

40A 12-14

LEGISLATIVE HISTORY CHECKLIST

NJSA: 40A:12-14

(Municipal property - available for leasing - allow open auction or sealed bids)

LAWS OF: 1983

CHAPTER: 440

Bill No: S1968

Sponsor(s): Connors and Russo

Date Introduced: December 2, 1982

Committee:

Assembly: Municipal Government

Senate: County and Municipal Government

Amended during passage:

NO

Date of Passage:

Assembly: December 8, 1983

Senate: January 11, 1983

Date of Approval: January 9, 1984

Following statements are attached if available:

Sponsor statement:

YES

(Below)

Committee statement:

Assembly

YES

Senate

YES

Fiscal Note:

NO

Veto Message:

NO

Message on Signing:

NO

Following were printed:

Reports:

NO

Hearings:

NO

Sponsors' Statement:

This bill would allow municipalities to lease municipal property by open public auction or sealed bids.

CHAPTER 440 LAWS OF N. J. 1983
APPROVED 1-9-84

SENATE, No. 1968

STATE OF NEW JERSEY

INTRODUCED DECEMBER 2, 1982

By Senators CONNORS and RUSSO

Referred to Committee on County and Municipal Government

AN ACT concerning bidding procedures for the leasing of municipal property, and amending P. L. 1971, c. 199.

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

1 1. Section 14 of P. L. 1971, c. 199 (C. 40A:12-14) is amended to
2 read as follows:

3 14. Leasing of county or municipal real property, capital im-
4 provements or personal property. Any county or municipality may
5 lease any real property, capital improvement or personal property
6 not needed for public use as set forth in the resolution or ordinance
7 authorizing the lease, other than county or municipal real property
7A otherwise dedicated or restricted pursuant to law, and except as
8 otherwise provided by law, all such leases shall be made in the
9 manner provided by this section.

10 (a) In the case of a lease to any private person, said lease shall
11 be made **[by public letting]** to the highest bidder **[after advertise-**
12 **ment thereof]** *by open public bidding at auction or by submission of*
13 *sealed bids. Advertisement of the method of bidding shall be pub-*
14 *lished* in a newspaper circulating in the municipality or municipi-
15 palities in which the leasehold is situated by two insertions at least
16 once a week during two consecutive weeks; the lease publication to
17 be not earlier than seven days prior to the letting of the lease. The
18 governing body may, by resolution, fix a minimum rental with the
19 reservation of the right to reject all bids where the highest bid
20 is not accepted. Notice of such reservation shall be included in the
21 advertisement of the letting of the lease and public notice thereof

**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.

22 shall be given of the time of the letting of the lease. Such resolution
 23 may provide that upon the completion of the bidding, the highest
 24 bid may be accepted or all of the bids may be rejected. It shall
 25 also set out the conditions, restrictions and limitations upon the
 26 tenancy subject to the lease. Acceptance or rejection of the bid or
 27 bids shall be made not later than at the second regular meeting of
 28 the governing body following the **opening of the bids** *completion*
 29 *of the bidding*, and, if the governing body shall not so accept such
 30 highest bid, or reject all bids, said bids shall be deemed to have been
 31 rejected. Any such award may be adjourned at the time advertised
 32 for not more than one week without readvertisnig.

32A (b) In the case of a lease to a public body, the lease may be upon
 32B such terms and conditions and for nominal or other consideration
 32C as the governing body of the county or municipality shall approve
 32D by ordinance or resolution.

32E (c) In the case of a lease to a nonprofit corporation for a public
 32F purpose, the lease shall be authorized by resolution, in the case of
 32G a county, or by ordinance, in the case of a municipality, and may
 32H be for nominal or other consideration. Said authorization shall
 32I include the nominal or other consideration for the lease; the name
 32J of the corporation or corporations who shall be the lessees; the
 33 public purpose served by the lessee; the number of persons benefit-
 34 ing from the public purpose served by the lessees, whether within
 35 or without the municipality in which the leasehold is located; the
 36 term of the lease, and the officer, employee or agency responsible
 37 for enforcement of the conditions of the lease. Said ordinance or
 38 resolution shall also require any nonprofit corporation holding a
 39 lease for a public purpose pursuant to this section, to annually
 40 submit a report to the officer, employee or agency designated by
 41 the governing body, setting out the use to which the leasehold was
 42 put during each year, the activities of the lessee undertaken in
 43 furtherance of the public purpose for which the leasehold was
 44 granted; the approximate value or cost, if any, of such activities
 45 in furtherance of such purpose; and an affirmation of the continued
 46 tax-exempt status of the nonprofit corporation pursuant to both
 47 State and federal law.

1 2. This act shall take effect immediately.

STATEMENT

This bill would allow municipalities to lease municipal property
 by open public auction or by sealed bids.

ASSEMBLY MUNICIPAL GOVERNMENT COMMITTEE

STATEMENT TO

SENATE, No. 1968

STATE OF NEW JERSEY

DATED: MAY 5, 1983

Senate Bill No. 1968 amends section 14 of the "Local Lands and Buildings Law," P. L. 1971, c. 199 (C. 40A:12-14) to permit local governmental units to use either public bidding at auction or the submission of sealed bids as the method of awarding the lease of property to private persons. The bill further provides that the method of awarding the lease is to be set forth in the advertisement of the availability of the property for lease.

Under current law, local governmental units are required to use the sealed bid procedure for awarding leases of property to private persons.

SENATE COUNTY AND MUNICIPAL GOVERNMENT
COMMITTEE

STATEMENT TO

SENATE, No. 1968

STATE OF NEW JERSEY

DATED: DECEMBER 16, 1982

Senate Bill No. 1968 would permit local governments in leasing public property under the "Local Lands and Buildings Law," P. L. 1971, c. 199 (C. 40A:12-1 et seq.) to award leases either by open public bidding at auction or by submission of sealed bids. The method of bidding would be required to be set forth in the advertisement of the lease.

Under current law, local governments are required to lease public property under the sealed bids procedure, but are required to sell public property under the open public bidding at auction method.