxes have been provided under other laws.]¹

14

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

25

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

39

40 ¹[71.] 34.¹ (New section) a. A financial agreement entered into
41 pursuant to section ¹[70] 33¹ of P.L. , c. (C.) (pending
42 before the Legislature as this bill) shall provide for payments in lieu
43 of taxes in an amount agreed upon, and, to the extent needed to pay
44 debt service and other related costs of the bonds or other obligations
45 authorized in this section, shall be pledged to the repayment of the
46 bonds or other obligations authorized in this section.

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

4 c. The New Jersey Redevelopment Authority ¹, New Jersey
5 Economic Development Authority¹ or county improvement authority
6 may issue negotiable bonds or other obligations for the purpose of
7 financing or refinancing the construction, reconstruction, repair,
8 alteration, improvement and development of any infrastructure or
9 parking or transportation facilities or work that reduces, abates or
10 prevents environmental pollution or other improvements that provide
11 a public benefit within or to a redevelopment area.

12 d. The financial agreement provided for in this section or other
13 source of revenues may be assigned, by the municipality, in whole or
14 in part, directly to the New Jersey Redevelopment Authority ¹, New
15 Jersey Economic Development Authority¹ or county improvement
16 authority or the trustee of bonds or other obligations as payment or
17 security for the bonds or other obligations.

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

21 f. Notwithstanding any law to the contrary, the assignment of the
22 agreement for payment in lieu of taxes may be an absolute assignment
23 of all or part of the municipality's right, title and interest in such
24 agreement or in the payment in lieu of taxes, and to the extent
25 assigned, such agreement or payment shall not be included in the
26 general funds of the municipality.

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

31 h. The assignment of any mortgage that secures a payment in lieu
32 of taxes may also be an absolute assignment of all or part of the
33 municipality's right, title and interest in such mortgage and, to the
34 extent assigned, any moneys realized from the foreclosure of the
35 mortgaged property shall not be included in the general funds of the
36 municipality.

37 i. After the bonds or other obligations are paid and no longer
38 deemed to be outstanding, the assignment of the mortgage shall
39 terminate and any monies realized from the foreclosure of the
40 mortgaged property shall be included in the general funds of the
41 municipality.

42
43 ¹[72. (New section) Notwithstanding any provisions of P.L.1991,
44 c.431 (C.40A:20-1 et seq.) to the contrary, when an ordinance
45 establishing or amending a tax abatement or payment in lieu of taxes
46 pursuant to section 70 of P.L. , c. (C.) (pending before the

1 Legislature as this bill) has passed first reading, it shall be submitted
2 as an application, together with all included and incorporated
3 certificates and documents and such additional documentation as the
4 board may by rule prescribe, to the Local Finance Board and the State
5 Treasurer. The board shall notify the State Treasurer of its receipt of
6 the submission.

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

8 a. the planned development is likely to be realized and would not
9 likely be accomplished by private enterprise without the granting of
10 the tax abatement and dedication of the payments in lieu of taxes;

11 b. the pledged revenues will be sufficient to pay debt service on
12 bonds issued to effectuate the redevelopment plan;

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

16 d. the realization of the proposed redevelopment plan will
17 contribute to the economic viability of the municipality;

18 e. the amount of the tax revenues abated by the municipality do not
19 exceed the amount necessary to accomplish the purposes of the plan;

20 f. the bond guarantees would not pose inappropriate risk or undue
21 financial hardship to the taxpayers of the community in the event of
22 default.]¹

23

24 ¹[73. (New section) a. The board and the State Treasurer may
25 make written recommendations as to any aspect of the financial
26 agreement and any related fiscal matters of the municipality district
27 which, in the determination of the board and the State Treasurer, must
28 be changed in order to effectuate the financial agreement, and the
29 board may condition its approval of the agreement upon the adoption
30 of its recommendations or those of the State Treasurer.

31 b. The board shall approve, approve with conditions, or
32 disapprove the agreement within 60 days of its receipt of an
33 application which the board has deemed to be complete. If the board
34 does not act within 60 days the agreement shall be deemed approved.
35 If the board disapproves the agreement it shall set forth its reasons in
36 writing within 30 days of its disapproval. The governing body may
37 amend the ordinance and resubmit it to the board and the State
38 Treasurer.

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

1
2 ARTICLE 3 - ABBREVIATED FORECLOSURE ¹[AND
3 CONDEMNATION COMPENSATION]¹ PROCEEDINGS FOR
4 ABANDONED PROPERTY
5

6 ¹[74.] 35.¹ (New section) For the purposes of this article:

7 "Abandoned property" means

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

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

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

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

41 b. In those municipalities in which an inventory has been conducted
42 in accordance with subsection a. of this section, the public officer shall
43 maintain a list of abandoned property, to be known as the "abandoned
44 property list." An abandoned property shall not be included on the
45 abandoned property list if rehabilitation is being performed in a timely
46 manner. ¹[The abandoned property list also shall include those

1 parcels, whether or not they contain buildings intended for human
2 habitation, occupancy or use, for which the cost of environmental
3 remediation, as would be required under the "Industrial Site Recovery
4 Act," P.L.1983, c.330 (C.13:1K-6 et seq.), or similar State or federal
5 statutes, would exceed the market value of the parcels if no
6 environmental remediation was required.]¹

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

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

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

1 property owner as defendant and the name of the municipality as
2 plaintiff.¹ in the office of the county clerk or register of deeds and
3 mortgages, as the case may be, of the county wherein the property is
4 situate.

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

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

37 f. The property owner may challenge an adverse determination of
38 an appeal with the public officer pursuant to subsection e. of this
39 section, by instituting, in accordance with the New Jersey Court Rules,
40 a summary proceeding in the Superior Court, Law Division, venued in
41 the county in which the property is located, which action shall be tried
42 de novo. Such action shall be instituted within 20 days of the date of
43 the notice of decision mailed by the public officer pursuant to
44 subsection e. of this section. The sole ground for appeal shall be that
45 the property in question is not abandoned property as that term is
46 defined in section ¹[74] 35¹ of P.L. , c. (C.) (now pending

1 before the Legislature as this bill). The failure to institute an action of
2 appeal on a timely basis shall constitute a jurisdictional bar to
3 challenging the adverse determination, except that, for good cause
4 shown, the court may extend the deadline for instituting the action.

5 g. The public officer shall promptly remove any property from the
6 abandoned property list that has been determined not to be abandoned
7 on appeal.

8
9 ¹[76.] 37.¹ (New section) a. Notwithstanding R.S.54:5-19 or the
10 provisions of any other law to the contrary, if a property is included
11 on the abandoned property list and the property taxes or other
12 municipal liens due on the property are ¹[not current] delinquent six
13 or more quarters¹ as of the date of expiration of the right to appeal
14 inclusion on the list, ¹or, if an appeal is pending, as of the date that all
15 opportunities for appeal of inclusion on the list have been exhausted.¹
16 then the tax lien on the property may be sold in accordance with the
17 procedures in the "tax sale law," R.S.54:5-1 et seq., on or after the
18 90th day following the expiration of that time of appeal ¹or final
19 determination on an appeal, as appropriate¹. The purchaser of a tax
20 sale certificate sold pursuant to this subsection, unless it is the
21 municipality or the authority or its subsidiaries, shall be required to
22 post bond to guarantee the rehabilitation of the property in accordance
23 with the requirements for an owner to remove the property from the
24 abandoned property list pursuant to section ¹[75] 36¹ of P.L. , c.
25 (C.) (pending before the Legislature as this bill). The cost of the
26 bond posted by the purchaser of the tax sale certificate shall be added
27 to the amount required to be paid by the owner for redemption of the
28 property. The municipality may, at its option, require that the sale of
29 the tax sale certificate or any subsequent assignment or transfer of a
30 tax sale certificate held by the municipality be subject to the express
31 condition that the purchaser or assignee shall be obliged to perform
32 and conclude any rehabilitation or repairs necessary to remove the
33 property from the abandoned property list pursuant to section ¹[75]
34 36¹ of P.L. , c. (C.) (pending before the Legislature as this
35 bill) and to post a bond in favor of the municipality to guarantee the
36 rehabilitation or repair of the property. The cost of rehabilitation and
37 repairs and the cost of the bond shall be added to the amount required
38 to be paid by the owner for redemption of the property. The
39 purchaser, assignee or transferee of the tax sale certificate who is
40 required to rehabilitate and repair the property shall be required to file
41 the appropriate affidavits with the tax collector, pursuant to R.S.54:5-
42 62, representing the amounts of monies expended periodically toward
43 the rehabilitation or repair of the property. A purchaser, assignee or
44 transferee shall be entitled to interest on the amounts expended, as set
45 forth in the affidavits, at the delinquent rate of interest for
46 delinquencies in excess of \$1,500 pursuant to R.S.54:4-67 of the

1 municipality in effect for the time period when the amounts were
2 expended. The tax sale certificate purchaser, assignee or transferee,
3 under the auspices and with the authority of the municipality, shall be
4 permitted to enter in and upon the property for the purposes of
5 appraising the costs of rehabilitation and repair and to perform all
6 other acts required to guarantee the completion of the rehabilitation or
7 repair of the property. ¹No rehabilitation or repair work shall be
8 commenced, however, until proof of adequate liability insurance and
9 an indemnification agreement holding the municipality harmless is filed
10 with the public officer.¹ If the tax sale certificate is not purchased at
11 the initial auction of the tax sale certificate and the municipality
12 purchases the certificate pursuant to R.S.54:5-34, then the
13 municipality is authorized and empowered to convey and transfer to
14 the authority or any of its subsidiaries, without receiving compensation
15 therefor, all of its right, title and interest in that certificate ¹; however,
16 any portion of the amount paid to the tax collector to redeem the tax
17 sale certificate that represents tax or other municipal lien delinquencies
18 and subsequent municipal liens, including interest, shall be returned by
19 the tax collector to the municipality¹.

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

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

1 located.

2 c. (1) Failure of an owner ¹or lienholder¹ to remove a property
3 from the abandoned property list within 60 days after expiration of the
4 period of time for appeal of inclusion of the property on the list
5 pursuant to subsection ¹[c.]¹ of section ¹[75] 36¹ of P.L. , c. (C.
6) (pending before the Legislature as this bill), shall be prima facie
7 evidence of the intent of the owner to continue to maintain the
8 property as abandoned property.

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

21

22 ¹[77.] 38¹ (New section) a. An owner may remove a property
23 from the list of abandoned properties prior to sale of the tax sale
24 certificate by paying all taxes and municipal liens due, including
25 interest and penalties and:

26 (1) by posting cash or a bond equal to the cost of remediating all
27 conditions because of which the property has been ¹[deemed]
28 determined¹ to be abandoned pursuant to section ¹[75] 36¹ of P.L. ,
29 c. (C.) (pending before the Legislature as this bill) and posting
30 cash or a bond to cover the cost of any environmental cleanup required
31 on the property, evidenced by a certification by the Department of
32 Environmental Protection that the cash or bond adequately covers the
33 cost of the cleanup; or

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

45 b. If the owner has posted cash or a bond in order to have a
46 property removed from the abandoned property list and the conditions

1 because of which the property was ¹[deemed] determined to be¹
2 abandoned have not been fully remediated within one year of the date
3 of posting the cash or bond, or, in the case of a property which
4 requires environmental cleanup, if the cleanup has not been
5 substantially completed within one year of the date of posting the cash
6 or bond, the cash or bond shall be forfeited to the municipality which
7 shall use the cash or bond and any interest which has accrued thereon
8 for the purpose of demolishing or rehabilitating the property or
9 performing the environmental cleanup. Any funds remaining after the
10 property has been demolished, rehabilitated or cleaned up shall be
11 returned to the owner.

12

13 ¹[78.] 39.¹ (New section) a. ¹[Notwithstanding section 6 of
14 P.L.1948, c.96 (C.54:5-104.34), when] When¹ a person other than the
15 municipality or the authority or its subsidiaries acquires a tax sale
16 certificate for a property on the abandoned property list at tax sale, the
17 purchaser may institute an action to foreclose the right of redemption
18 at any time after the expiration of six months following the date of
19 sale.

20 b. Notwithstanding section 6 of P.L.1948, c.96 (C.54:5-104.34),
21 when the municipality is the purchaser at tax sale of any property on
22 the abandoned property list pursuant to R.S.54:5-34, or when the
23 authority or any of its subsidiaries acquires the tax sale certificate
24 pursuant to subsection a. of section ¹[76] 37¹ of P.L. , c.
25 (C.) (pending before the Legislature as this bill), an action to
26 foreclose the right of redemption may be instituted ¹[at any time after
27 the expiration of 10 days following the date of sale, assignment or
28 transfer] in accordance with the provisions of R.S.54:5-77, subject to
29 the provisions of subsection c. of this section¹.

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

34 (1) posts cash or a bond equal to the cost of remediating the
35 conditions because of which the property was ¹[deemed] determined
36 to be¹ abandoned pursuant to section ¹[75] 36¹ of P.L. , c.
37 (C.) (pending before the Legislature as this bill), as determined
38 by the court; or

39 (2) demonstrates to the court that the conditions because of which
40 the property was ¹[deemed] determined to be¹ abandoned pursuant to
41 section ¹[75] 36¹ of P.L. , c. (C.) (pending before the
42 Legislature as this bill) have been remedied in full.

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

9
 10 ¹[80.] 41.¹ R.S.54:5-86 is amended to read as follows:

11 54:5-86. [The purchaser, his heirs or assigns, in] ¹[In addition to
 12 the remedy provided by article eight of this chapter (s. 54:5-77 et
 13 seq.), when] When¹ the municipality is the purchaser of a tax sale
 14 certificate, the municipality, or its assignee or transferee, may, at any
 15 time after the expiration of the term of 6 months from the date of sale
 16 [when the municipality is the purchaser, and 2 years from the date of
 17 sale for all other purchasers] ¹[, whether notice to redeem has been
 18 given or not]¹, institute an action to foreclose the right of redemption.
 19 ¹[For] Except as provided in subsection a. of section 39 of P.L. , c.
 20 (C.), for¹ all other persons that do not acquire a tax sale certificate
 21 ¹[held by] from¹ a municipality, an action to foreclose the right of
 22 redemption may be instituted at any time after the expiration of the
 23 term of two years from the date of sale of the tax sale certificate. On
 24 instituting the action the right to redeem shall exist and continue until
 25 barred by the judgment of the Superior Court.

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

27
 28 ¹[81.] 42.¹ Section 30 of P.L.1971, c.361 (C.20:3-30) is amended
 29 to read as follows:

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

1 condemnee's right to appeal inclusion of the property on the
2 abandoned property list.

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

4

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

6 54:5-112. When a municipality has or shall have acquired title to
7 real estate by reason of its having been struck off and sold to the
8 municipality at a sale for delinquent taxes or assessments, the
9 governing body thereof may, by resolution adopted by a majority
10 thereof by roll call, sell such real estate at private sale to such person
11 and for such sums, not less than the amount of municipal liens charged
12 against the same, except as provided in subsection a. of section 38 of
13 P.L. , c. (C.) (pending before the Legislature as this bill), as
14 shall seem to be to the best interest of the municipality. Upon the
15 adoption of the resolution and the payment of the consideration as
16 stated therein, the officers of the governing body authorized by
17 resolution shall make, execute, acknowledge and deliver a deed
18 without covenants to the purchaser, which deed shall vest in the
19 purchaser all of the right, title and interest of the municipality in the
20 real estate therein described. The deed need not contain any recitals,
21 except a statement of the actual consideration. Such sales shall not
22 include real estate, title to which has been perfected by the
23 municipality.¹

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

25

26 ¹[82.] 44.¹ R.S.54:5-113 is amended to read as follows:

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

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

1 ARTICLE 4 - NEIGHBORHOOD EMPOWERMENT PROGRAM

2

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

5 b. The Urban Coordinating Council shall be comprised of the
6 Governor, the chief officer of each department of the executive
7 branch, and the executive directors of the New Jersey Redevelopment
8 Authority, the New Jersey Economic Development Authority, the
9 Casino Reinvestment Development Authority, the State Planning
10 Commission, the New Jersey Housing and Mortgage Finance Agency,
11 the Juvenile Justice Commission and the Commission on Higher
12 Education. The council shall be chaired by the Governor. Members
13 of the council may be represented on the council by their designees.¹

14

15 ¹46. (New section) The Urban Coordinating Council shall:

16 a. Ensure that State agencies coordinate responses and provide
17 assistance to projects and programs outlined in neighborhood
18 empowerment plans developed pursuant to section 49 of P.L. , c.
19 (C.) (pending before the Legislature as this bill), and projects and
20 programs established by the New Jersey Redevelopment Authority, the
21 New Jersey Economic Development Authority, and development
22 initiatives proposed by municipal and county governments, including
23 making available the resources of the departments of the State in
24 implementing those programs;

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

28 c. Make available the resources of its member agencies to assist
29 local sponsors in implementing neighborhood empowerment plans;

30 d. Form interagency teams of State representatives. The
31 membership of each interagency team shall be determined by the needs
32 outlined in the neighborhood empowerment plan. Each interagency
33 team shall serve as the primary link between the neighborhood and
34 State government in responding to programming needs, shall be co-
35 chaired by a case manager from the Office of Neighborhood
36 Empowerment established pursuant to section 48 of P.L. , c.
37 (C.) (pending before the Legislature as this bill); and by the
38 community director, and shall include at least one representative of the
39 council; and

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

45 f. Publish an annual report on the status of redevelopment activity
46 which shall describe the progress toward achieving the goals of this

1 act; and

2 g. Assist in coordinating the activities of the New Jersey
3 Redevelopment Authority, municipalities, counties, public or private
4 county and municipal development agencies, district management
5 corporations created pursuant to section 4 of P.L.1972, c.134
6 (C.40:56-68), and community action boards established pursuant to
7 section 4 of P.L.1991, c.51 (C.52:27D-398) that have developed
8 neighborhood empowerment plans pursuant to section 49 of P.L. , c.
9 (C.) (pending before the Legislature as this bill) or comprehensive
10 community development plans.¹

11

12 ¹47. (New section) a. There is established in, but not of, the
13 Department of Community Affairs an Office of Neighborhood
14 Empowerment.

15 b. The Governor shall appoint an executive director of the Office
16 of Neighborhood Empowerment who shall serve at the pleasure of the
17 Governor. The executive director shall report solely to the Urban
18 Coordinating Council, which shall supervise and control the office.

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

24

25 ¹48. (New section) The Office of Neighborhood Empowerment
26 shall:

27 a. Provide support for a community director who shall assist local
28 sponsors in developing or implementing neighborhood empowerment
29 plans;

30 b. Provide case management services to qualified local sponsors of
31 neighborhood empowerment plans;

32 c. Assist neighborhoods in developing and implementing
33 neighborhood empowerment plans;

34 d. Ensure that communities receive technical assistance in
35 neighborhood planning;

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

37 f. Assist local sponsors in evaluating progress through mutually
38 agreed upon measures;

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

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

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

44

45 ¹49. (New section) In order to qualify to receive the services of
46 the Office of Neighborhood Empowerment and of an interagency

1 team, a community must first have developed a neighborhood
2 empowerment plan which shall be submitted to the Urban
3 Coordinating Council established pursuant to section 45 of P.L. , c.
4 (C.) (pending before the Legislature as this bill). A neighborhood
5 empowerment plan shall incorporate and address the needs of the
6 neighborhood as identified by the community. It shall be
7 comprehensive and shall take into consideration and show the
8 relationship to the municipal master plan, other locally adopted plans
9 (including, but not limited to urban enterprise zone plans,
10 redevelopment plans and neighborhood social service plans), and the
11 State Development and Redevelopment Plan, and shall outline how
12 residents, municipal government, the private sector and neighborhood
13 organizations will cooperate with the State and with each other during
14 implementation. Neighborhood empowerment plans shall focus on
15 neighborhood restoration. They may include, but need not be limited
16 to, projects for infrastructure improvement and expansion,
17 rehabilitation and construction of affordable housing, increased public
18 safety, facility rehabilitation and construction, economic development,
19 recreation and open space, environmental cleanup, employment and
20 training, improvement of educational opportunities for youth, and
21 efficient and humane provision of social services dedicated to
22 strengthening the community's human capital.¹

23

24 ¹[83.] 50¹ (New section) ¹[a.]¹ Within one year of the effective
25 date of P.L. , c. (C.) (pending before the Legislature as this bill),
26 the ¹[New Jersey Redevelopment Authority] Urban Coordinating
27 Council established pursuant to P.L. , c. (C.) (pending before the
28 Legislature as this bill).¹ shall distribute to the clerk of each qualified
29 municipality eligibility guidelines for participation in the neighborhood
30 empowerment program. The eligibility guidelines ²for participation
31 in the neighborhood empowerment program ² shall be established by
32 the ¹[authority but shall require the approval of the]¹ Urban ¹[Policy]¹
33 Coordinating Council established pursuant to section ¹[7] 46¹ of P.L.
34 c. (C.) (pending before the Legislature as this bill) ¹[prior
35 to being issued] in consultation ² and in conjunction² with the New
36 Jersey Redevelopment Authority¹.

37 ¹[b. In order to be eligible for priority consideration by the
38 authority in designating empowerment neighborhoods, a qualified
39 municipality shall demonstrate, to the satisfaction of the authority, that
40 the municipality is willing to forgive back taxes on properties which
41 are currently tax delinquent in order to allow for a sale to a new owner
42 who demonstrates, to the satisfaction of the municipality, that the
43 property is to be part of a redevelopment plan. In adopting such a tax
44 forgiveness policy, a municipality may establish whatever safeguards
45 are necessary to ensure that the new owner is in no way associated
46 with the previous owner who incurred the tax liability and may also

1 adopt an ordinance providing for reimbursement by a redeveloper for
2 taxes foregone and penalties if the new owner does not redevelop the
3 property within such period of time as is specified in the ordinance.
4 Such a policy may only be adopted by a municipality if in the
5 determination of the municipality or the authority, the property on
6 which taxes are forgiven would not be redeveloped without public
7 intervention.]¹

8
9 ¹[84. (New section) Before applying for participation in the
10 neighborhood empowerment program, the municipal governing body
11 shall cause a preliminary comprehensive plan to be formulated, either
12 by the planning board or the governing body, with the assistance of
13 those officers and agencies of the municipality as the governing body
14 shall designate. The preliminary comprehensive plan shall set forth the
15 boundaries of the proposed empowerment neighborhood, findings of
16 fact concerning the economic and social conditions existing in the area
17 proposed for an empowerment neighborhood, and the municipality's
18 policy and intentions for addressing those conditions and shall include
19 a statement of:

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

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

24 c. how public participation was elicited in preparing the
25 comprehensive plan, including local associations and voluntary
26 community organizations supported by residents and businesses in the
27 empowerment neighborhood;

28 d. how planning and zoning laws will be utilized to enhance the
29 attractiveness of the empowerment neighborhood to potential
30 developers;

31 e. what infrastructure needs exist within the empowerment
32 neighborhood and State participation which needs to be secured in
33 order to promote economic activity;

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

36 g. proposed projects which may be initiated or advanced with
37 authority assistance; and

38 h. the availability and efficiency of support services, public and
39 private, generally used by and necessary to the efficient functioning of
40 commercial and industrial facilities in the area and the extent to which
41 the increase or improvement is to be provided and financed by the
42 municipal government or by other entities.]¹

43
44 ¹[85.] 51.¹ (New section) In designating qualified municipalities
45 for participation in the neighborhood empowerment program, the
46 ¹Urban Coordinating Council in consultation with the¹ authority shall

- 1 accord preference to ¹[comprehensive] neighborhood empowerment¹
2 plans which:
- 3 a. have the greatest potential for success in stimulating primarily
4 new economic activity in the area;
 - 5 b. are designed to address the greatest degree of urban distress, as
6 measured by existing levels of unemployment¹[,] and¹ poverty¹[, and
7 property tax arrearages]¹;
 - 8 c. demonstrate the most substantial and reliable commitments of
9 resources by empowerment neighborhood businesses, associations,
10 voluntary community organizations and other private entities to the
11 ¹[economic success] successful redevelopment¹ of the empowerment
12 neighborhood;
 - 13 d. demonstrate the most substantial effort and commitment by the
14 municipality to encourage economic activity in the area and to remove
15 disincentives for job creation compatible with the fiscal condition of
16 the municipality; and
 - 17 e. demonstrate most convincingly ¹[to the authority]¹ how the
18 proposed plan will increase jobs ¹for neighborhood residents¹ and
19 ratables in the neighborhood, thereby lessening the need for municipal
20 tax increases.
- 21
- 22 ¹[86.] 52¹ (New section) In addition to the considerations set
23 forth in section ¹[85] 51¹ of P.L. , c. (C.) (pending before the
24 Legislature as this bill), the ¹Urban Coordinating Council in
25 consultation with the¹ authority in evaluating a ¹[comprehensive]
26 neighborhood empowerment¹ plan for designation purposes shall
27 consider:
- 28 a. the likelihood of attracting other State or federal assistance or
29 both to projects in the designated area;
 - 30 b. the adverse or beneficial effects of an empowerment
31 neighborhood located at the proposed area upon economic
32 development activities or projects of State or other public agencies
33 which are in operation or are approved for operation in the qualified
34 municipality;
 - 35 c. the degree of commitment made by public and private entities to
36 utilize minority contractors and assure equal opportunities for
37 employment in connection with any construction or reconstruction to
38 be undertaken in the eligible area;
 - 39 d. the impact of the ¹[comprehensive] ¹plan upon the social,
40 educational, natural and historic environment of the proposed
41 empowerment neighborhood; and
 - 42 e. the degree to which the implementation of the plan involves the
43 relocation of residents from the proposed empowerment neighborhood
44 and the adequacy of commitments and provisions with respect thereto.

1 ¹[87.] 53.¹ (New section) ¹[Any qualified municipality may
2 designate any area set forth in the comprehensive plan as an
3 empowerment neighborhood.]¹ Upon receipt of an application from
4 a qualified municipality, the ¹Urban Coordinating Council in
5 consultation with the¹ authority shall review the application to
6 determine whether or not it meets the ¹[minimum criteria] eligibility
7 guidelines¹ established pursuant to ¹[subsection b. of]¹ section ¹[83]
8 50¹ of P.L. , c. (C.) (pending before the Legislature as
9 this bill). The ¹[authority] Urban Coordinating Council¹ shall
10 complete its review within 90 days of receiving an application, but may
11 extend this time period by an additional 60 days if necessary.

12
13 ¹[88.] 54.¹ (New section) a. Once the ¹Urban Coordinating
14 Council in consultation ²and in conjunction² with the¹ authority has
15 identified those qualified municipalities whose ¹[comprehensive]
16 neighborhood empowerment¹ plans fulfill the criteria for designation
17 set forth in sections ¹[83 and 84] 51 and 52¹ of P.L. , c. (C.)
18 (pending before the Legislature as this bill), the ¹[authority shall]
19 Urban Coordinating Council may, at its discretion,¹ hold public
20 hearings for the purpose of receiving public comments on the
21 applications. ¹[At] In the event that a hearing is to be conducted, at¹
22 least one public hearing shall be held in a municipality which has
23 applied for empowerment neighborhood designation. The ¹[authority]
24 Urban Coordinating Council¹ shall give at least 30 days' public notice
25 of each hearing in advertisements in at least two newspapers which
26 circulate in the area served by the hearing and at least 30 days' notice
27 to the governing body and planning board of each county and
28 municipality in the area served by the hearing.

29 b. Taking full account of the testimony presented at the public
30 hearings, the ¹Urban Coordinating Council in consultation ²and in
31 conjunction² with the¹ authority shall make a determination regarding
32 the designation of empowerment neighborhoods within 30 days of the
33 final hearing.

34 c. The ¹Urban Coordinating Council in consultation ²and in
35 conjunction² with the¹ authority shall designate as many empowerment
36 neighborhoods as possible given available financial resources and the
37 ability of the ¹[authority] Urban Coordinating Council¹ to oversee
38 project implementation. The application process for each application
39 cycle, including the public hearings, shall occur as set forth in this
40 section.

41
42 ¹[89.] 55.¹ (New section) ¹a.¹ Any municipality in which an
43 empowerment neighborhood has been designated shall be eligible for
44 investments by the authority from the New Jersey Redevelopment
45 Investment Fund in infrastructure improvements and any other projects
46 which the authority may choose to invest in ²]; however, the authority

1 shall give priority to financing projects in empowerment
2 neighborhoods]². ¹[The authority shall accord priority to
3 empowerment neighborhoods in allocating any moneys for code
4 enforcement or demolition activities. In addition, the following powers
5 may be exercised in empowerment neighborhoods:

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

11 b. Any person who owns or has acquired property in a designated
12 empowerment neighborhood which is the site of a hazardous substance
13 discharge, and did not discharge the hazardous substance and who was
14 in no way responsible for or associated with the actions which caused
15 the initial discharge, and would, except for the provisions of this
16 section, be liable for cleanup and removal costs pursuant to section 8
17 of P.L.1976, c.141 (C.58:10-23.11g), shall not be required to pay
18 cleanup and removal costs greater than 133% of the appraised value
19 of the property subject to the cleanup and removal if that property has
20 been transferred to the property owner subsequent to having been
21 acquired by the municipality or the authority through the accelerated
22 foreclosure process and is to be redeveloped as part of a project
23 undertaken by or in association with the authority. The difference
24 between the cost of the cleanup and removal and the cost allocated to
25 the property owner shall be paid from any funds made available for the
26 cleanup and removal pursuant to sections 27 or 28 of P.L.1993, c.139
27 (C.58:10B-5 or C.58:10B-6), the New Jersey Redevelopment
28 Investment Fund established pursuant to section 34 of P.L. , c.
29 (C.) (pending before the Legislature as this bill) or from other
30 persons liable pursuant to section 8 of P.L.1976, c.141
31 (C.58:10-23.11g). Nothing in this subsection shall afford a property
32 owner or the authority a higher priority to receive funding from the
33 Hazardous Discharge Site Remediation Fund than would otherwise be
34 the case. Any person who owns or has acquired property in a
35 designated empowerment neighborhood and whose liability for cleanup
36 costs has been limited to 133% of appraised value pursuant to this
37 subsection may not make a claim from the New Jersey Spill
38 Compensation Fund for any cleanup or removal costs or for any direct
39 or indirect damages pursuant to the provisions of P.L.1976, c.141
40 (C.58:10-23.11 et seq.). This limitation on the right to make a claim
41 against the New Jersey Spill Compensation Fund shall not affect the
42 right of any other person, except the property owner, to make such a
43 claim against the fund. The limit on liability provided in this section
44 shall apply on a per property basis even if more than one person has
45 acquired the property.

46 The authority shall, to the extent possible, make funds available on

1 the same basis to persons situated in a qualified municipality in which
2 a designated empowerment neighborhood is located, but outside
3 neighborhood boundaries.

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

28 d. Whenever grant money is provided for a cleanup and removal
29 from the Hazardous Discharge Remediation Fund or the New Jersey
30 Redevelopment Investment Fund pursuant subsection b. of this
31 section, a lien for 50% of the amount of any grant monies expended
32 from either fund shall attach against the property once it is conveyed
33 to another person from the authority or municipality. The lien shall
34 expire after five years if the person maintains ownership of that
35 property. If the property is sold prior to the five year period the
36 amount of the lien shall become due and shall be repaid to the fund
37 from which the grant was made.]

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

42

43 ARTICLE 5 - URBAN SITE REMEDIATION STANDARDS

44

45 ¹[90. (New section) a. If the Department of Environmental
46 Protection issues a no further action letter or approves a remedial

1 action workplan, for a discharge which occurred prior to or after the
2 effective date of this act, then any person who is not otherwise liable
3 for the discharge shall not be liable for the discharge based solely on
4 becoming an owner or operator of the site of the discharge within an
5 empowerment neighborhood designated pursuant to section 88 of
6 P.L. , c. (C.)(pending before the Legislature as this bill), after the
7 discharge has occurred. The provisions of this section shall only apply
8 when the person is in compliance with all of the conditions of the no
9 further action letter or is in compliance with the remedial action
10 workplan; and the person has maintained all applicable engineering and
11 institutional controls.

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

16

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

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

22 (1) The cost of restoring, repairing, or replacing any real or
23 personal property damaged or destroyed by a discharge, any income
24 lost from the time such property is damaged to the time such property
25 is restored, repaired or replaced, and any reduction in value of such
26 property caused by such discharge by comparison with its value prior
27 thereto;

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

30 (3) Loss of income or impairment of earning capacity due to
31 damage to real or personal property, including natural resources
32 destroyed or damaged by a discharge; provided that such loss or
33 impairment exceeds 10% of the amount which claimant derives, based
34 upon income or business records, exclusive of other sources of
35 income, from activities related to the particular real or personal
36 property or natural resources damaged or destroyed by such discharge
37 during the week, month or year for which the claim is filed;

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

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

45 b. The damages which may be recovered by the fund, without
46 regard to fault, subject to the defenses enumerated in subsection d. of

1 this section against the owner or operator of a major facility or vessel,
2 shall not exceed \$50,000,000.00 for each major facility or \$150.00 per
3 gross ton for each vessel, except that such maximum limitation shall
4 not apply and the owner or operator shall be liable, jointly and
5 severally, for the full amount of such damages if it can be shown that
6 such discharge was the result of (1) gross negligence or willful
7 misconduct, within the knowledge and privity of the owner, operator
8 or person in charge, or (2) a gross or willful violation of applicable
9 safety, construction or operating standards or regulations. Damages
10 which may be recovered from, or by, any other person shall be limited
11 to those authorized by common or statutory law.

12 c. (1) Any person who has discharged a hazardous substance, or is
13 in any way responsible for any hazardous substance, shall be strictly
14 liable, jointly and severally, without regard to fault, for all cleanup and
15 removal costs no matter by whom incurred. Such person shall also be
16 strictly liable, jointly and severally, without regard to fault, for all
17 cleanup and removal costs incurred by the department or a local unit
18 pursuant to subsection b. of section 7 of P.L.1976, c.141
19 (C.58:10-23.11f).

20 (2) In addition to the persons liable pursuant to paragraph (1) of
21 this subsection, in the case of a discharge of a hazardous substance
22 from a vessel into the waters of the State, the owner or operator of a
23 refinery, storage, transfer, or pipeline facility to which the vessel was
24 en route to deliver the hazardous substance who, by contract,
25 agreement, or otherwise, was scheduled to assume ownership of the
26 discharged hazardous substance, and any other person who was so
27 scheduled to assume ownership of the discharged hazardous substance,
28 shall be strictly liable, jointly and severally, without regard to fault, for
29 all cleanup and removal costs if the owner or operator of the vessel did
30 not have the evidence of financial responsibility required pursuant to
31 section 2 of P.L.1991, c.58 (C.58:10-23.11g2).

32 Where a person is liable for cleanup and removal costs as provided
33 in this paragraph, any expenditures made by the administrator for that
34 cleanup and removal shall constitute a debt of that person to the fund.
35 The debt shall constitute a lien on all property owned by that person
36 when a notice of lien identifying the nature of the discharge and the
37 amount of the cleanup, removal and related costs expended from the
38 fund is duly filed with the clerk of the Superior Court. The clerk shall
39 promptly enter upon the civil judgment or order docket the name and
40 address of the liable person and the amount of the lien as set forth in
41 the notice of lien. Upon entry by the clerk, the lien, to the amount
42 committed by the administrator for cleanup and removal, shall attach
43 to the revenues and all real and personal property of the liable person,
44 whether or not that person is insolvent.

45 For the purpose of determining priority of this lien over all other
46 claims or liens which are or have been filed against the property of an

1 owner or operator of a refinery, storage, transfer, or pipeline facility,
2 the lien on the facility to which the discharged hazardous substance
3 was en route shall have priority over all other claims or liens which are
4 or have been filed against the property. The notice of lien filed
5 pursuant to this paragraph which affects any property of a person
6 liable pursuant to this paragraph other than the property of an owner
7 or operator of a refinery, storage, transfer, or pipeline facility to which
8 the discharged hazardous substance was en route, shall have priority
9 from the day of the filing of the notice of the lien over all claims and
10 liens filed against the property, but shall not affect any valid lien, right,
11 or interest in the property filed in accordance with established
12 procedure prior to the filing of a notice of lien pursuant to this
13 paragraph.

14 To the extent that a person liable pursuant to this paragraph is not
15 otherwise liable pursuant to paragraph (1) of this subsection, or under
16 any other provision of law or under common law, that person may
17 bring an action for indemnification for costs paid pursuant to this
18 paragraph against any other person who is strictly liable pursuant to
19 paragraph (1) of this subsection.

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

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

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

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

37 (b) (i) at the time the person acquired the real property, the person
38 did not know and had no reason to know that any hazardous substance
39 had been discharged at the real property, or (ii) the person acquired
40 the real property by devise or succession, except that any other funds
41 or property received by that person from the deceased real property
42 owner who discharged a hazardous substance or was in any way
43 responsible for a hazardous substance, shall be made available to
44 satisfy the requirements of P.L.1976, c.141;

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

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

3 To establish that a person had no reason to know that any
4 hazardous substance had been discharged for the purposes of this
5 paragraph (2), the person must have undertaken, at the time of
6 acquisition, all appropriate inquiry into the previous ownership and
7 uses of the property. For the purposes of this paragraph (2), all
8 appropriate inquiry shall mean the performance of a preliminary
9 assessment, and site investigation (if the preliminary assessment
10 indicates that a site investigation is necessary), as defined in section 23
11 of P.L.1993, c.139 (C.58:10B-1), and performed in accordance with
12 rules and regulations promulgated by the department defining these
13 terms.

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

17 (3) Notwithstanding the provisions of paragraph (2) of this
18 subsection to the contrary, if a person who owns real property obtains
19 actual knowledge of a discharge of a hazardous substance at the real
20 property during the period of that person's ownership and
21 subsequently transfers ownership of the property to another person
22 without disclosing that knowledge, the transferor shall be strictly liable
23 for the cleanup and removal costs of the discharge and no defense
24 under this subsection shall be available to that person.

25 (4) Any federal, State, or local governmental entity which acquires
26 ownership of real property through bankruptcy, tax delinquency,
27 abandonment, escheat, eminent domain, condemnation or any
28 circumstance in which the government involuntarily acquires title by
29 virtue of its function as sovereign, shall not be liable for the cleanup
30 and removal costs of any discharge which occurred or began prior to
31 that ownership. This paragraph shall not apply to any federal, State
32 or local governmental entity which has caused or contributed to the
33 discharge of a hazardous substance.

34 e. (1) If the Department of Environmental Protection issues a no
35 further action letter or approves a remedial action workplan after the
36 effective date of this act for a site at which a discharge occurred prior
37 to or after the effective date of this act, then any person who is not
38 otherwise liable ²[to the State]² for any discharge at the site which
39 occurred prior to the department's approval of the no further action
40 letter or remedial action workplan shall not be liable for the discharge
41 based solely on that person becoming an owner or operator of the site
42 of the discharge after the discharge has occurred. For the purposes of
43 this section, a site shall constitute the real property defined in the
44 remedial action workplan or, if no remedial action workplan is
45 required, the no further action letter. The provisions of this section
46 shall only apply when the site is located in a qualified municipality as

1 defined pursuant to section 3 of P.L. , c. (C.) (pending before the
2 Legislature as this bill) and there is continued compliance with all of
3 the conditions of the no further action letter, the remedial action
4 workplan and all applicable engineering and institutional controls.

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

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

10

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

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

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

24 b. Where a person who is performing a remediation on real
25 property located in a qualified municipality, as defined by section 3 of
26 P.L. , c. (C.) (pending before the Legislature as this bill) and
27 who has entered into a memorandum of agreement with the
28 department, subsequently submits to the department a remedial action
29 workplan which proposes innovative technologies, the department
30 shall:

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

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

37

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

40 35. a. The Department of Environmental Protection [and Energy]
41 shall adopt minimum remediation standards for soil, groundwater, and
42 surface water quality necessary for the remediation of contamination
43 of real property. The remediation standards shall be developed to
44 ensure that the potential for harm to public health and safety and to the
45 environment is minimized to acceptable levels, taking into
46 consideration the location, the surroundings, the intended use of the

1 property, the potential exposure to the discharge, and the surrounding
2 ambient conditions, whether naturally occurring or man-made.

3 Until the minimum remediation standards for the protection of
4 public health and safety as described herein are adopted, the
5 department shall apply public health and safety remediation standards
6 for contamination at a site on a case-by-case basis based upon the
7 considerations and criteria enumerated in this section.

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

22 b. In developing minimum remediation standards the department
23 shall:

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

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

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

39 (4) where feasible, establish the remediation standards as numeric
40 or narrative standards setting forth acceptable levels or concentrations
41 for particular contaminants.

42 c. (1) The department shall develop residential and nonresidential
43 soil remediation standards that are protective of public health and
44 safety. For contaminants that are mobile and transportable to
45 groundwater, the residential and nonresidential soil remediation
46 standards shall be protective of groundwater and surface water.

1 Residential soil remediation standards shall be set at levels or
2 concentrations of contamination for real property based upon the use
3 of that property for residential or similar uses and which will allow the
4 unrestricted use of that property without exceeding a health risk level
5 greater than that provided in subsection d. of this section.
6 Nonresidential soil remediation standards shall be set at levels or
7 concentrations of contaminants that recognize the lower likelihood of
8 exposure to contamination on property that will not be used for
9 residential or similar uses. Whenever real property is remediated to a
10 nonresidential soil remediation standard, except as otherwise provided
11 in paragraph (3) of subsection g. of this section, the department shall
12 require, pursuant to section 36 of P.L.1993, c.139 (C.58:10B-13), that
13 the use of the property be restricted to nonresidential or other uses
14 compatible with the extent of the contamination of the soil and that
15 access to that site be restricted in a manner compatible with the
16 allowable use of that property.

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

22 d. In developing minimum remediation standards intended to be
23 protective of public health and safety, the department shall identify the
24 hazards posed by a contaminant to determine whether exposure to that
25 contaminant can cause an increase in the incidence of an adverse health
26 effect and whether the adverse health effect may occur in humans.
27 The department shall set minimum soil remediation standards for both
28 residential and nonresidential uses that:

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

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

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

37 e. Remediation standards and other requirements established
38 pursuant to this section shall apply to remediation activities required
39 pursuant to the "Spill Compensation and Control Act," P.L.1976,
40 c.141 (C.58:10-23.11 et seq.), the "Water Pollution Control Act,"
41 P.L.1977, c.74 (C.58:10A-1 et seq.), P.L.1986, c.102 (C.58:10A-21
42 et seq.), the "Industrial Site Recovery Act," P.L.1983, c.330
43 (C.13:1K-6 et al.), the "Solid Waste Management Act (1970),"
44 P.L.1970, c.39 (C.13:1E-1 et seq.), the "Comprehensive Regulated
45 Medical Waste Management Act," P.L.1989, c.34 (C.13:1E-48.1 et
46 seq.), the "Major Hazardous Waste Facilities Siting Act," P.L.1981,

1 c.279 (C.13:1E-49 et seq.), the "Sanitary Landfill Facility Closure and
2 Contingency Fund Act," P.L.1981, c.306 (C.13:1E-100 et seq.), the
3 "Regional Low-Level Radioactive Waste Disposal Facility Siting Act,"
4 P.L.1987, c.333 (C.13:1E-177 et seq.), or any other law or regulation
5 by which the State may compel a person to perform remediation
6 activities on contaminated property. However, nothing in this
7 subsection shall be construed to limit the authority of the department
8 to establish discharge limits for pollutants or to prescribe penalties for
9 violations of those limits pursuant to the "Water Pollution Control
10 Act," P.L.1977, c.74 (C.58:10A-1 et seq.), or to require the complete
11 removal of nonhazardous solid waste pursuant to law.

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

38 Upon a determination by the department that the requested
39 alternative remediation standard is protective of public health and
40 safety, as established in subsection d. of this section, and protective of
41 the environment pursuant to subsection a. of this section, the
42 alternative residential use or nonresidential use soil remediation
43 standard shall be approved by the department.

44 (2) The department may, upon its own initiative, require an
45 alternative remediation standard for a particular contaminant for a
46 specific real property site, in lieu of using the established minimum

1 residential use or nonresidential use soil remediation standard adopted
2 by the department for a particular contaminant pursuant to this
3 section. The department may require an alternative remediation
4 standard pursuant to this paragraph upon a determination by the
5 department, based on the weight of the scientific evidence, that due to
6 specific physical site characteristics of the subject real property, the
7 use of the adopted residential use or nonresidential use soil
8 remediation standards would not be protective of public health or
9 safety or of the environment, as appropriate.

10 g. The development, selection, and implementation of any
11 remediation standard or remedial action shall ensure that it is
12 protective of public health, safety, and the environment, as applicable,
13 as provided in this section. In determining the appropriate remedial
14 action that shall occur at a site in order to meet the established
15 remediation standards, the department, or any person performing the
16 remediation, shall base its decision on the following factors:

17 (1) Permanent and nonpermanent remedies shall be allowed except
18 that permanent remedies shall be preferred over nonpermanent
19 remedies for remedial actions;

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

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

41 (4) Remediation shall not be required beyond the regional natural
42 background levels for any particular contaminant. The department
43 shall develop regulations that set forth a process to identify
44 background levels of contaminants for a particular region. For the
45 purpose of this paragraph "regional natural background levels" means
46 the concentration of a contaminant consistently present in the

1 environment of the region of the site and which has not been
2 influenced by localized human activities;

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

7 (6) Groundwater that is contaminated shall not be required to be
8 remediated to a level or concentration for any particular contaminant
9 lower than the level or concentration that is migrating onto the
10 property from another property owned and operated by another
11 person;

12 (7) The technical performance, effectiveness and reliability of the
13 proposed remedial action in attaining and maintaining compliance with
14 applicable remediation standards and required health risk levels. In
15 reviewing a proposed remedial action, the department shall also
16 consider the ability of the owner or operator to implement the
17 proposed remedial action within a reasonable time frame without
18 jeopardizing public health, safety or the environment;

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

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

37 The department may require the person performing the remediation
38 to supply the information required pursuant to this subsection as is
39 necessary for the department to make a determination.

40 h. (1) The department shall adopt regulations which establish a
41 procedure for a person to demonstrate that a particular parcel of land
42 contains large quantities of historical fill material. Upon a
43 determination by the department that large quantities of historic fill
44 material exist on that parcel of land, there is a rebuttable presumption
45 that the department shall not require any person to remove or treat the
46 fill material in order to comply with a remediation standard. In these

1 areas the department shall establish by regulation the requirement for
2 engineering or institutional controls that are designed to prevent
3 exposure of these contaminants to humans, that allow for the
4 continued use of the property, that are less costly than removal or
5 treatment, which maintain the health risk levels as established in
6 subsection d. of this section, and, as applicable, are protective of the
7 environment. The department may rebut the presumption only upon
8 a finding by the preponderance of the evidence that the use of
9 engineering or institutional controls would not be effective in
10 protecting public health, safety, and the environment. For the purposes
11 of this paragraph "historic fill material" means generally large volumes
12 of non-indigenous material, used to raise the topographic elevation of
13 a site, which were contaminated prior to emplacement and are in no
14 way connected with the operations at the location of emplacement and
15 which include, but are not limited to, construction debris, dredge
16 spoils, incinerator residue, demolition debris, fly ash, and
17 non-hazardous solid waste. Historic fill material shall not include any
18 material which is substantially chromate chemical production waste or
19 any other chemical production waste or waste from processing of
20 metal or mineral ores, residues, slags or tailings.

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

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

40 (4) The department shall adopt regulations whereby a person who
41 is performing a remediation on real property located in a qualified
42 municipality, may apply for that property to receive an urban
43 redevelopment remediation exemption. Upon a determination that a
44 parcel of real property qualifies for the exemption because of its
45 location in a qualified municipality, there is a rebuttable presumption
46 that the remedial action workplan is in compliance with the

1 department's regulations and is approved. For properties that qualify
2 for the exemption, the department shall establish by regulation the
3 requirements and standards for the contents of the remedial action
4 workplan. Notwithstanding the exemption granted pursuant to this
5 paragraph, the department may require the removal of the source of
6 continuing contamination. The department may rebut the presumption
7 only upon a finding by the preponderance of the evidence that the
8 remedial action workplan does not conform to the requirements and
9 standards established by regulation or that it would not be effective in
10 protecting public health, safety, and the environment.

11 i. The department may not require a remedial action workplan to
12 be prepared or implemented or engineering or institutional controls to
13 be imposed upon any real property unless sampling performed at that
14 real property demonstrates the existence of contamination above the
15 applicable remediation standards.

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

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

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

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

6
7 ¹[92.] 58.¹ (New section) a. The Commissioner of Environmental
8 Protection shall appoint an Urban Site Remediation Coordinator. The
9 coordinator shall be responsible for the oversight and approval of site
10 remediations conducted in areas designated as empowerment
11 neighborhoods pursuant to article 4 of P.L. , c. (C.) (pending
12 before the Legislature as this bill). The Commissioner of
13 Environmental Protection shall vest in the coordinator sufficient
14 authority to properly manage the timely approval of site remediation
15 activities in empowerment neighborhoods. The ¹[director]
16 coordinator¹ shall report directly to the commissioner. The
17 coordinator shall meet regularly with the commissioner to ensure the
18 proper and efficient coordination of these projects.

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

- 27 (1) preliminary assessment - 15 days;
28 (2) site investigation - 15 days;
29 (3) remedial investigation workplan - 30 days;
30 (4) remedial investigation report - 60 days;
31 (5) remedial action workplan - 90 days;
32 (6) remedial action progress reports - 30 days;
33 (7) remedial action final report - 45 days.

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

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

8
9 ¹61. (New section) In determining the projects to be funded from
10 the issuance and sale of bonds pursuant to the "Water Supply Bond
11 Act of 1981," P.L.1981, c.261, consideration shall be given to funding
12 such projects as may be practicable in an empowerment zone or
13 enterprise community as designated under federal law or which are
14 part of an approved neighborhood empowerment plan ²or other
15 authority projects² under this act or community redevelopment plan,
16 or which will benefit urban residents, so long as they are consistent
17 with the purposes of P.L.1981, c.261.¹

18
19 ¹62. (New section) In determining the projects to be funded from
20 the issuance and sale of bonds pursuant to the "Green Acres, Clean
21 Water, Farmland and Historic Preservation Bond Act of 1992,"
22 P.L.1992, c.88, consideration shall be given to funding such projects
23 as may be practicable in an empowerment zone or enterprise
24 community as designated under federal law or which are part of an
25 approved neighborhood empowerment plan ²or other authority
26 projects² under this act or community redevelopment plan, or which
27 will benefit urban residents, so long as they are consistent with the
28 purposes of P.L.1992, c.88.¹

29
30 ¹63. (New section) In determining the projects to be funded
31 pursuant to the "1992 New Jersey Employment and Workforce
32 Development Act," P.L.1992, c.43, consideration shall be given to
33 funding such projects as may be practicable in an empowerment zone
34 or enterprise community as designated under federal law or which are
35 part of an approved neighborhood empowerment plan ²or other
36 authority projects² under this act or community redevelopment plan,
37 or which will benefit urban residents, so long as they are consistent
38 with the purposes of P.L.1992, c.43.¹

39
40 ¹[93.] 64.¹ Section 27 of P.L.1993, c.139 (C.58:10B-5) is amended
41 to read as follows:

42 27. a. (1) Financial assistance from the remediation fund, made to
43 persons other than municipal governmental entities, the New Jersey
44 Redevelopment Authority, or to persons who voluntarily undertake a
45 remediation, may only be rendered to persons who cannot establish a
46 remediation funding source for the full amount of a remediation.

1 Financial assistance pursuant to this act may be rendered only for that
2 amount of the cost of a remediation for which the person cannot
3 establish a remediation funding source.

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

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

19 c. Financial assistance and grants may be made from the
20 remediation fund to municipal governmental entities that own or hold
21 a tax sale certificate on real property on which there has been a
22 discharge or on which there is a suspected discharge of a hazardous
23 substance or hazardous waste or the New Jersey Redevelopment
24 Authority established pursuant to P.L. , c. (C.) (pending
25 before the Legislature as this bill) for any such real property upon
26 which the New Jersey Redevelopment Authority owns or holds the tax
27 sale certificate.

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

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

38

39 ¹[94.] 65.¹ Section 28 of P.L.1993, c.139 (C.58:10B-6) is amended
40 to read as follows:

41 28. a. Except for moneys deposited in the remediation fund for
42 specific purposes, financial assistance and grants from the remediation
43 fund shall be rendered for the following purposes and, on an annual
44 basis, obligated in the percentages as provided in this subsection.
45 Upon a written joint determination by the authority and the department
46 that it is in the public interest, financial assistance and grants dedicated

1 for the purposes and in the percentages set forth in paragraph (1), (2),
2 or (3) of this subsection, may, for any particular year, be obligated to
3 other purposes set forth in this subsection. The written determination
4 shall be sent to the Senate Environment Committee, and the Assembly
5 Environment and Energy [and Hazardous Waste] Committee, or their
6 successors. For the purposes of this section, "person" shall include the
7 New Jersey Redevelopment Authority established pursuant to P.L. ,
8 c. (C.) (pending before the Legislature as this bill).

9 (1) At least 15% of the moneys shall be allocated for financial
10 assistance to persons, including the New Jersey Redevelopment
11 Authority, other than other governmental entities, for remediation of
12 real property located in a qualifying municipality as defined in section
13 1 of P.L.1978, c.14 (C.52:27D-178);

14 (2) At least 10% of the moneys shall be allocated for financial
15 assistance and grants to municipal governmental entities that [own or]
16 hold a tax sale certificate on real property or have acquired through
17 foreclosure or other similar means real property on which there has
18 been or on which there is suspected of being a discharge of hazardous
19 substances or hazardous wastes or the New Jersey Redevelopment
20 Authority established pursuant to P.L. , c. (C.) (pending
21 before the Legislature as this bill), for any such real property upon
22 which the New Jersey Redevelopment Authority owns or holds the tax
23 sale certificate. Grants shall be used for performing preliminary
24 assessments [and], site investigations, and remedial investigations on
25 property [owned] acquired by a municipal governmental entity or the
26 New Jersey Redevelopment Authority, as the case may be, or on which
27 the municipality or the New Jersey Redevelopment Authority owns or
28 holds a tax sale certificate, in order to determine the existence or
29 extent of any hazardous substance or hazardous waste contamination
30 on those properties. A municipal governmental entity that has
31 performed a preliminary assessment [and], site investigation and
32 remedial investigation on property or the New Jersey Redevelopment
33 Authority, in any case where the New Jersey Redevelopment Authority
34 has performed the preliminary assessment, site investigation, and
35 remedial investigation may obtain a loan for the purpose of continuing
36 the remediation on those properties it owns as necessary to comply
37 with the applicable remediation standards adopted by the department;

38 (3) At least 15% of the moneys shall be allocated for financial
39 assistance to persons [or], including the New Jersey Redevelopment
40 Authority, or municipal governmental entities for remediation activities
41 at sites that have been contaminated by a discharge of a hazardous
42 substance or hazardous waste, or at which there is an imminent and
43 significant threat of a discharge of a hazardous substance or hazardous
44 waste, and the discharge or threatened discharge poses or would pose
45 an imminent and significant threat to a drinking water source, to
46 human health, or to a sensitive or significant ecological area;

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

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

12 (6) At least 20% of the moneys shall be allocated for grants to
13 persons, other than municipal governmental entities, who own real
14 property on which there has been a discharge of a hazardous
15 substance or a hazardous waste and that person qualifies for an
16 innocent party grant. A person qualifies for an innocent party grant if
17 that person acquired the property prior to December 31, 1983, except
18 as provided hereunder, the hazardous substance or hazardous waste
19 that was discharged at the property was not used by the person at that
20 site, and that person certifies that he did not discharge any hazardous
21 substance or hazardous waste at an area where a discharge is
22 discovered; provided, however, that if the person is the New Jersey
23 Redevelopment Authority established pursuant to P.L. _____, c. _____
24 (C. _____) (pending before the Legislature as this bill), the authority
25 shall qualify for an innocent party grant pursuant to this paragraph
26 ¹[regardless of when the authority acquired the property] where the
27 immediate predecessor in title to the authority qualified for but failed
28 to receive such grant¹. A grant authorized pursuant to this paragraph
29 may be for up to 50% of the remediation costs at the area of concern
30 for which the person qualifies for an innocent party grant, except that
31 no grant awarded pursuant to this paragraph to any person including
32 the New Jersey Redevelopment Authority may exceed \$1,000,000; and

33 (7) Ten percent of the moneys in the remediation fund shall be
34 allocated for financial assistance or grants for any of the purposes
35 enumerated in paragraphs (1) through (6) of this subsection, except
36 that where moneys in the fund are insufficient to fund all the
37 applications in any calendar year that would otherwise qualify for
38 financial assistance or a grant pursuant to this paragraph, the authority
39 shall give priority to financial assistance applications that meet the
40 criteria enumerated in paragraph (3) of this subsection.

41 b. Loans issued from the remediation fund shall be for a term not
42 to exceed ten years, except that upon the transfer of ownership of any
43 real property for which the loan was made, the unpaid balance of the
44 loan shall become immediately payable in full. Loans to municipal
45 governmental entities and the New Jersey Redevelopment Authority
46 established pursuant to P.L. _____, c. _____ (C. _____) (pending before the

1 Legislature as this bill), shall bear an interest rate equal to 2 points
2 below the Federal Discount Rate at the time of approval or at the time
3 of loan closing, whichever is lower, except that the rate shall be no
4 lower than 3 percent. All other loans shall bear an interest rate equal
5 to the Federal Discount Rate at the time of approval or at the time of
6 the loan closing, whichever is lower, except that the rate on such loans
7 shall be no lower than five percent. Financial assistance and grants
8 may be issued for up to 100% of the estimated applicable remediation
9 cost, except that the cumulative maximum amount of financial
10 assistance which may be issued to a person other than a governmental
11 entity, including the New Jersey Redevelopment Authority, in any
12 calendar year, for one or more properties, shall be \$1,000,000.
13 Financial assistance and grants to any one municipal governmental
14 entity, including the New Jersey Redevelopment Authority, may not
15 exceed \$2,000,000 in any calendar year. Repayments of principal and
16 interest on the loans issued from the remediation fund shall be paid to
17 the authority and shall be deposited into the remediation fund.

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

24 d. The authority may use a sum that represents up to 2% of the
25 moneys issued as financial assistance or grants from the remediation
26 fund each year for administrative expenses incurred in connection with
27 the operation of the fund and the issuance of financial assistance and
28 grants.

29 e. Prior to March 1 of each year, the authority shall submit to the
30 Senate Environment Committee and the Assembly Environment and
31 Energy [and Hazardous Waste] Committee, or their successors, a
32 report detailing the amount of money that was available for financial
33 assistance and grants from the remediation fund for the previous
34 calendar year, the amount of money estimated to be available for
35 financial assistance and grants for the current calendar year, the
36 amount of financial assistance and grants issued for the previous
37 calendar year and the category for which each financial assistance and
38 grant was rendered, and any suggestions for legislative action the
39 authority deems advisable to further the legislative intent to facilitate
40 remediation and promote the redevelopment and use of existing
41 industrial sites.

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

43

44 ¹[95.] 66.¹ Section 29 of P.L.1993, c.139 (C.58:10B-7) is amended
45 to read as follows:

46 29. a. A qualified applicant for financial assistance or a grant from

1 the remediation fund shall be awarded financial assistance or a grant
2 by the authority upon the availability of sufficient moneys in the
3 remediation fund for the purpose of the financial assistance or grant.
4 Priority for awarding financial assistance and grants from the
5 remediation fund shall be based upon the date of receipt by the
6 authority of a complete application from the applicant. If an
7 application is determined to be incomplete by the authority, an
8 applicant shall have 30 days from receipt of written notice of
9 incompleteness to file any additional information as may be required
10 by the authority for a completed application. If an applicant fails to
11 file the additional information within those 30 days, the filing date for
12 that application shall be the date that the additional information is
13 received by the authority. An application shall be deemed complete
14 when all the information required by the authority has been received
15 in the required form. Notwithstanding that the New Jersey
16 Redevelopment Authority is eligible for grants and financial assistance
17 from the fund, the authority shall be awarded a grant or financial
18 assistance based upon the priority system for such awards as provided
19 in this subsection.

20 b. Within 90 days, for a private entity, or 180 days for a municipal
21 governmental entity or the New Jersey Redevelopment Authority, of
22 notice of approval of a financial assistance or grant application, an
23 applicant shall submit to the authority an executed contract for the
24 remediation activities for which the financial assistance or grant
25 application was made. The contract shall be consistent with the terms
26 and conditions for which the financial assistance or grant was
27 rendered. Failure to submit an executed contract within the time
28 provided, without good cause, shall constitute grounds for the
29 alteration of an applicant's priority ranking for the awarding of
30 financial assistance or a grant.

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

32

33 ¹[96.] 67.¹ The following ¹[are] is¹ hereby repealed: P.L.1984,
34 c.172 (C.52:27D-250 et seq.) ¹[and P.L.1985, c.227 (C.55:19-1 et
35 seq.); provided, however, that this repeal shall not affect any
36 obligation, lien or duty to pay taxes, interest or penalties which has
37 been reduced or which may be reduced by virtue of any credits
38 allowed pursuant to the provisions of the law repealed by P.L. , c.
39 (C.) (pending before the Legislature as this bill), or which may be
40 allowed with respect to any redetermination, correction,
41 recomputation or deficiency assessment; and provided that this repeal
42 shall not affect the legal rights of any taxpayer to protest or appeal any
43 taxes due or which may be due, together with such interest and
44 penalties as may accrue thereon, with regard to any credits granted
45 under the provisions of the law repealed]¹.

1 ¹[97.] 68.¹ There is appropriated to the New Jersey Redevelopment
2 Authority from the General Fund ²[a sum of ¹[\$250,000]
3 \$10,000,000¹] \$9,000,000² to effectuate the purposes of this act ¹ ²[:
4 of this appropriation, \$1,000,000 shall be dedicated] . There is
5 appropriated² to the Office of Neighborhood Empowerment
6 established pursuant to section 47 of P.L. c. (C.) (pending before
7 the Legislature as this bill) ²from the General Fund \$1,000,000² to
8 effectuate the purposes of this act¹.

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

20
21 ¹[99. (New section) Beginning in the calendar year following the
22 effective date of this act, the New Jersey Commission on Science and
23 Technology established pursuant to section 3 of P.L.1985, c.102
24 (C.52:9X-3), shall allocate no less than 15 percent of any monies
25 which the Commission spends during any fiscal year for applied
26 technology or technology transfer to projects located in municipalities
27 designated as qualified municipalities pursuant to section 3 of P.L. ,
28 c. (C.) (pending before the Legislature as this bill) and shall
29 notify the New Jersey Redevelopment Authority of the nature of the
30 project, the location of the project, and the amount of public funds
31 expended on the project.]¹

32
33 ¹[100. (New section) The New Jersey Redevelopment Authority
34 shall fund such projects as may be practicable in any municipality
35 eligible for designation as an empowerment zone or enterprise zone
36 under federal law through the issuance of tax exempt bonds as
37 provided in section 1394 of P.L.103-66; 107 Stat 548, which bonds
38 shall also be exempt from any tax levied pursuant to Title 54 of the
39 Revised Statutes or Title 54A of the New Jersey Statutes.]¹

40
41 ¹[101. a. There is appropriated to the New Jersey Redevelopment
42 Investment Fund established pursuant to section 34 of P.L. , c.
43 (C.) (pending before the Legislature as this bill) from the "1992
44 New Jersey Green Trust Fund" established pursuant to section 22 of
45 the "Green Acres, Clean Water, Farmland and Historic Preservation
46 Bond Act of 1992," P.L.1992, c.88, a sum of \$8 million for the

1 purposes of financing projects in accordance with the New Jersey
2 Redevelopment Strategy document adopted by the authority pursuant
3 to section 32 of P.L. , c. (C.) (pending before the
4 Legislature as this bill) which are consistent with the purposes of
5 P.L.1992, c.88.

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

8 c. In addition to any other reporting requirement imposed pursuant
9 to the "Green Acres, Clean Water, Farmland and Historic Preservation
10 Bond Act of 1992," the State Treasurer shall, through the
11 Administrator of the General Services Administration in the
12 Department of the Treasury, prepare and submit to the Joint Budget
13 Oversight Committee, or its successor, periodic progress reports,
14 based on project site inspections and other inquiries, describing the
15 status of projects financed in whole or in part with moneys
16 appropriated in this act. Each progress report shall indicate the total
17 project cost, the funding sources allocated to the project, the status of
18 construction or development of the project, estimated project
19 completion date and whether there are any potential scheduling or
20 financial difficulties or circumstances warranting special attention or
21 review by the Joint Budget Oversight Committee. The first such
22 report shall be submitted not later than June 1, 1997.]¹

23

24 ¹[102. a. There is appropriated to the New Jersey Redevelopment
25 Investment Fund established pursuant to section 34 of P.L. , c.
26 (C.) (pending before the Legislature as this bill) from the "Jobs,
27 Education and Competitiveness Fund" established pursuant to section
28 15 of the "Jobs, Education and Competitiveness Bond Act of 1988"
29 P.L.1988, c.78, a sum of \$15 million for the purposes of financing
30 projects in accordance with the New Jersey Redevelopment Strategy
31 document adopted by the authority pursuant to section 32 of P.L. ,
32 c. (C.) (pending before the Legislature as this bill) which are
33 consistent with the purposes of P.L.1988, c.78.

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

36 c. In addition to any other reporting requirement imposed pursuant
37 to the "Jobs, Education and Competitiveness Bond Act of 1988," the
38 State Treasurer shall, through the Administrator of the General
39 Services Administration in the Department of the Treasury, prepare
40 and submit to the Joint Budget Oversight Committee, or its successor,
41 periodic progress reports, based on project site inspections and other
42 inquiries, describing the status of projects financed in whole or in part
43 with moneys appropriated in this act. Each progress report shall
44 indicate the total project cost, the funding sources allocated to the
45 project, the status of construction or development of the project,
46 estimated project completion date and whether there are any potential

1 scheduling or financial difficulties or circumstances warranting special
2 attention or review by the Joint Budget Oversight Committee. The
3 first such report shall be submitted not later than June 1, 1997.]¹

4
5 ¹[103. a. There is appropriated to the New Jersey Redevelopment
6 Investment Fund established pursuant to section 34 of P.L. , c.
7 (C.) (pending before the Legislature as this bill) from the "Water
8 Supply Fund" established pursuant to section 15 of the "Water Supply
9 Bond Act of 1981," P.L.1981, c.261, a sum of \$5 million for the
10 purposes of financing projects in accordance with the New Jersey
11 Redevelopment Strategy document adopted by the authority pursuant
12 to section 32 of P.L. , c. (C.) (pending before the Legislature
13 as this bill) which are consistent with the purposes of P.L.1981, c.261.

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

16 c. In addition to any other reporting requirement imposed pursuant
17 to the "Water Supply Bond Act of 1981," the State Treasurer shall,
18 through the Administrator of the General Services Administration in
19 the Department of the Treasury, prepare and submit to the Joint
20 Budget Oversight Committee, or its successor, periodic progress
21 reports, based on project site inspections and other inquiries,
22 describing the status of projects financed in whole or in part with
23 moneys appropriated in this act. Each progress report shall indicate
24 the total project cost, the funding sources allocated to the project, the
25 status of construction or development of the project, estimated project
26 completion date and whether there are any potential scheduling or
27 financial difficulties or circumstances warranting special attention or
28 review by the Joint Budget Oversight Committee. The first such
29 report shall be submitted not later than June 1, 1997.]¹

30

31 ¹[104.] 69.¹ This act shall take effect on the ² [first day of the
32 seventh month next] 60th day² following enactment ². except that
33 section 4 shall take effect immediately².

34

35

36

37

38 Designated the New Jersey Urban Redevelopment Act; appropriates
39 \$10 million.