

**LEGISLATIVE HISTORY CHECKLIST**  
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(Special improvement districts)

**NJSA:** 40:56-66

**LAWS OF:** 1995 **CHAPTER:** 170

**BILL NO:** A2260

**SPONSOR(S):** Frelinghuysen and Albohn

**DATE INTRODUCED:** November 14, 1994

**COMMITTEE:** **ASSEMBLY:** Local Government  
**SENATE:** ---

**AMENDED DURING PASSAGE:** Yes Admentments during passage  
 First reprint enacted denoted by superscript numbers

**DATE OF PASSAGE:** **ASSEMBLY:** March 13,, 1995  
**SENATE:** May 25, 1995

**DATE OF APPROVAL:** July 5, 1995

**FOLLOWING STATEMENTS ARE ATTACHED IF AVAILABLE:**

**SPONSOR STATEMENT:** Yes

**COMMITTEE STATEMENT:** **ASSEMBLY:** Yes  
**SENATE:** No

**FISCAL NOTE:** No

**VETO MESSAGE:** No

**MESSAGE ON SIGNING:** No

**FOLLOWING WERE PRINTED:**

**REPORTS:** No

**HEARINGS:** No

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[FIRST REPRINT]  
ASSEMBLY, No. 2260  
STATE OF NEW JERSEY

INTRODUCED NOVEMBER 14, 1994

By Assemblymen FRELINGHUYSEN and ALBOHN

1 AN ACT concerning special improvement districts and amending  
2 P.L.1972, c.134.

3  
4 BE IT ENACTED *by the Senate and General Assembly of the*  
5 *State of New Jersey:*

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

8 2. As used in this act:

9 a. "Pedestrian mall" or "pedestrian mall improvement" means  
10 any local improvement designed to be used primarily for the  
11 movement, safety, convenience and enjoyment of pedestrians,  
12 whether or not a part of a street is set apart for roadway for  
13 emergency vehicles, transit vehicles and private vehicles or any  
14 of them, and a pedestrian mall improvement shall include but not  
15 be limited to pedestrian thoroughfares, perimeter parking, public  
16 seating, park areas, outdoor cafes, shelters, trees, flower  
17 plantings, sculpture, newsstands, telephone booths, traffic signs,  
18 kiosks, fire hydrants, street lighting, ornamental signs,  
19 ornamental lights, trash receptacles, display cases, marquees,  
20 awnings, canopies, overhead radiant heating fixtures, underground  
21 radiant heating pipes and devices, walls, bollards and chains and  
22 all such other fixtures, equipment, facilities and appurtenances  
23 which in the judgment of the governing body of a municipality  
24 will enhance the movement, safety, convenience and enjoyment  
25 of pedestrians and benefit the municipality and adjoining  
26 properties.

27 b. "Special improvement district" means an area within a  
28 municipality designated by municipal ordinance as an area in  
29 which a special assessment on [all] property within the district  
30 shall be imposed for the purposes of promoting the economic and  
31 general welfare of the district and the municipality. The  
32 municipal ordinance may exempt residential properties,  
33 residential portions of mixed use properties<sup>1</sup>, parcels with any  
34 number of residential units,<sup>1</sup> or vacant properties located within  
35 the district from special assessment.

36 c. "District management corporation" means an entity created  
37 by municipal ordinance or incorporated pursuant to Title 15A of  
38 the New Jersey Statutes and designated by municipal ordinance  
39 to receive funds collected by a special assessment within a  
40 special improvement district, as authorized by this amendatory  
41 and supplementary act.

42 (cf: P.L.1984, c.151, s.3)

43 2. This act shall take effect immediately.

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> Assembly ALG committee amendments adopted December 12, 1994.

1

2

3 Allows residential property to be exempted from special  
4 improvement assessment.

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SPONSOR'S STATEMENT

This bill allows a municipal ordinance establishing a special improvement district to exempt residential properties, residential portions of mixed use properties or vacant properties located within the district from special assessment.

Because special improvement districts are located primarily in business districts and were created primarily to revitalize those districts, many municipalities have interpreted P.L.1972, c.134 as allowing for the special assessment of commercial properties, to the exclusion of residential properties located within the district. At a time when governments at all levels are seeking ways of reducing taxes, it is important that this legislation not be construed to require residential properties within a business district to be subject to the special improvement assessment.

Accordingly, this legislation clarifies that a municipal ordinance establishing a special improvement district may exempt residential properties, the residential portion of a mixed use property or vacant properties from the special assessment in the event that a special improvement district is established.

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Allows residential property to be exempted from special improvement assessment.

ASSEMBLY LOCAL GOVERNMENT COMMITTEE

STATEMENT TO

**ASSEMBLY, No. 2260**

with committee amendments

**STATE OF NEW JERSEY**

DATED: DECEMBER 12, 1994

The Assembly Local Government Committee reports favorably Assembly Bill No. 2260, with committee amendments.

Assembly Bill No. 2260, as amended by the committee, allows a municipal ordinance establishing a special improvement district to exempt residential properties, residential portions of mixed use properties, parcels with any number of residential units, or vacant properties located within the district from special assessment. A municipality would have the power to determine whether any or all of those classifications would be subject to the special assessment in the municipality's special improvement district.

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The committee amended the bill to insert language allowing for the exemption of parcels with any number of residential units from the special assessment.