

40:56-65 et al

LEGISLATIVE HISTORY CHECKLIST

NJSA: 40:56-65 et al

(Municipal improvement-  
districts and district  
management corporations)

LAWS OF: 1984

CHAPTER: 151

Bill No: S1680

Sponsor(s): Lynch

Date Introduced: May 14, 1983

Committee: Assembly: /////

Senate: County and Municipal Government

Amended during passage: Yes

Substituted for A1957 (not attached  
since identical to S1680)

Date of Passage:

Assembly: June 28, 1984

Senate: June 28, 1984

Date of Approval: Sept. 10, 1984

Following statements are attached if available:

Sponsor statement:

Yes

Also attached: Senate  
Amendments, adopted  
6-25-84 (with statement)

Committee statement:

Assembly

No

Senate

Yes

Fiscal Note:

No

Veto Message:

No

Message on Signing:

Yes

Following were printed:

Reports:

No

Hearings:

No

CHAPTER 151 LAWS OF N. J. 1984

APPROVED 9-10-84

[SECOND OFFICIAL COPY REPRINT]

SENATE, No. 1680

# STATE OF NEW JERSEY

INTRODUCED MAY 14, 1984

By Senator LYNCH

Referred to Committee on County and Municipal Government

AN ACT to amend the title of "An act authorizing municipalities to undertake, develop, construct, operate and finance, as local improvements, pedestrian malls, and supplementing chapter 56 of Title 40 of the Revised Statutes," approved August 17, 1972 (P. L. 1972, c. 134), so that the same shall read "An act authorizing municipalities to undertake, develop, construct, operate and finance, as local improvements, pedestrian malls, and to create special improvement districts and "[downtown]" district management corporations, and supplementing chapter 56 of Title 40 of the Revised Statutes," and to amend and supplement the body of said act.

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

1 1. The title of P. L. 1972, c. 134 is amended to read as follows:  
2 An act authorizing municipalities to undertake, develop, construct,  
3 operate and finance, as local improvements, pedestrian malls, *and*  
4 *to create special improvement districts and "[downtown]" district*  
5 *management corporations, and supplementing chapter 56 of*  
6 *Title 40 of the Revised Statutes.*

1 2. Section 1 of P. L. 1972, c. 134 (C. 40:56-65) is amended to  
2 read as follows:

3 1. a. The Legislature finds: (1) increases in population and  
4 automobile usage have created conditions of traffic congestion in  
5 business districts of New Jersey municipalities; (2) such conditions  
6 constitute a hazard to the safety of pedestrians and impede the  
7 movement of police and fire equipment, ambulances and like emer-

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:

\*—Senate committee amendments adopted June 13, 1984.

\*\*—Senate amendments adopted June 25, 1984.

8 obey vehicles; (3) streets in such districts that now accommodate  
 8a both sidewalks and vehicular rights-of-way cannot be further  
 9 widened without taking valuable buildings and improvements,  
 10 thereby substantially impairing the primary function of such  
 11 streets, that of being primarily pedestrian facilities, and impairing  
 12 municipal ratables, the primary source of tax revenue; and (4)  
 13 limitation on the use of such streets by private vehicles may be  
 14 found by the governing body of any such municipality to be in the  
 15 public interest of the municipality and State, to be of benefit to  
 16 adjoining properties and to be essential to the effective use of such  
 17 streets for street purposes.

18 b. *The Legislature further finds: (1) that district management*  
 19 *corporations may assist municipalities in promoting economic*  
 20 *growth and employment within business districts; (2) that munici-*  
 21 *palities should be encouraged to create self financing special im-*  
 22 *provement districts and designated district management corpora-*  
 23 *tions to execute self-help programs to enhance their local business*  
 24 *climates; and (3) that municipalities should be given the broadest*  
 25 *possible discretion in establishing by local ordinance the self-help*  
 26 *programs most consistent with their local needs, goals and objec-*  
 27 *tives.*

28 c. It is the public policy of the State of New Jersey to permit  
 29 the governing body of any municipality to protect the public welfare  
 30 and health and the interests of the public in the safe and effective  
 31 movement of persons and to preserve and enhance the function and  
 32 appearance of the business districts of such municipalities by the  
 33 adoption of [pedestrian mall] ordinances as in this act authorized.

1 3. Section 2 of P. L. 1972, c. 134 (C. 40:56-66) is amended to  
 2 read as follows:

3 2. As used in this act [ , "pedestrian" ]: "a. "Pedestrian mall" or  
 4 "pedestrian mall improvement" means any local improvement de-  
 5 signed to be used primarily for the movement, safety, convenience  
 6 and enjoyment of pedestrians, whether or not a part of a street is  
 7 set apart for roadway for emergency vehicles, transit vehicles and  
 8 private vehicles or any of them and a pedestrian mall improvement  
 9 shall include but not be limited to pedestrian throughfares, perim-  
 10 eter parking, public seating, park areas, outdoor cafes, shelters,  
 11 trees, flower plantings, sculptures, newsstands, telephone booths,  
 12 traffic signs, kiosks, fire hydrants, street lighting, ornamental signs,  
 13 ornamental lights, trash receptacles, display cases, marquees, awn-  
 14 ings, canopies, overhead radiant heating fixtures, underground  
 15 radiant heating pipes and devices, walls, bollards and chains and  
 16 all such other fixtures, equipment, facilities and appurtenances

17 which in the judgment of the governing body of a municipality  
18 will enhance the movement, safety, convenience and enjoyment of  
19 pedestrians and benefit the municipality and adjoining properties.

20 *b. "Special improvement district" means an area within a ma-*  
21 *nicipality designated by municipal ordinance as an area in which*  
22 *a special assessment on all property within the district shall be*  
23 *imposed for the purposes for promoting the economic and general*  
24 *welfare of the district and the municipality.*

25 *c. "District management corporation" means an entity created*  
26 *by municipal ordinance or incorporated pursuant to Title 15A of*  
27 *the New Jersey Statutes and designated by municipal ordinance*  
28 *to receive funds collected by a special assessment within a special*  
29 *improvement district as authorized by this amendatory and sup-*  
30 *plementary act.*

1 4. Section 3 of P. L. 1972, c. 132 (C. 40:56-61) is amended to  
2 read as follows:

3 3. In addition to the works enumerated in R. S. 40:56-1 any mu-  
4 nicipality may undertake development and maintenance of a  
5 pedestrian mall, or provide for the creation and management of  
6 a special improvement district, as a local improvement in accor-  
7 dance with this act and the provisions of chapter 56 of Title 40 of  
8 the Revised Statutes (R. S. 40:56-1 et seq.).

1 5. Section 4 of P. L. 1972, c. 134 (C. 40:56-68) is amended to  
2 read as follows:

3 4. *a.* A pedestrian mall ordinance may be adopted if the govern-  
4 ing body of any municipality finds: (1) a street or part thereof is  
5 not a part of any State highway, is located primarily in a business  
6 district, is improved to its maximum feasible width with regard to  
7 adjoining buildings and improvements, (2) reasonably convenient  
8 alternate routes to other parts of the municipality and State exist  
9 for private vehicles, (3) continued unlimited use of the street or  
10 part thereof by private vehicles may constitute a hazard to the  
11 health and safety of pedestrians, (4) abutting properties can  
12 reasonably and adequately be provided with emergency vehicular  
13 services and receive and deliver merchandise and materials from  
14 other streets and alleys or by provisions for limited use of the  
15 streets by emergency vehicles and carriers of such merchandise and  
16 materials, and (5) it is in the best interests of the municipality and  
17 the public and of benefit to adjacent properties to use such street  
18 primarily for pedestrian purposes, and that pedestrian use is  
19 determined to be the highest and best use of such street or part  
20 thereof.

21 *b.* A special improvement district ordinance may be adopted if

22 *the governing body of a municipality finds: (1) that an area within*  
 23 *the municipality as described by lot and block numbers and by*  
 24 *street addresses in the enabling ordinance would benefit from being*  
 25 *designated as a special improvement district; (2) that a district*  
 26 *management corporation would provide administrative and other*  
 27 *services to benefit the businesses, employees, residents and con-*  
 28 *sumers in the special improvement district; (3) that a special as-*  
 29 *essment shall be imposed and collected by the municipality with*  
 30 *the regular property tax payment or payment in lieu of taxes or*  
 31 *otherwise, and that all or a portion of these payments shall be*  
 32 *transferred to the district management corporation to effectuate*  
 33 *the purposes of this amendatory and supplementary act and to*  
 34 *exercise the powers given to it by municipal ordinance; and (4)*  
 35 *that it is in the best interests of the municipality and the public*  
 36 *to create a special improvement district and to designate a district*  
 37 *management corporation\*\*; except that no district management*  
 38 *corporation shall be designated to receive any funds or to exercise*  
 39 *any powers pursuant to the provisions of this amendatory and*  
 40 *supplementary act unless the board of directors of that corporation*  
 41 *shall include at least one member of the governing body of the*  
 42 *municipality\*\*.*

1 6. Section 6 of P. L. 1972, c. 134 (C. 40:56-70) is amended to  
 2 read as follows:

3 6. The governing body of any municipality may by resolution  
 4 authorize the commencement of studies and the development of  
 5 preliminary plans and specifications relating to the creation and  
 6 maintenance of a pedestrian mall facility *or special improvement*  
 7 *district* including, whenever possible, estimates of construction and  
 8 maintenance and costs and estimates of potential gross benefit  
 9 assessment.

10 *In the case of a special improvement district, these studies and*  
 11 *plans may include criteria to regulate the construction and altera-*  
 12 *tion of facades of buildings and structures in a manner which pro-*  
 13 *motates unified or compatible design.*

1 7. Section 7 of P. L. 1972, c. 134 (C. 40:56-71) is amended to  
 2 read as follows:

3 7. Upon review of the reports and recommendations submitted,  
 4 an ordinance may be adopted authorizing and directing the  
 5 establishment and maintenance of a pedestrian mall facility *or*  
 6 *special improvement district*. In addition to other requirements  
 7 for the consideration and adoption of ordinances, at least 10 days  
 8 prior to the date fixed for a public hearing thereon a copy of the  
 9 proposed ordinance and notice of the date, time and place of the

10 hearing shall be mailed to the owners and tenants of the lots or  
 11 parcels of land abutting or directly affected by any proposed  
 12 pedestrian mall *or included in the special improvement district*  
 13 proposed by the ordinance, *as the case may be.*

14 *In the case of a special improvement district, the ordinance may*  
 15 *include the requirement that construction or alteration of building*  
 16 *and structure facades be subject to prior review and approval to*  
 17 *assure compliance with design criteria included in the ordinance.*  
 18 *The design criteria shall be approved by the municipal planning*  
 19 *board prior to inclusion in the ordinance. A municipal officer or*  
 20 *agency shall be designated by ordinance to conduct the review and*  
 21 *grant or deny approvals of proposed constructions or alterations*  
 22 *of facades. In lieu of that designation, the governing body may*  
 23 *designate the district management corporation to conduct these*  
 24 *reviews and grant or deny these approvals, but only if the govern-*  
 25 *ing body finds in the ordinance that the corporation is so constituted*  
 26 *and organized as to be reasonably appropriate and qualified for*  
 27 *this role. If the district management corporation is so designated,*  
 28 *the ordinance may provide for the appeal of individual determina-*  
 29 *tions of the corporation to the municipal planning board.*

1 8. Section 8 of P. L. 1972, c. 134 (C. 40:56-72) is amended to  
 2 read as follows:

3 8. A pedestrian mall *or special improvement district ordinance*  
 4 may provide that all costs of development, construction and ac-  
 5 quisition relating to the creation of a pedestrian mall *or provision*  
 6 *of improvements for a special improvement district, as the case*  
 7 *may be, shall be financed and assessed to properties especially*  
 8 benefited thereby as provided generally by N. J. S. 40:56-1 et seq.  
 9 and the ordinance shall list and describe, by lot and block numbers  
 10 and by street address, all properties to be assessed for **[such im-**  
 11 **provement]** *the pedestrian mall or special district improvements,*  
 12 *as the case may be.*

1 9. Section 9 of P. L. 1972, c. 134 (C. 40:56-73) is amended to  
 2 read as follows:

3 9. If the governing body determines that the **[improvement]**  
 4 *improvements* will involve annual costs in addition to the initial  
 5 cost of constructing and making the **[improvement]** *improvements,*  
 6 and that such annual costs relate to maintenance services peculiar  
 7 to the mall facility *or special improvement district, as the case may*  
 8 *be, and distinguished from maintenance services normally provided*  
 9 *by the municipality outside of the mall facility or special improve-*  
 10 *ment district, as the case may be, and will provide benefits pri-*  
 11 *marily, in the case of a pedestrian mall, to adjacent, surrounding*

12 or neighboring property, *or in the case of a special improvement*  
 13 *district, to property included in the district*, rather than to the mu-  
 14 nicipality as a whole, the ordinance may provide that the [im-  
 15 provement] *improvements* and facilities thereof shall be operated  
 16 and maintained pursuant to the provisions of this act and the costs  
 17 thereof assessed or taxed to benefited properties *or businesses*  
 18 pursuant to the provisions of section 16 of [this act] *P. L. 1972,*  
 19 *c. 134 (C. 40:56-80) or section 19 of this amendatory and supple-*  
 20 *mentary act.* At any time after a pedestrian mall *or special im-*  
 21 *provement district* ordinance has been adopted or lands have been  
 22 acquired or improved for a pedestrian mall *or special improvement*  
 23 *district, as the case may be*, the governing body may upon such  
 24 determination provide, by separate ordinance or by amendment to  
 25 [a pedestrian mall] *the ordinance*, that the [improvement] *im-*  
 26 *provements* and facilities thereof shall be so operated and main-  
 27 tained and the costs so taxed and assessed to benefited properties  
 28 *or businesses.* In any such case, such ordinance shall describe the  
 29 properties to be assessed or taxed, *or in which any businesses may*  
 30 *be contained which may be assessed or taxed*, for such annual costs,  
 31 which area may be given the name "(name of Pedestrian Mall)  
 32 Improvement District" *or "(name of Special Improvement Dis-*  
 33 *trict) Improvement District."*

1 10. Section 10 of P. L. 1972, c. 134 (C. 40:56-74) is amended  
 2 to read as follows:

3 10. Notwithstanding any contrary provision of law, ordinance,  
 4 code or regulation governing standards and specifications for street  
 5 and sidewalk construction, a pedestrian mall *or any street or side-*  
 6 *walk included in a special improvement district* may be constructed  
 7 of concrete, bricks, asphalt tiles, blocks, granite or such other ma-  
 8 terials and such combinations of materials as the governing body  
 9 of a municipality shall approve, and the governing body of a  
 10 municipality may in its discretion narrow any roadway to be kept  
 11 and maintained in connection with any pedestrian mall *or special*  
 12 *improvement district*, may cause any street vaults to be recon-  
 13 structed or removed, may construct crosswalks at any point within a  
 14 block as well as at the ends of blocks, and may cause the roadway  
 15 to curve and meander within the limits of the street regardless of  
 16 the uniformity of width of the street or curve or absence of curve  
 17 in the center line of such street to enhance the usefulness and  
 18 appearance of a pedestrian mall *or special improvement district.*

1 11. Section 11 of P. L. 1972, c. 134 (C. 40:56-75) is amended  
 2 to read as follows:

3 11. Notwithstanding the improvement of any street as a pedes-

4 trian mall *or incidental to a special improvement district*, the municipi-  
 5 pality and its governing body shall retain its police powers and  
 6 other rights and powers relating to the street or part thereof con-  
 7 stituting the pedestrian mall *or included in a special improvement*  
 8 *district*, and no such action shall be interpreted or construed to  
 9 be a vacation, in whole or in part, of any municipal street or part  
 10 thereof, it being intended that the establishment of a pedestrian  
 11 mall *or special improvement district* pursuant to this act, *as the*  
 12 *case may be*, is a matter of a regulation only. This act shall not  
 13 prevent the governing body of any municipality, at any time sub-  
 14 sequent to the adoption of a pedestrian mall *or special improvement*  
 15 *district* ordinance, by ordinance, from abandoning the operation  
 16 of the pedestrian mall *or special improvement district*, changing  
 17 the extent of the pedestrian mall *or special improvement district*,  
 18 supplementing or amending the description of the district to be  
 19 specially assessed or taxed for annual costs of the pedestrian mall  
 20 *or special improvement district*, or changing or repealing any  
 21 limitations on the use of the pedestrian mall *or special improvement*  
 22 *district streets* by private vehicles or any plan, rules or regulations  
 23 adopted for the operation of a pedestrian mall *or special improv-*  
 24 *ment district*.

1 12. Section 12 of P. L. 1972, c. 134 (C. 40:56-76) is amended to  
 2 read as follows:

3 12. Condemnation proceedings incidental to the development or  
 4 maintenance of a pedestrian mall *or special improvement district*,  
 5 *as the case may be*, are authorized and shall be taken in accordance  
 6 with the provisions of chapter 56 of Title 40 of the Revised Statutes  
 7 **[(N. J. S. 40:56-1 et seq.)]**. All procedures incidental to the de-  
 8 velopment and maintenance of a pedestrian mall *or special im-*  
 9 *provement district* pursuant to this act including financing land  
 10 acquisition and legal challenges and appeals not specifically pre-  
 11 scribed hereunder shall be taken in accordance with other applica-  
 12 ble provisions of said chapter 56 of Title 40.

1 13. Section 13 of P. L. 1972, c. 134 (C. 40:56-77) is amended  
 2 to read as follows:

3 13. a. Any pedestrian mall created pursuant to this act above,  
 4 *or any property of a special improvement district* may be used,  
 5 under the direction of the governing body, for any purpose or  
 6 activity which will enhance the movement, safety, convenience or  
 7 enjoyment of pedestrians, including seating, display and sale of  
 8 merchandise, exhibiting, advertising, public events, and any other  
 9 use or activity which in the judgment of the governing body will  
 10 enhance the movement, safety, convenience or enjoyment of pedes-



11 trians and any other use or activity permitted by any applicable  
 12 pedestrian mall ordinance *a special improvement district* or other  
 13 applicable law, ordinance or power.

14 b. Upon adoption of a pedestrian mall *or special improvement*  
 15 *district* ordinance, the governing body may, from time to time,  
 16 provide for the control and regulation of:

17 (1) The distribution and location of movable furniture, sculpture  
 18 or pedestrian traffic control devices, landscaping and other facili-  
 19 ties belonging to the pedestrian mall *or special improvement dis-*  
 20 *trict, as the case may be,* and not otherwise located or fixed by the  
 21 plans and specifications;

22 (2) The uses to be permitted on the mall *or special improvement*  
 23 *district property* by occupants of abutting property, any transit or  
 24 telephone utility, concessionaires, vendors and others to serve the  
 25 convenience and enjoyment of pedestrians and the location of such  
 26 uses;

27 (3) The issuance of permits to conduct any special activity con-  
 28 sistent with the broad purposes of the pedestrian mall *or special*  
 29 *improvement district*;

30 (4) The operation of any lighting heating or other facilities in  
 31 the mall *or on special improvement district property,* replacing  
 32 landscaping and maintaining the furniture and facilities in the  
 33 mall *or on special improvement district property.*

1 14. Section 14 of P. L. 1972, c. 134 (C. 40:56-78) is amended  
 2 to read as follows:

3 14. Any movable furniture, structure, facility or appurtenance or  
 4 activity located or permitted in connection with a pedestrian mall  
 5 *or special improvement district* improvement shall not, by reason  
 6 of such location or use, be deemed a nuisance or unlawful obstruc-  
 7 tion or condition not withstanding any rule or regulation of princi-  
 8 ple of negligence law pertaining to the use of public streets and  
 9 highways, and neither the municipality nor any user acting under  
 10 permit shall be liable for any injury to person or property unless  
 11 such furniture, structure, facility or use shall be negligently con-  
 12 structed, maintained or operated.

1 15. Section 15 of P. L. 1972, c. 134 (C. 40:56-79) is amended  
 2 to read as follows:

3 15. The mayor or other chief executive officer of the municipality  
 4 may create and appoint an advisory board, consisting of seven or  
 5 more persons, at least a majority of whom shall be owners or occu-  
 6 pants of properties adjoining a pedestrian mall *or included in a*  
 7 *special improvement district, as the case may be,* or **[their]** rep-  
 8 resentatives *of these owners or occupants,* to advise the governing

9 body in connection with the acquisition, construction and improve-  
 10 ment of a pedestrian mall, *or the acquisition and construction of*  
 11 *improvements for a special improvement district, as the case may*  
 12 *be*, the making of a plan therefor and the operation and mainte-  
 13 nance thereof and to meet and furnish recommendations or com-  
 14 ments and requests of members of the public and of owners and  
 15 occupants of [adjoining] property *adjoining the pedestrian mall*  
 16 *or included in the district, as the case may be. Upon designation*  
 17 *of a district management corporation, in the case of a special im-*  
 18 *provement district, the corporation shall exercise the functions of*  
 19 *an advisory board and any other advisory board shall cease to*  
 20 *function.*

1 16. Section 16 of P. L. 1972, c. 134 (C. 40:56-80) is amended  
 2 to read as follows:

3 16. a. Concurrently with the submission of a plan for a pedestrian  
 4 mall improvement *or special improvement district*, and annually  
 5 thereafter, the mayor or other chief executive officer of the munici-  
 6 pality shall, with the assistance of the advisory board, if any, *or*  
 7 *district management corporation, if appropriate*, report to the gov-  
 8 erning body an estimate of the cost of operating and maintaining  
 9 an annually improving the pedestrian mall *or special improvement*  
 10 *district, as the case may be*, for the next fiscal year to be incurred  
 11 under the plan, and an estimate of changes in the amounts of such  
 12 costs which would follow upon the adoption of any addition or  
 13 amendment to the plan recommended to or under consideration by  
 14 the governing body. Such estimate shall be reasonably itemized and  
 15 shall include a summary of the categories of cost properly charge-  
 15A able as follows:

16 (1) The amount of such costs to be charged against the general  
 17 funds of the municipality, which shall be that amount which the  
 18 municipality would pay from its general funds for street mainte-  
 19 nance and operations on a street of similar size and location but  
 20 not improved as a pedestrian mall *or included in a special improve-*  
 21 *ment district, as the case may be*;

22 (2) The amount of costs to be charged and assessed against  
 23 properties benefited in the district in proportion to benefits which  
 24 shall be the aggregate of costs of annual improvements to be made  
 25 in the district during the ensuing year:

26 (3) The amount of costs, if any, to be specially taxed against  
 27 properties in the district.

28 b. The governing body shall receive and consider such estimate  
 29 and the items of cost after such notice and hearing before it or its  
 30 appropriate committee as it shall deem necessary or expedient, and

31 shall approve the same, with such amendments thereto as it shall  
32 find necessary, and the amounts of each item of cost estimated shall  
33 be deemed appropriated and expendable to operate and maintain  
34 the pedestrian mall *or special improvement district, as the case may*  
35 *be*, during the ensuing fiscal year.

36 c. Each year, when the governing body shall have acted on the  
37 estimate of costs for the ensuing year, the municipal assessor, shall  
38 prepare an assessment roll setting forth separately the amounts to  
39 be specially assessed against the benefited and assessable proper-  
40 ties in the district as recorded and listed in connection with the  
41 procedures prescribed by this act for the adoption of the pedestrian  
42 mall *or special improvement district* ordinance in proportion to  
43 the benefits. Descriptions of such properties, and the names of the  
44 then current owners of such properties, so far as names are avail-  
45 able, shall be included in each annual assessment roll. The assess-  
46 ment roll, when so prepared, shall be filed in the office of the munici-  
47 pal clerk and be there available for inspection. The governing body  
48 shall annually meet to consider objections to the amounts of such  
49 special assessments at least 10 days after a notice of hearing has  
50 been published once in the official newspaper and mailed to the  
51 named owners of all tracts, parcels and lots of property proposed  
52 to be assessed. The notice shall set forth the time and place of  
53 meeting, and set forth the purpose of such meeting, but may refer  
54 to the assessment roll for further particulars. When the governing  
55 body shall have approved the amounts of the special assessments  
56 set forth therein, or as may be changed by it, the municipal clerk  
57 shall forthwith certify a copy of the assessment roll, with such  
58 changes, if any, to the county tax board.

59 d. For the purposes of this section, "annual improvements"  
60 shall, with respect to pedestrian malls *or special improvement*  
61 *districts*, mean and include any reconstruction, replacement or re-  
61A pair of trees and plantings, furniture, shelters and other facilities  
62 of a pedestrian mall *or special improvement district*, furnishing  
63 overhead or underground heating for snow removal or for enjoy-  
64 ment of pedestrians, and any other local improvement which bene-  
65 fits properties within the districts. For the purpose of this act,  
66 "costs" shall, with respect to annual improvements to and opera-  
67 tion and maintenance of pedestrian malls *or special improvement*  
68 *districts*, mean costs of annual improvements; fees of consultants  
69 employed by the governing body to assist in the planning of annual  
70 improvements; and all other costs incurred or to be incurred in  
71 connection with annual improvements to and operation and main-  
72 tenance of pedestrian malls *or special improvement districts, as the*  
73 *case may be*.

74 e. Moneys appropriated and collected on account of annual im-  
75 provement costs, and costs of operating and maintaining a  
76 pedestrian mall *or special improvement district* shall be credited  
77 to a special account. The governing body is authorized to incur  
78 the annual costs of improving, operating and maintaining a pedes-  
79 trian mall *or special improvement district, as the case may be,*  
80 during any fiscal year, though not specifically provided for by line  
81 item or other category in an approved estimate for such fiscal year,  
82 if in its discretion it shall be deemed necessary to provide for such  
83 annual improvements or operation or maintenance prior to the  
84 succeeding fiscal year and so long as the total amount of the ac-  
85 count as approved for that year is not exceeded by that expendi-  
86 ture. Any balances to the credit of the account [established for a  
87 pedestrian mall] and remaining unexpended at the end of the fiscal  
88 year shall be conserved and applied towards the financial require-  
89 ments of the succeeding year.

1 17. (New section) a. In addition to the powers otherwise con-  
2 ferred pursuant to this amendatory and supplementary act, a dis-  
3 trict management corporation may exercise those of the powers  
4 listed herein as may be conferred upon it by ordinance. A district  
5 management corporation incorporated pursuant to Title 15A of  
6 the New Jersey Statutes shall exercise its powers in a manner  
7 consistent with that title.

8 b. The district management corporation shall have all powers  
9 necessary and requisite to effectuate its purposes, including, but  
10 not limited to, the power to:

11 (1) Adopt bylaws for the regulation of its affairs and the con-  
12 duct of its business and to prescribe rules, regulations, and policies,  
13 in connection with the performance of its functions and duties;

14 (2) Employ such persons as may be required, and fix and pay  
15 their compensation from funds available to the corporation;

16 (3) Apply for, accept, administer and comply with the require-  
17 ments respecting an appropriation of funds or a gift, grant or  
18 donation of property or money;

19 (4) Make and execute agreements which may be necessary or  
20 convenient to the exercise of the powers and functions of the cor-  
21 poration, including contracts with any person, firm, corporation,  
22 governmental agency or other entity;

23 (5) Administer and manage its own funds and accounts and  
24 pay its own obligations;

25 (6) Borrow money from private lenders for periods not to ex-  
26 ceed 180 days and from governmental entities for that or longer  
27 periods;

28 (7) Fund the improvement of the exterior appearance of prop-  
29 erties in the district through grants or loans;

30 (8) Fund the rehabilitation of properties in the district;

31 (9) Accept, purchase, rehabilitate, sell, lease or manage prop-  
32 erty in the district;

33 (10) Enforce the conditions of any loan, grant, sale or lease  
34 made by the corporation;

35 (11) Provide security, sanitation and other services to the dis-  
36 trict supplemental to those provided normally by the municipality;

37 (12) Undertake improvements designed to increase the safety  
38 or attractiveness of the district to businesses which may wish to  
39 locate there or to visitors to the district, including, but not limited  
40 to, litter cleanup and control, landscaping, parking areas and fa-  
41 cilities, recreational and rest areas and facilities, and those im-  
42 provements generally permitted for pedestrian malls under sec-  
43 tion 2 of P. L. 1972, c. 134 (C. 40:56-66), pursuant to pertinent  
44 regulations of the governing body;

45 (13) Publicize the district and the businesses included within  
46 the district boundaries;

47 (14) Recruit new businesses to fill vacancies in, and to balance  
48 the business mix of, the district;

49 (15) Organize special events in the district;

50 (16) Provide special parking arrangements for the district;

51 (17) Provide temporary decorative lighting in the district.

1 18. (New section) a. The district management corporation shall  
2 submit a detailed annual budget for approval by resolution of the  
3 municipal governing body. The budget shall be submitted with a  
4 report which explains how the budget contributes to goals and  
5 objectives for the special improvement district.

6 b. The budget shall be introduced, approved, amended and  
7 adopted by resolution passed by not less than a majority of the  
8 full membership of the governing body.

9 The procedure shall be as follows:

10 (1) Introduction and approval;

11 (2) Public advertising;

12 (3) Public hearing;

13 (4) Amendments and public hearings, if required;

14 (5) Adoption.

15 c. The budget shall be introduced in writing at a meeting of the  
16 governing body. Approval thereof shall constitute a first reading  
17 which may be by title.

18 Upon the approval of the budget by the governing body, it shall

19 fix the time and place for the holding of a public hearing upon the  
20 budget.

21 d. The budget shall be advertised after approval. The adver-  
22 tisement shall contain a copy of the budget and shall set forth the  
23 date, the time and place of the hearing. It shall be published at  
24 least 10 days prior to the date fixed therefor in a newspaper pub-  
25 lished and circulating in the municipality, if there be one, and if  
26 not, in a newspaper published in the county and circulating in the  
27 municipality.

28 e. No budget shall be adopted until a public hearing has been  
29 held thereon and all persons having an interest therein shall have  
30 been given an opportunity to present objections.

31 The hearing shall be held not less than 28 days after the ap-  
32 proval of the budget.

33 f. The public hearing shall be held at the time and place specified  
34 in the advertisement thereof, but may be adjourned from time to  
35 time until the hearing is closed.

36 The budget as advertised, shall be read, at the public hearing in  
37 full, or it may be read by its title, if;

38 (1) at least one week prior to the date of the hearing, a complete  
39 copy of the approved budget, as advertised:

40 (a) shall be posted in a public place where public notices  
41 are customarily posted in the principal municipal building of  
42 the municipality, but if there is no principal municipal build-  
43 ing, then in that public place where notices are usually posted  
44 in the municipality; and

45 (b) is made available to each person requesting the same,  
46 during that week and during the public hearing, and;

47 (2) the governing body shall, by resolution passed by not less  
48 than a majority of the full membership, determine that the budget  
49 shall be read by its title and declare that the conditions set forth  
50 in paragraph (1) have been met.

51 After closing the hearing, the governing body may adopt the  
52 budget, by title without amendments, or may approve amendments  
53 as provided in subsection g. of this section before adoption.

54 g. The governing body may amend the budget during or after  
55 the public hearing.

56 No amendment by the governing body shall be effective until  
57 taxpayers and all persons having an interest therein shall have  
58 been granted a public hearing thereon, if the amendment shall:

59 (1) Add a new item in an amount in excess of 1% of the total  
60 amount as stated in the approved budget; or

61 (2) Increase or decrease any item by more than 10%; or

62 (3) Increase the amount to be raised pursuant to section 16 of  
 63 P. L. 1972, c. 134 (C. 40:56-80) or section 19 of this amendatory  
 64 and supplementary act by more than 5%, unless the same is made  
 65 pursuant to an emergency temporary appropriation only.

66 Notice of hearing on an amendment shall be advertised at least  
 67 three days before the date set therefor. The amendment shall be  
 68 published in full in the same manner as an original publication  
 69 and shall be read in full at the hearing and before adoption.

70 h. Final adoption shall be, by resolution, adopted by a majority  
 71 of the full membership of the governing body, and may be by title.

1 19. (New section) a. In lieu of, or in addition to, funding pur-  
 2 suant to section 16 of P. L. 1972, c. 134 (C. 40:56-80) of the activi-  
 3 ties of the district management corporation to be undertaken pur-  
 4 suant to this amendatory and supplementary act, the municipality  
 5 may, by ordinance, require annual licenses for businesses operating  
 6 in properties within the special improvement district, and estab-  
 7 lish fees for those licenses based on the assessment among these  
 8 businesses of the aggregate amount of the annual budget of the  
 9 district management corporation approved pursuant to section 18  
 10 of this amendatory and supplementary act which is not funded  
 11 pursuant to section 16 of P. L. 1972, c. 134. The ordinance may  
 12 establish reasonable categories of businesses subject to licensing,  
 13 and reasonable exemptions therefrom or abatements of the fees  
 14 therefor. The assessments to businesses pursuant to this section  
 15 shall be by floor area of licensable business space, or sales volume,  
 16 or some other reasonable basis or combination of bases.

17 b. Moneys appropriated and collected on account of annual costs  
 18 to be funded pursuant to subsection a. of this section shall be  
 19 credited to a special account. Any balances to the credit of the  
 20 account and remaining unexpended at the end of the fiscal year  
 21 shall be conserved and applied toward the financial requirements  
 22 of the succeeding year.

23 c. The ordinance shall provide for a reasonable appeals pro-  
 24 cedure for any administrative determination made under the pro-  
 25 visions of this section.

1 20. (New section) The municipality may, by ordinance, delegate  
 2 to the district management corporation the contracting of work  
 3 to be done on any street or streets, or on other municipal property,  
 4 included in the special improvement district. The corporation shall  
 5 be a "contracting unit" within the meaning of the "Local Public  
 6 Contracts Law," P. L. 1971, c. 198 (C. 40A:11-1 et seq.). The  
 7 plans and specifications of the work to be contracted shall be ap-

8 proved by the municipal engineer prior to initiation of any actions  
9 for the awarding of a contract under that act.

1 21. (New section) Nothing contained in P. L. 1972, c. 134 (C.  
2 40:56-65 et seq.) or in this amendatory and supplementary act  
3 shall prohibit a municipality from including a pedestrian mall or  
4 special improvement district within the bounds of any area, dis-  
5 trict or zone established pursuant to law which has as one of its  
6 purposes the encouragement of the construction of improvements  
7 or the rehabilitation of properties located within those bounds, or  
8 the inducement of private enterprises to locate within those bounds,  
9 whether by the provision of tax credits, exemptions or abatements,  
10 or by provision of special public financing arrangements. The  
11 provisions for the pedestrian mall or special improvement district  
12 shall be included within the plans for the area, district or zone so  
13 established, whether by integration into the original plans or by  
14 amendment.

1 \*\*22. (New section) *The district management corporation shall*  
2 *cause an annual audit of its books, accounts and financial transac-*  
3 *tions to be made and filed with the governing body of the municipi-*  
4 *ality, and for that purpose the corporation shall employ a certified*  
5 *public accountant of New Jersey. The annual audit shall be com-*  
6 *pleted and filed with the governing body within four months after*  
7 *the close of the fiscal year of the corporation and a certified dupli-*  
8 *cate copy of the audit shall be filed with the Director of the Division*  
9 *of Local Government Services in the Department of Community*  
10 *Affairs within five days of the filing of the audit with the governing*  
11 *body of the municipality.*

1 23. (New section) *The district management corporation shall,*  
2 *within 30 days after the close of each fiscal year, make an annual*  
3 *report of its activities for the preceding fiscal year to the governing*  
4 *body of the municipality.\*\**

1 \*\*[22.]\*\* \*\*24.\*\* This act shall take effect immediately.

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6 purposes the encouragement of the construction of improvements  
7 or the rehabilitation of properties located within those bounds, or  
8 the inducement of private enterprises to locate within those bounds,  
9 whether by the provision of tax credits, exemptions or abatements,  
10 or by provision of special public financing arrangements. The  
11 provisions for the pedestrian mall or special improvement district  
12 shall be included within the plans for the area, district or zone so  
13 established, whether by integration into the original plans or by  
14 amendment.

1 22. This act shall take effect immediately.

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#### STATEMENT

This bill would permit municipalities to establish special improvement districts to promote economic growth and employment in downtown business districts. Under the bill municipalities would be authorized to create self-financing special improvement districts and to designate district management corporations, as nonprofit corporations, to execute self-help programs to enhance their local business climates. The bill provides municipalities with discretion to select those self-help programs which are consistent with their local needs.

The bill provides for procedural requirements regarding the means of financing special district improvements, and the adoption of annual budgets for district management corporations by municipal governing bodies.

The powers accorded under the bill for special improvement districts are supplemental to those currently provided for pedestrian malls under existing law, and provide municipalities with additional means of addressing conditions in many of the State's older business districts.

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SENATE COUNTY AND MUNICIPAL GOVERNMENT  
COMMITTEE

STATEMENT TO  
**SENATE, No. 1680**  
with Senate committee amendment

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**STATE OF NEW JERSEY**

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DATED: JUNE 18, 1984

Senate Bill No. 1680 would permit municipalities to establish special improvement districts to promote economic growth and employment in downtown business districts. Under the bill, municipalities would be authorized to create self-financing special improvement districts and to designate district management corporations, as nonprofit corporations, to execute self-help programs to enhance their local business climates. The bill would provide municipalities with discretion to select those self-help programs which are consistent with their local needs.

The bill would provide for procedural requirements regarding the means of financing the provision of improvements for special improvement districts, and the adoption of annual budgets for district management corporations by municipal governing bodies.

The powers accorded under the bill for special improvement districts are supplemental to those currently provided for pedestrian malls under existing laws, and provide municipalities with additional means of addressing conditions in many of the State's older business districts.

The Committee amendments are technical in nature.



## OFFICE OF THE GOVERNOR NEWS RELEASE

N-001

Contact: CARL GOLDEN  
609-292-8956

TRENTON, N.J. 08625

Release: MON., SEPT. 10, 1984

Governor Thomas H. Kean today signed legislation to permit municipalities to create "special improvement districts" to promote economic growth and employment in downtown business districts.

The legislation, S-1680, was sponsored by Senator John Lynch, D-Middlesex.

The bill permits municipalities to create special improvement districts in downtown areas and to levy a special assessment on all property within that district. The funds raised from the assessment would be used by newly-designated district management corporations to develop and implement self-help programs to enhance local business district climates.

The legislation extends the currently-held authority of municipalities to create pedestrian malls as a local business improvement project. The creation of special improvement districts would be an additional method of revitalizing older downtown shopping districts.

The Governor also signed legislation to permit mobile intensive care nurses and paramedics to perform advanced life support duties, provided that direct voice communication is established and maintained with a physician or licensed nurse.

35  
Trenton, N.J.