

[Third Reprint]
SENATE, No. 800

STATE OF NEW JERSEY

INTRODUCED FEBRUARY 15, 1996

By Senators LaROSSA, BRYANT and Rice

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

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.

³ Assembly AAP committee amendments adopted May 13, 1996.

1 competition, spurred on by recent and ongoing international free trade
2 agreements, threatens to further marginalize our already distressed and
3 beleaguered urban centers;

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

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

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

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

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

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

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

43 "Council" means the Urban ¹[Policy] ¹Coordinating Council
44 established pursuant to section ¹[7] ¹45¹ of P.L. , c. (C.) (pending
45 before the Legislature as this bill).

46 "Department" means the Department of the ¹[Treasury] Commerce

1 and Economic Development¹.

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

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

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

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

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

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

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

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

44 "Subsidiary" means a subsidiary corporation formed by the
45 authority pursuant to section ¹[13] §¹ of P.L. , c. (C.) (pending
46 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 ³[, and none of
4 the legislative appointees shall be members of the Legislature]³. 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 ³[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] Commissioner of Commerce and
27 Economic Development may, at the commissioner's discretion, serve
28 as the chairperson of the authority or may appoint one of the public
29 members of the authority as chairperson. Any such designation or
30 appointment shall be made in writing and shall be delivered to the
31 authority and to the Governor and shall continue in effect until
32 revoked or amended by a writing delivered to the authority and the
33 Governor. The³ members of the authority shall elect from their
34 remaining number a vice chairperson and a treasurer thereof. The
35 authority shall employ an executive director who shall be its secretary
36 and chief executive officer. The powers of the authority shall be
37 vested in the members thereof in office from time to time and eleven
38 members of the authority shall constitute a quorum at any meeting
39 thereof. Action may be taken, and motions and resolutions adopted,
40 by the authority at any meeting thereof by the affirmative vote of at
41 least eleven members of the authority. No vacancy in the membership
42 of the authority shall impair the right of a quorum of the members to
43 exercise all of the powers and perform all of the duties of the
44 authority.

45 g. Each public member of the authority shall execute a bond to be
46 conditioned upon the faithful performance of the duties of such

1 member in such form and amount as may be prescribed by the State
2 Comptroller. Such bonds shall be filed in the office of the Secretary
3 of State. At all times thereafter the members and treasurer of the
4 authority shall maintain such bonds in full force and effect. All costs
5 of such bonds shall be borne by the authority.

6 h. The members of the authority shall serve without compensation,
7 but the authority shall reimburse its members for actual expenses
8 necessarily incurred in the discharge of their duties. Notwithstanding
9 the provisions of any other law, no officer or employee of the State
10 shall be deemed to have forfeited or shall forfeit his or her office or
11 employment or any benefits or emoluments thereof by reason of his or
12 her acceptance of the office of ex officio member of the authority or
13 his or her services therein.

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

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

40 k. On or before March 31 of each year, the authority shall make an
41 annual report of its activities for the preceding calendar year to the
42 Governor and the Legislature. Each such report shall set forth a
43 complete operating and financial statement covering the authority's
44 operations during the year. The authority shall cause an audit of its
45 books and accounts to be made at least once in each year by certified
46 public accountants and cause a copy thereof to be filed with the

1 Secretary of State and the State Comptroller.

2 1. The State Comptroller and his legally authorized representatives
3 are hereby authorized and empowered from time to time to examine
4 the accounts, books and records of the authority, including its receipts,
5 disbursements, contracts, sinking funds, investments, and any other
6 matters relating thereto and to its financial standing.

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

11

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

13 a. to sue and be sued;

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

15 c. to enter into contracts upon such terms and conditions as the
16 authority shall determine to be reasonable, including, but not limited
17 to, reimbursement for the planning, designing, financing, construction,
18 reconstruction, improvement, equipping, furnishing, operation and
19 maintenance of the project and to pay or compromise any claims
20 arising therefrom;

21 d. to make and alter by-laws for its organization and internal
22 management and, subject to agreements with noteholders or
23 bondholders, to make rules and regulations with respect to its projects,
24 operations, properties and facilities;

25 e. to invest any funds held in reserve or sinking funds, or any
26 moneys not required for immediate use and disbursement, at the
27 discretion of the authority, in obligations of this State or of the United
28 States, or obligations the principal and interest of which are
29 guaranteed by this State or the United States;

30 f. to sell, lease, assign, transfer, convey, exchange, mortgage, or
31 otherwise dispose of or encumber any project, and in the case of the
32 sale of any project, to accept a purchase money mortgage in
33 connection therewith; and to lease, repurchase or otherwise acquire
34 and hold any project which the corporation has theretofore sold,
35 leased or otherwise conveyed, transferred or disposed of;

36 g. to acquire or contract to acquire from any individual,
37 partnership, trust, association or corporation, or any public agency, by
38 grant, purchase or otherwise, real or personal property or any interest
39 therein; to own, hold, clear, improve, rehabilitate and develop, and to
40 sell, assign, exchange, transfer, convey, lease, mortgage or otherwise
41 dispose of or encumber the same;

42 h. to acquire in the name of the authority by purchase or otherwise,
43 on such terms and conditions and such manner as it may deem proper
44 ¹[, or by the exercise of the power of eminent domain in the manner
45 provided by the "Eminent Domain Act of 1971," P.L.1971, c.361
46 (C.20:3-1 et seq.),]¹ any lands or interests therein or other property

1 which it may determine is reasonably necessary for any project;
2 ¹[provided, however, that except in connection with a property
3 included on the abandoned property list pursuant to section 75
4 of P.L. , c. (C.) (pending before the Legislature as this bill), the
5 authority shall not take by exercise of the power of eminent domain
6 any real property except upon consent thereto given by resolution of
7 the governing body of the municipality in which such real property is
8 located; and provided further that the authority shall be limited in its
9 exercise of the power of eminent domain to qualified municipalities;]¹
10 i. to acquire, construct, reconstruct, rehabilitate, improve, alter or
11 repair or provide for construction, reconstruction, rehabilitation,
12 improvement, alteration or repair of any project;
13 j. to arrange or contract with a municipality for the planning,
14 replanning, opening, grading or closing of streets, roads, roadways,
15 alleys or other places, or for the furnishing of facilities or for the
16 acquisition by a municipality of property or property rights or for the
17 furnishing of property or services, in connection with a project;
18 k. to grant options to purchase any project or to renew any leases
19 entered into by it in connection with any of its projects, on such terms
20 and conditions as it may deem advisable;
21 l. to prepare or cause to be prepared plans, specifications, designs
22 and estimates of costs for the construction, reconstruction,
23 rehabilitation, improvement, alteration or repair of any project, and
24 from time to time to modify such plans, specifications, designs or
25 estimates;
26 m. to manage any project, whether then owned or leased by the
27 authority, and to enter into agreements with any individual,
28 partnership, trust, association or corporation, or with any public
29 agency, for the purpose of causing any project to be managed;
30 n. to hold any property owned or acquired by the authority in the
31 name of the authority;
32 o. to provide advisory, consultative, training and educational
33 services, technical assistance and advice to any individual, partnership,
34 trust, association or corporation, or to any public agency, in order to
35 carry out the purposes of P.L. , c. (C.) (pending before the
36 Legislature as this bill);
37 p. to issue, purchase, pledge and sell stock in projects of the
38 authority and to purchase, sell or pledge the shares, or other
39 obligations or securities of any subsidiary corporation, on such terms
40 and conditions as the authority or subsidiary corporation may deem
41 advisable;
42 q. subject to the provisions of any contract with noteholders, to
43 consent to the modification, with respect to rate of interest, time of
44 payment or any installment of principal or interest, security, or any
45 other terms, of any loan, mortgage, commitment, contract or
46 agreement of any kind to which the authority is a party;

1 r. in connection with any property on which it has made a
2 mortgage loan, to foreclose on the property or commence any action
3 to protect or enforce any right conferred upon it by any law,
4 mortgage, contract or other agreement, and to bid for or purchase the
5 property at any foreclosure or at any other sale, or acquire or take
6 possession of the property; and in such event the authority may
7 complete, administer, pay the principal of and interest on any
8 obligations incurred in connection with the property, dispose of and
9 otherwise deal with the property, in such manner as may be necessary
10 or desirable to protect the interests of the authority therein;

11 s. to acquire, purchase, manage and operate, hold and dispose of
12 real and personal property or interests therein, take assignments of
13 rentals and leases and make and enter into all contracts, leases,
14 agreements and arrangements necessary or incidental to the
15 performance of its duties;

16 t. to purchase, acquire and take assignments of notes, mortgages
17 and other forms of security and evidences of indebtedness;

18 u. to extend credit or make loans to any person for the planning,
19 designing, acquiring, constructing, reconstructing, improving,
20 equipping and furnishing of a project, which credits or loans may be
21 secured by loan and security agreements, mortgages, leases and any
22 other instruments, upon such terms and conditions as the authority
23 shall deem reasonable, including provision for the establishment and
24 maintenance of reserve and insurance funds, and to require the
25 inclusion in any mortgage, lease, contract, loan and security agreement
26 or other instrument, such provisions for the construction, use,
27 operation and maintenance and financing of a project as the authority
28 may deem necessary or desirable;

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

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

36 x. to exercise sole authority for investment, reinvestment or
37 expenditure of its revenues, fund balances and appropriations
38 consistent with the purposes of P.L. , c. (C.) (pending before the
39 Legislature as this bill) on projects and investments utilizing revenues
40 from the sale of revenue bonds, which projects shall be subject to the
41 approval of the State Treasurer, and the Treasurer's actions shall be
42 based solely on his fiduciary role to ensure that all applicable federal
43 and State tax laws are adhered to regarding the investment of bond
44 funds;

45 y. notwithstanding any law to the contrary, and upon resolution of
46 the municipal governing body, to act as the redevelopment agency of

1 any municipality in which there is not established a redevelopment
2 agency pursuant to subsection a. of section 11 of P.L.1992, c.79
3 (C.40A:12A-11) and which is not precluded from establishing such an
4 agency;

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

9 aa. to establish, levy and collect, in connection with any civic
10 project or utilities project managed or operated by the authority,
11 whether then owned or leased by the authority, user fees and facility
12 charges;

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

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

22 dd. to contract for, and to accept, any gifts or grants or loans of
23 funds or property or financial or other aid in any form from the federal
24 government or any agency or instrumentality thereof, or from the State
25 or a municipality or any agency or instrumentality thereof, or from any
26 other source, and, subject to the provisions of P.L. , c. (C.)
27 (pending before the Legislature as this bill) and any other applicable
28 law, to comply with the terms and conditions thereof;

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

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

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

42 ¹[hh.] gg.¹ to fund, or assist in funding, community redevelopment
43 projects by municipalities, counties, public or private county and
44 municipal development agencies, district management corporations
45 created pursuant to section 4 of P.L.1972, c.134 (C.40:56-68),
46 community action boards established pursuant to section 4 of

1 P.L.1991, c.51 (C.52:27D-398), or sponsors of neighborhood
 2 empowerment organizations, which shall include, but not be limited to,
 3 direct loan assistance, including loan guarantees, procuring capital
 4 from private developers and lending institutions, and facilitating access
 5 to State, federal, and private sources of loans or grants, including, but
 6 not limited to, the New Jersey Economic Development Authority and
 7 the Casino Redevelopment Authority;

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

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

16 ¹[kk. to provide] jj. to assist in facilitating the work of the Office
 17 of Neighborhood Empowerment established pursuant to this act, which
 18 assistance shall include, but not be limited to, providing¹ professional
 19 or technical expertise and funding for the establishment and
 20 implementation of neighborhood empowerment plans developed
 21 pursuant to this act;

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

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

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

33
 34 6. (New section) The authority, in determining which projects to
 35 approve for financing, shall accord first priority to any project situated
 36 in ¹[a] ²[an empowerment neighborhood designated pursuant to
 37 section 54 of P.L. , c. (C.) (pending before the Legislature as
 38 this bill), second priority to any¹ ²a² municipality which at the time the
 39 application for project financing is submitted is eligible to receive aid
 40 under the "Special Municipal Aid Act," P.L.1987, c.75
 41 (C.52:27D-118.24 et seq.) and is coextensive with a "special needs
 42 district" designated pursuant to the "Quality Education Act of 1990,"
 43 P.L.1990, c.52 (C.18A:7D-1 et seq.). Subsequent priority shall be
 44 assigned to projects in any municipality which, at the time the
 45 application for project financing is submitted, is coextensive with a
 46 "special needs district" and projects in a qualified municipality shall

1 receive last priority. ¹[In making project financing decisions, the
2 authority shall give preference to any project situated in an
3 empowerment neighborhood designated pursuant to section 88 of
4 P.L. c. (C.) (pending before the Legislature as this bill).]¹

5 ²In making project financing decisions, the authority shall give
6 preference to any project situated in an empowerment neighborhood
7 designated pursuant to section 54 of P.L....., c.....
8 (C.....)(now pending before the Legislature as this bill).² With
9 respect to projects for which costs are to be financed by the authority,
10 the authority shall consider the following factors:

11 (1) the economic feasibility of the project;

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

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

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

18 (5) the relationship of the project to a comprehensive local
19 development strategy, including other major projects undertaken
20 within the municipality; and

21 (6) the degree to which the project interfaces with public
22 transportation systems.

23

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

33

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

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

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

46 c. Form interagency teams of State representatives. The

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

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

16

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

19 The Office of Neighborhood Empowerment shall:

20 a. Provide support for a community director who shall assist local
21 sponsors in developing or implementing neighborhood empowerment
22 plans;

23 b. Provide case management services to qualified local sponsors of
24 neighborhood empowerment plans;

25 c. Assist neighborhoods in developing and implementing
26 neighborhood empowerment plans;

27 d. Ensure that communities receive technical assistance in
28 neighborhood planning;

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

30 f. Assist local sponsors in evaluating progress through mutually
31 agreed upon measures;

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

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

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

37

38 ¹[10. (New section) In order to qualify to receive the services of
39 the Office of Neighborhood Empowerment and of an interagency
40 team, a community must first have developed a neighborhood
41 empowerment plan which shall be submitted to the Urban Policy
42 Coordinating Council established pursuant to section 7 of P.L. , c.
43 (C.) (pending before the Legislature as this bill). A neighborhood
44 empowerment plan shall incorporate and address the needs of the
45 neighborhood as identified by the community. It shall be
46 comprehensive and shall take into consideration and show the

1 relationship to the municipal master plan, other locally adopted plans
2 (including, but not limited to urban enterprise zone plans,
3 redevelopment plans and neighborhood social service plans), and the
4 State Development and Redevelopment Plan, and shall outline how
5 residents, municipal government, the private sector and neighborhood
6 organizations will cooperate with the State and with each other during
7 implementation. Neighborhood empowerment plans shall focus on
8 neighborhood restoration. They may include, but need not be limited
9 to, projects for infrastructure improvement and expansion,
10 rehabilitation and construction of affordable housing, increased public
11 safety, facility rehabilitation and construction, economic development,
12 recreation and open space, environmental cleanup, employment and
13 training, improvement of educational opportunities for youth, and
14 efficient and humane provision of social services dedicated to
15 strengthening the community's human capital.]¹

16

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

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

31

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

41

42 ¹[13.] 8.¹ (New section) a. In order to carry out the purposes and
43 provisions of P.L. , c. (C.) (pending before the Legislature as this
44 bill), the authority, in addition to any powers granted to it elsewhere
45 in P.L. , c. (C.) (pending before the Legislature as this bill), shall
46 have the authority to form, purchase or assume control of one or more

1 subsidiaries, in the manner and for the purposes set forth in this
2 section.

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

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

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

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

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

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

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

43
44 ¹[14.] 9.¹ (New section) The authority, or any subsidiary, may
45 enter into agreements with any individual, partnership, trust,
46 association or corporation, or any public agency, under which the

1 authority or subsidiary and such other entity or entities shall undertake
2 a project as a joint venture, with the authority or subsidiary providing
3 such financial assistance, through loans, grants or the acquisition of an
4 ownership interest in the project, and such technical or managerial
5 assistance or advice, as the agreement may provide.

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

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

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

1 ¹[18.] 13.¹ (New section) Any provision of any law to the contrary
2 notwithstanding, any bond or other obligation issued pursuant
3 to P.L. , c. (C.) (pending before the Legislature as this bill) shall
4 be fully negotiable within the meaning and for all purposes of Title
5 12A, Commercial Transactions, of the New Jersey Statutes, and each
6 holder or owner of such a bond or other obligation, or of any coupon
7 appurtenant thereto, by accepting such bond or coupon shall be
8 conclusively deemed to have agreed that such bond, obligation or
9 coupon is and shall be fully negotiable within the meaning and for all
10 purposes of Title 12A of the New Jersey Statutes.

11

12 ¹[19.] 14.¹ (New section) In order to secure the payment of such
13 bonds and in addition to its other powers, the authority shall have
14 power by resolution to covenant and agree with the several holders of
15 such bonds, as to:

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

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

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

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

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

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

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

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

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

45 j. payment of costs or expenses incident to the enforcement of the
46 bonds or of the provisions of the resolution or of any covenant or

1 contract with the holders of the bonds;

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

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

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

17

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

29

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

36

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

1 et seq., next ending after the commencement of operations at a
2 location in a qualified municipality.

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

6	7	8	9	10	11	12	13
	Period/	Year					Multiplier
	8	First					0.00
	9	Second					0.20
10		Third					0.40
11		Fourth					0.60
12		Fifth					0.80
13		Sixth year and thereafter					1.00

14

15 c. For the purposes of this section:

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

20 (1) resides within the qualified municipality or within another
21 qualified municipality; or

22 (2) unemployed for at least six months prior to being hired and
23 residing in New Jersey, and recipients of New Jersey public assistance
24 programs for at least six months prior to being hired, or either of the
25 aforesaid; or

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

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

1 corporation income of an S corporation with operations in a qualified
2 municipality.

3 d. For a taxpayer pursuant to P.L.1945, c.162 (C.54:10A-1 et
4 seq.), notwithstanding the provisions of section 19 of P.L.1983, c.303
5 (C.52:27H-78), section 12 of P.L.1985, c.227 (C.55:19-13), section
6 42 of P.L.1987, c.102 (C.54:10A-5.3), section 1 of P.L.1993, c.150
7 (C.27:26A-15), section 3 of P.L.1993, c.170 (C.54:10A-5.6), sections
8 3 or 4 of P.L.1993, c.171 (C.54:10A-5.18 or C.54:10A-5.19), or
9 section 1 of P.L.1993, c.175 (C.54:10A-5.24), to the contrary, no
10 credits otherwise allowed pursuant to those sections shall be allowed
11 against income generated by new activities in a qualified municipality
12 for the five privilege periods ending after the commencement of
13 operations in a qualified municipality for which the income generated
14 by new activities in a qualified municipality is allowed a multiplier
15 pursuant to this section. For the purposes of section 19 of P.L.1983,
16 c.303 (C.52:27H-78), section 12 of P.L.1985, c.227 (C.55:19-13),
17 section 42 of P.L.1987, c.102 (C.54:10A-5.3), section 1 of P.L.1993,
18 c.150 (C.27:26A-15), section 3 of P.L.1993, c.170 (C.54:10A-5.6),
19 sections 3 or 4 of P.L.1993, c.171 (C.54:10A-5.18 or C.54:10A-5.19),
20 and section 1 of P.L.1993, c.175 (C.54:10A-5.24), any income or
21 liability limits established pursuant to those sections shall be deemed
22 to refer only to income that is not income generated by new activities
23 in a qualified municipality, and any salary, wages or remuneration paid
24 to employees employed at the location in the qualified municipality,
25 the cost of any property installed or employed at the location in the
26 qualified municipality and any expenses incurred at or for the location
27 in the qualified municipality shall be disallowed from the inclusion in
28 any calculation under those sections.]¹

29

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

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

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

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

12

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

29

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

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

42 b. All testimony presented at the hearing and all material submitted
43 to the authority within 15 days following the hearing shall be included
44 in a hearing record to be prepared and made available to the public by
45 the authority.

46 c. The governing body of the county or municipality in receipt of

1 the notice prescribed in subsection a. of this section may file with the
2 authority, within 15 days following the hearing, a written objection to
3 the project, stating in detail the nature of the objection.

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

7
8 ¹[27.] 21.¹ (New section) The exercise of the powers granted by
9 P.L. , c. (C.) (pending before the Legislature as this bill) shall
10 constitute the performance of an essential governmental function and
11 the authority shall not be required to pay any taxes or assessments
12 upon or in respect of a project, or any property or moneys of the
13 authority, and the authority, its projects, property and moneys and any
14 bonds and notes issued under the provisions of P.L. , c. (C.)
15 (pending before the Legislature as this bill), their transfer and the
16 income therefrom, including any profit made on the sale thereof, shall
17 at all times be free from taxation of every kind by the State except for
18 transfer, inheritance and estate taxes and by any political subdivision
19 of the State; provided, that any person occupying a project whether as
20 lessee, vendee or otherwise shall, as long as title thereto shall remain
21 in the authority, pay to the political subdivision in which such project
22 is located a payment in lieu of taxes which shall equal the taxes on real
23 and personal property, including water and sewer service charges or
24 assessments, which such person would have been required to pay had
25 it been the owner of such property during the period for which such
26 payment is made and neither the authority nor its projects, properties,
27 money or bonds and notes shall be obligated, liable or subject to lien
28 of any kind for the enforcement, collection or payment thereof. If and
29 to the extent the proceedings under which the bonds authorized to be
30 issued under the provisions of P.L. , c. (C.) (pending before the
31 Legislature as this bill) so provide, the authority may agree to
32 cooperate with such person occupying a project, in connection with
33 any administrative or judicial proceedings for determining the validity
34 or amount of such payments and may agree to appoint or designate
35 and reserve the right in and for such person to take all action which
36 the authority may lawfully take in respect of such payments and all
37 matters relating thereto, provided such person shall bear and pay all
38 costs and expenses of the authority thereby incurred at the request of
39 such person or by reason of any such action taken by such person on
40 behalf of the authority. If such person occupying a project has paid
41 the amounts in lieu of taxes required by this section to be paid, such
42 person shall not be required to pay any such taxes for which a
43 payment in lieu thereof has been made to the State or to any political
44 subdivision, any other statute to the contrary notwithstanding.

45
46 ¹[28.] 22.¹ (New section) The governing bodies of any two

1 contiguous municipalities within which is located or is to be located a
2 New Jersey Redevelopment Authority project situated in part within
3 each municipality, may by reciprocal ordinances enter into agreements
4 with each other to share all tax revenues, payments in lieu of taxes or
5 other revenues as shall be derived from the entire project, and to which
6 they are by law entitled, in such proportion as they deem proper.

7
8 ¹[29.] 23.¹ (New section) Any agreement entered into pursuant to
9 section ¹[28] 22¹ of P.L. , c. (C.) (pending before the Legislature
10 as this bill) for the sharing of payments and revenues derived from a
11 project shall also set forth the manner in which the costs of municipal
12 services for such project are to be apportioned and specify the services
13 to be supplied by each municipality in sufficient detail so as to permit
14 the owners, occupants and users of property within the project to
15 determine the responsibilities of each participating municipality.

16
17 ¹[30.] 24.¹ (New section) Notwithstanding any restriction
18 contained in any other law, the State and all political subdivisions of
19 this State, and all other persons who are or may hereafter be
20 authorized to invest in bonds or other obligations of the State, may
21 invest any sinking funds, moneys or other funds, including capital,
22 belonging to them or within their control in any bonds or notes issued
23 by the authority under the provisions of P.L. , c. (C.) (pending
24 before the Legislature as this bill).

25
26 ¹[31.] 25.¹ (New section) The foregoing sections of P.L. , c. (C.
27) (pending before the Legislature as this bill) shall be deemed to
28 provide a complete method for the doing of things authorized thereby
29 and shall be regarded as not in conflict with, or as restrictive of,
30 powers conferred by any other laws, and the provisions of P.L. , c.
31 (C.) (pending before the Legislature as this bill) shall be complete
32 authority for the issuance of bonds by the authority and the provisions
33 of any other laws shall not apply to the issuance of such bonds.

34
35 ¹[32.] 26.¹ (New section) With its first annual report, and every
36 second year thereafter, the authority shall submit a New Jersey
37 Redevelopment Strategy document, setting forth ¹[its assessment of
38 the current needs for industrial, land-use improvement, civic, utility
39 and multi-purpose projects in qualified municipalities of the State; its
40 estimate of the resources available, under the provisions of P.L. , c.
41 (C.) (pending before the Legislature as this bill), from public and
42 private sources for the undertaking of such projects; and its anticipated
43 participation in or assistance of such projects during the two years
44 next succeeding the date of submission. The document shall set
45 forth]¹ the goals and priorities governing the selection of the projects
46 it anticipates participating in or assisting; and the authority shall

1 annually review and evaluate the projects actually undertaken in light
2 of the goals and priorities established therefor by the New Jersey
3 Redevelopment Strategy document. In selecting projects for its
4 participation, and in evaluating those projects in which it has
5 participated, the authority shall devise and employ techniques for
6 forecasting and measuring relevant indices of accomplishment of its
7 goals of economic revitalization, including specifically:

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

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

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

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

18
19 ¹[33. (New section) a. Beginning 180 days after the effective date
20 of P.L. , c. (C.) (pending before the Legislature as this bill), the
21 Division of Investment may invest State-administered pension funds in
22 authority bonds or projects; provided, however, that the amount of
23 funds to be so invested in total shall not exceed one-half of one
24 percent of the aggregate amount of pension funds invested or an
25 aggregate of \$200 million, whichever is greater.

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

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

41
42 ¹[34.] 27.¹ (New section) a. There is hereby created the New
43 Jersey Redevelopment Investment Fund, or "fund," a revolving loan
44 pool to be used for the purpose of making loans, loan guarantees or
45 grants pursuant to the provisions of this act, into which shall be paid:

46 (1) moneys received from the sale of authority bonds ¹[, including

1 those moneys made available through the purchase of authority bonds
2 by the Division of Investment pursuant to section 33 of P.L. , c.
3 (C.) (pending before the Legislature as this bill)]¹.

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

7 (3) repayments of loans or other payments, including repayments
8 of principal and interest on loans, received by the authority pursuant
9 to agreements made under authority of sections 5, ¹[13, 14, or 15] 8,
10 9 or 10¹ of P.L. , c. (C.) (pending before the Legislature as this
11 bill);

12 (4) ¹[\$20 million from the tax collected pursuant to section 3 of
13 P.L.1966, c.30 (C.54:32B-3);

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

16 ¹[(6)] (5)¹ moneys collected as user fees and facility charges in
17 connection with any civic project or utilities project managed or
18 operated by the authority as authorized by subsection z. of section 5
19 of P.L. , c. (C.) (pending before the Legislature as this bill);

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

24 ¹[(8)] (6)¹ such additional funds as the Legislature may from time
25 to time appropriate for the purpose.

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

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

38
39 ¹[35.] 28¹. (New section) a. Loan rates and maturities of loans
40 made by the New Jersey Redevelopment Authority shall be established
41 by the ³[State Treasurer] Commissioner of Commerce and Economic
42 Development³ taking into consideration rates available in capital
43 markets for comparable maturities and comparable credit quality.
44 Local governments may secure interim financing under this act to
45 enable a project to be undertaken before permanent financing is
46 secured or may secure permanent financing under P.L. , c. (C.)

1 (pending before the Legislature as this bill) with a final maturity
2 related to the expected useful life of the project being so financed.

3 b. ³[Pending their application to the purposes provided in P.L. ,
4 c. (C.) (pending before the Legislature as this bill), the monies in the
5 New Jersey Redevelopment Investment Fund may be invested and
6 reinvested as are other trust funds in the custody of the State
7 Treasurer, in the manner provided by law.]³ Net earnings received
8 from the investment or deposit of ³[that fund] the New Jersey
9 Redevelopment Investment Fund³ shall be paid into the New Jersey
10 Redevelopment Investment Fund.

11 ³[c. No interest-free loan shall be permitted without the written
12 approval of the State Treasurer or his designee.

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

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

1 and perform any and all acts and things necessary, convenient or
2 desirable to carry out and perform any contract entered into by it and
3 to provide for the payment or discharge of any obligation thereunder
4 in the same manner as other obligations of the county.

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

12 (1) to appropriate moneys for the purposes of the authority with
13 respect to the project, and to loan or donate such money to the
14 authority in such installments and upon such terms as may be agreed
15 upon with the authority;

16 (2) upon authorization by it in accordance with law of the
17 performance of any act or thing which it is empowered by law to
18 authorize or perform and after appropriation of the moneys, if any,
19 necessary for that performance, to covenant and agree with the
20 authority to do and perform any act and as to the time, manner and
21 other details of its doing and performance; and

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

29 c. Any contract, and any instrument making or evidencing the
30 same, may be pledged or assigned by the authority, with the consent
31 of the county executing the contract, to secure its bonds and thereafter
32 may not be modified except as provided by the terms of such
33 instrument or by the terms of the pledge or assignment.

34
35 ¹[37.] 30.¹ (New section) All property of the authority shall be
36 exempt from levy and sale by virtue of an execution and no execution
37 or other judicial process shall issue against the same nor shall any
38 judgment against an authority be a charge or lien upon its property;
39 provided, that nothing herein contained shall apply to or limit the
40 rights of the holder of any bonds to pursue any remedy for the
41 enforcement of any pledge or lien given by the authority on or with
42 respect to any project or any revenues or other moneys.

43
44 ¹[38.] 31.¹ (New section) a. ¹[The New Jersey Economic
45 Development Authority shall repay without interest to the State
46 Treasurer all moneys realized from borrowers upon loans they

1 obtained through the New Jersey Urban Development Corporation,
 2 which loans were made from the sums appropriated to the Urban
 3 Development Investment Fund from the Community Development
 4 Bond Fund created pursuant to section 14 of the "Community
 5 Development Bond Act of 1982" (P.L.1981, c.486). The repayment
 6 from moneys realized from borrowers shall be considered as cash
 7 received from payments of principal and interest from the borrowers
 8 and received from the liquidation of collateral securing such loans.
 9 Such repayments shall be net of all direct expenses incurred in
 10 servicing the loan or in protecting and collecting the collateral, or
 11 both.

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

17 ¹[c. The New Jersey Economic Development Authority may, after
 18 negotiation and agreement with the State Treasurer, prepay all
 19 outstanding appropriations due in future years to the State Treasurer,
 20 discounted at an interest rate agreeable to the State Treasurer and the
 21 New Jersey Economic Development Authority.

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

26 ¹c. At the discretion of the board of the New Jersey
 27 Redevelopment Authority, all employees employed by the New Jersey
 28 Urban Development Corporation as of the effective date of this act
 29 may serve the New Jersey Redevelopment Authority.

30 d. All records, property, outstanding loans, loan guarantees and
 31 other obligations of the New Jersey Urban Development Corporation
 32 shall be transferred to, and assumed by, the New Jersey
 33 Redevelopment Authority.¹

34

35 ARTICLE TWO - FINANCING

36

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

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

2 a. There are areas within certain municipalities in this State that
3 deter private capital investment because of the deteriorating condition
4 of the land, buildings and infrastructure within those areas, or which
5 have not experienced private capital investment due to inadequate
6 infrastructure or adverse economic conditions.

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

9 c. The scarcity of resources available to municipalities for
10 redevelopment has severely hampered these municipalities' ability to
11 rehabilitate these areas.

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

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

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

29

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

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

33 "Board" means the Local Finance Board established in the Division
34 of Local Government Services in the Department of Community
35 Affairs.

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

38 "District" means the area or areas within a municipality designated
39 as a revenue allocation district pursuant to the provisions of this
40 article.

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

45 "Eligible revenue" means the property tax increment and any other
46 incremental revenues set forth in section 48 of P.L. , c. (C.)

1 (pending before the Legislature as this bill).

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

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

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

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

1 Legislature as this bill).

2 "Project cost" means the cost of the plan or project in all or any
3 part of the district and of all and any property, rights, easements,
4 privileges, agreements and franchises deemed by the district agent to
5 be necessary or useful and convenient therefor or in connection
6 therewith, including interest or discount on bonds; cost of issuance of
7 bonds; engineering and inspection costs; legal expenses; costs of
8 financial and other professional estimates and advice; organization,
9 administrative, operating and other expenses of the district agent prior
10 to and during the planning and implementation of a development, plan
11 or project, including such provision as the district agent may determine
12 for the payment, or security for payment, of principal of or interest on
13 bonds during or after the implementation of any development, plan or
14 project.

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

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

19 (2) multiplying that product by a fraction having a numerator equal
20 to the taxable value of all the property assessed within the district,
21 minus the property tax increment base, and having a denominator
22 equal to the taxable value of all property assessed within the district.

23 "Property tax increment base" means the aggregate taxable value of
24 all property assessed which is located within a district as of October
25 1 of the year preceding the year in which the district is authorized
26 pursuant to this article.

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

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

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

35

36 ¹[41. (New section) A revenue allocation district shall consist of
37 all lots and streets within the borders of an area within a municipality
38 or within areas of the municipality designated in the plan. The lots and
39 streets shall be contiguous unless the municipality determines that
40 non-contiguous areas of the municipality should comprise one district
41 because those areas are part of a common development project or
42 plan. The total taxable value in all districts designated shall not exceed
43 15 percent of the total taxable property assessed within the
44 municipality, as determined by the municipal assessor, except that,
45 upon a request by the governing body, the board may approve for
46 inclusion in the district up to 20 percent of the total taxable property

1 assessed in the municipality, as determined by the municipal assessor.
2 The lots and streets to be designated as part of the plan shall be
3 designated as a revenue allocation district as part of a duly adopted
4 redevelopment plan approved by the governing body.

5 The governing body of a municipality may by ordinance establish a
6 district or districts. In the case of a municipality whose redevelopment
7 powers are assigned by law to a regional planning commission, the
8 commission may, by resolution, establish a district or districts in the
9 area within which the commission has jurisdiction. The ordinance or
10 resolution, as appropriate, shall be adopted as provided in section 44
11 of P.L. , c. (C.) (pending before the Legislature as this bill), and
12 shall include or incorporate:

13 a. a map designating the area or areas within the municipality as a
14 district or districts;

15 b. a certification by the municipal assessor that, upon the basis of
16 property assessments as of October 1 of the year preceding the
17 certification, the total taxable property value in all districts designated
18 by the municipality, including the district being proposed in the
19 ordinance, does not exceed 15 or 20 percent of the total taxable
20 property assessed in the municipality, as appropriate, as provided in
21 the ordinance adopted in accordance with the provisions of this
22 section;

23 c. the designation of a district agent, which may be a county
24 improvement authority, a municipal redevelopment agency, a local
25 housing authority with redevelopment powers, the New Jersey
26 Redevelopment Authority established pursuant to P.L. , c.
27 (C.) (pending before the Legislature as this bill) or one of its
28 subsidiaries or the local governing body; provided, however, that if a
29 district is created in an area under the jurisdiction of a regional
30 planning commission which has been assigned redevelopment powers
31 pursuant to law, that commission shall serve as the district agent in
32 connection with that district;

33 d. a designation of all or any percentage of any eligible revenue or
34 revenues as pledged revenues;

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

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

42 g. documentation that the district has been identified in the
43 appropriate redevelopment plan.]¹

44

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

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

31
32 ¹[43. (New section) When an ordinance establishing or amending
33 a district has passed first reading, it shall be submitted as an
34 application, together with all included and incorporated certificates
35 and documents and such additional documentation as the board may
36 by rule prescribe, to the board and the State Treasurer. The board
37 shall notify the State Treasurer of its receipt of the submission.

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

- 39 a. the planned developments are likely to be realized and would not
40 likely be accomplished by private enterprise without the creation of the
41 district and the revenue allocation financing of the proposed project or
42 projects;
- 43 b. the revenue increments and any other pledged revenues will be
44 sufficient to pay debt service on bonds issued to effectuate the plan;
- 45 c. the credit of the municipality and its ability to pay the principal
46 of and interest on its debts and to provide essential public services will

1 not be impaired;

2 d. the creation of the district will contribute to the economic
3 development of the municipality;

4 e. the size of the proposed district and the amount of the pledged
5 revenues do not exceed the size and amount necessary to accomplish
6 the purposes of the plan; and

7 f. the pledged revenue or guarantees would not pose inappropriate
8 risk or undue financial hardship to the taxpayers of the community in
9 the event of default.

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

13

14 ¹[44. (New section) a. The board and the State Treasurer may
15 make written recommendations as to any aspect of the ordinance and
16 the preliminary revenue allocation plan and any related fiscal matters
17 of the municipality which in the opinion of the board or the State
18 Treasurer must be changed in order to effectuate the plan. The board
19 may condition its approval of the ordinance upon the adoption of its
20 recommendations by the municipality.

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

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

32

33 ¹[45. (New section) After adoption of the ordinance establishing
34 a district there shall be no changes in the boundaries of the district, the
35 designation of the district agent, or the designation of the pledged
36 revenues without cause and without adoption of an amending
37 ordinance approved by the board as provided in section 44 of P.L. ,

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

39 Cause for expanding the district or enlarging the designation of
40 pledged revenues shall be based on the need to maintain pledged
41 revenues sufficient to secure all outstanding and anticipated
42 indebtedness of the district agent or to undertake additional projects.

43 Cause for contracting the district or reducing the designation of
44 pledged revenues shall be based on the need to create other districts
45 within the municipality and on the demonstration that the amount of
46 the pledged revenue is excessive for the purposes of the district;

1 however, in no case shall the size of the district be contracted or the
2 pledged revenues be reduced if the district agent has issued bonds or
3 incurred obligations and if such contraction or reduction would impair
4 the security of the bonds or the district agent's ability to pay its
5 obligations.]¹

6
7 ¹[46. (New section) Whenever a district is expanded as permitted
8 under section 45 of P.L. , c. (C.) (pending before the Legislature
9 as this bill) the property tax increment base for any area added to the
10 district shall be the aggregate taxable value of all property assessed
11 which is located within the added area as of October 1 of the year
12 preceding the year in which the area is added, as certified by the
13 municipal assessor. The revenue increment base of all other eligible
14 revenues shall include the amounts of all other eligible revenues from
15 sources within the added area in the calendar year preceding the year
16 in which the area is added, as certified by the chief financial officer of
17 the municipality.

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

23
24 ¹[47. (New section) The district agent shall have the following
25 powers and responsibilities:

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

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

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

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

45 e. to issue bonds for any purpose of the district authorized by or
46 pursuant to P.L. , c. (C.) (pending before the Legislature as this

1 bill), or to issue refunding bonds for the purpose of paying or retiring
2 bonds previously issued by it, and to issue notes in anticipation of the
3 issuance of bonds as provided in P.L. , c. (C.) (pending before the
4 Legislature as this bill);

5 f. to seek and receive funds from local, State and federal
6 governments and from private sources for the purpose of implementing
7 any authorized development or project or meeting any project cost;
8 and

9 g. to pay project costs, specifically including payments to a private
10 developer, as reimbursement for project costs incurred by a private
11 developer, in accordance with a redevelopment agreement entered into
12 by the municipality or municipalities and the private developer.

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

16

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

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

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

25 c. incremental revenue from lease payments made to the
26 municipality or district agent with respect to property located in the
27 district;

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

30 e. incremental revenue from parking taxes derived from parking
31 facilities located within the district;

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

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

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

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

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

6
7 ¹[49. (New section) Before pledging any revenues, issuing any
8 bonds, incurring any obligations or guaranteeing the obligations of any
9 other entity with respect to the project costs of any project, the district
10 agent shall adopt a final revenue allocation plan for that project. That
11 plan shall include:

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

14 b. a description of any development to be undertaken by any
15 developer in connection with the project, including an estimate of the
16 eligible revenues anticipated from the development;

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

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

22 e. a copy of any proposed bond resolution, contract, lease or other
23 agreement to be adopted or authorized by the district agent. Any
24 proposed bond resolution shall include a description of the security
25 features of the bonds, including reserve funds or other security
26 enhancements, if any, such as a municipal guarantee, qualified bond
27 authorization, bond insurance or letter of credit; the maturity schedule
28 for the bonds; the estimated interest rate; the period of capitalized
29 interest, if any; an estimate of the costs of issuance, with identification
30 of bond counsel, financial advisers, underwriters and other
31 professionals engaged to assist in the issuance of bonds; lien priorities
32 among projects, if any; and such other information as the board may
33 require; and

34 f. a certification by the chief financial officer of the property tax
35 increment base, if property tax increment revenue is to be pledged, and
36 of the revenue increment base for each other pledged revenue. If the
37 amount of any such revenue increment base cannot be certified, then
38 the chief financial officer shall estimate the amount and describe the
39 basis for preparing the estimate and the manner in which the revenue
40 increment base will be determined after adoption of the final plan.]¹

41
42 ¹[50. (New section) A final revenue allocation plan shall be
43 submitted to the governing body of the municipality for approval by
44 ordinance. When an ordinance embodying a final revenue allocation
45 plan has been introduced in writing at a meeting of the governing body
46 and approved on first reading, which may be by title, by a majority of

1 the authorized membership thereof, it shall be submitted, together with
2 all included and incorporated certificates and documents and such
3 additional supporting documentation as the board may by rule
4 prescribe, to the board and the State Treasurer. The board shall notify
5 the State Treasurer of the receipt of the submission.

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

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

10 b. the pledged revenues will be sufficient to pay debt service on
11 bonds and discharge any obligations undertaken by the district agent
12 to effectuate the 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 will
15 not be impaired; and

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

19

20 ¹[51. (New section) a. The board and the State Treasurer may
21 make written recommendations as to any aspect of the plan and any
22 related fiscal matters of the municipality or the district agent which, in
23 the determination of the board and the State Treasurer, must be
24 changed in order to effectuate the plan, and the board may condition
25 its approval of the plan upon the adoption of its recommendations or
26 those of the State Treasurer.

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

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

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

6 a. Upon the striking of the tax rate in each year following the
7 adoption of the ordinance creating the district, the chief financial
8 officer of the municipality, with assistance provided by the assessor
9 and collector, shall calculate the amount of property tax increment, if
10 any, for each revenue allocation district within the municipality and
11 shall certify to the district agent of each such district a copy of that
12 calculation. Thereafter the chief financial officer shall, within 10 days
13 after each date fixed by statute for the payment of property taxes,
14 cause to be deposited in the revenue allocation fund of the district
15 agent or paid to the trustees as provided in the resolution authorizing
16 the issuance of bonds the percentage of the property tax increments
17 certified in the plan as designated to be so deposited or paid. The
18 calculation of the property tax increment shall be based on the amount
19 to be billed at the quarterly payment date, regardless of whether or not
20 the increment is actually collected from the taxpayers within the
21 district.

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

30 c. Whenever an omitted assessment which if not omitted would
31 have been included in the computation of the tax increment of a
32 district occurs, the chief financial officer of the municipality shall
33 notify the district agent and thereafter shall, within 10 days after the
34 date fixed by statute for payment of taxes upon such omitted
35 assessments, cause to be deposited to the revenue allocation fund or
36 paid to the bond trustees of the district, as appropriate, the proportion
37 of tax upon such omitted assessments designated in the plan for such
38 deposit or payment, regardless of whether or not the tax or any
39 portion thereof is actually collected.

40 d. In no event shall any changes in assessed valuation within a
41 district due to appeals or correction of errors with respect to a tax
42 year subsequent to the creation of the district alter the amount of
43 property tax increment certified pursuant to this section for that tax
44 year.

45 e. In no event shall any changes in assessed valuation within a
46 district due to appeals or correction of errors alter the property tax

1 increment base of the district.

2 f. Whenever a revaluation or general reassessment occurs in a
3 municipality which has designated one or more districts, the property
4 tax increment base for each district shall be adjusted to equal the
5 absolute difference between the taxable value of the property in the
6 district after revaluation or reassessment less the amount of the
7 property tax increment base for the year immediately prior to the
8 revaluation or reassessment divided by the adjusted tax rate. The
9 adjusted tax rate shall be a fraction, the numerator of which is the total
10 tax levy of the municipality before revaluation or reassessment and the
11 denominator of which is the total taxable value of all taxable property
12 in the municipality after revaluation or reassessment.]¹

13

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

18 a. The collector of any pledged revenues shall certify to the
19 municipal chief financial officer the amount of the eligible revenue
20 collected in the preceding calendar year no later than January 30 of
21 each year and shall pay to the municipality such amount, or the
22 percentage thereof designated in the plan, beginning in the first
23 calendar year after the creation of the district.

24 b. The municipality shall include in its budget the amount certified
25 as collected in the preceding year and shall pay to the district agent for
26 deposit in the revenue allocation financing fund the amount certified
27 in the plan as designated for such payment.

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

31

32 ¹[54. (New section) The district agent shall submit its operating
33 budget for the district annually to the Director of the Division of Local
34 Government Services in the Department of Community Affairs and to
35 the State Treasurer. If the district agent certifies that the budget is in
36 compliance with a preliminary or final financing plan and all other
37 relevant statutes and rules, the director shall approve the budget within
38 45 days of receipt. If the director disapproves the budget he shall
39 state the reasons therefor. The district agent may then make the
40 necessary changes and resubmit the budget for approval. The director
41 may adopt rules and regulations in accordance with the
42 "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et
43 seq.), to ensure the fiscal integrity of districts and effectuate the intent
44 of P.L. , c. (C.) (pending before the Legislature as this bill).]¹

45

46 ¹[55. (New section) The district agent shall establish and maintain

1 a special fund called the "(Name of district agent) Revenue Allocation
2 Fund," and herein referred to as "district fund" or "fund."

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

6 a. paying the project costs;

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

10 c. prepaying the principal of and interest on the bonds or other
11 obligations;

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

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

21

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

28 b. At the end of each calendar year, any moneys in the fund not
29 required by the district agent for development of the plan shall be
30 distributed to the taxing entities that shall forgo the pledged revenues.
31 The revenues shall be distributed by the district agent in proportion to
32 the taxing effort of each taxing entity in the year of distribution; except
33 that no revenues deposited in the fund shall be included in the
34 calculation of any adjustment payments payable to an intermunicipal
35 account pursuant to statute.

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

43 d. Moneys in the fund may be invested in the State of New Jersey
44 Cash Management Fund established pursuant to section 1 of P.L.1977,
45 c.281 (C.52:18A-90.4) or in any securities that a local government is

1 permitted to purchase pursuant to section 8 of P.L.1977, c.396
2 (C.40A:5-15.1).]¹

3
4 ¹[57. (New section) Except where the municipal governing body
5 has designated itself as the district agent, or except in municipalities
6 which are under the jurisdiction of a regional planning commission
7 assigned redevelopment powers pursuant to law, any action of the
8 district agent shall be subject to the veto of the mayor of the
9 municipality. The veto shall be exercised by the veto of the minutes
10 of the district agent by the mayor. The mayor shall have 10 days,
11 Saturdays, Sundays and legal holidays excepted, after receipt of the
12 minutes to exercise the veto. If a mayoral veto is exercised during that
13 period, the action of the district agent shall be considered null and
14 void. If no veto is exercised during that period, the action of the
15 district agent shall be considered valid. The mayor, upon receipt of
16 the minutes, may in writing notify the district agent of the approval of
17 the minutes before the expiration of the 10-day period. Where the
18 municipal governing body has designated itself as the district agent,
19 the mayor shall have only such veto powers as are granted to the
20 mayor by law.

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

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

41
42 ¹[59. (New section) a. In calculating the general tax rate levied
43 each year, the aggregate amount of the ratable increments of the tax
44 increment districts shall not be considered a part of the total taxable
45 value of land and improvements within the municipality.

46 b. In calculating the net valuation on which school district taxes are

1 apportioned, the aggregate amount of the ratable increments in the tax
2 increment district shall be excluded.

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

6

7 ¹[60. (New section) Upon approval of the resolution by the board
8 and adoption of an ordinance approving or adopting the final revenue
9 allocation plan by the municipal governing body, the district agent
10 shall have the power to incur indebtedness, borrow money and issue
11 its bonds or notes for purposes of financing a project or funding or
12 refunding its bonds or notes. If the district agent is the municipal
13 governing body, any pledge of revenues or funds and obligations
14 incurred shall be limited to the revenues and property accruing to the
15 municipality as district agent and shall not be deemed to include any
16 other municipal revenue or property unless such revenues are pledged
17 or obligations are incurred pursuant to P.L. , c. (C.) (pending
18 before the Legislature as this bill). The district agent may from time
19 to time issue its bonds or notes in such principal amounts as in the
20 opinion of the district agent are necessary to provide sufficient funds
21 for all or any portion of project costs, including the payment, funding
22 or refunding of the principal of or interest or redemption premiums on
23 any bonds or notes issued by it, whether the bonds or notes or interest
24 to be funded or refunded has or has not become due; the establishment
25 or increase of such reserves to secure or to pay the bonds or notes or
26 interest thereon; and all other costs or expenses of the district agent
27 incident to and necessary to carrying out its corporate purposes and
28 powers.

29 Any provisions of law to the contrary notwithstanding, a bond
30 issued pursuant to P.L. , c. (C.) (pending before the Legislature
31 as this bill) shall be fully negotiable within the meaning and for all
32 purposes of Title 12A of the New Jersey Statutes, and each holder of
33 the bond, or a coupon appurtenant thereto, by accepting the bond or
34 coupon shall be conclusively deemed to have agreed that the bond or
35 coupon is and shall be fully negotiable within the meaning and for the
36 purposes of that title.]¹

37

38 ¹[61. (New section) Bonds or notes of the district agent shall be
39 authorized by a resolution or resolutions of the district agent and may
40 be issued in one or more series and shall bear such dates, mature at
41 such times, bear interest at such rates of interest per annum, be in such
42 denominations, be in such form, either coupon or registered, carry
43 such conversion or registration privileges, have such rank or priority,
44 be executed in such manner, be payable from such sources and in such
45 medium of payment at such places within or without the State, and be
46 subject to such terms of redemption, with or without premium, as the

1 resolution or resolutions may provide.

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

6 Bonds or notes may be issued under the provisions of P.L. , c.
7 (C.) (pending before the Legislature as this bill) without any other
8 proceeding or the occurrence of any other conditions or other things
9 than those proceedings, conditions or things which are specifically
10 required by P.L. , c. (C.) (pending before the Legislature as this
11 bill).

12 Bonds or notes of the district agent issued under the provisions of
13 P.L. , c. (C.) (pending before the Legislature as this bill) shall
14 contain a statement to the effect that they are issued pursuant to
15 P.L. , c. (C.) (pending before the Legislature as this bill) and
16 entitled to the provisions of P.L. , c. (C.) (pending before the
17 Legislature as this bill).]¹

18

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

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

30 b. pledge of grants, subsidies, contributions or other payments to
31 be received from the United States of America or any instrumentality
32 thereof, or from any State, county or municipal governmental body or
33 agency;

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

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

39

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

46 The district agent may file an application with the board to qualify

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

11 Upon the issuance of such bonds and certification to the State
12 Treasurer of the name and address of the paying agent, the maturity
13 schedule, interest rates and dates of payment of debt service, the State
14 Treasurer shall withhold municipal qualified revenues payable to the
15 municipality in amounts sufficient to pay debt service on such bonds
16 as the same shall mature and become due. The State Treasurer shall
17 on or before each principal and interest payment date forward such
18 withheld amounts to the paying agent for the sole purpose of paying
19 debt service on such bonds. As such withheld amounts are forwarded
20 to the paying agent, the district agent shall return a like amount of
21 eligible revenues received by the district agent, if any, which may be
22 applied to the payment of municipal operating expenses.]¹

23

24 ¹[64. (New section) In any resolution of the district agent
25 authorizing or relating to the issuance of any bonds or notes, the
26 district agent, in order to secure the payment of the bonds or notes and
27 in addition to its other powers, shall have power by provisions in that
28 resolution, which shall constitute covenants by the district agent and
29 contracts with the holders of the bonds or notes, to:

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

32 b. covenant against pledging all or any part of its revenues or
33 receipts from its lease, sales arrangement, service contracts or other
34 security instruments, of the revenues or receipts under any of the
35 foregoing or the proceeds thereof, or against mortgaging or leasing all
36 or any part of the its real or personal property then owned or
37 thereafter acquired, or against permitting or suffering any of the
38 foregoing;

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

42 d. covenant as to any bonds and notes to be issued and the
43 limitations thereon and the terms and conditions thereof and as to the
44 custody, application, investment, and disposition of the proceeds
45 thereof;

46 e. covenant as to the issuance of additional bonds or notes or as to

- 1 limitations on the issuance of additional bonds or notes and on the
2 incurring of other debts by it;
- 3 f. covenant as to the payment of the principal of or interest on the
4 bonds or notes, or any other obligations, as to the sources and
5 methods of the payment, as to the rank or priority of the bonds, notes
6 or obligations with respect to any lien or security or as to acceleration
7 of the maturity of the bonds, notes or obligations;
- 8 g. provide for the replacement of lost, stolen, destroyed or
9 mutilated bonds or notes;
- 10 h. covenant against extending the time for the payment of bonds or
11 notes or interest thereon;
- 12 i. covenant as to the redemption of bonds or notes and privileges
13 of exchange thereof for other bonds or notes of the district agent;
- 14 j. covenant as to the fixing and collection of rents, fees, rates and
15 other charges, the amount to be raised each year or other period of
16 time by rents, fees, rates and other charges and as to the use and
17 disposition to be made thereof;
- 18 k. covenant to create or authorize the creation of special funds or
19 moneys to be held in pledge or otherwise for construction, operating
20 expenses, tax rebate, payment or redemption of bonds or notes;
21 reserves or other purposes and as to the use, investment, and
22 disposition of the moneys held in these funds;
- 23 l. establish the procedure, if any, by which the terms of any
24 contract or covenant with or for the benefit of the holders of bonds or
25 notes may be amended or abrogated, the amount of bonds or notes the
26 holders of which must consent thereto, and the manner in which the
27 consent may be given;
- 28 m. covenant as to the construction, improvement, operation or
29 maintenance of any project and its other real and personal property,
30 the replacement thereof, the insurance to be carried thereon, and the
31 use and disposition of insurance moneys;
- 32 n. provide for the release of property, leases or other agreements,
33 or revenues and receipts from any pledge or mortgage and to reserve
34 rights and powers in, or the right to dispose of, property which is
35 subject to a pledge or mortgage;
- 36 o. provide for the rights and liabilities, powers and duties arising
37 upon the breach of any covenant, condition or obligation and prescribe
38 the events of default and the terms and conditions upon which any or
39 all of the bonds, notes or other obligations of the district agent shall
40 become or may be declared due and payable before maturity and the
41 terms and conditions upon which the declaration and its consequences
42 may be waived;
- 43 p. vest in a trustee or trustees within or without the State such
44 property rights, powers and duties in trust as the district agent may
45 determine, including the right to foreclose any mortgage, which may
46 include any or all of the rights, powers and duties of any trustee

1 appointed by the holders of any bonds or notes issued pursuant to this
2 section and to limit or abrogate the right of the holders of any bonds
3 or notes of the district agent to appoint a trustee under P.L. , c.
4 (C.) (pending before the Legislature as this bill), and to limit the
5 rights, duties and powers of the trustee;

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

10 r. pay the costs or expenses incident to the enforcement of the
11 bonds or notes or of the provisions of the resolution or of any
12 covenant or agreement of the district agent with the holders of its
13 bonds or notes;

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

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

24

25 ¹[65. (New section) Any pledge of revenues, receipts, moneys,
26 funds, levies, sales agreements, service contracts or other property or
27 instruments made by the district agent shall be valid and binding from
28 the time when the pledge is made. The revenues, receipts, moneys,
29 funds or other property so pledged and thereafter received by the
30 district agent or a subsidiary shall immediately be subject to the lien
31 of the pledge without any physical delivery thereof or further act, and
32 the lien of any pledge shall be valid and binding as against all parties
33 having claims of any kind in tort, contract or otherwise against the
34 district agent irrespective of whether the parties have notice thereof.
35 Neither the resolution nor any other instrument by which a pledge
36 under this section is created need be filed or recorded except in the
37 records of the district agent.]¹

38

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

43

44 ¹[67. (New section) The district agent may establish such reserves,
45 funds or account as may be, in its discretion, necessary or desirable to
46 further the accomplishment of the purposes of the district agent or to

1 comply with the provisions of any agreement made by or any
2 resolution of the district agent.

3 The State and all public officers, governmental units and agencies
4 thereof, all banks, trust companies, savings banks and institutions,
5 building and loan associations, savings and loan associations,
6 investment companies, and other persons carrying on a banking
7 business, all insurance companies, insurance associations and other
8 persons carrying on an insurance business, and all executors,
9 administrators, guardians, trustees and other fiduciaries may legally
10 invest any sinking funds, moneys or other funds belonging to them or
11 within their control in any bonds or notes issued pursuant to P.L. ,
12 c. (C.) (pending before the Legislature as this bill), and such bonds
13 or notes shall be authorized security for any and all public deposits.]¹
14

15 ¹[68. (New section) Bonds, notes or other obligations issued
16 pursuant to P.L. , c. (C.) (pending before the Legislature as this
17 bill) are for an essential public and governmental purpose, and the
18 bonds, notes or other obligations, their transfer and the interest and
19 premium, if any, thereon and the income therefrom, including any
20 profit made on the sale thereof, and all assessments, charges, funds,
21 revenues, income and other moneys pledged or available to pay or
22 secure the payments of the bonds, or interest thereon, shall be exempt
23 from taxation of every kind by the State and the municipality, except
24 transfer inheritance and estate taxes unless exemptions from those
25 taxes have been provided under other laws.]¹
26

27 ¹[69. (New section) If any section, part, phrase, or provision of
28 P.L. , c. (C.) (pending before the Legislature as this bill) of the
29 application thereof to any person, project or circumstances, be
30 adjudged invalid by any court of competent jurisdiction, such judgment
31 shall be confined in its operation to the section, part, phrase, provision
32 or application directly involved in the controversy in which such
33 judgment shall have been rendered and shall not affect or impair the
34 validity of the remainder of P.L. , c. (C.) (pending before the
35 Legislature as this bill) or the application thereof to other persons,
36 projects or circumstances.]¹
37

38 ¹[70.] 33.1 (New section) ¹[a.]¹ In order to provide security for
39 the bonds or other obligations authorized herein, a municipality may
40 adopt an ordinance which provides for tax abatement within a
41 redevelopment area and for a payment in lieu of taxes. Any tax
42 abatement granted by the municipality and any agreement for the
43 payment in lieu of taxes shall be included as part of a financial
44 agreement between the municipality and the developer in accordance
45 with the provisions of P.L.1991, c.431 (C.40A:20-1 et seq.); provided,
46 however, that provisions of subsection b. of section 12 of P.L.1991,

1 c.431 (C.40A:20-12) ¹[and],¹ subsection a. of section 14 of P.L.1991,
2 c.431 (C.40A:20-14) ¹ and subsection c. of section 18 of P.L.1991,
3 c.431 (C.40A:20-18)¹ shall not apply to any financial agreement
4 entered into pursuant to this section.

5
6 ¹[71.] 34.¹ (New section) a. A financial agreement entered into
7 pursuant to section ¹[70] 33¹ of P.L. , c. (C.) (pending
8 before the Legislature as this bill) shall provide for payments in lieu
9 of taxes in an amount agreed upon, and, to the extent needed to pay
10 debt service and other related costs of the bonds or other obligations
11 authorized in this section, shall be pledged to the repayment of the
12 bonds or other obligations authorized in this section.

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

16 c. The New Jersey Redevelopment Authority ¹, New Jersey
17 Economic Development Authority¹ or county improvement authority
18 may issue negotiable bonds or other obligations for the purpose of
19 financing or refinancing the construction, reconstruction, repair,
20 alteration, improvement and development of any infrastructure or
21 parking or transportation facilities or work that reduces, abates or
22 prevents environmental pollution or other improvements that provide
23 a public benefit within or to a redevelopment area ³as defined pursuant
24 to section 3 of P.L.1992, c.79 (C.40A:12A-3)³.

25 d. The financial agreement provided for in this section or other
26 source of revenues may be assigned, by the municipality, in whole or
27 in part, directly to the New Jersey Redevelopment Authority ¹, New
28 Jersey Economic Development Authority¹ or county improvement
29 authority or the trustee of bonds or other obligations as payment or
30 security for the bonds or other obligations.

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

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

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

44 h. The assignment of any mortgage that secures a payment in lieu
45 of taxes may also be an absolute assignment of all or part of the
46 municipality's right, title and interest in such mortgage and, to the

1 extent assigned, any moneys realized from the foreclosure of the
2 mortgaged property shall not be included in the general funds of the
3 municipality.

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

9

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

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

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

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

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

29 d. the realization of the proposed redevelopment plan will
30 contribute to the economic viability of the municipality;

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

33 f. the bond guarantees would not pose inappropriate risk or undue
34 financial hardship to the taxpayers of the community in the event of
35 default.]¹

36

37 ¹[73. (New section) a. The board and the State Treasurer may
38 make written recommendations as to any aspect of the financial
39 agreement and any related fiscal matters of the municipality district
40 which, in the determination of the board and the State Treasurer, must
41 be changed in order to effectuate the financial agreement, and the
42 board may condition its approval of the agreement upon the adoption
43 of its recommendations or those of the State Treasurer.

44 b. The board shall approve, approve with conditions, or
45 disapprove the agreement within 60 days of its receipt of an
46 application which the board has deemed to be complete. If the board

1 does not act within 60 days the agreement shall be deemed approved.
 2 If the board disapproves the agreement it shall set forth its reasons in
 3 writing within 30 days of its disapproval. The governing body may
 4 amend the ordinance and resubmit it to the board and the State
 5 Treasurer.

6 c. Upon receipt of the approved ordinance from the board the
 7 municipal governing body may adopt the ordinance at a meeting of the
 8 governing body by a majority of the authorized membership thereof.
 9 Any changes to the agreement as embodied in the ordinance shall be
 10 by amendment of the ordinance adopted and approved by the same
 11 method as prescribed in section 72 of P.L. , c. (C.) (pending
 12 before the Legislature as this bill) in connection with the proposed
 13 financial agreement included in the ordinance.]¹

14

15 ARTICLE 3 - ABBREVIATED FORECLOSURE ¹[AND
 16 CONDEMNATION COMPENSATION]¹ PROCEEDINGS FOR
 17 ABANDONED PROPERTY

18

19 ¹[74.] 35.¹ (New section) For the purposes of this article:

20 "Abandoned property" means

21 a. real property ¹[comprising a vacant parcel of land]¹ for which
 22 ³[¹substantial¹]³ environmental remediation is required by [the
 23 Department of Environmental Protection pursuant to]³ State law, rule
 24 or regulation³[¹, which remediation has not been substantially
 25 completed within 12 months of the order from the Department of
 26 Environmental Protection¹] and the condition of which is found or
 27 declared by the public officer to be inimical to the welfare, including
 28 the economic welfare of the residents of the municipality wherein the
 29 real property is located³; or

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

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

41

42 ¹[75.] 36.¹ (New section) a. A qualified municipality that has
 43 designated or appointed a public officer pursuant to section 3 of
 44 P.L.1942, c.112 (C.40:48-2.5), may adopt an ordinance directing the
 45 public officer to undertake an inventory of abandoned property in
 46 those areas designated ¹[by the municipality]¹ for redevelopment

1 ¹[according to law] pursuant to the "Local Redevelopment and
2 Housing Law," P.L.1992, c.79 (C.40A:12A-1 et seq.)¹. ¹The ordinance
3 may direct the public officer to exclude from the inventory of
4 abandoned property that property for which the expense to the
5 municipality of determining the cost of environmental remediation
6 required under State or federal law would be excessive, in the
7 judgment of the municipal governing body.¹ Each item of abandoned
8 property on the inventory shall include the tax block and lot number,
9 the name of the owner of record, if known, and the street address of
10 the lot.

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

23 c. (1) The Department of Community Affairs shall adopt rules and
24 regulations prescribing guidelines and criteria for determining if a
25 property is ¹[in a state of disrepair] inimical to the welfare, including
26 the economic welfare, of the residents of the municipality wherein the
27 building or structure is located, pursuant to section 1 of P.L.1989,
28 c.91 (C.40:48-2.3a) or unfit for human habitation, occupancy or use
29 pursuant to section 3 of P.L.1942, c.112 (C.40:48-2.5).¹ and whether
30 such property is undergoing rehabilitation in a timely manner within
31 the meaning of subsection b. of this section. The public officer shall
32 apply such standards in conducting any inventory pursuant to this
33 section.

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

39 d. (1) The public officer, within 10 days of the completion of the
40 abandoned property list, shall send a notice, by certified mail, return
41 receipt requested, and by regular mail, to the owner of record of every
42 property included on the list and shall cause the list to be published in
43 the official newspaper of the municipality, which publication shall
44 constitute public notice. The published and mailed notices shall
45 identify property determined to be abandoned ¹[by] setting forth¹
46 the owner of record, if known, ¹[and by] the¹ tax lot and block number and

1 street address. The public officer, in consultation with the tax
2 collector, shall also send out a notice by regular mail to any
3 mortgagee, servicing organization, or property tax processing
4 organization that receives a duplicate copy of the tax bill pursuant to
5 subsection d. of R.S.54:4-64. When the owner of record is not known
6 for a particular property and cannot be ascertained by the exercise of
7 reasonable diligence by the tax collector, notice shall not be mailed but
8 instead shall be posted on the property in the manner as provided in
9 section 5 of P.L.1942, c.112 (C.40:48-2.7). The mailed notice shall
10 indicate the factual basis for the public officer's finding that the
11 property is abandoned property as that term is defined in section ¹[74]
12 35¹ of P.L. , c. (C.) (now pending before the Legislature
13 as this bill) and the rules and regulations promulgated thereunder,
14 specifying the information relied upon in making such finding. In all
15 cases a copy of the mailed or posted notice shall also be filed by the
16 public officer ³[as a notice of lis pendens ¹, indexed by the name of the
17 property owner as defendant and the name of the municipality as
18 plaintiff.¹]³ in the office of the county clerk or register of deeds and
19 mortgages, as the case may be, of the county wherein the property is
20 situate. ³This filing shall have the same force and effect as a notice of
21 lis pendens under N.J.S.2A:15-6. The notice shall be indexed by the
22 name of the property owner as defendant and the name of the
23 municipality as plaintiff, as though an action had been commenced by
24 the municipality against the owner.³

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

30 e. An owner ¹or lienholder¹ may challenge the inclusion of his
31 property on the abandoned property list determined pursuant to
32 subsection b. of this section by appealing that determination to the
33 public officer within 30 days of the owner's receipt of the certified
34 notice or 40 days from the date upon which the notice was sent. An
35 owner whose identity was not known to the public officer shall have
36 40 days from the date upon which notice was published or posted,
37 whichever is later, to challenge the inclusion of a property on the
38 abandoned property list. For good cause shown, the public officer
39 shall accept a late filing of an appeal. Within 30 days of receipt of a
40 request for an appeal of the findings contained in the notice pursuant
41 to subsection d. of this section, the public officer shall schedule a
42 hearing for redetermination of the matter. Any property included on
43 the list shall be presumed to be abandoned property unless the owner,
44 through the submission of an affidavit or certification by the property
45 owner averring that the property is not abandoned and stating the
46 reasons for such averment, can demonstrate that the property was

1 erroneously included on the list. The affidavit or certification shall be
2 accompanied by supporting documentation, such as but not limited to
3 photographs, repair invoices, bills and construction contracts. The
4 sole ground for appeal shall be that the property in question is not
5 abandoned property as that term is defined in section ¹[74] 35¹ of P.L.
6 , c. (C.) (now pending before the Legislature as this bill). The
7 public officer shall decide any timely filed appeal within 10 days of the
8 hearing on the appeal and shall promptly, by certified mail, return
9 receipt requested, and by regular mail, notify the property owner of
10 the decision and the reasons therefore.

11 f. The property owner may challenge an adverse determination of
12 an appeal with the public officer pursuant to subsection e. of this
13 section, by instituting, in accordance with the New Jersey Court Rules,
14 a summary proceeding in the Superior Court, Law Division, venued in
15 the county in which the property is located, which action shall be tried
16 de novo. Such action shall be instituted within 20 days of the date of
17 the notice of decision mailed by the public officer pursuant to
18 subsection e. of this section. The sole ground for appeal shall be that
19 the property in question is not abandoned property as that term is
20 defined in section ¹[74] 35¹ of P.L. , c. (C.) (now pending
21 before the Legislature as this bill). The failure to institute an action of
22 appeal on a timely basis shall constitute a jurisdictional bar to
23 challenging the adverse determination, except that, for good cause
24 shown, the court may extend the deadline for instituting the action.

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

28
29 ¹[76.] 37¹ (New section) a. Notwithstanding R.S.54:5-19 or the
30 provisions of any other law to the contrary, if a property is included
31 on the abandoned property list and the property taxes or other
32 municipal liens due on the property are ¹[not current] delinquent six
33 or more quarters¹ as of the date of expiration of the right to appeal
34 inclusion on the list, ¹or, if an appeal ³[is pending] has been filed³, as
35 of the date that all opportunities for appeal of inclusion on the list have
36 been exhausted,¹ then the tax lien on the property may be sold in
37 accordance with the procedures in the "tax sale law," R.S.54:5-1 et
38 seq., on or after the 90th day following the expiration of that time of
39 appeal ¹or final determination on an appeal, as appropriate¹. The
40 purchaser of a tax sale certificate sold pursuant to this subsection,
41 unless it is the municipality or the authority or its subsidiaries, shall be
42 required to post bond to guarantee the rehabilitation of the property
43 in accordance with the requirements for an owner to remove the
44 property from the abandoned property list pursuant to section ¹[75]
45 36¹ of P.L. , c. (C.) (pending before the Legislature as this
46 bill). The cost of the bond posted by the purchaser of the tax sale

1 certificate shall be added to the amount required to be paid by the
2 owner for redemption of the property. The municipality may, at its
3 option, require that the sale of the tax sale certificate or any
4 subsequent assignment or transfer of a tax sale certificate held by the
5 municipality be subject to the express condition that the purchaser or
6 assignee shall be obliged to perform and conclude any rehabilitation or
7 repairs necessary to remove the property from the abandoned property
8 list pursuant to section ¹[75] 36¹ of P.L. , c. (C.) (pending
9 before the Legislature as this bill) and to post a bond in favor of the
10 municipality to guarantee the rehabilitation or repair of the property.
11 The cost of rehabilitation and repairs and the cost of the bond shall be
12 added to the amount required to be paid by the owner for redemption
13 of the property. The purchaser, assignee or transferee of the tax sale
14 certificate who is required to rehabilitate and repair the property shall
15 be required to file the appropriate affidavits with the tax collector,
16 pursuant to R.S.54:5-62, representing the amounts of monies
17 expended periodically toward the rehabilitation or repair of the
18 property. A purchaser, assignee or transferee shall be entitled to
19 interest on the amounts expended, as set forth in the affidavits, at the
20 delinquent rate of interest for delinquencies in excess of \$1,500
21 pursuant to R.S.54:4-67 of the municipality in effect for the time
22 period when the amounts were expended. The tax sale certificate
23 purchaser, assignee or transferee, under the auspices and with the
24 authority of the municipality, shall be permitted to enter in and upon
25 the property for the purposes of appraising the costs of rehabilitation
26 and repair and to perform all other acts required to guarantee the
27 completion of the rehabilitation or repair of the property. ¹No
28 rehabilitation or repair work shall be commenced, however, until proof
29 of adequate liability insurance and an indemnification agreement
30 holding the municipality harmless is filed with the public officer.¹ If
31 the tax sale certificate is not purchased at the initial auction of the tax
32 sale certificate and the municipality purchases the certificate pursuant
33 to R.S.54:5-34, then the municipality is authorized and empowered to
34 convey and transfer to the authority or any of its subsidiaries, without
35 receiving compensation therefor, all of its right, title and interest in
36 that certificate ¹; however, any portion of the amount paid to the tax
37 collector to redeem the tax sale certificate that represents tax or other
38 municipal lien delinquencies and subsequent municipal liens, including
39 interest, shall be returned by the tax collector to the municipality¹.

40 b. (1) If the municipality or the authority or its subsidiaries
41 acquires the tax sale certificate for a property on the abandoned
42 property list, then, upon 10 days' written notice to the property owner
43 and any mortgagee as of the date of the filing of the lis pendens notice
44 under subsection d. of section ¹[75] 36¹ of P.L. , c. (C.)
45 (pending before the Legislature as this bill), that entity shall be
46 permitted to enter upon the property and remediate any conditions that

1 caused the property to be included on the abandoned property list. No
2 remediation shall be commenced, however, if within that 10 day period
3 the owner or mortgagee shall have notified the municipality or
4 authority or its subsidiary, as appropriate, in writing that the owner or
5 mortgagee has elected to perform the remediation itself. When the
6 owner or mortgagee elects to perform the remediation itself, it shall be
7 required to post bond in favor of the municipality or authority or its
8 subsidiaries, as appropriate, in order to ensure performance. The
9 amount and conditions of the bond shall be determined by the public
10 officer.

11 (2) The cost of remediation incurred by the municipality or the
12 authority or its subsidiaries pursuant to this subsection, as so certified
13 by the entity incurring the cost upon completion of the remediation,
14 shall constitute a lien upon the property first in time and right to any
15 other ³lien, whether the other lien was filed prior to, or after the filing
16 of any lien by the municipality or the authority³, except for municipal
17 taxes, liens and assessments and any lien imposed pursuant to the
18 "Spill Compensation and Control Act," P.L.1976, c.141 (C.58:10-
19 23.11 et seq.)¹, together with any interest thereon¹. The certification
20 of cost shall be filed ³and recorded³ as a lien by the entity incurring the
21 cost with the county clerk or register of deeds and mortgages, as
22 appropriate, in the county in which the property is located.

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

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

42

43 ¹[77.] 38.¹ (New section) a. An owner may remove a property
44 from the list of abandoned properties prior to sale of the tax sale
45 certificate by paying all taxes and municipal liens due, including
46 interest and penalties and:

1 (1) by posting cash or a bond equal to the cost of remediating all
2 conditions because of which the property has been ¹[deemed]
3 determined¹ to be abandoned pursuant to section ¹[75] 36¹ of P.L. ,
4 c. (C.) (pending before the Legislature as this bill) and posting
5 cash or a bond to cover the cost of any environmental cleanup required
6 on the property, evidenced by a certification by ³[the Department of
7 Environmental Protection] a licensed engineer retained by the owner
8 and reviewed and approved by the public officer stating³ that the cash
9 or bond adequately covers the cost of the cleanup; or

10 (2) by demonstrating to the satisfaction of the public officer that the
11 conditions rendering the property abandoned have been remediated in
12 full; provided, however, that where the public officer finds that the
13 owner is actively engaged in remediating the conditions because of
14 which the property was ¹[deemed] determined to be ¹abandoned
15 pursuant to section ¹[75] 36¹ of P.L. , c. (C.) (pending
16 before the Legislature as this bill), as evidenced by significant
17 rehabilitation activity on the property, the public officer may grant an
18 extension of time of not more than 120 days for the owner to complete
19 all work, during which time no further proceedings will be taken
20 against the owner or the property.

21 b. If the owner has posted cash or a bond in order to have a
22 property removed from the abandoned property list and the conditions
23 because of which the property was ¹[deemed] determined to be¹
24 abandoned have not been fully remediated within one year of the date
25 of posting the cash or bond, or, in the case of a property which
26 requires ³[environmental cleanup] a remediation of any known,
27 suspected or threatened release of contaminants³, if the ³[cleanup has
28 not been substantially completed within one year of the date of posting
29 the cash or bond,] owner has failed to enter into a memorandum of
30 agreement with the Department of Environmental Protection or an
31 administrative consent order, as the case may be, or if an agreement or
32 order is in effect but the owner has failed to perform the remediation
33 in conformance with the agreement or order, then³ the cash or bond
34 shall be forfeited to the municipality which shall use the cash or bond
35 and any interest which has accrued thereon for the purpose of
36 demolishing or rehabilitating the property or performing the
37 environmental ³[cleanup] remediation³. Any funds remaining after the
38 property has been demolished, rehabilitated or cleaned up shall be
39 returned to the owner.

40
41 ¹[78.] 39¹ (New section) a. ¹[Notwithstanding section 6 of
42 P.L.1948, c.96 (C.54:5-104.34), when] When¹ a person other than the
43 municipality or the authority or its subsidiaries acquires a tax sale
44 certificate for a property on the abandoned property list at tax sale, the
45 purchaser may institute an action to foreclose the right of redemption
46 at any time after the expiration of six months following the date of

1 ³the³ sale ³of the tax sale certificate³.

2 b. Notwithstanding section 6 of P.L.1948, c.96 (C.54:5-104.34),
3 when the municipality is the purchaser at tax sale of any property on
4 the abandoned property list pursuant to R.S.54:5-34, or when the
5 authority or any of its subsidiaries acquires the tax sale certificate
6 pursuant to subsection a. of section ¹[76] 37¹ of P.L. , c.
7 (C.) (pending before the Legislature as this bill), an action to
8 foreclose the right of redemption may be instituted ¹[at any time after
9 the expiration of 10 days following the date of sale, assignment or
10 transfer] in accordance with the provisions of ³subsection b. of ³
11 R.S.54:5-77 ³[. subject to the provisions of subsection c. of this
12 section¹]³ .

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

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

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

26
27 ¹[79.] 40.¹ (New section) Once a final judgment barring the right
28 of redemption with respect to a property on the list of abandoned
29 properties has been recorded, no court shall ¹[entertain any
30 application to]¹ reopen such judgment at any time except on the
31 grounds of lack of jurisdiction or fraud in the conduct of the action; in
32 any such proceeding, the provisions of P.L. , c. (C.) (pending
33 before the Legislature as this bill) shall be construed liberally in favor
34 of the purchaser¹, assignee or transferee of the tax sale certificate¹.

35
36 ¹[80.] 41.¹ R.S.54:5-86 is amended to read as follows:

37 54:5-86. [The purchaser, his heirs or assigns, in] ¹[In addition to
38 the remedy provided by article eight of this chapter (s. 54:5-77 et
39 seq.), when] ¹When¹ the municipality is the purchaser of a tax sale
40 certificate, the municipality, or its assignee or transferee, may, at any
41 time after the expiration of the term of 6 months from the date of sale
42 [when the municipality is the purchaser, and 2 years from the date of
43 sale for all other purchasers] ¹[, whether notice to redeem has been
44 given or not]¹, institute an action to foreclose the right of redemption.
45 ¹[For] Except as provided in subsection a. of section 39 of P.L. , c.
46 (C.), for¹ all other persons that do not acquire a tax sale certificate

1 ¹[held by] from¹ a municipality, an action to foreclose the right of
2 redemption may be instituted at any time after the expiration of the
3 term of two years from the date of sale of the tax sale certificate. On
4 instituting the action the right to redeem shall exist and continue until
5 barred by the judgment of the Superior Court.

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

7

8 ¹[81.] 42.¹ Section 30 of P.L.1971, c.361 (C.20:3-30) is amended
9 to read as follows:

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

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

30

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

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

1 except a statement of the actual consideration. Such sales shall not
 2 include real estate, title to which has been perfected by the
 3 municipality.¹

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

5
 6 ¹[82.] 44.¹ R.S.54:5-113 is amended to read as follows:

7 54:5-113. When a municipality has or shall have acquired title to
 8 real estate by reason of its having been struck off and sold to the
 9 municipality at a sale for delinquent taxes and assessments, the
 10 governing body thereof may by resolution authorize a private sale of
 11 the certificate of tax sale therefor, together with subsequent liens
 12 thereon, for not less than the amount of liens charged against such real
 13 estate, except as provided in section 2 of P.L.1993, c.113
 14 (C.54:5-113.1) and subsection a. of section ¹[77] 38¹ of P.L. , c.
 15 (C.) (pending before the Legislature as this bill). The sale
 16 shall be made by assignment executed by such officers as may be
 17 designated in the resolution. When the total amount of the municipal
 18 liens shall, at the time of the proposed sale or assignment, exceed the
 19 assessed value of the real estate as of the date of the last sale thereof
 20 for unpaid taxes and assessments, the certificates, together with
 21 subsequent liens thereon, may be sold and assigned for a sum not less
 22 than such assessed value.

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

24
 25 ARTICLE 4 - NEIGHBORHOOD EMPOWERMENT PROGRAM

26
 27 ¹45. (New section) a. There is established in, but not of, the
 28 Department of Community Affairs an Urban Coordinating Council.

29 b. The Urban Coordinating Council shall be comprised of the
 30 Governor, the chief officer of each department of the executive
 31 branch, and the executive directors of the New Jersey Redevelopment
 32 Authority, the New Jersey Economic Development Authority, the
 33 Casino Reinvestment Development Authority, the State Planning
 34 Commission, the New Jersey Housing and Mortgage Finance Agency,
 35 the Juvenile Justice Commission and the Commission on Higher
 36 Education. The council shall be chaired by the Governor. Members
 37 of the council may be represented on the council by their designees.¹

38
 39 ¹46. (New section) The Urban Coordinating Council shall:

40 a. Ensure that State agencies coordinate responses and provide
 41 assistance to projects and programs outlined in neighborhood
 42 empowerment plans developed pursuant to section 49 of P.L. , c.
 43 (C.) (pending before the Legislature as this bill), and projects and
 44 programs established by the New Jersey Redevelopment Authority, the
 45 New Jersey Economic Development Authority, and development
 46 initiatives proposed by municipal and county governments, including

- 1 making available the resources of the departments of the State in
2 implementing those programs;
- 3 b. Supervise and control the Office of Neighborhood Empowerment
4 created pursuant to section 48 of P.L. , c. (C.) (pending before the
5 Legislature as this bill;
- 6 c. Make available the resources of its member agencies to assist
7 local sponsors in implementing neighborhood empowerment plans;
- 8 d. Form interagency teams of State representatives. The
9 membership of each interagency team shall be determined by the needs
10 outlined in the neighborhood empowerment plan. Each interagency
11 team shall serve as the primary link between the neighborhood and
12 State government in responding to programming needs, shall be co-
13 chaired by a case manager from the Office of Neighborhood
14 Empowerment established pursuant to section 48 of P.L. , c.
15 (C.) (pending before the Legislature as this bill); and by the
16 community director, and shall include at least one representative of the
17 council; and
- 18 e. Have authority to adopt, amend and repeal rules relating to the
19 exercise by the council and the Office of Neighborhood Empowerment
20 established pursuant to section 48 of P.L. , c. (C.) (pending
21 before the Legislature as this bill), of their respective functions and
22 duties pursuant to this act;
- 23 f. Publish an annual report on the status of redevelopment activity
24 which shall describe the progress toward achieving the goals of this
25 act; and
- 26 g. Assist in coordinating the activities of the New Jersey
27 Redevelopment Authority, municipalities, counties, public or private
28 county and municipal development agencies, district management
29 corporations created pursuant to section 4 of P.L.1972, c.134
30 (C.40:56-68), and community action boards established pursuant to
31 section 4 of P.L.1991, c.51 (C.52:27D-398) that have developed
32 neighborhood empowerment plans pursuant to section 49 of P.L. , c.
33 (C.) (pending before the Legislature as this bill) or comprehensive
34 community development plans.¹
- 35
- 36 ¹47. (New section) a. There is established in, but not of, the
37 Department of Community Affairs an Office of Neighborhood
38 Empowerment.
- 39 b. The Governor shall appoint an executive director of the Office
40 of Neighborhood Empowerment who shall serve at the pleasure of the
41 Governor. The executive director shall report solely to the Urban
42 Coordinating Council, which shall supervise and control the office.
- 43 c. The executive director of the Office of Neighborhood
44 Empowerment may hire employees as may be required to carry out the
45 purposes of this section, and to fix and pay their compensation from
46 funds available, all without regard to the provisions of Title 11A, Civil

1 Service, of the New Jersey Statutes.¹

2

3 ¹48. (New section) The Office of Neighborhood Empowerment

4 shall:

5 a. Provide support for a community director who shall assist local

6 sponsors in developing or implementing neighborhood empowerment

7 plans;

8 b. Provide case management services to qualified local sponsors of

9 neighborhood empowerment plans;

10 c. Assist neighborhoods in developing and implementing

11 neighborhood empowerment plans;

12 d. Ensure that communities receive technical assistance in

13 neighborhood planning;

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

15 f. Assist local sponsors in evaluating progress through mutually

16 agreed upon measures;

17 g. Provide assistance in obtaining private sector support for

18 developing and implementing neighborhood empowerment plans;

19 h. Maintain and make available a complete inventory of State

20 programs, services and funding that are available to municipalities; and

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

22

23 ¹49. (New section) ³a. ³ In order to qualify to receive the services

24 of the Office of Neighborhood Empowerment and of an interagency

25 team, a community must first have developed a neighborhood

26 empowerment plan which shall be submitted to the Urban

27 Coordinating Council established pursuant to section 45 of P.L. _____,

28 c. _____ (C. _____) (pending before the Legislature as this bill). A

29 neighborhood empowerment plan shall incorporate and address the

30 needs of the neighborhood as identified by the community. It shall be

31 comprehensive and shall take into consideration and show the

32 relationship to the municipal master plan, other locally adopted plans

33 (including, but not limited to urban enterprise zone plans,

34 redevelopment plans and neighborhood social service plans), and the

35 State Development and Redevelopment Plan, and shall outline how

36 residents, municipal government, the private sector and neighborhood

37 organizations will cooperate with the State and with each other during

38 implementation. Neighborhood empowerment plans shall focus on

39 neighborhood restoration. They may include, but need not be limited

40 to, projects for infrastructure improvement and expansion,

41 rehabilitation and construction of affordable housing, increased public

42 safety, facility rehabilitation and construction, economic development,

43 recreation and open space, environmental cleanup, employment and

44 training, improvement of educational opportunities for youth, and

45 efficient and humane provision of social services dedicated to

46 strengthening the community's human capital.¹

1 ³b. Neighborhood empowerment plans shall be developed by local
 2 sponsors with the guidance of a community director and under the
 3 direction of, and with the participation of, residents, community-based
 4 organizations, the private sector, and the municipal government. A
 5 local sponsor may be a municipality, county, public or private county
 6 and municipal development agency, district management corporation
 7 created pursuant to section 4 of P.L.1972, c.134 (C.40:56-68),
 8 community action board established pursuant to section 4 of P.L.1991,
 9 c.51 (C.52:27D-398), sponsors of neighborhood empowerment
 10 organizations, or an institution, such as a hospital, college or
 11 university, or a community-based organization.

12 The entity that will implement the neighborhood empowerment plan
 13 shall be either a new or existing community development organization
 14 or a consortium of existing community based organizations.³

15
 16 ¹[83.] ⁵⁰¹ (New section) ¹[a.]¹ Within one year of the effective
 17 date of P.L. , c. (C.) (pending before the Legislature as this bill),
 18 the ¹[New Jersey Redevelopment Authority] Urban Coordinating
 19 Council established pursuant to P.L. , c. (C.) (pending before the
 20 Legislature as this bill).¹ shall distribute to the clerk of each qualified
 21 municipality eligibility guidelines for participation in the neighborhood
 22 empowerment program. The eligibility guidelines ²for participation
 23 in the neighborhood empowerment program ² shall be established by
 24 the ¹[authority but shall require the approval of the]¹ Urban ¹[Policy]¹
 25 Coordinating Council established pursuant to section ¹[7] ⁴⁶¹ of P.L.
 26 c. (C.) (pending before the Legislature as this bill) ¹[prior
 27 to being issued] in consultation ² and in conjunction² with the New
 28 Jersey Redevelopment Authority¹.

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

46

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

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

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

16 c. how public participation was elicited in preparing the
17 comprehensive plan, including local associations and voluntary
18 community organizations supported by residents and businesses in the
19 empowerment neighborhood;

20 d. how planning and zoning laws will be utilized to enhance the
21 attractiveness of the empowerment neighborhood to potential
22 developers;

23 e. what infrastructure needs exist within the empowerment
24 neighborhood and State participation which needs to be secured in
25 order to promote economic activity;

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

28 g. proposed projects which may be initiated or advanced with
29 authority assistance; and

30 h. the availability and efficiency of support services, public and
31 private, generally used by and necessary to the efficient functioning of
32 commercial and industrial facilities in the area and the extent to which
33 the increase or improvement is to be provided and financed by the
34 municipal government or by other entities.]¹

35

36 ¹[85.] 51.¹ (New section) In designating qualified municipalities
37 for participation in the neighborhood empowerment program, the
38 ¹Urban Coordinating Council in consultation ³and in conjunction ³with
39 the¹ authority shall accord preference to ¹[comprehensive]
40 neighborhood empowerment¹ plans which:

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

43 b. are designed to address the greatest degree of urban distress, as
44 measured by existing levels of unemployment¹[,] and¹ poverty¹[, and
45 property tax arrearages]¹;

46 c. demonstrate the most substantial and reliable commitments of

1 resources by empowerment neighborhood businesses, associations,
2 voluntary community organizations and other private entities to the
3 ¹[economic success] successful redevelopment¹ of the empowerment
4 neighborhood;

5 d. demonstrate the most substantial effort and commitment by the
6 municipality to encourage economic activity in the area and to remove
7 disincentives for job creation compatible with the fiscal condition of
8 the municipality; and

9 e. demonstrate most convincingly ¹[to the authority]¹ how the
10 proposed plan will increase jobs ¹for neighborhood residents¹ and
11 ratables in the neighborhood, thereby lessening the need for municipal
12 tax increases.

13
14 ¹[86.] 52.¹ (New section) In addition to the considerations set
15 forth in section ¹[85] 51¹ of P.L. , c. (C.) (pending before the
16 Legislature as this bill), the ¹Urban Coordinating Council in
17 consultation³ and in conjunction³ with the¹ authority in
18 evaluating a ¹[comprehensive] neighborhood empowerment¹ plan for
19 designation purposes shall consider:

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

22 b. the adverse or beneficial effects of an empowerment
23 neighborhood located at the proposed area upon economic
24 development activities or projects of State or other public agencies
25 which are in operation or are approved for operation in the qualified
26 municipality;

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

31 d. the impact of the ¹[comprehensive]¹ plan upon the social,
32 educational, natural and historic environment of the proposed
33 empowerment neighborhood; and

34 e. the degree to which the implementation of the plan involves the
35 relocation of residents from the proposed empowerment neighborhood
36 and the adequacy of commitments and provisions with respect thereto.

37
38 ¹[87.] 53.¹ (New section) ¹[Any qualified municipality may
39 designate any area set forth in the comprehensive plan as an
40 empowerment neighborhood.]¹ Upon receipt of an application from
41 a qualified municipality, the ¹Urban Coordinating Council in
42 consultation³ and in conjunction³ with the¹ authority shall review the
43 application to determine whether or not it meets the ¹[minimum
44 criteria] eligibility guidelines¹ established pursuant to ¹[subsection b.
45 of]¹ section ¹[83] 50¹ of P.L. , c. (C.) (pending before
46 the Legislature as this bill). The ¹[authority] Urban Coordinating

1 Council¹ shall complete its review within 90 days of receiving an
2 application, but may extend this time period by an additional 60 days
3 if necessary.

4
5 ¹[88.] 54.¹ (New section) a. Once the Urban Coordinating
6 Council in consultation² and in conjunction² with the¹ authority has
7 identified those qualified municipalities whose ¹[comprehensive]
8 neighborhood empowerment¹ plans fulfill the criteria for designation
9 set forth in sections ¹[83 and 84] 51 and 52¹ of P.L. , c. (C.)
10 (pending before the Legislature as this bill), the ¹[authority shall]
11 Urban Coordinating Council may, at its discretion,¹ hold public
12 hearings for the purpose of receiving public comments on the
13 applications. ¹[At] In the event that a hearing is to be conducted, at¹
14 least one public hearing shall be held in a municipality which has
15 applied for empowerment neighborhood designation. The ¹[authority]
16 Urban Coordinating Council¹ shall give at least 30 days' public notice
17 of each hearing in advertisements in at least two newspapers which
18 circulate in the area served by the hearing and at least 30 days' notice
19 to the governing body and planning board of each county and
20 municipality in the area served by the hearing.

21 b. Taking full account of the testimony presented at the public
22 hearings, the ¹Urban Coordinating Council in consultation² and in
23 conjunction² with the¹ authority shall make a determination regarding
24 the designation of empowerment neighborhoods within 30 days of the
25 final hearing.

26 c. The ¹Urban Coordinating Council in consultation² and in
27 conjunction² with the¹ authority shall designate as many empowerment
28 neighborhoods as possible given available financial resources and the
29 ability of the ¹[authority] Urban Coordinating Council¹ to oversee
30 project implementation. The application process for each application
31 cycle, including the public hearings, shall occur as set forth in this
32 section.

33
34 ¹[89.] 55.¹ (New section) ¹a.¹ Any municipality in which an
35 empowerment neighborhood has been designated shall be eligible for
36 investments by the authority from the New Jersey Redevelopment
37 Investment Fund in infrastructure improvements and any other projects
38 which the authority may choose to invest in ²[; however, the authority
39 shall give priority to financing projects in empowerment
40 neighborhoods]². ¹[The authority shall accord priority to
41 empowerment neighborhoods in allocating any moneys for code
42 enforcement or demolition activities. In addition, the following powers
43 may be exercised in empowerment neighborhoods:

44 a. Notwithstanding the provisions of the "Local Lands and
45 Buildings Law," P.L.1971, c.199 (C.40A:12-1 et seq.) or any other
46 law to the contrary, the authority may convey property acquired by the

1 authority to a private developer for nominal consideration in
2 connection with a project approved by the authority;

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

38 The authority shall, to the extent possible, make funds available on
39 the same basis to persons situated in a qualified municipality in which
40 a designated empowerment neighborhood is located, but outside
41 neighborhood boundaries.

42 c. Notwithstanding any other law to the contrary, any person who
43 owns or has acquired property in a designated empowerment
44 neighborhood which is the site of a hazardous discharge, and did not
45 discharge the hazardous substance and who was in no way responsible
46 for or associated with the actions which caused the initial discharge,

1 shall only be required to perform those cleanup and removal actions
2 that are necessary to make the property safe for its intended use. The
3 property owner shall not be required to perform any additional cleanup
4 or removal actions on that property and that property owner shall not
5 be liable in any civil, criminal, or administrative action for any damages
6 caused to any other person due to the existence of any hazardous
7 substance on or off-site that the property owner was not required to
8 clean up or remove pursuant to this section. In making the property
9 safe for its intended use the property owner shall comply with the
10 remediation standards, remedial actions, limitations on the use of the
11 property, and any other conditions as may be required pursuant to
12 sections 35 and 36 of P.L.1993, c.139 (C.58:10B-12 and
13 C.58:10B-13). In addition, if the owner of the property proposes to
14 change the use of the property, notice shall be given to the enforcing
15 agency pursuant to P.L.1975, c.217 (C.52:27D-119 et seq.). The
16 enforcing agency may only issue a certificate of occupancy to use the
17 property in the manner in which the change of use is intended if that
18 use is consistent with the restrictions on the use of that property as
19 required pursuant to section 36 of P.L.1993, c.139 (C.58:10B-13).

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

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

34

35 ARTICLE 5 - URBAN SITE REMEDIATION STANDARDS

36

37 ¹[90. (New section) a. If the Department of Environmental
38 Protection issues a no further action letter or approves a remedial
39 action workplan, for a discharge which occurred prior to or after the
40 effective date of this act, then any person who is not otherwise liable
41 for the discharge shall not be liable for the discharge based solely on
42 becoming an owner or operator of the site of the discharge within an
43 empowerment neighborhood designated pursuant to section 88 of
44 P.L. , c. (C.)(pending before the Legislature as this bill), after the
45 discharge has occurred. The provisions of this section shall only apply
46 when the person is in compliance with all of the conditions of the no

1 further action letter or is in compliance with the remedial action
2 workplan; and the person has maintained all applicable engineering and
3 institutional controls.

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

8

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

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

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

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

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

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

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

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

1 safety, construction or operating standards or regulations. Damages
2 which may be recovered from, or by, any other person shall be limited
3 to those authorized by common or statutory law.

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

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

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

37 For the purpose of determining priority of this lien over all other
38 claims or liens which are or have been filed against the property of an
39 owner or operator of a refinery, storage, transfer, or pipeline facility,
40 the lien on the facility to which the discharged hazardous substance
41 was en route shall have priority over all other claims or liens which are
42 or have been filed against the property. The notice of lien filed
43 pursuant to this paragraph which affects any property of a person
44 liable pursuant to this paragraph other than the property of an owner
45 or operator of a refinery, storage, transfer, or pipeline facility to which
46 the discharged hazardous substance was en route, shall have priority

1 from the day of the filing of the notice of the lien over all claims and
2 liens filed against the property, but shall not affect any valid lien, right,
3 or interest in the property filed in accordance with established
4 procedure prior to the filing of a notice of lien pursuant to this
5 paragraph.

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

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

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

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

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

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

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

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

41 To establish that a person had no reason to know that any
42 hazardous substance had been discharged for the purposes of this
43 paragraph (2), the person must have undertaken, at the time of
44 acquisition, all appropriate inquiry into the previous ownership and
45 uses of the property. For the purposes of this paragraph (2), all
46 appropriate inquiry shall mean the performance of a preliminary

1 assessment, and site investigation (if the preliminary assessment
2 indicates that a site investigation is necessary), as defined in section 23
3 of P.L.1993, c.139 (C.58:10B-1), and performed in accordance with
4 rules and regulations promulgated by the department defining these
5 terms.

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

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

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

26 e. (1) If the Department of Environmental Protection issues a no
27 further action letter or approves a remedial action workplan after the
28 effective date of ³[this act] P.L. , c. (C.) (pending before the
29 Legislature as this bill)³ for a site at which a discharge occurred prior
30 to or after the effective date of ³[this act] P.L. c. (C.)
31 (pending before the Legislature as this bill)³, then any person who is
32 not otherwise liable ²[to the State]² for any discharge at the site which
33 occurred prior to the department's approval of the no further action
34 letter or remedial action workplan shall not be liable for the discharge
35 based solely on that person becoming an owner or operator of the site
36 of the discharge after the discharge has occurred. For the purposes of
37 this ³[section] paragraph ³, a site shall constitute the real property
38 defined in the remedial action workplan or, if no remedial action
39 workplan is required, the no further action letter. The provisions of
40 this ³[section] paragraph³ shall only apply when the site is located in
41 a qualified municipality as defined pursuant to section 3 of P.L. , c.
42 (C.) (pending before the Legislature as this bill) and there is
43 continued compliance with all of the conditions of the no further
44 action letter, the remedial action workplan and all applicable
45 engineering and institutional controls.

46 (2) The fund established pursuant to the "Spill Compensation and

1 Control Act," P.L.1976, c.141 (C.58:10-23.11 et seq.), shall not be
2 liable for any damages incurred by any person who is relieved from
3 liability pursuant to this ³[section] subsection³.¹

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

5
6 ¹57. (New section) a. ³[When] Where³ a person who is performing
7 a remediation on real property located in a qualified municipality, as
8 defined by section 3 of P.L. , c. (C.) (pending before the
9 Legislature as this bill) and who has entered into a memorandum of
10 agreement with the department, subsequently submits to the
11 department documents relating to the remediation of that property, the
12 department shall:

13 (1) review those documents in a timely fashion and provide
14 approval, disapproval or conditional approval, as required by section
15 58 of P.L. , c. (C.) (pending before the Legislature as this bill),
16 and

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

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

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

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

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

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

44 Until the minimum remediation standards for the protection of
45 public health and safety as described herein are adopted, the
46 department shall apply public health and safety remediation standards

1 for contamination at a site on a case-by-case basis based upon the
2 considerations and criteria enumerated in this section.

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

17 b. In developing minimum remediation standards the department
18 shall:

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

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

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

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

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

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

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

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

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

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

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

32 e. Remediation standards and other requirements established
33 pursuant to this section shall apply to remediation activities required
34 pursuant to the "Spill Compensation and Control Act," P.L.1976,
35 c.141 (C.58:10-23.11 et seq.), the "Water Pollution Control Act,"
36 P.L.1977, c.74 (C.58:10A-1 et seq.), P.L.1986, c.102 (C.58:10A-21
37 et seq.), the "Industrial Site Recovery Act," P.L.1983, c.330
38 (C.13:1K-6 et al.), the "Solid Waste Management Act (1970),"
39 P.L.1970, c.39 (C.13:1E-1 et seq.), the "Comprehensive Regulated
40 Medical Waste Management Act," P.L.1989, c.34 (C.13:1E-48.1 et
41 seq.), the "Major Hazardous Waste Facilities Siting Act," P.L.1981,
42 c.279 (C.13:1E-49 et seq.), the "Sanitary Landfill Facility Closure and
43 Contingency Fund Act," P.L.1981, c.306 (C.13:1E-100 et seq.), the
44 "Regional Low-Level Radioactive Waste Disposal Facility Siting Act,"
45 P.L.1987, c.333 (C.13:1E-177 et seq.), or any other law or regulation
46 by which the State may compel a person to perform remediation

1 activities on contaminated property. However, nothing in this
2 subsection shall be construed to limit the authority of the department
3 to establish discharge limits for pollutants or to prescribe penalties for
4 violations of those limits pursuant to the "Water Pollution Control
5 Act," P.L.1977, c.74 (C.58:10A-1 et seq.), or to require the complete
6 removal of nonhazardous solid waste pursuant to law.

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

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

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

1 specific physical site characteristics of the subject real property, the
2 use of the adopted residential use or nonresidential use soil
3 remediation standards would not be protective of public health or
4 safety or of the environment, as appropriate.

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

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

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

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

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

44 (5) Remediation shall not be required of the owner or operator of
45 real property for contamination coming onto the site from another
46 property owned and operated by another person, unless the owner or

1 operator is in any way responsible for the discharge;

2 (6) Groundwater that is contaminated shall not be required to be
3 remediated to a level or concentration for any particular contaminant
4 lower than the level or concentration that is migrating onto the
5 property from another property owned and operated by another
6 person;

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

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

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

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

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

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

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

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

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

1 continuing contamination. The department may rebut the presumption
2 only upon a finding by the preponderance of the evidence that the
3 remedial action workplan does not conform to the requirements and
4 standards established by regulation or that it would not be effective in
5 protecting public health, safety, and the environment.

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

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

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

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

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

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

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

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

28
29 ¹59. (New section) Beginning in the calendar year following the
30 effective date of this act, the New Jersey Economic Development
31 Authority shall allocate no less than 12-1/2 percent of the aggregate
32 amount of loans and loan guarantees made by the New Jersey
33 Economic Development Authority in any fiscal year to projects
34 consistent with the provisions of "The New Jersey Economic
35 Development Authority Act," P.L.1974, c.80 (C.34:1B-1 et seq.) and
36 that are located in municipalities designated as qualified municipalities
37 pursuant to section 3 of P.L. , c. (C.) (pending before the
38 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 ³[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.261.¹³

18
19 ³[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.88.¹³

29
30 ³[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.43.¹³

39
40 ³61. (New section) The authority may apply for funding from the
41 "Water Supply Bond Act of 1981," P.L.1981, c.261. Consideration
42 shall be given to funding such projects as may be practicable in a
43 qualified municipality as defined pursuant to section 3 of P.L. _____,
44 c. _____ (C. _____) (pending before the Legislature as this bill) or in an
45 empowerment zone or enterprise community as designated under

1 federal law, so long as those projects are consistent with the purposes
2 of P.L.1981, c.261.³

3
4 ³62. (New section) The authority may apply for funding from the
5 "Green Acres, Clean Water, Farmland and Historic Preservation Bond
6 Act of 1992," P.L.1992, c.88 and the "Green Acres, Farmland and
7 Historic Preservation, and Blue Acres Bond Act of 1995," P.L.1995,
8 c.204. Consideration shall be given to funding such projects as may
9 be practicable in a qualified municipality as defined pursuant to section
10 3 of P.L. , c. (C.) (pending before the Legislature as this bill)
11 or in an empowerment zone or enterprise community as designated
12 under federal law, so long as those projects are consistent with the
13 purposes of P.L.1992, c.88 or P.L.1995, c.204, as the case may be.³

14
15 ³63. (New section) The authority may apply for funding from the
16 "1992 New Jersey Employment and Workforce Development Act,"
17 P.L.1992, c.43. Consideration shall be given to funding such projects
18 as may be practicable in a qualified municipality as defined pursuant to
19 section 3 of P.L. , c. (C.) (pending before the Legislature as
20 this bill) or in an empowerment zone or enterprise community as
21 designated under federal law, so long as those projects are consistent
22 with the purposes of P.L.1992, c.43.³

23
24 ¹[93.] 64.¹ Section 27 of P.L.1993, c.139 (C.58:10B-5) is amended
25 to read as follows:

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

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

38 b. Financial assistance may be rendered from the remediation fund
39 to (1) owners or operators of industrial establishments who are
40 required to perform remediation activities pursuant to P.L.1983, c.330
41 (C.13:1K-6 et al.), upon closing operations or prior to the transfer of
42 ownership or operations of an industrial establishment, (2) persons
43 who have discharged a hazardous substance or who are in any way
44 responsible for a hazardous substance pursuant to P.L.1976, c.141
45 (C.58:10-23.11 et seq.), and (3) persons who voluntarily undertake the
46 remediation of a discharge of a hazardous substance or hazardous

1 waste and who have not been ordered or directed to perform the
2 remediation by the department or by a court.

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

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

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

22
23 ¹[94.] 65.¹ Section 28 of P.L.1993, c.139 (C.58:10B-6) is
24 amended to read as follows:

25 28. a. Except for moneys deposited in the remediation fund for
26 specific purposes, financial assistance and grants from the remediation
27 fund shall be rendered for the following purposes and, on an annual
28 basis, obligated in the percentages as provided in this subsection.
29 Upon a written joint determination by the authority and the department
30 that it is in the public interest, financial assistance and grants dedicated
31 for the purposes and in the percentages set forth in paragraph (1), (2),
32 or (3) of this subsection, may, for any particular year, be obligated to
33 other purposes set forth in this subsection. The written determination
34 shall be sent to the Senate Environment Committee, and the Assembly
35 ³[Environment and Energy] Agriculture and Waste Management³ [and
36 Hazardous Waste] Committee, or their successors. For the purposes
37 of this section, "person" shall include the New Jersey Redevelopment
38 Authority established pursuant to P.L. , c. (C.) (pending
39 before the Legislature as this bill).

40 (1) At least 15% of the moneys shall be allocated for financial
41 assistance to persons, including the New Jersey Redevelopment
42 Authority, other than other governmental entities, for remediation of
43 real property located in a qualifying municipality as defined in section
44 1 of P.L.1978, c.14 (C.52:27D-178);

45 (2) At least 10% of the moneys shall be allocated for financial
46 assistance and grants to municipal governmental entities that [own or]

1 hold a tax sale certificate on real property or have acquired through
2 foreclosure or other similar means real property on which there has
3 been or on which there is suspected of being a discharge of hazardous
4 substances or hazardous wastes or the New Jersey Redevelopment
5 Authority established pursuant to P.L. , c. (C.) (pending
6 before the Legislature as this bill), for any such real property upon
7 which the New Jersey Redevelopment Authority owns or holds the tax
8 sale certificate. Grants shall be used for performing preliminary
9 assessments [and], site investigations, and remedial investigations on
10 property [owned] acquired by a municipal governmental entity or the
11 New Jersey Redevelopment Authority, as the case may be, or on which
12 the municipality or the New Jersey Redevelopment Authority owns or
13 holds a tax sale certificate, in order to determine the existence or
14 extent of any hazardous substance or hazardous waste contamination
15 on those properties. A municipal governmental entity that has
16 performed a preliminary assessment [and], site investigation and
17 remedial investigation on property or the New Jersey Redevelopment
18 Authority, in any case where the New Jersey Redevelopment Authority
19 has performed the preliminary assessment, site investigation, and
20 remedial investigation may obtain a loan for the purpose of continuing
21 the remediation on those properties it owns as necessary to comply
22 with the applicable remediation standards adopted by the department;

23 (3) At least 15% of the moneys shall be allocated for financial
24 assistance to persons [or], including the New Jersey Redevelopment
25 Authority, or municipal governmental entities for remediation activities
26 at sites that have been contaminated by a discharge of a hazardous
27 substance or hazardous waste, or at which there is an imminent and
28 significant threat of a discharge of a hazardous substance or hazardous
29 waste, and the discharge or threatened discharge poses or would pose
30 an imminent and significant threat to a drinking water source, to
31 human health, or to a sensitive or significant ecological area;

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

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

43 (6) At least 20% of the moneys shall be allocated for grants to
44 persons, other than municipal governmental entities, who own real
45 property on which there has been a discharge of a hazardous
46 substance or a hazardous waste and that person qualifies for an

1 innocent party grant. A person qualifies for an innocent party grant if
2 that person acquired the property prior to December 31, 1983, except
3 as provided hereunder, the hazardous substance or hazardous waste
4 that was discharged at the property was not used by the person at that
5 site, and that person certifies that he did not discharge any hazardous
6 substance or hazardous waste at an area where a discharge is
7 discovered; provided, however, that if the person is the New Jersey
8 Redevelopment Authority established pursuant to P.L. _____, c.
9 (C. _____) (pending before the Legislature as this bill), the authority
10 shall qualify for an innocent party grant pursuant to this paragraph
11 ¹[regardless of when the authority acquired the property] where the
12 immediate predecessor in title to the authority qualified for but failed
13 to receive such grant¹. A grant authorized pursuant to this paragraph
14 may be for up to 50% of the remediation costs at the area of concern
15 for which the person qualifies for an innocent party grant, except that
16 no grant awarded pursuant to this paragraph to any person including
17 the New Jersey Redevelopment Authority may exceed \$1,000,000; and

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

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

1 interest on the loans issued from the remediation fund shall be paid to
2 the authority and shall be deposited into the remediation fund.

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

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

14 e. Prior to March 1 of each year, the authority shall submit to the
15 Senate Environment Committee and the Assembly ³[Environment and
16 Energy] Agriculture and Waste Management³ [and Hazardous Waste]
17 Committee, or their successors, a report detailing the amount of
18 money that was available for financial assistance and grants from the
19 remediation fund for the previous calendar year, the amount of money
20 estimated to be available for financial assistance and grants for the
21 current calendar year, the amount of financial assistance and grants
22 issued for the previous calendar year and the category for which each
23 financial assistance and grant was rendered, and any suggestions for
24 legislative action the authority deems advisable to further the
25 legislative intent to facilitate remediation and promote the
26 redevelopment and use of existing industrial sites.

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

28

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

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

1 Redevelopment Authority is eligible for grants and financial assistance
2 from the fund, the authority shall be awarded a grant or financial
3 assistance based upon the priority system for such awards as provided
4 in this subsection.

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

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

17
18 ¹[96.] 67.¹ The following ¹[are] is¹ hereby repealed: P.L.1984,
19 c.172 (C.52:27D-250 et seq.) ¹[and P.L.1985, c.227 (C.55:19-1 et
20 seq.); provided, however, that this repeal shall not affect any
21 obligation, lien or duty to pay taxes, interest or penalties which has
22 been reduced or which may be reduced by virtue of any credits
23 allowed pursuant to the provisions of the law repealed by P.L. , c.
24 (C.) (pending before the Legislature as this bill), or which may be
25 allowed with respect to any redetermination, correction,
26 recomputation or deficiency assessment; and provided that this repeal
27 shall not affect the legal rights of any taxpayer to protest or appeal any
28 taxes due or which may be due, together with such interest and
29 penalties as may accrue thereon, with regard to any credits granted
30 under the provisions of the law repealed]¹.

31
32 ¹[97.] 68.¹ There is appropriated to the New Jersey Redevelopment
33 Authority from the General Fund ²[a sum of ¹[\$250,000]
34 \$10,000,000¹] \$9,000,000² to effectuate the purposes of this act ¹ ²[;
35 of this appropriation, \$1,000,000 shall be dedicated] . There is
36 appropriated² to the Office of Neighborhood Empowerment
37 established pursuant to section 47 of P.L. c. (C.) (pending before
38 the Legislature as this bill) ²from the General Fund \$1,000,000² to
39 effectuate the purposes of this act¹.

40
41 ¹[98. (New section) Beginning in the calendar year following the
42 effective date of this act, the New Jersey Economic Development
43 Authority shall allocate no less than 12-1/2 percent of the aggregate
44 amount of loans and loan guarantees made by the authority in any
45 fiscal year to projects that are approved by the New Jersey
46 Redevelopment Authority as being consistent with the provisions of

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

5
6 ¹[99. (New section) Beginning in the calendar year following the
7 effective date of this act, the New Jersey Commission on Science and
8 Technology established pursuant to section 3 of P.L.1985, c.102
9 (C.52:9X-3), shall allocate no less than 15 percent of any monies
10 which the Commission spends during any fiscal year for applied
11 technology or technology transfer to projects located in municipalities
12 designated as qualified municipalities pursuant to section 3 of P.L. ,
13 c. (C.) (pending before the Legislature as this bill) and shall
14 notify the New Jersey Redevelopment Authority of the nature of the
15 project, the location of the project, and the amount of public funds
16 expended on the project.]¹

17
18 ¹[100. (New section) The New Jersey Redevelopment Authority
19 shall fund such projects as may be practicable in any municipality
20 eligible for designation as an empowerment zone or enterprise zone
21 under federal law through the issuance of tax exempt bonds as
22 provided in section 1394 of P.L.103-66; 107 Stat 548, which bonds
23 shall also be exempt from any tax levied pursuant to Title 54 of the
24 Revised Statutes or Title 54A of the New Jersey Statutes.]¹

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

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

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

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

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

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

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

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

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

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

15

16 ¹[104.] 69.¹ This act shall take effect on the ² [first day of the
17 seventh month next] 60th day² following enactment ² , except that
18 section 4 shall take effect immediately².

19

20

21

22

23 Designated the New Jersey Urban Redevelopment Act; appropriates
24 \$10 million.