

52:31-1.4 and 52:31-1.5

LEGISLATIVE HISTORY CHECKLIST

NJSA: 52:31-1.4 and 52:31-1.5

(State property--sale--
former owner right of first
refusal)

LAWS OF: 1985

CHAPTER: 201

Bill No: A1415

Sponsor(s): Haytaian and others

Date Introduced: February 27, 1984

Committee: **Assembly:** State Government; Civil Service; Elections; Pensions and
Veterans Affairs

Senate: State Government, Federal and Interstate Relations

Amended during passage: Yes Amendments denoted by asterisks
according to Governor's recommendations

Date of Passage: **Assembly:** June 25, 1984 Re-enacted 4-29-85

Senate: January 24, 1985 Re-enacted 6-17-85

Date of Approval: June 27, 1985

Following statements are attached if available:

Sponsor statement: Yes

Committee statement: **Assembly** Yes

Senate Yes

Fiscal Note: No

Veto Message: Yes

Message on Signing: No

Following were printed:

Reports: No

Hearings: No

201 85
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ASSEMBLY, No. 1415

STATE OF NEW JERSEY

INTRODUCED FEBRUARY 27, 1984

By Assemblymen HAYTAIAN, LITTELL, GALLO, MARKERT,
ZIMMER and BENNETT

AN ACT to extend the right of first refusal to certain former owners of land that the State has acquired.

1 BE IT ENACTED *by the Senate and General Assembly of the State*
2 *of New Jersey:*

1 1. The State shall, prior to public auction to dispose of any land
2 ***and improvements*** which it has acquired ***within **[20]***
3 ****10*** years of the final decision to dispose of the land and im-*
4 *provements at issue***, or any interest therein or option therefor,
5 notify and provide the owners of record of the property at the time
6 of the acquisition the right to repurchase their interest at **the*
7 *current** fair market value **of that interest, as assembled to the*
8 *former owner's property**. The State shall notify the previous
9 owner of record by certified mail to the most current address ****of*
10 *record**** of that owner and by public notice in two newspapers
11 of general circulation in the area wherein the land is located. ****The*
12 *State Treasurer shall have the authority, through rules and regu-*
13 *lations, to establish the period of time by which the previous owner*
14 *of record must respond, following receipt of notice to the most*
15 *current address of record of that owner. If the previous owner of*
16 *record does not respond within the period of time established by*
17 *the State Treasurer, the previous owner's right to repurchase the*
18 *interest before it is disposed of at public auction shall expire.****
19 ***The owner of record shall not include the heirs or devisees of the*
20 *owner of record.***

1 ***2. Nothing in this act shall preclude an owner of record from*
2 *repurchasing his interest at the current fair market value even if*
3 *the property at issue is not assembled to his property.***

1 ***[2.]** **3.** This act shall take effect immediately.*

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 printed in italics thus is new matter.

Matter enclosed in asterisks or stars has been adopted as follows:

***—Assembly committee amendments adopted June 21, 1984.**

****—Senate committee amendments adopted September 20, 1984.**

*****—Assembly amendments adopted in accordance with Governor's recommendations April 15, 1985.**

ASSEMBLY, No. 1415

STATE OF NEW JERSEY

INTRODUCED FEBRUARY 27, 1984

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owners of land that the State has acquired.

1 BE IT ENACTED *by the Senate and General Assembly of the State*
2 *of New Jersey:*

1 1. The State shall, prior to public auction to dispose of any land
2 which it has acquired, or any interest therein or option therefor,
3 notify and provide the owners of record of the property at the time
4 of the acquisition the right to repurchase their interest at fair
5 market value. The State shall notify the previous owner of record
6 by certified mail to the most current address of that owner and by
7 public notice in two newspapers of general circulation in the area
8 wherein the land is located.

1 2. This act shall take effect immediately.

STATEMENT

The purpose of this bill is to allow former owners of property, sold to, or condemned by, the State, the first opportunity to repurchase their interest, when the property is being sold because the public purpose for its acquisition is not to be furthered. The need to establish this right of first refusal is evident from the inequity that results when former owners of property are forced to compete with others in order to reacquire the property which the State initially acquired from them. Under the provisions of this bill, the owner of the property at the time of the transfer would be given the opportunity to repurchase the property at its fair market value, before it is offered for sale to others.

ASSEMBLY STATE GOVERNMENT, CIVIL SERVICE,
ELECTIONS, PENSIONS AND VETERANS AFFAIRS
COMMITTEE

STATEMENT TO
ASSEMBLY, No. 1415

with Assembly committee amendments

STATE OF NEW JERSEY

DATED: JUNE 21, 1984

This bill requires that the State, before disposing of any interest in land which it holds, "notify and provide the owners of record of the property at the time of the acquisition the right to repurchase their interest at the current fair market value of that interest, as assembled to the former owner's property."

COMMITTEE AMENDMENT:

The committee amended the bill to clarify that the fair market value referred to is the current fair market value and to include the proviso that such value be "as assembled to the former owner's property."

SENATE STATE GOVERNMENT, FEDERAL AND
INTERSTATE RELATIONS AND VETERANS AFFAIRS
COMMITTEE

STATEMENT TO
ASSEMBLY, No. 1415

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with Senate committee amendments

STATE OF NEW JERSEY

DATED: SEPTEMBER 20, 1984

This bill extends the right of first refusal to former owners of record of property at the time of State acquisition. Prior to an auction to dispose of such property, the State shall notify the previous owner of record and provide him with an opportunity to repurchase the property at current fair market value.

The committee amended the bill to:

1. Include improvements;
 2. Provide for a 20-year time period;
 3. Provide that an owner of record shall not include heirs or devisees;
- and
4. Provide that this act shall not preclude an owner of record from repurchasing his interest at the current fair market value even if the property at issue is not assembled to his property.

STATE OF NEW JERSEY
EXECUTIVE DEPARTMENT

April 15, 1985

ASSEMBLY BILL NO. 1415 (2nd OCR)

To the General Assembly:

Pursuant to Article V, Section 1, Paragraph 14 of the Constitution, I herewith return Assembly Bill No. 1415 (2nd OCR) with my recommendations for reconsideration.

Assembly Bill No. 1415 (2nd OCR) would require the State to extend the right of first refusal, at current fair market value, to a former owner of State land and improvements before the State sells the land and improvements at public auction. The State's obligation will extend only to former owners who conveyed their land and improvements to the State within 20 years of the State's current decision to sell the land. The State must provide notice to an eligible owner of record by certified mail to the owner's most recent address and by public notice in two newspapers of general circulation in the area where the land at issue is located.

I support the concept expressed within Assembly Bill No. 1415 (2nd OCR). In many instances, former owners of record were forced to relinquish their property through condemnation proceedings or because a State project interfered with the enjoyment of their property. It is proper that eligible former owners of record be given an opportunity to repurchase the property before it is sold at public auction.

Despite my support for the concept, I must return Assembly Bill No. 1415 (2nd OCR) so that it may be amended to modify and clarify the notification provision.

I recommend that the extent of the State's obligation to notify former owners of record be reduced from 20 years to 10 years from the date of the State's current decision to sell the property. Locating a former owner of record after 20 years is unreasonably burdensome to the executive departments of State Government. A 10 year period is reasonable.

The phrase "most current address" should be clarified to ensure that it refers to the most current address of record. Amending Assembly Bill No. 1415 (2nd OCR) in this manner will ensure that the State has satisfied its obligation to notify a former owner of record, even if the former owner no longer resides at the most current address.

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EXECUTIVE DEPARTMENT

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Finally, I am concerned that Assembly Bill No. 1415 (2nd OCR) is silent regarding a period time by which a previous owner of record must respond, before the State may proceed to public auction. This deficiency will cause severe administrative problems for the executive departments of State government. It will impede the efficiency by which surplus State property is sold. This deficiency could be the impetus for lawsuits by previous owners of record who could argue that they were not given a reasonable period of time to respond, after receipt of notice.

I recommend that Assembly Bill No. 1415 (2nd OCR) be amended to confer upon the State Treasurer the authority, through rules and regulations, to set a reasonable period of time by which the previous owner of record must respond, following the receipt of notice to the current address. Amending Assembly Bill No. 1415 (2nd OCR) in this manner will allow the State Treasurer to adjust the response period as circumstances may require. It will ensure that the State will continue to dispose of surplus State property in an efficient and effective manner. It will ensure that previous owners of record will receive a reasonable time in which to respond following receipt of notice, and foreclose the possibility of litigation.

Accordingly, for the aforementioned reasons, I return Assembly Bill No. 1415 (2nd OCR) and recommend that it be amended as follows:

Page 1, Section 1, Line 2: Delete "20" insert "10"

Page 1, Section 1, Line 9: After "address" insert "of record"

Page 1, Section 1, Line 11: After "." insert "The State Treasurer shall have the authority, through rules and regulations, to establish the period of time by which the previous owner of record must respond, following receipt of notice to the most current address of record of that owner. If the previous

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EXECUTIVE DEPARTMENT

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owner of record does not respond within the period of time established by the State Treasurer, the previous owner's right to repurchase the interest before it is disposed of at public auction shall expire."

Respectfully,
/s/ Thomas H. Kean
GOVERNOR

[seal]

Attest:
/s/ W. Cary Edwards
Chief Counsel