40:48-2.5a

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"Municipal Emergency

Demolition Act"

NJSA:

40:48-2.5a

LAWS OF:

1992

CHAPTER: 89

BILL NO:

S119

SPONSOR(S)

Gormley

January 14, 1992

COMMITTEE:

ASSEMBLY:

Local Government

SENATE:

Judiciary

AMENDED DURING PASSAGE:

No Committee substitute enacted

DATE OF PASSAGE:

DATE INTRODUCED:

ASSEMBLY:

June 29, 1992

SENATE:

April 2, 1992

DATE OF APPROVAL:

August 24, 1992

FOLLOWING STATEMENTS ARE ATTACHED IF AVAILABLE:

SPONSOR STATEMENT:

Yes

COMMITTEE STATEMENT:

ASSEMBLY:

Yes

SENATE:

Yes

FISCAL NOTE:

VETO MESSAGE:

Yes

Nο

MESSAGE ON SIGNING:

Yes

FOLLOWING WERE PRINTED:

REPORTS:

No

HEARINGS:

No

KBG:pp

SENATE, No. 119

STATE OF NEW JERSEY

ADOPTED MARCH 9, 1992

Sponsored by Senator GORMLEY

AN ACT concerning the demolition of buildings by municipalities and amending and supplementing P.L.1942, c.112 and amending P.L.1976, c.68.

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

- 1. Section 2 of P.L.1942, c.112 (C.40:48-2.4) is amended to read as follows:
- 2. The following terms whenever used or referred to in this act shall have the following respective meanings for the purposes of this act, unless a different meaning clearly appears from the context:
- (a) "Governing body" shall mean the council, board of commissioners, trustees, committee, or other legislative body, charged with governing a municipality; provided, that in cities of the second class having a board of fire and police commissioners, the governing body shall mean such board of fire and police commissioners.
- (b) "Public officer" shall mean the officer, officers, board or body who is or are authorized by ordinances adopted hereunder to exercise the powers prescribed by such ordinances and by this act.
- (c) "Public authority" shall mean any housing authority or any officer who is in charge of any department or branch of the government of the municipality, county or State relating to health, fire, building regulations, or to other activities concerning buildings in the municipality.
- (d) "Owner" shall mean the holder or holders of the title in fee simple.
- (e) "Parties in interest" shall mean all individuals, associations and corporations who have interests of record in a building and any who are in actual possession thereof.
- (f) "Building" shall mean any building, or structure, or part thereof, whether used for human habitation or otherwise, and includes any outhouses, and appurtenances belonging thereto or usually enjoyed therewith.
- 36 (g) "Authority" shall mean the Casino Reinvestment
 37 Development Authority established pursuant to section 5 of
 38 P.L.1984, c.218 (C.5:12-153).
- (h) "Casino licensee" shall mean any casino licensed pursuant to the provisions of the "Casino Control Act," P.L.1977, c.110
- 41 (C.5:12-1 et seq.).
- 42 (cf: P.L.1956, c.197, s.3)

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.

- 2. Section 4 of P.L.1942, c.112 (C.40:48-2.6) is amended to read as follows:
- 4. An ordinance adopted by a municipality under this act shall provide that the public officer may determine that a building is unfit for human habitation or occupancy or use if he finds that conditions exist in such building which are dangerous or injurious to the health or safety of the occupants of such building, the occupants of neighboring buildings or other residents or such municipality; such conditions [may] shall be deemed to include the following (without limiting the generality of the foregoing): defects therein increasing the hazards of fire, accident, or other calamities; lack of adequate ventilation, light, or sanitary facilities; dilapidation; disrepair, structural uncleanliness; failure to comply with the requirements of the building code or the certificate of occupancy; such ordinance may provide additional standards to guide the public officer, or his agents, in determining the fitness of a building for human habitation or occupancy or use.
- 19 (cf: P.L.1956, c.197, s.5)

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- 3. Section 7 of P.L.1942, c.112 (C.40:48-2.9) is amended to read as follows:
 - An ordinance adopted by the governing body of the municipality may authorize the public officer to exercise such powers as may be necessary or convenient to carry out and effectuate the purposes and provisions of this act, including the following powers in addition to others herein granted; (a) to investigate the building conditions in the municipality in order to determine which buildings therein are unfit for human habitation or occupancy or use; (b) to administer oaths, affirmations, examine witnesses and receive evidence; (c) to enter upon premises for the purpose of making examinations; provided, that such entries shall be made in such manner as to cause the least possible inconvenience to the persons in possession; (d) to appoint and fix the duties of such officers, agents and employees as he deems necessary to carry out the purposes of the ordinances; and (e) to delegate any of his functions and powers under the ordinance to such officers and agents as he may designate.
 - Any action taken using revenues derived from the local property tax shall be taken only after advertisement for, and receipt of, bids therefore, pursuant to the provisions of the "Local Public Contracts Law," P.L.1971, c.198 (C.40A:11-1 et seq.), unless the action is necessary to prevent imminent danger to life, limb or property.
- 44 (cf: P.L.1956, c.197, s.7)
 - 4. (New section) Any building or buildings, or parts thereof, which have come into a state of disrepair through neglect, lack of maintenance or use, fire, accident or other calamities, or through any other act rendering the building or buildings, or parts thereof, in a state of disrepair, to the extent that the building is unfit for human habitation or occupancy or use, shall be deemed inimical to the welfare of the residents of the municipality wherein it is located, and a public officer appointed pursuant to the provisions of P.L.1942, c.112 (C.40:48-2.3 et seq.) may exercise his powers to repair, demolish, or cause the repairing or demolition of the

building or buildings, or parts thereof, pursuant to the provisions of section 5 of P.L., c. (C.) (now pending before the Legislature as this bill).

- 5. (New section) a. Notwithstanding any law to the contrary, in any municipality where the governing body has appointed a public officer pursuant to the provisions of P.L.1942, c.112 (C.40:48-2.3 et seq.), the public officer, to finance the costs of accomplishing the purpose of this act, shall have the power to accept gifts or grants from private or public agencies, or to accept donations from or enter into loan agreements with any casino licensee or the authority under any legal terms and conditions, including agreements which obligate such municipality to repay any such loan over a period in excess of one year, which the public officer determines will be beneficial to the purposes of P.L.1942, c.112 (C.40:48-2.3 et seq.). In the event that the public officer accepts or borrows any funds from any casino licensee or the authority for which funds the casino licensee seeks authorization for an investment tax credit in accordance with section 3 of P.L.1984, c.218 (C.5:12-144.1), the authority is authorized to approve an investment tax credit in accordance with the provisions of section 3 of P.L.1984, c.218 (C.5:12-144.1), and the authority's rules.
- b. All funds received pursuant to subsection a. of this section shall be placed in a separate municipal fund designated as the "Emergency Demolition Fund" to be used solely for demolition related activities. The public officer shall have the sole discretion in determining which funds will be accepted at the time and manner of all expenditures necessary to carry out the purposes of this act; except that, the public officer shall not accept or use any funds provided by a casino licensee or the authority for the purpose of demolishing any structure owned by a casino licensee. All payments made pursuant to this section shall be made under the direction of the public officer.
- 6. Section 3 of P.L.1976, c.68 (C.40A:4-45.3) is amended to read as follows:
- 3. In the preparation of its budget a municipality shall limit any increase in said budget to 5% or the index rate, whichever is less, over the previous year's final appropriations subject to the following exceptions:
 - a. (Deleted by amendment, P.L.1990, c.89.)
- b. Capital expenditures, including appropriations for current capital expenditures, whether in the capital improvement fund or as a component of a line item elsewhere in the budget, provided that any such current capital expenditure would be otherwise bondable under the requirements of N.J.S.40A:2-21 and 40A:2-22;
- c. (1) An increase based upon emergency temporary appropriations made pursuant to N.J.S.40A:4-20 to meet an urgent situation or event which immediately endangers the health, safety or property of the residents of the municipality, and over which the governing body had no control and for which it could not plan and emergency appropriations made pursuant to N.J.S.40A:4-46. Emergency temporary appropriations and emergency appropriations shall be approved by at least two-thirds of the governing body and by the Director of the

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Division of Local Government Services, and shall not exceed in the aggregate 3% of the previous year's final current operating appropriations.

(2) (Deleted by amendment, P.L.1990, c.89.)

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- The approval procedure in this subsection shall not apply to appropriations adopted for a purpose referred to in subsection d. or j. below;
 - d. All debt service, including that of a Type I school district;
- e. Upon the approval of the Local Finance Board in the Division of Local Government Services, amounts required for funding a preceding year's deficit;
 - f. Amounts reserved for uncollected taxes;
 - g. (Deleted by amendment, P.L.1990, c.89.)
- h. Expenditure of amounts derived from new or increased construction, housing, health or fire safety inspection or other service fees imposed by State law, rule or regulation or by local ordinance;
 - i. Any amount approved by any referendum;
- j. Amounts required to be paid pursuant to (1) any contract with respect to use, service or provision of any project, facility or public improvement for water, sewerage, parking, senior citizen housing or any similar purpose, or payments on account of debt service therefor, between a municipality and any other municipality, county, school or other district, agency, authority, commission, instrumentality, public corporation, body corporate and politic or political subdivision of this State; (2) the provisions of article 9 of P.L.1968, c.404 (C.13:17-60 through 13:17-76) by a constituent municipality to the intermunicipal account; [and] (3) any lease of a facility owned by a county improvement authority when the lease payment represents the proportionate amount necessary to amortize the debt incurred by the authority in providing the facility which is leased, in whole or in part; and (4) any repayments under a loan agreement entered into in accordance with the provisions of section 5 of P.L., c. pending before the Legislature as this act.
 - k. (Deleted by amendment, P.L.1987, c.74.)
- l. Appropriations of federal, county, independent authority or State funds, or by grants from private parties or non-profit organizations for a specific purpose, and amounts received or to be received from such sources in reimbursement for local expenditures. If a municipality provides matching funds in order to receive the federal, county, independent authority or State funds, or the grants from private parties or non-profit organizations for a specific purpose, the amount of the match which is required by law or agreement to be provided by the municipality shall be excepted;
 - m. (Deleted by amendment, P.L.1987, c.74.)
 - n. (Deleted by amendment, P.L.1987, c.74.)
- o. (Deleted by amendment, P.L.1990, c.89.)
 - p. (Deleted by amendment, P.L.1987, c.74.)
- q. (Deleted by amendment, P.L.1990, c.89.)
- r. Amounts expended to fund a free public library established pursuant to the provisions of R.S.40:54-1 through 40:54-29,
- 54 inclusive;

s. (Deleted by amendment, P.L.1990, c.89.)

- t. Amounts expended in preparing and implementing a housing element and fair share plan pursuant to the provisions of P.L.1985, c.222 (C.52:27D-301 et al.) and any amounts received by a municipality under a regional contribution agreement pursuant to section 12 of that act;
 - u. Amounts expended to meet the standards established pursuant to the "New Jersey Public Employees' Occupational Safety and Health Act," P.L.1983, c.516 (C.34:6A-25 et seq.);
 - v. (Deleted by amendment, P.L.1990, c.89.)
 - w. Amounts appropriated for expenditures resulting from the impact of a hazardous waste facility as described in subsection c. of section 32 of P.L.1981, c.279 (C.13:1E-80);
- x. Amounts expended to aid privately owned libraries and reading rooms, pursuant to R.S.40:54-35;
 - y. (Deleted by amendment, P.L.1990, c.89.)
 - z. (Deleted by amendment, P.L.1990, c.89.)
 - aa. Extraordinary expenses, approved by the Local Finance Board, required for the implementation of an interlocal services agreement;
 - bb. Any expenditure mandated as a result of a natural disaster, civil disturbance or other emergency that is specifically authorized pursuant to a declaration of an emergency by the President of the United States or by the Governor;
 - cc. Expenditures for the cost of services mandated by any order of court, by any federal or State statute, or by administrative rule, directive, order, or other legally binding device issued by a State agency which has identified such cost as mandated expenditures on certification to the Local Finance Board by the State agency;
 - dd. Expenditures of amounts actually realized in the local budget year from the sale of municipal assets if appropriated for non-recurring purposes or otherwise approved by the director;
- ee. Any local unit which is determined to be experiencing fiscal distress pursuant to the provisions of P.L.1987, c.75 (C.52:27D-118.24 et seq.), whether or not a local unit is an "eligible municipality" as defined in section 3 of P.L.1987, c.75 (C.52:27D-118.26), and which has available surplus pursuant to the spending limitations imposed by P.L.1976, c.68 (C.40A:4-45.1 et seq.), may appropriate and expend an amount of that surplus approved by the director and the Local Finance Board as an exception to the spending limitation. Any determination approving the appropriation and expenditure of surplus as an exception to the spending limitations shall be based upon:
- 1) the local unit's revenue needs for the current local budget year and its revenue raising capacity;
- 2) the intended actions of the governing body of the local unit to meet the local unit's revenue needs;
- 3) the intended actions of the governing body of the local unit to expand its revenue generating capacity for subsequent local budget years;
- 4) the local unit's ability to demonstrate the source and existence of sufficient surplus as would be prudent to appropriate as an exception to the spending limitations to meet the operating

SCS for S119

1	expenses for the local unit's current budget year; and
2	5) the impact of utilization of surplus upon succeeding budgets
3	of the local unit;
4	ff. Amounts expended for the staffing and operation of the
5	municipal court.
6	(cf: P.L.1990, c.95, s.3)
7	7. This act shall take effect immediately.
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12	Creates "Emergency Demolition Fund"; permits public officer
13	appointed under P.L.1942, c.112 to accept or borrow certain
14	funds.

by a notice of the program coordinator shall be entitled to recover any damages for action taken pursuant thereto, or because of noncompliance by any person with any notice of the program coordinator.

- 12. Nothing in this act shall be construed to abrogate or impair the powers of the courts or of any department of any municipality to enforce any provisions of its charter or its ordinances or regulations, nor to prevent or punish violations thereof; and the powers conferred by this act shall be in addition and supplemental to the powers conferred by any other law.
 - 13. This act shall take effect immediately.

STATEMENT

This bill, known as the "Municipal Emergency Demolition Act," provides a legal mechanism for a municipality to identify structures within the municipality which should be targeted for demolition, to permit the municipality to demolish structures which a property owner refuses to renovate and utilize, or demolish himself, and to provide for the funding of such a demolition project through monies provided by private or public agencies or by casinos and the Casino Reinvestment Development Authority.

Specifically, the bill authorizes a municipality to create an "Emergency Demolition Program" to be coordinated by a Demolition Program Coordinator designated by the governing body of the municipality or, in certain instances, by the mayor. The program coordinator is empowered by the provisions of the bill to investigate the condition of buildings located in a municipality to determine which ones may be certified by the program coordinator as having come into a state of disrepair through neglect, lack of use, fire, accident or other calamity. The municipality may, on that certification, repair or demolish the building, or order that the building be repaired or demolished. The program coordinator shall give the building owner notice requiring the repair, alteration, demolition or improvement of the building within a reasonable time, to make the building useful and habitable. If, within a reasonable time, the owner fails to repair, alter, demolish or improve the building, as the case may be, the program coordinator may cause the building to be removed or demolished.

All legal, administrative and demolition or moving costs incurred by the municipality in taking action against a property shall be a municipal lien against that property. The program coordinator may sell any materials salvaged from the building or the entire building, if it is moved off-site, and credit the proceeds of the sale against the cost of demolition or removal. If there are no credits, or if the sum of the costs exceeds the credits, the amount due shall be filed with the municipal tax collector and the owner of the property shall be so notified. If the credits exceed the costs, the balance shall be deposited with the Superior Court and shall be disbursed according to the order or judgment of the court to the persons found entitled to the

monies.

The program is to be funded by gifts or grants from private or public agencies or by donations or loans from casinos or the Casino Reinvestment Development Authority. Any casino which provides funds for the program may file an application with the Casino Reinvestment Development Authority for credits against investment alternative taxes. The authority is authorized to approve the application provided the board of the authority determines, for each donation or loan agreement, that the transaction does not violate any agreement or covenant or impair any financial obligation of the authority and complies with various provisions of the law establishing the authority.

Establishes "Municipal Emergency Demolition Act."

ASSEMBLY LOCAL GOVERNMENT COMMITTEE

STATEMENT TO

SENATE, No. 119

STATE OF NEW JERSEY

DATED: JUNE 15, 1992

The Assembly Local Government committee reports favorably Senate Bill No. 119 SCS.

This bill amends and supplements P.L.1942, c.112 authorizing municipalities to adopt ordinances relating to the repair, closing and demolition of buildings unfit for human habitation or occupancy or use and provides the remedies and procedures in connection therewith. In addition to the authorization to repair or demolish buildings under present law, where a building has been determined to be unfit for human habitation, occupancy or use, the public officer designated by the municipality is authorized to order the building owner to repair or demolish the building. If, within a reasonable time, the owner fails to repair or demolish the building, the public officer may cause the building to be repaired or removed.

The bill authorizes funding to be provided by gifts or grants from private or public agencies or by donations or loans from casino licensees or the Casino Reinvestment Development Authority. Any casino licensee which provides funds for the program may file an application with the Casino Reinvestment Development Authority for credits against investment alternative taxes. The authority is authorized to approve the application.

The bill also amends section 3 of P.L.1976, c.68 (C.40A:4-45.3) to provide that certain repayments to a municipality under a loan agreement entered into in accordance with the provisions of section 5 of this bill are an exception to the municipal budget cap limitation.

This bill is identical to the Assembly committee substitute for Assembly Bill No. 433, also reported by the committee on June 15, 1992.

SENATE JUDICIARY COMMITTEE

STATEMENT TO

SENATE, No. 119

STATE OF NEW JERSEY

DATED: MARCH 9, 1992

The Senate Judiciary committee reports favorably a Senate committee substitute for Senate Bill No. 119.

This substitute amends and supplements P.L.1942, c.112 authorizing municipalities to adopt ordinances relating to the repair, closing and demolition of buildings unfit for human habitation or occupancy or use and provides the remedies and procedures in connection therewith. In addition to the authorization to repair or demolish buildings under present law, where a building has been determined to be unfit for human habitation, occupancy or use, the public officer designated by the municipality is authorized to order the building owner to repair or demolish the building. If, within a reasonable time, the owner fails to repair or demolish the building, the public officer may cause the building to be repaired or removed.

The substitute authorizes funding to be provided by gifts or grants from private or public agencies or by donations or loans from casinos licensees or the Casino Reinvestment Development Authority. Any casino licensee which provides funds for the program may file an application with the Casino Reinvestment Development Authority for credits against investment alternative taxes. The authority is authorized to approve the application.

The substitute also amends N.J.S.A.40:4-45.3 to provide that certain repayments to a municipality under a loan agreement entered into in accordance with the provisions of section 5 of this substitute are an exception to the municipal budget cap limitation.

FISCAL NOTE TO

SENATE, No. 119

STATE OF NEW JERSEY

DATED: July 7, 1992

Senate Bill No. 119 SCS of 1992 amends and supplements P.L.1942, c.112 authorizing municipalities to adopt ordinances relating to the repair, closing and demolition of buildings unfit for human habitation or occupancy or use.

In addition to the authorization to repair or demolish buildings provided under present law, where a building has been determined to be unfit for human habitation, occupancy or use, the public officer designated by the municipality is authorized by the bill to order the building owner to repair or demolish the building. If, within a reasonable time, the owner fails to repair or demolish the building, the public officer may cause the building to be repaired or removed.

This bill authorizes funding to be provided by gifts or grants from private or public agencies or by donations or loans from casinos licensees or the Casino Reinvestment Development Authority. Any casino licensee which provides funds for the program may file an application with the Casino Reinvestment Development Authority for credits against investment alternative taxes. The authority is authorized to approve the application.

This bill also amends Section 3 of P.L.1976, c.68 (C.40A:4-45.3) to provide that certain repayments to a municipality under a loan agreement entered into in accordance with the provisions of section 5 of this bill are an exception to the municipal budget cap limitation.

The Department of Community Affairs (DCA) in its fiscal note estimates that this bill will impose no additional State or municipal cost.

The Office of Legislative Services (OLS) concurs with DCA that no additional State or municipal cost would be incurred under this bill. In fact, municipal costs could be reduced because gifts or grants from private or public agencies or donations or loans from casinos licensees or the Casino Reinvestment Development Authority may offset municipal costs to repair or remove buildings unfit for human occupancy or use.

This fiscal note has been prepared pursuant to P.L.1980, c.67.





OFFICE OF THE GOVERNOR NEWS RELEASE

CN-001 Contact: TRENTON, N.J. 08625 Release:

Jon Shure Jo Glading 609/777-2600 Monday August 24, 1992

GOVERNOR SIGNS EMERGENCY DEMOLITION BILL Gives Local Towns New Tool to Revitalize

ATLANTIC CITY -- Municipalities now have an important tool in their revitalization efforts under legislation signed today by Governor Jim Florio which allows local officials to step in when landlords fail to remove or rehabilitate unfit buildings.

"In Atlantic City, we're not picking winners. Our plan is geared to helping the whole city win. We're expanding the airport, building a new convention center, supporting a booming casino industry and playing hardball to attract a new baseball team," said Governor Florio. "But we're also planting our feet firmly in the community. We're not waiting for trickle down. We're building from the bottom up."

"This bill will target the neighborhoods that need help most. It will ensure that local families live in safe, healthy surroundings. It will help generate jobs and opportunity in the community to clean up our neighborhoods. Jobs that mean hope for the families of Atlantic City -- not make-work jobs, but good jobs that make life better for the entire city," he said.

The Emergency Demolition Fund allows municipalities to adopt ordinances to repair, close or demolish buildings deemed unfit for human habitation or use once the owner is given notice and fails to repair or demolish the building. Conditions that would warrant the action include defects that increase the hazard of fire or accidents; inadequate ventilation, light or sanitary facilities; dilapidation; disrepair; structural defects; uncleanliness or failure to comply with building code or certificate of occupancy requirements.

The new law allows the municipality to appoint a public officialwho would be able to accept grants or donations from private or public agencies, including the Casino Reinvestment Development Authority, or enter into a loan agreement in order to implement the legislation. All funds received would be placed in a separate municipal fund -- the "Emergency Demolition Fund" -- to be used solely for demolition-related activities.

"The Emergency Demolition Fund is a powerful new tool for municipalities struggling to revitalize areas that don't attract developers or business investors, but do affect the overall image of the city and it's basic vitality. The bill delivers on two fronts," the Governor said. "It cuts through red tape and it generates funds. It authorizes municipalities to repair, close and demolish buildings unfit for human habitation by allowing local government to act when a landlord will not remove or rehabilitate those blighted buildings."

"We're also encouraging the private sector to invest in the big picture. Any casino that takes the challenge will now be able to file an application with the Casino Reinvestment Development Authority for credits against investment alternative taxes. A healthy, revitalized city is good for business and a good investment," Governor Florio said.

The bill, S 119/A 433, was sponsored by Senator William Gormley, and Assemblypersons Fred Nickles and John Gaffney.

"Atlantic City can be the jewel in our crown again. This legislation is part of our vision of progress and opportunity. It's jobs, it's quality of life and it's the Atlantic City of the 21st century. The Emergency Demolition Fund is a safe bet on a great city," he said.