

SENATE URBAN POLICY AND PLANNING COMMITTEE

STATEMENT TO

SENATE, No. 865

with committee amendments

STATE OF NEW JERSEY

DATED: MAY 9, 1996

The Senate Urban Policy and Planning Committee reports favorably Senate Bill No. 865, with committee amendments.

This bill, as amended by the committee, authorizes the issuance of \$35 million in State general obligation bonds for the cost of the demolition and disposal of unsafe buildings in urban and rural centers.

The bill defines "urban and rural center" as any municipality eligible to receive State aid under P.L.1977, c.260 (C.52:27D-162 et seq.) or P.L.1978, c.14 (C.52:27D-178 et seq.).

Of this amount, \$15 million is designated for grants to municipalities and agencies or authorities thereof to assist building demolition and disposal projects. Another \$15 million is set aside for the provision of loans to municipal government entities out of a revolving loan fund to assist building demolition and disposal projects, and \$5 million is targeted for use by the State, for the cost of demolishing and disposing of State-owned buildings in urban and rural areas.

The bill requires the Commissioner of Community Affairs to devise procedures for the review and approval of, and eligibility criteria for, the demolition and disposal of such buildings. In addition to the eligibility criteria established by the commissioner, a grant award shall require the applicant unit of municipal government to match the State contribution toward the cost of the building demolition and disposal project.

The bill requires the commissioner to prepare a priority list of eligible municipal projects based upon requests from municipal governing bodies or agencies or authorities thereof and based upon need. The commissioner is required to prepare a priority list of eligible State projects based upon requests from the State Treasurer.

The bill sets forth criteria according to which the commissioner shall evaluate the priority list in funding municipal projects. The commissioner shall give first priority to the demolition and disposal of an unsafe building as a necessary prerequisite to the erection of a new building by a governmental entity, non-profit organization or a private

individual or commercial enterprise pursuant to construction plans that have been approved by the municipality. Second priority shall be given to the demolition and disposal of an unsafe building which has been shown to pose an imminent and extreme health and safety hazard. Funds shall be appropriated by the Legislature only in accordance with those priority lists.

The bill would not take effect until it has been signed by the Governor and until the passage by the voters of the bond measure at the November 1996 general election.

The committee amended the bill to clarify that the guidelines governing the commissioner in establishing priorities for project funding shall apply to municipal projects only and not eligible State projects.