

FLOOR AMENDMENT STATEMENT: Yes

LEGISLATIVE FISCAL ESTIMATE: No

VETO MESSAGE: No

GOVERNOR'S PRESS RELEASE ON SIGNING: Yes

FOLLOWING WERE PRINTED:

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REPORTS: No

HEARINGS: No

NEWSPAPER ARTICLES: No

RWH/CL

P.L. 2019, CHAPTER 159, *approved July 9, 2019*
Senate, No. 1214 (*Second Reprint*)

1 **AN ACT** concerning municipal land banking and online mapping,
2 and amending P.L.1960, c.183 and P.L.1971, c.199, and
3 amending and supplementing P.L.1992, c.79.

4
5 **BE IT ENACTED** by the Senate and General Assembly of the State
6 of New Jersey:

7
8 1. (New section) Sections 1 through 16 of P.L. ,
9 c. (C.) (pending before the Legislature as this bill) shall be
10 known and may be cited as the “New Jersey Land Bank Law.”

11
12 2. (New section) The Legislature finds and declares that:

13 a. Difficult economic conditions coupled with the continued
14 high rate of foreclosures have significantly increased the number of
15 vacant, abandoned, and other problem properties in the State’s
16 municipalities, particularly its older cities;

17 b. The continued presence and proliferation of these vacant,
18 abandoned, and other problem properties in the communities of this
19 State has a negative effect on the public health and welfare, reduces
20 property values and municipal revenues, and impedes the economic
21 development and revitalization of the State’s municipalities,
22 particularly its older cities;

23 c. At present, many vacant, abandoned and other problem
24 properties, rather than being productively reused, remain vacant
25 despite frequent changes in ownership, and continue to have a
26 blighting effect on their surroundings;

27 d. The State’s municipalities can benefit from more effective
28 tools to control the inventory of vacant, abandoned, and other
29 problem properties, in order to both minimize the harm that they do
30 in their present condition and to facilitate their restoration to
31 productive use;

32 e. In order to most effectively engage the local community in
33 identifying problem properties, the State’s municipalities can also
34 benefit from the publication of interactive online mapping databases
35 of vacant and abandoned properties;

36 f. To ensure that land banking activities are conducted in an
37 honest and open manner, the public can also benefit from the
38 inclusion of properties subject to land banking agreements within

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:

¹Senate SBA committee amendments adopted December 10, 2018.

²Assembly AAP committee amendments adopted May 20, 2019.

1 the interactive online mapping databases regardless of whether or
2 not such properties are vacant and abandoned; ²[and]²

3 g. It is ²[, therefore,]² in the best interest of this State to allow
4 municipalities to designate single entities to act on their behalf to
5 acquire, maintain, and ²[sell] convey², lease and otherwise dispose
6 of vacant, abandoned and problem properties, in order to carry out
7 strategies to ensure that the reuse of these properties provides the
8 greatest long-term benefit to the physical, social and economic
9 condition of the municipality ²; and

10 h. It is, therefore, appropriate to identify land banking, and
11 associated land banking activities, including those involving site
12 improvements and the preparation of property for productive reuse,
13 as a public purpose, and to permit a municipality to provide tax-
14 exempt status to properties for so long as they are held as land bank
15 properties².

16
17 3. (New section) As used in sections 3 through 16 of
18 P.L. , c. (C.) (pending before the Legislature as this bill):

19 “Land bank entity” means a ²[redevelopment entity,] public land
20 bank entity² or a non-profit ²land bank² entity ²[, that has entered
21 into a land banking agreement]².

22 “Land bank property” means property subject to a land banking
23 agreement.

24 “Land banking agreement” means an agreement between a
25 municipality and a land bank entity to act on behalf of the
26 municipality to hold, maintain and ²[sell,]² lease ²[,]² or convey
27 property owned by the municipality and not needed for any public
28 purpose.

29 ²“Non-profit land bank entity” means a non-profit entity,
30 established pursuant to the “New Jersey Nonprofit Corporation
31 Act,” N.J.S.15A:1-1 et seq., that has entered into a land banking
32 agreement.

33 “Public land bank entity” means a redevelopment entity that has
34 entered into a land banking agreement.²

35 “Redevelopment entity” means either:

36 (1) A redevelopment entity designated by the municipality
37 pursuant to section 4 of the “Local Redevelopment and Housing
38 Law,” P.L.1992, c.79 (C.40A:12A-4);

39 (2) A county improvement authority designated by the
40 municipality to act as a redevelopment entity pursuant to the
41 “county improvement authorities law,” P.L.1960, c.183 (C.40:37A-
42 44 et seq.) for the purpose of entering into a land banking
43 agreement with said entity, without regard to whether the county
44 improvement authority is otherwise acting as a redevelopment
45 entity in the municipality; or

46 (3) The municipality itself, or one of its departments or
47 agencies, but only if the municipality is executing redevelopment

1 responsibilities directly pursuant to section 4 of P.L.1992, c.79
 2 (C.40A:12A-4). In such cases, the designated redevelopment entity
 3 shall not need to adopt separate ordinances or resolutions, as
 4 appropriate, for the purpose of adopting a land banking agreement
 5 or amendments pursuant to subsections d. and e. of section 5 of
 6 P.L. , c. (C.) (pending before the Legislature as this bill),
 7 and the adoption of one ordinance to create the land banking
 8 agreement, and one ordinance for each amendment thereto shall
 9 suffice. Termination notice requirements, prescribed by section 14
 10 of P.L. , c. (C.) (pending before the Legislature as this bill),
 11 also shall not be necessary.

12 ²“Trust agreement” means an agreement between a municipality
 13 and land bank entity, pursuant to subsection f. of section 5 of
 14 P.L. , c. (C.) (pending before the Legislature as this bill).²
 15

16 4. (New section) a. A municipality may enter into a land
 17 banking agreement with a redevelopment entity, and designate the
 18 redevelopment entity as its land bank entity.

19 b. A municipality may enter into a land banking agreement
 20 with a non-profit entity so long as the by-laws of the non-profit
 21 entity provide that the chief financial officer of the municipality
 22 serves on the board of the non-profit entity, ex officio.
 23

24 5. (New section) a. A land banking agreement shall establish
 25 the responsibilities of the land bank entity and shall specify the
 26 terms and conditions under which the land bank entity may acquire
 27 property on behalf of the municipality, demolish and otherwise
 28 clear buildings and conduct other site improvements located on the
 29 property, maintain and secure the property, conduct other activities
 30 on the property, and, notwithstanding the provisions of the “Local
 31 Lands and Buildings Law,” P.L.1971, c.199 (C.40A:12-1 et seq.),
 32 ²[sell,]² lease ²[,]² or convey property held on behalf of the
 33 municipality. The land banking agreement also shall provide for
 34 such municipal oversight of the land bank entity as the municipality
 35 deems necessary and appropriate and shall establish the manner in
 36 which any costs and revenues, including proceeds of the sale or
 37 leasing of land bank property shall be distributed. The land bank
 38 entity shall not lease any land bank property for an individual term
 39 of more than ²[10] ⁹⁹ years. Land bank property that is ²[sold,]²
 40 leased ²[,]² or conveyed by a land bank entity, shall be subject to
 41 ordinances adopted pursuant to the “Municipal Land Use Law,”
 42 P.L.1975, c.291 (C.40:55D-1 et seq.), ²any redevelopment plan
 43 enacted pursuant to the “Local Redevelopment and Housing Law,”
 44 P.L.1992, c.79 (C.40A:12A-1 et al.),² and other applicable State
 45 statutes following the ²[sale,]² lease ²[,]² or conveyance.

46 b. Prior to submission of the land banking agreement for
 47 approval by the municipal governing body, the municipality shall

1 hold a public meeting to solicit the advice of the public on the
2 substance and intent of the land banking agreement.

3 c. The ordinance comprising the land banking agreement shall
4 include findings establishing the need for land bank activity in the
5 municipality, ²the public purpose that the municipality intends the
6 land bank entity to pursue,² and the qualifications of the land bank
7 entity to carry out the responsibilities established pursuant to
8 P.L. , c. (C.) (pending before the Legislature as this bill).

9 d. The land banking agreement shall be adopted by an
10 ordinance of the governing body of the municipality and by
11 resolution of the governing body of the land bank entity.

12 e. The land banking agreement may be amended at any time by
13 ordinance of the governing body of the municipality and by
14 resolution of the governing body ²or board, as appropriate,² of the
15 land bank entity.

16 ²f. Through entrance into a land banking agreement, a
17 municipality may authorize a land bank entity to hold property in
18 trust on behalf of the municipality. The land banking agreement
19 shall establish whether a trust agreement shall provide authorization
20 to the land bank entity to convey property, lease property, and
21 conduct other land banking activities without municipal
22 authorization for each individual conveyance, and other action. If
23 provided in the land banking agreement, each trust agreement shall
24 provide the land bank entity with all the powers of property
25 ownership, subject to the potential termination of the land banking
26 agreement pursuant to section 14 of P.L. , c. (C.) (pending
27 before the Legislature as this bill).

28 g. A land bank entity is not subject to the requirements of the
29 "Local Public Contracts Law," P.L.1971, c.198 (C.40A:11-1 et seq.)
30 in association with a land banking agreement or with contracts
31 entered by the land bank entity in association with the land banking
32 agreement. Public bidding is not necessary to enter into a land
33 banking agreement, or, unless otherwise stated in the land banking
34 agreement, for contracts entered into by the land bank entity in
35 association with the land banking agreement.²

36
37 6. (New section) Pursuant to the land banking agreement or
38 any subsequent amendment thereto, the land bank entity may be
39 designated by the municipality to:

40 a. acquire properties on its behalf through contribution, gift,
41 grant, bequest, purchase or otherwise, whether or not the property is
42 located in an area designated as a redevelopment area or an area in
43 need of rehabilitation; and

44 b. act as its agent, or in place of its municipal officer, with
45 respect to acquisition of property, including but not limited to
46 purchase of tax and other liens, foreclosure of tax and other liens,
47 and individual abandoned property takings pursuant to paragraph

1 (2) of subsection c. of section 37 of the “New Jersey Urban
2 Redevelopment Act,” P.L.1996, c.62 (C.55:19-56) on behalf of the
3 municipality and to ²take title to acquire and hold in trust² such
4 properties on behalf of the municipality; provided, however, that
5 nothing in this section shall authorize the use of eminent domain
6 beyond that use already permitted by law.

7
8 7. (New section) a. For purposes of this section, a municipality,
9 through the land banking agreement itself, or through the adoption
10 of a separate ordinance, may ²sell, lease, or convey to the
11 authorize the² land bank entity ²take title to, to hold in trust on behalf of the municipality² any
12 property or properties held by the municipality and not ²needed
13 being used² for any public purpose, whether or not the property is
14 located in an area designated as a redevelopment area or an area in
15 need of rehabilitation, without public bidding and at such prices and
16 upon such terms as the municipality deems reasonable ²in
17 accordance with parameters that may be established in the land
18 banking agreement². ²Unless the terms of the land banking
19 agreement provide otherwise, such sales, leases, and conveyances
20 to A trust agreement with² the land bank entity ²itself² shall be
21 conditioned on the municipality’s ability to regain control of the
22 properties pursuant to ²subsection c. of² section 14 of
23 P.L. , c. (C.) (pending before the Legislature as this bill).

24
25 b. Through the land banking agreement itself, or through the
26 adoption of a separate ordinance, a municipality may assign any tax
27 liens or other liens to the land bank entity ², subject to the
28 provisions of R.S.54:5-112 and R.S.54:5-113, except that the liens
29 may be assigned² with or without consideration and at such prices
30 and upon such terms as ²it² the municipality² deems reasonable.
31 If an ordinance adopted pursuant to this subsection permits the
32 land bank entity to retain a portion of the interest payments on one
33 or more tax liens, or the proceeds from one or more sheriff’s sales
34 or short sales, or both, then the municipality shall retain the
35 authority to, at any time, by ordinance, restrict the amount of one or
36 both of these funding sources that may be retained by the land bank
37 entity following the date of adoption of the ordinance. The terms of
38 a tax lien assignment pursuant to this subsection shall remain intact,
39 without restriction by a subsequent ordinance, for no less than one
40 year.²

41
42 8. (New section) a. To the extent that the statute under
43 which a redevelopment entity was established, section 4 of
44 P.L.1992, c.79 (C.40A:12A-4) or P.L.1960, c.183 (C.40:37A-
45 44 et seq.) in the case of a county improvement authority, confers
46 on that entity the power to borrow funds and incur debt, the

1 redevelopment entity may exercise those powers in furtherance of
 2 its land banking obligations subject to the conditions and limitations
 3 set forth in section 4 of P.L.1992, c.79 (C.40A:12A-4) or P.L.1960,
 4 c.183 (C.40:37A-44 et seq.).

5 b. To the extent that the statute under which the redevelopment
 6 entity was established, section 4 of P.L.1992, c.79 (C.40A:12A-4)
 7 or P.L.1960, c.183 (C.40:37A-44 et seq.) in the case of a county
 8 improvement authority, provides that the municipality may
 9 guarantee its debt or other borrowing, the municipality may also
 10 guarantee its debt or other borrowing under the same terms and
 11 conditions, in furtherance of the entity's obligations as a land bank
 12 entity.

13 c. The guaranteeing of debt and borrowing of funds permitted
 14 under subsections a. and b. of this section only shall be permitted so
 15 long as the land banking agreement itself also explicitly permits
 16 these actions.

17

18 9. (New section) In ²**selling,**² leasing ²**],**² or conveying
 19 land bank property ², unless the property is part of an area in need
 20 of redevelopment.² a redevelopment entity shall not be subject to
 21 the provisions of section 9 of P.L.1992, c.79 (C.40A:12A-9), but
 22 shall be subject to any terms and conditions set forth in the land
 23 banking agreement ²**[and by the regulations of the redevelopment**
 24 **entity, adopted pursuant to section 10 of P.L. , c. (C.)**
 25 **(pending before the Legislature as this bill)]**².

26

27 10. (New section) ²**[Within six months after designation by the**
 28 **municipality, the land bank entity shall adopt written regulations**
 29 **governing the sales, leases, and conveyances]** Following entrance
 30 into a land banking agreement, the land bank entity may modify its
 31 bylaws or other governing documents to address actions taken on
 32 land bank property, including but not limited to, the leasing and
 33 conveyance² of land bank property ²so long as such modifications
 34 are² consistent with ²**[any]** the² provisions of the land banking
 35 agreement ²**[and with respect to any other matters that may be**
 36 **required by said agreement, which regulations shall be published on**
 37 **the Internet web sites of the land bank entity and the municipality,**
 38 **along with the database required pursuant to subsection c. of section**
 39 **11 of P.L. , c. (C.) (pending before the Legislature as this**
 40 **bill)]**².

41

42 11. (New section) a. Within six months after designation by the
 43 municipality ^{2,2} the land bank entity shall create a community
 44 advisory board, which shall consist of representatives of recognized
 45 community associations and non-profit organizations operating
 46 within the municipality, ²**[in particular]** including² those

1 associations and organizations active in areas where the land bank
2 entity anticipates holding properties.

3 b. The land bank entity shall adopt policies and procedures to
4 ensure that the community advisory board is provided with
5 adequate information and opportunity to provide valued input into
6 the decisions of the land bank entity in its capacity as a land bank
7 entity.

8 c. (1) In coordination with the municipality and the
9 community advisory board, the land bank entity shall, within a
10 reasonable time, create, maintain, and make publicly available on
11 its Internet website, a database listing all current and former land
12 bank properties, each owner of record since each property became a
13 land bank property, and the sales price of each land bank property
14 that has been ²[sold or]² purchased by the land bank entity ²on
15 behalf of the municipality². ²[¹In] Beginning 30 days after the date
16 on which a land bank entity publishes a database pursuant to this
17 subsection and every six months thereafter, in² accordance with the
18 guidance provided by the Division of Local Government Services in
19 the Department of Community Affairs pursuant to subsection e. of
20 this section, the land bank entity shall ²[periodically]² update those
21 State agencies identified by the division concerning any changes to
22 the database. To the extent that the database includes properties in
23 foreclosure proceedings, and ²[recently-foreclosed]² properties
24 ²foreclosed within the six-month reporting period² , the land bank
25 entity shall ²take reasonable steps to² ensure that the information
26 provided is both accurate and consistent with any corresponding
27 information provided by any State agency, or by the Judiciary.¹

28 (2) In coordination with the municipality and the community
29 advisory board, the land bank entity is encouraged to incorporate
30 into the online database:

31 (a) a list of all vacant and abandoned properties within the
32 municipality;

33 (b) a mechanism to allow the public to offer suggestions
34 concerning what properties should be labeled as vacant and
35 abandoned; and

36 (c) an interactive mapping component to allow the public to
37 visualize the impact of land banking and the extent of vacant and
38 abandoned properties within the municipality.

39 d. On an annual basis at minimum, the community advisory
40 board shall report on the accuracy, integrity, accessibility, and
41 comprehensiveness of the database established pursuant to
42 subsection c. of this section. Each annual report shall be accessible
43 to the public through the internet website of the municipality and
44 the land bank entity. The fact that a land bank entity has failed to
45 comply with the database requirement under subsection c. of this
46 section shall be prominently noted in each annual report, but no
47 other penalty shall inure to that failure.

1 e. The Division of Local Government Services in the
2 Department of Community Affairs shall, within six months of the
3 effective date of P.L. , c. (C.) (pending before the
4 Legislature as this bill), publish and disseminate a guidebook of
5 good practice for creating and maintaining databases established
6 pursuant to subsection c. of this section.
7

8 12. (New section) The land bank entity shall provide an annual
9 report to the municipal governing body and the public describing
10 the properties being held by it as a land bank entity and the
11 activities that it carried out during the year as a land bank entity.
12

13 13. (New section) The land banking agreement between the
14 municipality and a ²**non-profit** land bank² entity may provide that
15 properties ²**sold, leased, or conveyed by the municipality to the**
16 **non-profit** held by the land bank² entity in trust on behalf of the
17 municipality² pursuant to section 7 of P.L. , c. (C.)
18 (pending before the Legislature as this bill), or acquired by the
19 ²**non-profit** land bank² entity pursuant to section 6 of
20 P.L. , c. (C.) (pending before the Legislature as this bill),
21 are held in trust² by the entity on behalf of the municipality for a
22 public purpose and shall be exempt from property taxation until or
23 unless ²**sold,**² leased ²**,**² or conveyed by the entity on behalf
24 of the municipality² or used by the entity for a purpose that is not
25 eligible for exemption from taxation.
26

27 14. (New section) a. ²**(1)**² The municipality may ²by
28 ordinance,² terminate the land banking agreement at any time ²,
29 with or without cause,² by providing the land bank entity with one
30 year's notice of termination ²from the date of the adoption of that
31 ordinance².

32 ²**[b.] (2)**² Termination of the land banking agreement ²pursuant
33 to this subsection,² shall not affect the status of any transaction
34 properly entered into by the land bank entity prior to termination.

35 ²**[c.] (3)**² Within 90 days following the date of termination, the
36 land bank entity shall convey ²and transfer² to the municipality
37 ²possession of² all land bank property without consideration;
38 provided, however, that the municipality and the entity may agree
39 to allow the entity to retain ²**[title to]** possession and control over²
40 any properties that are the subject of a pending transaction by the
41 entity until completion of the transaction, and until the end of any
42 lease.

43 ²**b.** With or without one year's notice to the land bank entity, the
44 municipality may, by ordinance, terminate the land banking
45 agreement upon notification of a determination from the county
46 prosecutor, or the municipal counsel, that the land bank entity, or a

1 director or officer of the land bank entity while acting in their
 2 official role, has breached an essential duty of the land banking
 3 agreement based upon an act or omission:

4 (1) in violation of the land bank entity’s duty of loyalty to the
 5 municipality and the general welfare of the residents of the
 6 municipality;

7 (2) involving a knowing violation of criminal law; or

8 (3) resulting in the receipt by a director or officer of the land
 9 bank entity, or by an associate of such person, of an improper
 10 personal benefit.²

11
 12 15. (New section) A land bank entity may act as a land bank
 13 entity for more than one municipality at the same time, subject to
 14 the provisions of the “Uniform Shared Services and Consolidation
 15 Act,” P.L.2007, c.63 (C.40A:65-1 et seq.).

16
 17 16. (New section) a. ²(1)² A municipal governing body may
 18 provide ²[by] , pursuant to the land banking agreement itself, or
 19 pursuant to a separate² ordinance that ²[an amount equaling up to
 20 50 percent of property taxes or payments in lieu of taxes collected
 21 on land bank properties each year] a limited series of annual
 22 payments² shall be ²[returned] made by the municipality² to the
 23 land bank entity ²[for up to 10 years]² following ²one or more
 24 fiscal years during which² a ²[sale or]² conveyance of ²[those] one
 25 or more land bank² properties from the land bank entity to a private
 26 owner ²[. Such ordinance] occurs. Each payment that a
 27 municipality commits to making pursuant to this subsection shall be
 28 anticipated in the municipal budget adopted for the fiscal year
 29 during which the payment shall be made.

30 (2) A payment budgeted pursuant to this subsection shall be
 31 limited by the terms of the ordinance, but this payment shall not
 32 exceed 50 percent of property taxes or payments in lieu of taxes due
 33 and payable in the fiscal year for all properties that had been land
 34 bank properties within the 10 fiscal years prior to the fiscal year for
 35 which the payment is budgeted. If a property has been conveyed by
 36 a land bank entity more than once, then property taxes and
 37 payments in lieu of taxes due and payable for that property shall not
 38 be applied to increase the annual limitation established pursuant to
 39 this paragraph.

40 (3) An ordinance adopted pursuant to this subsection² may only
 41 be applied to real property on which no property tax has been paid,
 42 or payment in lieu of taxes collected, for at least two years prior to
 43 the property becoming a land bank property. Such ordinance may
 44 be applied to any individual ²[sale or]² conveyance, any group of
 45 ²[sales and]² conveyances, or all future ²[sales and]² conveyances
 46 that fit these criteria.

1 b. The distribution of any proceeds associated with the sales
2 and leasing of land bank property shall be addressed in the land
3 banking agreement itself and in amendments thereto. ²Distributions
4 to a land bank entity pursuant to this subsection may be made in
5 addition to payments provided pursuant to subsection a. of this
6 section.² Proceeds associated with the sales and leasing of land
7 bank property, and all other proceeds obtained by the land bank
8 entity ²on behalf of the municipality² under the ordinance, shall be
9 maintained in one or more accounts, separate from all other
10 accounts maintained by the entity serving as the land bank entity.
11 The account or accounts shall be deemed to be government records
12 and subject to the provisions of P.L.1963, c.73 (C.47:1A-1 et seq.),
13 commonly known as the open public records act.

14 c. As used in this section, “conveyance” shall not be construed
15 to include a lease.

16

17 17. Section 12 of P.L.1960, c.183 (C.40:37A-55) is amended to
18 read as follows:

19 12. Every authority shall be a public body politic and corporate
20 constituting a political subdivision of the State established as an
21 instrumentality exercising public and essential governmental
22 functions to provide for the public convenience, benefit and welfare
23 and shall have perpetual succession and, for the effectuation of its
24 purposes, have the following additional powers:

25 (a) To adopt and have a common seal and to alter the same at
26 pleasure;

27 (b) To sue and be sued;

28 (c) To acquire, hold, use and dispose of its facility charges and
29 other revenues and other moneys;

30 (d) To acquire, rent, hold, use and dispose of other personal
31 property for the purposes of the authority;

32 (e) Subject to the provisions of section 26 of this act, to acquire
33 by purchase, gift, condemnation or otherwise, or lease as lessee,
34 real property and easements or interests therein necessary or useful
35 and convenient for the purposes of the authority, whether subject to
36 mortgages, deeds of trust or other liens or otherwise, and to hold
37 and to use the same, and to dispose of property so acquired no
38 longer necessary for the purposes of the authority; provided that the
39 authority may dispose of such property at any time to any
40 governmental unit or person if the authority shall receive a
41 leasehold interest in the property for such term as the authority
42 deems appropriate to fulfill its purposes;

43 (f) Subject to the provisions of section 13 of this act, to lease to
44 any governmental unit or person, all or any part of any public
45 facility for such consideration and for such period or periods of
46 time and upon such other terms and conditions as it may fix and
47 agree upon;

1 (g) To enter into agreements to lease, as lessee, public facilities
2 for such term and under such conditions as the authority may deem
3 necessary and desirable to fulfill its purposes, and to agree,
4 pursuant thereto, to be unconditionally obligated to make payments
5 for the term of the lease, without set-off or counterclaim, whether or
6 not the public facility is completed, operating or operable, and
7 notwithstanding the destruction of, damage to, or suspension,
8 interruption, interference, reduction or curtailment of the
9 availability or output of the public facility to which the agreement
10 applies;

11 (h) To extend credit or make loans to any governmental unit or
12 person for the planning, design, acquisition, construction, equipping
13 and furnishing of a public facility, upon the terms and conditions
14 that the loans be secured by loan and security agreements,
15 mortgages, leases and other instruments, the payments on which
16 shall be sufficient to pay the principal of and interest on any bonds
17 issued for the purpose by the authority, and upon such other terms
18 and conditions as the authority shall deem reasonable;

19 (i) Subject to the provisions of section 13 of this act, to make
20 agreements of any kind with any governmental unit or person for
21 the use or operation of all or any part of any public facility for such
22 consideration and for such period or periods of time and upon such
23 other terms and conditions as it may fix and agree upon;

24 (j) (1) To borrow money and issue negotiable bonds or notes
25 or other obligations and provide for and secure the payment of any
26 bonds and the rights of the holders thereof, and to purchase, hold
27 and dispose of any bonds;

28 (2) To issue bonds, notes or other obligations to provide funding
29 to a municipality that finances the purchase and installation of
30 renewable energy systems and energy efficiency improvements by
31 property owners as provided in section 2 of P.L.2011, c.187
32 (C.40:56-13.1);

33 (k) To apply for and to accept gifts or grants of real or personal
34 property, money, material, labor or supplies for the purposes of the
35 authority from any governmental unit or person, and to make and
36 perform agreements and contracts and to do any and all things
37 necessary or useful and convenient in connection with the
38 procuring, acceptance or disposition of such gifts or grants;

39 (l) To determine the location, type and character of any public
40 facility and all other matters in connection with all or any part of
41 any public facility which it is authorized to own, construct,
42 establish, effectuate or control;

43 (m) To make and enforce bylaws or rules and regulations for the
44 management and regulation of its business and affairs and for the
45 use, maintenance and operation of any public facility, and to amend
46 the same;

1 (n) To do and perform any acts and things authorized by this act
2 under, through or by means of its own officers, agents and
3 employees, or by contract with any governmental unit or person;

4 (o) To acquire, purchase, construct, lease, operate, maintain and
5 undertake any project and to fix and collect facility charges for the
6 use thereof;

7 (p) To mortgage, pledge or assign or otherwise encumber all or
8 any portion of its revenues and other income, real and personal
9 property, projects and facilities for the purpose of securing its
10 bonds, notes and other obligations or otherwise in furtherance of the
11 purpose of this act;

12 (q) To extend credit or make loans to redevelopers for the
13 planning, designing, acquiring, constructing, reconstructing,
14 improving, equipping and furnishing any redevelopment project or
15 redevelopment work;

16 (r) To conduct examinations and investigations, hear testimony
17 and take proof, under oath at public or private hearings of any
18 material matter, require the attendance of witnesses and the
19 production of books and papers and issue commissions for the
20 examination of witnesses who are out of the State, unable to attend,
21 or excused from attendance;

22 (s) To authorize a committee designated by it consisting of one
23 or more members, or counsel, or any officer or employee to conduct
24 any such investigation or examination, in which case such
25 committee, counsel, officer or employee shall have power to
26 administer oaths, take affidavits and issue subpoenas or
27 commissions;

28 (t) To enter into any and all agreements or contracts, execute
29 any and all instruments, and do and perform any and all acts or
30 things necessary, convenient or desirable for the purposes of the
31 authority or to carry out any power expressly given in this act
32 subject to the "Local Public Contracts Law," P.L.1971, c. 198
33 (C.40A:11-1 et seq.); **and**

34 (u) To pool loans for any local governmental units within the
35 county or any beneficiary county that are refunding bonds and do
36 and perform any and all acts or things necessary, convenient or
37 desirable for the purpose of the authority to achieve more favorable
38 interest rates and terms for those local governmental units ; and

39 (v) To act as and exercise the powers of a land bank entity
40 pursuant to P.L. , c. (C.) (pending before the Legislature as
41 this bill) for any municipality situated within the county pursuant to
42 a land banking agreement approved by an ordinance adopted by the
43 municipal governing body.

44 (cf: P.L.2011, c.187, s.4)

45
46 18. Section 21 of P.L.1971, c.199 (C.40A:12-21) is amended to
47 read as follows:

1 21. When the governing body of any county or municipality
2 shall determine that all or any part of a tract of land, with or without
3 improvements, owned by the county or municipality, is not then
4 needed for county or municipal purposes, as the case may be, said
5 governing body, by resolution or ordinance, may authorize a private
6 sale and conveyance of the same, or any part thereof without
7 compliance with any other law governing disposal of lands by
8 counties and municipalities, for a consideration, which may be
9 nominal, and containing a limitation that such lands or buildings
10 shall be used only for the purposes of such organization or
11 association, and to render such services or to provide such facilities
12 as may be agreed upon, and except as provided in subsection (n) of
13 this section not for commercial business, trade or manufacture, and
14 that, unless waived, released, modified, or subordinated pursuant to
15 P.L.1943, c.33 (C.40:60-51.2), if said lands or buildings are not
16 used in accordance with said limitation, title thereto shall revert to
17 the county or municipality without any entry or reentry made
18 thereon on behalf of such county or municipality, to

19 (a) A duly incorporated volunteer fire company or board of fire
20 commissioners or first aid and emergency or volunteer ambulance
21 or rescue squad association of a municipality within the county, in
22 the case of a county, or of the municipality, in the case of a
23 municipality, for the construction thereon of a firehouse or fire
24 school or a first aid and emergency or volunteer ambulance or
25 rescue squad building or for the use of any existing building for any
26 or all of said purposes and any such land or building sold to any
27 duly incorporated volunteer fire company may be leased by such
28 fire company to any volunteer firemen's association for the use
29 thereof for fire school purposes for the benefit of the members of
30 such association, or

31 (b) Any nationally chartered organization or association of
32 veterans of any war, in which the United States has or shall have
33 been engaged, by a conveyance for consideration, a part of which
34 may be an agreement by the organization or association to render
35 service or to provide facilities for the general public of the county
36 or municipality, of a kind which the county or municipality may
37 furnish to its citizens and to the general public, or

38 (c) A duly incorporated nonprofit hospital association for the
39 construction or maintenance thereon of a general hospital, or

40 (d) Any veteran with paraplegia, that is to say, any officer,
41 soldier, sailor, marine, nurse or other person, regularly enlisted or
42 inducted, who was or shall have been in the active military or naval
43 forces of the United States in any war in which the United States
44 was engaged, including any member of the American Merchant
45 Marine during World War II who is declared by the United States
46 Department of Defense to be eligible for federal veterans' benefits,
47 and who, at the time the veteran was commissioned, enlisted,
48 inducted, appointed or mustered into such military or naval service,

1 was a resident of and who continues to reside in this State, and who
2 has paraplegia and permanent paralysis of both legs or the lower
3 parts of the body resulting from injuries sustained through enemy
4 action or accident while in such active military or naval service, for
5 the construction of a home to domicile the veteran, or to any
6 organization or association of veterans, for the construction of a
7 home or homes to domicile veterans with paraplegia, with powers
8 to convey said lands and premises to the veteran or veterans with
9 paraplegia on whose behalf said organization or association shall
10 acquire title to said land, or

11 (e) Any duly incorporated nonprofit association or any regional
12 commission or authority composed of one or more municipalities or
13 one or more counties for the construction or maintenance thereon of
14 an animal shelter, or

15 (f) Any duly incorporated nonprofit historical society for the
16 acquisition of publicly owned historic sites for their restoration,
17 preservation, improvement, and utilization for the benefit of the
18 general public, or

19 (g) Any duly incorporated nonprofit cemetery organization or
20 association serving the residents of the municipality or county, or

21 (h) Any duly incorporated nonprofit organization for the
22 principal purpose of the education or treatment of persons with
23 developmental disabilities including cerebral palsy, or

24 (i) Any county or municipal sewerage authority serving the
25 residents of the county or municipality, for the use thereof for
26 sewerage authority purposes, or

27 (j) Any duly incorporated nonprofit organization for the
28 purpose of building or rehabilitating residential property for resale.
29 Any profits from the resale of the property shall be applied by the
30 nonprofit organization to the costs of acquiring and rehabilitating
31 other residential property in need of rehabilitation owned by the
32 county or municipality, or

33 (k) Any duly incorporated nonprofit organization or association,
34 other than a political, partisan, sectarian, denominational, or
35 religious organization or association, which includes among its
36 principal purposes the provision of educational, gardening,
37 recreational, medical, or social services to the general public,
38 including residents of the county or municipality, or

39 (l) Any duly incorporated urban renewal corporation organized
40 pursuant to P.L.1991, c.431 (C.40A:20-1 et seq.) for the purpose of
41 constructing housing for low or moderate income persons or
42 families or persons with disabilities, or

43 (m) Any duly incorporated nonprofit hospice organization whose
44 principal purpose is to provide hospice services to persons with
45 terminal illnesses, or

46 (n) Any duly incorporated nonprofit organization or association
47 for the cultivation and sale of fresh fruits and vegetables on a tract
48 of land of less than five acres within a municipality, provided that

1 the nonprofit organization or association is not controlled, directly
2 or indirectly, by any agricultural, commercial, or other business.
3 The nonprofit organization or association shall be authorized to sell
4 fresh fruits and vegetables either on the land that was conveyed, off
5 that land, or both, provided, that the sales are related and incidental
6 to the non-profit purposes of the organization or association and the
7 net proceeds received by the nonprofit organization or association
8 are used to further the non-profit purposes of the organization or
9 association.

10 Whenever a sale of property is proposed pursuant to subsection
11 (k), for gardening, or subsection (n) of this section, the county or
12 municipality shall comply with all notice requirements for an
13 application for development under section 7.1 of P.L.1975, c.291
14 (C.40:55D-12).

15 The provisions of this section shall not be deemed to restrict land
16 banking agreements undertaken pursuant to P.L. , c. (C.)
17 (pending before the Legislature as this bill).

18 (cf: P.L.2017, c.131, s.175)

19

20 19. Section 22 of P.L.1992, c.79 (C.40A:12A-22) is amended to
21 read as follows:

22 22. A municipality, county, redevelopment agency, or housing
23 authority is authorized to exercise all those public and essential
24 governmental functions necessary or convenient to effectuate the
25 purposes of this act, including the following powers which shall be
26 in addition to those otherwise granted by this act or by other law:

27 a. To sue and be sued; to have a seal and to alter the same at
28 pleasure; to have perpetual succession; to make and execute
29 contracts and other instruments necessary and convenient to the
30 exercise of the powers of the agency or authority; and to make and
31 from time to time amend and repeal bylaws, rules and regulations,
32 not inconsistent with this act, to carry into effect its powers and
33 purposes.

34 b. Pursuant to an adopted cash management plan, invest any
35 funds held in reserve or sinking funds, or any funds not required for
36 immediate disbursement, in property or securities in which
37 governmental units may legally invest funds subject to their control;
38 to purchase its bonds at a price not more than the principal amount
39 thereof and accrued interest, all bonds so purchased to be cancelled.

40 c. Borrow money and receive grants and loans from any source
41 for the financing of a redevelopment project or housing project.

42 d. Invest in an obligee the right in the event of a default by the
43 agency to foreclose and take possession of the project covered by
44 the mortgage or apply for the appointment of a receiver.

45 e. Invest in a trustee or trustees or holders of bonds the right to
46 enforce the payment of the bonds or any covenant securing or
47 relating to the bonds, which may include the right, in the event of
48 the default, to take possession and use, operate and manage any

- 1 project or part thereof, and to collect the rents and revenues arising
2 therefrom and to dispose of the moneys in accordance with the
3 agreement of the authority with the trustee.
- 4 f. Provide for the refunding of any of its bonds, by the issuance
5 of such obligations, in such manner and form, and upon such terms
6 and conditions, as it shall deem in the best interests of the public.
- 7 g. Consent to the modification of any contract, bond indenture,
8 mortgage or other instrument entered into by it.
- 9 h. Pay or compromise any claim arising on, or because of any
10 agreement, bond indenture, mortgage or instrument.
- 11 i. Acquire or contract to acquire from any person, firm, or
12 corporation, public or private, by contribution, gift, grant, bequest,
13 devise, purchase, or otherwise, real or personal property or any
14 interest therein, including such property as it may deem necessary
15 or proper, although temporarily not required for such purposes, in a
16 redevelopment area or in any area designated by the governing body
17 as necessary for carrying out the relocation of the residents,
18 industry and commerce displaced from a redevelopment area.
- 19 j. Subordinate, waive, sell, assign or release any right, title,
20 claim, lien or demand however acquired, including any equity or
21 right of redemption, foreclosure, sell or assign any mortgage held
22 by it, or any interest in real or personal property; and purchase at
23 any sale, upon such terms and at such prices as it determines to be
24 reasonable, and to take title to the property, real, personal, or
25 mixed, so acquired and similarly to sell, exchange, assign, convey
26 or otherwise dispose of any property.
- 27 k. Complete, administer, operate, obtain and pay for insurance
28 on, and maintain, renovate, repair, modernize, lease or otherwise
29 deal with any property.
- 30 l. Employ or retain consulting and other attorneys, planners,
31 engineers, architects, managers and financial experts and other
32 employees and agents of a permanent or temporary nature as may
33 be necessary, determine their qualifications, duties and
34 compensation, and delegate to one or more of its agents or
35 employees such powers and duties as it deems proper. For such
36 legal services as may be required, a redevelopment agency or
37 housing authority may call upon the chief law officers of the
38 municipality or county, as the case may be, or may employ its own
39 counsel and legal staff.
- 40 m. Arrange or contract with a public agency, to the extent that it
41 is within the scope of that agency's functions, to cause the services
42 customarily provided by such other agency to be rendered for the
43 benefit of the occupants of any redevelopment area or housing
44 project, and have such other agency provide and maintain parks,
45 recreation centers, schools, sewerage, transportation, water and
46 other municipal facilities adjacent to or in connection with a
47 redevelopment area or project.

1 n. Conduct examinations and investigations, hear testimony
2 and take proof, under oath at public or private hearings of any
3 material matter, compel witnesses and the production of books and
4 papers and issue commissions for the examination of witnesses who
5 are out of State, unable to attend, or excused from attendance;
6 authorize a committee designated by it consisting of one or more
7 members, or counsel, or any officer or employee to conduct the
8 examination or investigation, in which case it may authorize in its
9 name the committee, counsel, officer or employee to administer
10 oaths, take affidavits and issue subpoenas or commissions.

11 o. Make and enter into all contracts and agreements necessary
12 or incidental to the performance of the duties authorized in this act.

13 p. After thorough evaluation and investigation, bring an action
14 on behalf of a tenant to collect or enforce any violation of
15 subsection g. or h. of section 11 of the "Law Against
16 Discrimination," P.L.1945, c.169 (C.10:5-12).

17 q. Designate members or employees, who shall be
18 knowledgeable of federal and State discrimination laws, and who
19 shall be available during all normal business hours, to evaluate a
20 complaint made by a tenant pursuant to the "Law Against
21 Discrimination," P.L.1945, c.169 (C.10:5-12).

22 r. Act as and exercise the powers of a land bank entity
23 pursuant to P.L. , c. (C.) (pending before the Legislature as
24 this bill) under a land banking agreement approved by an ordinance
25 adopted by the municipal governing body.

26 (cf: P.L.2002, c.82, s.5)

27

28 20. This act shall take effect immediately.

29

30

31

32

33 Permits municipal land banking in conjunction with online
34 property database development.

SENATE, No. 1214

STATE OF NEW JERSEY 218th LEGISLATURE

INTRODUCED JANUARY 25, 2018

Sponsored by:

Senator M. TERESA RUIZ

District 29 (Essex)

Senator NILSA CRUZ-PEREZ

District 5 (Camden and Gloucester)

Co-Sponsored by:

Senator Rice

SYNOPSIS

Permits municipal land banking in conjunction with online property database development.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 10/30/2018)

1 AN ACT concerning municipal land banking and online mapping,
2 and amending P.L.1960, c.183 and P.L.1971, c.199, and
3 amending and supplementing P.L.1992, c.79.

4
5 **BE IT ENACTED** by the Senate and General Assembly of the State
6 of New Jersey:

7
8 1. (New section) Sections 1 through 16 of P.L. , c. (C.)
9 (pending before the Legislature as this bill) shall be known and may
10 be cited as the “New Jersey Land Bank Law.”

11
12 2. (New section) The Legislature finds and declares that:

13 a. Difficult economic conditions coupled with the continued
14 high rate of foreclosures have significantly increased the number of
15 vacant, abandoned, and other problem properties in the State’s
16 municipalities, particularly its older cities;

17 b. The continued presence and proliferation of these vacant,
18 abandoned, and other problem properties in the communities of this
19 State has a negative effect on the public health and welfare, reduces
20 property values and municipal revenues, and impedes the economic
21 development and revitalization of the State’s municipalities,
22 particularly its older cities;

23 c. At present, many vacant, abandoned and other problem
24 properties, rather than being productively reused, remain vacant
25 despite frequent changes in ownership, and continue to have a
26 blighting effect on their surroundings;

27 d. The State’s municipalities can benefit from more effective
28 tools to control the inventory of vacant, abandoned, and other
29 problem properties, in order to both minimize the harm that they do
30 in their present condition and to facilitate their restoration to
31 productive use;

32 e. In order to most effectively engage the local community in
33 identifying problem properties, the State’s municipalities can also
34 benefit from the publication of interactive online mapping databases
35 of vacant and abandoned properties;

36 f. To ensure that land banking activities are conducted in an
37 honest and open manner, the public can also benefit from the
38 inclusion of properties subject to land banking agreements within
39 the interactive online mapping databases regardless of whether or
40 not such properties are vacant and abandoned; and

41 g. It is, therefore, in the best interest of this State to allow
42 municipalities to designate single entities to act on their behalf to
43 acquire, maintain, and sell, lease and otherwise dispose of vacant,
44 abandoned and problem properties, in order to carry out strategies
45 to ensure that the reuse of these properties provides the greatest

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.

1 long-term benefit to the physical, social and economic condition of
2 the municipality.

3

4 3. (New section) As used in sections 3 through 16 of P.L. ,
5 c. (C.) (pending before the Legislature as this bill):

6 “Land bank entity” means a redevelopment entity, or a non-profit
7 entity, that has entered into a land banking agreement.

8 “Land bank property” means property subject to a land banking
9 agreement.

10 “Land banking agreement” means an agreement between a
11 municipality and a land bank entity to act on behalf of the
12 municipality to hold, maintain and sell, lease, or convey property
13 owned by the municipality and not needed for any public purpose.

14 “Redevelopment entity” means either:

15 (1) A redevelopment entity designated by the municipality
16 pursuant to section 4 of the “Local Redevelopment and Housing
17 Law,” P.L.1992, c.79 (C.40A:12A-4);

18 (2) A county improvement authority designated by the
19 municipality to act as a redevelopment entity pursuant to the
20 “county improvement authorities law,” P.L.1960, c.183 (C.40:37A-
21 44 et seq.) for the purpose of entering into a land banking
22 agreement with said entity, without regard to whether the county
23 improvement authority is otherwise acting as a redevelopment
24 entity in the municipality; or

25 (3) The municipality itself, or one of its departments or
26 agencies, but only if the municipality is executing redevelopment
27 responsibilities directly pursuant to section 4 of P.L.1992, c.79
28 (C.40A:12A-4). In such cases, the designated redevelopment entity
29 shall not need to adopt separate ordinances or resolutions, as
30 appropriate, for the purpose of adopting a land banking agreement
31 or amendments pursuant to subsections d. and e. of section 5 of
32 P.L. , c. (C.) (pending before the Legislature as this bill),
33 and the adoption of one ordinance to create the land banking
34 agreement, and one ordinance for each amendment thereto shall
35 suffice. Termination notice requirements, prescribed by section 14
36 of P.L. , c. (C.) (pending before the Legislature as this bill),
37 also shall not be necessary.

38

39 4. (New section) a. A municipality may enter into a land
40 banking agreement with a redevelopment entity, and designate the
41 redevelopment entity as its land bank entity.

42 b. A municipality may enter into a land banking agreement with
43 a non-profit entity so long as the by-laws of the non-profit entity
44 provide that the chief financial officer of the municipality serves on
45 the board of the non-profit entity, ex officio.

1 5. (New section) a. A land banking agreement shall establish
2 the responsibilities of the land bank entity and shall specify the
3 terms and conditions under which the land bank entity may acquire
4 property on behalf of the municipality, demolish and otherwise
5 clear buildings and conduct other site improvements located on the
6 property, maintain and secure the property, conduct other activities
7 on the property, and, notwithstanding the provisions of the “Local
8 Lands and Buildings Law,” P.L.1971, c.199 (C.40A:12-1 et seq.),
9 sell, lease, or convey property held on behalf of the municipality.
10 The land banking agreement also shall provide for such municipal
11 oversight of the land bank entity as the municipality deems
12 necessary and appropriate and shall establish the manner in which
13 any costs and revenues, including proceeds of the sale or leasing of
14 land bank property shall be distributed. The land bank entity shall
15 not lease any land bank property for an individual term of more
16 than 10 years. Land bank property that is sold, leased, or conveyed
17 by a land bank entity, shall be subject to ordinances adopted
18 pursuant to the “Municipal Land Use Law,” P.L.1975, c.291
19 (C.40:55D-1 et seq.), and other applicable State statutes following
20 the sale, lease, or conveyance.

21 b. Prior to submission of the land banking agreement for
22 approval by the municipal governing body, the municipality shall
23 hold a public meeting to solicit the advice of the public on the
24 substance and intent of the land banking agreement.

25 c. The ordinance comprising the land banking agreement shall
26 include findings establishing the need for land bank activity in the
27 municipality, and the qualifications of the land bank entity to carry
28 out the responsibilities established pursuant to P.L. , c. (C.)
29 (pending before the Legislature as this bill).

30 d. The land banking agreement shall be adopted by an
31 ordinance of the governing body of the municipality and by
32 resolution of the governing body of the land bank entity.

33 e. The land banking agreement may be amended at any time by
34 ordinance of the governing body of the municipality and by
35 resolution of the governing body of the land bank entity.

36

37 6. (New section) Pursuant to the land banking agreement or
38 any subsequent amendment thereto, the land bank entity may be
39 designated by the municipality to:

40 a. acquire properties on its behalf through contribution, gift,
41 grant, bequest, purchase or otherwise, whether or not the property is
42 located in an area designated as a redevelopment area or an area in
43 need of rehabilitation; and

44 b. act as its agent, or in place of its municipal officer, with
45 respect to acquisition of property, including but not limited to
46 purchase of tax and other liens, foreclosure of tax and other liens,
47 and individual abandoned property takings pursuant to paragraph
48 (2) of subsection c. of section 37 of the “New Jersey Urban

1 Redevelopment Act,” P.L.1996, c.62 (C.55:19-56) on behalf of the
2 municipality and to take title to such properties on behalf of the
3 municipality; provided, however, that nothing in this section shall
4 authorize the use of eminent domain beyond that use already
5 permitted by law.

6
7 7. (New section) a. For purposes of this section, a
8 municipality, through the land banking agreement itself, or through
9 the adoption of a separate ordinance, may sell, lease, or convey to
10 the land bank entity, and the land bank entity may take title to, any
11 property or properties held by the municipality and not needed for
12 any public purpose, whether or not the property is located in an area
13 designated as a redevelopment area or an area in need of
14 rehabilitation, without public bidding and at such prices and upon
15 such terms as the municipality deems reasonable. Unless the terms
16 of the land banking agreement provide otherwise, such sales, leases,
17 and conveyances to the land bank entity itself shall be conditioned
18 on the municipality’s ability to regain control of the properties
19 pursuant to subsection c. of section 14 of P.L. , c. (C.)
20 (pending before the Legislature as this bill).

21 b. Through the land banking agreement itself, or through the
22 adoption of a separate ordinance, a municipality may assign any tax
23 liens or other liens to the land bank entity with or without
24 consideration and at such prices and upon such terms as it deems
25 reasonable.

26
27 8. (New section) a. To the extent that the statute under which
28 a redevelopment entity was established, section 4 of P.L.1992, c.79
29 (C.40A:12A-4) or P.L.1960, c.183 (C.40:37A-44 et seq.) in the case
30 of a county improvement authority, confers on that entity the power
31 to borrow funds and incur debt, the redevelopment entity may
32 exercise those powers in furtherance of its land banking obligations
33 subject to the conditions and limitations set forth in section 4 of
34 P.L.1992, c.79 (C.40A:12A-4) or P.L.1960, c.183 (C.40:37A-44 et
35 seq.).

36 b. To the extent that the statute under which the redevelopment
37 entity was established, section 4 of P.L.1992, c.79 (C.40A:12A-4)
38 or P.L.1960, c.183 (C.40:37A-44 et seq.) in the case of a county
39 improvement authority, provides that the municipality may
40 guarantee its debt or other borrowing, the municipality may also
41 guarantee its debt or other borrowing under the same terms and
42 conditions, in furtherance of the entity’s obligations as a land bank
43 entity.

44 c. The guaranteeing of debt and borrowing of funds permitted
45 under subsections a. and b. of this section only shall be permitted so
46 long as the land banking agreement itself also explicitly permits
47 these actions.

1 9. (New section) In selling, leasing, or conveying land bank
2 property, a redevelopment entity shall not be subject to the
3 provisions of section 9 of P.L.1992, c.79 (C.40A:12A-9), but shall
4 be subject to any terms and conditions set forth in the land banking
5 agreement and by the regulations of the redevelopment entity,
6 adopted pursuant to section 10 of P.L. , c. (C.) (pending
7 before the Legislature as this bill).

8
9 10. (New section) Within six months after designation by the
10 municipality, the land bank entity shall adopt written regulations
11 governing the sales, leases, and conveyances of land bank property
12 consistent with any provisions of the land banking agreement and
13 with respect to any other matters that may be required by said
14 agreement, which regulations shall be published on the Internet web
15 sites of the land bank entity and the municipality, along with the
16 database required pursuant to subsection c. of section 11 of P.L. ,
17 c. (C.) (pending before the Legislature as this bill).

18
19 11. (New section) a. Within six months after designation by
20 the municipality the land bank entity shall create a community
21 advisory board, which shall consist of representatives of recognized
22 community associations and non-profit organizations operating
23 within the municipality, in particular those associations and
24 organizations active in areas where the land bank entity anticipates
25 holding properties.

26 b. The land bank entity shall adopt policies and procedures to
27 ensure that the community advisory board is provided with
28 adequate information and opportunity to provide valued input into
29 the decisions of the land bank entity in its capacity as a land bank
30 entity.

31 c. (1) In coordination with the municipality and the community
32 advisory board, the land bank entity shall, within a reasonable time,
33 create, maintain, and make publicly available on its Internet
34 website, a database listing all current and former land bank
35 properties, each owner of record since each property became a land
36 bank property, and the sales price of each land bank property that
37 has been sold or purchased by the land bank entity.

38 (2) In coordination with the municipality and the community
39 advisory board, the land bank entity is encouraged to incorporate
40 into the online database:

41 (a) a list of all vacant and abandoned properties within the
42 municipality;

43 (b) a mechanism to allow the public to offer suggestions
44 concerning what properties should be labeled as vacant and
45 abandoned; and

46 (c) an interactive mapping component to allow the public to
47 visualize the impact of land banking and the extent of vacant and
48 abandoned properties within the municipality.

1 d. On an annual basis at minimum, the community advisory
2 board shall report on the accuracy, integrity, accessibility, and
3 comprehensiveness of the database established pursuant to
4 subsection c. of this section. Each annual report shall be accessible
5 to the public through the internet website of the municipality and
6 the land bank entity. The fact that a land bank entity has failed to
7 comply with the database requirement under subsection c. of this
8 section shall be prominently noted in each annual report, but no
9 other penalty shall inure to that failure.

10 e. The Division of Local Government Services in the
11 Department of Community Affairs shall, within six months of the
12 effective date of P.L. , c. (C.) (pending before the
13 Legislature as this bill), publish and disseminate a guidebook of
14 good practice for creating and maintaining databases established
15 pursuant to subsection c. of this section.

16
17 12. (New section) The land bank entity shall provide an annual
18 report to the municipal governing body and the public describing
19 the properties being held by it as a land bank entity and the
20 activities that it carried out during the year as a land bank entity.

21
22 13. (New section) The land banking agreement between the
23 municipality and a non-profit entity may provide that properties
24 sold, leased, or conveyed by the municipality to the non-profit
25 entity pursuant to section 7 of P.L. , c. (C.) (pending before
26 the Legislature as this bill), or acquired by the non-profit entity
27 pursuant to section 6 of P.L. , c. (C.) (pending before the
28 Legislature as this bill), are held by the entity on behalf of the
29 municipality for a public purpose and shall be exempt from property
30 taxation until or unless sold, leased, or conveyed by the entity or
31 used by the entity for a purpose that is not eligible for exemption
32 from taxation.

33
34 14. (New section) a. The municipality may terminate the land
35 banking agreement at any time by providing the land bank entity
36 with one year's notice of termination.

37 b. Termination of the land banking agreement shall not affect
38 the status of any transaction properly entered into by the land bank
39 entity prior to termination.

40 c. Within 90 days following the date of termination, the land
41 bank entity shall convey to the municipality all land bank property
42 without consideration; provided, however, that the municipality and
43 the entity may agree to allow the entity to retain title to any
44 properties that are the subject of a pending transaction by the entity
45 until completion of the transaction, and until the end of any lease.

46
47 15. (New section) A land bank entity may act as a land bank
48 entity for more than one municipality at the same time, subject to

1 the provisions of the “Uniform Shared Services and Consolidation
2 Act,” P.L.2007, c.63 (C.40A:65-1 et seq.).

3
4 16. (New section) a. A municipal governing body may provide
5 by ordinance that an amount equaling up to 50 percent of property
6 taxes or payments in lieu of taxes collected on land bank properties
7 each year shall be returned to the land bank entity for up to 10 years
8 following a sale or conveyance of those properties from the land
9 bank entity to a private owner. Such ordinance may only be applied
10 to real property on which no property tax has been paid, or payment
11 in lieu of taxes collected, for at least two years prior to the property
12 becoming a land bank property. Such ordinance may be applied to
13 any individual sale or conveyance, any group of sales and
14 conveyances, or all future sales and conveyances that fit these
15 criteria.

16 b. The distribution of any proceeds associated with the sales
17 and leasing of land bank property shall be addressed in the land
18 banking agreement itself and in amendments thereto. Proceeds
19 associated with the sales and leasing of land bank property, and all
20 other proceeds obtained by the land bank entity under the
21 ordinance, shall be maintained in one or more accounts, separate
22 from all other accounts maintained by the entity serving as the land
23 bank entity. The account or accounts shall be deemed to be
24 government records and subject to the provisions of P.L.1963, c.73
25 (C.47:1A-1 et seq.), commonly known as the open public records
26 act.

27 c. As used in this section, “conveyance” shall not be construed
28 to include a lease.

29
30 17. Section 12 of P.L.1960, c.183 (C.40:37A-55) is amended to
31 read as follows:

32 12. Every authority shall be a public body politic and corporate
33 constituting a political subdivision of the State established as an
34 instrumentality exercising public and essential governmental
35 functions to provide for the public convenience, benefit and welfare
36 and shall have perpetual succession and, for the effectuation of its
37 purposes, have the following additional powers:

38 (a) To adopt and have a common seal and to alter the same at
39 pleasure;

40 (b) To sue and be sued;

41 (c) To acquire, hold, use and dispose of its facility charges and
42 other revenues and other moneys;

43 (d) To acquire, rent, hold, use and dispose of other personal
44 property for the purposes of the authority;

45 (e) Subject to the provisions of section 26 of this act, to acquire
46 by purchase, gift, condemnation or otherwise, or lease as lessee,
47 real property and easements or interests therein necessary or useful
48 and convenient for the purposes of the authority, whether subject to

1 mortgages, deeds of trust or other liens or otherwise, and to hold
2 and to use the same, and to dispose of property so acquired no
3 longer necessary for the purposes of the authority; provided that the
4 authority may dispose of such property at any time to any
5 governmental unit or person if the authority shall receive a
6 leasehold interest in the property for such term as the authority
7 deems appropriate to fulfill its purposes;

8 (f) Subject to the provisions of section 13 of this act, to lease to
9 any governmental unit or person, all or any part of any public
10 facility for such consideration and for such period or periods of
11 time and upon such other terms and conditions as it may fix and
12 agree upon;

13 (g) To enter into agreements to lease, as lessee, public facilities
14 for such term and under such conditions as the authority may deem
15 necessary and desirable to fulfill its purposes, and to agree,
16 pursuant thereto, to be unconditionally obligated to make payments
17 for the term of the lease, without set-off or counterclaim, whether or
18 not the public facility is completed, operating or operable, and
19 notwithstanding the destruction of, damage to, or suspension,
20 interruption, interference, reduction or curtailment of the
21 availability or output of the public facility to which the agreement
22 applies;

23 (h) To extend credit or make loans to any governmental unit or
24 person for the planning, design, acquisition, construction, equipping
25 and furnishing of a public facility, upon the terms and conditions
26 that the loans be secured by loan and security agreements,
27 mortgages, leases and other instruments, the payments on which
28 shall be sufficient to pay the principal of and interest on any bonds
29 issued for the purpose by the authority, and upon such other terms
30 and conditions as the authority shall deem reasonable;

31 (i) Subject to the provisions of section 13 of this act, to make
32 agreements of any kind with any governmental unit or person for
33 the use or operation of all or any part of any public facility for such
34 consideration and for such period or periods of time and upon such
35 other terms and conditions as it may fix and agree upon;

36 (j) (1) To borrow money and issue negotiable bonds or notes or
37 other obligations and provide for and secure the payment of any
38 bonds and the rights of the holders thereof, and to purchase, hold
39 and dispose of any bonds;

40 (2) To issue bonds, notes or other obligations to provide funding
41 to a municipality that finances the purchase and installation of
42 renewable energy systems and energy efficiency improvements by
43 property owners as provided in section 2 of P.L.2011, c.187
44 (C.40:56-13.1);

45 (k) To apply for and to accept gifts or grants of real or personal
46 property, money, material, labor or supplies for the purposes of the
47 authority from any governmental unit or person, and to make and
48 perform agreements and contracts and to do any and all things

1 necessary or useful and convenient in connection with the
2 procuring, acceptance or disposition of such gifts or grants;

3 (l) To determine the location, type and character of any public
4 facility and all other matters in connection with all or any part of
5 any public facility which it is authorized to own, construct,
6 establish, effectuate or control;

7 (m) To make and enforce bylaws or rules and regulations for the
8 management and regulation of its business and affairs and for the
9 use, maintenance and operation of any public facility, and to amend
10 the same;

11 (n) To do and perform any acts and things authorized by this act
12 under, through or by means of its own officers, agents and
13 employees, or by contract with any governmental unit or person;

14 (o) To acquire, purchase, construct, lease, operate, maintain and
15 undertake any project and to fix and collect facility charges for the
16 use thereof;

17 (p) To mortgage, pledge or assign or otherwise encumber all or
18 any portion of its revenues and other income, real and personal
19 property, projects and facilities for the purpose of securing its
20 bonds, notes and other obligations or otherwise in furtherance of the
21 purpose of this act;

22 (q) To extend credit or make loans to redevelopers for the
23 planning, designing, acquiring, constructing, reconstructing,
24 improving, equipping and furnishing any redevelopment project or
25 redevelopment work;

26 (r) To conduct examinations and investigations, hear testimony
27 and take proof, under oath at public or private hearings of any
28 material matter, require the attendance of witnesses and the
29 production of books and papers and issue commissions for the
30 examination of witnesses who are out of the State, unable to attend,
31 or excused from attendance;

32 (s) To authorize a committee designated by it consisting of one
33 or more members, or counsel, or any officer or employee to conduct
34 any such investigation or examination, in which case such
35 committee, counsel, officer or employee shall have power to
36 administer oaths, take affidavits and issue subpoenas or
37 commissions;

38 (t) To enter into any and all agreements or contracts, execute
39 any and all instruments, and do and perform any and all acts or
40 things necessary, convenient or desirable for the purposes of the
41 authority or to carry out any power expressly given in this act
42 subject to the "Local Public Contracts Law," P.L.1971, c. 198
43 (C.40A:11-1 et seq.); **and**

44 (u) To pool loans for any local governmental units within the
45 county or any beneficiary county that are refunding bonds and do
46 and perform any and all acts or things necessary, convenient or
47 desirable for the purpose of the authority to achieve more favorable
48 interest rates and terms for those local governmental units ; and

1 (v) To act as and exercise the powers of a land bank entity
2 pursuant to P.L. , c. (C.) (pending before the Legislature as
3 this bill) for any municipality situated within the county pursuant to
4 a land banking agreement approved by an ordinance adopted by the
5 municipal governing body.

6 (cf: P.L.2011, c.187, s.4)

7
8 18. Section 21 of P.L.1971, c.199 (C.40A:12-21) is amended to
9 read as follows:

10 21. When the governing body of any county or municipality
11 shall determine that all or any part of a tract of land, with or without
12 improvements, owned by the county or municipality, is not then
13 needed for county or municipal purposes, as the case may be, said
14 governing body, by resolution or ordinance, may authorize a private
15 sale and conveyance of the same, or any part thereof without
16 compliance with any other law governing disposal of lands by
17 counties and municipalities, for a consideration, which may be
18 nominal, and containing a limitation that such lands or buildings
19 shall be used only for the purposes of such organization or
20 association, and to render such services or to provide such facilities
21 as may be agreed upon, and except as provided in subsection (n) of
22 this section not for commercial business, trade or manufacture, and
23 that, unless waived, released, modified, or subordinated pursuant to
24 P.L.1943, c.33 (C.40:60-51.2), if said lands or buildings are not
25 used in accordance with said limitation, title thereto shall revert to
26 the county or municipality without any entry or reentry made
27 thereon on behalf of such county or municipality, to

28 (a) A duly incorporated volunteer fire company or board of fire
29 commissioners or first aid and emergency or volunteer ambulance
30 or rescue squad association of a municipality within the county, in
31 the case of a county, or of the municipality, in the case of a
32 municipality, for the construction thereon of a firehouse or fire
33 school or a first aid and emergency or volunteer ambulance or
34 rescue squad building or for the use of any existing building for any
35 or all of said purposes and any such land or building sold to any
36 duly incorporated volunteer fire company may be leased by such
37 fire company to any volunteer firemen's association for the use
38 thereof for fire school purposes for the benefit of the members of
39 such association, or

40 (b) Any nationally chartered organization or association of
41 veterans of any war, in which the United States has or shall have
42 been engaged, by a conveyance for consideration, a part of which
43 may be an agreement by the organization or association to render
44 service or to provide facilities for the general public of the county
45 or municipality, of a kind which the county or municipality may
46 furnish to its citizens and to the general public, or

47 (c) A duly incorporated nonprofit hospital association for the
48 construction or maintenance thereon of a general hospital, or

1 (d) Any veteran with paraplegia, that is to say, any officer,
2 soldier, sailor, marine, nurse or other person, regularly enlisted or
3 inducted, who was or shall have been in the active military or naval
4 forces of the United States in any war in which the United States
5 was engaged, including any member of the American Merchant
6 Marine during World War II who is declared by the United States
7 Department of Defense to be eligible for federal veterans' benefits,
8 and who, at the time the veteran was commissioned, enlisted,
9 inducted, appointed or mustered into such military or naval service,
10 was a resident of and who continues to reside in this State, and who
11 has paraplegia and permanent paralysis of both legs or the lower
12 parts of the body resulting from injuries sustained through enemy
13 action or accident while in such active military or naval service, for
14 the construction of a home to domicile the veteran, or to any
15 organization or association of veterans, for the construction of a
16 home or homes to domicile veterans with paraplegia, with powers
17 to convey said lands and premises to the veteran or veterans with
18 paraplegia on whose behalf said organization or association shall
19 acquire title to said land, or

20 (e) Any duly incorporated nonprofit association or any regional
21 commission or authority composed of one or more municipalities or
22 one or more counties for the construction or maintenance thereon of
23 an animal shelter, or

24 (f) Any duly incorporated nonprofit historical society for the
25 acquisition of publicly owned historic sites for their restoration,
26 preservation, improvement, and utilization for the benefit of the
27 general public, or

28 (g) Any duly incorporated nonprofit cemetery organization or
29 association serving the residents of the municipality or county, or

30 (h) Any duly incorporated nonprofit organization for the
31 principal purpose of the education or treatment of persons with
32 developmental disabilities including cerebral palsy, or

33 (i) Any county or municipal sewerage authority serving the
34 residents of the county or municipality, for the use thereof for
35 sewerage authority purposes, or

36 (j) Any duly incorporated nonprofit organization for the
37 purpose of building or rehabilitating residential property for resale.
38 Any profits from the resale of the property shall be applied by the
39 nonprofit organization to the costs of acquiring and rehabilitating
40 other residential property in need of rehabilitation owned by the
41 county or municipality, or

42 (k) Any duly incorporated nonprofit organization or association,
43 other than a political, partisan, sectarian, denominational, or
44 religious organization or association, which includes among its
45 principal purposes the provision of educational, gardening,
46 recreational, medical, or social services to the general public,
47 including residents of the county or municipality, or

1 (l) Any duly incorporated urban renewal corporation organized
2 pursuant to P.L.1991, c.431 (C.40A:20-1 et seq.) for the purpose of
3 constructing housing for low or moderate income persons or
4 families or persons with disabilities, or

5 (m) Any duly incorporated nonprofit hospice organization
6 whose principal purpose is to provide hospice services to persons
7 with terminal illnesses, or

8 (n) Any duly incorporated nonprofit organization or association
9 for the cultivation and sale of fresh fruits and vegetables on a tract
10 of land of less than five acres within a municipality, provided that
11 the nonprofit organization or association is not controlled, directly
12 or indirectly, by any agricultural, commercial, or other business.
13 The nonprofit organization or association shall be authorized to sell
14 fresh fruits and vegetables either on the land that was conveyed, off
15 that land, or both, provided, that the sales are related and incidental
16 to the non-profit purposes of the organization or association and the
17 net proceeds received by the nonprofit organization or association
18 are used to further the non-profit purposes of the organization or
19 association.

20 Whenever a sale of property is proposed pursuant to subsection
21 (k), for gardening, or subsection (n) of this section, the county or
22 municipality shall comply with all notice requirements for an
23 application for development under section 7.1 of P.L.1975, c.291
24 (C.40:55D-12).

25 The provisions of this section shall not be deemed to restrict land
26 banking agreements undertaken pursuant to P.L. , c. (C.)
27 (pending before the Legislature as this bill).

28 (cf: P.L.2017, c.131, s.175)

29

30 19. Section 22 of P.L.1992, c.79 (C.40A:12A-22) is amended to
31 read as follows:

32 22. A municipality, county, redevelopment agency, or housing
33 authority is authorized to exercise all those public and essential
34 governmental functions necessary or convenient to effectuate the
35 purposes of this act, including the following powers which shall be
36 in addition to those otherwise granted by this act or by other law:

37 a. To sue and be sued; to have a seal and to alter the same at
38 pleasure; to have perpetual succession; to make and execute
39 contracts and other instruments necessary and convenient to the
40 exercise of the powers of the agency or authority; and to make and
41 from time to time amend and repeal bylaws, rules and regulations,
42 not inconsistent with this act, to carry into effect its powers and
43 purposes.

44 b. Pursuant to an adopted cash management plan, invest any
45 funds held in reserve or sinking funds, or any funds not required for
46 immediate disbursement, in property or securities in which
47 governmental units may legally invest funds subject to their control;

- 1 to purchase its bonds at a price not more than the principal amount
2 thereof and accrued interest, all bonds so purchased to be cancelled.
- 3 c. Borrow money and receive grants and loans from any source
4 for the financing of a redevelopment project or housing project.
- 5 d. Invest in an obligee the right in the event of a default by the
6 agency to foreclose and take possession of the project covered by
7 the mortgage or apply for the appointment of a receiver.
- 8 e. Invest in a trustee or trustees or holders of bonds the right to
9 enforce the payment of the bonds or any covenant securing or
10 relating to the bonds, which may include the right, in the event of
11 the default, to take possession and use, operate and manage any
12 project or part thereof, and to collect the rents and revenues arising
13 therefrom and to dispose of the moneys in accordance with the
14 agreement of the authority with the trustee.
- 15 f. Provide for the refunding of any of its bonds, by the issuance
16 of such obligations, in such manner and form, and upon such terms
17 and conditions, as it shall deem in the best interests of the public.
- 18 g. Consent to the modification of any contract, bond indenture,
19 mortgage or other instrument entered into by it.
- 20 h. Pay or compromise any claim arising on, or because of any
21 agreement, bond indenture, mortgage or instrument.
- 22 i. Acquire or contract to acquire from any person, firm, or
23 corporation, public or private, by contribution, gift, grant, bequest,
24 devise, purchase, or otherwise, real or personal property or any
25 interest therein, including such property as it may deem necessary
26 or proper, although temporarily not required for such purposes, in a
27 redevelopment area or in any area designated by the governing body
28 as necessary for carrying out the relocation of the residents,
29 industry and commerce displaced from a redevelopment area.
- 30 j. Subordinate, waive, sell, assign or release any right, title,
31 claim, lien or demand however acquired, including any equity or
32 right of redemption, foreclosure, sell or assign any mortgage held
33 by it, or any interest in real or personal property; and purchase at
34 any sale, upon such terms and at such prices as it determines to be
35 reasonable, and to take title to the property, real, personal, or
36 mixed, so acquired and similarly to sell, exchange, assign, convey
37 or otherwise dispose of any property.
- 38 k. Complete, administer, operate, obtain and pay for insurance
39 on, and maintain, renovate, repair, modernize, lease or otherwise
40 deal with any property.
- 41 l. Employ or retain consulting and other attorneys, planners,
42 engineers, architects, managers and financial experts and other
43 employees and agents of a permanent or temporary nature as may
44 be necessary, determine their qualifications, duties and
45 compensation, and delegate to one or more of its agents or
46 employees such powers and duties as it deems proper. For such
47 legal services as may be required, a redevelopment agency or
48 housing authority may call upon the chief law officers of the

1 municipality or county, as the case may be, or may employ its own
2 counsel and legal staff.

3 m. Arrange or contract with a public agency, to the extent that it
4 is within the scope of that agency's functions, to cause the services
5 customarily provided by such other agency to be rendered for the
6 benefit of the occupants of any redevelopment area or housing
7 project, and have such other agency provide and maintain parks,
8 recreation centers, schools, sewerage, transportation, water and
9 other municipal facilities adjacent to or in connection with a
10 redevelopment area or project.

11 n. Conduct examinations and investigations, hear testimony
12 and take proof, under oath at public or private hearings of any
13 material matter, compel witnesses and the production of books and
14 papers and issue commissions for the examination of witnesses who
15 are out of State, unable to attend, or excused from attendance;
16 authorize a committee designated by it consisting of one or more
17 members, or counsel, or any officer or employee to conduct the
18 examination or investigation, in which case it may authorize in its
19 name the committee, counsel, officer or employee to administer
20 oaths, take affidavits and issue subpoenas or commissions.

21 o. Make and enter into all contracts and agreements necessary
22 or incidental to the performance of the duties authorized in this act.

23 p. After thorough evaluation and investigation, bring an action
24 on behalf of a tenant to collect or enforce any violation of
25 subsection g. or h. of section 11 of the "Law Against
26 Discrimination," P.L.1945, c.169 (C.10:5-12).

27 q. Designate members or employees, who shall be
28 knowledgeable of federal and State discrimination laws, and who
29 shall be available during all normal business hours, to evaluate a
30 complaint made by a tenant pursuant to the "Law Against
31 Discrimination," P.L.1945, c.169 (C.10:5-12).

32 r. Act as and exercise the powers of a land bank entity
33 pursuant to P.L. , c. (C.) (pending before the Legislature as
34 this bill) under a land banking agreement approved by an ordinance
35 adopted by the municipal governing body.

36 (cf: P.L.2002, c.82, s.5)

37

38 20. This act shall take effect immediately.

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STATEMENT

42

43 This bill allows municipalities to designate non-profit entities,
44 and redevelopment entities, including the municipality itself when it
45 serves as its own redevelopment entity, to act as land bank entities
46 on behalf of the municipality. Non-profit land bank entities shall
47 allow the chief financial officer of the municipality to serve on the
48 board of the entity as an ex officio member.

1 This bill is similar to A-441 of 2014-2015. However, this bill
2 addresses concerns expressed in the Governor's Veto Statement to
3 that bill related to the need for greater transparency and oversight of
4 land bank entities. The bill addresses these concerns through a
5 requirement for the land bank entity to develop and maintain an
6 online database of land bank properties that is accessible to the
7 public, and that provides comprehensive information on the
8 ownership and sales prices of those properties. The bill further
9 encourages the land bank entity to incorporate into the database a
10 list of all vacant and abandoned properties within the municipality,
11 a mechanism to allow the public to offer suggestions concerning
12 what properties should be labeled as vacant and abandoned, and an
13 interactive mapping feature to allow the public to visualize the
14 impact of land banking and the extent of vacant and abandoned
15 properties within the municipality.

16 Under this bill, a municipality may convey municipal-owned
17 properties and assign municipal-owned liens to the land bank entity.
18 The land bank entity may also acquire properties for the land bank
19 through gift or purchase, and act as the municipality's agent to
20 purchase liens at tax sale, and carry out lien foreclosures and
21 individual abandoned property takings.

22 Land bank entity designation is accomplished through a formal
23 agreement adopted by the municipality and the entity after
24 community input. The agreement establishes the terms and
25 conditions by which the entity may acquire and may sell, lease, or
26 convey a property, a mechanism for sharing costs and revenues
27 between the municipality and the entity, and the level of municipal
28 oversight. The agreement can be amended at any time by mutual
29 consent, and terminated by the municipality by giving one year's
30 notice to the entity.

31 When the land bank entity is a non-profit rather than
32 governmental entity, the municipality may exempt the land bank
33 properties held by the land bank entity from property taxes.

34 The land bank entity is required to develop and maintain an
35 online database of current and former land bank properties. The
36 land bank entity shall create a community advisory board, and adopt
37 procedures to ensure the advisory board has access to information
38 and opportunity to provide input into the entity's decisions.

39 The community advisory board shall report on the accuracy,
40 integrity, accessibility, and comprehensiveness of the online
41 mapping database on at least an annual basis. If a land bank entity
42 fails to comply with the database requirement, the community
43 advisory board shall prominently note that failure in each annual
44 report, but no other penalty shall result. The land bank entity must
45 also submit an annual report on its land banking activities to the
46 municipal governing body and the public.

47 Once designated by a municipality, land bank entities may serve
48 the same function for other municipalities, subject to a shared

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1 services agreement between the designated municipality and any
2 other municipalities. A municipality also may adopt an ordinance to
3 remit to the land bank entity an amount equaling up to 50 percent of
4 the property taxes or payments in lieu of taxes collected for up to 10
5 years on parcels sold or conveyed, but not leased, by the land bank
6 entity to private entities, provided that property taxes were not paid
7 on the parcel for at least two years preceding the date when the
8 parcel became a land bank property.

ASSEMBLY APPROPRIATIONS COMMITTEE

STATEMENT TO

[First Reprint]

SENATE, No. 1214

with committee amendments

STATE OF NEW JERSEY

DATED: MAY 20, 2019

The Assembly Appropriations Committee reports favorably Senate Bill No. 1214, with committee amendments.

As amended by the committee, this bill would allow a municipality to enter into a land banking agreement with a non-profit or a redevelopment entity, which would serve as the municipality's land banking entity. A land banking agreement would authorize a land bank entity to hold property in trust on behalf of the municipality, so long as the property is not already being used for any public purpose. The land banking agreement may authorize the land bank entity to maintain, rehabilitate, lease, or convey that municipal property. The bill would empower a land bank entity to lease or convey land bank property without having to comply with the provisions of the "Local Lands and Buildings Law," N.J.S.A.40A:12-1 et seq.

Under the bill, a municipality may convey municipally-owned property and assign municipally-owned liens to the land bank entity. The bill also authorizes a land bank entity to acquire property for the land bank through gift or purchase, and to serve as the municipality's agent for the purposes of purchasing tax liens, foreclosing on liens, and foreclosing on abandoned property.

A municipality would adopt a land banking agreement by ordinance. A land banking agreement would establish the responsibilities of the land bank entity and specify the terms and conditions by which the land bank entity may:

- acquire property on behalf of the municipality,
- demolish and otherwise clear buildings and conduct other site improvements,
- maintain and secure property, and
- lease or convey property.

A land banking agreement would address the municipality's oversight of the land bank entity. The agreement would set forth the manner of distributing costs and revenues related to land bank property between the municipality and the land bank entity. The bill permits a land banking agreement to provide that, with regard to parcels of property for which no property taxes have been paid for at least two

years before becoming land bank property, a limited series of ongoing annual payments may be made from the municipality to the land bank entity following a conveyance from the land bank entity to a third party. However, the bill prohibits this annual payment from exceeding 50 percent of property taxes or payments in lieu of taxes paid in the fiscal year for all properties that had been land bank properties within the 10 prior fiscal years.

In instances when a land bank entity is a redevelopment entity with the power to borrow funds and incur debt, the land banking agreement may permit the land bank entity to exercise those powers in furtherance of its land banking obligations. When a redevelopment entity is acting as a land bank entity, it would not be subject to a specific provision of law, N.J.S.A.40A:12A-9, that imposes limitations on a redevelopment entity, unless those limitations are set forth in the land banking agreement, or the particular property is part of an area in need of redevelopment.

The bill allows a municipality to exempt property held by a non-profit land bank entity from property taxation until or unless the property is sold and no longer used for a public purpose. The bill identifies land banking, and associated land banking activities, including those involving site improvements and the preparation of property for productive reuse, as a public purpose, and permits a municipality to provide tax-exempt status to properties for so long as they are held as land bank properties.

The bill would require a land bank entity to develop and maintain an online, publicly accessible database of current and former land bank properties. The database would contain information about the ownership and sales price of each property.

The bill requires each land bank entity to establish a community advisory board and to provide the advisory board access to certain information and an opportunity to comment on the land bank entity's decisions. The community advisory board would be required to report on the accuracy, integrity, accessibility, and comprehensiveness of the land bank entity's online database at least annually. The bill requires a community advisory board to note in the annual report if the land bank entity has not complied with the requirement to develop and maintain an online database. The bill also subjects each land bank entity to an annual reporting requirement.

The bill allows a municipality to terminate a land banking agreement by providing the land bank entity with one year's notice of termination. Termination of a land banking agreement would not affect the status of a transaction properly entered into prior to termination. The bill provides that within 90 days of the termination date, the land bank entity must return control of all land bank property to the municipality without consideration; provided, however, that the municipality and the entity may agree to allow the entity to retain control of any properties that are the subject of a pending transaction

by the entity until completion of the transaction, and until the end of any lease. The bill permits a municipality to terminate the land banking agreement without one-year's notice following a determination by the county prosecutor or municipal counsel that the land bank entity has breached an essential duty of the agreement.

The bill allows a land bank entity to serve more than one municipality, subject to a shared services agreement between the municipalities.

COMMITTEE AMENDMENTS

The committee amendments to this bill make the following changes:

- Specify that a municipality, through a land banking agreement, may allow a land bank entity to hold certain municipally-owned properties in trust on behalf of the municipality, but would not transfer title of municipally-owned properties to the land bank entity.
- Specify that, depending on the terms of a land banking agreement, a trust agreement between a municipality and a land bank entity may provide the land bank entity with all the powers of property ownership, subject to the potential for the municipality, by ordinance, to terminate the agreement and regain control.
- Clarify the public purpose of land banking activities, and direct a municipality entering a land banking agreement to further specify the public purpose of their particular land banking agreement.
- Differentiate non-profit land bank entities from redevelopment entities serving as public land bank entities.
- Adjust the maximum term of a lease agreement that may be permitted by a land banking agreement from 10 years to 99 years.
- Specify that land bank property sold or leased on behalf of the municipality would be subject to the requirements of any applicable redevelopment plan.
- Clarify that a redevelopment entity serving as a land bank entity would only be subject to the requirements of a redevelopment plan regarding land bank property that is also within an area in need of redevelopment.
- Authorize the municipality, without the one-year notice ordinarily required for land banking agreement termination, to end a land banking agreement by ordinance upon notification of a determination from the county prosecutor, or the municipal counsel, that the land bank entity has breached an essential duty of the agreement.

- Clarify that a land banking agreement shall not remove the municipality's authority to terminate a land banking agreement, by ordinance, so long as one year's notice is provided.
- Clarify that a land bank entity is not subject to the requirements of the "Local Public Contracts Law," P.L.1971, c.198 (C.40A:11-1 et seq.).
- Notwithstanding the terms of a land banking agreement, reserve with the municipality the authority to restrict the amount of funding related to tax sale and tax foreclosure that a land bank entity may retain, as long as the terms of a tax lien assignment to the land bank entity remain intact for at least one year.
- Permit a land bank entity to modify its governing documents to address actions taken on land bank property, without publication of the changes on its Internet website, as long as the modifications are consistent with the terms of the land banking agreement.
- Clarify the land bank entity's online reporting requirements.
- Specify that, if a land banking agreement permits a municipality to make a limited series of ongoing payments to a land bank entity following property conveyance, the payment amount shall not exceed 50 percent of property taxes or payments in lieu of taxes paid in the fiscal year for all properties that had been land bank properties within the 10 prior fiscal years.
- Clarify that any limited series of ongoing payments to a land bank entity following a property conveyance may be made in addition to any distribution of revenue made to the land bank entity in association with a property sale itself.
- Because a sale is a form of conveyance, remove a redundant authorization for a land bank entity to sell a property from provisions that also authorize the municipality to convey the property.
- Make technical edits in various sections of the bill.

FISCAL IMPACT:

This bill is not certified as requiring a fiscal note.

SENATE ECONOMIC GROWTH COMMITTEE

STATEMENT TO

SENATE, No. 1214

STATE OF NEW JERSEY

DATED: OCTOBER 18, 2018

The Senate Economic Growth Committee reports favorably Senate Bill No. 1214.

As reported, this bill allows municipalities to designate non-profit entities, and redevelopment entities, including the municipality itself when it serves as its own redevelopment entity, to act as land bank entities on behalf of the municipality.

This bill requires a land bank entity to develop and maintain an online database of land bank properties that is accessible to the public, and that provides comprehensive information on the ownership and sales prices of those properties. The bill further encourages the land bank entity to incorporate into the database a list of all vacant and abandoned properties within the municipality, a mechanism to allow the public to offer suggestions concerning what properties should be labeled as vacant and abandoned, and an interactive mapping feature to allow the public to visualize the impact of land banking and the extent of vacant and abandoned properties within the municipality.

Under the bill, a municipality may convey municipal-owned properties and assign municipal-owned liens to the land bank entity. The land bank entity may also acquire properties for the land bank through gift or purchase, and act as the municipality's agent to purchase liens at tax sale, and carry out lien foreclosures and individual abandoned property takings.

A land bank entity designation is accomplished through a formal agreement adopted by the municipality and the entity after community input. The agreement establishes the terms and conditions by which the entity may acquire and may sell, lease, or convey a property, a mechanism for sharing costs and revenues between the municipality and the entity, and the level of municipal oversight. The agreement can be amended at any time by mutual consent, and terminated by the municipality by giving one year's notice to the entity.

Non-profit land bank entities are to allow the chief financial officer of the municipality to serve on the board of the entity as an ex officio member.

The municipality may exempt the land bank properties held by the land bank entity from property taxes.

A land bank entity is to create a community advisory board, and adopt procedures to ensure the advisory board has access to information and opportunity to provide input into the entity's

decisions. The community advisory board is to report on the accuracy, integrity, accessibility, and comprehensiveness of the online mapping database on at least an annual basis. If a land bank entity fails to comply with the database requirement, the community advisory board is to prominently note that failure in each annual report. A land bank entity must also submit an annual report on its land banking activities to the municipal governing body and the public.

Once designated by a municipality, land bank entities may serve the same function for other municipalities, subject to a shared services agreement between the designated municipality and any other municipalities. A municipality also may adopt an ordinance to remit to the land bank entity an amount equaling up to 50 percent of the property taxes or payments in lieu of taxes collected for up to 10 years on parcels sold or conveyed, but not leased, by the land bank entity to private entities, provided that property taxes were not paid on the parcel for at least two years preceding the date when the parcel became a land bank property.

SENATE BUDGET AND APPROPRIATIONS COMMITTEE

STATEMENT TO

SENATE, No. 1214

with committee amendments

STATE OF NEW JERSEY

DATED: DECEMBER 10, 2018

The Senate Budget and Appropriations Committee reports favorably Senate Bill No. 1214, with committee amendments.

As amended, this bill allows municipalities to designate non-profit entities, and redevelopment entities, including the municipality itself when it serves as its own redevelopment entity, to act as land bank entities on behalf of the municipality.

The bill requires a land bank entity to develop and maintain an online database of land bank properties that is accessible to the public, and that provides comprehensive information on the ownership and sales prices of those properties. The bill further encourages the land bank entity to incorporate into the database a list of all vacant and abandoned properties within the municipality, a mechanism to allow the public to offer suggestions concerning what properties should be labeled as vacant and abandoned, and an interactive mapping feature to allow the public to visualize the impact of land banking and the extent of vacant and abandoned properties within the municipality.

As amended, the bill requires the land bank entity to periodically update State agencies on any recent changes to the online property database, in accordance with guidance by the Division of Local Government Services in the Department of Community Affairs. To the extent that the database includes properties in foreclosure proceedings, and recently-foreclosed properties, the amended bill directs the land bank entity to ensure that the information provided is both accurate and consistent with any corresponding information provided by any State agency, or by the Judiciary.

Under the bill, a municipality may convey municipal-owned properties and assign municipal-owned liens to the land bank entity. The land bank entity may also acquire properties for the land bank through gift or purchase, and act as the municipality's agent to purchase liens at tax sale, and carry out lien foreclosures and individual abandoned property takings.

A land bank entity designation is accomplished through a formal agreement adopted by the municipality and the entity after community input. The agreement establishes the terms and conditions by which the entity may acquire and may sell, lease, or convey a property, a mechanism for sharing costs and revenues between the municipality

and the entity, and the level of municipal oversight. The agreement can be amended at any time by mutual consent, and terminated by the municipality by giving one year's notice to the entity.

Non-profit land bank entities are to allow the chief financial officer of the municipality to serve on the board of the entity as an ex officio member.

The municipality may exempt the land bank properties held by the land bank entity from property taxes.

A land bank entity is to create a community advisory board and adopt procedures to ensure that the advisory board has access to information and opportunity to provide input into the entity's decisions. The community advisory board is to report on the accuracy, integrity, accessibility, and comprehensiveness of the online mapping database on at least an annual basis. If a land bank entity fails to comply with the database requirement, the community advisory board is to prominently note that failure in each annual report. A land bank entity must also submit an annual report on its land banking activities to the municipal governing body and the public.

Once designated by a municipality, land bank entities may serve the same function for other municipalities, subject to a shared services agreement between the designated municipality and any other municipalities. A municipality also may adopt an ordinance to remit to the land bank entity an amount equaling up to 50 percent of the property taxes or payments in lieu of taxes collected for up to 10 years on parcels sold or conveyed, but not leased, by the land bank entity to private entities, provided that property taxes were not paid on the parcel for at least two years preceding the date when the parcel became a land bank property.

COMMITTEE AMENDMENTS

The amendments require a land bank entity to periodically update certain State agencies, in accordance with guidance from the Division of Local Government Services in the Department of Community Affairs, concerning any recent changes to the online property database that the bill directs the entity to maintain. To the extent that the database includes properties in foreclosure proceedings, and recently-foreclosed properties, the amendments direct the land bank entity to ensure that the information provided is both accurate and consistent with any corresponding information provided by any State agency, or by the Judiciary.

FISCAL IMPACT:

This bill is not certified as requiring a fiscal note.

ASSEMBLY, No. 3797

STATE OF NEW JERSEY 218th LEGISLATURE

INTRODUCED APRIL 5, 2018

Sponsored by:

Assemblywoman MILA M. JASEY

District 27 (Essex and Morris)

Assemblywoman ANNETTE CHAPARRO

District 33 (Hudson)

Assemblywoman CLEOPATRA G. TUCKER

District 28 (Essex)

Co-Sponsored by:

Assemblywomen Timberlake and Pintor Marin

SYNOPSIS

Permits municipal land banking in conjunction with online property database development.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 1/25/2019)

A3797 JASEY, CHAPARRO

2

1 AN ACT concerning municipal land banking and online mapping,
2 and amending P.L.1960, c.183 and P.L.1971, c.199, and
3 amending and supplementing P.L.1992, c.79.

4

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

7

8 1. (New section) Sections 1 through 16 of P.L. , c. (C.)
9 (pending before the Legislature as this bill) shall be known and may
10 be cited as the “New Jersey Land Bank Law.”

11

12 2. (New section) The Legislature finds and declares that:

13 a. Difficult economic conditions coupled with the continued
14 high rate of foreclosures have significantly increased the number of
15 vacant, abandoned, and other problem properties in the State’s
16 municipalities, particularly its older cities;

17 b. The continued presence and proliferation of these vacant,
18 abandoned, and other problem properties in the communities of this
19 State has a negative effect on the public health and welfare, reduces
20 property values and municipal revenues, and impedes the economic
21 development and revitalization of the State’s municipalities,
22 particularly its older cities;

23 c. At present, many vacant, abandoned and other problem
24 properties, rather than being productively reused, remain vacant
25 despite frequent changes in ownership, and continue to have a
26 blighting effect on their surroundings;

27 d. The State’s municipalities can benefit from more effective
28 tools to control the inventory of vacant, abandoned, and other
29 problem properties, in order to both minimize the harm that they do
30 in their present condition and to facilitate their restoration to
31 productive use;

32 e. In order to most effectively engage the local community in
33 identifying problem properties, the State’s municipalities can also
34 benefit from the publication of interactive online mapping databases
35 of vacant and abandoned properties;

36 f. To ensure that land banking activities are conducted in an
37 honest and open manner, the public can also benefit from the
38 inclusion of properties subject to land banking agreements within
39 the interactive online mapping databases regardless of whether or
40 not such properties are vacant and abandoned; and

41 g. It is, therefore, in the best interest of this State to allow
42 municipalities to designate single entities to act on their behalf to
43 acquire, maintain, and sell, lease and otherwise dispose of vacant,
44 abandoned and problem properties, in order to carry out strategies
45 to ensure that the reuse of these properties provides the greatest

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.

1 long-term benefit to the physical, social and economic condition of
2 the municipality.

3

4 3. (New section) As used in sections 3 through 16 of P.L. ,
5 c. (C.) (pending before the Legislature as this bill):

6 “Land bank entity” means a redevelopment entity, or a non-profit
7 entity, that has entered into a land banking agreement.

8 “Land bank property” means property subject to a land banking
9 agreement.

10 “Land banking agreement” means an agreement between a
11 municipality and a land bank entity to act on behalf of the
12 municipality to hold, maintain and sell, lease, or convey property
13 owned by the municipality and not needed for any public purpose.

14 “Redevelopment entity” means either:

15 (1) A redevelopment entity designated by the municipality
16 pursuant to section 4 of the “Local Redevelopment and Housing
17 Law,” P.L.1992, c.79 (C.40A:12A-4);

18 (2) A county improvement authority designated by the
19 municipality to act as a redevelopment entity pursuant to the
20 “county improvement authorities law,” P.L.1960, c.183 (C.40:37A-
21 44 et seq.) for the purpose of entering into a land banking
22 agreement with said entity, without regard to whether the county
23 improvement authority is otherwise acting as a redevelopment
24 entity in the municipality; or

25 (3) The municipality itself, or one of its departments or
26 agencies, but only if the municipality is executing redevelopment
27 responsibilities directly pursuant to section 4 of P.L.1992, c.79
28 (C.40A:12A-4). In such cases, the designated redevelopment entity
29 shall not need to adopt separate ordinances or resolutions, as
30 appropriate, for the purpose of adopting a land banking agreement
31 or amendments pursuant to subsections d. and e. of section 5 of
32 P.L. , c. (C.) (pending before the Legislature as this bill),
33 and the adoption of one ordinance to create the land banking
34 agreement, and one ordinance for each amendment thereto shall
35 suffice. Termination notice requirements, prescribed by section 14
36 of P.L. , c. (C.) (pending before the Legislature as this bill),
37 also shall not be necessary.

38

39 4. (New section) a. A municipality may enter into a land
40 banking agreement with a redevelopment entity, and designate the
41 redevelopment entity as its land bank entity.

42 b. A municipality may enter into a land banking agreement
43 with a non-profit entity so long as the by-laws of the non-profit
44 entity provide that the chief financial officer of the municipality
45 serves on the board of the non-profit entity, ex officio.

46

47 5. (New section) a. A land banking agreement shall establish
48 the responsibilities of the land bank entity and shall specify the

1 terms and conditions under which the land bank entity may acquire
2 property on behalf of the municipality, demolish and otherwise
3 clear buildings and conduct other site improvements located on the
4 property, maintain and secure the property, conduct other activities
5 on the property, and, notwithstanding the provisions of the “Local
6 Lands and Buildings Law,” P.L.1971, c.199 (C.40A:12-1 et seq.),
7 sell, lease, or convey property held on behalf of the municipality.
8 The land banking agreement also shall provide for such municipal
9 oversight of the land bank entity as the municipality deems
10 necessary and appropriate and shall establish the manner in which
11 any costs and revenues, including proceeds of the sale or leasing of
12 land bank property shall be distributed. The land bank entity shall
13 not lease any land bank property for an individual term of more
14 than 10 years. Land bank property that is sold, leased, or conveyed
15 by a land bank entity, shall be subject to ordinances adopted
16 pursuant to the “Municipal Land Use Law,” P.L.1975, c.291
17 (C.40:55D-1 et seq.), and other applicable State statutes following
18 the sale, lease, or conveyance.

19 b. Prior to submission of the land banking agreement for
20 approval by the municipal governing body, the municipality shall
21 hold a public meeting to solicit the advice of the public on the
22 substance and intent of the land banking agreement.

23 c. The ordinance comprising the land banking agreement shall
24 include findings establishing the need for land bank activity in the
25 municipality, and the qualifications of the land bank entity to carry
26 out the responsibilities established pursuant to P.L. , c. (C.)
27 (pending before the Legislature as this bill).

28 d. The land banking agreement shall be adopted by an
29 ordinance of the governing body of the municipality and by
30 resolution of the governing body of the land bank entity.

31 e. The land banking agreement may be amended at any time by
32 ordinance of the governing body of the municipality and by
33 resolution of the governing body of the land bank entity.

34

35 6. (New section) Pursuant to the land banking agreement or
36 any subsequent amendment thereto, the land bank entity may be
37 designated by the municipality to:

38 a. acquire properties on its behalf through contribution, gift,
39 grant, bequest, purchase or otherwise, whether or not the property is
40 located in an area designated as a redevelopment area or an area in
41 need of rehabilitation; and

42 b. act as its agent, or in place of its municipal officer, with
43 respect to acquisition of property, including but not limited to
44 purchase of tax and other liens, foreclosure of tax and other liens,
45 and individual abandoned property takings pursuant to paragraph
46 (2) of subsection c. of section 37 of the “New Jersey Urban
47 Redevelopment Act,” P.L.1996, c.62 (C.55:19-56) on behalf of the
48 municipality and to take title to such properties on behalf of the

1 municipality; provided, however, that nothing in this section shall
2 authorize the use of eminent domain beyond that use already
3 permitted by law.

4
5 7. (New section) a. For purposes of this section, a
6 municipality, through the land banking agreement itself, or through
7 the adoption of a separate ordinance, may sell, lease, or convey to
8 the land bank entity, and the land bank entity may take title to, any
9 property or properties held by the municipality and not needed for
10 any public purpose, whether or not the property is located in an area
11 designated as a redevelopment area or an area in need of
12 rehabilitation, without public bidding and at such prices and upon
13 such terms as the municipality deems reasonable. Unless the terms
14 of the land banking agreement provide otherwise, such sales, leases,
15 and conveyances to the land bank entity itself shall be conditioned
16 on the municipality's ability to regain control of the properties
17 pursuant to subsection c. of section 14 of P.L. , c. (C.)
18 (pending before the Legislature as this bill).

19 b. Through the land banking agreement itself, or through the
20 adoption of a separate ordinance, a municipality may assign any tax
21 liens or other liens to the land bank entity with or without
22 consideration and at such prices and upon such terms as it deems
23 reasonable.

24
25 8. (New section) a. To the extent that the statute under which
26 a redevelopment entity was established, section 4 of P.L.1992, c.79
27 (C.40A:12A-4) or P.L.1960, c.183 (C.40:37A-44 et seq.) in the case
28 of a county improvement authority, confers on that entity the power
29 to borrow funds and incur debt, the redevelopment entity may
30 exercise those powers in furtherance of its land banking obligations
31 subject to the conditions and limitations set forth in section 4 of
32 P.L.1992, c.79 (C.40A:12A-4) or P.L.1960, c.183 (C.40:37A-44 et
33 seq.).

34 b. To the extent that the statute under which the redevelopment
35 entity was established, section 4 of P.L.1992, c.79 (C.40A:12A-4)
36 or P.L.1960, c.183 (C.40:37A-44 et seq.) in the case of a county
37 improvement authority, provides that the municipality may
38 guarantee its debt or other borrowing, the municipality may also
39 guarantee its debt or other borrowing under the same terms and
40 conditions, in furtherance of the entity's obligations as a land bank
41 entity.

42 c. The guaranteeing of debt and borrowing of funds permitted
43 under subsections a. and b. of this section only shall be permitted so
44 long as the land banking agreement itself also explicitly permits
45 these actions.

46
47 9. (New section) In selling, leasing, or conveying land bank
48 property, a redevelopment entity shall not be subject to the

1 provisions of section 9 of P.L.1992, c.79 (C.40A:12A-9), but shall
2 be subject to any terms and conditions set forth in the land banking
3 agreement and by the regulations of the redevelopment entity,
4 adopted pursuant to section 10 of P.L. , c. (C.) (pending
5 before the Legislature as this bill).

6
7 10. (New section) Within six months after designation by the
8 municipality, the land bank entity shall adopt written regulations
9 governing the sales, leases, and conveyances of land bank property
10 consistent with any provisions of the land banking agreement and
11 with respect to any other matters that may be required by said
12 agreement, which regulations shall be published on the Internet web
13 sites of the land bank entity and the municipality, along with the
14 database required pursuant to subsection c. of section 11 of P.L. ,
15 c. (C.) (pending before the Legislature as this bill).

16
17 11. (New section) a. Within six months after designation by the
18 municipality the land bank entity shall create a community advisory
19 board, which shall consist of representatives of recognized
20 community associations and non-profit organizations operating
21 within the municipality, in particular those associations and
22 organizations active in areas where the land bank entity anticipates
23 holding properties.

24 b. The land bank entity shall adopt policies and procedures to
25 ensure that the community advisory board is provided with
26 adequate information and opportunity to provide valued input into
27 the decisions of the land bank entity in its capacity as a land bank
28 entity.

29 c. (1) In coordination with the municipality and the community
30 advisory board, the land bank entity shall, within a reasonable time,
31 create, maintain, and make publicly available on its Internet
32 website, a database listing all current and former land bank
33 properties, each owner of record since each property became a land
34 bank property, and the sales price of each land bank property that
35 has been sold or purchased by the land bank entity.

36 (2) In coordination with the municipality and the community
37 advisory board, the land bank entity is encouraged to incorporate
38 into the online database:

39 (a) a list of all vacant and abandoned properties within the
40 municipality;

41 (b) a mechanism to allow the public to offer suggestions
42 concerning what properties should be labeled as vacant and
43 abandoned; and

44 (c) an interactive mapping component to allow the public to
45 visualize the impact of land banking and the extent of vacant and
46 abandoned properties within the municipality.

47 d. On an annual basis at minimum, the community advisory
48 board shall report on the accuracy, integrity, accessibility, and

1 comprehensiveness of the database established pursuant to
2 subsection c. of this section. Each annual report shall be accessible
3 to the public through the internet website of the municipality and
4 the land bank entity. The fact that a land bank entity has failed to
5 comply with the database requirement under subsection c. of this
6 section shall be prominently noted in each annual report, but no
7 other penalty shall inure to that failure.

8 e. The Division of Local Government Services in the
9 Department of Community Affairs shall, within six months of the
10 effective date of P.L. , c. (C.) (pending before the
11 Legislature as this bill), publish and disseminate a guidebook of
12 good practice for creating and maintaining databases established
13 pursuant to subsection c. of this section.

14

15 12. (New section) The land bank entity shall provide an annual
16 report to the municipal governing body and the public describing
17 the properties being held by it as a land bank entity and the
18 activities that it carried out during the year as a land bank entity.

19

20 13. (New section) The land banking agreement between the
21 municipality and a non-profit entity may provide that properties
22 sold, leased, or conveyed by the municipality to the non-profit
23 entity pursuant to section 7 of P.L. , c. (C.) (pending before
24 the Legislature as this bill), or acquired by the non-profit entity
25 pursuant to section 6 of P.L. , c. (C.) (pending before the
26 Legislature as this bill), are held by the entity on behalf of the
27 municipality for a public purpose and shall be exempt from property
28 taxation until or unless sold, leased, or conveyed by the entity or
29 used by the entity for a purpose that is not eligible for exemption
30 from taxation.

31

32 14. (New section) a. The municipality may terminate the land
33 banking agreement at any time by providing the land bank entity
34 with one year's notice of termination.

35 b. Termination of the land banking agreement shall not affect
36 the status of any transaction properly entered into by the land bank
37 entity prior to termination.

38 c. Within 90 days following the date of termination, the land
39 bank entity shall convey to the municipality all land bank property
40 without consideration; provided, however, that the municipality and
41 the entity may agree to allow the entity to retain title to any
42 properties that are the subject of a pending transaction by the entity
43 until completion of the transaction, and until the end of any lease.

44

45 15. (New section) A land bank entity may act as a land bank
46 entity for more than one municipality at the same time, subject to
47 the provisions of the "Uniform Shared Services and Consolidation
48 Act," P.L.2007, c.63 (C.40A:65-1 et seq.).

1 16. (New section) a. A municipal governing body may provide
2 by ordinance that an amount equaling up to 50 percent of property
3 taxes or payments in lieu of taxes collected on land bank properties
4 each year shall be returned to the land bank entity for up to 10 years
5 following a sale or conveyance of those properties from the land
6 bank entity to a private owner. Such ordinance may only be applied
7 to real property on which no property tax has been paid, or payment
8 in lieu of taxes collected, for at least two years prior to the property
9 becoming a land bank property. Such ordinance may be applied to
10 any individual sale or conveyance, any group of sales and
11 conveyances, or all future sales and conveyances that fit these
12 criteria.

13 b. The distribution of any proceeds associated with the sales
14 and leasing of land bank property shall be addressed in the land
15 banking agreement itself and in amendments thereto. Proceeds
16 associated with the sales and leasing of land bank property, and all
17 other proceeds obtained by the land bank entity under the
18 ordinance, shall be maintained in one or more accounts, separate
19 from all other accounts maintained by the entity serving as the land
20 bank entity. The account or accounts shall be deemed to be
21 government records and subject to the provisions of P.L.1963, c.73
22 (C.47:1A-1 et seq.), commonly known as the open public records
23 act.

24 c. As used in this section, “conveyance” shall not be construed
25 to include a lease.

26

27 17. Section 12 of P.L.1960, c.183 (C.40:37A-55) is amended to
28 read as follows:

29 12. Every authority shall be a public body politic and corporate
30 constituting a political subdivision of the State established as an
31 instrumentality exercising public and essential governmental
32 functions to provide for the public convenience, benefit and welfare
33 and shall have perpetual succession and, for the effectuation of its
34 purposes, have the following additional powers:

35 (a) To adopt and have a common seal and to alter the same at
36 pleasure;

37 (b) To sue and be sued;

38 (c) To acquire, hold, use and dispose of its facility charges and
39 other revenues and other moneys;

40 (d) To acquire, rent, hold, use and dispose of other personal
41 property for the purposes of the authority;

42 (e) Subject to the provisions of section 26 of this act, to acquire
43 by purchase, gift, condemnation or otherwise, or lease as lessee,
44 real property and easements or interests therein necessary or useful
45 and convenient for the purposes of the authority, whether subject to
46 mortgages, deeds of trust or other liens or otherwise, and to hold
47 and to use the same, and to dispose of property so acquired no
48 longer necessary for the purposes of the authority; provided that the

1 authority may dispose of such property at any time to any
2 governmental unit or person if the authority shall receive a
3 leasehold interest in the property for such term as the authority
4 deems appropriate to fulfill its purposes;

5 (f) Subject to the provisions of section 13 of this act, to lease to
6 any governmental unit or person, all or any part of any public
7 facility for such consideration and for such period or periods of
8 time and upon such other terms and conditions as it may fix and
9 agree upon;

10 (g) To enter into agreements to lease, as lessee, public facilities
11 for such term and under such conditions as the authority may deem
12 necessary and desirable to fulfill its purposes, and to agree,
13 pursuant thereto, to be unconditionally obligated to make payments
14 for the term of the lease, without set-off or counterclaim, whether or
15 not the public facility is completed, operating or operable, and
16 notwithstanding the destruction of, damage to, or suspension,
17 interruption, interference, reduction or curtailment of the
18 availability or output of the public facility to which the agreement
19 applies;

20 (h) To extend credit or make loans to any governmental unit or
21 person for the planning, design, acquisition, construction, equipping
22 and furnishing of a public facility, upon the terms and conditions
23 that the loans be secured by loan and security agreements,
24 mortgages, leases and other instruments, the payments on which
25 shall be sufficient to pay the principal of and interest on any bonds
26 issued for the purpose by the authority, and upon such other terms
27 and conditions as the authority shall deem reasonable;

28 (i) Subject to the provisions of section 13 of this act, to make
29 agreements of any kind with any governmental unit or person for
30 the use or operation of all or any part of any public facility for such
31 consideration and for such period or periods of time and upon such
32 other terms and conditions as it may fix and agree upon;

33 (j) (1) To borrow money and issue negotiable bonds or notes or
34 other obligations and provide for and secure the payment of any
35 bonds and the rights of the holders thereof, and to purchase, hold
36 and dispose of any bonds;

37 (2) To issue bonds, notes or other obligations to provide funding
38 to a municipality that finances the purchase and installation of
39 renewable energy systems and energy efficiency improvements by
40 property owners as provided in section 2 of P.L.2011, c.187
41 (C.40:56-13.1);

42 (k) To apply for and to accept gifts or grants of real or personal
43 property, money, material, labor or supplies for the purposes of the
44 authority from any governmental unit or person, and to make and
45 perform agreements and contracts and to do any and all things
46 necessary or useful and convenient in connection with the
47 procuring, acceptance or disposition of such gifts or grants;

1 (l) To determine the location, type and character of any public
2 facility and all other matters in connection with all or any part of
3 any public facility which it is authorized to own, construct,
4 establish, effectuate or control;

5 (m) To make and enforce bylaws or rules and regulations for the
6 management and regulation of its business and affairs and for the
7 use, maintenance and operation of any public facility, and to amend
8 the same;

9 (n) To do and perform any acts and things authorized by this act
10 under, through or by means of its own officers, agents and
11 employees, or by contract with any governmental unit or person;

12 (o) To acquire, purchase, construct, lease, operate, maintain and
13 undertake any project and to fix and collect facility charges for the
14 use thereof;

15 (p) To mortgage, pledge or assign or otherwise encumber all or
16 any portion of its revenues and other income, real and personal
17 property, projects and facilities for the purpose of securing its
18 bonds, notes and other obligations or otherwise in furtherance of the
19 purpose of this act;

20 (q) To extend credit or make loans to redevelopers for the
21 planning, designing, acquiring, constructing, reconstructing,
22 improving, equipping and furnishing any redevelopment project or
23 redevelopment work;

24 (r) To conduct examinations and investigations, hear testimony
25 and take proof, under oath at public or private hearings of any
26 material matter, require the attendance of witnesses and the
27 production of books and papers and issue commissions for the
28 examination of witnesses who are out of the State, unable to attend,
29 or excused from attendance;

30 (s) To authorize a committee designated by it consisting of one
31 or more members, or counsel, or any officer or employee to conduct
32 any such investigation or examination, in which case such
33 committee, counsel, officer or employee shall have power to
34 administer oaths, take affidavits and issue subpoenas or
35 commissions;

36 (t) To enter into any and all agreements or contracts, execute
37 any and all instruments, and do and perform any and all acts or
38 things necessary, convenient or desirable for the purposes of the
39 authority or to carry out any power expressly given in this act
40 subject to the "Local Public Contracts Law," P.L.1971, c. 198
41 (C.40A:11-1 et seq.); **and**

42 (u) To pool loans for any local governmental units within the
43 county or any beneficiary county that are refunding bonds and do
44 and perform any and all acts or things necessary, convenient or
45 desirable for the purpose of the authority to achieve more favorable
46 interest rates and terms for those local governmental units ; and

47 (v) To act as and exercise the powers of a land bank entity
48 pursuant to P.L. , c. (C.) (pending before the Legislature as

1 this bill) for any municipality situated within the county pursuant to
2 a land banking agreement approved by an ordinance adopted by the
3 municipal governing body.

4 (cf: P.L.2011, c.187, s.4)

5

6 18. Section 21 of P.L.1971, c.199 (C.40A:12-21) is amended to
7 read as follows:

8 21. When the governing body of any county or municipality
9 shall determine that all or any part of a tract of land, with or without
10 improvements, owned by the county or municipality, is not then
11 needed for county or municipal purposes, as the case may be, said
12 governing body, by resolution or ordinance, may authorize a private
13 sale and conveyance of the same, or any part thereof without
14 compliance with any other law governing disposal of lands by
15 counties and municipalities, for a consideration, which may be
16 nominal, and containing a limitation that such lands or buildings
17 shall be used only for the purposes of such organization or
18 association, and to render such services or to provide such facilities
19 as may be agreed upon, and except as provided in subsection (n) of
20 this section not for commercial business, trade or manufacture, and
21 that, unless waived, released, modified, or subordinated pursuant to
22 P.L.1943, c.33 (C.40:60-51.2), if said lands or buildings are not
23 used in accordance with said limitation, title thereto shall revert to
24 the county or municipality without any entry or reentry made
25 thereon on behalf of such county or municipality, to

26 (a) A duly incorporated volunteer fire company or board of fire
27 commissioners or first aid and emergency or volunteer ambulance
28 or rescue squad association of a municipality within the county, in
29 the case of a county, or of the municipality, in the case of a
30 municipality, for the construction thereon of a firehouse or fire
31 school or a first aid and emergency or volunteer ambulance or
32 rescue squad building or for the use of any existing building for any
33 or all of said purposes and any such land or building sold to any
34 duly incorporated volunteer fire company may be leased by such
35 fire company to any volunteer firemen's association for the use
36 thereof for fire school purposes for the benefit of the members of
37 such association, or

38 (b) Any nationally chartered organization or association of
39 veterans of any war, in which the United States has or shall have
40 been engaged, by a conveyance for consideration, a part of which
41 may be an agreement by the organization or association to render
42 service or to provide facilities for the general public of the county
43 or municipality, of a kind which the county or municipality may
44 furnish to its citizens and to the general public, or

45 (c) A duly incorporated nonprofit hospital association for the
46 construction or maintenance thereon of a general hospital, or

47 (d) Any veteran with paraplegia, that is to say, any officer,
48 soldier, sailor, marine, nurse or other person, regularly enlisted or

1 inducted, who was or shall have been in the active military or naval
2 forces of the United States in any war in which the United States
3 was engaged, including any member of the American Merchant
4 Marine during World War II who is declared by the United States
5 Department of Defense to be eligible for federal veterans' benefits,
6 and who, at the time the veteran was commissioned, enlisted,
7 inducted, appointed or mustered into such military or naval service,
8 was a resident of and who continues to reside in this State, and who
9 has paraplegia and permanent paralysis of both legs or the lower
10 parts of the body resulting from injuries sustained through enemy
11 action or accident while in such active military or naval service, for
12 the construction of a home to domicile the veteran, or to any
13 organization or association of veterans, for the construction of a
14 home or homes to domicile veterans with paraplegia, with powers
15 to convey said lands and premises to the veteran or veterans with
16 paraplegia on whose behalf said organization or association shall
17 acquire title to said land, or

18 (e) Any duly incorporated nonprofit association or any regional
19 commission or authority composed of one or more municipalities or
20 one or more counties for the construction or maintenance thereon of
21 an animal shelter, or

22 (f) Any duly incorporated nonprofit historical society for the
23 acquisition of publicly owned historic sites for their restoration,
24 preservation, improvement, and utilization for the benefit of the
25 general public, or

26 (g) Any duly incorporated nonprofit cemetery organization or
27 association serving the residents of the municipality or county, or

28 (h) Any duly incorporated nonprofit organization for the
29 principal purpose of the education or treatment of persons with
30 developmental disabilities including cerebral palsy, or

31 (i) Any county or municipal sewerage authority serving the
32 residents of the county or municipality, for the use thereof for
33 sewerage authority purposes, or

34 (j) Any duly incorporated nonprofit organization for the
35 purpose of building or rehabilitating residential property for resale.
36 Any profits from the resale of the property shall be applied by the
37 nonprofit organization to the costs of acquiring and rehabilitating
38 other residential property in need of rehabilitation owned by the
39 county or municipality, or

40 (k) Any duly incorporated nonprofit organization or association,
41 other than a political, partisan, sectarian, denominational, or
42 religious organization or association, which includes among its
43 principal purposes the provision of educational, gardening,
44 recreational, medical, or social services to the general public,
45 including residents of the county or municipality, or

46 (l) Any duly incorporated urban renewal corporation organized
47 pursuant to P.L.1991, c.431 (C.40A:20-1 et seq.) for the purpose of

1 constructing housing for low or moderate income persons or
2 families or persons with disabilities, or

3 (m) Any duly incorporated nonprofit hospice organization whose
4 principal purpose is to provide hospice services to persons with
5 terminal illnesses, or

6 (n) Any duly incorporated nonprofit organization or association
7 for the cultivation and sale of fresh fruits and vegetables on a tract
8 of land of less than five acres within a municipality, provided that
9 the nonprofit organization or association is not controlled, directly
10 or indirectly, by any agricultural, commercial, or other business.
11 The nonprofit organization or association shall be authorized to sell
12 fresh fruits and vegetables either on the land that was conveyed, off
13 that land, or both, provided, that the sales are related and incidental
14 to the non-profit purposes of the organization or association and the
15 net proceeds received by the nonprofit organization or association
16 are used to further the non-profit purposes of the organization or
17 association.

18 Whenever a sale of property is proposed pursuant to subsection
19 (k), for gardening, or subsection (n) of this section, the county or
20 municipality shall comply with all notice requirements for an
21 application for development under section 7.1 of P.L.1975, c.291
22 (C.40:55D-12).

23 The provisions of this section shall not be deemed to restrict land
24 banking agreements undertaken pursuant to P.L. , c. (C.)
25 (pending before the Legislature as this bill).
26 (cf: P.L.2017, c.131, s.175)

27
28 19. Section 22 of P.L.1992, c.79 (C.40A:12A-22) is amended to
29 read as follows:

30 22. A municipality, county, redevelopment agency, or housing
31 authority is authorized to exercise all those public and essential
32 governmental functions necessary or convenient to effectuate the
33 purposes of this act, including the following powers which shall be
34 in addition to those otherwise granted by this act or by other law:

35 a. To sue and be sued; to have a seal and to alter the same at
36 pleasure; to have perpetual succession; to make and execute
37 contracts and other instruments necessary and convenient to the
38 exercise of the powers of the agency or authority; and to make and
39 from time to time amend and repeal bylaws, rules and regulations,
40 not inconsistent with this act, to carry into effect its powers and
41 purposes.

42 b. Pursuant to an adopted cash management plan, invest any
43 funds held in reserve or sinking funds, or any funds not required for
44 immediate disbursement, in property or securities in which
45 governmental units may legally invest funds subject to their control;
46 to purchase its bonds at a price not more than the principal amount
47 thereof and accrued interest, all bonds so purchased to be cancelled.

- 1 c. Borrow money and receive grants and loans from any source
2 for the financing of a redevelopment project or housing project.
- 3 d. Invest in an obligee the right in the event of a default by the
4 agency to foreclose and take possession of the project covered by
5 the mortgage or apply for the appointment of a receiver.
- 6 e. Invest in a trustee or trustees or holders of bonds the right to
7 enforce the payment of the bonds or any covenant securing or
8 relating to the bonds, which may include the right, in the event of
9 the default, to take possession and use, operate and manage any
10 project or part thereof, and to collect the rents and revenues arising
11 therefrom and to dispose of the moneys in accordance with the
12 agreement of the authority with the trustee.
- 13 f. Provide for the refunding of any of its bonds, by the issuance
14 of such obligations, in such manner and form, and upon such terms
15 and conditions, as it shall deem in the best interests of the public.
- 16 g. Consent to the modification of any contract, bond indenture,
17 mortgage or other instrument entered into by it.
- 18 h. Pay or compromise any claim arising on, or because of any
19 agreement, bond indenture, mortgage or instrument.
- 20 i. Acquire or contract to acquire from any person, firm, or
21 corporation, public or private, by contribution, gift, grant, bequest,
22 devise, purchase, or otherwise, real or personal property or any
23 interest therein, including such property as it may deem necessary
24 or proper, although temporarily not required for such purposes, in a
25 redevelopment area or in any area designated by the governing body
26 as necessary for carrying out the relocation of the residents,
27 industry and commerce displaced from a redevelopment area.
- 28 j. Subordinate, waive, sell, assign or release any right, title,
29 claim, lien or demand however acquired, including any equity or
30 right of redemption, foreclosure, sell or assign any mortgage held
31 by it, or any interest in real or personal property; and purchase at
32 any sale, upon such terms and at such prices as it determines to be
33 reasonable, and to take title to the property, real, personal, or
34 mixed, so acquired and similarly to sell, exchange, assign, convey
35 or otherwise dispose of any property.
- 36 k. Complete, administer, operate, obtain and pay for insurance
37 on, and maintain, renovate, repair, modernize, lease or otherwise
38 deal with any property.
- 39 l. Employ or retain consulting and other attorneys, planners,
40 engineers, architects, managers and financial experts and other
41 employees and agents of a permanent or temporary nature as may
42 be necessary, determine their qualifications, duties and
43 compensation, and delegate to one or more of its agents or
44 employees such powers and duties as it deems proper. For such
45 legal services as may be required, a redevelopment agency or
46 housing authority may call upon the chief law officers of the
47 municipality or county, as the case may be, or may employ its own
48 counsel and legal staff.

1 m. Arrange or contract with a public agency, to the extent that it
2 is within the scope of that agency's functions, to cause the services
3 customarily provided by such other agency to be rendered for the
4 benefit of the occupants of any redevelopment area or housing
5 project, and have such other agency provide and maintain parks,
6 recreation centers, schools, sewerage, transportation, water and
7 other municipal facilities adjacent to or in connection with a
8 redevelopment area or project.

9 n. Conduct examinations and investigations, hear testimony
10 and take proof, under oath at public or private hearings of any
11 material matter, compel witnesses and the production of books and
12 papers and issue commissions for the examination of witnesses who
13 are out of State, unable to attend, or excused from attendance;
14 authorize a committee designated by it consisting of one or more
15 members, or counsel, or any officer or employee to conduct the
16 examination or investigation, in which case it may authorize in its
17 name the committee, counsel, officer or employee to administer
18 oaths, take affidavits and issue subpoenas or commissions.

19 o. Make and enter into all contracts and agreements necessary
20 or incidental to the performance of the duties authorized in this act.

21 p. After thorough evaluation and investigation, bring an action
22 on behalf of a tenant to collect or enforce any violation of
23 subsection g. or h. of section 11 of the "Law Against
24 Discrimination," P.L.1945, c.169 (C.10:5-12).

25 q. Designate members or employees, who shall be
26 knowledgeable of federal and State discrimination laws, and who
27 shall be available during all normal business hours, to evaluate a
28 complaint made by a tenant pursuant to the "Law Against
29 Discrimination," P.L.1945, c.169 (C.10:5-12).

30 r. Act as and exercise the powers of a land bank entity
31 pursuant to P.L. , c. (C.) (pending before the Legislature as
32 this bill) under a land banking agreement approved by an ordinance
33 adopted by the municipal governing body.

34 (cf: P.L.2002, c.82, s.5)

35

36 20. This act shall take effect immediately.

37

38

39

STATEMENT

40

41 This bill allows municipalities to designate non-profit entities,
42 and redevelopment entities, including the municipality itself when it
43 serves as its own redevelopment entity, to act as land bank entities
44 on behalf of the municipality. Non-profit land bank entities shall
45 allow the chief financial officer of the municipality to serve on the
46 board of the entity as an ex officio member.

47 This bill is similar to A-441 of 2014-2015. However, this bill
48 addresses concerns expressed in the Governor's Veto Statement to

1 that bill related to the need for greater transparency and oversight of
2 land bank entities. The bill addresses these concerns through a
3 requirement for the land bank entity to develop and maintain an
4 online database of land bank properties that is accessible to the
5 public, and that provides comprehensive information on the
6 ownership and sales prices of those properties. The bill further
7 encourages the land bank entity to incorporate into the database a
8 list of all vacant and abandoned properties within the municipality,
9 a mechanism to allow the public to offer suggestions concerning
10 what properties should be labeled as vacant and abandoned, and an
11 interactive mapping feature to allow the public to visualize the
12 impact of land banking and the extent of vacant and abandoned
13 properties within the municipality.

14 Under this bill, a municipality may convey municipal-owned
15 properties and assign municipal-owned liens to the land bank entity.
16 The land bank entity may also acquire properties for the land bank
17 through gift or purchase, and act as the municipality's agent to
18 purchase liens at tax sale, and carry out lien foreclosures and
19 individual abandoned property takings.

20 Land bank entity designation is accomplished through a formal
21 agreement adopted by the municipality and the entity after
22 community input. The agreement establishes the terms and
23 conditions by which the entity may acquire and may sell, lease, or
24 convey a property, a mechanism for sharing costs and revenues
25 between the municipality and the entity, and the level of municipal
26 oversight. The agreement can be amended at any time by mutual
27 consent, and terminated by the municipality by giving one year's
28 notice to the entity.

29 When the land bank entity is a non-profit rather than
30 governmental entity, the municipality may exempt the land bank
31 properties held by the land bank entity from property taxes.

32 The land bank entity is required to develop and maintain an
33 online database of current and former land bank properties. The
34 land bank entity shall create a community advisory board, and adopt
35 procedures to ensure the advisory board has access to information
36 and opportunity to provide input into the entity's decisions.

37 The community advisory board shall report on the accuracy,
38 integrity, accessibility, and comprehensiveness of the online
39 mapping database on at least an annual basis. If a land bank entity
40 fails to comply with the database requirement, the community
41 advisory board shall prominently note that failure in each annual
42 report, but no other penalty shall result. The land bank entity must
43 also submit an annual report on its land banking activities to the
44 municipal governing body and the public.

45 Once designated by a municipality, land bank entities may serve
46 the same function for other municipalities, subject to a shared
47 services agreement between the designated municipality and any
48 other municipalities. A municipality also may adopt an ordinance to

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1 remit to the land bank entity an amount equaling up to 50 percent of
2 the property taxes or payments in lieu of taxes collected for up to 10
3 years on parcels sold or conveyed, but not leased, by the land bank
4 entity to private entities, provided that property taxes were not paid
5 on the parcel for at least two years preceding the date when the
6 parcel became a land bank property.

ASSEMBLY COMMERCE AND ECONOMIC DEVELOPMENT
COMMITTEE

STATEMENT TO

ASSEMBLY, No. 3797

STATE OF NEW JERSEY

DATED: SEPTEMBER 13, 2018

The Assembly Commerce and Economic Development Committee reports favorably Assembly Bill No. 3797.

This bill would allow a municipality to enter into a land banking agreement with a non-profit entity or a redevelopment entity and to designate the non-profit entity or redevelopment entity as the municipality's land banking entity. A land banking agreement would authorize a land banking entity to hold, maintain, sell, lease, or convey municipal property that is not needed for a public purpose. The bill would also allow a municipality that serves as its own redevelopment entity to be a land bank entity. The bill would empower a land bank entity to sell, lease, or convey land bank property without having to comply with the provisions of the "Local Lands and Buildings Law," N.J.S.A.40A:12-1 et seq.

Under the bill, a municipality may convey municipally-owned property and assign municipally-owned liens to the land bank entity. The bill also authorizes a land bank entity to acquire property for the land bank through gift or purchase, and to serve as the municipality's agent for the purposes of purchasing tax liens, foreclosing on liens, and foreclosing on abandoned property.

A municipality would adopt, and could amend, a land banking agreement by ordinance. A land banking agreement would establish the responsibilities of the land bank entity and specify the terms and conditions by which the land bank entity may:

- acquire property on behalf of the municipality,
- demolish and otherwise clear buildings and conduct other site improvements,
- maintain and secure property, and
- sell, lease, or convey property.

A land banking agreement would address the municipality's oversight of the land bank entity. The agreement would set forth the manner of distributing costs and revenues related to land bank property between the municipality and the land bank entity. A land bank agreement may provide that, with regard to parcels of property for which no property taxes were paid for at least two years before becoming land bank property, up to 50 percent of the property taxes or

payments in lieu of taxes collected on those parcels, for up to 10 years after they are sold, shall be paid over to the land bank entity.

When a land bank entity is a redevelopment entity with the power to borrow funds and incur debt, the land banking agreement may permit the land bank entity to exercise those powers in furtherance of its land banking obligations. When a redevelopment entity is acting as a land bank entity, it would not be subject to a specific provision of law, N.J.S.A.40A:12A-9, that imposes limitations on a redevelopment entity, unless those limitations are set forth in the land banking agreement and in the redevelopment entity's regulations.

The bill allows a municipality to exempt property held by a non-profit land bank entity from property taxation until or unless the property is sold.

The bill would require a land bank entity to develop and maintain an online, publicly accessible database of current and former land bank properties. A database would contain information about the ownership and sales price of each property.

The bill requires each land bank entity to establish a community advisory board and to provide the advisory board access to certain information and an opportunity to comment on the land bank entity's decisions. The community advisory board would be required to report on the accuracy, integrity, accessibility, and comprehensiveness of the land bank entity's online database at least annually. The bill requires a community advisory board to note in the annual report if the land bank entity has not complied with the requirement to develop and maintain an online database. The bill also subjects each land bank entity to an annual reporting requirement.

The bill allows a municipality to terminate a land banking agreement by providing the land bank entity with one year's notice of termination. Termination of a land banking agreement would not affect the status of a transaction properly entered into prior to termination. The bill provides that within 90 days of the termination date, the land bank entity must convey to the municipality all land bank property without consideration; provided, however, that the municipality and the entity may agree to allow the entity to retain title to any properties that are the subject of a pending transaction by the entity until completion of the transaction, and until the end of any lease.

A land bank entity may serve more than one municipality, subject to a shared services agreement between the municipalities.

ASSEMBLY APPROPRIATIONS COMMITTEE

STATEMENT TO

[First Reprint]

ASSEMBLY, No. 3797

with committee amendments

STATE OF NEW JERSEY

DATED: MAY 20, 2019

The Assembly Appropriations Committee reports favorably Assembly Bill No. 3797, with committee amendments.

As amended by the committee, this bill would allow a municipality to enter into a land banking agreement with a non-profit or a redevelopment entity, which would serve as the municipality's land banking entity. A land banking agreement would authorize a land bank entity to hold property in trust on behalf of the municipality, so long as the property is not already being used for any public purpose. The land banking agreement may authorize the land bank entity to maintain, rehabilitate, lease, or convey that municipal property. The bill would empower a land bank entity to lease or convey land bank property without having to comply with the provisions of the "Local Lands and Buildings Law," N.J.S.A.40A:12-1 et seq.

Under the bill, a municipality may convey municipally-owned property and assign municipally-owned liens to the land bank entity. The bill also authorizes a land bank entity to acquire property for the land bank through gift or purchase, and to serve as the municipality's agent for the purposes of purchasing tax liens, foreclosing on liens, and foreclosing on abandoned property.

A municipality would adopt a land banking agreement by ordinance. A land banking agreement would establish the responsibilities of the land bank entity and specify the terms and conditions by which the land bank entity may:

- acquire property on behalf of the municipality,
- demolish and otherwise clear buildings and conduct other site improvements,
- maintain and secure property, and
- lease or convey property.

A land banking agreement would address the municipality's oversight of the land bank entity. The agreement would set forth the manner of distributing costs and revenues related to land bank property between the municipality and the land bank entity. The bill permits a land banking agreement to provide that, with regard to parcels of property for which no property taxes have been paid for at least two

years before becoming land bank property, a limited series of ongoing annual payments may be made from the municipality to the land bank entity following a conveyance from the land bank entity to a third party. However, the bill prohibits this annual payment from exceeding 50 percent of property taxes or payments in lieu of taxes paid in the fiscal year for all properties that had been land bank properties within the 10 prior fiscal years.

In instances when a land bank entity is a redevelopment entity with the power to borrow funds and incur debt, the land banking agreement may permit the land bank entity to exercise those powers in furtherance of its land banking obligations. When a redevelopment entity is acting as a land bank entity, it would not be subject to a specific provision of law, N.J.S.A.40A:12A-9, that imposes limitations on a redevelopment entity, unless those limitations are set forth in the land banking agreement, or the particular property is part of an area in need of redevelopment.

The bill allows a municipality to exempt property held by a non-profit land bank entity from property taxation until or unless the property is sold and no longer used for a public purpose. The bill identifies land banking, and associated land banking activities, including those involving site improvements and the preparation of property for productive reuse, as a public purpose, and permits a municipality to provide tax-exempt status to properties for so long as they are held as land bank properties.

The bill would require a land bank entity to develop and maintain an online, publicly accessible database of current and former land bank properties. The database would contain information about the ownership and sales price of each property.

The bill requires each land bank entity to establish a community advisory board and to provide the advisory board access to certain information and an opportunity to comment on the land bank entity's decisions. The community advisory board would be required to report on the accuracy, integrity, accessibility, and comprehensiveness of the land bank entity's online database at least annually. The bill requires a community advisory board to note in the annual report if the land bank entity has not complied with the requirement to develop and maintain an online database. The bill also subjects each land bank entity to an annual reporting requirement.

The bill allows a municipality to terminate a land banking agreement by providing the land bank entity with one year's notice of termination. Termination of a land banking agreement would not affect the status of a transaction properly entered into prior to termination. The bill provides that within 90 days of the termination date, the land bank entity must return control of all land bank property to the municipality without consideration; provided, however, that the municipality and the entity may agree to allow the entity to retain control of any properties that are the subject of a pending transaction

by the entity until completion of the transaction, and until the end of any lease. The bill permits a municipality to terminate the land banking agreement without one-year's notice following a determination by the county prosecutor or municipal counsel that the land bank entity has breached an essential duty of the agreement.

The bill allows a land bank entity to serve more than one municipality, subject to a shared services agreement between the municipalities.

COMMITTEE AMENDMENTS

The committee amendments to this bill make the following changes:

- Specify that a municipality, through a land banking agreement, may allow a land bank entity to hold certain municipally-owned properties in trust on behalf of the municipality, but would not transfer title of municipally-owned properties to the land bank entity.
- Specify that, depending on the terms of a land banking agreement, a trust agreement between a municipality and a land bank entity may provide the land bank entity with all the powers of property ownership, subject to the potential for the municipality, by ordinance, to terminate the agreement and regain control.
- Clarify the public purpose of land banking activities, and direct a municipality entering a land banking agreement to further specify the public purpose of their particular land banking agreement.
- Differentiate non-profit land bank entities from redevelopment entities serving as public land bank entities.
- Adjust the maximum term of a lease agreement that may be permitted by a land banking agreement from 10 years to 99 years.
- Specify that land bank property sold or leased on behalf of the municipality would be subject to the requirements of any applicable redevelopment plan.
- Clarify that a redevelopment entity serving as a land bank entity would only be subject to the requirements of a redevelopment plan regarding land bank property that is also within an area in need of redevelopment.
- Authorize the municipality, without the one-year notice ordinarily required for land banking agreement termination, to end a land banking agreement by ordinance upon notification of a determination from the county prosecutor, or the municipal counsel, that the land bank entity has breached an essential duty of the agreement.

- Clarify that a land banking agreement shall not remove the municipality's authority to terminate a land banking agreement, by ordinance, so long as one year's notice is provided.
- Clarify that a land bank entity is not subject to the requirements of the "Local Public Contracts Law," P.L.1971, c.198 (C.40A:11-1 et seq.).
- Notwithstanding the terms of a land banking agreement, reserve with the municipality the authority to restrict the amount of funding related to tax sale and tax foreclosure that a land bank entity may retain, as long as the terms of a tax lien assignment to the land bank entity remain intact for at least one year.
- Permit a land bank entity to modify its governing documents to address actions taken on land bank property, without publication of the changes on its Internet website, as long as the modifications are consistent with the terms of the land banking agreement.
- Clarify the land bank entity's online reporting requirements.
- Specify that, if a land banking agreement permits a municipality to make a limited series of ongoing payments to a land bank entity following property conveyance, the payment amount shall not exceed 50 percent of property taxes or payments in lieu of taxes paid in the fiscal year for all properties that had been land bank properties within the 10 prior fiscal years.
- Clarify that any limited series of ongoing payments to a land bank entity following a property conveyance may be made in addition to any distribution of revenue made to the land bank entity in association with a property sale itself.
- Because a sale is a form of conveyance, remove a redundant authorization for a land bank entity to sell a property from provisions that also authorize the municipality to convey the property.
- Make technical edits in various sections of the bill.

FISCAL IMPACT:

This bill is not certified as requiring a fiscal note.

STATEMENT TO
ASSEMBLY, No. 3797

with Assembly Floor Amendments
(Proposed by Assemblywoman JASEY)

ADOPTED: JANUARY 31, 2019

These Assembly floor amendments require a land bank entity to periodically update certain State agencies, in accordance with guidance from the Division of Local Government Services in the Department of Community Affairs, concerning any recent changes to the online property database that the bill directs the entity to maintain. To the extent that the database includes properties in foreclosure proceedings, and recently-foreclosed properties, the amendments direct the land bank entity to ensure that the information provided is both accurate and consistent with any corresponding information provided by any State agency, or by the Judiciary.

Governor Murphy Signs Legislation to Permit Municipal Land Banking

07/11/2019

NEWARK – Governor Phil Murphy today signed the New Jersey Land Bank Law, which will allow New Jersey towns and cities to designate a land bank entity to obtain vacant, abandoned, and neglected properties for productive reuse purposes. This law will provide municipalities with a tool to revitalize and reuse properties for public benefit.

“Where some see blight, we see promise,” **said Governor Murphy**. “Whether it is in Newark, Paterson, Trenton, or Camden, the creation of a land bank will be a powerful tool for taking empty and overlooked properties and turning them into places where residents can live and work, and where a new sense of community can be ignited.”

“Communities often face complex challenges when securing finances and resources for projects in blighted areas and our hope is that by allowing municipalities to create a public land bank, it will help ease the process of transforming properties from brownfields to successful redevelopment projects,” **said Lt. Governor Sheila Oliver, who also serves as Commissioner of the Department of Community Affairs**. “These impactful projects have the power to spur on economic growth, create jobs and revitalize an entire community.”

“This land bank law is monumental for New Jersey and will have an enormous impact on Newark,” **said Newark Mayor Ras Baraka**. “For more than fifty years, vacant and abandoned properties have blighted some of our neighborhoods and affected the quality of life of our residents. With this new law, we are finally turning the page! This important tool will empower the people of Newark to acquire these properties, restore them, and transform them into community assets.”

Under the New Jersey Land Bank Law, municipalities will be allowed to designate a non-profit organization or a public entity as the municipality’s land bank entity. The public entities which a municipality may designate as a land bank entity include redevelopment entities, county improvement authorities, and departments and agencies of the municipality itself. Land bank entities will be permitted to acquire properties on its own and act as a municipality’s agent to purchase liens at a tax sale, carry out lien foreclosures, and take individual abandoned properties.

Primary sponsors of the legislation are Senator M. Teresa Ruiz, Senator Nilsa Cruz-Perez, Assemblywoman Mila Jasey, Assemblywoman Annette Chaparro, and Assemblywoman Cleopatra Tucker.

“Creating land banks and posting available properties online will allow municipalities to create positive redevelopment plans in our communities. Doing this in a responsible way can lead to revitalized cities and neighborhoods that existing residents can still afford to live in,” **said Senator Ruiz**. “By repurposing foreclosed or abandoned properties as quickly as possible we can prevent them from becoming areas that attract negative activity. It also has the potential to promote economic development and expand housing opportunities in both urban and rural parts of our state.”

“As we work to combat our State’s critical housing shortage, it makes sense for us to equip municipalities with as many tools provide affordable housing and larger development, as well as reduce the number of vacant and abandoned properties,” **said Assemblywoman Jasey**. “Designating single entities to act on behalf of municipalities will hopefully expedite the turnover process, and help us find productive uses for these properties.”

“This bill will go a long way in helping Trenton get abandoned properties back on the tax rolls and redeveloped into projects that benefit the community,” **said Trenton Mayor Reed Gusciora**. “Land banks allow us to build mixed-income housing and other large development projects, we will be able to make great progress in revitalizing parts of Trenton that need new life while creating economic growth and job opportunities for Trentonians.”

The law provides for accountability to local communities through the requirement for community advisory boards with mandatory access to certain information and opportunities for the board to comment on the land bank entity’s decisions.

Land bank entities will further be required to develop and maintain an online, publicly accessible database of current and former land bank properties. The community advisory board must issue an annual report on the accuracy, integrity, accessibility, and comprehensiveness of the land bank entity’s online database.

The New Jersey Land Bank Law will take effect immediately.