

**LEGISLATIVE HISTORY CHECKLIST**  
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NJSA 55:19-20 to 55:19-77 (NJ Urban Redevelopment")

LAWS OF: 1996 CHAPTER: 62

BILL NO: S800

SPONSOR(S): LaRossa

DATE INTRODUCED: February 15, 1996

COMMITTEE: ASSEMBLY: Appropriations  
 SENATE: Budget, Urban Policy

AMENDED DURING PASSAGE: Yes Amendments during passage denoted  
 Third reprint enacted by superscript numbers

DATE OF PASSAGE: ASSEMBLY: May 30, 1996  
 SENATE: March 21, 1996

DATE OF APPROVAL: July 12, 1996

FOLLOWING STATEMENTS ARE ATTACHED IF AVAILABLE:

SPONSOR STATEMENT: Yes

COMMITTEE STATEMENT: ASSEMBLY: Yes  
 SENATE: Yes 3-18-96 & 3-14-96

FISCAL NOTE: No

VE TO MESSAGE: No

MESSAGE ON SIGNING: No

FOLLOWING WERE PRINTED:

REPORTS: No

HEARINGS: No

Public hearing on bill proposed during previous legislative session:  
 974.90 New Jersey. Legislature. Senate. Urban Policy and Planning  
 M966 Committee.  
 1994b Committee meeting on S1655, designated the New Jersey Urban  
 5 Redevelopment Act, held 4-27-95. New Brunswick, 1995.

See newspaper clipping--attached:  
 "\$100 M in new loan funds...", 7-13-96, Trenton Times.

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Title 55.  
ARTICLE 1. (NEW)  
(New Jersey Urban  
Development  
Corporation)  
ARTICLE 2. (NEW)  
Urban Redevelopment.  
§§1-40, 45-55, 57-63  
C.55:19-20 to  
55:19-77  
§58 - Note to 13:1D-2  
§59 - Note to 34:1B-1  
§67 - Repealer  
§68 - Approp.  
§69 - Note to §§1-68

P.L. 1996, CHAPTER 62, *approved July 12, 1996*  
Senate No. 800 (*Third Reprint*)

1 AN ACT designated the "New Jersey Urban Redevelopment Act,"  
2 <sup>1</sup>[creating] reconstituting the New Jersey Urban Development  
3 Corporation as<sup>1</sup> the New Jersey Redevelopment Authority, <sup>1</sup>[and]<sup>1</sup>  
4 providing a source of funding therefor, <sup>1</sup>[permitting revenue  
5 allocation financing,]<sup>1</sup> establishing a neighborhood empowerment  
6 program, <sup>1</sup>[allowing for abbreviated tax foreclosure and  
7 condemnation compensation proceedings for abandoned  
8 properties,]<sup>1</sup> amending, supplementing and repealing various  
9 sections of statutory law, and making an appropriation.

10

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

13

14 1. (New section) This act shall be known and may be cited as the  
15 "New Jersey Urban Redevelopment Act."

16

17 2. (New section) The Legislature finds and determines that:

18 a. As one of the nation's most densely populated States and one of  
19 the earliest settled, New Jersey is beset by a host of urban problems  
20 attendant upon economic obsolescence, an aging infrastructure,  
21 long-term underinvestment and de-industrialization;

22 b. Although the State Development and Redevelopment Plan has  
23 fostered a more coordinated and integrated State planning process and  
24 has placed renewed emphasis on urban revitalization goals, the  
25 realization of those revitalization goals still presents a critical  
26 challenge to the private sector and the myriad of governmental entities  
27 whose policies touch urban areas;

28 c. The rapid pace of technological change with which the late  
29 twentieth century is associated, represented by the development and  
30 growth of the "information superhighway," and increasing world

**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:**

<sup>1</sup> Senate SUP committee amendments adopted March 14, 1996.

<sup>2</sup> Senate SBA committee amendments adopted March 18, 1996.

<sup>3</sup> Assembly AAP committee amendments adopted May 13, 1996.

1 competition, spurred on by recent and ongoing international free trade  
2 agreements, threatens to further marginalize our already distressed and  
3 beleaguered urban centers;

4 d. Environmentally compromised sites present a particular  
5 challenge to the State's urban centers, particularly those with major  
6 associated cleanup liability and, notwithstanding the impressive strides  
7 taken by this Legislature to address remediation issues, further  
8 remedies are necessary in order to imbue those sites with renewed  
9 economic potential;

10 e. Given the number of years over which these problems have  
11 developed and in light of the enormity of the challenges which lay  
12 ahead, it is incumbent upon this Legislature to <sup>1</sup>[create] designate<sup>1</sup> an  
13 entity that has as its primary focus the State's urban centers, and to  
14 <sup>1</sup>[endow that entity with the powers and financial resources necessary  
15 to reverse decades of decay and neglect] provide that entity with  
16 resources to effectuate renewal in these urban areas<sup>1</sup>;

17 f. At present, a vast and complex network of State agencies and  
18 policies which should cooperate in the identification and resolution of  
19 urban problems too often work at cross-purposes and so it is vital that  
20 this new entity bring together those agencies whose policies are most  
21 strongly felt in urban areas in order to promote their economic and  
22 social viability in a coordinated fashion;

23 g. There is a need for a redevelopment agency whose focus is  
24 developing and implementing strategic revitalization plans and  
25 neighborhood empowerment plans for urban neighborhoods to serve  
26 as the State's primary community development agency with particular  
27 focus on technical assistance, grants, low and no interest loans, loan  
28 guarantees, and capacity building for community development  
29 organizations; and

30 h. This legislative initiative is intended to implement the urban  
31 redevelopment initiative concept and philosophy articulated by the  
32 sponsor which calls for the establishment of <sup>1</sup>[a new] an independent<sup>1</sup>  
33 entity which will allow for a coordinated approach to urban  
34 revitalization and succeed in achieving its goals where previous urban  
35 efforts have failed.

36

37 3. (New section) As used in P.L. , c. (C. ) (pending before the  
38 Legislature as this bill), except as otherwise clearly required by the  
39 context:

40 "Authority" means the New Jersey Redevelopment Authority  
41 established pursuant to section 4 of P.L. , c. (C. ) (pending before  
42 the Legislature as this bill).

43 "Council" means the Urban <sup>1</sup>[Policy]<sup>1</sup> Coordinating Council  
44 established pursuant to section <sup>1</sup>[7] 45<sup>1</sup> of P.L. , c. (C. ) (pending  
45 before the Legislature as this bill).

46 "Department" means the Department of the <sup>1</sup>[Treasury] Commerce

1 and Economic Development<sup>1</sup>.

2 "Project" means a specific work or improvement, including lands,  
3 buildings, improvements, real and personal property or any interest  
4 therein, including lands under water, riparian rights, space rights and  
5 air rights, acquired, owned, constructed, reconstructed, rehabilitated  
6 or improved by the authority or a subsidiary, or by any other person,  
7 firm or corporation under agreement with the authority or subsidiary  
8 pursuant to the provisions of P.L. , c. (C. ) (pending before the  
9 Legislature as this bill) in a qualified municipality, and which falls  
10 within any of the following classifications:

11 (1) "Industrial project"--a project designed and intended to provide  
12 facilities for manufacturing, industrial, commercial, wholesale, retail,  
13 warehousing, or research and development purposes, including but not  
14 limited to machinery and equipment deemed necessary for the  
15 operation thereof, when the authority finds that there is a compelling  
16 public need to undertake such project.

17 (2) "Land-use improvement project"--a project for the clearance,  
18 replanning, reconstruction, rehabilitation, renewal, redevelopment,  
19 conservation, restoration or improvement of an area, in cooperation  
20 or under agreement with a qualified municipality which has designated  
21 the area in need of redevelopment.

22 (3) "Civil project"--a project designed and intended to provide  
23 facilities for educational, cultural, health, recreational, community or  
24 other civic purposes.

25 (4) "Utility project"--a project designed and intended to provide  
26 facilities for provision of water, sewerage, solid waste disposal,  
27 transportation, utility or other public services necessary for the  
28 accommodation of a project of another classification undertaken  
29 pursuant to P.L. , c. (C. ) (pending before the Legislature as this  
30 bill), but accommodation of needs greater than those of the other  
31 project may be encompassed.

32 (5) "Mixed-use project"--a project consisting of housing  
33 development and commercial development, in which the prorated cost  
34 of the housing development is equivalent to no more than one-third of  
35 the cost of the total project.

36 (6) "Multi-purpose project"--a project combining the purposes of  
37 two or more of the foregoing classifications.

38 "Qualified municipality" means any municipality which at the time  
39 of the initiation of a project was either eligible to receive aid under the  
40 "Special Municipal Aid Act," P.L.1987, c.75 (C.52:27D-118.24 et  
41 seq.) or was coextensive with a school district which qualified for  
42 designation as a "special needs district" pursuant to the "Quality  
43 Education Act of 1990," P.L.1990, c.52 (C.18A:7D-1 et seq.).

44 "Subsidiary" means a subsidiary corporation formed by the  
45 authority pursuant to section <sup>1</sup>[13] <sup>g</sup> of P.L. , c. (C. ) (pending  
46 before the Legislature as this bill).

1        4. (New section) a. <sup>1</sup> [There is hereby established the New Jersey  
2 Redevelopment Authority as the successor to the New Jersey Urban  
3 Development Corporation, except as provided in section 38 of  
4 P.L. , c. (C. ) (pending before the Legislature as this bill).]  
5 The New Jersey Urban Development Corporation established pursuant  
6 to P.L.1985, c.227 (C.55:19-1 et. seq.) is reconstituted as the New  
7 Jersey Redevelopment Authority.<sup>1</sup> For the purpose of complying with  
8 the provisions of Article V, Section IV, paragraph 1 of the  
9 Constitution of the State of New Jersey, this authority is allocated to  
10 the Department of <sup>1</sup> [the Treasury] Commerce and Economic  
11 Development<sup>1</sup>; but, notwithstanding that allocation, the authority shall  
12 be independent of any supervision or control by the department or by  
13 any other board or officer thereof. <sup>1</sup> All references in any law, order,  
14 rule, regulation, contract, loan, document or otherwise to the New  
15 Jersey Urban Development Corporation in the Department of  
16 Commerce and Economic Development shall mean the New Jersey  
17 Redevelopment Authority in the Department of Commerce and  
18 Economic Development.<sup>1</sup>

19        b. The authority shall constitute a body corporate and politic and  
20 an instrumentality exercising public and essential governmental  
21 functions, and the exercise by the authority of the powers conferred by  
22 P.L. , c. (C. ) (pending before the Legislature as this bill) shall be  
23 deemed and held to be an essential governmental function of the State.

24        c. The authority shall consist of the State Treasurer, the Attorney  
25 General, the Commissioner of Community Affairs, the Commissioner  
26 of Education, the Commissioner of Environmental Protection, the  
27 Commissioner of Health, the Commissioner of Human Services, the  
28 Commissioner of Labor, the Commissioner of Transportation, and the  
29 Commissioner of Commerce and Economic Development who shall be  
30 members and who shall serve ex officio, and eleven public members of  
31 whom seven shall be appointed by the Governor with the advice and  
32 consent of the Senate, two shall be appointed by the Senate President  
33 and two shall be appointed by the Speaker of the General Assembly,  
34 for terms of three years, except as provided hereunder. Of the seven  
35 members appointed by the Governor, one shall represent the interests  
36 of the for-profit development industry; one shall represent the interests  
37 of the non-profit development community, two shall be mayors of  
38 municipalities which are coextensive with "special needs districts" as  
39 defined pursuant to section 3 of P.L.1990, c.52 (C.18A:7D-3); two  
40 shall be mayors of municipalities which are contiguous to  
41 municipalities which are coterminous with special needs districts; and  
42 one shall represent the interest of the banking, insurance or real estate  
43 financing industries. Each member shall hold office for the term of his  
44 appointment and until his successor shall have been appointed and  
45 qualified. A member shall be eligible for reappointment. Each mayor  
46 shall serve for a term of three years, but shall continue to serve only

1 as long as the mayor continues to hold mayoral office. The members  
2 appointed by each of the presiding officers of both Houses of the  
3 Legislature shall not represent the same political party <sup>3</sup>[, and none of  
4 the legislative appointees shall be members of the Legislature]<sup>3</sup>. Any  
5 vacancy in the membership occurring other than by expiration of term  
6 shall be filled in the same manner as the original appointment but for  
7 the unexpired term only. In appointing public members, the presiding  
8 officers shall have regard to providing an adequate depth and diversity  
9 of knowledge and experience in the financial, physical and social  
10 aspects of urban development, and of other relevant expertise in urban  
11 matters.

12 d. Each ex officio member may designate an officer or employee of  
13 his department to represent him at authority meetings. The  
14 designation shall be in writing, delivered into the hands of the  
15 secretary of the authority, and shall continue in effect until revoked or  
16 amended in the same manner.

17 e. Each member appointed by the Governor may be removed from  
18 office by the Governor, for cause, after a public hearing, and may be  
19 suspended by the Governor pending the completion of the hearing.  
20 Each member before entering upon his duties shall take and subscribe  
21 an oath to perform the duties of his office faithfully, impartially and  
22 justly to the best of his ability. A record of such oaths shall be filed in  
23 the office of the Secretary of State.

24 f. The <sup>3</sup>[Governor shall appoint a chairperson, with the advice and  
25 consent of the Senate, from the members of the authority other than  
26 the ex officio members and the]Commissioner of Commerce and  
27 Economic Development may, at the commissioner's discretion, serve  
28 as the chairperson of the authority or may appoint one of the public  
29 members of the authority as chairperson. Any such designation or  
30 appointment shall be made in writing and shall be delivered to the  
31 authority and to the Governor and shall continue in effect until  
32 revoked or amended by a writing delivered to the authority and the  
33 Governor. The<sup>3</sup> members of the authority shall elect from their  
34 remaining number a vice chairperson and a treasurer thereof. The  
35 authority shall employ an executive director who shall be its secretary  
36 and chief executive officer. The powers of the authority shall be  
37 vested in the members thereof in office from time to time and eleven  
38 members of the authority shall constitute a quorum at any meeting  
39 thereof. Action may be taken, and motions and resolutions adopted,  
40 by the authority at any meeting thereof by the affirmative vote of at  
41 least eleven members of the authority. No vacancy in the membership  
42 of the authority shall impair the right of a quorum of the members to  
43 exercise all of the powers and perform all of the duties of the  
44 authority.

45 g. Each public member of the authority shall execute a bond to be  
46 conditioned upon the faithful performance of the duties of such

1 member in such form and amount as may be prescribed by the State  
2 Comptroller. Such bonds shall be filed in the office of the Secretary  
3 of State. At all times thereafter the members and treasurer of the  
4 authority shall maintain such bonds in full force and effect. All costs  
5 of such bonds shall be borne by the authority.

6 h. The members of the authority shall serve without compensation,  
7 but the authority shall reimburse its members for actual expenses  
8 necessarily incurred in the discharge of their duties. Notwithstanding  
9 the provisions of any other law, no officer or employee of the State  
10 shall be deemed to have forfeited or shall forfeit his or her office or  
11 employment or any benefits or emoluments thereof by reason of his or  
12 her acceptance of the office of ex officio member of the authority or  
13 his or her services therein.

14 i. The authority may be dissolved by act of the Legislature on  
15 condition that the authority has no debts or obligations outstanding or  
16 that provision has been made for the payment or retirement of such  
17 debts or obligations. Upon any such dissolution of the authority, all  
18 property, funds and assets thereof shall be vested in the State.

19 j. A true copy of the minutes of every meeting of the authority shall  
20 be forthwith delivered by and under the certification of the secretary  
21 thereof to the Governor. No action taken at such meeting by the  
22 authority shall have force or effect until 10 days, Saturdays, Sundays,  
23 and public holidays excepted, after a copy of the minutes shall have  
24 been so delivered unless during that 10-day period the Governor shall  
25 approve the same in which case such action shall become effective  
26 upon approval. If, within the 10-day period, the Governor returns the  
27 copy of the minutes with a veto of any action taken by the authority or  
28 any member thereof at the meeting, that action shall be null and void  
29 and of no effect. The powers conferred in this subsection upon the  
30 Governor shall be exercised with due regard for the rights of the  
31 holders of bonds and notes of the authority at any time outstanding,  
32 and nothing in or done pursuant to this subsection shall in any way  
33 limit, restrict or alter the obligation or powers of the authority or any  
34 representative or officer of the authority to carry out and perform in  
35 every detail each and every covenant, agreement or contract at any  
36 time made or entered into by or on behalf of the authority with respect  
37 to its bonds or notes or for the benefit, protection or security of the  
38 holders thereof. <sup>1</sup>The Governor may approve all or part of the action  
39 taken at such meeting prior to the expiration of the 10-day period.<sup>1</sup>

40 k. On or before March 31 of each year, the authority shall make an  
41 annual report of its activities for the preceding calendar year to the  
42 Governor and the Legislature. Each such report shall set forth a  
43 complete operating and financial statement covering the authority's  
44 operations during the year. The authority shall cause an audit of its  
45 books and accounts to be made at least once in each year by certified  
46 public accountants and cause a copy thereof to be filed with the

1 Secretary of State and the State Comptroller.

2 1. The State Comptroller and his legally authorized representatives  
3 are hereby authorized and empowered from time to time to examine  
4 the accounts, books and records of the authority, including its receipts,  
5 disbursements, contracts, sinking funds, investments, and any other  
6 matters relating thereto and to its financial standing.

7 m. No member, officer, employee or agent of the authority shall be  
8 interested, either directly or indirectly, in any project or in any  
9 contract, sale, purchase, lease or transfer of real or personal property  
10 to which the authority is a party.

11

12 5. (New section) The authority shall have the following powers:

13 a. to sue and be sued;

14 b. to have a seal and alter the same at the authority's pleasure;

15 c. to enter into contracts upon such terms and conditions as the  
16 authority shall determine to be reasonable, including, but not limited  
17 to, reimbursement for the planning, designing, financing, construction,  
18 reconstruction, improvement, equipping, furnishing, operation and  
19 maintenance of the project and to pay or compromise any claims  
20 arising therefrom;

21 d. to make and alter by-laws for its organization and internal  
22 management and, subject to agreements with noteholders or  
23 bondholders, to make rules and regulations with respect to its projects,  
24 operations, properties and facilities;

25 e. to invest any funds held in reserve or sinking funds, or any  
26 moneys not required for immediate use and disbursement, at the  
27 discretion of the authority, in obligations of this State or of the United  
28 States, or obligations the principal and interest of which are  
29 guaranteed by this State or the United States;

30 f. to sell, lease, assign, transfer, convey, exchange, mortgage, or  
31 otherwise dispose of or encumber any project, and in the case of the  
32 sale of any project, to accept a purchase money mortgage in  
33 connection therewith; and to lease, repurchase or otherwise acquire  
34 and hold any project which the corporation has theretofore sold,  
35 leased or otherwise conveyed, transferred or disposed of;

36 g. to acquire or contract to acquire from any individual,  
37 partnership, trust, association or corporation, or any public agency, by  
38 grant, purchase or otherwise, real or personal property or any interest  
39 therein; to own, hold, clear, improve, rehabilitate and develop, and to  
40 sell, assign, exchange, transfer, convey, lease, mortgage or otherwise  
41 dispose of or encumber the same;

42 h. to acquire in the name of the authority by purchase or otherwise,  
43 on such terms and conditions and such manner as it may deem proper  
44 <sup>1</sup>[, or by the exercise of the power of eminent domain in the manner  
45 provided by the "Eminent Domain Act of 1971," P.L.1971, c.361  
46 (C.20:3-1 et seq.),]<sup>1</sup> any lands or interests therein or other property



1 which it may determine is reasonably necessary for any project;  
2 <sup>1</sup>[provided, however, that except in connection with a property  
3 included on the abandoned property list pursuant to section 75  
4 of P.L. , c. (C. ) (pending before the Legislature as this bill), the  
5 authority shall not take by exercise of the power of eminent domain  
6 any real property except upon consent thereto given by resolution of  
7 the governing body of the municipality in which such real property is  
8 located; and provided further that the authority shall be limited in its  
9 exercise of the power of eminent domain to qualified municipalities;]<sup>1</sup>  
10 i. to acquire, construct, reconstruct, rehabilitate, improve, alter or  
11 repair or provide for construction, reconstruction, rehabilitation,  
12 improvement, alteration or repair of any project;  
13 j. to arrange or contract with a municipality for the planning,  
14 replanning, opening, grading or closing of streets, roads, roadways,  
15 alleys or other places, or for the furnishing of facilities or for the  
16 acquisition by a municipality of property or property rights or for the  
17 furnishing of property or services, in connection with a project;  
18 k. to grant options to purchase any project or to renew any leases  
19 entered into by it in connection with any of its projects, on such terms  
20 and conditions as it may deem advisable;  
21 l. to prepare or cause to be prepared plans, specifications, designs  
22 and estimates of costs for the construction, reconstruction,  
23 rehabilitation, improvement, alteration or repair of any project, and  
24 from time to time to modify such plans, specifications, designs or  
25 estimates;  
26 m. to manage any project, whether then owned or leased by the  
27 authority, and to enter into agreements with any individual,  
28 partnership, trust, association or corporation, or with any public  
29 agency, for the purpose of causing any project to be managed;  
30 n. to hold any property owned or acquired by the authority in the  
31 name of the authority;  
32 o. to provide advisory, consultative, training and educational  
33 services, technical assistance and advice to any individual, partnership,  
34 trust, association or corporation, or to any public agency, in order to  
35 carry out the purposes of P.L. , c. (C. ) (pending before the  
36 Legislature as this bill);  
37 p. to issue, purchase, pledge and sell stock in projects of the  
38 authority and to purchase, sell or pledge the shares, or other  
39 obligations or securities of any subsidiary corporation, on such terms  
40 and conditions as the authority or subsidiary corporation may deem  
41 advisable;  
42 q. subject to the provisions of any contract with noteholders, to  
43 consent to the modification, with respect to rate of interest, time of  
44 payment or any installment of principal or interest, security, or any  
45 other terms, of any loan, mortgage, commitment, contract or  
46 agreement of any kind to which the authority is a party;

- 1       r. in connection with any property on which it has made a  
2 mortgage loan, to foreclose on the property or commence any action  
3 to protect or enforce any right conferred upon it by any law,  
4 mortgage, contract or other agreement, and to bid for or purchase the  
5 property at any foreclosure or at any other sale, or acquire or take  
6 possession of the property; and in such event the authority may  
7 complete, administer, pay the principal of and interest on any  
8 obligations incurred in connection with the property, dispose of and  
9 otherwise deal with the property, in such manner as may be necessary  
10 or desirable to protect the interests of the authority therein;
- 11       s. to acquire, purchase, manage and operate, hold and dispose of  
12 real and personal property or interests therein, take assignments of  
13 rentals and leases and make and enter into all contracts, leases,  
14 agreements and arrangements necessary or incidental to the  
15 performance of its duties;
- 16       t. to purchase, acquire and take assignments of notes, mortgages  
17 and other forms of security and evidences of indebtedness;
- 18       u. to extend credit or make loans to any person for the planning,  
19 designing, acquiring, constructing, reconstructing, improving,  
20 equipping and furnishing of a project, which credits or loans may be  
21 secured by loan and security agreements, mortgages, leases and any  
22 other instruments, upon such terms and conditions as the authority  
23 shall deem reasonable, including provision for the establishment and  
24 maintenance of reserve and insurance funds, and to require the  
25 inclusion in any mortgage, lease, contract, loan and security agreement  
26 or other instrument, such provisions for the construction, use,  
27 operation and maintenance and financing of a project as the authority  
28 may deem necessary or desirable;
- 29       v. to borrow money, secure credit against the assets of the  
30 authority on a temporary, short-term, interim or long-term basis and  
31 to issue bonds of the authority and to provide for the rights of the  
32 holders thereof, as provided in P.L. , c. (C. ) (pending before the  
33 Legislature as this bill);
- 34       w. to make short-term loans or advances to developers for  
35 construction in anticipation of the issuance of permanent loans;
- 36       x. to exercise sole authority for investment, reinvestment or  
37 expenditure of its revenues, fund balances and appropriations  
38 consistent with the purposes of P.L. , c. (C. ) (pending before the  
39 Legislature as this bill) on projects and investments utilizing revenues  
40 from the sale of revenue bonds, which projects shall be subject to the  
41 approval of the State Treasurer, and the Treasurer's actions shall be  
42 based solely on his fiduciary role to ensure that all applicable federal  
43 and State tax laws are adhered to regarding the investment of bond  
44 funds;
- 45       y. notwithstanding any law to the contrary, and upon resolution of  
46 the municipal governing body, to act as the redevelopment agency of

1 any municipality in which there is not established a redevelopment  
2 agency pursuant to subsection a. of section 11 of P.L.1992, c.79  
3 (C.40A:12A-11) and which is not precluded from establishing such an  
4 agency;

5 z. in connection with any application for assistance under P.L. ,  
6 c. (C. ) (pending before the Legislature as this bill) or commitments  
7 therefor, to require and collect such fees and charges as the authority  
8 shall determine to be reasonable;

9 aa. to establish, levy and collect, in connection with any civic  
10 project or utilities project managed or operated by the authority,  
11 whether then owned or leased by the authority, user fees and facility  
12 charges;

13 bb. to procure insurance against any loss in connection with its  
14 property and other assets and operations, in such amounts and from  
15 such insurers as it deems desirable;

16 cc. to employ consulting engineers, architects, attorneys, real  
17 estate counselors, appraisers, and such other consultants and  
18 employees as may be required in the judgment of the authority to carry  
19 out the purposes of the act, and to fix and pay their compensation  
20 from funds available to the authority therefor, all without regard to the  
21 provisions of Title 11A, Civil Service, of the New Jersey Statutes;

22 dd. to contract for, and to accept, any gifts or grants or loans of  
23 funds or property or financial or other aid in any form from the federal  
24 government or any agency or instrumentality thereof, or from the State  
25 or a municipality or any agency or instrumentality thereof, or from any  
26 other source, and, subject to the provisions of P.L. , c. (C. )  
27 (pending before the Legislature as this bill) and any other applicable  
28 law, to comply with the terms and conditions thereof;

29 ee. to create subsidiary corporations as provided in section <sup>1</sup>[13]  
30 <sup>8</sup> of P.L. , c. (C. ) (pending before the Legislature as this bill);

31 ff.<sup>1</sup>[to act as a district agent pursuant to section 41 of P.L. , c.  
32 (C. ) (pending before the Legislature as this bill);

33 gg.<sup>1</sup> to assist municipalities, counties, public or private county and  
34 municipal development agencies, district management corporations  
35 created pursuant to section 4 of P.L.1972, c.134 (C.40:56-68),  
36 community action boards established pursuant to section 4 of  
37 P.L.1991, c.51 (C.52:27D-398), or sponsors of neighborhood  
38 empowerment organizations, in formulating and implementing  
39 community redevelopment plans, which shall include, but not be  
40 limited to, neighborhood restoration, residential development, and  
41 industrial and commercial development;

42 <sup>1</sup>[hh.] gg.<sup>1</sup> to fund, or assist in funding, community redevelopment  
43 projects by municipalities, counties, public or private county and  
44 municipal development agencies, district management corporations  
45 created pursuant to section 4 of P.L.1972, c.134 (C.40:56-68),  
46 community action boards established pursuant to section 4 of

1 P.L.1991, c.51 (C.52:27D-398), or sponsors of neighborhood  
2 empowerment organizations, which shall include, but not be limited to,  
3 direct loan assistance, including loan guarantees, procuring capital  
4 from private developers and lending institutions, and facilitating access  
5 to State, federal, and private sources of loans or grants, including, but  
6 not limited to, the New Jersey Economic Development Authority and  
7 the Casino Redevelopment Authority;

8 <sup>1</sup>[ii.]hh. to assist in providing access to support services, including  
9 technical assistance and job training programs, for projects developed  
10 in connection with comprehensive community redevelopment plans and  
11 neighborhood empowerment programs established pursuant to this act;

12 <sup>1</sup>[jj.] ii. to provide assistance to urban areas in attracting industrial  
13 and commercial projects, in rehabilitating existing industrial and  
14 commercial facilities to restore them to productive use through the  
15 establishment of marketing programs and incentive programs;

16 <sup>1</sup>[kk. to provide] jj. to assist in facilitating the work of the Office  
17 of Neighborhood Empowerment established pursuant to this act, which  
18 assistance shall include, but not be limited to, providing<sup>1</sup> professional  
19 or technical expertise and funding for the establishment and  
20 implementation of neighborhood empowerment plans developed  
21 pursuant to this act;

22 <sup>1</sup>[ll.] kk. to enter into partnerships with private developers, the  
23 New Jersey Economic Development Authority or any other public  
24 entity, for the purpose of community redevelopment, and establish fees  
25 therefor;

26 <sup>1</sup>[mm.] ll. to enter into agreements with municipalities or counties  
27 regarding projects to be financed through the use of payment in lieu of  
28 taxes, as provided for in section <sup>1</sup>[70] 33<sup>1</sup> of P.L. , c. (C. )  
29 (pending before the Legislature as this bill); and

30 <sup>1</sup>[nn.] mm. to do any and all things necessary or convenient to  
31 carry out its purposes and exercise the powers given and granted in  
32 P.L. , c. (C. ) (pending before the Legislature as this bill).

33

34 6. (New section) The authority, in determining which projects to  
35 approve for financing, shall accord first priority to any project situated  
36 in <sup>1</sup>[a] <sup>2</sup>[an empowerment neighborhood designated pursuant to  
37 section 54 of P.L. , c. (C. ) (pending before the Legislature as  
38 this bill), second priority to any<sup>1</sup> <sup>2</sup>a municipality which at the time the  
39 application for project financing is submitted is eligible to receive aid  
40 under the "Special Municipal Aid Act," P.L.1987, c.75  
41 (C.52:27D-118.24 et seq.) and is coextensive with a "special needs  
42 district" designated pursuant to the "Quality Education Act of 1990,"  
43 P.L.1990, c.52 (C.18A:7D-1 et seq.). Subsequent priority shall be  
44 assigned to projects in any municipality which, at the time the  
45 application for project financing is submitted, is coextensive with a  
46 "special needs district" and projects in a qualified municipality shall

1 receive last priority. <sup>1</sup>[In making project financing decisions, the  
 2 authority shall give preference to any project situated in an  
 3 empowerment neighborhood designated pursuant to section 88 of  
 4 P.L. c. (C. ) (pending before the Legislature as this bill).]<sup>1</sup>

5 <sup>2</sup>In making project financing decisions, the authority shall give  
 6 preference to any project situated in an empowerment neighborhood  
 7 designated pursuant to section 54 of P.L....., c.....  
 8 (C.....)(now pending before the Legislature as this bill).<sup>2</sup> With  
 9 respect to projects for which costs are to be financed by the authority,  
 10 the authority shall consider the following factors:

- 11 (1) the economic feasibility of the project;
- 12 (2) the extent of economic and related social distress in the  
 13 municipality and the area to be affected by the project;
- 14 (3) the degree to which the project will advance State, regional and  
 15 local development strategies;
- 16 (4) the likelihood that the project shall upon completion be capable  
 17 of repaying all or part of any financing costs incurred;
- 18 (5) the relationship of the project to a comprehensive local  
 19 development strategy, including other major projects undertaken  
 20 within the municipality; and
- 21 (6) the degree to which the project interfaces with public  
 22 transportation systems.

23  
 24 <sup>1</sup>[7. (New section) For the purpose of assuring effective  
 25 coordination of urban policies among those public agencies and  
 26 officers having responsibilities which affect the physical, economic and  
 27 social life of the State's urban areas, the Governor shall establish an  
 28 Urban Policy Coordinating Council within the authority to advise the  
 29 authority board and shall designate to serve on the council designees  
 30 of all Cabinet members, State authorities, boards and commissions,  
 31 and other State public bodies whose activities may affect or be  
 32 affected by the operations of the authority.]<sup>1</sup>

33  
 34 <sup>1</sup>[8. (New section) The Urban Policy Coordinating Council shall:  
 35 a. Ensure that State agencies coordinate responses and provide  
 36 assistance to projects and programs outlined in neighborhood  
 37 empowerment plans developed pursuant to section 11 of P.L. , c.  
 38 (C. )(pending before the Legislature as this bill), and projects and  
 39 programs established by the New Jersey Redevelopment Authority, the  
 40 New Jersey Economic Development Authority, and development  
 41 initiatives proposed by municipal and county governments, including  
 42 making available the resources of the departments of the State in  
 43 implementing those programs;  
 44 b. Make available the resources of its member agencies to assist  
 45 local sponsors in implementing neighborhood empowerment plans;  
 46 c. Form interagency teams of State representatives. The

1 membership of each interagency team shall be determined by the needs  
2 outlined in the neighborhood empowerment plan. Each interagency  
3 team shall serve as the primary link between the neighborhood and  
4 State government in responding to programming needs, shall be co-  
5 chaired by a case manager from the Office of Neighborhood  
6 Empowerment, established pursuant to section 9 of P.L. , c.  
7 (C. )(pending before the Legislature as this bill); and by the  
8 community director, and shall include at least one representative of the  
9 council; and

10 d. Assist in coordinating the activities of the New Jersey  
11 Redevelopment Authority, municipalities, counties, public or private  
12 county and municipal development agencies, district management  
13 corporations created pursuant to section 4 of P.L.1972, c.134  
14 (C.40:56-68), and community action boards established pursuant to  
15 section 4 of P.L.1991, c.51 (C.52:27D-398).]<sup>1</sup>

16

17 <sup>1</sup>[9. (New section) There is established in the New Jersey  
18 Redevelopment Authority an Office of Neighborhood Empowerment.  
19 The Office of Neighborhood Empowerment shall:

20 a. Provide support for a community director who shall assist local  
21 sponsors in developing or implementing neighborhood empowerment  
22 plans;

23 b. Provide case management services to qualified local sponsors of  
24 neighborhood empowerment plans;

25 c. Assist neighborhoods in developing and implementing  
26 neighborhood empowerment plans;

27 d. Ensure that communities receive technical assistance in  
28 neighborhood planning;

29 e. Train and provide administrative support for interagency teams;

30 f. Assist local sponsors in evaluating progress through mutually  
31 agreed upon measures;

32 g. Provide assistance in obtaining private sector support for  
33 developing and implementing neighborhood empowerment plans;

34 h. Maintain and make available a complete inventory of State  
35 programs, services and funding that are available to municipalities; and

36 i. Enter into partnerships with qualified local sponsors.]]<sup>1</sup>

37

38 <sup>1</sup>[10. (New section) In order to qualify to receive the services of  
39 the Office of Neighborhood Empowerment and of an interagency  
40 team, a community must first have developed a neighborhood  
41 empowerment plan which shall be submitted to the Urban Policy  
42 Coordinating Council established pursuant to section 7 of P.L. , c.  
43 (C. ) (pending before the Legislature as this bill). A neighborhood  
44 empowerment plan shall incorporate and address the needs of the  
45 neighborhood as identified by the community. It shall be  
46 comprehensive and shall take into consideration and show the

1 relationship to the municipal master plan, other locally adopted plans  
2 (including, but not limited to urban enterprise zone plans,  
3 redevelopment plans and neighborhood social service plans), and the  
4 State Development and Redevelopment Plan, and shall outline how  
5 residents, municipal government, the private sector and neighborhood  
6 organizations will cooperate with the State and with each other during  
7 implementation. Neighborhood empowerment plans shall focus on  
8 neighborhood restoration. They may include, but need not be limited  
9 to, projects for infrastructure improvement and expansion,  
10 rehabilitation and construction of affordable housing, increased public  
11 safety, facility rehabilitation and construction, economic development,  
12 recreation and open space, environmental cleanup, employment and  
13 training, improvement of educational opportunities for youth, and  
14 efficient and humane provision of social services dedicated to  
15 strengthening the community's human capital.]<sup>1</sup>

16

17 <sup>1</sup>[11. (New section) Neighborhood empowerment plans shall be  
18 developed by local sponsors with the guidance of a community  
19 director and under the direction of, and with the participation of,  
20 residents, community-based organizations, the private sector, and the  
21 municipal government. A local sponsor may be a municipality, county,  
22 public or private county and municipal development agency, district  
23 management corporation created pursuant to section 4 of P.L.1972,  
24 c.134 (C.40:56-68), community action board established pursuant to  
25 section 4 of P.L.1991, c.51 (C.52:27D-398), sponsors of  
26 neighborhood empowerment organizations, and institution, such as a  
27 hospital, college or university, or a community-based organization.

28 The entity that will implement the neighborhood empowerment plan  
29 shall be either a new or existing community development organization  
30 or a consortium of existing community based organizations.]<sup>1</sup>

31

32 <sup>1</sup>[12.] 7.<sup>1</sup> (New section) In planning and carrying out projects  
33 pursuant to P.L. , c. (C. ) (pending before the Legislature as this  
34 bill) the authority and its subsidiaries shall endeavor to enlist the  
35 cooperation and assistance, on a volunteer basis, of private business  
36 firms and individual business executives whose experience and training  
37 qualify them to advise the authority and its subsidiaries on the design  
38 and coordination of aid and development programs for the  
39 revitalization of urban centers, and to advise upon the most efficient  
40 and businesslike manner of managing and directing such programs.

41

42 <sup>1</sup>[13.] 8.<sup>1</sup> (New section) a. In order to carry out the purposes and  
43 provisions of P.L. , c. (C. ) (pending before the Legislature as this  
44 bill), the authority, in addition to any powers granted to it elsewhere  
45 in P.L. , c. (C. ) (pending before the Legislature as this bill), shall  
46 have the authority to form, purchase or assume control of one or more

1 subsidiaries, in the manner and for the purposes set forth in this  
2 section.

3 b. The authority may form a subsidiary by filing with the Secretary  
4 of State a certificate of incorporation, which may be amended from  
5 time to time and which shall set forth the name of the subsidiary, its  
6 duration, the location of its principal office, the joint owners thereof,  
7 and the purposes of the subsidiary.

8 c. The directors of the subsidiary shall be members or employees  
9 of the authority, who shall constitute at least a majority, and such  
10 other persons representing any joint owner or owners as may be  
11 provided for in the agreement in connection with the incorporation of  
12 the subsidiary.

13 d. The subsidiary shall have all the powers vested in the authority  
14 which the authority may delegate to it by terms of the agreement of  
15 incorporation, except that it shall not have the power to contract  
16 indebtedness independently of the authority. The subsidiary and any  
17 of its properties, functions and activities shall have all the privileges,  
18 immunities, tax exemptions and other exemptions as the authority's  
19 property, functions and activities. The subsidiary shall also be subject  
20 to the restrictions and limitations to which the authority is subject.  
21 The subsidiary shall be subject to suit as if it were the authority itself.

22 e. Whenever the State or any municipality, commission, public  
23 authority, agency, officer, department, board, or division is authorized  
24 and empowered for any purposes of P.L. , c. (C. ) (pending before  
25 the Legislature as this bill) to cooperate and enter into agreements  
26 with the authority or to grant any consent to the authority or to grant,  
27 convey, lease or otherwise transfer any property to the authority or to  
28 execute any document, the State or such municipality, commission,  
29 public authority, agency, officer, department, board, or division shall  
30 have the same authorization and power for any of such purposes to  
31 cooperate and enter into agreements with the subsidiary, to grant  
32 consents to the subsidiary, to grant, convey, lease or otherwise  
33 transfer property to the subsidiary and to execute documents for the  
34 subsidiary.

35 f. Among the powers that shall be granted to a subsidiary  
36 corporation established by the authority, or which may be exercised by  
37 the authority itself, are:

38 (1) the power to participate as a co-owner or co-venturer in any  
39 activity financed by a loan from the authority; and

40 (2) the power to issue its stock and employ the proceeds of such  
41 sales for capital investment in, or other expenses in connection with,  
42 the projects of the subsidiary, upon authorization by the authority.

43

44 <sup>1</sup>[14.] 9.<sup>1</sup> (New section) The authority, or any subsidiary, may  
45 enter into agreements with any individual, partnership, trust,  
46 association or corporation, or any public agency, under which the



1 authority or subsidiary and such other entity or entities shall undertake  
2 a project as a joint venture, with the authority or subsidiary providing  
3 such financial assistance, through loans, grants or the acquisition of an  
4 ownership interest in the project, and such technical or managerial  
5 assistance or advice, as the agreement may provide.

6  
7 <sup>1</sup>[15.] 10.<sup>1</sup> (New section) The authority, or any subsidiary, may  
8 make loans to any individual, partnership, trust, association or  
9 corporation for the purpose of enabling such entity to undertake any  
10 work, improvement or other activity in a qualified municipality which,  
11 if undertaken by the authority or a subsidiary, would be a "project"  
12 within the meaning of section 3 of P.L. , c. (C. ) (pending before  
13 the Legislature as this bill). The authority, or any subsidiary, may also  
14 pledge its credit for the repayment of any such loan made for like  
15 purposes by any financial institution in the State.

16  
17 <sup>1</sup>[16.] 11.<sup>1</sup> (New section) For the purpose of providing funds to  
18 pay all or any part of the cost of any project or projects, to make loans  
19 in accordance with the provisions of P.L. , c. (C. ) (pending before  
20 the Legislature as this bill), and for the funding or refunding of any  
21 bonds, the authority shall have the power to authorize or provide for  
22 the issuance of bonds pursuant to P.L. , c. (C. ) (pending before  
23 the Legislature as this bill).

24  
25 <sup>1</sup>[17.] 12.<sup>1</sup> (New section) By resolution, the authority shall have  
26 power to incur indebtedness, borrow money and issue its bonds for the  
27 purposes stated in section <sup>1</sup>[16] 11<sup>1</sup> of P.L. , c. (C. ) (pending  
28 before the Legislature as this bill) <sup>1</sup>; provided, however, that the  
29 authority shall not issue more than \$100 million of bonds in any one  
30 year<sup>1</sup>. Except as may otherwise be expressly provided by the  
31 authority, every issue of its bonds shall be general obligations of the  
32 authority payable from any revenues or moneys of the authority or any  
33 other contracted with or agreed upon source, subject only to any  
34 agreements with the holders of particular bonds or notes pledging any  
35 particular revenues or moneys. Bonds shall be authorized by resolution  
36 and may be issued in one or more series and shall bear that date or  
37 those dates, mature at that time or those times not exceeding 40 years  
38 from the date thereof, bear interest at a rate or rates, be in that  
39 denomination or those denominations, be in such form, either coupon  
40 or registered, carry such conversion or registration privileges, have  
41 such rank or priority, be executed in such manner, be payable from  
42 such sources in such medium of payment at such place or places within  
43 or without the State, and be subject to such terms of redemption (with  
44 or without premium) as the resolution may provide. Bonds of the  
45 authority may be sold by the authority at public or private sale at such  
46 price or prices as the authority shall determine.

1       <sup>1</sup>[18.] 13.<sup>1</sup> (New section) Any provision of any law to the contrary  
2 notwithstanding, any bond or other obligation issued pursuant  
3 to P.L. , c. (C. ) (pending before the Legislature as this bill) shall  
4 be fully negotiable within the meaning and for all purposes of Title  
5 12A, Commercial Transactions, of the New Jersey Statutes, and each  
6 holder or owner of such a bond or other obligation, or of any coupon  
7 appurtenant thereto, by accepting such bond or coupon shall be  
8 conclusively deemed to have agreed that such bond, obligation or  
9 coupon is and shall be fully negotiable within the meaning and for all  
10 purposes of Title 12A of the New Jersey Statutes.

11

12       <sup>1</sup>[19.] 14.<sup>1</sup> (New section) In order to secure the payment of such  
13 bonds and in addition to its other powers, the authority shall have  
14 power by resolution to covenant and agree with the several holders of  
15 such bonds, as to:

16       a. the custody, security, use, expenditure or application of the  
17 proceeds of the bonds;

18       b. the use, regulation, operation, maintenance, insurance or  
19 disposition of all or any part of any project or projects;

20       c. payment of the principal of or interest on the bonds, or any other  
21 obligations, and the sources and methods thereof, the rank or priority  
22 of any such bonds or obligations as to any lien or security, or the  
23 acceleration of the maturity of any such bonds or obligations;

24       d. the use and disposition of any moneys of the authority, including  
25 all revenues or other moneys derived or to be derived from any project  
26 or projects;

27       e. pledging, setting aside, depositing or trusteeing all or any part  
28 of the revenues or other moneys of the authority to secure the payment  
29 of the principal of or interest on the bonds or any other obligations and  
30 the powers and duties of any trustee with regard thereto;

31       f. the setting aside out of the revenues or other moneys of the  
32 authority of reserves and sinking funds, and the source, custody,  
33 security, regulation, application and disposition thereof;

34       g. the rents, fees or other charges for the use of any project or  
35 projects, including any parts thereof theretofore constructed or  
36 acquired and any parts, replacements or improvements thereof  
37 thereafter constructed or acquired, and the fixing, establishment,  
38 collection and enforcement of the same;

39       h. limitation on the issuance of additional bonds or any other  
40 obligations or on the incurrence of indebtedness of the authority;

41       i. vesting in a trustee or trustees, fiscal or escrow agent or agents  
42 within or without the State such property, rights, powers and duties  
43 in trust as the authority may determine and limiting the rights, duties  
44 and powers of such trustee or agent;

45       j. payment of costs or expenses incident to the enforcement of the  
46 bonds or of the provisions of the resolution or of any covenant or

1 contract with the holders of the bonds;

2 k. the procedure, if any, by which the terms of any covenant or  
3 contract with, or duty to, the holders of bonds may be amended or  
4 abrogated, the amount of bonds the holders of which must consent  
5 thereto, and the manner in which such consent may be given or  
6 evidenced; or

7 l. any other matter or course of conduct which, by recital in the  
8 resolution, is declared to further secure the payment of the principal  
9 of or interest on the bonds.

10 All such provisions of the resolution and all such covenants and  
11 agreements shall constitute valid and legally-binding contracts between  
12 the authority and the several holders of the bonds, regardless of the  
13 time of issuance of such bonds, and shall be enforceable by any such  
14 holder or holders by appropriate action, suit or proceeding in any  
15 court of competent jurisdiction, or by proceeding in lieu of prerogative  
16 writ.

17

18 <sup>1</sup>[20.] 15.<sup>1</sup> (New section) Any pledge of revenues or other moneys  
19 made by the authority shall be valid and binding from the time that the  
20 pledge is made. The revenues or other moneys so pledged and  
21 thereafter received by the authority shall immediately be subject to the  
22 lien of such pledge without any physical delivery thereof or further act,  
23 and the lien of any such pledge shall be valid and binding as against  
24 all parties having claims of any kind in tort, contract or otherwise  
25 against the authority, irrespective of whether such parties have notice  
26 thereof. Neither the resolution nor any other instrument by which a  
27 pledge is created need be filed or recorded except in the records of the  
28 authority.

29

30 <sup>1</sup>[21.] 16.<sup>1</sup> (New section) Any public or private agency,  
31 organization, corporation, or association which is not legally barred  
32 from investing in the bonds or stock of the New Jersey Housing and  
33 Mortgage Finance Agency or any of its subsidiary corporations may  
34 lawfully invest in the corresponding securities of the authority and its  
35 subsidiaries.

36

37 <sup>1</sup>[22. (New section) a. Notwithstanding the provisions of section  
38 5 of P.L.1945, c.162 (C.54:10A-5), or of N.J.S.54A:2-1 to the  
39 contrary, a qualified taxpayer that expands its operations in a qualified  
40 municipality shall pay tax on its income generated by new activities in  
41 a qualified municipality at an effective reduced rate, determined by  
42 multiplying the taxpayer's income generated by new activities in a  
43 qualified municipality by the multiplier determined pursuant to  
44 subsection b. of this section for the five privilege periods, in the case  
45 of a taxpayer pursuant to P.L.1945, c.162 (C.54:10A-1 et seq.), or the  
46 five taxable years, in the case of a taxpayer pursuant to N.J.S.54A:1-1

1 et seq., next ending after the commencement of operations at a  
2 location in a qualified municipality.

3 b. For the purposes of subsection a. of this section, the income  
4 multiplier for each of the five privilege periods or taxable years next  
5 ending after the commencement of operations shall be as follows:

6	7	8
9	10	11
12	13	14
15	Period/ Year	Multiplier
16	First	0.00
17	Second	0.20
18	Third	0.40
19	Fourth	0.60
20	Fifth	0.80
21	Sixth year and thereafter	1.00

22 c. For the purposes of this section:

23 "Qualified taxpayer" means a taxpayer engaged in the active  
24 conduct of a trade or business at a location in a qualified municipality  
25 that has at least 25% of its full-time employees at that location meeting  
26 one or more of the following criteria:

27 (1) resides within the qualified municipality or within another  
28 qualified municipality; or

29 (2) unemployed for at least six months prior to being hired and  
30 residing in New Jersey, and recipients of New Jersey public assistance  
31 programs for at least six months prior to being hired, or either of the  
32 aforesaid; or

33 (3) determined to be economically disadvantaged pursuant to the  
34 "Job Training Partnership Act," Pub.L.97-300 (29 U.S.C. §1501 et  
35 seq.);

36 "Income generated by new activities in a qualified municipality"  
37 means that portion of a taxpayer's income that is generated by its  
38 activities commencing at a location in a qualified municipality on or  
39 after the designation of the municipality as qualified and that is not  
40 generated by a transfer of its previous activities at a location in this  
41 State to the qualified municipality. For a taxpayer pursuant to  
42 P.L.1945, c.162 (C.54:10A-1 et seq.), "taxpayer's income" in this  
43 definition means that portion of the taxpayer's entire net income that  
44 is taxable under the Corporation Business Tax Act (1945), P.L.1945,  
45 c.162 (C.54:10A-1 et seq.). For a taxpayer pursuant to N.J.S.54A:1-1  
46 et seq., "taxpayer's income" in this definition means, in the case of a  
sole proprietor that part of the profits from business derived from lines  
of business with operations in a qualified municipality; in the case of  
a partner or a member of a limited liability company, that part of the  
partner or member's distributive share of partnership income of a  
partnership or limited liability company with operations in a qualified  
municipality allocated to this State pursuant to N.J.S.54A:5-7; and in  
the case of a shareholder of an S corporation, the pro rata share of S

1 corporation income of an S corporation with operations in a qualified  
2 municipality.

3 d. For a taxpayer pursuant to P.L.1945, c.162 (C.54:10A-1 et  
4 seq.), notwithstanding the provisions of section 19 of P.L.1983, c.303  
5 (C.52:27H-78), section 12 of P.L.1985, c.227 (C.55:19-13), section  
6 42 of P.L.1987, c.102 (C.54:10A-5.3), section 1 of P.L.1993, c.150  
7 (C.27:26A-15), section 3 of P.L.1993, c.170 (C.54:10A-5.6), sections  
8 3 or 4 of P.L.1993, c.171 (C.54:10A-5.18 or C.54:10A-5.19), or  
9 section 1 of P.L.1993, c.175 (C.54:10A-5.24), to the contrary, no  
10 credits otherwise allowed pursuant to those sections shall be allowed  
11 against income generated by new activities in a qualified municipality  
12 for the five privilege periods ending after the commencement of  
13 operations in a qualified municipality for which the income generated  
14 by new activities in a qualified municipality is allowed a multiplier  
15 pursuant to this section. For the purposes of section 19 of P.L.1983,  
16 c.303 (C.52:27H-78), section 12 of P.L.1985, c.227 (C.55:19-13),  
17 section 42 of P.L.1987, c.102 (C.54:10A-5.3), section 1 of P.L.1993,  
18 c.150 (C.27:26A-15), section 3 of P.L.1993, c.170 (C.54:10A-5.6),  
19 sections 3 or 4 of P.L.1993, c.171 (C.54:10A-5.18 or C.54:10A-5.19),  
20 and section 1 of P.L.1993, c.175 (C.54:10A-5.24), any income or  
21 liability limits established pursuant to those sections shall be deemed  
22 to refer only to income that is not income generated by new activities  
23 in a qualified municipality, and any salary, wages or remuneration paid  
24 to employees employed at the location in the qualified municipality,  
25 the cost of any property installed or employed at the location in the  
26 qualified municipality and any expenses incurred at or for the location  
27 in the qualified municipality shall be disallowed from the inclusion in  
28 any calculation under those sections.]<sup>1</sup>

29

30 <sup>1</sup>[23.] 17.<sup>1</sup> (New section) Neither the members of the authority  
31 nor any person executing bonds issued pursuant to P.L. , c. (C. )  
32 (pending before the Legislature as this bill) shall be liable personally  
33 on the bonds by reason of the issuance thereof. Bonds or other  
34 obligations issued by the authority pursuant to P.L. , c. (C. )  
35 (pending before the Legislature as this bill) shall not be in any way a  
36 debt or liability of the State or of any political subdivision thereof and  
37 shall not create or constitute any indebtedness, liability or obligation  
38 of the State or of any political subdivision, either legal, moral or  
39 otherwise, and nothing contained in P.L. , c. (C. ) (pending before  
40 the Legislature as this bill) shall be construed to authorize the  
41 authority to incur any indebtedness on behalf of or in any way to  
42 obligate the State or any political subdivision, and all such bonds shall  
43 contain on the face thereof a statement to that effect.

1       <sup>1</sup>[24.] 18.<sup>1</sup> (New section) a. No member, officer, agent or  
2 employee of the authority or of any of its subsidiaries shall take any  
3 official action on any matter in which he or she has a direct or indirect  
4 financial interest, except that the ownership of, or tenancy in, one's  
5 own private residence shall not be considered a financial interest for  
6 the purposes of this section.

7       b. Any action taken or approval granted by the authority or any of  
8 its subsidiaries in violation of this section is voidable.

9       c. Any person who knowingly violates any provision of this section  
10 shall forfeit his office or employment and is guilty of a crime of the  
11 fourth degree.

12

13       <sup>1</sup>[25.] 19.<sup>1</sup> (New section) Any builder, contractor or subcontractor  
14 engaged upon a project within the meaning of P.L. , c. (C. )  
15 (pending before the Legislature as this bill), and any person, firm or  
16 authority managing or operating such a project, including the authority  
17 and its subsidiaries, shall pay the workmen employed in the  
18 construction, reconstruction, demolition, or rehabilitation thereof not  
19 less than the prevailing wage rate. The prevailing wage rate shall be  
20 determined by the Commissioner of Labor in all cases, except that the  
21 prevailing wage rate shall be determined by the Secretary of the United  
22 States Department of Labor in accordance with the Davis-Bacon Act  
23 as amended (40 U.S.C. § 276a to 276a-5), when the loan or other  
24 assistance given by the authority in connection with the work, or the  
25 funds of the authority or subsidiary thereof expended for the work, are  
26 the subject of direct or indirect federal assistance other than federal tax  
27 exemption of the interest paid on obligations of the authority or a  
28 subsidiary thereof.

29

30       <sup>1</sup>[26.] 20.<sup>1</sup> (New section) a. Under the jurisdiction and at the  
31 discretion<sup>1</sup> of the authority, there <sup>1</sup>[shall] may<sup>1</sup> be a public hearing on  
32 each project, the cost of which is estimated to exceed \$250,000, within  
33 the municipality in which the project is to be located. <sup>1</sup>[The] In the  
34 event that a hearing is to be conducted, the<sup>1</sup> authority shall cause  
35 notice of the hearing to be published in at least two newspapers of  
36 general circulation within the municipality at least 15 days prior to the  
37 date of the hearing and shall also file the notice at least 15 days prior  
38 to the date of the hearing with the governing body of the county and  
39 municipality in which the project is to be located.

40       The notice shall summarize the project and specify where and how  
41 additional information may be obtained.

42       b. All testimony presented at the hearing and all material submitted  
43 to the authority within 15 days following the hearing shall be included  
44 in a hearing record to be prepared and made available to the public by  
45 the authority.

46       c. The governing body of the county or municipality in receipt of

1 the notice prescribed in subsection a. of this section may file with the  
2 authority, within 15 days following the hearing, a written objection to  
3 the project, stating in detail the nature of the objection.

4 d. The authority shall respond in writing to any objection filed  
5 pursuant to subsection c. of this section, including specific responses  
6 to the data, views, and arguments contained in the objection.

7  
8 <sup>1</sup>[27.] 21.<sup>1</sup> (New section) The exercise of the powers granted by  
9 P.L. , c. (C. ) (pending before the Legislature as this bill) shall  
10 constitute the performance of an essential governmental function and  
11 the authority shall not be required to pay any taxes or assessments  
12 upon or in respect of a project, or any property or moneys of the  
13 authority, and the authority, its projects, property and moneys and any  
14 bonds and notes issued under the provisions of P.L. , c. (C. )  
15 (pending before the Legislature as this bill), their transfer and the  
16 income therefrom, including any profit made on the sale thereof, shall  
17 at all times be free from taxation of every kind by the State except for  
18 transfer, inheritance and estate taxes and by any political subdivision  
19 of the State; provided, that any person occupying a project whether as  
20 lessee, vendee or otherwise shall, as long as title thereto shall remain  
21 in the authority, pay to the political subdivision in which such project  
22 is located a payment in lieu of taxes which shall equal the taxes on real  
23 and personal property, including water and sewer service charges or  
24 assessments, which such person would have been required to pay had  
25 it been the owner of such property during the period for which such  
26 payment is made and neither the authority nor its projects, properties,  
27 money or bonds and notes shall be obligated, liable or subject to lien  
28 of any kind for the enforcement, collection or payment thereof. If and  
29 to the extent the proceedings under which the bonds authorized to be  
30 issued under the provisions of P.L. , c. (C. ) (pending before the  
31 Legislature as this bill) so provide, the authority may agree to  
32 cooperate with such person occupying a project, in connection with  
33 any administrative or judicial proceedings for determining the validity  
34 or amount of such payments and may agree to appoint or designate  
35 and reserve the right in and for such person to take all action which  
36 the authority may lawfully take in respect of such payments and all  
37 matters relating thereto, provided such person shall bear and pay all  
38 costs and expenses of the authority thereby incurred at the request of  
39 such person or by reason of any such action taken by such person on  
40 behalf of the authority. If such person occupying a project has paid  
41 the amounts in lieu of taxes required by this section to be paid, such  
42 person shall not be required to pay any such taxes for which a  
43 payment in lieu thereof has been made to the State or to any political  
44 subdivision, any other statute to the contrary notwithstanding.

45  
46 <sup>1</sup>[28.] 22.<sup>1</sup> (New section) The governing bodies of any two

1 contiguous municipalities within which is located or is to be located a  
2 New Jersey Redevelopment Authority project situated in part within  
3 each municipality, may by reciprocal ordinances enter into agreements  
4 with each other to share all tax revenues, payments in lieu of taxes or  
5 other revenues as shall be derived from the entire project, and to which  
6 they are by law entitled, in such proportion as they deem proper.

7  
8 <sup>1</sup>[29.] 23.<sup>1</sup> (New section) Any agreement entered into pursuant to  
9 section <sup>1</sup>[28] 22<sup>1</sup> of P.L. , c. (C. ) (pending before the Legislature  
10 as this bill) for the sharing of payments and revenues derived from a  
11 project shall also set forth the manner in which the costs of municipal  
12 services for such project are to be apportioned and specify the services  
13 to be supplied by each municipality in sufficient detail so as to permit  
14 the owners, occupants and users of property within the project to  
15 determine the responsibilities of each participating municipality.

16  
17 <sup>1</sup>[30.] 24.<sup>1</sup> (New section) Notwithstanding any restriction  
18 contained in any other law, the State and all political subdivisions of  
19 this State, and all other persons who are or may hereafter be  
20 authorized to invest in bonds or other obligations of the State, may  
21 invest any sinking funds, moneys or other funds, including capital,  
22 belonging to them or within their control in any bonds or notes issued  
23 by the authority under the provisions of P.L. , c. (C. ) (pending  
24 before the Legislature as this bill).

25  
26 <sup>1</sup>[31.] 25.<sup>1</sup> (New section) The foregoing sections of P.L. , c. (C.  
27 ) (pending before the Legislature as this bill) shall be deemed to  
28 provide a complete method for the doing of things authorized thereby  
29 and shall be regarded as not in conflict with, or as restrictive of,  
30 powers conferred by any other laws, and the provisions of P.L. , c.  
31 (C. ) (pending before the Legislature as this bill) shall be complete  
32 authority for the issuance of bonds by the authority and the provisions  
33 of any other laws shall not apply to the issuance of such bonds.

34  
35 <sup>1</sup>[32.] 26.<sup>1</sup> (New section) With its first annual report, and every  
36 second year thereafter, the authority shall submit a New Jersey  
37 Redevelopment Strategy document, setting forth <sup>1</sup>[its assessment of  
38 the current needs for industrial, land-use improvement, civic, utility  
39 and multi-purpose projects in qualified municipalities of the State; its  
40 estimate of the resources available, under the provisions of P.L. , c.  
41 (C. ) (pending before the Legislature as this bill), from public and  
42 private sources for the undertaking of such projects; and its anticipated  
43 participation in or assistance of such projects during the two years  
44 next succeeding the date of submission. The document shall set  
45 forth]<sup>1</sup> the goals and priorities governing the selection of the projects  
46 it anticipates participating in or assisting; and the authority shall



1 annually review and evaluate the projects actually undertaken in light  
2 of the goals and priorities established therefor by the New Jersey  
3 Redevelopment Strategy document. In selecting projects for its  
4 participation, and in evaluating those projects in which it has  
5 participated, the authority shall devise and employ techniques for  
6 forecasting and measuring relevant indices of accomplishment of its  
7 goals of economic revitalization, including specifically:

8 a. the number of jobs created, or to be created, by, or as a result  
9 of, the project;

10 b. the cost, or estimated cost, to the State, involved in the creation  
11 of those jobs;

12 c. the amount of private capital investment in, or stimulated by, a  
13 project, in proportion to the public funds invested therein; and

14 d. in the case of an industrial project or a multi-purpose project  
15 which has, as one of its elements, a project classified as an industrial  
16 project, a determination, based upon written findings, that the project  
17 would not be undertaken but for the participation of the authority.

18

19 <sup>1</sup>[33. (New section) a. Beginning 180 days after the effective date  
20 of P.L. , c. (C. ) (pending before the Legislature as this bill), the  
21 Division of Investment may invest State-administered pension funds in  
22 authority bonds or projects; provided, however, that the amount of  
23 funds to be so invested in total shall not exceed one-half of one  
24 percent of the aggregate amount of pension funds invested or an  
25 aggregate of \$200 million, whichever is greater.

26 b. Twelve months after the effective date of P.L. , c. (C. )  
27 (pending before the Legislature as this bill), the Director of the  
28 Division of Investment in the Department of the Treasury shall report  
29 to the State Investment Council, the Governor and the Legislature the  
30 total amount of authority bonds purchased by the division and the  
31 percentage that amount represents of State-administered pension  
32 funds. The director of the division shall also set forth in the report  
33 what return on the investment has been realized on the investment in  
34 authority bonds and how that rate of return compares to the rate of  
35 return on other division investments of State-administered pension  
36 funds.

37 Following the first report as required herein, the council shall  
38 include this information in its report submitted to the Governor, the  
39 Legislature and the State Treasurer on or before January first of each  
40 year pursuant to section 13 of P.L.1950, c.270 (C.52:18A-91).]<sup>1</sup>

41

42 <sup>1</sup>[34.] 27.<sup>1</sup> (New section) a. There is hereby created the New  
43 Jersey Redevelopment Investment Fund, or "fund," a revolving loan  
44 pool to be used for the purpose of making loans, loan guarantees or  
45 grants pursuant to the provisions of this act, into which shall be paid:

46 (1) moneys received from the sale of authority bonds <sup>1</sup>[, including

1 those moneys made available through the purchase of authority bonds  
2 by the Division of Investment pursuant to section 33 of P.L. , c.  
3 (C. ) (pending before the Legislature as this bill)]<sup>1</sup>.

4 (2) funds appropriated by section <sup>1</sup>[97]68<sup>1</sup> of P.L. , c. (C. )  
5 (pending before the Legislature as this bill) <sup>1</sup>as may be determined by  
6 the authority<sup>1</sup>;

7 (3) repayments of loans or other payments, including repayments  
8 of principal and interest on loans, received by the authority pursuant  
9 to agreements made under authority of sections 5, <sup>1</sup>[13, 14, or 15] 8,  
10 9 or 10<sup>1</sup> of P.L. , c. (C. ) (pending before the Legislature as this  
11 bill);

12 (4) <sup>1</sup>[\$20 million from the tax collected pursuant to section 3 of  
13 P.L.1966, c.30 (C.54:32B-3);

14 (5)]<sup>1</sup> any income derived from investment pursuant to subsection  
15 b. of this section;

16 <sup>1</sup>[(6)] (5)<sup>1</sup> moneys collected as user fees and facility charges in  
17 connection with any civic project or utilities project managed or  
18 operated by the authority as authorized by subsection z. of section 5  
19 of P.L. , c. (C. ) (pending before the Legislature as this bill);

20 <sup>1</sup>[(7) those bond funds made available to the New Jersey  
21 Redevelopment Investment Fund from the bond funds referred to in  
22 sections 101, 102 and 103 of P.L. c. (C. ) (pending before  
23 the Legislature as this bill);]<sup>1</sup> and

24 <sup>1</sup>[(8)] (6)<sup>1</sup> such additional funds as the Legislature may from time  
25 to time appropriate for the purpose.

26 b. The fund shall be in the custody and control of the authority,  
27 which may invest and reinvest any portion thereof not immediately  
28 required for the purposes of the authority in the manner provided by  
29 law for investment of public funds on projects and investments  
30 utilizing revenues from the sale of general obligation bonds, which  
31 projects shall be subject to the approval of the State Treasurer, and the  
32 State Treasurer's actions shall be based solely on his fiduciary role to  
33 ensure that all applicable federal and State tax laws are adhered to  
34 regarding the investment of bond funds.

35 c. The authority may resell any loan or loans made by the authority  
36 pursuant to this act to any buyer or buyers; the proceeds of any such  
37 sales shall be returned to the fund established pursuant to this section.  
38

39 <sup>1</sup>[35.] 28<sup>1</sup>. (New section) a. Loan rates and maturities of loans  
40 made by the New Jersey Redevelopment Authority shall be established  
41 by the <sup>3</sup>[State Treasurer] Commissioner of Commerce and Economic  
42 Development<sup>3</sup> taking into consideration rates available in capital  
43 markets for comparable maturities and comparable credit quality.  
44 Local governments may secure interim financing under this act to  
45 enable a project to be undertaken before permanent financing is  
46 secured or may secure permanent financing under P.L. , c. (C. )

1 (pending before the Legislature as this bill) with a final maturity  
2 related to the expected useful life of the project being so financed.

3 b. <sup>3</sup>[Pending their application to the purposes provided in P.L. ,  
4 c. (C. ) (pending before the Legislature as this bill), the monies in the  
5 New Jersey Redevelopment Investment Fund may be invested and  
6 reinvested as are other trust funds in the custody of the State  
7 Treasurer, in the manner provided by law.]<sup>3</sup> Net earnings received  
8 from the investment or deposit of <sup>3</sup>[that fund] the New Jersey  
9 Redevelopment Investment Fund<sup>3</sup> shall be paid into the New Jersey  
10 Redevelopment Investment Fund.

11 <sup>3</sup>[c. No interest-free loan shall be permitted without the written  
12 approval of the State Treasurer or his designee.

13 d. The State Treasurer or the Director of the Division of Budget  
14 and Accounting in the Department of the Treasury shall approve  
15 expenditures from the fund for administrative costs.]<sup>3</sup>

16

17 <sup>1</sup>[36.] 29.<sup>1</sup> (New section) a. Any county, by resolution of its  
18 governing body, shall have power to enter into contracts with the  
19 authority relating to any project or projects situated within the county;  
20 provided, however, that any such resolution shall be introduced in  
21 writing at a meeting of the governing body and shall be passed upon  
22 first reading which may be by title, and thereafter, the resolution shall  
23 be published with notice of the introduction thereof and of the date,  
24 time and place of further consideration for final passage, and on the  
25 date and at the time and place so advertised, all persons interested  
26 shall be given the opportunity to be heard and after the hearing, the  
27 governing body may proceed to reject or finally adopt the resolution  
28 by the recorded affirmative votes of at least two-thirds of the full  
29 membership of the governing body; and provided, further, that the  
30 resolution shall contain findings and determinations of the governing  
31 body (1) that the project will maintain employment opportunities in the  
32 county or provide new employment opportunities in the county and (2)  
33 that the contract with the authority is a necessary inducement to the  
34 undertaking of the project in that it makes the financing thereof  
35 feasible. The contract or contracts may provide for the payment to the  
36 authority by the county annually or otherwise of such sum or sums of  
37 money, computed at fixed amounts or by any formula, or in any other  
38 manner as may be fixed in or pursuant thereto. Any contract may be  
39 made and entered into for a term beginning currently or at some future  
40 or contingent date and with or without consideration and for a  
41 specified or unlimited time and on any terms and conditions which may  
42 be approved by the county and which may be agreed to by the  
43 authority in conformity with its contracts with the holders of any  
44 bonds, and shall be valid and binding on the county whether or not an  
45 appropriation is made thereby prior to authorization or execution of  
46 the contract. Every county is hereby authorized and directed to do

1 and perform any and all acts and things necessary, convenient or  
2 desirable to carry out and perform any contract entered into by it and  
3 to provide for the payment or discharge of any obligation thereunder  
4 in the same manner as other obligations of the county.

5 b. For the purpose of aiding the authority and cooperating in the  
6 planning, designing, acquiring, constructing, reconstructing,  
7 improving, equipping and furnishing of any project situate in any  
8 county, any county, by ordinance of its governing body, shall have  
9 power from time to time and for such period and upon such terms,  
10 with or without consideration, as may be provided by the ordinance  
11 and accepted by the authority:

12 (1) to appropriate moneys for the purposes of the authority with  
13 respect to the project, and to loan or donate such money to the  
14 authority in such installments and upon such terms as may be agreed  
15 upon with the authority;

16 (2) upon authorization by it in accordance with law of the  
17 performance of any act or thing which it is empowered by law to  
18 authorize or perform and after appropriation of the moneys, if any,  
19 necessary for that performance, to covenant and agree with the  
20 authority to do and perform any act and as to the time, manner and  
21 other details of its doing and performance; and

22 (3) to appropriate money for all or any part of the cost of the  
23 acquisition or construction of the project, and, in accordance with the  
24 limitations and exceptions thereto and in the manner or mode of  
25 procedure prescribed by the local bond law to incur indebtedness,  
26 borrow money and issue its negotiable bonds for the purpose of the  
27 project and appropriation, and to pay the proceeds of those bonds to  
28 the authority.

29 c. Any contract, and any instrument making or evidencing the  
30 same, may be pledged or assigned by the authority, with the consent  
31 of the county executing the contract, to secure its bonds and thereafter  
32 may not be modified except as provided by the terms of such  
33 instrument or by the terms of the pledge or assignment.

34  
35 <sup>1</sup>[37.] 30.<sup>1</sup> (New section) All property of the authority shall be  
36 exempt from levy and sale by virtue of an execution and no execution  
37 or other judicial process shall issue against the same nor shall any  
38 judgment against an authority be a charge or lien upon its property;  
39 provided, that nothing herein contained shall apply to or limit the  
40 rights of the holder of any bonds to pursue any remedy for the  
41 enforcement of any pledge or lien given by the authority on or with  
42 respect to any project or any revenues or other moneys.

43  
44 <sup>1</sup>[38.] 31.<sup>1</sup> (New section) a. ~~¶~~The New Jersey Economic  
45 Development Authority shall repay without interest to the State  
46 Treasurer all moneys realized from borrowers upon loans they

1 obtained through the New Jersey Urban Development Corporation,  
2 which loans were made from the sums appropriated to the Urban  
3 Development Investment Fund from the Community Development  
4 Bond Fund created pursuant to section 14 of the "Community  
5 Development Bond Act of 1982" (P.L.1981, c.486). The repayment  
6 from moneys realized from borrowers shall be considered as cash  
7 received from payments of principal and interest from the borrowers  
8 and received from the liquidation of collateral securing such loans.  
9 Such repayments shall be net of all direct expenses incurred in  
10 servicing the loan or in protecting and collecting the collateral, or  
11 both.

12 b.]<sup>1</sup> All sums appropriated <sup>1</sup>[or],<sup>1</sup> transferred <sup>1</sup>or otherwise  
13 available<sup>1</sup> to the New Jersey Redevelopment Authority from any  
14 source, are transferred to the New Jersey Redevelopment Investment  
15 Fund to carry out the purposes of P.L. , c. (C. ) (pending before  
16 the Legislature as this bill).

17 <sup>1</sup>[c. The New Jersey Economic Development Authority may, after  
18 negotiation and agreement with the State Treasurer, prepay all  
19 outstanding appropriations due in future years to the State Treasurer,  
20 discounted at an interest rate agreeable to the State Treasurer and the  
21 New Jersey Economic Development Authority.

22 d.] b.<sup>1</sup> All of the functions, powers and duties of the New Jersey  
23 Urban Development Corporation <sup>1</sup>[,except for the administration of  
24 loans made prior to the effective date of this bill,]<sup>1</sup> are hereby  
25 transferred to and vested in the New Jersey Redevelopment Authority.

26 <sup>1</sup>c. At the discretion of the board of the New Jersey  
27 Redevelopment Authority, all employees employed by the New Jersey  
28 Urban Development Corporation as of the effective date of this act  
29 may serve the New Jersey Redevelopment Authority.

30 d. All records, property, outstanding loans, loan guarantees and  
31 other obligations of the New Jersey Urban Development Corporation  
32 shall be transferred to, and assumed by, the New Jersey  
33 Redevelopment Authority.<sup>1</sup>

## 34 35 ARTICLE TWO - FINANCING

36  
37 <sup>1</sup>32. (New section) Moneys deposited in the fund established  
38 pursuant to section 4 of P.L.1983, c.190 (C.34:1B-39), shall be used  
39 to provide financial assistance to sponsors for implementation of  
40 projects as defined pursuant to P.L.1974, c.80 (C.34:1B-1 et seq.).  
41 Financial assistance provided by the fund shall be used to meet eligible  
42 project costs as defined pursuant thereto. Eligible projects to be  
43 undertaken by the New Jersey Redevelopment Authority pursuant to  
44 P.L. , c. (C. ) (pending before the Legislature as this bill), shall be  
45 given priority consideration by the Commissioner of Commerce and  
46 Economic Development in administering this fund.<sup>1</sup>

1       <sup>1</sup>[39. (New section) The Legislature finds and declares that:

2       a. There are areas within certain municipalities in this State that  
3       deter private capital investment because of the deteriorating condition  
4       of the land, buildings and infrastructure within those areas, or which  
5       have not experienced private capital investment due to inadequate  
6       infrastructure or adverse economic conditions.

7       b. These areas also create an economic burden for the municipality  
8       due to the limited tax base and underutilization of resources.

9       c. The scarcity of resources available to municipalities for  
10       redevelopment has severely hampered these municipalities' ability to  
11       rehabilitate these areas.

12       d. In order to redevelop these areas in a beneficial manner,  
13       municipalities should be provided the means to finance certain costs of  
14       redevelopment so as to open new avenues for private investment;  
15       stimulate commercial, industrial, recreational, cultural, entertainment,  
16       civic and educational enterprise, and create favorable conditions for  
17       increases in economic activity, property values, employment  
18       opportunities and the provision of affordable housing.

19       e. The use of new redevelopment tools as a catalyst for economic  
20       revitalization can be maximized if employed in conjunction with the  
21       redevelopment planning process established pursuant to P.L.1992,  
22       c.79 (C.40A:12A-1 et al.).

23       f. It is, therefore, in the public interest to authorize the use of  
24       revenue allocation financing by municipalities and the dedication of  
25       payments in lieu of taxes toward the retirement of debt incurred in  
26       redevelopment, as set forth hereunder, to encourage private  
27       investment within areas that are blighted or in need of redevelopment  
28       or would otherwise remain unused.]<sup>1</sup>

29

30       <sup>1</sup>[40. (New section) As used in this article:

31       "Area in need of redevelopment" means a redevelopment area as  
32       defined pursuant to section 3 of P.L.1992, c.79 (C.40A:12A-3).

33       "Board" means the Local Finance Board established in the Division  
34       of Local Government Services in the Department of Community  
35       Affairs.

36       "Bonds" means the bonds, notes and bond anticipation notes issued  
37       to finance projects pursuant to this article.

38       "District" means the area or areas within a municipality designated  
39       as a revenue allocation district pursuant to the provisions of this  
40       article.

41       "District agent" means that entity designated by the municipal  
42       governing body pursuant to section 41 of P.L. , c. (C. ) (pending  
43       before the Legislature as this bill) to administer a revenue allocation  
44       plan on behalf of the municipality.

45       "Eligible revenue" means the property tax increment and any other  
46       incremental revenues set forth in section 48 of P.L. , c. (C. )

1 (pending before the Legislature as this bill).

2 "Permitted investment obligations" means any securities permitted  
3 for purchase by local units of government pursuant to section 8 of  
4 P.L.1977, c.396 (C.40A:5-15.1).

5 "Plan" means the final revenue allocation plan developed by a  
6 district agent pursuant to section 49 of P.L. , c. (C. ) (pending  
7 before the Legislature as this bill) and containing, among other  
8 elements, the proposed projects, estimated cost of the projects,  
9 sources of revenue, and the terms of any obligations, undertakings or  
10 commitments to be incurred by the district agent.

11 "Pledged revenues" means those eligible revenues designated in the  
12 plan for payment of project costs.

13 "Project" means the purchasing, leasing, condemning or otherwise  
14 acquiring of land or other property, or an interest therein, in the  
15 district or as necessary or convenient for the acquisition of any  
16 right-of-way or other easement to or from the revenue allocation  
17 district; the moving and relocation of persons or businesses displaced  
18 by the acquisition of land or property; the acquisition, construction,  
19 reconstruction or rehabilitation of land or property and the  
20 improvements thereon, or the financing thereof, including demolition,  
21 clearance, removal, relocation, renovation, alteration, construction,  
22 reconstruction, alteration or repair of any land, building, street,  
23 highway, alley, utility, mass transit facility, service or other structure,  
24 infrastructure or improvement in the district or necessary to effectuate  
25 the plan for the district, including infrastructure improvements outside  
26 the district, but only those which are integral to the effectuation of the  
27 district plan; the acquisition, construction, reconstruction,  
28 rehabilitation or installation of public facilities and improvements, or  
29 the financing thereof, other than facilities for the general conduct of  
30 government and schools, nonprofit corporation or other suitable public  
31 or private person, firm, corporation or association, including  
32 educational, cultural, civic and recreational facilities including, but not  
33 limited to, convention centers, arenas and public meeting facilities;  
34 acquisition, construction, reconstruction or rehabilitation of residential  
35 structures, or the conversion to residential use of structures previously  
36 designed or used for other purposes, or the financing thereof,  
37 nonprofit corporation or other suitable public or private person, firm,  
38 corporation or association, and which, to the extent economically  
39 feasible, shall constitute housing affordable to persons and families of  
40 low and moderate income pursuant to P.L.1985, c.222 (C.52:27D-301  
41 et al.) or rules and regulations adopted pursuant thereto; and all costs  
42 associated with any of the foregoing, including the cost of  
43 administrative appraisals, legal, financial, economic and environmental  
44 analyses, engineering or cleanup, planning, design, architectural,  
45 surveying or other professional and technical services necessary to  
46 effectuate the purposes of P.L. , c. (C. ) (pending before the

1 Legislature as this bill).

2 "Project cost" means the cost of the plan or project in all or any  
3 part of the district and of all and any property, rights, easements,  
4 privileges, agreements and franchises deemed by the district agent to  
5 be necessary or useful and convenient therefor or in connection  
6 therewith, including interest or discount on bonds; cost of issuance of  
7 bonds; engineering and inspection costs; legal expenses; costs of  
8 financial and other professional estimates and advice; organization,  
9 administrative, operating and other expenses of the district agent prior  
10 to and during the planning and implementation of a development, plan  
11 or project, including such provision as the district agent may determine  
12 for the payment, or security for payment, of principal of or interest on  
13 bonds during or after the implementation of any development, plan or  
14 project.

15 "Property tax increment" means the amount obtained by:

16 (1) multiplying the general tax rate levied each year by the taxable  
17 value of all the property assessed within a district in the same year,  
18 excluding any special assessments; and

19 (2) multiplying that product by a fraction having a numerator equal  
20 to the taxable value of all the property assessed within the district,  
21 minus the property tax increment base, and having a denominator  
22 equal to the taxable value of all property assessed within the district.

23 "Property tax increment base" means the aggregate taxable value of  
24 all property assessed which is located within a district as of October  
25 1 of the year preceding the year in which the district is authorized  
26 pursuant to this article.

27 "Redevelopment plan" means a redevelopment plan as the term is  
28 defined pursuant to section 3 of P.L.1992, c.79 (C.40A:12A-3).

29 "Revenue increment base" means the amount of any eligible  
30 revenues, other than the property tax increment, collected in the  
31 calendar year immediately preceding the adoption of the plan.

32 "Taxing entity" means the county, the school district or districts,  
33 and the municipality authorized to levy a tax on the taxable property  
34 within a municipality.]<sup>1</sup>

35

36 <sup>1</sup>[41. (New section) A revenue allocation district shall consist of  
37 all lots and streets within the borders of an area within a municipality  
38 or within areas of the municipality designated in the plan. The lots and  
39 streets shall be contiguous unless the municipality determines that  
40 non-contiguous areas of the municipality should comprise one district  
41 because those areas are part of a common development project or  
42 plan. The total taxable value in all districts designated shall not exceed  
43 15 percent of the total taxable property assessed within the  
44 municipality, as determined by the municipal assessor, except that,  
45 upon a request by the governing body, the board may approve for  
46 inclusion in the district up to 20 percent of the total taxable property



1 assessed in the municipality, as determined by the municipal assessor.  
2 The lots and streets to be designated as part of the plan shall be  
3 designated as a revenue allocation district as part of a duly adopted  
4 redevelopment plan approved by the governing body.

5 The governing body of a municipality may by ordinance establish a  
6 district or districts. In the case of a municipality whose redevelopment  
7 powers are assigned by law to a regional planning commission, the  
8 commission may, by resolution, establish a district or districts in the  
9 area within which the commission has jurisdiction. The ordinance or  
10 resolution, as appropriate, shall be adopted as provided in section 44  
11 of P.L. , c. (C. ) (pending before the Legislature as this bill), and  
12 shall include or incorporate:

13 a. a map designating the area or areas within the municipality as a  
14 district or districts;

15 b. a certification by the municipal assessor that, upon the basis of  
16 property assessments as of October 1 of the year preceding the  
17 certification, the total taxable property value in all districts designated  
18 by the municipality, including the district being proposed in the  
19 ordinance, does not exceed 15 or 20 percent of the total taxable  
20 property assessed in the municipality, as appropriate, as provided in  
21 the ordinance adopted in accordance with the provisions of this  
22 section;

23 c. the designation of a district agent, which may be a county  
24 improvement authority, a municipal redevelopment agency, a local  
25 housing authority with redevelopment powers, the New Jersey  
26 Redevelopment Authority established pursuant to P.L. , c.  
27 (C. ) (pending before the Legislature as this bill) or one of its  
28 subsidiaries or the local governing body; provided, however, that if a  
29 district is created in an area under the jurisdiction of a regional  
30 planning commission which has been assigned redevelopment powers  
31 pursuant to law, that commission shall serve as the district agent in  
32 connection with that district;

33 d. a designation of all or any percentage of any eligible revenue or  
34 revenues as pledged revenues;

35 e. a statement of whether or not the municipality intends that the  
36 bonds issued by the district agent be guaranteed by the municipality,  
37 or be issued as qualified bonds pursuant to the "Municipal Qualified  
38 Bond Act," P.L.1976, c.38 (C.40A:3-1 et seq.), or both;

39 f. a proposed preliminary revenue allocation plan, as set forth in  
40 section 42 of P.L. , c. (C. ) (pending before the Legislature as  
41 this bill); and

42 g. documentation that the district has been identified in the  
43 appropriate redevelopment plan.]<sup>1</sup>

44

45 <sup>1</sup>[42. (New section) The proposed preliminary revenue allocation  
46 plan shall include:

- 1 a. a certification by the municipal tax assessor of the property tax  
2 increment base of the district;
- 3 b. a statement of the revenues if any to be pledged to support  
4 bonds of the district, the percentage of such revenues to be so  
5 pledged, and a certification by the chief financial officer of the  
6 municipality of the revenue increment base for each of the pledged  
7 revenues other than the property tax revenue base. If the amount of  
8 any such revenue base cannot be certified, then the chief financial  
9 officer shall estimate the amount and describe the basis for preparing  
10 the estimate and the manner in which the revenue increment base will  
11 be determined after adoption of the plan;
- 12 c. a description of the proposed project or projects, an estimate of  
13 their cost, a proposed construction schedule, and the projected debt  
14 service on the bonds issued to finance the project and the anticipated  
15 amount of private activity bonds, as that term is defined in 26  
16 U.S.C. §141, to be issued, if any;
- 17 d. a description of the development expected or planned within the  
18 district, including the identification of the developers, if any, other  
19 than the district agent or the municipality, and their contractual  
20 relationship, if any, with the district agent or the municipality;
- 21 e. an estimate of the taxable value of the assessed property within  
22 a district upon completion of the projects;
- 23 f. a projection of the amount of the pledged revenues during the  
24 period in which any bond will be outstanding;
- 25 g. a statement of whether or not the district agent intends to create  
26 a reserve for payment of project costs prior to the adoption of the final  
27 revenue allocation plan;
- 28 h. a statement of whether or not tax abatements or exemptions are  
29 expected to be granted in the district; and
- 30 i. a fiscal impact statement for the taxing entities involved.]<sup>1</sup>

31  
32 <sup>1</sup>[43. (New section) When an ordinance establishing or amending  
33 a district has passed first reading, it shall be submitted as an  
34 application, together with all included and incorporated certificates  
35 and documents and such additional documentation as the board may  
36 by rule prescribe, to the board and the State Treasurer. The board  
37 shall notify the State Treasurer of its receipt of the submission.

38 The board shall approve the ordinance if it determines that:

- 39 a. the planned developments are likely to be realized and would not  
40 likely be accomplished by private enterprise without the creation of the  
41 district and the revenue allocation financing of the proposed project or  
42 projects;
- 43 b. the revenue increments and any other pledged revenues will be  
44 sufficient to pay debt service on bonds issued to effectuate the plan;
- 45 c. the credit of the municipality and its ability to pay the principal  
46 of and interest on its debts and to provide essential public services will

1 not be impaired;

2 d. the creation of the district will contribute to the economic  
3 development of the municipality;

4 e. the size of the proposed district and the amount of the pledged  
5 revenues do not exceed the size and amount necessary to accomplish  
6 the purposes of the plan; and

7 f. the pledged revenue or guarantees would not pose inappropriate  
8 risk or undue financial hardship to the taxpayers of the community in  
9 the event of default.

10 In approving ordinances, the board shall give priority to any  
11 municipality in which an empowerment neighborhood has been  
12 designated.]<sup>1</sup>

13

14 <sup>1</sup>[44. (New section) a. The board and the State Treasurer may  
15 make written recommendations as to any aspect of the ordinance and  
16 the preliminary revenue allocation plan and any related fiscal matters  
17 of the municipality which in the opinion of the board or the State  
18 Treasurer must be changed in order to effectuate the plan. The board  
19 may condition its approval of the ordinance upon the adoption of its  
20 recommendations by the municipality.

21 b. The board shall approve, approve with conditions, or disapprove  
22 the ordinance within 60 days of its receipt of an application which the  
23 board has deemed to be complete. If the board does not act within 60  
24 days the ordinance shall be deemed approved. If the board  
25 disapproves the ordinance it shall, within 30 days of signifying its  
26 disapproval, set forth its reasons in writing. The municipality may  
27 amend the ordinance and resubmit it to the board and the State  
28 Treasurer.

29 c. Upon receipt of the approved ordinance from the board, the  
30 municipal governing body may adopt the ordinance at a meeting of the  
31 governing body by a majority of the authorized membership thereof.]<sup>1</sup>

32

33 <sup>1</sup>[45. (New section) After adoption of the ordinance establishing  
34 a district there shall be no changes in the boundaries of the district, the  
35 designation of the district agent, or the designation of the pledged  
36 revenues without cause and without adoption of an amending  
37 ordinance approved by the board as provided in section 44 of P.L. ,  
38 c. (C. ) (pending before the Legislature as this bill).

39 Cause for expanding the district or enlarging the designation of  
40 pledged revenues shall be based on the need to maintain pledged  
41 revenues sufficient to secure all outstanding and anticipated  
42 indebtedness of the district agent or to undertake additional projects.

43 Cause for contracting the district or reducing the designation of  
44 pledged revenues shall be based on the need to create other districts  
45 within the municipality and on the demonstration that the amount of  
46 the pledged revenue is excessive for the purposes of the district;

1 however, in no case shall the size of the district be contracted or the  
2 pledged revenues be reduced if the district agent has issued bonds or  
3 incurred obligations and if such contraction or reduction would impair  
4 the security of the bonds or the district agent's ability to pay its  
5 obligations.]<sup>1</sup>

6  
7 <sup>1</sup>[46. (New section) Whenever a district is expanded as permitted  
8 under section 45 of P.L. , c. (C. ) (pending before the Legislature  
9 as this bill) the property tax increment base for any area added to the  
10 district shall be the aggregate taxable value of all property assessed  
11 which is located within the added area as of October 1 of the year  
12 preceding the year in which the area is added, as certified by the  
13 municipal assessor. The revenue increment base of all other eligible  
14 revenues shall include the amounts of all other eligible revenues from  
15 sources within the added area in the calendar year preceding the year  
16 in which the area is added, as certified by the chief financial officer of  
17 the municipality.

18 Whenever a district is contracted as permitted under section 45 of  
19 P.L. , c. (C. ) (pending before the Legislature as this bill) the tax  
20 increment base and the increment base of all other eligible revenues of  
21 the district shall be adjusted as if that area had not been a part of the  
22 district at the time when it became part of the district.]<sup>1</sup>

23  
24 <sup>1</sup>[47. (New section) The district agent shall have the following  
25 powers and responsibilities:

26 a. to make and enter into contracts or agreements with public  
27 agencies, nonprofit corporations or other suitable public or private  
28 persons, firms, corporations or associations, and to make loans or  
29 grants to, or guarantee the obligations of, any other public agency or  
30 corporation, as may be necessary, convenient or incidental to the  
31 execution of the plan and the exercise of the district agent's powers  
32 under P.L. , c. (C. ) (pending before the Legislature as this bill).

33 b. to enter into agreements or other transactions with, and accept  
34 grants, loans, appropriations or other assistance or cooperation from  
35 the United States or any agency thereof, or from the State or a county  
36 or municipal governing body or any agency thereof, or any nonprofit  
37 corporation or other suitable public or private person, firm,  
38 corporation or association in furtherance of the purposes  
39 of P.L. , c. (C. ) (pending before the Legislature as this bill);

40 c. to prepare and administer the plan according to the provisions  
41 of P.L. , c. (C. ) (pending before the Legislature as this bill);

42 d. to hire or consult with private consultants when preparing the  
43 plan, or to enter into agreements with public or nonprofit private  
44 agencies to prepare and administer the plan;

45 e. to issue bonds for any purpose of the district authorized by or  
46 pursuant to P.L. , c. (C. ) (pending before the Legislature as this

1 bill), or to issue refunding bonds for the purpose of paying or retiring  
2 bonds previously issued by it, and to issue notes in anticipation of the  
3 issuance of bonds as provided in P.L. , c. (C. ) (pending before the  
4 Legislature as this bill);

5 f. to seek and receive funds from local, State and federal  
6 governments and from private sources for the purpose of implementing  
7 any authorized development or project or meeting any project cost;  
8 and

9 g. to pay project costs, specifically including payments to a private  
10 developer, as reimbursement for project costs incurred by a private  
11 developer, in accordance with a redevelopment agreement entered into  
12 by the municipality or municipalities and the private developer.

13 Nothing herein is intended to limit the powers granted under any  
14 other law or regulation to the entity acting as district agent under  
15 P.L. , c. (C. ) (pending before the Legislature as this bill).<sup>1</sup>

16

17 <sup>1</sup>[48. (New section) In addition to the property tax increment, the  
18 plan may include one or more of the following eligible revenues if the  
19 municipality is otherwise authorized by law to collect such revenues:

20 a. incremental payments in lieu of taxes, with respect to property  
21 located in the district, made pursuant to the "Long Term Tax  
22 Exemption Law," P.L.1991, c.431 (C.40A:20-1 et al.);

23 b. incremental revenues from payroll or wage taxes with respect to  
24 activities carried on within the district;

25 c. incremental revenue from lease payments made to the  
26 municipality or district agent with respect to property located in the  
27 district;

28 d. incremental revenue from payments in lieu of taxes or service  
29 charges with respect to property located within the district;

30 e. incremental revenue from parking taxes derived from parking  
31 facilities located within the district;

32 f. admissions and sales taxes received from the operation of a  
33 public facility which the district agent is authorized by law to retain;

34 g. sales and excise taxes which are derived from activities within  
35 the district and which are rebated to or retained by the municipality  
36 pursuant to the "New Jersey Urban Enterprise Zones Act," P.L.1983,  
37 c.303 (C.52:27H-60 et seq.) or any other law providing for such  
38 rebate or retention;

39 h. parking revenue from public parking facilities built as part of a  
40 project except for public parking facilities owned by parking  
41 authorities pursuant to the "Parking Authority Law," P.L.1948, c.198  
42 (C.40:11A-1 et seq.);

43 i. assessments levied against properties in a special improvement  
44 district pursuant to section 8 of P.L.1972, c.134 (C.40:56-72), if  
45 consented to by the governing body of the municipality in which the  
46 special improvement district is situated.

1 The incremental revenue for the revenues listed in subsections b.,  
2 c., d. and e. of this section shall be calculated as the difference  
3 between the amount collected in any calendar year from any eligible  
4 revenue source included in the plan, less the revenue increment base  
5 for that eligible revenue.]<sup>1</sup>

6  
7 <sup>1</sup>[49. (New section) Before pledging any revenues, issuing any  
8 bonds, incurring any obligations or guaranteeing the obligations of any  
9 other entity with respect to the project costs of any project, the district  
10 agent shall adopt a final revenue allocation plan for that project. That  
11 plan shall include:

12 a. a description of the project or projects to be financed, including  
13 the projected cost and construction schedule;

14 b. a description of any development to be undertaken by any  
15 developer in connection with the project, including an estimate of the  
16 eligible revenues anticipated from the development;

17 c. a description of the eligible revenues to be pledged to the  
18 support of the project, or to the bonds or other obligations to be  
19 issued or incurred by the district agent;

20 d. a description of other anticipated projects for the district and  
21 the anticipated means of financing those projects;

22 e. a copy of any proposed bond resolution, contract, lease or other  
23 agreement to be adopted or authorized by the district agent. Any  
24 proposed bond resolution shall include a description of the security  
25 features of the bonds, including reserve funds or other security  
26 enhancements, if any, such as a municipal guarantee, qualified bond  
27 authorization, bond insurance or letter of credit; the maturity schedule  
28 for the bonds; the estimated interest rate; the period of capitalized  
29 interest, if any; an estimate of the costs of issuance, with identification  
30 of bond counsel, financial advisers, underwriters and other  
31 professionals engaged to assist in the issuance of bonds; lien priorities  
32 among projects, if any; and such other information as the board may  
33 require; and

34 f. a certification by the chief financial officer of the property tax  
35 increment base, if property tax increment revenue is to be pledged, and  
36 of the revenue increment base for each other pledged revenue. If the  
37 amount of any such revenue increment base cannot be certified, then  
38 the chief financial officer shall estimate the amount and describe the  
39 basis for preparing the estimate and the manner in which the revenue  
40 increment base will be determined after adoption of the final plan.]<sup>1</sup>

41  
42 <sup>1</sup>[50. (New section) A final revenue allocation plan shall be  
43 submitted to the governing body of the municipality for approval by  
44 ordinance. When an ordinance embodying a final revenue allocation  
45 plan has been introduced in writing at a meeting of the governing body  
46 and approved on first reading, which may be by title, by a majority of

1 the authorized membership thereof, it shall be submitted, together with  
2 all included and incorporated certificates and documents and such  
3 additional supporting documentation as the board may by rule  
4 prescribe, to the board and the State Treasurer. The board shall notify  
5 the State Treasurer of the receipt of the submission.

6 The board shall approve the plan if it determines that:

7 a. the planned developments are likely to be realized and would not  
8 be accomplished by private enterprise without the creation of the  
9 district and the financing of the proposed project or projects;

10 b. the pledged revenues will be sufficient to pay debt service on  
11 bonds and discharge any obligations undertaken by the district agent  
12 to effectuate the plan;

13 c. the credit of the municipality and its ability to pay the principal  
14 of and interest on its debts and to provide essential public services will  
15 not be impaired; and

16 d. the pledged revenues or guarantees would not pose  
17 inappropriate risk or undue financial hardship to the taxpayers of the  
18 community in the event of default.]]<sup>1</sup>

19

20 <sup>1</sup>[51. (New section) a. The board and the State Treasurer may  
21 make written recommendations as to any aspect of the plan and any  
22 related fiscal matters of the municipality or the district agent which, in  
23 the determination of the board and the State Treasurer, must be  
24 changed in order to effectuate the plan, and the board may condition  
25 its approval of the plan upon the adoption of its recommendations or  
26 those of the State Treasurer.

27 b. The board shall approve, approve with conditions, or  
28 disapprove the plan within 60 days of its receipt of an application  
29 which the board has deemed to be complete. If the board does not act  
30 within 60 days the plan shall be deemed approved. If the board  
31 disapproves the plan it shall set forth its reasons in writing within 30  
32 days of its disapproval. The governing body, upon recommendation  
33 of the district agent, may amend the ordinance and resubmit it to the  
34 board and the State Treasurer.

35 c. Upon receipt of the approved ordinance from the board the  
36 municipal governing body may adopt the ordinance at a meeting of the  
37 governing body by a majority of the authorized membership thereof.  
38 Any changes to the plan as embodied in the ordinance shall be by  
39 amendment of the ordinance adopted and approved by the same  
40 method as prescribed in section 44 of P.L. , c. (C. ) (pending  
41 before the Legislature as this bill) in connection with the proposed  
42 preliminary revenue allocation plan included in the ordinance  
43 establishing the district.]]<sup>1</sup>

1       <sup>1</sup>[52. (New section) If the preliminary revenue allocation plan has  
2 designated the property tax increment as a pledged revenue, the  
3 property tax increment shall be calculated and paid to the revenue  
4 allocation fund or the bond trustee, as appropriate, as provided  
5 hereunder.

6       a. Upon the striking of the tax rate in each year following the  
7 adoption of the ordinance creating the district, the chief financial  
8 officer of the municipality, with assistance provided by the assessor  
9 and collector, shall calculate the amount of property tax increment, if  
10 any, for each revenue allocation district within the municipality and  
11 shall certify to the district agent of each such district a copy of that  
12 calculation. Thereafter the chief financial officer shall, within 10 days  
13 after each date fixed by statute for the payment of property taxes,  
14 cause to be deposited in the revenue allocation fund of the district  
15 agent or paid to the trustees as provided in the resolution authorizing  
16 the issuance of bonds the percentage of the property tax increments  
17 certified in the plan as designated to be so deposited or paid. The  
18 calculation of the property tax increment shall be based on the amount  
19 to be billed at the quarterly payment date, regardless of whether or not  
20 the increment is actually collected from the taxpayers within the  
21 district.

22       b. Whenever an added assessment shall occur within a district, the  
23 chief financial officer of the municipality shall notify the district agent  
24 and thereafter shall, within 10 days of the date fixed by law for  
25 payment of property taxes on such added assessment, cause to be paid  
26 to the revenue allocation fund or the bond trustee, as appropriate, the  
27 property taxes, or a percentage thereof as designated in the plan, billed  
28 upon such added assessment, regardless of whether or not the tax or  
29 any portion thereof is actually collected.

30       c. Whenever an omitted assessment which if not omitted would  
31 have been included in the computation of the tax increment of a  
32 district occurs, the chief financial officer of the municipality shall  
33 notify the district agent and thereafter shall, within 10 days after the  
34 date fixed by statute for payment of taxes upon such omitted  
35 assessments, cause to be deposited to the revenue allocation fund or  
36 paid to the bond trustees of the district, as appropriate, the proportion  
37 of tax upon such omitted assessments designated in the plan for such  
38 deposit or payment, regardless of whether or not the tax or any  
39 portion thereof is actually collected.

40       d. In no event shall any changes in assessed valuation within a  
41 district due to appeals or correction of errors with respect to a tax  
42 year subsequent to the creation of the district alter the amount of  
43 property tax increment certified pursuant to this section for that tax  
44 year.

45       e. In no event shall any changes in assessed valuation within a  
46 district due to appeals or correction of errors alter the property tax



1 increment base of the district.

2 f. Whenever a revaluation or general reassessment occurs in a  
3 municipality which has designated one or more districts, the property  
4 tax increment base for each district shall be adjusted to equal the  
5 absolute difference between the taxable value of the property in the  
6 district after revaluation or reassessment less the amount of the  
7 property tax increment base for the year immediately prior to the  
8 revaluation or reassessment divided by the adjusted tax rate. The  
9 adjusted tax rate shall be a fraction, the numerator of which is the total  
10 tax levy of the municipality before revaluation or reassessment and the  
11 denominator of which is the total taxable value of all taxable property  
12 in the municipality after revaluation or reassessment.]<sup>1</sup>

13

14 <sup>1</sup>[53. (New section) If the preliminary revenue allocation plan has  
15 designated any eligible revenues, in addition to or other than the  
16 property tax increment, as a pledged revenue, the other pledged  
17 revenues shall be deposited as provided in this section.

18 a. The collector of any pledged revenues shall certify to the  
19 municipal chief financial officer the amount of the eligible revenue  
20 collected in the preceding calendar year no later than January 30 of  
21 each year and shall pay to the municipality such amount, or the  
22 percentage thereof designated in the plan, beginning in the first  
23 calendar year after the creation of the district.

24 b. The municipality shall include in its budget the amount certified  
25 as collected in the preceding year and shall pay to the district agent for  
26 deposit in the revenue allocation financing fund the amount certified  
27 in the plan as designated for such payment.

28 c. Payments in lieu of taxes shall be deposited in four equal  
29 installments, regardless of the date or dates fixed for such payments by  
30 statute, agreement or otherwise.]<sup>1</sup>

31

32 <sup>1</sup>[54. (New section) The district agent shall submit its operating  
33 budget for the district annually to the Director of the Division of Local  
34 Government Services in the Department of Community Affairs and to  
35 the State Treasurer. If the district agent certifies that the budget is in  
36 compliance with a preliminary or final financing plan and all other  
37 relevant statutes and rules, the director shall approve the budget within  
38 45 days of receipt. If the director disapproves the budget he shall  
39 state the reasons therefor. The district agent may then make the  
40 necessary changes and resubmit the budget for approval. The director  
41 may adopt rules and regulations in accordance with the  
42 "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et  
43 seq.), to ensure the fiscal integrity of districts and effectuate the intent  
44 of P.L. , c. (C. ) (pending before the Legislature as this bill).]<sup>1</sup>

45

46 <sup>1</sup>[55. (New section) The district agent shall establish and maintain

1 a special fund called the "(Name of district agent) Revenue Allocation  
2 Fund," and herein referred to as "district fund" or "fund."

3 The fund shall be used by the district agent for purposes of P.L. ,  
4 c. (C. ) (pending before the Legislature as this bill), including but  
5 not limited to:

6 a. paying the project costs;

7 b. paying the principal of and interest on bonds or other obligations  
8 issued or guaranteed pursuant to P.L. , c. (C. ) (pending before the  
9 Legislature as this bill);

10 c. prepaying the principal of and interest on the bonds or other  
11 obligations;

12 d. paying additional property tax increment revenue, if any, to  
13 taxing entities, as provided for in subsections b. and c. of section 56  
14 of P.L. , c. (C. ) (pending before the Legislature as this bill) or in  
15 the final revenue allocation plan; and

16 e. reimbursing the municipality for any payments made by the State  
17 pursuant to the "Municipal Qualified Bond Act," P.L.1976, c.38  
18 (C.40A:3-1 et seq.) to pay debt service on any qualified bonds issued  
19 pursuant to section 63 of P.L. , c. (C. ) (pending before the  
20 Legislature as this bill).]<sup>1</sup>

21

22 <sup>1</sup>[56. (New section) a. Prior to the adoption of a final revenue  
23 allocation plan, the district agent may draw money from the revenue  
24 allocation fund for purposes of paying all project costs incurred in  
25 connection with the development of the final revenue allocation plan  
26 as provided in the approved operating budget, including a reserve for  
27 project costs if such reserve is part of the preliminary plan.

28 b. At the end of each calendar year, any moneys in the fund not  
29 required by the district agent for development of the plan shall be  
30 distributed to the taxing entities that shall forgo the pledged revenues.  
31 The revenues shall be distributed by the district agent in proportion to  
32 the taxing effort of each taxing entity in the year of distribution; except  
33 that no revenues deposited in the fund shall be included in the  
34 calculation of any adjustment payments payable to an intermunicipal  
35 account pursuant to statute.

36 c. After the adoption of the final revenue allocation plan the district  
37 agent may decide to distribute to the taxing entities that shall forgo the  
38 revenues pursuant to P.L. , c. (C. ) (pending before the Legislature  
39 as this bill) a portion of the revenue increments received by the district  
40 agent not pledged to the payment of debt service or necessary to pay  
41 project costs. The revenues shall be distributed in proportion to the  
42 taxing effort of each such taxing entity in the year of distribution.

43 d. Moneys in the fund may be invested in the State of New Jersey  
44 Cash Management Fund established pursuant to section 1 of P.L.1977,  
45 c.281 (C.52:18A-90.4) or in any securities that a local government is

1 permitted to purchase pursuant to section 8 of P.L.1977, c.396  
2 (C.40A:5-15.1).]<sup>1</sup>

3  
4 <sup>1</sup>[57. (New section) Except where the municipal governing body  
5 has designated itself as the district agent, or except in municipalities  
6 which are under the jurisdiction of a regional planning commission  
7 assigned redevelopment powers pursuant to law, any action of the  
8 district agent shall be subject to the veto of the mayor of the  
9 municipality. The veto shall be exercised by the veto of the minutes  
10 of the district agent by the mayor. The mayor shall have 10 days,  
11 Saturdays, Sundays and legal holidays excepted, after receipt of the  
12 minutes to exercise the veto. If a mayoral veto is exercised during that  
13 period, the action of the district agent shall be considered null and  
14 void. If no veto is exercised during that period, the action of the  
15 district agent shall be considered valid. The mayor, upon receipt of  
16 the minutes, may in writing notify the district agent of the approval of  
17 the minutes before the expiration of the 10-day period. Where the  
18 municipal governing body has designated itself as the district agent,  
19 the mayor shall have only such veto powers as are granted to the  
20 mayor by law.

21 The veto power shall be exercised with due regard for the rights of  
22 the holders of bonds issued by the district agent and shall not limit,  
23 restrict or alter the obligations or powers of the district agent to carry  
24 out and perform in every detail each and every covenant, agreement or  
25 contract entered into with respect to the bonds or for the benefit,  
26 protection or security of the bond holders.]<sup>1</sup>

27  
28 <sup>1</sup>[58. (New section) Subject to the limitations contained in P.L. ,  
29 c. (C. ) (pending before the Legislature as this bill), each district  
30 shall remain in existence until obligations for any project in that district  
31 cease to be outstanding; provided, however, the district may be  
32 terminated if sufficient moneys have been deposited in the revenue  
33 allocation fund for the full payment of the principal of and interest on  
34 the bonds at maturity or full payment of any other obligations, and if  
35 the board approves the dissolution of the district. The Division of  
36 Local Government Services in the Department of Community Affairs  
37 may recommend to the municipality the dissolution of a district which  
38 has not taken substantial steps to implement the plan, so long as there  
39 are no bonded obligations outstanding or contractual obligations to  
40 pay any part of project costs.]<sup>1</sup>

41  
42 <sup>1</sup>[59. (New section) a. In calculating the general tax rate levied  
43 each year, the aggregate amount of the ratable increments of the tax  
44 increment districts shall not be considered a part of the total taxable  
45 value of land and improvements within the municipality.

46 b. In calculating the net valuation on which school district taxes are

1 apportioned, the aggregate amount of the ratable increments in the tax  
2 increment district shall be excluded.

3 c. For purposes of this section, "ratable increment" means the  
4 taxable value of all property assessed within a district for the tax year,  
5 minus the tax increment base.]<sup>1</sup>

6  
7 <sup>1</sup>[60. (New section) Upon approval of the resolution by the board  
8 and adoption of an ordinance approving or adopting the final revenue  
9 allocation plan by the municipal governing body, the district agent  
10 shall have the power to incur indebtedness, borrow money and issue  
11 its bonds or notes for purposes of financing a project or funding or  
12 refunding its bonds or notes. If the district agent is the municipal  
13 governing body, any pledge of revenues or funds and obligations  
14 incurred shall be limited to the revenues and property accruing to the  
15 municipality as district agent and shall not be deemed to include any  
16 other municipal revenue or property unless such revenues are pledged  
17 or obligations are incurred pursuant to P.L. , c. (C. ) (pending  
18 before the Legislature as this bill). The district agent may from time  
19 to time issue its bonds or notes in such principal amounts as in the  
20 opinion of the district agent are necessary to provide sufficient funds  
21 for all or any portion of project costs, including the payment, funding  
22 or refunding of the principal of or interest or redemption premiums on  
23 any bonds or notes issued by it, whether the bonds or notes or interest  
24 to be funded or refunded has or has not become due; the establishment  
25 or increase of such reserves to secure or to pay the bonds or notes or  
26 interest thereon; and all other costs or expenses of the district agent  
27 incident to and necessary to carrying out its corporate purposes and  
28 powers.

29 Any provisions of law to the contrary notwithstanding, a bond  
30 issued pursuant to P.L. , c. (C. ) (pending before the Legislature  
31 as this bill) shall be fully negotiable within the meaning and for all  
32 purposes of Title 12A of the New Jersey Statutes, and each holder of  
33 the bond, or a coupon appurtenant thereto, by accepting the bond or  
34 coupon shall be conclusively deemed to have agreed that the bond or  
35 coupon is and shall be fully negotiable within the meaning and for the  
36 purposes of that title.]<sup>1</sup>

37  
38 <sup>1</sup>[61. (New section) Bonds or notes of the district agent shall be  
39 authorized by a resolution or resolutions of the district agent and may  
40 be issued in one or more series and shall bear such dates, mature at  
41 such times, bear interest at such rates of interest per annum, be in such  
42 denominations, be in such form, either coupon or registered, carry  
43 such conversion or registration privileges, have such rank or priority,  
44 be executed in such manner, be payable from such sources and in such  
45 medium of payment at such places within or without the State, and be  
46 subject to such terms of redemption, with or without premium, as the

1 resolution or resolutions may provide.

2 Bonds or notes of the district agent may be sold at public or private  
3 sale at such price and in such manner as the district agent shall  
4 determine. Every bond shall mature and be paid not later than 35  
5 years from the date thereof.

6 Bonds or notes may be issued under the provisions of P.L. , c.  
7 (C. ) (pending before the Legislature as this bill) without any other  
8 proceeding or the occurrence of any other conditions or other things  
9 than those proceedings, conditions or things which are specifically  
10 required by P.L. , c. (C. ) (pending before the Legislature as this  
11 bill).

12 Bonds or notes of the district agent issued under the provisions of  
13 P.L. , c. (C. ) (pending before the Legislature as this bill) shall  
14 contain a statement to the effect that they are issued pursuant to  
15 P.L. , c. (C. ) (pending before the Legislature as this bill) and  
16 entitled to the provisions of P.L. , c. (C. ) (pending before the  
17 Legislature as this bill).]<sup>1</sup>

18

19 <sup>1</sup>[62. (New section) Each issue of bonds or notes of the district  
20 may, if it is determined by the district agent, be general obligations  
21 thereof payable out of any revenues, receipts or funds held by the  
22 district agent, subject only to any agreements with the holders of  
23 particular bonds or notes pledging any particular revenues or funds,  
24 and may be secured by one or more of the following:

25 a. pledge of eligible revenues and any other revenues derived from  
26 leases, sales agreements, service contracts or similar contractual  
27 arrangements with one or more persons, firms, partnerships or  
28 corporations, whether or not the same relate to the project or part  
29 thereof financed with the bonds or notes;

30 b. pledge of grants, subsidies, contributions or other payments to  
31 be received from the United States of America or any instrumentality  
32 thereof, or from any State, county or municipal governmental body or  
33 agency;

34 c. a first mortgage on all or any part of the property, real or  
35 personal, of the district agent then owned or thereafter to be acquired;  
36 or

37 d. pledge of any moneys, funds, accounts, securities and other  
38 funds, including the proceeds of the bonds or notes.]<sup>1</sup>

39

40 <sup>1</sup>[63. (New section) The municipal governing body may issue  
41 general obligation bonds to guarantee payment of the bonds or notes  
42 pursuant to the provisions of the "Local Bond Law," N.J.S.40A:2-1 et  
43 seq. Such guarantees shall be set forth in the final revenue allocation  
44 plan approved pursuant to section 49 of P.L. , c. (C. ) (pending  
45 before the Legislature as this bill).

46 The district agent may file an application with the board to qualify

1 an issue of its bonds pursuant to the "Municipal Qualified Bond Act,"  
2 P.L.1976, c.38 (C.40A:3-1 et seq.). Intention to file such an  
3 application shall be set forth in the final revenue allocation plan  
4 approved pursuant to section 49 of P.L. , c. (C. ) (pending before  
5 the Legislature as this bill). Bonds may be issued by the district agent  
6 as municipal qualified bonds upon the review and approval of the  
7 board as provided in the "Municipal Qualified Bond Act," P.L.1976,  
8 c.38 (C.40A:3-1 et seq.). In considering the ordinance, the board may  
9 require the governing body to adopt resolutions restricting or limiting  
10 any future issuance of bonds for any purpose.

11 Upon the issuance of such bonds and certification to the State  
12 Treasurer of the name and address of the paying agent, the maturity  
13 schedule, interest rates and dates of payment of debt service, the State  
14 Treasurer shall withhold municipal qualified revenues payable to the  
15 municipality in amounts sufficient to pay debt service on such bonds  
16 as the same shall mature and become due. The State Treasurer shall  
17 on or before each principal and interest payment date forward such  
18 withheld amounts to the paying agent for the sole purpose of paying  
19 debt service on such bonds. As such withheld amounts are forwarded  
20 to the paying agent, the district agent shall return a like amount of  
21 eligible revenues received by the district agent, if any, which may be  
22 applied to the payment of municipal operating expenses.]<sup>1</sup>

23

24 <sup>1</sup>[64. (New section) In any resolution of the district agent  
25 authorizing or relating to the issuance of any bonds or notes, the  
26 district agent, in order to secure the payment of the bonds or notes and  
27 in addition to its other powers, shall have power by provisions in that  
28 resolution, which shall constitute covenants by the district agent and  
29 contracts with the holders of the bonds or notes, to:

30 a. secure the bonds or notes as provided in section 63 of P.L. ,  
31 c. (C. ) (pending before the Legislature as this bill);

32 b. covenant against pledging all or any part of its revenues or  
33 receipts from its lease, sales arrangement, service contracts or other  
34 security instruments, of the revenues or receipts under any of the  
35 foregoing or the proceeds thereof, or against mortgaging or leasing all  
36 or any part of the its real or personal property then owned or  
37 thereafter acquired, or against permitting or suffering any of the  
38 foregoing;

39 c. covenant with respect to limitations on any right to sell,  
40 mortgage, lease or otherwise dispose of any project or any part thereof  
41 or any property of any kind;

42 d. covenant as to any bonds and notes to be issued and the  
43 limitations thereon and the terms and conditions thereof and as to the  
44 custody, application, investment, and disposition of the proceeds  
45 thereof;

46 e. covenant as to the issuance of additional bonds or notes or as to

- 1 limitations on the issuance of additional bonds or notes and on the  
2 incurring of other debts by it;
- 3 f. covenant as to the payment of the principal of or interest on the  
4 bonds or notes, or any other obligations, as to the sources and  
5 methods of the payment, as to the rank or priority of the bonds, notes  
6 or obligations with respect to any lien or security or as to acceleration  
7 of the maturity of the bonds, notes or obligations;
- 8 g. provide for the replacement of lost, stolen, destroyed or  
9 mutilated bonds or notes;
- 10 h. covenant against extending the time for the payment of bonds or  
11 notes or interest thereon;
- 12 i. covenant as to the redemption of bonds or notes and privileges  
13 of exchange thereof for other bonds or notes of the district agent;
- 14 j. covenant as to the fixing and collection of rents, fees, rates and  
15 other charges, the amount to be raised each year or other period of  
16 time by rents, fees, rates and other charges and as to the use and  
17 disposition to be made thereof;
- 18 k. covenant to create or authorize the creation of special funds or  
19 moneys to be held in pledge or otherwise for construction, operating  
20 expenses, tax rebate, payment or redemption of bonds or notes;  
21 reserves or other purposes and as to the use, investment, and  
22 disposition of the moneys held in these funds;
- 23 l. establish the procedure, if any, by which the terms of any  
24 contract or covenant with or for the benefit of the holders of bonds or  
25 notes may be amended or abrogated, the amount of bonds or notes the  
26 holders of which must consent thereto, and the manner in which the  
27 consent may be given;
- 28 m. covenant as to the construction, improvement, operation or  
29 maintenance of any project and its other real and personal property,  
30 the replacement thereof, the insurance to be carried thereon, and the  
31 use and disposition of insurance moneys;
- 32 n. provide for the release of property, leases or other agreements,  
33 or revenues and receipts from any pledge or mortgage and to reserve  
34 rights and powers in, or the right to dispose of, property which is  
35 subject to a pledge or mortgage;
- 36 o. provide for the rights and liabilities, powers and duties arising  
37 upon the breach of any covenant, condition or obligation and prescribe  
38 the events of default and the terms and conditions upon which any or  
39 all of the bonds, notes or other obligations of the district agent shall  
40 become or may be declared due and payable before maturity and the  
41 terms and conditions upon which the declaration and its consequences  
42 may be waived;
- 43 p. vest in a trustee or trustees within or without the State such  
44 property rights, powers and duties in trust as the district agent may  
45 determine, including the right to foreclose any mortgage, which may  
46 include any or all of the rights, powers and duties of any trustee

1 appointed by the holders of any bonds or notes issued pursuant to this  
2 section and to limit or abrogate the right of the holders of any bonds  
3 or notes of the district agent to appoint a trustee under P.L. , c.  
4 (C. ) (pending before the Legislature as this bill), and to limit the  
5 rights, duties and powers of the trustee;

6 q. execute all mortgages, leases, sales agreements, service  
7 contracts, bills of sale, conveyances, deeds of trust and other  
8 instruments necessary or convenient in the exercise of its powers or in  
9 the performance of its covenants or duties;

10 r. pay the costs or expenses incident to the enforcement of the  
11 bonds or notes or of the provisions of the resolution or of any  
12 covenant or agreement of the district agent with the holders of its  
13 bonds or notes;

14 s. limit the rights of the holders of any bonds or notes to enforce  
15 any pledge or covenant securing bonds or notes; and

16 t. make covenants other than or in addition to the covenants  
17 authorized by P.L. , c. (C. ) (pending before the Legislature as this  
18 bill) of like or different character, and to make such covenants to do  
19 or refrain from doing such acts and things as may be necessary, or  
20 convenient and desirable, in order to better secure bonds or notes or  
21 which, in the absolute discretion of the district agent will tend to make  
22 bonds or notes more marketable, notwithstanding that the covenants,  
23 acts or things may not be enumerated herein.】<sup>1</sup>

24  
25 <sup>1</sup>【65. (New section) Any pledge of revenues, receipts, moneys,  
26 funds, levies, sales agreements, service contracts or other property or  
27 instruments made by the district agent shall be valid and binding from  
28 the time when the pledge is made. The revenues, receipts, moneys,  
29 funds or other property so pledged and thereafter received by the  
30 district agent or a subsidiary shall immediately be subject to the lien  
31 of the pledge without any physical delivery thereof or further act, and  
32 the lien of any pledge shall be valid and binding as against all parties  
33 having claims of any kind in tort, contract or otherwise against the  
34 district agent irrespective of whether the parties have notice thereof.  
35 Neither the resolution nor any other instrument by which a pledge  
36 under this section is created need be filed or recorded except in the  
37 records of the district agent.】<sup>1</sup>

38  
39 <sup>1</sup>【66. (New section) Neither the directors of the district agent nor  
40 any person executing bonds or notes issued pursuant to P.L. , c.  
41 (C. ) (pending before the Legislature as this bill) shall be liable  
42 personally on the bonds or notes by reason of the issuance thereof.】<sup>1</sup>

43  
44 <sup>1</sup>【67. (New section) The district agent may establish such reserves,  
45 funds or account as may be, in its discretion, necessary or desirable to  
46 further the accomplishment of the purposes of the district agent or to



1 comply with the provisions of any agreement made by or any  
2 resolution of the district agent.

3 The State and all public officers, governmental units and agencies  
4 thereof, all banks, trust companies, savings banks and institutions,  
5 building and loan associations, savings and loan associations,  
6 investment companies, and other persons carrying on a banking  
7 business, all insurance companies, insurance associations and other  
8 persons carrying on an insurance business, and all executors,  
9 administrators, guardians, trustees and other fiduciaries may legally  
10 invest any sinking funds, moneys or other funds belonging to them or  
11 within their control in any bonds or notes issued pursuant to P.L. ,  
12 c. (C. ) (pending before the Legislature as this bill), and such bonds  
13 or notes shall be authorized security for any and all public deposits.]<sup>1</sup>  
14

15 <sup>1</sup>[68. (New section) Bonds, notes or other obligations issued  
16 pursuant to P.L. , c. (C. ) (pending before the Legislature as this  
17 bill) are for an essential public and governmental purpose, and the  
18 bonds, notes or other obligations, their transfer and the interest and  
19 premium, if any, thereon and the income therefrom, including any  
20 profit made on the sale thereof, and all assessments, charges, funds,  
21 revenues, income and other moneys pledged or available to pay or  
22 secure the payments of the bonds, or interest thereon, shall be exempt  
23 from taxation of every kind by the State and the municipality, except  
24 transfer inheritance and estate taxes unless exemptions from those  
25 taxes have been provided under other laws.]<sup>1</sup>  
26

27 <sup>1</sup>[69. (New section) If any section, part, phrase, or provision of  
28 P.L. , c. (C. ) (pending before the Legislature as this bill) of the  
29 application thereof to any person, project or circumstances, be  
30 adjudged invalid by any court of competent jurisdiction, such judgment  
31 shall be confined in its operation to the section, part, phrase, provision  
32 or application directly involved in the controversy in which such  
33 judgment shall have been rendered and shall not affect or impair the  
34 validity of the remainder of P.L. , c. (C. ) (pending before the  
35 Legislature as this bill) or the application thereof to other persons,  
36 projects or circumstances.]<sup>1</sup>  
37

38 <sup>1</sup>[70.] 33.<sup>1</sup> (New section) <sup>1</sup>[ a.]<sup>1</sup> In order to provide security for  
39 the bonds or other obligations authorized herein, a municipality may  
40 adopt an ordinance which provides for tax abatement within a  
41 redevelopment area and for a payment in lieu of taxes. Any tax  
42 abatement granted by the municipality and any agreement for the  
43 payment in lieu of taxes shall be included as part of a financial  
44 agreement between the municipality and the developer in accordance  
45 with the provisions of P.L.1991, c.431 (C.40A:20-1 et seq.); provided,  
46 however, that provisions of subsection b. of section 12 of P.L.1991,

1 c.431 (C.40A:20-12) <sup>1</sup>[and],<sup>1</sup> subsection a. of section 14 of P.L.1991,  
2 c.431 (C.40A:20-14) <sup>1</sup> and subsection c. of section 18 of P.L.1991,  
3 c.431 (C.40A:20-18)<sup>1</sup> shall not apply to any financial agreement  
4 entered into pursuant to this section.

5  
6 <sup>1</sup>[71.] 34.<sup>1</sup> (New section) a. A financial agreement entered into  
7 pursuant to section <sup>1</sup>[70] 33<sup>1</sup> of P.L. , c. (C. ) (pending  
8 before the Legislature as this bill) shall provide for payments in lieu  
9 of taxes in an amount agreed upon, and, to the extent needed to pay  
10 debt service and other related costs of the bonds or other obligations  
11 authorized in this section, shall be pledged to the repayment of the  
12 bonds or other obligations authorized in this section.

13 b. The bonds or other obligations authorized in this section shall be  
14 special and limited obligations secured by the agreement for payment  
15 in lieu of taxes or other available sources.

16 c. The New Jersey Redevelopment Authority <sup>1</sup>, New Jersey  
17 Economic Development Authority<sup>1</sup> or county improvement authority  
18 may issue negotiable bonds or other obligations for the purpose of  
19 financing or refinancing the construction, reconstruction, repair,  
20 alteration, improvement and development of any infrastructure or  
21 parking or transportation facilities or work that reduces, abates or  
22 prevents environmental pollution or other improvements that provide  
23 a public benefit within or to a redevelopment area <sup>3</sup>as defined pursuant  
24 to section 3 of P.L.1992, c.79 (C.40A:12A-3)<sup>3</sup>.

25 d. The financial agreement provided for in this section or other  
26 source of revenues may be assigned, by the municipality, in whole or  
27 in part, directly to the New Jersey Redevelopment Authority <sup>1</sup>, New  
28 Jersey Economic Development Authority<sup>1</sup> or county improvement  
29 authority or the trustee of bonds or other obligations as payment or  
30 security for the bonds or other obligations.

31 e. In the event the payment in lieu of taxes is secured by a  
32 mortgage, the mortgage may also be assigned and pledged to the  
33 repayment of the bonds authorized herein.

34 f. Notwithstanding any law to the contrary, the assignment of the  
35 agreement for payment in lieu of taxes may be an absolute assignment  
36 of all or part of the municipality's right, title and interest in such  
37 agreement or in the payment in lieu of taxes, and to the extent  
38 assigned, such agreement or payment shall not be included in the  
39 general funds of the municipality.

40 g. After the bonds or other obligations are paid and no longer  
41 deemed to be outstanding, the entire payment in lieu of taxes shall be  
42 paid directly to the municipality and shall be included within its general  
43 funds.

44 h. The assignment of any mortgage that secures a payment in lieu  
45 of taxes may also be an absolute assignment of all or part of the  
46 municipality's right, title and interest in such mortgage and, to the

1 extent assigned, any moneys realized from the foreclosure of the  
2 mortgaged property shall not be included in the general funds of the  
3 municipality.

4 i. After the bonds or other obligations are paid and no longer  
5 deemed to be outstanding, the assignment of the mortgage shall  
6 terminate and any monies realized from the foreclosure of the  
7 mortgaged property shall be included in the general funds of the  
8 municipality.

9  
10 <sup>1</sup>[72. (New section) Notwithstanding any provisions of P.L.1991,  
11 c.431 (C.40A:20-1 et seq.) to the contrary, when an ordinance  
12 establishing or amending a tax abatement or payment in lieu of taxes  
13 pursuant to section 70 of P.L. , c. (C. ) (pending before the  
14 Legislature as this bill) has passed first reading, it shall be submitted  
15 as an application, together with all included and incorporated  
16 certificates and documents and such additional documentation as the  
17 board may by rule prescribe, to the Local Finance Board and the State  
18 Treasurer. The board shall notify the State Treasurer of its receipt of  
19 the submission.

20 The board shall approve the ordinance if it determines that:

21 a. the planned development is likely to be realized and would not  
22 likely be accomplished by private enterprise without the granting of  
23 the tax abatement and dedication of the payments in lieu of taxes;

24 b. the pledged revenues will be sufficient to pay debt service on  
25 bonds issued to effectuate the redevelopment plan;

26 c. the credit of the municipality and its ability to pay the principal  
27 of and interest on its debts and to provide essential public services  
28 will not be impaired;

29 d. the realization of the proposed redevelopment plan will  
30 contribute to the economic viability of the municipality;

31 e. the amount of the tax revenues abated by the municipality do not  
32 exceed the amount necessary to accomplish the purposes of the plan;

33 f. the bond guarantees would not pose inappropriate risk or undue  
34 financial hardship to the taxpayers of the community in the event of  
35 default.]<sup>1</sup>

36  
37 <sup>1</sup>[73. (New section) a. The board and the State Treasurer may  
38 make written recommendations as to any aspect of the financial  
39 agreement and any related fiscal matters of the municipality district  
40 which, in the determination of the board and the State Treasurer, must  
41 be changed in order to effectuate the financial agreement, and the  
42 board may condition its approval of the agreement upon the adoption  
43 of its recommendations or those of the State Treasurer.

44 b. The board shall approve, approve with conditions, or  
45 disapprove the agreement within 60 days of its receipt of an  
46 application which the board has deemed to be complete. If the board

1 does not act within 60 days the agreement shall be deemed approved.  
 2 If the board disapproves the agreement it shall set forth its reasons in  
 3 writing within 30 days of its disapproval. The governing body may  
 4 amend the ordinance and resubmit it to the board and the State  
 5 Treasurer.

6 c. Upon receipt of the approved ordinance from the board the  
 7 municipal governing body may adopt the ordinance at a meeting of the  
 8 governing body by a majority of the authorized membership thereof.  
 9 Any changes to the agreement as embodied in the ordinance shall be  
 10 by amendment of the ordinance adopted and approved by the same  
 11 method as prescribed in section 72 of P.L. , c. (C. ) (pending  
 12 before the Legislature as this bill) in connection with the proposed  
 13 financial agreement included in the ordinance.]<sup>1</sup>

14

15 ARTICLE 3 - ABBREVIATED FORECLOSURE <sup>1</sup>[AND  
 16 CONDEMNATION COMPENSATION]<sup>1</sup> PROCEEDINGS FOR  
 17 . ABANDONED PROPERTY

18

19 <sup>1</sup>[74.] 35.<sup>1</sup> (New section) For the purposes of this article:

20 "Abandoned property" means

21 a. real property <sup>1</sup>[comprising a vacant parcel of land]<sup>1</sup> for which  
 22 <sup>3</sup>[<sup>1</sup>substantial<sup>1</sup>]<sup>3</sup> environmental remediation is required by [~~the~~  
 23 Department of Environmental Protection pursuant to]<sup>3</sup> State law, rule  
 24 or regulation<sup>3</sup>[<sup>1</sup>, which remediation has not been substantially  
 25 completed within 12 months of the order from the Department of  
 26 Environmental Protection<sup>1</sup>] and the condition of which is found or  
 27 declared by the public officer to be inimical to the welfare, including  
 28 the economic welfare of the residents of the municipality wherein the  
 29 real property is located<sup>3</sup>; or

30 b. a building or structure found or declared to be inimical to the  
 31 welfare, including the economic welfare, of the residents of the  
 32 municipality wherein the building or structure is located, pursuant to  
 33 section 1 of P.L.1989, c.91 (C.40:48-2.3a) or unfit for human  
 34 habitation, occupancy or use pursuant to section 3 of P.L.1942, c.112  
 35 (C.40:48-2.5), along with the parcel of land upon which the building  
 36 or structure is situate.

37 "Public officer" means a person designated or appointed by the  
 38 municipal governing body pursuant to section 3 of P.L.1942, c.112  
 39 (C.40:48-2.5) who is responsible for determining that a property is  
 40 abandoned.

41

42 <sup>1</sup>[75.] 36.<sup>1</sup> (New section) a. A qualified municipality that has  
 43 designated or appointed a public officer pursuant to section 3 of  
 44 P.L.1942, c.112 (C.40:48-2.5), may adopt an ordinance directing the  
 45 public officer to undertake an inventory of abandoned property in  
 46 those areas designated <sup>1</sup>[by the municipality] <sup>1</sup> for redevelopment

1 <sup>1</sup>[according to law] pursuant to the "Local Redevelopment and  
2 Housing Law," P.L.1992, c.79 (C.40A:12A-1 et seq.)<sup>1</sup>. <sup>1</sup>The ordinance  
3 may direct the public officer to exclude from the inventory of  
4 abandoned property that property for which the expense to the  
5 municipality of determining the cost of environmental remediation  
6 required under State or federal law would be excessive, in the  
7 judgment of the municipal governing body.<sup>1</sup> Each item of abandoned  
8 property on the inventory shall include the tax block and lot number,  
9 the name of the owner of record, if known, and the street address of  
10 the lot.

11 b. In those municipalities in which an inventory has been conducted  
12 in accordance with subsection a. of this section, the public officer shall  
13 maintain a list of abandoned property, to be known as the "abandoned  
14 property list." An abandoned property shall not be included on the  
15 abandoned property list if rehabilitation is being performed in a timely  
16 manner. <sup>1</sup>[The abandoned property list also shall include those  
17 parcels, whether or not they contain buildings intended for human  
18 habitation, occupancy or use, for which the cost of environmental  
19 remediation, as would be required under the "Industrial Site Recovery  
20 Act," P.L.1983, c.330 (C.13:1K-6 et seq.), or similar State or federal  
21 statutes, would exceed the market value of the parcels if no  
22 environmental remediation was required.]<sup>1</sup>

23 c. (1) The Department of Community Affairs shall adopt rules and  
24 regulations prescribing guidelines and criteria for determining if a  
25 property is <sup>1</sup>[in a state of disrepair] inimical to the welfare, including  
26 the economic welfare, of the residents of the municipality wherein the  
27 building or structure is located, pursuant to section 1 of P.L.1989,  
28 c.91 (C.40:48-2.3a) or unfit for human habitation, occupancy or use  
29 pursuant to section 3 of P.L.1942, c.112 (C.40:48-2.5).<sup>1</sup> and whether  
30 such property is undergoing rehabilitation in a timely manner within  
31 the meaning of subsection b. of this section. The public officer shall  
32 apply such standards in conducting any inventory pursuant to this  
33 section.

34 (2) The Department of Community Affairs <sup>1</sup>in conjunction with the  
35 Department of Environmental Protection<sup>1</sup> shall prepare an information  
36 bulletin for distribution to every municipality describing the authority  
37 of a municipality under existing statutes and regulations to repair,  
38 demolish or otherwise deal with abandoned property.

39 d. (1) The public officer, within 10 days of the completion of the  
40 abandoned property list, shall send a notice, by certified mail, return  
41 receipt requested, and by regular mail, to the owner of record of every  
42 property included on the list and shall cause the list to be published in  
43 the official newspaper of the municipality, which publication shall  
44 constitute public notice. The published and mailed notices shall  
45 identify property determined to be abandoned <sup>1</sup>[by] setting forth<sup>1</sup> the  
46 owner of record, if known, <sup>1</sup>[and by] the<sup>1</sup> tax lot and block number and

1 street address. The public officer, in consultation with the tax  
2 collector, shall also send out a notice by regular mail to any  
3 mortgagee, servicing organization, or property tax processing  
4 organization that receives a duplicate copy of the tax bill pursuant to  
5 subsection d. of R.S.54:4-64. When the owner of record is not known  
6 for a particular property and cannot be ascertained by the exercise of  
7 reasonable diligence by the tax collector, notice shall not be mailed but  
8 instead shall be posted on the property in the manner as provided in  
9 section 5 of P.L.1942, c.112 (C.40:48-2.7). The mailed notice shall  
10 indicate the factual basis for the public officer's finding that the  
11 property is abandoned property as that term is defined in section <sup>1</sup>[74]  
12 35<sup>1</sup> of P.L. , c. (C. ) (now pending before the Legislature  
13 as this bill) and the rules and regulations promulgated thereunder,  
14 specifying the information relied upon in making such finding. In all  
15 cases a copy of the mailed or posted notice shall also be filed by the  
16 public officer <sup>3</sup>[as a notice of lis pendens <sup>1</sup>, indexed by the name of the  
17 property owner as defendant and the name of the municipality as  
18 plaintiff.<sup>1</sup>]<sup>3</sup> in the office of the county clerk or register of deeds and  
19 mortgages, as the case may be, of the county wherein the property is  
20 situate. <sup>3</sup>This filing shall have the same force and effect as a notice of  
21 lis pendens under N.J.S.2A:15-6. The notice shall be indexed by the  
22 name of the property owner as defendant and the name of the  
23 municipality as plaintiff, as though an action had been commenced by  
24 the municipality against the owner.<sup>3</sup>

25 (2) The authority or its subsidiaries, as appropriate, may reimburse  
26 the municipality for the postage costs and search fees associated with  
27 providing notice in accordance with paragraph (1) of this subsection  
28 in accordance with procedures and rules promulgated by the  
29 Department of Community Affairs.

30 e. An owner <sup>1</sup>or lienholder<sup>1</sup> may challenge the inclusion of his  
31 property on the abandoned property list determined pursuant to  
32 subsection b. of this section by appealing that determination to the  
33 public officer within 30 days of the owner's receipt of the certified  
34 notice or 40 days from the date upon which the notice was sent. An  
35 owner whose identity was not known to the public officer shall have  
36 40 days from the date upon which notice was published or posted,  
37 whichever is later, to challenge the inclusion of a property on the  
38 abandoned property list. For good cause shown, the public officer  
39 shall accept a late filing of an appeal. Within 30 days of receipt of a  
40 request for an appeal of the findings contained in the notice pursuant  
41 to subsection d. of this section, the public officer shall schedule a  
42 hearing for redetermination of the matter. Any property included on  
43 the list shall be presumed to be abandoned property unless the owner,  
44 through the submission of an affidavit or certification by the property  
45 owner averring that the property is not abandoned and stating the  
46 reasons for such averment, can demonstrate that the property was

1 erroneously included on the list. The affidavit or certification shall be  
2 accompanied by supporting documentation, such as but not limited to  
3 photographs, repair invoices, bills and construction contracts. The  
4 sole ground for appeal shall be that the property in question is not  
5 abandoned property as that term is defined in section <sup>1</sup>[74] 35<sup>1</sup> of P.L.  
6 , c. (C. ) (now pending before the Legislature as this bill). The  
7 public officer shall decide any timely filed appeal within 10 days of the  
8 hearing on the appeal and shall promptly, by certified mail, return  
9 receipt requested, and by regular mail, notify the property owner of  
10 the decision and the reasons therefore.

11 f. The property owner may challenge an adverse determination of  
12 an appeal with the public officer pursuant to subsection e. of this  
13 section, by instituting, in accordance with the New Jersey Court Rules,  
14 a summary proceeding in the Superior Court, Law Division, venued in  
15 the county in which the property is located, which action shall be tried  
16 de novo. Such action shall be instituted within 20 days of the date of  
17 the notice of decision mailed by the public officer pursuant to  
18 subsection e. of this section. The sole ground for appeal shall be that  
19 the property in question is not abandoned property as that term is  
20 defined in section <sup>1</sup>[74] 35<sup>1</sup> of P.L. , c. (C. ) (now pending  
21 before the Legislature as this bill). The failure to institute an action of  
22 appeal on a timely basis shall constitute a jurisdictional bar to  
23 challenging the adverse determination, except that, for good cause  
24 shown, the court may extend the deadline for instituting the action.

25 g. The public officer shall promptly remove any property from the  
26 abandoned property list that has been determined not to be abandoned  
27 on appeal.

28

29 <sup>1</sup>[76.] 37<sup>1</sup> (New section) a. Notwithstanding R.S.54:5-19 or the  
30 provisions of any other law to the contrary, if a property is included  
31 on the abandoned property list and the property taxes or other  
32 municipal liens due on the property are <sup>1</sup>[not current] delinquent six  
33 or more quarters<sup>1</sup> as of the date of expiration of the right to appeal  
34 inclusion on the list, <sup>1</sup>or, if an appeal <sup>3</sup>[is pending] has been filed<sup>3</sup>, as  
35 of the date that all opportunities for appeal of inclusion on the list have  
36 been exhausted<sup>1</sup>, then the tax lien on the property may be sold in  
37 accordance with the procedures in the "tax sale law," R.S.54:5-1 et  
38 seq., on or after the 90th day following the expiration of that time of  
39 appeal <sup>1</sup>or final determination on an appeal, as appropriate<sup>1</sup>. The  
40 purchaser of a tax sale certificate sold pursuant to this subsection,  
41 unless it is the municipality or the authority or its subsidiaries, shall be  
42 required to post bond to guarantee the rehabilitation of the property  
43 in accordance with the requirements for an owner to remove the  
44 property from the abandoned property list pursuant to section <sup>1</sup>[75]  
45 36<sup>1</sup> of P.L. , c. (C. ) (pending before the Legislature as this  
46 bill). The cost of the bond posted by the purchaser of the tax sale

1 certificate shall be added to the amount required to be paid by the  
2 owner for redemption of the property. The municipality may, at its  
3 option, require that the sale of the tax sale certificate or any  
4 subsequent assignment or transfer of a tax sale certificate held by the  
5 municipality be subject to the express condition that the purchaser or  
6 assignee shall be obliged to perform and conclude any rehabilitation or  
7 repairs necessary to remove the property from the abandoned property  
8 list pursuant to section <sup>1</sup>[75] 36<sup>1</sup> of P.L. , c. (C. ) (pending  
9 before the Legislature as this bill) and to post a bond in favor of the  
10 municipality to guarantee the rehabilitation or repair of the property.  
11 The cost of rehabilitation and repairs and the cost of the bond shall be  
12 added to the amount required to be paid by the owner for redemption  
13 of the property. The purchaser, assignee or transferee of the tax sale  
14 certificate who is required to rehabilitate and repair the property shall  
15 be required to file the appropriate affidavits with the tax collector,  
16 pursuant to R.S.54:5-62, representing the amounts of monies  
17 expended periodically toward the rehabilitation or repair of the  
18 property. A purchaser, assignee or transferee shall be entitled to  
19 interest on the amounts expended, as set forth in the affidavits, at the  
20 delinquent rate of interest for delinquencies in excess of \$1,500  
21 pursuant to R.S.54:4-67 of the municipality in effect for the time  
22 period when the amounts were expended. The tax sale certificate  
23 purchaser, assignee or transferee, under the auspices and with the  
24 authority of the municipality, shall be permitted to enter in and upon  
25 the property for the purposes of appraising the costs of rehabilitation  
26 and repair and to perform all other acts required to guarantee the  
27 completion of the rehabilitation or repair of the property. <sup>1</sup>No  
28 rehabilitation or repair work shall be commenced, however, until proof  
29 of adequate liability insurance and an indemnification agreement  
30 holding the municipality harmless is filed with the public officer.<sup>1</sup> If  
31 the tax sale certificate is not purchased at the initial auction of the tax  
32 sale certificate and the municipality purchases the certificate pursuant  
33 to R.S.54:5-34, then the municipality is authorized and empowered to  
34 convey and transfer to the authority or any of its subsidiaries, without  
35 receiving compensation therefor, all of its right, title and interest in  
36 that certificate <sup>1</sup>; however, any portion of the amount paid to the tax  
37 collector to redeem the tax sale certificate that represents tax or other  
38 municipal lien delinquencies and subsequent municipal liens, including  
39 interest, shall be returned by the tax collector to the municipality<sup>1</sup>.

40 b. (1) If the municipality or the authority or its subsidiaries  
41 acquires the tax sale certificate for a property on the abandoned  
42 property list, then, upon 10 days' written notice to the property owner  
43 and any mortgagee as of the date of the filing of the lis pendens notice  
44 under subsection d. of section <sup>1</sup>[75] 36<sup>1</sup> of P.L. , c. (C. )  
45 (pending before the Legislature as this bill), that entity shall be  
46 permitted to enter upon the property and remediate any conditions that



1 caused the property to be included on the abandoned property list. No  
2 remediation shall be commenced, however, if within that 10 day period  
3 the owner or mortgagee shall have notified the municipality or  
4 authority or its subsidiary, as appropriate, in writing that the owner or  
5 mortgagee has elected to perform the remediation itself. When the  
6 owner or mortgagee elects to perform the remediation itself, it shall be  
7 required to post bond in favor of the municipality or authority or its  
8 subsidiaries, as appropriate, in order to ensure performance. The  
9 amount and conditions of the bond shall be determined by the public  
10 officer.

11 (2) The cost of remediation incurred by the municipality or the  
12 authority or its subsidiaries pursuant to this subsection, as so certified  
13 by the entity incurring the cost upon completion of the remediation,  
14 shall constitute a lien upon the property first in time and right to any  
15 other <sup>3</sup>lien, whether the other lien was filed prior to, or after the filing  
16 of any lien by the municipality or the authority<sup>3</sup>, except for municipal  
17 taxes, liens and assessments and any lien imposed pursuant to the  
18 "Spill Compensation and Control Act," P.L.1976, c.141 (C.58:10-  
19 23.11 et seq.) <sup>1</sup>, together with any interest thereon<sup>1</sup>. The certification  
20 of cost shall be filed <sup>3</sup>and recorded<sup>3</sup> as a lien by the entity incurring the  
21 cost with the county clerk or register of deeds and mortgages, as  
22 appropriate, in the county in which the property is located.

23 c. (1) Failure of an owner <sup>1</sup>or lienholder<sup>1</sup> to remove a property  
24 from the abandoned property list within 60 days after expiration of the  
25 period of time for appeal of inclusion of the property on the list  
26 pursuant to subsection <sup>1</sup>[c.] e.<sup>1</sup> of section <sup>1</sup>[75] 36<sup>1</sup> of P.L. , c. (C.  
27 ) (pending before the Legislature as this bill), shall be prima facie  
28 evidence of the intent of the owner to continue to maintain the  
29 property as abandoned property.

30 (2) <sup>1</sup>[ Notwithstanding sections 5, 8 and 12 of P.L.1971, c.361  
31 (C.20:3-5; 20:3-8; 20:3-12), or any other law to the contrary, the  
32 owner of property that is on the abandoned property list and that is  
33 being maintained as abandoned property pursuant to paragraph (1) of  
34 this subsection shall be deemed to have waived the appointment of  
35 commissioners to fix just compensation required to be paid by the  
36 municipality, the authority or its subsidiaries through the exercise of  
37 their power of eminent domain.] The clearance, development,  
38 redevelopment, or repair of property being maintained as an  
39 abandoned property pursuant to paragraph (1) of this subsection shall  
40 be a public purpose and public use for which the power of eminent  
41 domain may be exercised.<sup>1</sup>

42  
43 <sup>1</sup>[77.] 38.<sup>1</sup> (New section) a. An owner may remove a property  
44 from the list of abandoned properties prior to sale of the tax sale  
45 certificate by paying all taxes and municipal liens due, including  
46 interest and penalties and:

1 (1) by posting cash or a bond equal to the cost of remediating all  
2 conditions because of which the property has been <sup>1</sup>[deemed]  
3 determined<sup>1</sup> to be abandoned pursuant to section <sup>1</sup>[75] 36<sup>1</sup> of P.L. ,  
4 c. (C. ) (pending before the Legislature as this bill) and posting  
5 cash or a bond to cover the cost of any environmental cleanup required  
6 on the property, evidenced by a certification by <sup>3</sup>[the Department of  
7 Environmental Protection] a licensed engineer retained by the owner  
8 and reviewed and approved by the public officer stating<sup>3</sup> that the cash  
9 or bond adequately covers the cost of the cleanup; or

10 (2) by demonstrating to the satisfaction of the public officer that the  
11 conditions rendering the property abandoned have been remediated in  
12 full; provided, however, that where the public officer finds that the  
13 owner is actively engaged in remediating the conditions because of  
14 which the property was <sup>1</sup>[deemed] determined to be <sup>1</sup>abandoned  
15 pursuant to section <sup>1</sup>[75] 36<sup>1</sup> of P.L. , c. (C. ) (pending  
16 before the Legislature as this bill), as evidenced by significant  
17 rehabilitation activity on the property, the public officer may grant an  
18 extension of time of not more than 120 days for the owner to complete  
19 all work, during which time no further proceedings will be taken  
20 against the owner or the property.

21 b. If the owner has posted cash or a bond in order to have a  
22 property removed from the abandoned property list and the conditions  
23 because of which the property was <sup>1</sup>[deemed] determined to be<sup>1</sup>  
24 abandoned have not been fully remediated within one year of the date  
25 of posting the cash or bond, or, in the case of a property which  
26 requires <sup>3</sup>[environmental cleanup] a remediation of any known,  
27 suspected or threatened release of contaminants<sup>3</sup>, if the <sup>3</sup>[cleanup has  
28 not been substantially completed within one year of the date of posting  
29 the cash or bond,] owner has failed to enter into a memorandum of  
30 agreement with the Department of Environmental Protection or an  
31 administrative consent order, as the case may be, or if an agreement or  
32 order is in effect but the owner has failed to perform the remediation  
33 in conformance with the agreement or order, then<sup>3</sup> the cash or bond  
34 shall be forfeited to the municipality which shall use the cash or bond  
35 and any interest which has accrued thereon for the purpose of  
36 demolishing or rehabilitating the property or performing the  
37 environmental <sup>3</sup>[cleanup] remediation<sup>3</sup>. Any funds remaining after the  
38 property has been demolished, rehabilitated or cleaned up shall be  
39 returned to the owner.

40  
41 <sup>1</sup>[78.] 39<sup>1</sup> (New section) a. <sup>1</sup>[Notwithstanding section 6 of  
42 P.L.1948, c.96 (C.54:5-104.34), when] When<sup>1</sup> a person other than the  
43 municipality or the authority or its subsidiaries acquires a tax sale  
44 certificate for a property on the abandoned property list at tax sale, the  
45 purchaser may institute an action to foreclose the right of redemption  
46 at any time after the expiration of six months following the date of

1 <sup>3</sup>the<sup>3</sup> sale <sup>3</sup>of the tax sale certificate<sup>3</sup>.

2 b. Notwithstanding section 6 of P.L.1948, c.96 (C.54:5-104.34),  
3 when the municipality is the purchaser at tax sale of any property on  
4 the abandoned property list pursuant to R.S.54:5-34, or when the  
5 authority or any of its subsidiaries acquires the tax sale certificate  
6 pursuant to subsection a. of section <sup>1</sup>[76] <sup>1</sup>37<sup>1</sup> of P.L. , c.  
7 (C. ) (pending before the Legislature as this bill), an action to  
8 foreclose the right of redemption may be instituted <sup>1</sup>[at any time after  
9 the expiration of 10 days following the date of sale, assignment or  
10 transfer] in accordance with the provisions of <sup>3</sup>subsection b. of <sup>3</sup>  
11 R.S.54:5-77 <sup>3</sup>[, subject to the provisions of subsection c. of this  
12 section<sup>1</sup>]<sup>3</sup>.

13 c. After the foreclosure action is instituted, the right to redeem  
14 shall exist and continue to exist until barred by the judgment of the  
15 Superior Court; provided, however, that no redemption shall be  
16 permitted except where the owner:

17 (1) posts cash or a bond equal to the cost of remediating the  
18 conditions because of which the property was <sup>1</sup>[deemed] determined  
19 to be<sup>1</sup> abandoned pursuant to section <sup>1</sup>[75] <sup>1</sup>36<sup>1</sup> of P.L. , c.  
20 (C. ) (pending before the Legislature as this bill), as determined  
21 by the court; or

22 (2) demonstrates to the court that the conditions because of which  
23 the property was <sup>1</sup>[deemed] determined to be<sup>1</sup> abandoned pursuant to  
24 section <sup>1</sup>[75] <sup>1</sup>36<sup>1</sup> of P.L. , c. (C. ) (pending before the  
25 Legislature as this bill) have been remedied in full.

26  
27 <sup>1</sup>[79.] <sup>1</sup>40.<sup>1</sup> (New section) Once a final judgment barring the right  
28 of redemption with respect to a property on the list of abandoned  
29 properties has been recorded, no court shall <sup>1</sup>[entertain any  
30 application to]<sup>1</sup> reopen such judgment at any time except on the  
31 grounds of lack of jurisdiction or fraud in the conduct of the action; in  
32 any such proceeding, the provisions of P.L. , c. (C. ) (pending  
33 before the Legislature as this bill) shall be construed liberally in favor  
34 of the purchaser<sup>1</sup>, assignee or transferee of the tax sale certificate<sup>1</sup>.

35  
36 <sup>1</sup>[80.] <sup>1</sup>41.<sup>1</sup> R.S.54:5-86 is amended to read as follows:

37 54:5-86. <sup>1</sup>[The purchaser, his heirs or assigns, in] <sup>1</sup>[In addition to  
38 the remedy provided by article eight of this chapter (s. 54:5-77 et  
39 seq.), when] When<sup>1</sup> the municipality is the purchaser of a tax sale  
40 certificate, the municipality, or its assignee or transferee, may, at any  
41 time after the expiration of the term of 6 months from the date of sale  
42 [when the municipality is the purchaser, and 2 years from the date of  
43 sale for all other purchasers] <sup>1</sup>[, whether notice to redeem has been  
44 given or not]<sup>1</sup>, institute an action to foreclose the right of redemption.  
45 <sup>1</sup>[For] Except as provided in subsection a. of section 39 of P.L. , c.  
46 (C. ), for<sup>1</sup> all other persons that do not acquire a tax sale certificate

1 <sup>1</sup>[held by] from<sup>1</sup> a municipality, an action to foreclose the right of  
2 redemption may be instituted at any time after the expiration of the  
3 term of two years from the date of sale of the tax sale certificate. On  
4 instituting the action the right to redeem shall exist and continue until  
5 barred by the judgment of the Superior Court.

6 (cf: P.L.1974, c.91, s.4)

7

8 <sup>1</sup>[81.] 42.<sup>1</sup> Section 30 of P.L.1971, c.361 (C.20:3-30) is amended  
9 to read as follows:

10 30. Just compensation shall be determined as of the date of the  
11 earliest of the following events: (a) the date possession of the  
12 property being condemned is taken by the condemnor in whole or in  
13 part; (b) the date of the commencement of the action; (c) the date on  
14 which action is taken by the condemnor which substantially affects the  
15 use and enjoyment of the property by the condemnee <sup>1</sup>[. In the case  
16 of a property on the abandoned property list and being maintained as  
17 an abandoned property pursuant to subsection c. of section 76 of  
18 P.L. , c. (pending before the Legislature as this bill), just  
19 compensation shall be determined as of] ; or (d)<sup>1</sup> the date of the  
20 declaration of blight by the governing body upon a report by a  
21 planning board pursuant to section 38 of P.L.1971, c.361 (C.20:3-38),  
22 or, <sup>1</sup>in the case of a property being maintained as an abandoned  
23 property for failure to remove the property from the abandoned  
24 property list, as provided pursuant to subsection c. of section 37 of  
25 P.L. , c. (C. ) (pending before the Legislature as this bill),<sup>1</sup> if there  
26 was no declaration of blight, as of the date of expiration of the  
27 condemnee's right to appeal inclusion of the property on the  
28 abandoned property list.

29 (cf: P.L.1971, c.361, s.30)

30

31 <sup>1</sup>43. R.S.54:5-112 is amended to read as follows:

32 54:5-112. When a municipality has or shall have acquired title to  
33 real estate by reason of its having been struck off and sold to the  
34 municipality at a sale for delinquent taxes or assessments, the  
35 governing body thereof may, by resolution adopted by a majority  
36 thereof by roll call, sell such real estate at private sale to such person  
37 and for such sums, not less than the amount of municipal liens charged  
38 against the same, except as provided in subsection a. of section 38 of  
39 P.L. , c. (C. ) (pending before the Legislature as this bill), as  
40 shall seem to be to the best interest of the municipality. Upon the  
41 adoption of the resolution and the payment of the consideration as  
42 stated therein, the officers of the governing body authorized by  
43 resolution shall make, execute, acknowledge and deliver a deed  
44 without covenants to the purchaser, which deed shall vest in the  
45 purchaser all of the right, title and interest of the municipality in the  
46 real estate therein described. The deed need not contain any recitals,

1 except a statement of the actual consideration. Such sales shall not  
 2 include real estate, title to which has been perfected by the  
 3 municipality.<sup>1</sup>  
 4 (cf: R.S.54:5-112)

5  
 6 <sup>1</sup>[82.] 44.<sup>1</sup> R.S.54:5-113 is amended to read as follows:

7 54:5-113. When a municipality has or shall have acquired title to  
 8 real estate by reason of its having been struck off and sold to the  
 9 municipality at a sale for delinquent taxes and assessments, the  
 10 governing body thereof may by resolution authorize a private sale of  
 11 the certificate of tax sale therefor, together with subsequent liens  
 12 thereon, for not less than the amount of liens charged against such real  
 13 estate, except as provided in section 2 of P.L.1993, c.113  
 14 (C.54:5-113.1) and subsection a. of section <sup>1</sup>[77] 38<sup>1</sup> of P.L. , c.  
 15 (C. ) (pending before the Legislature as this bill). The sale  
 16 shall be made by assignment executed by such officers as may be  
 17 designated in the resolution. When the total amount of the municipal  
 18 liens shall, at the time of the proposed sale or assignment, exceed the  
 19 assessed value of the real estate as of the date of the last sale thereof  
 20 for unpaid taxes and assessments, the certificates, together with  
 21 subsequent liens thereon, may be sold and assigned for a sum not less  
 22 than such assessed value.

23 (cf: P.L.1993, c.113, s.1)

24

25 ARTICLE 4 - NEIGHBORHOOD EMPOWERMENT PROGRAM

26

27 <sup>1</sup>45. (New section) a. There is established in, but not of, the  
 28 Department of Community Affairs an Urban Coordinating Council.

29 b. The Urban Coordinating Council shall be comprised of the  
 30 Governor, the chief officer of each department of the executive  
 31 branch, and the executive directors of the New Jersey Redevelopment  
 32 Authority, the New Jersey Economic Development Authority, the  
 33 Casino Reinvestment Development Authority, the State Planning  
 34 Commission, the New Jersey Housing and Mortgage Finance Agency,  
 35 the Juvenile Justice Commission and the Commission on Higher  
 36 Education. The council shall be chaired by the Governor. Members  
 37 of the council may be represented on the council by their designees.<sup>1</sup>

38

39 <sup>1</sup>46. (New section) The Urban Coordinating Council shall:

40 a. Ensure that State agencies coordinate responses and provide  
 41 assistance to projects and programs outlined in neighborhood  
 42 empowerment plans developed pursuant to section 49 of P.L. , c.  
 43 (C. ) (pending before the Legislature as this bill), and projects and  
 44 programs established by the New Jersey Redevelopment Authority, the  
 45 New Jersey Economic Development Authority, and development  
 46 initiatives proposed by municipal and county governments, including

1 making available the resources of the departments of the State in  
2 implementing those programs;

3 b. Supervise and control the Office of Neighborhood Empowerment  
4 created pursuant to section 48 of P.L. , c. (C. ) (pending before the  
5 Legislature as this bill;

6 c. Make available the resources of its member agencies to assist  
7 local sponsors in implementing neighborhood empowerment plans;

8 d. Form interagency teams of State representatives. The  
9 membership of each interagency team shall be determined by the needs  
10 outlined in the neighborhood empowerment plan. Each interagency  
11 team shall serve as the primary link between the neighborhood and  
12 State government in responding to programming needs, shall be co-  
13 chaired by a case manager from the Office of Neighborhood  
14 Empowerment established pursuant to section 48 of P.L. , c.  
15 (C. ) (pending before the Legislature as this bill); and by the  
16 community director, and shall include at least one representative of the  
17 council; and

18 e. Have authority to adopt, amend and repeal rules relating to the  
19 exercise by the council and the Office of Neighborhood Empowerment  
20 established pursuant to section 48 of P.L. , c. (C. ) (pending  
21 before the Legislature as this bill), of their respective functions and  
22 duties pursuant to this act;

23 f. Publish an annual report on the status of redevelopment activity  
24 which shall describe the progress toward achieving the goals of this  
25 act; and

26 g. Assist in coordinating the activities of the New Jersey  
27 Redevelopment Authority, municipalities, counties, public or private  
28 county and municipal development agencies, district management  
29 corporations created pursuant to section 4 of P.L.1972, c.134  
30 (C.40:56-68), and community action boards established pursuant to  
31 section 4 of P.L.1991, c.51 (C.52:27D-398) that have developed  
32 neighborhood empowerment plans pursuant to section 49 of P.L. , c.  
33 (C. ) (pending before the Legislature as this bill) or comprehensive  
34 community development plans.<sup>1</sup>

35  
36 <sup>1</sup>47. (New section) a. There is established in, but not of, the  
37 Department of Community Affairs an Office of Neighborhood  
38 Empowerment.

39 b. The Governor shall appoint an executive director of the Office  
40 of Neighborhood Empowerment who shall serve at the pleasure of the  
41 Governor. The executive director shall report solely to the Urban  
42 Coordinating Council, which shall supervise and control the office.

43 c. The executive director of the Office of Neighborhood  
44 Empowerment may hire employees as may be required to carry out the  
45 purposes of this section, and to fix and pay their compensation from  
46 funds available, all without regard to the provisions of Title 11A, Civil

1 Service, of the New Jersey Statutes.<sup>1</sup>

2

3 <sup>1</sup>48. (New section) The Office of Neighborhood Empowerment  
4 shall:

5 a. Provide support for a community director who shall assist local  
6 sponsors in developing or implementing neighborhood empowerment  
7 plans;

8 b. Provide case management services to qualified local sponsors of  
9 neighborhood empowerment plans;

10 c. Assist neighborhoods in developing and implementing  
11 neighborhood empowerment plans;

12 d. Ensure that communities receive technical assistance in  
13 neighborhood planning;

14 e. Train and provide administrative support for interagency teams;

15 f. Assist local sponsors in evaluating progress through mutually  
16 agreed upon measures;

17 g. Provide assistance in obtaining private sector support for  
18 developing and implementing neighborhood empowerment plans;

19 h. Maintain and make available a complete inventory of State  
20 programs, services and funding that are available to municipalities; and

21 i. Enter into partnerships with qualified local sponsors.<sup>1</sup>

22

23 <sup>1</sup>49. (New section) <sup>3</sup>a.<sup>3</sup> In order to qualify to receive the services  
24 of the Office of Neighborhood Empowerment and of an interagency  
25 team, a community must first have developed a neighborhood  
26 empowerment plan which shall be submitted to the Urban  
27 Coordinating Council established pursuant to section 45 of P.L. \_\_\_\_\_,  
28 c. \_\_\_\_\_ (C. \_\_\_\_\_) (pending before the Legislature as this bill). A  
29 neighborhood empowerment plan shall incorporate and address the  
30 needs of the neighborhood as identified by the community. It shall be  
31 comprehensive and shall take into consideration and show the  
32 relationship to the municipal master plan, other locally adopted plans  
33 (including, but not limited to urban enterprise zone plans,  
34 redevelopment plans and neighborhood social service plans), and the  
35 State Development and Redevelopment Plan, and shall outline how  
36 residents, municipal government, the private sector and neighborhood  
37 organizations will cooperate with the State and with each other during  
38 implementation. Neighborhood empowerment plans shall focus on  
39 neighborhood restoration. They may include, but need not be limited  
40 to, projects for infrastructure improvement and expansion,  
41 rehabilitation and construction of affordable housing, increased public  
42 safety, facility rehabilitation and construction, economic development,  
43 recreation and open space, environmental cleanup, employment and  
44 training, improvement of educational opportunities for youth, and  
45 efficient and humane provision of social services dedicated to  
46 strengthening the community's human capital.<sup>1</sup>

1 <sup>3</sup>b. Neighborhood empowerment plans shall be developed by local  
2 sponsors with the guidance of a community director and under the  
3 direction of, and with the participation of, residents, community-based  
4 organizations, the private sector, and the municipal government. A  
5 local sponsor may be a municipality, county, public or private county  
6 and municipal development agency, district management corporation  
7 created pursuant to section 4 of P.L.1972, c.134 (C.40:56-68),  
8 community action board established pursuant to section 4 of P.L.1991,  
9 c.51 (C.52:27D-398), sponsors of neighborhood empowerment  
10 organizations, or an institution, such as a hospital, college or  
11 university, or a community-based organization.

12 The entity that will implement the neighborhood empowerment plan  
13 shall be either a new or existing community development organization  
14 or a consortium of existing community based organizations.<sup>3</sup>

15  
16 <sup>1</sup>[83.] <sup>50</sup><sup>1</sup> (New section) <sup>1</sup>[a.]<sup>1</sup> Within one year of the effective  
17 date of P.L. , c. (C. ) (pending before the Legislature as this bill),  
18 the <sup>1</sup>[New Jersey Redevelopment Authority] Urban Coordinating  
19 Council established pursuant to P.L. , c. (C. ) (pending before the  
20 Legislature as this bill).<sup>1</sup> shall distribute to the clerk of each qualified  
21 municipality eligibility guidelines for participation in the neighborhood  
22 empowerment program. The eligibility guidelines <sup>2</sup>for participation  
23 in the neighborhood empowerment program <sup>2</sup> shall be established by  
24 the <sup>1</sup>[authority but shall require the approval of the]<sup>1</sup> Urban <sup>1</sup>[Policy]<sup>1</sup>  
25 Coordinating Council established pursuant to section <sup>1</sup>[7] <sup>46</sup><sup>1</sup> of P.L.  
26 c. (C. ) (pending before the Legislature as this bill) <sup>1</sup>[prior

27 to being issued] in consultation <sup>2</sup> and in conjunction<sup>2</sup> with the New  
28 Jersey Redevelopment Authority<sup>1</sup>.  
29 <sup>1</sup>[b. In order to be eligible for priority consideration by the  
30 authority in designating empowerment neighborhoods, a qualified  
31 municipality shall demonstrate, to the satisfaction of the authority, that  
32 the municipality is willing to forgive back taxes on properties which  
33 are currently tax delinquent in order to allow for a sale to a new owner  
34 who demonstrates, to the satisfaction of the municipality, that the  
35 property is to be part of a redevelopment plan. In adopting such a tax  
36 forgiveness policy, a municipality may establish whatever safeguards  
37 are necessary to ensure that the new owner is in no way associated  
38 with the previous owner who incurred the tax liability and may also  
39 adopt an ordinance providing for reimbursement by a redeveloper for  
40 taxes foregone and penalties if the new owner does not redevelop the  
41 property within such period of time as is specified in the ordinance.  
42 Such a policy may only be adopted by a municipality if in the  
43 determination of the municipality or the authority, the property on  
44 which taxes are forgiven would not be redeveloped without public  
45 intervention.]<sup>1</sup>

46



1       <sup>1</sup>[84. (New section) Before applying for participation in the  
2 neighborhood empowerment program, the municipal governing body  
3 shall cause a preliminary comprehensive plan to be formulated, either  
4 by the planning board or the governing body, with the assistance of  
5 those officers and agencies of the municipality as the governing body  
6 shall designate. The preliminary comprehensive plan shall set forth the  
7 boundaries of the proposed empowerment neighborhood, findings of  
8 fact concerning the economic and social conditions existing in the area  
9 proposed for an empowerment neighborhood, and the municipality's  
10 policy and intentions for addressing those conditions and shall include  
11 a statement of:

12       a. how existing powers granted to the municipality by law will be  
13 utilized to further economic development;

14       b. how State moneys and other assistance made available by the  
15 authority will be utilized to further economic revitalization goals;

16       c. how public participation was elicited in preparing the  
17 comprehensive plan, including local associations and voluntary  
18 community organizations supported by residents and businesses in the  
19 empowerment neighborhood;

20       d. how planning and zoning laws will be utilized to enhance the  
21 attractiveness of the empowerment neighborhood to potential  
22 developers;

23       e. what infrastructure needs exist within the empowerment  
24 neighborhood and State participation which needs to be secured in  
25 order to promote economic activity;

26       f. an inventory of sites in the empowerment neighborhood which  
27 require any environmental cleanup;

28       g. proposed projects which may be initiated or advanced with  
29 authority assistance; and

30       h. the availability and efficiency of support services, public and  
31 private, generally used by and necessary to the efficient functioning of  
32 commercial and industrial facilities in the area and the extent to which  
33 the increase or improvement is to be provided and financed by the  
34 municipal government or by other entities.]<sup>1</sup>

35

36       <sup>1</sup>[85.] 51.<sup>1</sup> (New section) In designating qualified municipalities  
37 for participation in the neighborhood empowerment program, the  
38 <sup>1</sup>Urban Coordinating Council in consultation<sup>3</sup> and in conjunction<sup>3</sup> with  
39 the<sup>1</sup> authority shall accord preference to <sup>1</sup>[comprehensive]  
40 neighborhood empowerment<sup>1</sup> plans which:

41       a. have the greatest potential for success in stimulating primarily  
42 new economic activity in the area;

43       b. are designed to address the greatest degree of urban distress, as  
44 measured by existing levels of unemployment<sup>1</sup>[,] and<sup>1</sup> poverty<sup>1</sup>[, and  
45 property tax arrearages]<sup>1</sup>;

46       c. demonstrate the most substantial and reliable commitments of

1 resources by empowerment neighborhood businesses, associations,  
 2 voluntary community organizations and other private entities to the  
 3 <sup>1</sup>[economic success] successful redevelopment<sup>1</sup> of the empowerment  
 4 neighborhood;

5 d. demonstrate the most substantial effort and commitment by the  
 6 municipality to encourage economic activity in the area and to remove  
 7 disincentives for job creation compatible with the fiscal condition of  
 8 the municipality; and

9 e. demonstrate most convincingly <sup>1</sup>[to the authority]<sup>1</sup> how the  
 10 proposed plan will increase jobs <sup>1</sup>for neighborhood residents<sup>1</sup> and  
 11 ratables in the neighborhood, thereby lessening the need for municipal  
 12 tax increases.

13

14 <sup>1</sup>[86.] 52.<sup>1</sup> (New section) In addition to the considerations set  
 15 forth in section <sup>1</sup>[85] 51<sup>1</sup> of P.L. , c. (C. ) (pending before the  
 16 Legislature as this bill), the <sup>1</sup>Urban Coordinating Council in  
 17 consultation<sup>3</sup> and in conjunction<sup>3</sup> with the<sup>1</sup> authority in  
 18 evaluating a <sup>1</sup>[comprehensive] neighborhood empowerment<sup>1</sup> plan for  
 19 designation purposes shall consider:

20 a. the likelihood of attracting other State or federal assistance or  
 21 both to projects in the designated area;

22 b. the adverse or beneficial effects of an empowerment  
 23 neighborhood located at the proposed area upon economic  
 24 development activities or projects of State or other public agencies  
 25 which are in operation or are approved for operation in the qualified  
 26 municipality;

27 c. the degree of commitment made by public and private entities to  
 28 utilize minority contractors and assure equal opportunities for  
 29 employment in connection with any construction or reconstruction to  
 30 be undertaken in the eligible area;

31 d. the impact of the <sup>1</sup>[comprehensive] <sup>1</sup>plan upon the social,  
 32 educational, natural and historic environment of the proposed  
 33 empowerment neighborhood; and

34 e. the degree to which the implementation of the plan involves the  
 35 relocation of residents from the proposed empowerment neighborhood  
 36 and the adequacy of commitments and provisions with respect thereto.

37

38 <sup>1</sup>[87.] 53.<sup>1</sup> (New section) <sup>1</sup>[Any qualified municipality may  
 39 designate any area set forth in the comprehensive plan as an  
 40 empowerment neighborhood.]<sup>1</sup> Upon receipt of an application from  
 41 a qualified municipality, the <sup>1</sup>Urban Coordinating Council in  
 42 consultation<sup>3</sup> and in conjunction<sup>3</sup> with the<sup>1</sup> authority shall review the  
 43 application to determine whether or not it meets the <sup>1</sup>[minimum  
 44 criteria] eligibility guidelines<sup>1</sup> established pursuant to <sup>1</sup>[subsection b.  
 45 of]<sup>1</sup> section <sup>1</sup>[83] 50<sup>1</sup> of P.L. , c. (C. ) (pending before  
 46 the Legislature as this bill). The <sup>1</sup>[authority] Urban Coordinating

1 Council<sup>1</sup> shall complete its review within 90 days of receiving an  
2 application, but may extend this time period by an additional 60 days  
3 if necessary.

4  
5 <sup>1</sup>[88.] 54.<sup>1</sup> (New section) a. Once the <sup>1</sup>Urban Coordinating  
6 Council in consultation<sup>2</sup> and in conjunction<sup>2</sup> with the<sup>1</sup> authority has  
7 identified those qualified municipalities whose <sup>1</sup>[comprehensive]  
8 neighborhood empowerment<sup>1</sup> plans fulfill the criteria for designation  
9 set forth in sections <sup>1</sup>[83 and 84] 51 and 52<sup>1</sup> of P.L. , c. (C. )  
10 (pending before the Legislature as this bill), the <sup>1</sup>[authority shall]  
11 Urban Coordinating Council may, at its discretion,<sup>1</sup> hold public  
12 hearings for the purpose of receiving public comments on the  
13 applications. <sup>1</sup>[At] In the event that a hearing is to be conducted, at<sup>1</sup>  
14 least one public hearing shall be held in a municipality which has  
15 applied for empowerment neighborhood designation. The <sup>1</sup>[authority]  
16 Urban Coordinating Council<sup>1</sup> shall give at least 30 days' public notice  
17 of each hearing in advertisements in at least two newspapers which  
18 circulate in the area served by the hearing and at least 30 days' notice  
19 to the governing body and planning board of each county and  
20 municipality in the area served by the hearing.

21 b. Taking full account of the testimony presented at the public  
22 hearings, the <sup>1</sup>Urban Coordinating Council in consultation<sup>2</sup> and in  
23 conjunction<sup>2</sup> with the<sup>1</sup> authority shall make a determination regarding  
24 the designation of empowerment neighborhoods within 30 days of the  
25 final hearing.

26 c. The <sup>1</sup>Urban Coordinating Council in consultation<sup>2</sup> and in  
27 conjunction<sup>2</sup> with the<sup>1</sup> authority shall designate as many empowerment  
28 neighborhoods as possible given available financial resources and the  
29 ability of the <sup>1</sup>[authority] Urban Coordinating Council<sup>1</sup> to oversee  
30 project implementation. The application process for each application  
31 cycle, including the public hearings, shall occur as set forth in this  
32 section.

33  
34 <sup>1</sup>[89.] 55.<sup>1</sup> (New section) a.<sup>1</sup> Any municipality in which an  
35 empowerment neighborhood has been designated shall be eligible for  
36 investments by the authority from the New Jersey Redevelopment  
37 Investment Fund in infrastructure improvements and any other projects  
38 which the authority may choose to invest in <sup>2</sup>[; however, the authority  
39 shall give priority to financing projects in empowerment  
40 neighborhoods]<sup>2</sup>. <sup>1</sup>[The authority shall accord priority to  
41 empowerment neighborhoods in allocating any moneys for code  
42 enforcement or demolition activities. In addition, the following powers  
43 may be exercised in empowerment neighborhoods:

44 a. Notwithstanding the provisions of the "Local Lands and  
45 Buildings Law," P.L.1971, c.199 (C.40A:12-1 et seq.) or any other  
46 law to the contrary, the authority may convey property acquired by the

1 authority to a private developer for nominal consideration in  
2 connection with a project approved by the authority;

3 b. Any person who owns or has acquired property in a designated  
4 empowerment neighborhood which is the site of a hazardous substance  
5 discharge, and did not discharge the hazardous substance and who was  
6 in no way responsible for or associated with the actions which caused  
7 the initial discharge, and would, except for the provisions of this  
8 section, be liable for cleanup and removal costs pursuant to section 8  
9 of P.L.1976, c.141 (C.58:10-23.11g), shall not be required to pay  
10 cleanup and removal costs greater than 133% of the appraised value  
11 of the property subject to the cleanup and removal if that property has  
12 been transferred to the property owner subsequent to having been  
13 acquired by the municipality or the authority through the accelerated  
14 foreclosure process and is to be redeveloped as part of a project  
15 undertaken by or in association with the authority. The difference  
16 between the cost of the cleanup and removal and the cost allocated to  
17 the property owner shall be paid from any funds made available for the  
18 cleanup and removal pursuant to sections 27 or 28 of P.L.1993, c.139  
19 (C.58:10B-5 or C.58:10B-6), the New Jersey Redevelopment  
20 Investment Fund established pursuant to section 34 of P.L. , c.  
21 (C. ) (pending before the Legislature as this bill) or from other  
22 persons liable pursuant to section 8 of P.L.1976, c.141  
23 (C.58:10-23.11g). Nothing in this subsection shall afford a property  
24 owner or the authority a higher priority to receive funding from the  
25 Hazardous Discharge Site Remediation Fund than would otherwise be  
26 the case. Any person who owns or has acquired property in a  
27 designated empowerment neighborhood and whose liability for cleanup  
28 costs has been limited to 133% of appraised value pursuant to this  
29 subsection may not make a claim from the New Jersey Spill  
30 Compensation Fund for any cleanup or removal costs or for any direct  
31 or indirect damages pursuant to the provisions of P.L.1976, c.141  
32 (C.58:10-23.11 et seq.). This limitation on the right to make a claim  
33 against the New Jersey Spill Compensation Fund shall not affect the  
34 right of any other person, except the property owner, to make such a  
35 claim against the fund. The limit on liability provided in this section  
36 shall apply on a per property basis even if more than one person has  
37 acquired the property.

38 The authority shall, to the extent possible, make funds available on  
39 the same basis to persons situated in a qualified municipality in which  
40 a designated empowerment neighborhood is located, but outside  
41 neighborhood boundaries.

42 c. Notwithstanding any other law to the contrary, any person who  
43 owns or has acquired property in a designated empowerment  
44 neighborhood which is the site of a hazardous discharge, and did not  
45 discharge the hazardous substance and who was in no way responsible  
46 for or associated with the actions which caused the initial discharge,

1 shall only be required to perform those cleanup and removal actions  
2 that are necessary to make the property safe for its intended use. The  
3 property owner shall not be required to perform any additional cleanup  
4 or removal actions on that property and that property owner shall not  
5 be liable in any civil, criminal, or administrative action for any damages  
6 caused to any other person due to the existence of any hazardous  
7 substance on or off-site that the property owner was not required to  
8 clean up or remove pursuant to this section. In making the property  
9 safe for its intended use the property owner shall comply with the  
10 remediation standards, remedial actions, limitations on the use of the  
11 property, and any other conditions as may be required pursuant to  
12 sections 35 and 36 of P.L.1993, c.139 (C.58:10B-12 and  
13 C.58:10B-13). In addition, if the owner of the property proposes to  
14 change the use of the property, notice shall be given to the enforcing  
15 agency pursuant to P.L.1975, c.217 (C.52:27D-119 et seq.). The  
16 enforcing agency may only issue a certificate of occupancy to use the  
17 property in the manner in which the change of use is intended if that  
18 use is consistent with the restrictions on the use of that property as  
19 required pursuant to section 36 of P.L.1993, c.139 (C.58:10B-13).

20 d. Whenever grant money is provided for a cleanup and removal  
21 from the Hazardous Discharge Remediation Fund or the New Jersey  
22 Redevelopment Investment Fund pursuant subsection b. of this  
23 section, a lien for 50% of the amount of any grant monies expended  
24 from either fund shall attach against the property once it is conveyed  
25 to another person from the authority or municipality. The lien shall  
26 expire after five years if the person maintains ownership of that  
27 property. If the property is sold prior to the five year period the  
28 amount of the lien shall become due and shall be repaid to the fund  
29 from which the grant was made.]

30 b. State programs shall give consideration to projects included in  
31 neighborhood empowerment plans developed pursuant to section of  
32 P.L. , c. (C. ) (pending before the Legislature as this bill), or  
33 community development plans, as far as practicable.<sup>1</sup>

34

#### 35 ARTICLE 5 - URBAN SITE REMEDIATION STANDARDS

36

37 <sup>1</sup>[90. (New section) a. If the Department of Environmental  
38 Protection issues a no further action letter or approves a remedial  
39 action workplan, for a discharge which occurred prior to or after the  
40 effective date of this act, then any person who is not otherwise liable  
41 for the discharge shall not be liable for the discharge based solely on  
42 becoming an owner or operator of the site of the discharge within an  
43 empowerment neighborhood designated pursuant to section 88 of  
44 P.L. , c. (C. )(pending before the Legislature as this bill), after the  
45 discharge has occurred. The provisions of this section shall only apply  
46 when the person is in compliance with all of the conditions of the no

1 further action letter or is in compliance with the remedial action  
2 workplan; and the person has maintained all applicable engineering and  
3 institutional controls.

4 b. The fund established pursuant to the "Spill Compensation and  
5 Control Act," P.L.1976, c.141 (C.58:10-23.11 et seq.), shall not be  
6 liable for any damages incurred by any person who is relieved from  
7 liability pursuant to this section.]<sup>1</sup>

8  
9 <sup>1</sup>56. Section 8 of P.L.1976, c.141 (C.58:10-23.11 g) is amended to  
10 read as follows:

11 8. a. The fund shall be strictly liable, without regard to fault, for  
12 all cleanup and removal costs and for all direct and indirect damages  
13 no matter by whom sustained, including but not limited to:

14 (1) The cost of restoring, repairing, or replacing any real or  
15 personal property damaged or destroyed by a discharge, any income  
16 lost from the time such property is damaged to the time such property  
17 is restored, repaired or replaced, and any reduction in value of such  
18 property caused by such discharge by comparison with its value prior  
19 thereto;

20 (2) The cost of restoration and replacement, where possible, of any  
21 natural resource damaged or destroyed by a discharge;

22 (3) Loss of income or impairment of earning capacity due to  
23 damage to real or personal property, including natural resources  
24 destroyed or damaged by a discharge; provided that such loss or  
25 impairment exceeds 10% of the amount which claimant derives, based  
26 upon income or business records, exclusive of other sources of  
27 income, from activities related to the particular real or personal  
28 property or natural resources damaged or destroyed by such discharge  
29 during the week, month or year for which the claim is filed;

30 (4) Loss of tax revenue by the State or local governments for a  
31 period of one year due to damage to real or personal property  
32 proximately resulting from a discharge;

33 (5) Interest on loans obtained or other obligations incurred by a  
34 claimant for the purpose of ameliorating the adverse effects of a  
35 discharge pending the payment of a claim in full as provided by this  
36 act.

37 b. The damages which may be recovered by the fund, without  
38 regard to fault, subject to the defenses enumerated in subsection d. of  
39 this section against the owner or operator of a major facility or vessel,  
40 shall not exceed \$50,000,000.00 for each major facility or \$150.00 per  
41 gross ton for each vessel, except that such maximum limitation shall  
42 not apply and the owner or operator shall be liable, jointly and  
43 severally, for the full amount of such damages if it can be shown that  
44 such discharge was the result of (1) gross negligence or willful  
45 misconduct, within the knowledge and privity of the owner, operator  
46 or person in charge, or (2) a gross or willful violation of applicable

1 safety, construction or operating standards or regulations. Damages  
2 which may be recovered from, or by, any other person shall be limited  
3 to those authorized by common or statutory law.

4 c. (1) Any person who has discharged a hazardous substance, or is  
5 in any way responsible for any hazardous substance, shall be strictly  
6 liable, jointly and severally, without regard to fault, for all cleanup and  
7 removal costs no matter by whom incurred. Such person shall also be  
8 strictly liable, jointly and severally, without regard to fault, for all  
9 cleanup and removal costs incurred by the department or a local unit  
10 pursuant to subsection b. of section 7 of P.L.1976, c.141  
11 (C.58:10-23.11f).

12 (2) In addition to the persons liable pursuant to paragraph (1) of  
13 this subsection, in the case of a discharge of a hazardous substance  
14 from a vessel into the waters of the State, the owner or operator of a  
15 refinery, storage, transfer, or pipeline facility to which the vessel was  
16 en route to deliver the hazardous substance who, by contract,  
17 agreement, or otherwise, was scheduled to assume ownership of the  
18 discharged hazardous substance, and any other person who was so  
19 scheduled to assume ownership of the discharged hazardous substance,  
20 shall be strictly liable, jointly and severally, without regard to fault, for  
21 all cleanup and removal costs if the owner or operator of the vessel did  
22 not have the evidence of financial responsibility required pursuant to  
23 section 2 of P.L.1991, c.58 (C.58:10-23.11g2).

24 Where a person is liable for cleanup and removal costs as provided  
25 in this paragraph, any expenditures made by the administrator for that  
26 cleanup and removal shall constitute a debt of that person to the fund.  
27 The debt shall constitute a lien on all property owned by that person  
28 when a notice of lien identifying the nature of the discharge and the  
29 amount of the cleanup, removal and related costs expended from the  
30 fund is duly filed with the clerk of the Superior Court. The clerk shall  
31 promptly enter upon the civil judgment or order docket the name and  
32 address of the liable person and the amount of the lien as set forth in  
33 the notice of lien. Upon entry by the clerk, the lien, to the amount  
34 committed by the administrator for cleanup and removal, shall attach  
35 to the revenues and all real and personal property of the liable person,  
36 whether or not that person is insolvent.

37 For the purpose of determining priority of this lien over all other  
38 claims or liens which are or have been filed against the property of an  
39 owner or operator of a refinery, storage, transfer, or pipeline facility,  
40 the lien on the facility to which the discharged hazardous substance  
41 was en route shall have priority over all other claims or liens which are  
42 or have been filed against the property. The notice of lien filed  
43 pursuant to this paragraph which affects any property of a person  
44 liable pursuant to this paragraph other than the property of an owner  
45 or operator of a refinery, storage, transfer, or pipeline facility to which  
46 the discharged hazardous substance was en route, shall have priority

1 from the day of the filing of the notice of the lien over all claims and  
2 liens filed against the property, but shall not affect any valid lien, right,  
3 or interest in the property filed in accordance with established  
4 procedure prior to the filing of a notice of lien pursuant to this  
5 paragraph.

6 To the extent that a person liable pursuant to this paragraph is not  
7 otherwise liable pursuant to paragraph (1) of this subsection, or under  
8 any other provision of law or under common law, that person may  
9 bring an action for indemnification for costs paid pursuant to this  
10 paragraph against any other person who is strictly liable pursuant to  
11 paragraph (1) of this subsection.

12 Nothing in this paragraph shall be construed to extend or negate the  
13 right of any person to bring an action for contribution that may exist  
14 under P.L.1976, c.141, or any other act or under common law.

15 d. (1) In addition to those defenses provided in this subsection, an  
16 act or omission caused solely by war, sabotage, or God, or a  
17 combination thereof, shall be the only defenses which may be raised by  
18 any owner or operator of a major facility or vessel responsible for a  
19 discharge in any action arising under the provisions of this act.

20 (2) A person, including an owner or operator of a major facility,  
21 who owns real property acquired after the effective date of P.L.1993,  
22 c.139 (C.13:1K-9.6 et al.), on which there has been a discharge, shall  
23 be considered a person in any way responsible for the discharged  
24 hazardous substance pursuant to subsection c. of this section, unless  
25 that person can establish by a preponderance of the evidence that all  
26 of the following apply:

27 (a) the person acquired the real property after the discharge of that  
28 hazardous substance at the real property;

29 (b) (i) at the time the person acquired the real property, the person  
30 did not know and had no reason to know that any hazardous substance  
31 had been discharged at the real property, or (ii) the person acquired  
32 the real property by devise or succession, except that any other funds  
33 or property received by that person from the deceased real property  
34 owner who discharged a hazardous substance or was in any way  
35 responsible for a hazardous substance, shall be made available to  
36 satisfy the requirements of P.L.1976, c.141;

37 (c) the person did not discharge the hazardous substance and is not  
38 in any way responsible for the hazardous substance; and

39 (d) the person gave notice of the discharge to the department upon  
40 actual discovery of that discharge.

41 To establish that a person had no reason to know that any  
42 hazardous substance had been discharged for the purposes of this  
43 paragraph (2), the person must have undertaken, at the time of  
44 acquisition, all appropriate inquiry into the previous ownership and  
45 uses of the property. For the purposes of this paragraph (2), all  
46 appropriate inquiry shall mean the performance of a preliminary



1 assessment, and site investigation (if the preliminary assessment  
2 indicates that a site investigation is necessary), as defined in section 23  
3 of P.L.1993, c.139 (C.58:10B-1), and performed in accordance with  
4 rules and regulations promulgated by the department defining these  
5 terms.

6 Nothing in this paragraph (2) shall be construed to alter liability of  
7 any person who acquired real property prior to the effective date of  
8 P.L.1993, c.139 (C.13:1K-9.6 et al.).

9 (3) Notwithstanding the provisions of paragraph (2) of this  
10 subsection to the contrary, if a person who owns real property obtains  
11 actual knowledge of a discharge of a hazardous substance at the real  
12 property during the period of that person's ownership and  
13 subsequently transfers ownership of the property to another person  
14 without disclosing that knowledge, the transferor shall be strictly liable  
15 for the cleanup and removal costs of the discharge and no defense  
16 under this subsection shall be available to that person.

17 (4) Any federal, State, or local governmental entity which acquires  
18 ownership of real property through bankruptcy, tax delinquency,  
19 abandonment, escheat, eminent domain, condemnation or any  
20 circumstance in which the government involuntarily acquires title by  
21 virtue of its function as sovereign, shall not be liable for the cleanup  
22 and removal costs of any discharge which occurred or began prior to  
23 that ownership. This paragraph shall not apply to any federal, State  
24 or local governmental entity which has caused or contributed to the  
25 discharge of a hazardous substance.

26 e. (1) If the Department of Environmental Protection issues a no  
27 further action letter or approves a remedial action workplan after the  
28 effective date of <sup>3</sup>[this act] P.L. , c. (C. ) (pending before the  
29 Legislature as this bill)<sup>3</sup> for a site at which a discharge occurred prior  
30 to or after the effective date of <sup>3</sup>[this act] P.L. c. (C. )  
31 (pending before the Legislature as this bill)<sup>3</sup>, then any person who is  
32 not otherwise liable <sup>2</sup>[to the State]<sup>2</sup> for any discharge at the site which  
33 occurred prior to the department's approval of the no further action  
34 letter or remedial action workplan shall not be liable for the discharge  
35 based solely on that person becoming an owner or operator of the site  
36 of the discharge after the discharge has occurred. For the purposes of  
37 this <sup>3</sup>[section] paragraph<sup>3</sup>, a site shall constitute the real property  
38 defined in the remedial action workplan or, if no remedial action  
39 workplan is required, the no further action letter. The provisions of  
40 this <sup>3</sup>[section] paragraph<sup>3</sup> shall only apply when the site is located in  
41 a qualified municipality as defined pursuant to section 3 of P.L. , c.  
42 (C. ) (pending before the Legislature as this bill) and there is  
43 continued compliance with all of the conditions of the no further  
44 action letter, the remedial action workplan and all applicable  
45 engineering and institutional controls.

46 (2) The fund established pursuant to the "Spill Compensation and

1 Control Act," P.L.1976, c.141 (C.58:10-23.11 et seq.), shall not be  
2 liable for any damages incurred by any person who is relieved from  
3 liability pursuant to this <sup>3</sup>[section] subsection<sup>3, 1</sup>.

4 (cf: P.L.1993, c.139, s.44)

5  
6 <sup>1</sup>57. (New section) a. <sup>3</sup>[When] Where<sup>3</sup> a person who is performing  
7 a remediation on real property located in a qualified municipality, as  
8 defined by section 3 of P.L. , c. (C. ) (pending before the  
9 Legislature as this bill) and who has entered into a memorandum of  
10 agreement with the department, subsequently submits to the  
11 department documents relating to the remediation of that property, the  
12 department shall:

13 (1) review those documents in a timely fashion and provide  
14 approval, disapproval or conditional approval, as required by section  
15 58 of P.L. , c. (C. ) (pending before the Legislature as this bill),  
16 and

17 (2) provide in writing to that person a document detailing the basis  
18 for any disapproval or conditional approval.

19 b. Where a person who is performing a remediation on real  
20 property located in a qualified municipality, as defined by section 3 of  
21 P.L. , c. (C. ) (pending before the Legislature as this bill) and  
22 who has entered into a memorandum of agreement with the  
23 department, subsequently submits to the department a remedial action  
24 workplan which proposes innovative technologies, the department  
25 shall:

26 (1) review the remedial action workplan in a timely fashion and  
27 provide approval, disapproval or conditional approval, as required by  
28 section 58 of P.L. , c. (C. ) (pending before the Legislature as  
29 this bill), and

30 (2) provide in writing to that person a document detailing the basis  
31 for any disapproval or conditional approval.<sup>1</sup>

32  
33 <sup>1</sup>[91. Section 35 of P.L.1993, c.139 (C.58:10B-12) is amended to  
34 read as follows:

35 35. a. The Department of Environmental Protection [and Energy]  
36 shall adopt minimum remediation standards for soil, groundwater, and  
37 surface water quality necessary for the remediation of contamination  
38 of real property. The remediation standards shall be developed to  
39 ensure that the potential for harm to public health and safety and to the  
40 environment is minimized to acceptable levels, taking into  
41 consideration the location, the surroundings, the intended use of the  
42 property, the potential exposure to the discharge, and the surrounding  
43 ambient conditions, whether naturally occurring or man-made.

44 Until the minimum remediation standards for the protection of  
45 public health and safety as described herein are adopted, the  
46 department shall apply public health and safety remediation standards

1 for contamination at a site on a case-by-case basis based upon the  
2 considerations and criteria enumerated in this section.

3 The department shall not propose or adopt remediation standards  
4 protective of the environment pursuant to this section, except  
5 standards for groundwater or surface water, until recommendations  
6 are made by the Environment Advisory Task Force created pursuant  
7 to section 37 of P.L.1993, c.139. Until the Environment Advisory  
8 Task Force issues its recommendations and the department adopts  
9 remediation standards protective of the environment as required by  
10 this section, the department shall continue to determine the need for  
11 and the application of remediation standards protective of the  
12 environment on a case-by-case basis in accordance with the guidance  
13 and regulations of the United States Environmental Protection Agency  
14 pursuant to the "Comprehensive Environmental Response,  
15 Compensation and Liability Act of 1980," 42 U.S.C. §9601 et seq. and  
16 other statutory authorities as applicable.

17 b. In developing minimum remediation standards the department  
18 shall:

19 (1) base the standards on generally accepted and peer reviewed  
20 scientific evidence or methodologies;

21 (2) base the standards upon reasonable assumptions of exposure  
22 scenarios as to amounts of contaminants to which humans or other  
23 receptors will be exposed, when and where those exposures will occur,  
24 and the amount of that exposure;

25 (3) avoid the use of redundant conservative assumptions. The  
26 department shall avoid the use of redundant conservative assumptions  
27 by the use of parameters that provide an adequate margin of safety and  
28 which avoid the use of unrealistic conservative exposure parameters  
29 and which guidelines make use of the guidance and regulations for  
30 exposure assessment developed by the United States Environmental  
31 Protection Agency pursuant to the "Comprehensive Environmental  
32 Response, Compensation, and Liability Act of 1980," 42 U.S.C. §9601  
33 et seq. and other statutory authorities as applicable; and

34 (4) where feasible, establish the remediation standards as numeric  
35 or narrative standards setting forth acceptable levels or concentrations  
36 for particular contaminants.

37 c. (1) The department shall develop residential and nonresidential  
38 soil remediation standards that are protective of public health and  
39 safety. For contaminants that are mobile and transportable to  
40 groundwater, the residential and nonresidential soil remediation  
41 standards shall be protective of groundwater and surface water.  
42 Residential soil remediation standards shall be set at levels or  
43 concentrations of contamination for real property based upon the use  
44 of that property for residential or similar uses and which will allow the  
45 unrestricted use of that property without exceeding a health risk level  
46 greater than that provided in subsection d. of this section.

1 Nonresidential soil remediation standards shall be set at levels or  
2 concentrations of contaminants that recognize the lower likelihood of  
3 exposure to contamination on property that will not be used for  
4 residential or similar uses. Whenever real property is remediated to a  
5 nonresidential soil remediation standard, except as otherwise provided  
6 in paragraph (3) of subsection g. of this section, the department shall  
7 require, pursuant to section 36 of P.L.1993, c.139 (C.58:10B-13), that  
8 the use of the property be restricted to nonresidential or other uses  
9 compatible with the extent of the contamination of the soil and that  
10 access to that site be restricted in a manner compatible with the  
11 allowable use of that property.

12 (2) The department may develop differential remediation standards  
13 for surface water or groundwater that take into account the current,  
14 planned, or potential use of that water in accordance with the "Clean  
15 Water Act" (33 U.S.C. §1251 et seq.) and the "Water Pollution  
16 Control Act," P.L.1977, c.74 (C.58:10A-1 et seq.).

17 d. In developing minimum remediation standards intended to be  
18 protective of public health and safety, the department shall identify the  
19 hazards posed by a contaminant to determine whether exposure to that  
20 contaminant can cause an increase in the incidence of an adverse health  
21 effect and whether the adverse health effect may occur in humans.  
22 The department shall set minimum soil remediation standards for both  
23 residential and nonresidential uses that:

24 (1) for human carcinogens, as categorized by the United States  
25 Environmental Protection Agency, will result in an additional cancer  
26 risk of one in one million;

27 (2) for noncarcinogens, will limit the Hazard Index for any given  
28 effect to a value not exceeding one.

29 The health risk levels established in this subsection are for any  
30 particular contaminant and not for the cumulative effects of more than  
31 one contaminant at a site.

32 e. Remediation standards and other requirements established  
33 pursuant to this section shall apply to remediation activities required  
34 pursuant to the "Spill Compensation and Control Act," P.L.1976,  
35 c.141 (C.58:10-23.11 et seq.), the "Water Pollution Control Act,"  
36 P.L.1977, c.74 (C.58:10A-1 et seq.), P.L.1986, c.102 (C.58:10A-21  
37 et seq.), the "Industrial Site Recovery Act," P.L.1983, c.330  
38 (C.13:1K-6 et al.), the "Solid Waste Management Act (1970),"  
39 P.L.1970, c.39 (C.13:1E-1 et seq.), the "Comprehensive Regulated  
40 Medical Waste Management Act," P.L.1989, c.34 (C.13:1E-48.1 et  
41 seq.), the "Major Hazardous Waste Facilities Siting Act," P.L.1981,  
42 c.279 (C.13:1E-49 et seq.), the "Sanitary Landfill Facility Closure and  
43 Contingency Fund Act," P.L.1981, c.306 (C.13:1E-100 et seq.), the  
44 "Regional Low-Level Radioactive Waste Disposal Facility Siting Act,"  
45 P.L.1987, c.333 (C.13:1E-177 et seq.), or any other law or regulation  
46 by which the State may compel a person to perform remediation

1 activities on contaminated property. However, nothing in this  
2 subsection shall be construed to limit the authority of the department  
3 to establish discharge limits for pollutants or to prescribe penalties for  
4 violations of those limits pursuant to the "Water Pollution Control  
5 Act," P.L.1977, c.74 (C.58:10A-1 et seq.), or to require the complete  
6 removal of nonhazardous solid waste pursuant to law.

7 f. (1) A person performing a remediation of contaminated real  
8 property, in lieu of using the established minimum soil remediation  
9 standard for either residential use or nonresidential use adopted by the  
10 department pursuant to subsection c. of this section, may submit to the  
11 department a request to use an alternative residential use or  
12 nonresidential use soil remediation standard. The use of an alternative  
13 soil remediation standard shall be based upon site specific factors  
14 which may include (1) physical site characteristics which may vary  
15 from those used by the department in the development of the soil  
16 remediation standards adopted pursuant to this section; or (2) a site  
17 specific risk assessment. If a person performing a remediation  
18 requests to use an alternative soil remediation standard based upon a  
19 site specific risk assessment, that person shall demonstrate to the  
20 department that the requested deviation from the risk assessment  
21 protocol used by the department in the development of soil  
22 remediation standards pursuant to this section is consistent with the  
23 guidance and regulations for exposure assessment developed by the  
24 United States Environmental Protection Agency pursuant to the  
25 "Comprehensive Environmental Response, Compensation, and  
26 Liability Act of 1980," 42 U.S.C. §9601 et seq. and other statutory  
27 authorities as applicable. A site specific risk assessment may consider  
28 exposure scenarios and assumptions that take into account the form of  
29 the contaminant present, natural biodegradation, fate and transport of  
30 the contaminant, and available toxicological data that are based upon  
31 generally accepted and peer reviewed scientific evidence or  
32 methodologies.

33 Upon a determination by the department that the requested  
34 alternative remediation standard is protective of public health and  
35 safety, as established in subsection d. of this section, and protective of  
36 the environment pursuant to subsection a. of this section, the  
37 alternative residential use or nonresidential use soil remediation  
38 standard shall be approved by the department.

39 (2) The department may, upon its own initiative, require an  
40 alternative remediation standard for a particular contaminant for a  
41 specific real property site, in lieu of using the established minimum  
42 residential use or nonresidential use soil remediation standard adopted  
43 by the department for a particular contaminant pursuant to this  
44 section. The department may require an alternative remediation  
45 standard pursuant to this paragraph upon a determination by the  
46 department, based on the weight of the scientific evidence, that due to

1 specific physical site characteristics of the subject real property, the  
2 use of the adopted residential use or nonresidential use soil  
3 remediation standards would not be protective of public health or  
4 safety or of the environment, as appropriate.

5 g. The development, selection, and implementation of any  
6 remediation standard or remedial action shall ensure that it is  
7 protective of public health, safety, and the environment, as applicable,  
8 as provided in this section. In determining the appropriate remedial  
9 action that shall occur at a site in order to meet the established  
10 remediation standards, the department, or any person performing the  
11 remediation, shall base its decision on the following factors:

12 (1) Permanent and nonpermanent remedies shall be allowed except  
13 that permanent remedies shall be preferred over nonpermanent  
14 remedies for remedial actions;

15 (2) Contamination may, upon the department's approval, be left  
16 onsite at levels or concentrations that exceed the minimum soil  
17 remediation standards for residential use or nonresidential use if the  
18 implementation of institutional or engineering controls at that site will  
19 result in the protection of public health, safety and the environment at  
20 the risk level established in subsection d. of this section and if the  
21 requirements established in subsections a., b., c. and d. of section 36  
22 of P.L.1993, c.139 (C.58:10B-13) are met;

23 (3) Real property on which there is soil that has not been  
24 remediated to the residential soil remediation standards, or real  
25 property on which the soil, groundwater, or surface water has been  
26 remediated to meet the required health risk level by the use of  
27 engineering or institutional controls, may be developed or used for  
28 residential purposes, or for any other similar purpose, if (a) all areas  
29 of that real property at which a person may come into contact with soil  
30 are remediated to meet the residential soil remediation standards and  
31 (b) it is clearly demonstrated that for all areas of the real property,  
32 other than those described in subparagraph (a) above, engineering and  
33 institutional controls can be implemented and maintained on the real  
34 property sufficient to meet the health risk level as established in  
35 subsection d. of ~~this~~ section 35 of P.L.1993, c.139 (C.58:10B-12);

36 (4) Remediation shall not be required beyond the regional natural  
37 background levels for any particular contaminant. The department  
38 shall develop regulations that set forth a process to identify  
39 background levels of contaminants for a particular region. For the  
40 purpose of this paragraph "regional natural background levels" means  
41 the concentration of a contaminant consistently present in the  
42 environment of the region of the site and which has not been  
43 influenced by localized human activities;

44 (5) Remediation shall not be required of the owner or operator of  
45 real property for contamination coming onto the site from another  
46 property owned and operated by another person, unless the owner or

1 operator is in any way responsible for the discharge;

2 (6) Groundwater that is contaminated shall not be required to be  
3 remediated to a level or concentration for any particular contaminant  
4 lower than the level or concentration that is migrating onto the  
5 property from another property owned and operated by another  
6 person;

7 (7) The technical performance, effectiveness and reliability of the  
8 proposed remedial action in attaining and maintaining compliance with  
9 applicable remediation standards and required health risk levels. In  
10 reviewing a proposed remedial action, the department shall also  
11 consider the ability of the owner or operator to implement the  
12 proposed remedial action within a reasonable time frame without  
13 jeopardizing public health, safety or the environment;

14 (8) In the case of a proposed remedial action that will not meet the  
15 established minimum residential use soil remediation standards, the  
16 cost of all available permanent remedies is unreasonable, as determined  
17 by department rules designed to provide a cost-based preference for  
18 the use of permanent remedies. The department shall adopt  
19 regulations, no later than 18 months after the effective date of this act,  
20 establishing criteria and procedures for allowing a person to  
21 demonstrate that the cost of all available permanent remedies is  
22 unreasonable. Until the department adopts those regulations, it shall  
23 not require a person performing a remedial action to implement a  
24 permanent remedy, unless the cost of implementing a nonpermanent  
25 remedy is 50 percent or more than the cost of implementing a  
26 permanent remedy; provided, however, that the preceding provision  
27 shall not apply to any owner or operator of an industrial establishment  
28 who is implementing a remedial action pursuant to subsection i. of  
29 section 4 of P.L.1983, c.330 (C.13:1K-9);

30 (9) The use of the established nonresidential soil remediation  
31 standard shall not be unreasonably disapproved by the department.

32 The department may require the person performing the remediation  
33 to supply the information required pursuant to this subsection as is  
34 necessary for the department to make a determination.

35 h. (1) The department shall adopt regulations which establish a  
36 procedure for a person to demonstrate that a particular parcel of land  
37 contains large quantities of historical fill material. Upon a  
38 determination by the department that large quantities of historic fill  
39 material exist on that parcel of land, there is a rebuttable presumption  
40 that the department shall not require any person to remove or treat the  
41 fill material in order to comply with a remediation standard. In these  
42 areas the department shall establish by regulation the requirement for  
43 engineering or institutional controls that are designed to prevent  
44 exposure of these contaminants to humans, that allow for the  
45 continued use of the property, that are less costly than removal or  
46 treatment, which maintain the health risk levels as established in

1 subsection d. of this section, and, as applicable, are protective of the  
2 environment. The department may rebut the presumption only upon  
3 a finding by the preponderance of the evidence that the use of  
4 engineering or institutional controls would not be effective in  
5 protecting public health, safety, and the environment. For the purposes  
6 of this paragraph "historic fill material" means generally large volumes  
7 of non-indigenous material, used to raise the topographic elevation of  
8 a site, which were contaminated prior to emplacement and are in no  
9 way connected with the operations at the location of emplacement and  
10 which include, but are not limited to, construction debris, dredge  
11 spoils, incinerator residue, demolition debris, fly ash, and  
12 non-hazardous solid waste. Historic fill material shall not include any  
13 material which is substantially chromate chemical production waste or  
14 any other chemical production waste or waste from processing of  
15 metal or mineral ores, residues, slags or tailings.

16 (2) The department shall develop recommendations for remedial  
17 actions in large areas of historic industrial contamination. These  
18 recommendations shall be designed to meet the health risk levels  
19 established in subsection d. of this section, and to be protective of the  
20 environment and shall take into account the industrial history of these  
21 sites, the extent of the contamination that may exist, the costs of  
22 remedial actions, the economic impacts of these policies, and the  
23 anticipated uses of these properties. The department, within one year  
24 of the enactment of this act, shall issue a report to the Senate  
25 Environment Committee and to the Assembly Energy and Hazardous  
26 Waste Committee, or their successors, explaining these  
27 recommendations and making any recommendations for legislative or  
28 regulatory action.

29 (3) The department may not, as a condition of allowing the use of  
30 a nonresidential use soil remediation standard, or the use of  
31 institutional or engineering controls, require the owner of that real  
32 property, except as provided in section 36 of P.L.1993, c.139  
33 (C.58:10B-13), to restrict the use of that property through the filing  
34 of a deed easement, covenant, or condition.

35 (4) The department shall adopt regulations whereby a person who  
36 is performing a remediation on real property located in a qualified  
37 municipality, may apply for that property to receive an urban  
38 redevelopment remediation exemption. Upon a determination that a  
39 parcel of real property qualifies for the exemption because of its  
40 location in a qualified municipality, there is a rebuttable presumption  
41 that the remedial action workplan is in compliance with the  
42 department's regulations and is approved. For properties that qualify  
43 for the exemption, the department shall establish by regulation the  
44 requirements and standards for the contents of the remedial action  
45 workplan. Notwithstanding the exemption granted pursuant to this  
46 paragraph, the department may require the removal of the source of



1 continuing contamination. The department may rebut the presumption  
2 only upon a finding by the preponderance of the evidence that the  
3 remedial action workplan does not conform to the requirements and  
4 standards established by regulation or that it would not be effective in  
5 protecting public health, safety, and the environment.

6 i. The department may not require a remedial action workplan to  
7 be prepared or implemented or engineering or institutional controls to  
8 be imposed upon any real property unless sampling performed at that  
9 real property demonstrates the existence of contamination above the  
10 applicable remediation standards.

11 j. Upon the approval by the department of a remedial action  
12 workplan, or similar plan that describes the extent of contamination at  
13 a site and the remedial action to be implemented to address that  
14 contamination, the department may not subsequently require a change  
15 to that workplan or similar plan in order to compel a different  
16 remediation standard due to the fact that the established remediation  
17 standards have changed; however, the department may compel a  
18 different remediation standard if the difference between the new  
19 remediation standard and the remediation standard approved in the  
20 workplan or other plan differs by an order of magnitude. The  
21 limitation to the department's authority to change a workplan or  
22 similar plan pursuant to this subsection shall only apply if the workplan  
23 or similar plan is being implemented in a reasonable time frame, as may  
24 be indicated in the approved remedial action workplan or similar plan.

25 k. Notwithstanding any other provisions of this section, all  
26 remediation standards and remedial actions that involve real property  
27 located in the Pinelands area shall be consistent with the provisions of  
28 the "Pinelands Protection Act," P.L.1979, c.111 (C.13:18A-1 et seq.),  
29 any rules and regulations promulgated pursuant thereto, and with  
30 section 502 of the "National Parks and Recreation Act of 1978," [16  
31 U.S.C. §4711] 16 U.S.C. §471.

32 l. Upon the adoption of a remediation standard for a particular  
33 contaminant in soil, groundwater, or surface water pursuant to this  
34 section, the department may amend that remediation standard only  
35 upon a finding that a new standard is necessary to maintain the health  
36 risk levels established in subsection d. of section 35 of P.L.1993, c.139  
37 (C.58:10B-12) or to protect the environment, as applicable. The  
38 department may not amend a public health based soil remediation  
39 standard to a level that would result in a health risk level more  
40 protective than that provided for in subsection d. of section 35 of  
41 P.L.1993, c.139 (C.58:10B-12).

42 m. Nothing in P.L.1993, c.139 shall be construed to restrict or in  
43 any way diminish the public participation which is otherwise provided  
44 under the provisions of the "Spill Compensation and Control Act,"  
45 P.L.1976, c.141 (C.58:10-23.11 et seq.).  
46 (cf: P.L.1993, c.139, s.35)]<sup>1</sup>

1       <sup>1</sup>[92.] 58.<sup>1</sup> (New section) a. The Commissioner of Environmental  
2 Protection shall appoint an Urban Site Remediation Coordinator. The  
3 coordinator shall be responsible for the oversight and approval of site  
4 remediations conducted in areas designated as empowerment  
5 neighborhoods pursuant to article 4 of P.L. , c. (C. ) (pending  
6 before the Legislature as this bill). The Commissioner of  
7 Environmental Protection shall vest in the coordinator sufficient  
8 authority to properly manage the timely approval of site remediation  
9 activities in empowerment neighborhoods. The <sup>1</sup>[director]  
10 coordinator<sup>1</sup> shall report directly to the commissioner. The  
11 coordinator shall meet regularly with the commissioner to ensure the  
12 proper and efficient coordination of these projects.

13       b. Upon the submittal of the administratively and technically  
14 complete and accurate results of a phase of a remediation required to  
15 be submitted that requires the department's review and approval in  
16 order to comply with the applicable laws and regulations concerning  
17 a site remediation conducted in an area designated as an empowerment  
18 neighborhood, the department shall review and approve, approve with  
19 conditions, or disapprove the submission or other documents within  
20 the following time frames:

- 21       (1) preliminary assessment - 15 days;
- 22       (2) site investigation - 15 days;
- 23       (3) remedial investigation workplan - 30 days;
- 24       (4) remedial investigation report - 60 days;
- 25       (5) remedial action workplan - 90 days;
- 26       (6) remedial action progress reports - 30 days;
- 27       (7) remedial action final report - 45 days.

28  
29       <sup>1</sup>59. (New section) Beginning in the calendar year following the  
30 effective date of this act, the New Jersey Economic Development  
31 Authority shall allocate no less than 12-1/2 percent of the aggregate  
32 amount of loans and loan guarantees made by the New Jersey  
33 Economic Development Authority in any fiscal year to projects  
34 consistent with the provisions of "The New Jersey Economic  
35 Development Authority Act," P.L.1974, c.80 (C.34:1B-1 et seq.) and  
36 that are located in municipalities designated as qualified municipalities  
37 pursuant to section 3 of P.L. , c. (C. ) (pending before the  
38 Legislature as this bill).<sup>1</sup>

1 <sup>1</sup>60. (New section) The New Jersey Redevelopment Authority  
2 shall fund such projects as may be practicable in any municipality  
3 eligible for designation as an empowerment zone or enterprise zone  
4 under federal law through the issuance of tax exempt bonds as  
5 provided in section 1394 of P.L.103-66; 107 Stat 548, which bonds  
6 shall also be exempt from any tax levied pursuant to Title 54 of the  
7 Revised Statutes or Title 54A of the New Jersey Statutes.<sup>1</sup>

8  
9 <sup>3</sup>[<sup>1</sup>61. (New section) In determining the projects to be funded from  
10 the issuance and sale of bonds pursuant to the "Water Supply Bond  
11 Act of 1981," P.L.1981, c.261, consideration shall be given to funding  
12 such projects as may be practicable in an empowerment zone or  
13 enterprise community as designated under federal law or which are  
14 part of an approved neighborhood empowerment plan <sup>2</sup>or other  
15 authority projects<sup>2</sup> under this act or community redevelopment plan,  
16 or which will benefit urban residents, so long as they are consistent  
17 with the purposes of P.L.1981, c.261.]<sup>3</sup>

18  
19 <sup>3</sup>[<sup>1</sup>62. (New section) In determining the projects to be funded from  
20 the issuance and sale of bonds pursuant to the "Green Acres, Clean  
21 Water, Farmland and Historic Preservation Bond Act of 1992,"  
22 P.L.1992, c.88, consideration shall be given to funding such projects  
23 as may be practicable in an empowerment zone or enterprise  
24 community as designated under federal law or which are part of an  
25 approved neighborhood empowerment plan <sup>2</sup>or other authority  
26 projects<sup>2</sup> under this act or community redevelopment plan, or which  
27 will benefit urban residents, so long as they are consistent with the  
28 purposes of P.L.1992, c.88.]<sup>3</sup>

29  
30 <sup>3</sup>[<sup>1</sup>63. (New section) In determining the projects to be funded  
31 pursuant to the "1992 New Jersey Employment and Workforce  
32 Development Act," P.L.1992, c.43, consideration shall be given to  
33 funding such projects as may be practicable in an empowerment zone  
34 or enterprise community as designated under federal law or which are  
35 part of an approved neighborhood empowerment plan <sup>2</sup>or other  
36 authority projects<sup>2</sup> under this act or community redevelopment plan,  
37 or which will benefit urban residents, so long as they are consistent  
38 with the purposes of P.L.1992, c.43.]<sup>3</sup>

39  
40 <sup>3</sup>61. (New section) The authority may apply for funding from the  
41 "Water Supply Bond Act of 1981," P.L.1981, c.261. Consideration  
42 shall be given to funding such projects as may be practicable in a  
43 qualified municipality as defined pursuant to section 3 of P.L. \_\_\_\_\_,  
44 c. \_\_\_\_\_ (C. \_\_\_\_\_) (pending before the Legislature as this bill) or in an  
45 empowerment zone or enterprise community as designated under

1 federal law, so long as those projects are consistent with the purposes  
2 of P.L.1981, c.261.<sup>3</sup>

3  
4 <sup>362.</sup> (New section) The authority may apply for funding from the  
5 "Green Acres, Clean Water, Farmland and Historic Preservation Bond  
6 Act of 1992," P.L.1992, c.88 and the "Green Acres, Farmland and  
7 Historic Preservation, and Blue Acres Bond Act of 1995," P.L.1995,  
8 c.204. Consideration shall be given to funding such projects as may  
9 be practicable in a qualified municipality as defined pursuant to section  
10 3 of P.L. , c. (C. ) (pending before the Legislature as this bill)  
11 or in an empowerment zone or enterprise community as designated  
12 under federal law, so long as those projects are consistent with the  
13 purposes of P.L.1992, c.88 or P.L.1995, c.204, as the case may be.<sup>3</sup>

14  
15 <sup>363.</sup> (New section) The authority may apply for funding from the  
16 "1992 New Jersey Employment and Workforce Development Act,"  
17 P.L.1992, c.43. Consideration shall be given to funding such projects  
18 as may be practicable in a qualified municipality as defined pursuant to  
19 section 3 of P.L. , c. (C. ) (pending before the Legislature as  
20 this bill) or in an empowerment zone or enterprise community as  
21 designated under federal law, so long as those projects are consistent  
22 with the purposes of P.L.1992, c.43.<sup>3</sup>

23  
24 <sup>1</sup>[93.] <sup>64.</sup> Section 27 of P.L.1993, c.139 (C.58:10B-5) is amended  
25 to read as follows:

26 27. a. (1) Financial assistance from the remediation fund, made to  
27 persons other than municipal governmental entities, the New Jersey  
28 Redevelopment Authority, or to persons who voluntarily undertake a  
29 remediation, may only be rendered to persons who cannot establish a  
30 remediation funding source for the full amount of a remediation.  
31 Financial assistance pursuant to this act may be rendered only for that  
32 amount of the cost of a remediation for which the person cannot  
33 establish a remediation funding source.

34 (2) Financial assistance rendered to persons who voluntarily  
35 undertake a remediation may only be made for that amount of the cost  
36 of the remediation that the person cannot otherwise fund by any of the  
37 authorized methods to establish a remediation funding source.

38 b. Financial assistance may be rendered from the remediation fund  
39 to (1) owners or operators of industrial establishments who are  
40 required to perform remediation activities pursuant to P.L.1983, c.330  
41 (C.13:1K-6 et al.), upon closing operations or prior to the transfer of  
42 ownership or operations of an industrial establishment, (2) persons  
43 who have discharged a hazardous substance or who are in any way  
44 responsible for a hazardous substance pursuant to P.L.1976, c.141  
45 (C.58:10-23.11 et seq.), and (3) persons who voluntarily undertake the  
46 remediation of a discharge of a hazardous substance or hazardous

1 waste and who have not been ordered or directed to perform the  
2 remediation by the department or by a court.

3 c. Financial assistance and grants may be made from the  
4 remediation fund to municipal governmental entities that own or hold  
5 a tax sale certificate on real property on which there has been a  
6 discharge or on which there is a suspected discharge of a hazardous  
7 substance or hazardous waste or the New Jersey Redevelopment  
8 Authority established pursuant to P.L. , c. (C. ) (pending  
9 before the Legislature as this bill) for any such real property upon  
10 which the New Jersey Redevelopment Authority owns or holds the tax  
11 sale certificate.

12 d. Grants may be made from the remediation fund to persons,  
13 including the New Jersey Redevelopment Authority, other than other  
14 governmental entities who own real property on which there has been  
15 a discharge of a hazardous substance or a hazardous waste and that  
16 person qualifies for an innocent party grant pursuant to section 28 of  
17 P.L.1993, c.139 (C.58:10B-6).

18 For the purposes of this section, "person" shall include the New  
19 Jersey Redevelopment Authority established pursuant to P.L. , c.  
20 (C. ) (pending before the Legislature as this bill).  
21 (cf: P.L.1993, c.139, s.27)

22  
23 <sup>1</sup>[94.] 65.<sup>1</sup> Section 28 of P.L.1993, c.139 (C.58:10B-6) is  
24 amended to read as follows:

25 28. a. Except for moneys deposited in the remediation fund for  
26 specific purposes, financial assistance and grants from the remediation  
27 fund shall be rendered for the following purposes and, on an annual  
28 basis, obligated in the percentages as provided in this subsection.  
29 Upon a written joint determination by the authority and the department  
30 that it is in the public interest, financial assistance and grants dedicated  
31 for the purposes and in the percentages set forth in paragraph (1), (2),  
32 or (3) of this subsection, may, for any particular year, be obligated to  
33 other purposes set forth in this subsection. The written determination  
34 shall be sent to the Senate Environment Committee, and the Assembly  
35 <sup>3</sup>[Environment and Energy] Agriculture and Waste Management<sup>3</sup> [and  
36 Hazardous Waste] Committee, or their successors. For the purposes  
37 of this section, "person" shall include the New Jersey Redevelopment  
38 Authority established pursuant to P.L. , c. (C. ) (pending  
39 before the Legislature as this bill).

40 (1) At least 15% of the moneys shall be allocated for financial  
41 assistance to persons, including the New Jersey Redevelopment  
42 Authority, other than other governmental entities, for remediation of  
43 real property located in a qualifying municipality as defined in section  
44 1 of P.L.1978, c.14 (C.52:27D-178);

45 (2) At least 10% of the moneys shall be allocated for financial  
46 assistance and grants to municipal governmental entities that [own or]

1 hold a tax sale certificate on real property or have acquired through  
2 foreclosure or other similar means real property on which there has  
3 been or on which there is suspected of being a discharge of hazardous  
4 substances or hazardous wastes or the New Jersey Redevelopment  
5 Authority established pursuant to P.L. , c. (C. ) (pending  
6 before the Legislature as this bill), for any such real property upon  
7 which the New Jersey Redevelopment Authority owns or holds the tax  
8 sale certificate. Grants shall be used for performing preliminary  
9 assessments [and], site investigations, and remedial investigations on  
10 property [owned] acquired by a municipal governmental entity or the  
11 New Jersey Redevelopment Authority, as the case may be, or on which  
12 the municipality or the New Jersey Redevelopment Authority owns or  
13 holds a tax sale certificate, in order to determine the existence or  
14 extent of any hazardous substance or hazardous waste contamination  
15 on those properties. A municipal governmental entity that has  
16 performed a preliminary assessment [and], site investigation and  
17 remedial investigation on property or the New Jersey Redevelopment  
18 Authority, in any case where the New Jersey Redevelopment Authority  
19 has performed the preliminary assessment, site investigation, and  
20 remedial investigation may obtain a loan for the purpose of continuing  
21 the remediation on those properties it owns as necessary to comply  
22 with the applicable remediation standards adopted by the department;  
23 (3) At least 15% of the moneys shall be allocated for financial  
24 assistance to persons [or], including the New Jersey Redevelopment  
25 Authority, or municipal governmental entities for remediation activities  
26 at sites that have been contaminated by a discharge of a hazardous  
27 substance or hazardous waste, or at which there is an imminent and  
28 significant threat of a discharge of a hazardous substance or hazardous  
29 waste, and the discharge or threatened discharge poses or would pose  
30 an imminent and significant threat to a drinking water source, to  
31 human health, or to a sensitive or significant ecological area;  
32 (4) At least 10% of the moneys shall be allocated for financial  
33 assistance to persons, other than municipal governmental entities, who  
34 voluntarily undertake the remediation of a hazardous substance or  
35 hazardous waste discharge, and who have not been ordered to  
36 undertake the remediation by the department or by a court;  
37 (5) At least 20% of the moneys shall be allocated for financial  
38 assistance to persons, other than municipal governmental entities, who  
39 are required to perform remediation activities at an industrial  
40 establishment pursuant to P.L.1983, c.330 (C.13:1K-6 et al.), as a  
41 condition of the closure, transfer, or termination of operations at that  
42 industrial establishment;  
43 (6) At least 20% of the moneys shall be allocated for grants to  
44 persons, other than municipal governmental entities, who own real  
45 property on which there has been a discharge of a hazardous  
46 substance or a hazardous waste and that person qualifies for an

1 innocent party grant. A person qualifies for an innocent party grant if  
2 that person acquired the property prior to December 31, 1983, except  
3 as provided hereunder, the hazardous substance or hazardous waste  
4 that was discharged at the property was not used by the person at that  
5 site, and that person certifies that he did not discharge any hazardous  
6 substance or hazardous waste at an area where a discharge is  
7 discovered; provided, however, that if the person is the New Jersey  
8 Redevelopment Authority established pursuant to P.L. \_\_\_\_\_, c.  
9 (C. \_\_\_\_\_) (pending before the Legislature as this bill), the authority  
10 shall qualify for an innocent party grant pursuant to this paragraph  
11 <sup>1</sup>[regardless of when the authority acquired the property] where the  
12 immediate predecessor in title to the authority qualified for but failed  
13 to receive such grant<sup>1</sup>. A grant authorized pursuant to this paragraph  
14 may be for up to 50% of the remediation costs at the area of concern  
15 for which the person qualifies for an innocent party grant, except that  
16 no grant awarded pursuant to this paragraph to any person including  
17 the New Jersey Redevelopment Authority may exceed \$1,000,000; and

18 (7) Ten percent of the moneys in the remediation fund shall be  
19 allocated for financial assistance or grants for any of the purposes  
20 enumerated in paragraphs (1) through (6) of this subsection, except  
21 that where moneys in the fund are insufficient to fund all the  
22 applications in any calendar year that would otherwise qualify for  
23 financial assistance or a grant pursuant to this paragraph, the authority  
24 shall give priority to financial assistance applications that meet the  
25 criteria enumerated in paragraph (3) of this subsection.

26 b. Loans issued from the remediation fund shall be for a term not  
27 to exceed ten years, except that upon the transfer of ownership of any  
28 real property for which the loan was made, the unpaid balance of the  
29 loan shall become immediately payable in full. Loans to municipal  
30 governmental entities and the New Jersey Redevelopment Authority  
31 established pursuant to P.L. \_\_\_\_\_, c. (C. \_\_\_\_\_) (pending before the  
32 Legislature as this bill), shall bear an interest rate equal to 2 points  
33 below the Federal Discount Rate at the time of approval or at the time  
34 of loan closing, whichever is lower, except that the rate shall be no  
35 lower than 3 percent. All other loans shall bear an interest rate equal  
36 to the Federal Discount Rate at the time of approval or at the time of  
37 the loan closing, whichever is lower, except that the rate on such loans  
38 shall be no lower than five percent. Financial assistance and grants  
39 may be issued for up to 100% of the estimated applicable remediation  
40 cost, except that the cumulative maximum amount of financial  
41 assistance which may be issued to a person other than a governmental  
42 entity, including the New Jersey Redevelopment Authority, in any  
43 calendar year, for one or more properties, shall be \$1,000,000.  
44 Financial assistance and grants to any one municipal governmental  
45 entity, including the New Jersey Redevelopment Authority, may not  
46 exceed \$2,000,000 in any calendar year. Repayments of principal and

1 interest on the loans issued from the remediation fund shall be paid to  
2 the authority and shall be deposited into the remediation fund.

3 c. No person, other than a municipal governmental entity, the New  
4 Jersey Redevelopment Authority or a person engaging in a voluntary  
5 remediation, shall be eligible for financial assistance from the  
6 remediation fund to the extent that person is capable of establishing a  
7 remediation funding source for the remediation as required pursuant  
8 to section 25 of P.L.1993, c.139 (C.58:10B-3).

9 d. The authority may use a sum that represents up to 2% of the  
10 moneys issued as financial assistance or grants from the remediation  
11 fund each year for administrative expenses incurred in connection with  
12 the operation of the fund and the issuance of financial assistance and  
13 grants.

14 e. Prior to March 1 of each year, the authority shall submit to the  
15 Senate Environment Committee and the Assembly <sup>3</sup>[Environment and  
16 Energy] Agriculture and Waste Management<sup>3</sup> [and Hazardous Waste]  
17 Committee, or their successors, a report detailing the amount of  
18 money that was available for financial assistance and grants from the  
19 remediation fund for the previous calendar year, the amount of money  
20 estimated to be available for financial assistance and grants for the  
21 current calendar year, the amount of financial assistance and grants  
22 issued for the previous calendar year and the category for which each  
23 financial assistance and grant was rendered, and any suggestions for  
24 legislative action the authority deems advisable to further the  
25 legislative intent to facilitate remediation and promote the  
26 redevelopment and use of existing industrial sites.

27 (cf: P.L.1993, c.139, s.28)

28

29 <sup>1</sup>[95.] 66.<sup>1</sup> Section 29 of P.L.1993, c.139 (C.58:10B-7) is amended  
30 to read as follows:

31 29. a. A qualified applicant for financial assistance or a grant from  
32 the remediation fund shall be awarded financial assistance or a grant  
33 by the authority upon the availability of sufficient moneys in the  
34 remediation fund for the purpose of the financial assistance or grant.  
35 Priority for awarding financial assistance and grants from the  
36 remediation fund shall be based upon the date of receipt by the  
37 authority of a complete application from the applicant. If an  
38 application is determined to be incomplete by the authority, an  
39 applicant shall have 30 days from receipt of written notice of  
40 incompleteness to file any additional information as may be required  
41 by the authority for a completed application. If an applicant fails to  
42 file the additional information within those 30 days, the filing date for  
43 that application shall be the date that the additional information is  
44 received by the authority. An application shall be deemed complete  
45 when all the information required by the authority has been received  
46 in the required form. Notwithstanding that the New Jersey



1 Redevelopment Authority is eligible for grants and financial assistance  
2 from the fund, the authority shall be awarded a grant or financial  
3 assistance based upon the priority system for such awards as provided  
4 in this subsection.

5 b. Within 90 days, for a private entity, or 180 days for a municipal  
6 governmental entity or the New Jersey Redevelopment Authority, of  
7 notice of approval of a financial assistance or grant application, an  
8 applicant shall submit to the authority an executed contract for the  
9 remediation activities for which the financial assistance or grant  
10 application was made. The contract shall be consistent with the terms  
11 and conditions for which the financial assistance or grant was  
12 rendered. Failure to submit an executed contract within the time  
13 provided, without good cause, shall constitute grounds for the  
14 alteration of an applicant's priority ranking for the awarding of  
15 financial assistance or a grant.

16 (cf: P.L.1993, c.139, s.29)

17  
18 <sup>1</sup>[96.] 67.<sup>1</sup> The following <sup>1</sup>[are] is<sup>1</sup> hereby repealed: P.L.1984,  
19 c.172 (C.52:27D-250 et seq.) <sup>1</sup>[and P.L.1985, c.227 (C.55:19-1 et  
20 seq.); provided, however, that this repeal shall not affect any  
21 obligation, lien or duty to pay taxes, interest or penalties which has  
22 been reduced or which may be reduced by virtue of any credits  
23 allowed pursuant to the provisions of the law repealed by P.L. , c.  
24 (C. ) (pending before the Legislature as this bill), or which may be  
25 allowed with respect to any redetermination, correction,  
26 recomputation or deficiency assessment; and provided that this repeal  
27 shall not affect the legal rights of any taxpayer to protest or appeal any  
28 taxes due or which may be due, together with such interest and  
29 penalties as may accrue thereon, with regard to any credits granted  
30 under the provisions of the law repealed]<sup>1</sup>.

31  
32 <sup>1</sup>[97.] 68.<sup>1</sup> There is appropriated to the New Jersey Redevelopment  
33 Authority from the General Fund <sup>2</sup>[a sum of <sup>1</sup>[\$250,000]  
34 \$10,000,000<sup>1</sup>] \$9,000,000<sup>2</sup> to effectuate the purposes of this act <sup>1</sup> <sup>2</sup>;  
35 of this appropriation, \$1,000,000 shall be dedicated] . There is  
36 appropriated<sup>2</sup> to the Office of Neighborhood Empowerment  
37 established pursuant to section 47 of P.L. c. (C. ) (pending before  
38 the Legislature as this bill) <sup>2</sup>from the General Fund \$1,000,000<sup>2</sup> to  
39 effectuate the purposes of this act<sup>1</sup>.

40  
41 <sup>1</sup>[98. (New section) Beginning in the calendar year following the  
42 effective date of this act, the New Jersey Economic Development  
43 Authority shall allocate no less than 12-1/2 percent of the aggregate  
44 amount of loans and loan guarantees made by the authority in any  
45 fiscal year to projects that are approved by the New Jersey  
46 Redevelopment Authority as being consistent with the provisions of

1 "The New Jersey Economic Development Authority Act," P.L.1974,  
2 c.80 (C.34:1B-1 et seq.) and that are located in municipalities  
3 designated as qualified municipalities pursuant to section 3 of P.L. ,  
4 c. (C. ) (pending before the Legislature as this bill).]<sup>1</sup>

5  
6 <sup>1</sup>[99. (New section) Beginning in the calendar year following the  
7 effective date of this act, the New Jersey Commission on Science and  
8 Technology established pursuant to section 3 of P.L.1985, c.102  
9 (C.52:9X-3), shall allocate no less than 15 percent of any monies  
10 which the Commission spends during any fiscal year for applied  
11 technology or technology transfer to projects located in municipalities  
12 designated as qualified municipalities pursuant to section 3 of P.L. ,  
13 c. (C. ) (pending before the Legislature as this bill) and shall  
14 notify the New Jersey Redevelopment Authority of the nature of the  
15 project, the location of the project, and the amount of public funds  
16 expended on the project.]<sup>1</sup>

17  
18 <sup>1</sup>[100. (New section) The New Jersey Redevelopment Authority  
19 shall fund such projects as may be practicable in any municipality  
20 eligible for designation as an empowerment zone or enterprise zone  
21 under federal law through the issuance of tax exempt bonds as  
22 provided in section 1394 of P.L.103-66; 107 Stat 548, which bonds  
23 shall also be exempt from any tax levied pursuant to Title 54 of the  
24 Revised Statutes or Title 54A of the New Jersey Statutes.]<sup>1</sup>

25  
26 <sup>1</sup>[101. a. There is appropriated to the New Jersey Redevelopment  
27 Investment Fund established pursuant to section 34 of P.L. , c.  
28 (C. ) (pending before the Legislature as this bill) from the "1992  
29 New Jersey Green Trust Fund" established pursuant to section 22 of  
30 the "Green Acres, Clean Water, Farmland and Historic Preservation  
31 Bond Act of 1992," P.L.1992, c.88, a sum of \$8 million for the  
32 purposes of financing projects in accordance with the New Jersey  
33 Redevelopment Strategy document adopted by the authority pursuant  
34 to section 32 of P.L. , c. (C. ) (pending before the  
35 Legislature as this bill) which are consistent with the purposes of  
36 P.L.1992, c.88.

37 b. The expenditure of the sums appropriated by this section is  
38 subject to the provisions and conditions of P.L.1992, c.88.

39 c. In addition to any other reporting requirement imposed pursuant  
40 to the "Green Acres, Clean Water, Farmland and Historic Preservation  
41 Bond Act of 1992," the State Treasurer shall, through the  
42 Administrator of the General Services Administration in the  
43 Department of the Treasury, prepare and submit to the Joint Budget  
44 Oversight Committee, or its successor, periodic progress reports,  
45 based on project site inspections and other inquiries, describing the  
46 status of projects financed in whole or in part with moneys

1 appropriated in this act. Each progress report shall indicate the total  
2 project cost, the funding sources allocated to the project, the status of  
3 construction or development of the project, estimated project  
4 completion date and whether there are any potential scheduling or  
5 financial difficulties or circumstances warranting special attention or  
6 review by the Joint Budget Oversight Committee. The first such  
7 report shall be submitted not later than June 1, 1997.]<sup>1</sup>

8  
9 <sup>1</sup>[102. a. There is appropriated to the New Jersey Redevelopment  
10 Investment Fund established pursuant to section 34 of P.L. , c.  
11 (C. ) (pending before the Legislature as this bill) from the "Jobs,  
12 Education and Competitiveness Fund" established pursuant to section  
13 15 of the "Jobs, Education and Competitiveness Bond Act of 1988"  
14 P.L.1988, c.78, a sum of \$15 million for the purposes of financing  
15 projects in accordance with the New Jersey Redevelopment Strategy  
16 document adopted by the authority pursuant to section 32 of P.L. ,  
17 c. (C. ) (pending before the Legislature as this bill) which are  
18 consistent with the purposes of P.L.1988, c.78.

19 b. The expenditure of the sums appropriated by this section is  
20 subject to the provisions and conditions of P.L.1988, c.78.

21 c. In addition to any other reporting requirement imposed pursuant  
22 to the "Jobs, Education and Competitiveness Bond Act of 1988," the  
23 State Treasurer shall, through the Administrator of the General  
24 Services Administration in the Department of the Treasury, prepare  
25 and submit to the Joint Budget Oversight Committee, or its successor,  
26 periodic progress reports, based on project site inspections and other  
27 inquiries, describing the status of projects financed in whole or in part  
28 with moneys appropriated in this act. Each progress report shall  
29 indicate the total project cost, the funding sources allocated to the  
30 project, the status of construction or development of the project,  
31 estimated project completion date and whether there are any potential  
32 scheduling or financial difficulties or circumstances warranting special  
33 attention or review by the Joint Budget Oversight Committee. The  
34 first such report shall be submitted not later than June 1, 1997.]<sup>1</sup>

35  
36 <sup>1</sup>[103. a. There is appropriated to the New Jersey Redevelopment  
37 Investment Fund established pursuant to section 34 of P.L. , c.  
38 (C. ) (pending before the Legislature as this bill) from the "Water  
39 Supply Fund" established pursuant to section 15 of the "Water Supply  
40 Bond Act of 1981," P.L.1981, c.261, a sum of \$5 million for the  
41 purposes of financing projects in accordance with the New Jersey  
42 Redevelopment Strategy document adopted by the authority pursuant  
43 to section 32 of P.L. , c. (C. ) (pending before the Legislature  
44 as this bill) which are consistent with the purposes of P.L.1981, c.261.

45 b. The expenditure of the sums appropriated by this section is  
46 subject to the provisions and conditions of P.L.1981, c.261.

1 c. In addition to any other reporting requirement imposed pursuant  
2 to the "Water Supply Bond Act of 1981," the State Treasurer shall,  
3 through the Administrator of the General Services Administration in  
4 the Department of the Treasury, prepare and submit to the Joint  
5 Budget Oversight Committee, or its successor, periodic progress  
6 reports, based on project site inspections and other inquiries,  
7 describing the status of projects financed in whole or in part with  
8 moneys appropriated in this act. Each progress report shall indicate  
9 the total project cost, the funding sources allocated to the project, the  
10 status of construction or development of the project, estimated project  
11 completion date and whether there are any potential scheduling or  
12 financial difficulties or circumstances warranting special attention or  
13 review by the Joint Budget Oversight Committee. The first such  
14 report shall be submitted not later than June 1, 1997.]<sup>1</sup>

15

16 <sup>1</sup>[104.] 69.<sup>1</sup> This act shall take effect on the <sup>2</sup> [first day of the  
17 seventh month next] 60th day<sup>2</sup> following enactment <sup>2</sup>. except that  
18 section 4 shall take effect immediately<sup>2</sup>.

19

20

21

22

23 Designated the New Jersey Urban Redevelopment Act; appropriates  
24 \$10 million.

1 the Department of the Treasury, prepare and submit to the Joint  
2 Budget Oversight Committee, or its successor, periodic progress  
3 reports, based on project site inspections and other inquiries,  
4 describing the status of projects financed in whole or in part with  
5 moneys appropriated in this act. Each progress report shall indicate  
6 the total project cost, the funding sources allocated to the project, the  
7 status of construction or development of the project, estimated project  
8 completion date and whether there are any potential scheduling or  
9 financial difficulties or circumstances warranting special attention or  
10 review by the Joint Budget Oversight Committee. The first such  
11 report shall be submitted not later than June 1, 1997.

12

13 104. This act shall take effect on the first day of the seventh month  
14 next following enactment.

15

16

17 *SPONSORS'* STATEMENT

18

19 This bill creates the New Jersey Redevelopment Authority (NJRA),  
20 with far-reaching powers to assist in the revitalization of New Jersey's  
21 urban areas. The bill establishes the authority in, but not of, the  
22 Department of the Treasury and confers upon it all of the powers  
23 necessary to oversee the revitalization of the State's urban areas.

24 In addition, the bill authorizes municipalities, by ordinance, to  
25 establish districts in which development activities are anticipated and  
26 to support certain projects therein using tax increment financing.  
27 Article 3 creates a framework under which properties declared as  
28 abandoned based on their condition may be acquired in an abbreviated  
29 manner and redeveloped. That article also authorizes the use of  
30 payments in lieu of taxes as a financing method.

31 The bill establishes an empowerment neighborhood program in  
32 which certain municipalities are made eligible for financial assistance  
33 from the NJRA. Article 5 sets forth procedures for remediating  
34 contaminated properties in empowerment neighborhoods.

35 The bill appropriates \$250,000 for administrative costs of the  
36 authority and sets aside a portion of the aggregate amount of loans and  
37 loan guarantees made by the Economic Development Authority for  
38 projects that are approved by the NJRA. In addition, the bill makes  
39 available funds out of pre-existing bond issues for authority projects  
40 which are consistent with the purposes of those bond issues.

41

42

43

44

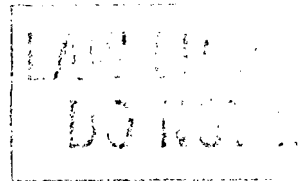
45 Designated the "New Jersey Urban Redevelopment Act," appropriates  
46 \$250,000.

# ASSEMBLY APPROPRIATIONS COMMITTEE

STATEMENT TO

[Second Reprint]

SENATE, No. 800



with Assembly committee amendments

## STATE OF NEW JERSEY

DATED: MAY 13, 1996

The Assembly Appropriations Committee reports favorably Senate Bill No. 800 (2R), with committee amendments.

Senate Bill No. 800 (2R), as amended, creates the New Jersey Redevelopment Authority (NJRA) to assist in the revitalization of New Jersey's urban areas. The bill establishes the authority in, but not of, the Department of Commerce and Economic Development and confers the necessary powers. The NJRA is given bonding authority with an annual bonding cap of \$100 million.

In addition, the bill creates a framework under which properties declared as abandoned based on their condition may be acquired in an abbreviated manner and redeveloped. The bill also authorizes the use of payments in lieu of taxes as a financing method for redevelopment projects.

The bill establishes an empowerment neighborhood program through which certain municipalities may be made eligible for financial assistance from the NJRA. The Office of Neighborhood Empowerment will be in, but not of, the Department of Community Affairs.

Finally, the bill also sets forth procedures for remediating contaminated properties.

As amended, this bill is identical to A-1820 as amended and reported by this committee.

### FISCAL IMPACT:

The bill appropriates \$9 million from the General Fund to the NJRA in, but not of, the Department of Commerce and Economic Development. In addition, the bill appropriates \$1 million from the General Fund to the Office of Neighborhood Empowerment in, but not of, the Department of Community Affairs.

The bill sets aside a portion of the aggregate amount of loans and loan guarantees made by the Economic Development Authority for NJRA projects. In addition, the bill makes available funds out of pre-existing bond issues for projects in empowerment neighborhoods or enterprise communities and provides that consideration be given to

funding such projects, as may be practicable in an empowerment zone or enterprise community, as well as other NJRA projects, out of the "Water Supply Bond Act of 1981," the "Green Acres, Clean Water, Farmland and Historic Preservation Bond Act of 1992," and the "1992 New Jersey Employment and Workforce Development Act."

COMMITTEE AMENDMENTS:

The committee amendments affect the organization of the NJRA by removing a provision preventing a legislator from being one of the legislative appointees to the NJRA and providing that the Commissioner of Commerce and Economic Development, or a public member of the authority appointed by the commissioner, chair the authority (a procedure similar to that for chairing the New Jersey Economic Development Authority).

The amendments affect NJRA funds by providing that the Commissioner of Commerce and Economic Development establish the rates and maturities of NJRA loans, rather than the State Treasurer; removing a redundant provision concerning investment of New Jersey Redevelopment Investment Fund monies; removing a provision requiring the Treasurer to approve any interest-free loans; and removing a provision requiring the Treasurer or the Director of the Division of Budget and Accounting to approve expenditures from the fund for administrative costs.

The amendments affect abandoned property procedures by changing a criterion for determining property is abandoned from a requirement that required substantial environmental remediation has not been substantially completed within 12 months of the DEP order to a finding by the public officer that the condition of the property makes it harmful to the welfare, including the economic welfare, of municipal residents; clarifying that the filing of a copy of the notice to the reputed owner of a property placed on the abandoned list has the same effect as a filed notice of pending litigation; changing a bonding condition allowing an owner to remove an environmentally compromised property from the abandoned property list from a DEP certification that a cash or bond is sufficient to cover the cost of required cleanup to a certification by an owner-retained licensed engineer; and requiring the owner of environmentally compromised property to enter into a memorandum of agreement with DEP or administrative consent order to get the property off the abandoned property list and avoid forfeiture of cash or bond.

The amendments provide that neighborhood empowerment plans will be developed by local sponsors with the guidance of a community director under the direction of, and with the participation of, residents, community-based organizations, the private sector and the municipal government. (Local sponsors may be a municipality, county, public or private county and municipal development agency, district management corporation, community action board, or any other such organization.)

The amendments delete sections governing resources that may be made available from three bond acts ("Water Supply Bond Act of 1981," "Green Acres, Clean Water, Farmland and Historic Preservation Bond Act of 1992," and "1992 New Jersey Employment and Workforce Development Act"), and provide that the authority is allowed to apply for funding from those acts for projects in qualified municipalities or in an empowerment zone or enterprise community, if those projects are consistent with the purposes of the respective bond act.

The amendments also make technical and clarifying changes.



# SENATE URBAN POLICY AND PLANNING COMMITTEE

## STATEMENT TO

### **SENATE, No. 800**

with committee amendments

# **STATE OF NEW JERSEY**

DATED: MARCH 14, 1996

The Senate Urban Policy and Planning Committee reports favorably Senate Bill No. 800 with committee amendments.

Senate Bill No. 800 creates the New Jersey Redevelopment Authority (NJRA), with far-reaching powers to assist in the revitalization of New Jersey's urban areas. The bill establishes the authority in, but not of, the Department of Commerce and Economic Development and confers upon it all of the powers necessary to oversee the revitalization of the State's urban areas.

In addition, the bill creates a framework under which properties declared as abandoned based on their condition may be acquired in an abbreviated manner and redeveloped. The bill also authorizes the use of payments in lieu of taxes as a financing method.

The bill establishes an empowerment neighborhood program in which certain municipalities are made eligible for financial assistance from the NJRA. Article 5 sets forth procedures for remediating contaminated properties.

- The bill appropriates \$10 million and sets aside a portion of the aggregate amount of loans and loan guarantees made by the Economic Development Authority for NJRA projects. In addition, the bill makes available funds out of pre-existing bond issues for projects in empowerment neighborhoods or enterprise communities.

The committee amended the bill to :

- reconstitute the New Jersey Urban Development Corporation (UDC) as the New Jersey Redevelopment Authority (NJRA), provide for the transfer of UDC employees, records and loans to the NJRA, and remove the repealer of P.L.1985, c.222, which established the UDC. As introduced, the bill created the new authority and repealed UDC law;
- move the NJRA from the Department of the Treasury to the Department of Commerce and Economic Development;
- remove from the NJRA the power of eminent domain;
- remove the power of the NJRA to employ tax increment financing;
- impose upon the NJRA an annual bonding cap of \$100 million;

- remove the discretion of the Division of Investment to invest State-administered pension funds in NJRA bonds or projects;
- remove the Corporation Business Tax and other tax phase-in provisions;
- provide a carve-out of moneys from the "Local Development Financing Fund" for NJRA projects;
- place the Office of Neighborhood Empowerment in, but not of, the Department of Community Affairs, authorize the NJRA to assist in facilitating its work, and confer upon the Governor the power to appoint the executive director of the Office of Neighborhood Empowerment, who shall report solely to the Urban Coordinating Council. As introduced, the bill established the office within the NJRA;
- alter the composition of the Urban Coordinating Council to include executive directors of a number of specifically named authorities, in addition to the chief executive officers of the executive departments. The amendments also specify that the Governor shall chair the UCC;
- require the authority to accord first priority to designated empowerment neighborhoods in approving projects for financing. As introduced, the bill required that the NJRA grant first priority to any municipality which was both eligible to receive MRP aid and was coextensive with a "special needs district" at the time the application for project financing was submitted;
- allow the NJRA to hold public hearings on projects which exceed a specified cost threshold instead of requiring that these hearings be held;
- remove the requirement that the New Jersey Redevelopment Strategy document include the authority's assessment of project priorities within particular municipalities;
- remove the direct appropriation of bond moneys into the New Jersey Redevelopment Investment Fund and instead provide that consideration be given to funding such projects as may be practicable in an empowerment zone or enterprise community out of the "Water Supply Bond Act of 1981," the "Green Acres, Clean Water, Farmland and Historic Preservation Bond Act of 1992," and the "1992 New Jersey Employment and Workforce Development Act;"
- remove the dedication of \$20 million of sales tax proceeds to the New Jersey Redevelopment Investment Fund and instead appropriate \$10 million to the NJRA, of which one million shall be dedicated to the Office of Neighborhood Empowerment;
- remove State oversight and approval of any payment in lieu of tax agreement entered into under the bill;
- remove the reference to an abbreviated condemnation compensation proceeding since other committee amendments remove those provisions;
- expand the definition of "abandoned property" to include real

property, whether vacant or not, for which substantial environmental remediation has been ordered by the Department of Environmental Protection and which remains substantially incomplete 12 months following that order;

- permit a municipality to exclude from its inventory of abandoned property, property for which the expense to the municipality to determine the cost of required environmental remediation would be excessive. As introduced, municipalities would have been required to expend significant amounts to have extensive testing performed and reports and appraisals prepared in order list those properties in need of environmental remediation in excess of their fair market values;
- make consistent various references to the definition of abandoned property;
- permit a lienholder to challenge inclusion of property on the abandoned list in addition to the property owner;
- limit property tax foreclosure consequences to properties delinquent at least six quarters;
- require a tax sale certificate purchaser, assignee or transferee to file proof of liability insurance and indemnity agreement to hold the municipality harmless prior to commencing repair or rehabilitation work on the abandoned property;
- require that any money paid to redeem a tax sale certificate that was first held by a municipality and then transferred or assigned to the authority to be returned to the municipality;
- remove the provision concerning deemed waiver of condemnation commissioners by an owner of abandoned property and make clear that clearance, development, redevelopment or repair of property being maintained as an abandoned property is a public purpose and public use for which the power of eminent domain may be exercised;
- remove the provision permitting a municipality or the authority to institute tax sale certificate foreclosure proceedings 10 days after sale and instead reference the existing statute permitting immediate institution of foreclosure action against abandoned properties;
- provide reference to that provision of the bill relating to conveyance of a municipally held tax sale certificate on abandoned property to the authority in various statutes concerning methods by which a municipality may dispose of its tax sale certificates;
- remove the requirement that a municipality prepare a preliminary comprehensive plan before applying for participation in the neighborhood empowerment program;
- remove the provision that a municipality demonstrate a willingness to forgive back taxes in order to be eligible for priority consideration by the NJRA in designating empowerment neighborhoods;
- provide that the UCC shall administer the neighborhood

empowerment program in consultation with the NJRA. As introduced, the sole responsibility of the UCC with regard to this program would have involved its approval of the eligibility guidelines for neighborhood empowerment designation;

- change the benefits of empowerment neighborhood designation. As introduced, the bill would have provided as the benefit of designation: (1) the power of the NJRA to convey property for nominal consideration to a private developer in connection with an approved project, notwithstanding the "Local Lands and Buildings Law;" (2) the capping at 133% of appraised value a person's liability for cleanup costs in an empowerment neighborhood; and (3) the establishment of a "safe for intended use" standard within an empowerment neighborhood. The amendments provide that State programs shall give consideration to projects included in neighborhood empowerment plans or community development plans;
- provide that if the DEP issues a no further action letter or approves a remedial action workplan after the effective date of this act for a site at which a discharge occurred prior to or after its effective date, then any person who is not otherwise liable for the discharge shall not be liable to the State based solely on that person becoming an owner or operator of the site of the discharge. This provision applies only if the site is located in a qualified municipality and would also have applied only to empowerment neighborhoods but for this amendment which removes this limitation. The language is also clarified and the amendments add a definition of "site" to constitute real property defined in the remedial action workplan or no further action letter;
- require that in the event that any person who is performing a remediation on real property located in a qualified municipality who has entered into a memorandum of agreement with DEP subsequently submits to the department documents relating either to the remediation of that property or proposing innovative technologies, the DEP must review those documents in a timely fashion, providing approval, disapproval or conditional approval and provide a written rationale for any disapproval or conditional approval; and
- remove the rebuttable presumption that a remedial action workplan submitted in connection with a parcel of real property which qualifies for an urban redevelopment remediation exemption is in compliance with the department's regulations and is approved.

# SENATE BUDGET AND APPROPRIATIONS COMMITTEE

## STATEMENT TO

[First Reprint]

## SENATE, No. 800

with Senate committee amendments

# STATE OF NEW JERSEY

DATED: MARCH 18, 1996

The Senate Budget and Appropriations Committee reports favorably Senate Bill No. 800 (1R) of 1996 with amendments.

Senate Bill No. 800 (1R), as amended, creates the New Jersey Redevelopment Authority (NJRA), with far-reaching powers to assist in the revitalization of New Jersey's urban areas. The bill establishes the authority in, but not of, the Department of Commerce and Economic Development and confers upon it all of the powers necessary to oversee the revitalization of the State's urban areas. The NJRA is given bonding authority with an annual bonding cap of \$100 million.

In addition, the bill creates a framework under which properties declared as abandoned based on their condition may be acquired in an abbreviated manner and redeveloped. The bill also authorizes the use of payments in lieu of taxes as a financing method for redevelopment projects.

The bill establishes an empowerment neighborhood program through which certain municipalities may be made eligible for financial assistance from the NJRA. The Office of Neighborhood Empowerment will be in, but not of, the Department of Community Affairs.

Finally, the bill also sets forth procedures for remediating contaminated properties.

### COMMITTEE AMENDMENTS

The committee amended the bill with the approval of the sponsor to:

- Remove the requirement that projects in empowerment neighborhoods receive first priority for financing from the NJRA, and reinsert a requirement that the NJRA give preference to projects in such neighborhoods when making project financing decisions.
- Require the Urban Coordinating Council to work in conjunction,

as well as in consultation, the NJRA for the final eligibility guidelines which the council will establish for municipal participation in the neighborhood empowerment program, for the identification of municipalities that qualify for the program, and for the final designation of municipalities as empowerment neighborhoods.

- Require NJRA projects to be considered for funding from the "Water Supply Bond Act of 1981," the "Green Acres, Clean Water, Farmland and Historic Preservation Bond Act of 1992," and the "1992 New Jersey Employment and Workforce Development Act."
- Correct the wording of the appropriation for the NJRA and the Office of Neighborhood Empowerment.
- Change the effective date to make the establishment of the NJRA immediate upon enactment. The remainder of the bill will become effective on the 60th day after enactment.
- Make a deletion from section 56 of the bill concerning the liability of owners or operators of property for discharges on the property occurring prior to the owner or operator becoming the owner or operator.

#### **FISCAL IMPACT**

The bill appropriates \$9 million from the General Fund to the NJRA in, but not of, the Department of Commerce and Economic Development. In addition, the bill appropriates \$1 million from the General Fund to the Office of Neighborhood Empowerment in, but not of, the Department of Community Affairs.

The bill sets aside a portion of the aggregate amount of loans and loan guarantees made by the Economic Development Authority for NJRA projects. In addition, the bill makes available funds out of pre-existing bond issues for projects in empowerment neighborhoods or enterprise communities and provides that consideration be given to funding such projects, as may be practicable in an empowerment zone or enterprise community, as well as other NJRA projects, out of the "Water Supply Bond Act of 1981," the "Green Acres, Clean Water, Farmland and Historic Preservation Bond Act of 1992," and the "1992 New Jersey Employment and Workforce Development Act."