

52:31-1.6 and 52:31-1.7

LEGISLATIVE HISTORY CHECKLIST

NJSA: 52:31-1.6 and 52:3-1.7 (State Departments-- require 5-year property plans for Human Services Corrections and DOT)

LAWS OF: 1989 **CHAPTER:** 110

BILL NO: A332

SPONSOR(S): Frelinghuysen

Date Introduced: Pre-filed

Committee: **Assembly:** State Government

Senate: Institutions, Health & Welfare

Amended during passage: Yes Amendments denoted by asterisks.

Date of Passage: **Assembly:** February 29, 1988 Re-enacted 6-19-89

Senate: January 23, 1989 Re-enacted 6-26-89

Date of Approval: June 29, 1989

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

RDV

[THIRD REPRINT]
ASSEMBLY, No. 332

STATE OF NEW JERSEY

PRE-FILED FOR INTRODUCTION IN THE 1988 SESSION

By Assemblyman FRELINGHUYSEN

1 AN ACT concerning use of real property held by certain State
2 departments and supplementing Title 52 of the Revised
3 Statutes.

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

7 1. The Legislature finds and declares that:

8 a. The Department of Human Services and the Department of
9 Corrections possess real property, all of which is to be
10 maintained and used in furtherance of department goals and
11 functions.

12 b. Pursuant to P.L.1962, c.220 (C.52:31-1.1 et seq.), the
13 department heads, with the approval of the Governor and the
14 State House Commission, may dispose of the State's interest in
15 real property if it is deemed appropriate by the department head.

16 c. Unused property held by the departments and considered
17 surplus property is often transferred from one department to
18 another and sold without adequate legislative oversight and
19 review.

20 d. The resultant lack of guidelines and directives for the use
21 and control of real property in the Department of Human
22 Services and the Department of Corrections precludes any
23 coherent, long-range planning and policy formation for the use of
24 real property in those departments and by the Department of the
25 Treasury.

26 e. Consequently, to centralize and organize the real property
27 inventory of each of these departments and to provide for the
28 maintenance of general legislative oversight for the efficient
29 functioning of these departments, it is in the State's best
interests to require these departments to develop and promulgate

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 Assembly ASG committee amendments adopted February 1, 1988.

² Senate SIH committee amendments adopted December 8, 1988.

³ Assembly amendments adopted in accordance with Governor's
recommendations May 15, 1989.

1 a master plan which shall be updated annually in a report to the
Legislature.

3 f. Furthermore, it is in the best interests of the Department of
the Treasury to assist in the development and promulgation of
5 such a master plan and annual update.

2. a. The Commissioners of the Department of Human
7 Services and the Department of Corrections shall each, in
conjunction with the Department of ²the² Treasury, develop and
9 promulgate, and update annually, a comprehensive master plan
listing property held by the department and its control and usage
11 by the department. The plan shall ²[include: (1) a ten-year
projection of the use and intended use of all department real
13 property, whether used or unused at the time of development of
the plan, and (2) any projected changes in the use of real
15 property owned by the department over the ten-year period,
including acquisitions,]: (1) specify the current use of all real
17 property held by the department; (2) provide a ³[10-year]
five-year³ projection of the department's use of the property,
19 including anticipated² sales, transfers to other departments and
changes in intradepartmental use ²; and (3) provide a ³[10-year]
21 five-year³ projection of any anticipated acquisitions of additional
property by the department².

23 b. The Department of Human Services and the Department of
Corrections shall submit the master plan and each annual update
25 thereto concurrently to the General Assembly State Government
Committee, the Senate State Government Committee, the
27 General Assembly Appropriations Committee, and the Senate
Revenue, Finance and Appropriations Committee. The master
29 plan shall be submitted no longer than one year after the
effective date of this act and each ²[annual]² update shall be
31 submitted ²annually² on or before July 1 ²[annually]².

c. The Department of Human Services and the Department of
33 Corrections, in conjunction with the Department of ²the²
Treasury, shall also report to the committees described in
35 subsection b. of this section the transfer or sale of any surplus
real property prior to the transfer or sale ³[and shall indicate the
37 amount of money the State anticipates receiving from a sale, or
any monetary value of the property transferred to another
39 department, and the manner in which the department plans to

1 expend the proceeds from such a sale or transfer]³.

3 The departments shall provide such notification to the
committees ³[30 days prior to] simultaneous with³ any scheduled
5 action by the State House Commission to authorize the sale of
the surplus State properties, or in the case of a transfer, 30 days
7 prior to the transfer ¹, whether or not that sale or transfer is
identified in or contemplated by the master plan or the most
recently submitted update thereof¹.

9 3. This act shall take effect immediately.

11

STATE GOVERNMENT

13

Land Use and Planning

15 Requires Depts. of Human Services and Corrections, in
conjunction with the Department of Treasury, to promulgate
17 10-year master plan and annual updates on use of real property.

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STATEMENT

3 This bill requires the Departments of Human Services and
Corrections, in conjunction with the Department of Treasury, to
5 submit a ten-year master plan and an annual update to the
Assembly and Senate State Government Committees, the Senate
7 Revenue, Finance and Appropriations Committee, and the
Assembly Appropriations Committee outlining the use and
9 intended use of all real property held by the departments.

The bill takes cognizance of the fact that there is presently
11 no central and coherent inventor, or usage plan of real property
held by these departments. To permit the Legislature to have
13 more oversight and review of the acquisition, sale, or transfer of
real property, these two departments are now required by this
15 bill to submit a ten-year master plan and annual updates of the
plan and notify the legislative committees of any pending sales
17 or transfers 30 days before final action.

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STATE GOVERNMENT

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Land Use and Planning

23 Requires Depts. of Human Services and Corrections, in
conjunction with the Department of Treasury, to promulgate
25 10-year master plan and annual updates on use of real property.

A 382 (1989)

ASSEMBLY STATE GOVERNMENT COMMITTEE

STATEMENT TO

ASSEMBLY, No. 332

with Assembly committee amendments

STATE OF NEW JERSEY

DATED: JANUARY 28, 1988

The Assembly State Government Committee reports favorably and with committee amendments Assembly Bill No. 332.

This bill requires the Departments of Human Services and Corrections, in conjunction with the Department of Treasury, to submit a ten-year master plan and an annual update to the Assembly and Senate State Government Committees, the Senate Revenue, Finance and Appropriations Committee, and the Assembly Appropriations Committee outlining the use and intended use of all real property held by the departments.

To permit the Legislature to have more oversight and review of the acquisition, sale or transfer of real property, these two departments will be required under this bill to submit a ten-year master plan and annual updates of the plan and to notify the legislative committees of any pending sales or transfers 30 days before final action.

This bill was prefiled for introduction in the 1988 session pending technical review. As reported, the bill includes the changes required by technical review, which has been performed.

COMMITTEE AMENDMENTS

The Committee amended the bill to clarify that the requirement of notice to the Legislature of pending sales and transfers is to apply to all such sales and transfers, and not only to those contemplated in the master plan.

SENATE INSTITUTIONS, HEALTH AND WELFARE COMMITTEE

STATEMENT TO

[FIRST REPRINT]

ASSEMBLY, No. 332

with Senate committee amendments

STATE OF NEW JERSEY

DATED: DECEMBER 1, 1988

The Senate Institutions, Health and Welfare Committee favorably reports Assembly Bill No. 332 (1R) with committee amendments.

As amended by committee, this bill requires the Departments of Human Services and Corrections, in conjunction with the Department of the Treasury, to prepare and update annually a 10-year comprehensive master plan which describes the current use of, and projects the future use of, all real property held by each department. The bill directs the departments to submit the plan to the Assembly and Senate State Government Committees, the Assembly Appropriations Committee and the Senate Revenue, Finance and Appropriations Committee. The bill also requires the departments to report to the Legislature any sale or transfer of surplus real property prior to the sale or transfer, and to indicate the monetary value of the property and the manner in which the department plans to expend the proceeds from the sale or transfer.

The committee amendments are technical and clarify what information the master plan shall include.

STATE OF NEW JERSEY
EXECUTIVE DEPARTMENT

April 24, 1989

ASSEMBLY BILL NO. 332 (Second Reprint)

To the General Assembly:

Pursuant to Article V, Section I, Paragraph 14 of the Constitution, I am returning Assembly Bill No. 332 (Second Reprint), with my objections, for reconsideration.

Assembly Bill No. 332 (Second Reprint) would require the Departments of Corrections and Human Services, in conjunction with the Department of the Treasury (hereinafter collectively referred to as "the Departments"), to develop a comprehensive ten-year master plan. The master plan would provide an inventory of all of the Departments' real property, the properties' present and projected use, anticipated sales or transfers and real property acquisitions. In addition, the Departments must annually update the master plan.

Assembly Bill No. 332 (Second Reprint) would also require the Departments to notify the Senate Revenue, Finance and Appropriations Committee, the General Assembly Appropriations Committee, the Senate State Government Committee and the General Assembly State Government Committee (hereinafter collectively referred to as "the Committees") of the sale or transfer of surplus State properties. The notice that the Departments must provide includes the amount of money that the State anticipates receiving from the sale or transfer of the surplus property, how the Department plans to expend the proceeds and whether the sale or transfer has been identified in or contemplated by the most recent master plan update. This notice is to be provided to the Committees thirty (30) days prior to any scheduled action by the State House Commission.

While I support the basic concept expressed in Assembly Bill No. 332 (Second Reprint), I believe that this bill must be amended in several areas. Some of these amendments are substantially similar to those that I suggested in my March 12, 1987 conditional veto message on Assembly Bill No. 3221.

I recommend that Assembly Bill No. 332 (Second Reprint) be amended to eliminate certain unnecessary information from the notice that Departments must supply upon the sale or transfer of surplus State properties. The provision of Assembly Bill No. 332 (Second Reprint) requiring the Departments to notify the Committees of the amount that is expected to be received from

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a sale or transfer of surplus State property thirty (30) days before any action by the State House Commission is unnecessary. At such an early point in the process, it would be quite difficult to ascertain the amount that will be received from the sale of most surplus State property because most surplus State property is sold at public auction. Therefore, this provision would be of minimal assistance to the Committees and will create an additional and unnecessary administrative obligation for the Departments. For this reason, I recommend that this provision be deleted from the bill.

Another provision of Assembly Bill No. 332 (Second Reprint) requires the Departments to notify the Committees as to how they plan to expend the proceeds from the sale or transfer of surplus property thirty (30) days before State House Commission action. On some occasions, this requirement could result in the imprudent use of the sale proceeds. Selling surplus State property can be a very long process, especially if legislative ratification is necessary. It is not unusual for the consummation of a sale to take at least one year. Because a department's priorities may change with the passage of time, it is unwise to require that the proceeds from a proposed sale be committed for a particular purpose so early in the process. For this reason, I recommend that this provision be deleted from Assembly Bill No. 332 (Second Reprint).

The notice provision of Assembly Bill No. 332 (Second Reprint) may also impede the process by which surplus property is sold. I interpret the 30-day notice provision to mean that if the Departments do not notify the Committees of a proposed sale thirty (30) days before an upcoming State House Commission meeting, the Commission would not be able to consider that transaction at that meeting and would have to delay consideration of that transaction until the next meeting. The State House Commission meets only quarterly. The 30-day notice provision could have the effect of unnecessarily delaying a sale of surplus property by as much as four months. Consequently, in light of the foregoing, I recommend that the 30-day notice provision be deleted from Assembly Bill No. 332 (Second Reprint).

Finally, although I support the concept of a master plan as set forth in the bill to assist the State in its planning to utilize effectively real property held by the Departments, I would recommend the development of a

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five-year master plan instead of a ten-year master plan. A five-year master plan provides a more manageable approach. Foreseeing the demands and needs of a department is a difficult task. In addition, economic factors coupled with changing department priorities counsel in favor of a shorter time period. For these reasons, I recommend that this provision be amended as noted.

Accordingly, I herewith return Assembly Bill No. 332 (Second Reprint) and recommend that it be amended as follows:

<u>Page 2, Section 2a, Line 15:</u>	OMIT "10-year" INSERT "5-year"
<u>Page 2, Section 2a, Line 18:</u>	OMIT "10-year" INSERT "5-year"
<u>Page 2, Section 2c, Line 34:</u>	OMIT "and shall indicate the" INSERT "."
<u>Page 2, Section 2c, Lines 36-38:</u>	DELETE in entirety
<u>Page 3, Section 2c, Line 1:</u>	OMIT "30 days prior to" INSERT "simul- taneous with"

Respectfully,

/s/ Thomas H. Kean

GOVERNOR

[seal]

Attest:

/s/ Deborah T. Poritz

Chief Counsel