

P.L. 2018, CHAPTER 97, *approved August 17, 2018*
Assembly, No. 2041 (*Second Reprint*)

1 AN ACT concerning tax exemptions, the issuance of bonds and
2 imposition of certain municipal liens and special assessments,
3 establishing the “Economic Redevelopment and Growth Grant
4 Bond Financing Act,” supplementing Title 52 of the Revised
5 Statutes, amending ¹**[and supplementing]**¹ the “Redevelopment
6 Area Bond Financing Law,” P.L.2001, c.310 (C.40A:12A-64 et
7 seq.), and amending the “Long Term Tax Exemption Law,”
8 P.L.1991, c.431 (C.40A:20-1 et seq.).
9

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

13 1. (New section) Sections 1 through 11 of this act shall be
14 known and may be cited as the “Economic Redevelopment and
15 Growth Grant Bond Financing Act.”
16

17 2. (New section) As used in sections 1 through 11 of P.L. ,
18 c. (C.) (pending before the Legislature as this bill):

19 “Authority” means the New Jersey Economic Development
20 Authority established pursuant to P.L.1974, c.80 (C.34:1B-1 et
21 seq.), the New Jersey Redevelopment Authority established
22 pursuant to section 4 of P.L.1996, c.62 (C.55:19-23), a county
23 improvement authority established pursuant to P.L.1960, c.183
24 (C.40:37A-44 et seq.), or other instrumentality created by law of the
25 State with the power to incur debt and issue bonds and other
26 obligations. ²The issuance of debt in accordance herewith is hereby
27 deemed an essential public, governmental, and corporate purpose of
28 all such authorities.²

29 “Board” means the Local Finance Board established in the
30 Division of Local Government Services in the Department of
31 Community Affairs.

32 “Bonds” mean bonds, notes^{2,2} or other obligations issued by an
33 authority ²**[**, including any State entity,²**]**² or a municipality to
34 finance or refinance economic redevelopment and growth grant
35 projects, and in connection therewith, to finance or refinance any
36 other cost or expense of an authority ²**[**, a State entity²**]**² or a
37 municipality pursuant to sections 1 through 11 of P.L. , c. (C.)

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:

¹Assembly ACE committee amendments adopted February 8, 2018.

²Senate SBA committee amendments adopted June 18, 2018.

1 (pending before the Legislature as this bill), the “Local
2 Redevelopment and Housing Law,” P.L.1992, c.79 (C.40A:12A-1
3 et al), or other applicable law.

4 “Developer” means any person who enters or proposes to enter
5 into a redevelopment incentive grant agreement pursuant to the
6 provisions of section 9 of P.L.2009, c.90 (C.52:27D-489i), or its
7 successors or assigns, including but not limited to a lender that
8 completes an economic redevelopment and growth grant project,
9 operates an economic redevelopment and growth grant project, or
10 completes and operates an economic redevelopment and growth
11 grant project. A developer also may be a municipal redeveloper as
12 defined herein.

13 “Economic redevelopment and growth grant project” means a
14 project for which an incentive grant has been approved pursuant to
15 section 4 or section 5 of P.L.2009, c.90 (C.52:27D-489d or
16 C.52:27D-489e).

17 “Incentive grant” means reimbursement of all or a portion of the
18 project financing gap of an economic redevelopment and growth
19 grant project through the State or a local Economic Redevelopment
20 and Growth Grant program pursuant to section 4 or section 5 of
21 P.L.2009, c. 90 (C.52:27D-489d or C.52:27D-489e). ²The amount
22 of reimbursements for a State economic redevelopment and growth
23 grant project is subject to appropriation by the Legislature and to
24 availability of funds.²

25 “Incentive grant pledge” means an agreement ²[between a
26 developer and the issuer of bonds pursuant to which the developer]
27 that² pledges ²[its] a developer's right to collect incremental revenues
28 from an² incentive grant ²[for] as² repayment ²[of the] for² bonds,
29 which pledge may be part of a bond indenture or other agreement
30 related to the issuance of the bonds. ²The pledge of a State
31 incentive grant shall be made only upon notice to and consent of the
32 New Jersey Economic Development Authority and the State
33 Treasurer in accordance with section 9 of P.L.2009, c.90
34 (C.52:27D-489i).²

35 “Municipal redeveloper” means an applicant for a redevelopment
36 incentive grant agreement, which applicant is:

37 a. a municipal government, a municipal parking authority, or a
38 redevelopment agency acting on behalf of a municipal government
39 as defined in section 3 of P.L.1992, c.79 (C.40A:12A-3); or

40 b. a developer of a mixed use parking project, provided that the
41 parking component of the mixed use parking project is operated and
42 maintained by a municipal parking authority for the term of any
43 financial assistance granted pursuant to P.L.2015, c.69.

44 “Municipality” means the municipal governing body or an entity
45 acting on behalf of the municipality if permitted by the federal
46 Internal Revenue Code of 1986, or, if a redevelopment agency or
47 redevelopment entity is established in the municipality pursuant to

1 P.L.1992, c.79 (C.40A:12A-1 et seq.) and the municipality so
2 provides, the redevelopment agency or entity so established.

3 “Redevelopment incentive grant agreement” means an agreement
4 between:

5 a. the State and the New Jersey Economic Development
6 Authority and a developer; or

7 b. a municipality and a developer, or a municipal ordinance
8 authorizing a project to be undertaken by a municipal redeveloper,
9 under which, in exchange for the proceeds of an incentive grant, the
10 developer agrees to perform any work or undertaking necessary for
11 an economic redevelopment and growth grant project, including the
12 clearance, development or redevelopment, construction, or
13 rehabilitation of any structure or improvement of commercial,
14 industrial, residential, or public structures or improvements within a
15 qualifying economic redevelopment and growth grant incentive area
16 or a transit village.

17 “Special assessment” means an assessment upon the lands or
18 improvements on such lands, or both, on the real property
19 benefitted by improvements undertaken pursuant to sections 1
20 through 11 of P.L. , c. (C.) (pending before the Legislature
21 as this bill) and assessed pursuant to chapter 56 of Title 40 of the
22 Revised Statutes, R.S.40:56-1 et seq., except as otherwise provided
23 in subsection b. of section 3 of P.L. , c. (C.) (pending
24 before the Legislature as this bill).

25 “State entity” means ²the New Jersey Sports and Exposition
26 Authority established pursuant to P.L.1971, c.137 (C.5:10-1 et seq.)
27 or² any ²other² entity created by State law ²**[with the power to**
28 **undertake]** which undertakes² an economic redevelopment and
29 growth grant project ²**[directly or through a State entity**
30 **developer]**² and ²**[with]** which has² the power to determine the
31 location, type, and character of ²**[an economic redevelopment and**
32 **growth grant project or part of an economic redevelopment and**
33 **growth grant project]** projects² on land owned or controlled by it.

34 ²**[“State entity developer” means any person, firm, or**
35 **corporation that shall enter into or propose to enter into a State**
36 **entity development agreement with a State entity for an economic**
37 **redevelopment and growth grant project under the enabling**
38 **legislation governing the actions of the State entity or for any**
39 **construction or other work forming a part of an economic**
40 **redevelopment and growth grant project.**

41 “State entity development agreement” means an agreement
42 between a State entity and a State entity developer for an economic
43 redevelopment and growth grant project. ²

44
45 3. (New section) a. In connection with any economic
46 redevelopment and growth grant project, the municipality in which
47 the project is located may issue bonds itself in the manner provided

1 for herein or pursuant to the “Local Redevelopment and Housing
 2 Law,” P.L.1992, c.79 (C.40A:12A-1 et al.) or may apply to an
 3 authority to issue bonds, regardless of whether the economic
 4 redevelopment and growth grant project is undertaken ²[under
 5 municipal authority]² pursuant to section 4 ²or section 5² of
 6 P.L.2009, c.90 (C.52:27D-489d ²or C.52:27D-489e²) ²[or by a State
 7 entity developer pursuant to a State entity development
 8 agreement]², which, in any case, may be secured by an incentive
 9 grant pledge, and may be further secured by a municipal lien, by
 10 special assessments, or both a municipal lien and special
 11 assessments, by the adoption of a resolution or ordinance, as
 12 applicable, of the governing body of the municipality ²[,] or² the
 13 authority ²[, or the State entity]² to that effect. ²The term of any
 14 bond secured in whole or in part by an incentive grant pledge shall
 15 not exceed the eligibility period of the redevelopment incentive
 16 grant agreement that provides for the incentive grant that is
 17 pledged.

18 Nothing contained in sections 1 through 11 of
 19 P.L. , c. (C.) (pending before the Legislature as this bill)
 20 shall be construed as preventing the pledge, assignment, transfer, or
 21 sale of any or all of a developer’s right, title, and interest in and to a
 22 redevelopment incentive grant agreement and in the incentive grants
 23 payable thereunder, and the right to receive same, along with the
 24 rights and remedies provided to a developer under a redevelopment
 25 incentive grant agreement in accordance with subsection g. of
 26 section 9 of P.L.2009, c.90 (C.52:27D-489i.) or subsection g of
 27 section 11 of P.L.2009, c.90 (C.52:27D-489k.), as applicable, or
 28 shall purport to limit the use of such pledge, assignment, transfer, or
 29 sale with respect to the issuance of bonds hereunder or under other
 30 applicable law. Furthermore, nothing contained in sections 1
 31 through 11 of P.L. , c. (C.) (pending before the Legislature
 32 as this bill) shall prevent a State entity from financing an economic
 33 redevelopment and growth grant project in accordance with the
 34 State entity's enabling legislation and section 9 of P.L.2009, c.90
 35 (C.52:27D-489i), which financing shall not be subject to the
 36 provisions of sections 1 through 11 of P.L. , c. (C.)
 37 (pending before the Legislature as this bill).²

38 b. ²[In addition to, or in lieu of, an incentive grant pledge, a]
 39 A² municipality may provide by ordinance for one or more special
 40 assessments on the economic redevelopment and growth grant
 41 project in accordance with chapter 56 of Title 40 of the Revised
 42 Statutes, R.S.40:56-1 et seq.; provided, however, the local
 43 improvements for which such special assessments may be made
 44 may include any improvement in the economic redevelopment and
 45 growth grant project whether or not listed at R.S.40:56-1 and,
 46 provided further, that the provisions of R.S.40:56-35 shall be
 47 applied so that if any installment of a special assessment shall

1 remain unpaid for 30 days after the time at which it shall become
2 due, the municipality may provide, by ordinance, either that: (1) the
3 whole assessment or balance due thereon shall become and be
4 immediately due; or, (2) any subsequent installments which would
5 not yet have become due except for the default shall be considered
6 as not in default and that the lien for the installments not yet due
7 shall continue; and provided, further, that the ordinance may require
8 that the assessments be payable in quarterly, semi-annual, or yearly
9 installments, with legal interest thereon, over a period of years up to
10 but in no event exceeding the period of years for which the bonds
11 were issued ²【, or for 30 years, whichever shall be less】². In
12 levying a special assessment on the lands or improvements, or both,
13 on which the economic redevelopment and growth grant project is
14 located, the municipality may provide that the amount of the special
15 assessment shall be a specific amount, not to exceed the cost of the
16 improvements, plus any out-of-pocket costs or expenses incurred in
17 connection with such improvements, including, but not limited to,
18 architectural, engineering, financing, legal, and other professional
19 fees, paid with respect to property ²【on which the economic
20 redevelopment and growth grant project is located】 benefitted by the
21 improvements². That specific amount shall, to the extent accepted
22 by the owner of the property benefitted, be deemed the conferred
23 benefit, in lieu of the amount being determined by the procedures
24 otherwise applicable to determining the actual benefit conferred on
25 the property. Special assessments levied pursuant to an ordinance
26 adopted under this subsection shall constitute a municipal lien
27 under R.S.40:56-33.

28 c. Upon adoption, a copy of the ordinance shall be filed for
29 public inspection in the office of the municipal clerk, and there
30 shall be published in a newspaper, published or circulating in the
31 municipality, a notice stating the fact and the date of adoption and
32 the place where the ordinance is filed and a summary of the
33 contents of the ordinance. The notice shall state that any action or
34 proceeding of any kind or nature in any court questioning the
35 validity or proper authorization of the ordinance or the actions
36 authorized to be taken as set forth in the ordinance shall be
37 commenced within 20 days after the publication of the notice. If no
38 action or proceeding questioning the validity of the ordinance
39 providing for special assessments or other actions authorized by the
40 ordinance shall be commenced or instituted within 20 days after the
41 publication of the notice, the county and the school district and all
42 other municipalities within the county and all residents and
43 taxpayers and owners of property therein shall be forever barred
44 and foreclosed from instituting or commencing any action or
45 proceeding in any court questioning the validity or enforceability of
46 the ordinance or the validity or enforceability of acts authorized
47 under the ordinance, and the ordinance and acts authorized by the

1 ordinance shall be conclusively deemed to be valid and enforceable
2 in accordance with their terms and tenor.

3 d. The municipality may include in the terms of a bond or
4 contract, including an incentive grant pledge, a provision that the
5 pledge of an incentive grant or special assessments shall constitute a
6 municipal charge for the purposes of R.S.54:4-66.

7 e. The incentive grant pledge or special assessments, or both,
8 may be assigned directly by the municipality or the authority to the
9 trustee for the bonds as payment or security for the bonds ²,
10 provided that the assignment of the pledge of a State incentive grant
11 shall be made only upon notice to and consent of the New Jersey
12 Economic Development Authority and the State Treasurer².

13 Notwithstanding any law to the contrary, the assignment shall be an
14 absolute assignment of all the municipality's right, title, and interest
15 in the incentive grant pledge or special assessments, or both, or
16 portion thereof, along with the rights and remedies provided to the
17 municipality under the agreement including, but not limited to, the
18 right of collection of payments due. ²**[Pursuant to an absolute**
19 **assignment, the trustee, in lieu of the municipality, shall possess the**
20 **power to conduct a sale of the land or improvements thereon, or**
21 **both, or any leasehold interests in the land or improvements**
22 **thereon, or both, to satisfy delinquencies in incentive grant pledges**
23 **or special assessments, or both. The sale shall be held in**
24 **accordance with the provisions of the "tax sale law," R.S.54:5-1 et**
25 **seq.; provided, however that notwithstanding any provision of that**
26 **law, the trustee shall have the power to issue a tax sale certificate**
27 **making sale of any interest, including any interest less than a fee**
28 **interest, that is subject to a lien established under this section. Prior**
29 **to conducting a sale of the lands or improvements or issuing a tax**
30 **sale certificate pursuant to the power conferred under this section,**
31 **the trustee shall provide the governing body of the municipality**
32 **with written notice of the proposed sale or issuance at least five**
33 **working days prior to the date of the proposed sale or issuance.]**²

34 Any interest that is subject to a lien established under this section
35 shall not be transferred, conveyed, assigned, disposed of, or sold,
36 whether by tax sale or otherwise, free and clear of the
37 redevelopment incentive grant agreement and any incentive grant
38 pledges due thereunder while bonds are secured thereby, regardless
39 of the consent of the parties or order of any court, whether in law or
40 in equity, unless any such transfer or conveyance is provided for
41 under the terms and conditions set forth in the bond resolution or
42 bond ordinance, as applicable. Any purchaser, transferee,
43 successor, grantee, or assignee of such interest, whether at a tax sale
44 or otherwise, shall take title to such interest subject to the
45 obligations imposed by the redevelopment incentive grant
46 agreement. ²Notwithstanding any provision in this section or in any
47 other law to the contrary, no purchaser, transferee, successor,

1 grantee, or assignee shall be assigned a State redevelopment
2 incentive grant agreement or have any of the rights, duties, or
3 obligations of a State redevelopment incentive grant agreement
4 without notice to and consent of the New Jersey Economic
5 Development Authority and the State Treasurer.² Incentive grant
6 pledges and special assessments assigned as provided hereunder
7 shall not be included in the general funds of the municipality, nor
8 shall they be subject to any laws regarding the receipt, deposit,
9 investment, or appropriation of public funds and shall retain such
10 status notwithstanding enforcement of the payment or assessment
11 by the municipality or assignee as provided herein. The
12 municipality shall be a “person” within the meaning of that term as
13 defined in section 3 of P.L.1974, c.80 (C.34:1B-3); and the purpose
14 described in this section shall be a “project” within the meaning of
15 that term as defined in section 3 of P.L.1974, c.80 (C.34:1B-3).

16 f. Notwithstanding the provisions of subsection g. of section
17 37 of P.L.1992, c.79 (C.40A:12A-37), the bonds issued pursuant to
18 this section ²**[may]** shall² be issued as non-recourse obligations,
19 and ²**[unless otherwise provided for by a separate action of the**
20 **municipality to guarantee such bonds or otherwise provide for a**
21 **pledge of the municipality's full faith and credit]**² shall not ²**[,**
22 **except for such action,]**² be considered to be direct and general
23 obligations of the municipality, and ²**[, absent such action,]**² the
24 municipality shall not be obligated to levy and collect a tax
25 sufficient in an amount to pay the principal and interest on the
26 bonds when the same become due and payable. The provisions of
27 the “Local Government Supervision Act (1947),” P.L.1947, c.151
28 (C.52:27BB-1 et seq.) shall not apply to any bonds issued or
29 authorized pursuant to this section and those bonds shall not be
30 considered gross debt of the municipality on any debt statement
31 filed in accordance with the “Local Bond Law,” N.J.S.40A:2-1 et
32 seq., and the provisions of chapter 27 of Title 52 of the Revised
33 Statutes shall not apply to such bonds.

34 g. The proceeds from the sale of bonds and any funds provided
35 by any department of the State, authority created by the State, or bi-
36 state authority, for the purposes described in sections 1 through 11
37 of P.L. , c. (C.) (pending before the Legislature as this bill),
38 or for the purpose of financing or refinancing an economic
39 redevelopment and growth grant project pursuant to ²**[a State entity**
40 **development agreement]** section 5 of P.L.2009, c.90 (C.52:27D-
41 489e)² , shall not require compliance with public bidding laws,
42 including the “Local Public Contracts Law,” P.L.1971,
43 c.198 (C.40A:11-1 et seq.), or any other statute where the developer
44 ²**[or State entity developer, as the case may be,]**² shall undertake
45 the economic redevelopment and growth grant project. The use of
46 these funds shall be subject to public accountability and oversight

1 by the issuer of those bonds, regardless of whether the municipality,
2 agency, or authority provides the funds.

3 h. ²¶ In order to provide additional security for bonds issued to
4 finance an economic redevelopment and growth grant project, the
5 municipality may utilize powers otherwise provided by law,
6 including the “Local Redevelopment and Housing Law,” P.L.1992,
7 c.79 (C.40A:12A-1 et al), to provide for any extension of the
8 municipality's credit to any developer or State entity developer, as
9 the case may be, or its full faith and credit which may include a full
10 faith and credit lease as security for the bonds or any loan to a
11 developer or State entity developer, as the case may be. To the
12 extent that the municipality provides for a full faith and credit
13 guarantee of any bonds, but determines not to authorize the issuance
14 of bonds or notes to provide for the funding source thereof, or
15 otherwise determines to enter into a full faith and credit lease, it
16 may do so by resolution approved by a majority of the full
17 governing body. To the extent that bonds or notes are authorized as
18 provided above, such bonds or notes shall be authorized pursuant to
19 the provisions of the “Local Bond Law,” N.J.S.40A:2-1 et seq., and
20 shall be deductible from the gross debt of the municipality until
21 such time as such bonds or notes are actually issued, and only up to
22 the amount actually issued, to fund such guarantee.

23 i. ²¶ A bond, whether issued by a municipality or an authority,
24 ²¶ which is secured in whole or in part by the full faith and credit
25 thereof as provided herein, ²¶ shall be subject to the review and
26 approval of the Local Finance Board. That review and approval
27 shall be made prior to approval of ²¶, in the case of a municipal
28 governing body, ²¶ an ²¶ introduced ²¶ ordinance or ²¶, in the case of
29 an authority or redevelopment entity that is not a municipal
30 governing body, ²¶ a resolution ², as may be required by the law
31 pursuant to which the bonds are issued². The board shall be entitled
32 to receive from the applicant an amount sufficient to provide for all
33 reasonable professional and other fees and expenses incurred by it
34 for the review, analysis, and determination with respect thereto. As
35 part of its review, the board shall specifically solicit comments from
36 the New Jersey Economic Development Authority in addition to
37 comments from the public. As part of the board's review and
38 approval, it shall consider comments submitted, and whether the
39 issuance of the bond will adversely impact the financial stability of
40 the municipality or the service area of the authority.

41 ²¶ j. ² i. ² A municipality that has assigned any portion of the
42 incentive grant pledge it receives as payment or security for bonds,
43 may, with the consent of the developer, ² the New Jersey Economic
44 Development Authority, and the State Treasurer,² also pledge a
45 portion of the incentive grant pledge as payment or security for
46 bonds in order to finance or refinance any cost or expense of the
47 municipality ²¶, State entity ²¶ or authority.

1 ²[k.] j.² In the case of a municipality which is otherwise
2 subject to tax or revenue sharing pursuant to law and which assigns
3 a portion of the incentive grant pledge or special assessments to
4 secure bonds issued by the municipality or the authority, the
5 assigned portion of the incentive grant pledge or special
6 assessments shall not be considered part of the tax or revenue
7 sharing formula or calculation of municipal revenues for the
8 purpose of determining whether that municipality is obligated to
9 make payment to, or receive a credit from, any tax sharing or
10 revenue sharing pool.

11 ²[l.] k.² Notwithstanding any law to the contrary, in the event
12 that bonds shall be issued that are secured by incentive grant
13 pledges pursuant to a redevelopment incentive grant agreement, the
14 redevelopment incentive grant agreement shall not be terminated for
15 any reason ²after such bonds are issued and² during the period that
16 the bonds are outstanding ², except solely in the instances where the
17 economic redevelopment and growth grant project has not been
18 completed within the period of time required by the redevelopment
19 incentive grant agreement, or the economic redevelopment and
20 growth grant project has materially changed without prior approval
21 of the New Jersey Economic Development Authority and the State
22 Treasurer, in which cases the New Jersey Economic Development
23 Authority and the State Treasurer may terminate the redevelopment
24 incentive grant agreement in accordance with its terms. Nothing
25 herein shall preclude the New Jersey Economic Development
26 Authority or State Treasurer from exercising its rights under the
27 redemption incentive grant agreement to compel specific
28 performance or terminating the redevelopment incentive grant
29 agreement prior to the issuance of bonds for any reason in
30 accordance with its terms².

31
32 4. (New section) a. If authorized by ordinance of a
33 municipality adopted pursuant to subsection a. of section 3 of
34 P.L. , c. (C.) (pending before the Legislature as this bill),
35 payments required to be made in accordance with an incentive grant
36 pledge entered into pursuant to sections 1 through 11 of P.L. , c.
37 (C.) (pending before the Legislature as this bill) shall be a
38 continuous lien on the land or improvements thereon, or both, or a
39 continuous lien on any leasehold interests in the land or
40 improvements thereon, or both, against which the ordinance is
41 recorded on and after the date of recordation of both the ordinance
42 and the agreement, whether simultaneously or not, or the date of
43 confirmation of the special assessments, whichever is earlier. All
44 subsequent payments of the incentive grant pledge thereunder,
45 interest, penalties, and costs of collection which thereafter fall due
46 or accrue shall be added and relate back to and be a part of the
47 initial lien. Upon recordation of the ordinance and agreement, the

1 incentive grant pledge shall constitute an automatic, enforceable,
 2 and perfected statutory municipal lien for all purposes, including
 3 the federal bankruptcy code, regardless of whether ²[or not]² the
 4 amount of the incentive grant pledge has been determined at the
 5 time the lien attaches to any interest in the land, leasehold estate, or
 6 improvements, as applicable. A confirmation hearing process to
 7 determine the amount due shall not affect the commencement or
 8 validity of a lien established pursuant to subsection a. of section 3
 9 of P.L. , c. (C.) (pending before the Legislature as this bill).
 10 Notwithstanding any other applicable law, for the purposes of
 11 subsection a. of section 3 of P.L. , c. (C.) (pending before
 12 the Legislature as this bill), a municipal lien on a leasehold estate
 13 shall constitute a lien against such leasehold estate only, unless the
 14 redevelopment incentive grant agreement specifically provides for a
 15 lien on the underlying fee interest in the land. In any case,
 16 enforcement of a municipal lien on a leasehold estate shall be
 17 limited to an in rem proceeding only. No municipal lien shall
 18 attach to any interest of ²[a] an authority or any entity created by
 19 the² State ²[entity]² unless ²[such State] the authority or² entity
 20 shall have expressly consented to such lien in the redevelopment
 21 incentive grant agreement.

22 b. If bonds are issued, the municipality ²[,] or² the developer
 23 ²[or the State entity developer]² , as the case may be, may record,
 24 either simultaneously or at different times, any ordinance adopted
 25 by the municipality relating to the incentive grant pledge or special
 26 assessments and, either simultaneously with the ordinance or at
 27 different times, a copy of the agreement or agreements. The
 28 ordinance, when recorded, shall contain a legend at the top of the
 29 front page substantially as follows:

30
 31 THIS ORDINANCE SECURES BONDS OR OTHER
 32 OBLIGATIONS ISSUED IN ACCORDANCE WITH THE
 33 PROVISIONS OF THE "ECONOMIC REDEVELOPMENT AND
 34 GROWTH GRANT BOND FINANCING ACT" AND THE LIEN
 35 HEREOF IN FAVOR OF THE OWNERS OF SUCH BONDS OR
 36 OTHER OBLIGATIONS IS A MUNICIPAL LIEN SUPERIOR TO
 37 ALL OTHER NON-MUNICIPAL LIENS HEREAFTER
 38 RECORDED.

39
 40 c. Notwithstanding any law to the contrary, upon recordation
 41 of both the ordinance and any accompanying agreement, the lien
 42 thereof shall be perfected for all purposes in accordance with law
 43 and the lien shall thereafter be superior to (1) all ²[municipal and]²
 44 non-municipal liens thereafter recorded or otherwise arising, and,
 45 (2) each prior lien where the lienholder consents, without any
 46 additional notice, recording, filing, continuation filing, or action,
 47 until the payment in full of the bonds. The lien thereby established

1 shall apply not only to the bonds initially issued, but also to any
2 refinancing or refunding thereof, as well as to any additional bonds
3 thereafter issued on a parity therewith in accordance with the
4 provisions of the original documents securing the initial bonds;
5 provided, however, that in the event any ordinance or agreement is
6 amended or supplemented in a way which increases the amount of
7 an incentive grant pledge or special assessments, the lien as to that
8 increase shall be perfected and apply upon the recordation of the
9 amended or supplemented ordinance and agreement (including the
10 above-recited legend). Except as set forth in this section, no
11 amendment or supplement to the ordinance or agreement thereafter
12 recorded shall affect the perfection or priority of the lien established
13 upon original recordation thereof.

14 d. Upon the final payment in full of any bonds secured as
15 provided in sections 1 through 11 of P.L. , c. (C.) (pending
16 before the Legislature as this bill), the lien established hereby shall
17 terminate, and the ²[municipality] trustee² shall record a notice to
18 that effect.

19

20 5. (New section) a. In lieu of, or in addition to, the provisions
21 of section 4 of P.L. , c. (C.) (pending before the Legislature
22 as this bill), the municipality may provide in the agreement that the
23 incentive grant pledge, if any, is to be secured by a mortgage. In
24 that event the mortgage may also be assigned and pledged to the
25 repayment of the bonds authorized herein.

26 b. The assignment of any mortgage that secures an incentive
27 grant pledge, if any, may also be an absolute assignment of all or
28 part of the municipality's right, title, and interest in the mortgage
29 and, to the extent assigned, any moneys realized from the
30 foreclosure of the mortgaged property shall not be included in the
31 general funds of the municipality.

32 c. After the bonds are paid and no longer deemed to be
33 outstanding, the assignment of the mortgage shall terminate.

34

35 6. (New section) All bonds issued pursuant to sections 1
36 through 11 of P.L. , c. (C.) (pending before the Legislature
37 as this bill), are hereby declared to be issued by a political
38 subdivision of this State and for an essential public and
39 governmental purpose and the bonds, and the interest thereon and
40 the income therefrom, and all facility charges, funds, revenues, and
41 other moneys pledged or available to pay or secure the payment of
42 the bonds, or interest thereon, shall at all times be exempt from
43 taxation except for transfer inheritance and estate taxes.

44

45 7. (New section) The State of New Jersey does hereby pledge
46 to and covenant and agree with the holders of any bonds issued
47 pursuant to sections 1 through 11 of P.L. , c. (C.) (pending
48 before the Legislature as this bill) that the State will not limit or

1 alter the terms of any agreement, ordinance, or resolution made in
2 connection with the security for and the issuance and sale of any
3 bonds, so as to in any way impair the rights or remedies of such
4 holders, and will not modify in any way the exemption from
5 taxation provided for in sections 1 through 11 of P.L. , c. (C.)
6 (pending before the Legislature as this bill) until the bonds, together
7 with interest thereon, with interest on any unpaid installments of
8 interest, and all costs and expenses in connection with any action or
9 proceeding by or on behalf of such holders, are fully met and
10 discharged or provided for.

11

12 8. (New section) If any section, subsection, clause or provision
13 of the “Economic Redevelopment and Growth Grant Bond
14 Financing Act,” sections 1 through 11 of P.L. , c. (C.)
15 (pending before the Legislature as this bill), shall be adjudged to be
16 unconstitutional or ineffective in whole or in part, to the extent that
17 it is not adjudged unconstitutional or is not ineffective, it shall be
18 valid and effective and no other section, subsection, clause or
19 provision of the “Economic Redevelopment and Growth Grant
20 Bond Financing Act,” sections 1 through 11 of P.L. , c. (C.)
21 (pending before the Legislature as this bill), shall on account
22 thereof be deemed invalid or ineffective, and the inapplicability or
23 invalidity of any section, subsection, clause or provision of the
24 “Economic Redevelopment and Growth Grant Bond Financing
25 Act,” sections 1 through 11 of P.L. , c. (C.) (pending before
26 the Legislature as this bill), in any one or more instances or under
27 any one or more circumstances shall not be taken to affect or
28 prejudice in any way its applicability or validity in any other
29 instance or under any other circumstance.

30

31 9. (New section) An authority or municipality, as applicable,
32 shall cause a copy of any bond resolution or bond ordinance, as
33 applicable, adopted by it to be filed for public inspection in the
34 office of the municipal clerk of the municipality wherein the project
35 financed by the bonds is located. In the case of an authority, the
36 resolution also shall be filed for public inspection in its office. The
37 authority or municipality may cause to be published, at least once in
38 a newspaper published or circulating in the municipality, if there be
39 one, and if not, in a newspaper published and circulating in the
40 county, a notice stating the fact and date of the adoption and the
41 places where the bond resolution or bond ordinance, as applicable,
42 has been so filed for public inspection along with the date of the
43 first publication of the notice and also stating that any action or
44 proceeding of any kind or nature in any court questioning the
45 validity or proper authorization of bonds provided for by the bond
46 resolution or bond ordinance, as applicable, or the validity of any
47 covenants, agreements or contracts provided for by the bond
48 resolution or bond ordinance, as applicable, shall be commenced

1 within 20 days after the first publication of that notice. If any such
2 notice shall at any time be published and if no action or proceeding
3 questioning the validity or proper authorization of bonds provided
4 for by the bond resolution or bond ordinance, as applicable, referred
5 to in said notice, or the validity of any covenants, agreements, or
6 contracts provided for by said bond resolution or bond ordinance, as
7 applicable, shall be commenced or instituted within 20 days after
8 the first publication of the notice, then all persons shall be forever
9 barred and foreclosed from instituting or commencing any action or
10 proceeding in any court, or from pleading any defense to any action
11 or proceeding, questioning the validity or proper authorization of
12 such bonds, or the validity of such covenants, agreements, or
13 contracts, and said bonds, covenants, agreements, and contracts
14 shall be conclusively deemed to be valid and binding obligations in
15 accordance with their terms and tenor.

16

17 10. (New section) Any municipality may undertake, as a local
18 improvement; the investigation, analysis, planning, monitoring,
19 acquisition, removal, containment, remediation, construction, or
20 improvement of any real property or facility necessary or desirable
21 for the cleanup of actual, potential, or perceived environmental
22 contamination or pollution, including without limitation, water
23 pollution, air pollution, pollution caused by solid waste disposal,
24 thermal pollution, radiation contamination, or other general
25 environmental contamination or pollution which is or may become
26 injurious to the environment or to the public health, safety, or
27 welfare.

28 The governing body of a municipality undertaking a local
29 improvement under this section may make, amend, repeal, and
30 enforce ordinances for carrying into effect the powers granted in
31 this section. Whenever convenient, one or more of the works
32 provided for in R.S.40:56-1 may be undertaken together with the
33 local improvement authorized under this section as one
34 improvement.

35

36 11. (New section) Whenever a municipality issues bonds in
37 accordance with sections 1 through 11 of P.L. , c. (C.)
38 (pending before the Legislature as this bill), or a municipality
39 applies to an authority to issue bonds pursuant to sections 1 through
40 11 of P.L. , c. (C.) (pending before the Legislature as this
41 bill), the municipality by ordinance may cause local improvements
42 to be undertaken, or otherwise agree to acknowledge the
43 undertaking of local improvements, by or on behalf of a
44 redeveloper, for the powers granted under R.S.40:56-1 et seq.,
45 including section 10 of P.L. , c. (C.) (pending before the
46 Legislature as this bill).

1 12. Section 2 of P.L.2001, c.310 (C.40A:12A-65) is amended to
2 read as follows:

3 2. As used in sections 1 through 10 of P.L.2001, c.310
4 (C.40A:12A-64 et seq.):

5 "Authority" means the New Jersey Economic Development
6 Authority established pursuant to P.L.1974, c.80 (C.34:1B-1 et
7 seq.), the New Jersey Redevelopment Authority established
8 pursuant to section 4 of P.L.1996, c.62 (C.55:19-23), a county
9 improvement authority established pursuant to P.L.1960, c.183
10 (C.40:37A-44 et seq.), or other instrumentality created by law **[by]**
11 of the State with the power to incur debt and issue bonds and other
12 obligations. ²The issuance of debt in accordance herewith is hereby
13 deemed an essential public, governmental, and corporate purpose of
14 all such authorities.²

15 "Board" means the Local Finance Board established in the
16 Division of Local Government Services in the Department of
17 Community Affairs.

18 "Bonds" mean bonds, notes^{2,2} or other obligations issued by the
19 authority, including any State entity, or a municipality to finance or
20 refinance redevelopment projects, and in connection therewith, to
21 finance or refinance any other cost or expense of an authority, a
22 State entity or a municipality pursuant to the "Redevelopment Area
23 Bond Financing Law," sections 1 through 10 of P.L.2001, c.310
24 (C.40A:12A-64 et seq.), the "Local Redevelopment and Housing
25 Law", P.L.1992, c.79 (C.40A:12A-1 et seq.), or other applicable
26 law.

27 "Environmental remediation" means the investigation, analysis,
28 planning, monitoring, acquisition, removal, containment,
29 remediation, construction, or improvement of any real property or
30 facility necessary or desirable for the cleanup of actual, potential, or
31 perceived environmental contamination or pollution, including
32 without limitation, water pollution, air pollution, pollution caused
33 by solid waste disposal, thermal pollution, radiation contamination,
34 or other general environmental contamination or pollution which is
35 or may become injurious to the environment or to the public health,
36 safety, or welfare.

37 "Financial agreement" means an agreement that meets the
38 requirements of a financial agreement under P.L.1991, c.431
39 (C.40A:20-1 et seq.) or, in the event that real property within a
40 redevelopment area is exempt from taxation or has been or will be
41 abated pursuant to applicable law, an agreement among , as
42 applicable, a State entity [.] or a municipality or both, and a State
43 entity redeveloper providing for payment of payments in lieu of
44 taxes or special assessments by the State entity redeveloper with
45 respect to a redevelopment project, or part thereof, to be carried out
46 pursuant to a State entity redevelopment agreement.

1 "Municipality" means the municipal governing body or an entity
2 acting on behalf of the municipality if permitted by the federal
3 Internal Revenue Code of 1986, or, if a redevelopment agency or
4 redevelopment entity is established in the municipality pursuant to
5 P.L.1992, c.79 (C.40A:12A-1 et seq.) and the municipality so
6 provides, the redevelopment agency or entity so established.

7 "Redeveloper" means any person, firm, corporation^{2,2} or public
8 body, including the New Jersey Economic Development Authority
9 or the New Jersey Redevelopment Authority to the extent permitted
10 by law, that shall enter into or propose to enter into a contract with
11 a municipality or other redevelopment entity for the redevelopment
12 or rehabilitation of an area in need of redevelopment, or an area in
13 need of rehabilitation, or any part thereof, under the provisions of
14 the "Redevelopment Area Bond Financing Law," sections 1 through
15 10 of P.L.2001, c.310 (C.40A:12A-64 et seq.), or for any
16 construction or other work forming part of a redevelopment or
17 rehabilitation project.

18 "Redevelopment" means clearance, replanning, development^{2,2}
19 and redevelopment; the conservation and rehabilitation of any
20 structure or improvement, the construction and provision for
21 construction of residential, commercial, industrial, public^{2,2} or
22 other structures **[and]**, the grant or dedication of spaces as may be
23 appropriate or necessary in the interest of the general welfare for
24 streets, parks, playgrounds, or other public purposes, including
25 recreational and other facilities incidental or appurtenant thereto,
26 environmental remediation, the construction, enhancement^{2,2} or
27 mitigation of wetlands impacted by a redevelopment project, and
28 any other related costs and expenses including preliminary planning
29 and development costs and any financing costs and expenses in
30 accordance with a redevelopment plan.

31 "Redevelopment bond financing agreement" means a contract
32 between a municipality and a redeveloper for any work or
33 undertaking for the redevelopment of a redevelopment area, or part
34 thereof, under the provisions of the "Redevelopment Area Bond
35 Financing Law," sections 1 through 10 of P.L.2001, c.310
36 (C.40A:12A-64 et seq.) or the "Local Redevelopment and Housing
37 Law," P.L.1992, c.79 (C.40A:12A-1 et seq.), as the case may be.

38 "Redevelopment area" means an area which has been delineated
39 a "redevelopment area" or "area in need of redevelopment" pursuant
40 to the "Local Redevelopment and Housing Law," P.L.1992, c.79
41 (C.40A:12A-1 et seq.) or with respect to a State entity, an area in
42 need of, or suitable for, redevelopment delineated by a resolution of
43 a State entity or a State entity redevelopment agreement, in either
44 case, in accordance with the provisions of the enabling statute
45 governing that State entity.

46 "Redevelopment plan" means a plan for the redevelopment or
47 rehabilitation of all or any part of a redevelopment area as described

1 in the redevelopment plan adopted pursuant to section 7 of
2 P.L.1992, c.79 (C.40A:12A-7) or as described in the resolution
3 adopted by a State entity determining the location, type^{2,2} and
4 character of a redevelopment project.

5 "Redevelopment project" means any work or undertaking
6 pursuant to a redevelopment plan; such undertaking may include
7 any buildings, land, including demolition, clearance^{2,2} or removal
8 of buildings from land, equipment, facilities, or other real or
9 personal properties which are necessary, convenient, or desirable
10 appurtenances, such as but not limited to streets, sewers, utilities,
11 parks, site preparation, landscaping, and administrative, community,
12 health, recreational, educational, and welfare facilities and any
13 other related costs and expenses including preliminary planning and
14 development costs and any financing costs and expenses.

15 "Special assessment" means an assessment upon the lands or
16 improvements on such lands, or both, in the redevelopment area
17 benefitted by improvements undertaken pursuant to the
18 "Redevelopment Area Bond Financing Law," sections 1 through 10
19 of P.L.2001, c.310 (C.40A:12A-64 et seq.), or the "Local
20 Redevelopment and Housing Law," P.L.1992, c.79 (C.40A:12A-1 et
21 seq.), and assessed pursuant to chapter 56 of Title 40 of the Revised
22 Statutes, R.S. 40:56-1 et seq., except as otherwise provided in
23 subsection c. of section 3 of P.L.2001, c.310 (C.40A:12A-66).

24 "State entity" means **【the New Jersey Meadowlands Commission**
25 **established pursuant to P.L.1968, c.404 (C.13:17-1 et seq.) or】** ²the
26 New Jersey Sports and Exposition Authority established pursuant to
27 P.L.1971, c.137 (C.5:10-1 et seq.) or² any **【other】** ²other² entity
28 created by State law ²**【with the power to undertake】** which
29 undertakes² a redevelopment project directly or through a State
30 entity redeveloper and ²**【with】** which has² the power to determine
31 the location, type^{2,2} and character of ²**【a redevelopment project or**
32 **part of a redevelopment project】** projects² on land owned or
33 controlled by it.

34 "State entity redeveloper" means any person, firm^{2,2} or
35 corporation that shall enter into or propose to enter into a State
36 entity redevelopment agreement with a State entity for the
37 redevelopment or rehabilitation of a redevelopment area under the
38 enabling legislation governing the actions of the State entity or for
39 any construction or other work forming a part of a redevelopment
40 project.

41 "State entity redevelopment agreement" means an agreement
42 between a State entity and a State entity redeveloper for any work
43 or undertaking in a redevelopment area.

44 (cf: P.L.2004, c.112, s.1)

45

46 13. Section 3 of P.L.2001, c.310 (C.40A:12A-66) is amended
47 to read as follows:

1 3. a. A municipality that has designated a redevelopment area
2 or a municipality in which a redevelopment project is undertaken by
3 a State entity redeveloper pursuant to a State entity redevelopment
4 agreement may provide for tax abatement within that
5 redevelopment area and for payments in lieu of taxes in accordance
6 with the provisions of P.L.1991, c.431 (C.40A:20-1 et seq.) and
7 P.L.1991, c.441 (C.40A:21-1 et seq.); provided, however, that the
8 provisions of section 12 of P.L.1991, c.431 (C.40A:20-12)
9 establishing a minimum or maximum annual service charge and
10 requiring staged increases in annual service charges over the term
11 of the exemption period, and of section 13 of P.L.1991, c.431
12 (C.40A:20-13) permitting the relinquishment of status under that
13 act, shall not apply to redevelopment projects financed with bonds.

14 b. A municipality in which a redevelopment project is
15 undertaken by a State entity redeveloper pursuant to a State entity
16 redevelopment agreement regarding real property that is **【or may be**
17 **abated by applicable law】** not otherwise subject to real property tax
18 may provide for **【a tax abatement within the redevelopment area**
19 **and for】** payments in lieu of taxes pursuant to a financial agreement
20 **【between】** among, as applicable, the State entity or the municipality
21 or both, and the State entity redeveloper receiving the benefits of
22 **【P.L.2004, c.112】** sections 1 through 10 of P.L.2001, c.310
23 (C.40A:12A-64 et seq.) without regard to the **【limitations and**
24 **other】** provisions of P.L.1991, c.431 (C.40A:20-1 et seq.).

25 c. In addition to, or in lieu of, the **【tax abatement】** payments in
26 lieu of taxes provided for in subsection a. or b. of this section, the
27 municipality may provide by ordinance for one or more special
28 assessments within the redevelopment area in accordance with
29 chapter 56 of Title 40 of the Revised Statutes, R.S.40:56-1 et seq.,
30 provided, however, the local improvements for which special
31 assessments may be made may include any improvement in the
32 redevelopment area whether or not listed at R.S.40:56-1 and
33 environmental remediation and, provided further, that the
34 provisions of R.S.40:56-35 shall be applied so that if any
35 installment of a special assessment shall remain unpaid for 30 days
36 after the time at which it shall become due, the municipality may
37 provide, by ordinance, either that: (1) the whole assessment or
38 balance due thereon shall become and be immediately due; or, (2)
39 any subsequent installments which would not yet have become due
40 except for the default shall be considered as not in default and that
41 the lien for the installments not yet due shall continue; and
42 provided, further, that the ordinance may require that the
43 assessments be payable in quarterly, semi-annual^{2, 2} or yearly
44 installments, with legal interest thereon, over a period of years up to
45 but in no event exceeding the period of years for which the bonds
46 were issued ²**【, or for 30 years, whichever shall be less】**². In
47 levying a special assessment on the lands or improvements, or both,

1 located in the redevelopment area, the municipality may provide
2 that the amount of the special assessment shall be a specific
3 amount, not to exceed the cost of the improvements, plus any out-
4 of-pocket costs or expenses incurred in connection with such
5 improvements, including, but not limited to, architectural,
6 engineering, financing, legal, and other professional fees, paid with
7 respect to property located in the redevelopment area. That specific
8 amount shall, to the extent accepted by the owner of the property
9 benefitted, be deemed the conferred benefit, in lieu of the amount
10 being determined by the procedures otherwise applicable to
11 determining the actual benefit conferred on the property. Special
12 assessments levied pursuant to an ordinance adopted under this
13 subsection shall constitute a municipal lien under R.S.40:56-33.

14 d. Upon adoption, a copy of the ordinance shall be filed for
15 public inspection in the office of the municipal clerk, and there
16 shall be published in a newspaper, published or circulating in the
17 municipality, a notice stating the fact and the date of adoption and
18 the place where the ordinance is filed and a summary of the
19 contents of the ordinance. The notice shall state that any action or
20 proceeding of any kind or nature in any court questioning the
21 validity or proper authorization of the ordinance or the actions
22 authorized to be taken as set forth in the ordinance shall be
23 commenced within 20 days after the publication of the notice. If no
24 action or proceeding questioning the validity of the ordinance
25 providing for tax abatement, special assessments, payments in lieu
26 of taxes^{2, 2}, or other actions authorized by the ordinance shall be
27 commenced or instituted within 20 days after the publication of the
28 notice, the county and the school district and all other
29 municipalities within the county and all residents and taxpayers and
30 owners of property therein shall be forever barred and foreclosed
31 from instituting or commencing any action or proceeding in any
32 court questioning the validity or enforceability of the ordinance or
33 the validity or enforceability of acts authorized under the ordinance,
34 and the ordinance and acts authorized by the ordinance shall be
35 conclusively deemed to be valid and enforceable in accordance with
36 their terms and tenor.

37 e. Notwithstanding any provision of the "Redevelopment Area
38 Bond Financing Law," sections 1 through 10 of P.L.2001, c.310
39 (C.40A:12A-64 et seq.), or the "Long Term Tax Exemption Law,"
40 P.L.1991, c.431 (C.40A:20-1 et seq.), to the contrary, whenever
41 proceeds of a bond are used to conduct environmental remediation,
42 the term of any agreement securing that bond, whether a financial
43 agreement providing a payment in lieu of taxes or a special
44 assessment agreement providing for the payment of a special
45 assessment, or both, may, subject to the board's review and
46 approval pursuant to subsection g. of section 4 of P.L.2001, c.310
47 (C.40A:12A-67), be 35 years plus the anticipated duration of
48 conducting environmental remediation; provided, however, that the

1 term of any such agreement securing the bonds shall not exceed 30
2 years from substantial completion of the redevelopment project
3 associated with the environmental remediation.

4 (cf: P.L.2004, c.112. s.2)

5
6 14. Section 4 of P.L.2001, c.310 (C.40A:12A-67) is amended
7 to read as follows:

8 4. a. The municipality may issue bonds itself in the manner
9 provided for herein or pursuant to the "Local Redevelopment and
10 Housing Law," P.L.1992, c.79 (C.40A:12A-1 et seq.) or may apply
11 to **【the】** an authority to issue bonds, regardless of whether the
12 redevelopment project is undertaken under municipal authority
13 pursuant to P.L.1991, c.431 (C.40A:20-1 et seq.) or by a State
14 entity redeveloper pursuant to a State entity redevelopment
15 agreement, which in any case may be secured by payments in lieu
16 of taxes or special assessments or both or a portion thereof, by the
17 adoption of a resolution or ordinance, as applicable, of the
18 governing body of the municipality, authority, or State entity to that
19 effect.

20 b. A municipality that has designated a redevelopment area or
21 in which a redevelopment project is undertaken by a State entity
22 redeveloper pursuant to a State entity redevelopment agreement
23 may, by resolution of its governing body, if it determines to issue
24 bonds through **【the】** an authority, enter into contracts with the
25 authority relating to that redevelopment project, or to act as a
26 redeveloper or to finance or refinance a redevelopment project
27 undertaken by a State entity redeveloper pursuant to a State entity
28 redevelopment agreement within a redevelopment area. A
29 resolution so adopted shall contain findings and determinations of
30 the governing body: (1) that all or a portion of the redevelopment
31 project undertaken within the municipality will result in the
32 redevelopment of the municipality; and, (2) that the contract with
33 the authority or, to the extent applicable, the financial agreement
34 with the State entity redeveloper, is a necessary or important
35 inducement to the undertaking of the project or the redevelopment
36 project undertaken by the State entity redeveloper in that it makes
37 the financing thereof feasible. The contract or contracts, or the
38 terms of any bonds issued directly by a municipality may provide
39 for the assignment, for the benefit of bondholders, of all or any
40 portion of payments in lieu of taxes, or special assessments, or
41 both **【. A contract】** , and may further provide that the State entity
42 redeveloper may use, access, or draw upon bond proceeds to pay
43 costs of the redevelopment project. These contracts may be made
44 and entered into for a term beginning currently or at some future or
45 contingent date, and with or without consideration, and for a
46 specified or unlimited time, and on any terms and conditions which
47 may be requested by the municipality and, to the extent applicable,
48 the State entity redeveloper, and, if applicable, as may be agreed to

1 by the authority and, to the extent applicable, the State entity
2 redeveloper, in conformity with its contracts with the holders of
3 bonds, and shall be valid and binding on the municipality. The
4 municipality is hereby authorized and directed to do and perform
5 any contract so entered into by it and to provide for the discharge of
6 any obligation thereunder in the same manner as other obligations
7 of the municipality.

8 Any contract, and any instrument making or evidencing the
9 same, may be pledged or assigned by the authority, with the consent
10 of the municipality executing the contract, and, to the extent
11 applicable, the consent of the State entity redeveloper, to secure its
12 bonds and thereafter may not be modified except as provided by the
13 terms of the instrument or by the terms of the pledge or assignment.

14 The municipality may include in the terms of a bond or contract,
15 including a financial agreement, a provision that the payments in
16 lieu of taxes or special assessments shall constitute a municipal
17 charge for the purposes of R.S.54:4-66.

18 c. The payments in lieu of taxes or special assessments, or
19 both, may be assigned directly by the municipality or the authority
20 **[or]** to the trustee for the bonds as payment or security for the
21 bonds. Notwithstanding any law to the contrary, the assignment
22 shall be an absolute assignment of all the municipality's right, title,
23 and interest in the payment in lieu of taxes or special assessments,
24 or both, or portion thereof, along with the rights and remedies
25 provided to the municipality under the agreement including, but not
26 limited to, the right of collection of payments due. ²**[Pursuant to an**
27 absolute assignment, the trustee, in lieu of the municipality, shall
28 possess the power to conduct a sale of the land or improvements
29 thereon, or both, or any leasehold interests in the land or
30 improvements thereon, or both, to satisfy delinquencies in payments
31 in lieu of taxes or special assessments, or both. The sale shall be
32 held in accordance with the provisions of the "tax sale law,"
33 R.S.54:5-1 et seq.; provided, however that notwithstanding any
34 provision of that law, the trustee shall have the power to issue a tax
35 sale certificate making sale of any interest, including any interest
36 less than a fee interest, that is subject to the lien established under
37 the "Redevelopment Area Bond Financing Law," sections 1 through
38 10 of P.L.2001, c.310 (C.40A:12A-64 et seq.). Prior to conducting
39 a sale of the lands or improvements or issuing a tax sale certificate
40 pursuant to the power conferred under this section, the trustee shall
41 provide the governing body of the municipality with written notice
42 of the proposed sale or issuance at least five working days prior to
43 the date of the proposed sale or issuance.]² Any interest that is
44 subject to the lien established under the "Redevelopment Area Bond
45 Financing Law" shall not be transferred, conveyed, assigned,
46 disposed of, or sold, whether by tax sale or otherwise, free and clear
47 of the financial agreement and any payments in lieu of taxes due
48 thereunder while bonds are secured thereby, regardless of the

1 consent of the parties or order of any court, whether in law or in
2 equity, unless any such transfer or conveyance is provided for under
3 the terms and conditions set forth in the bond resolution or bond
4 ordinance, as applicable. Any purchaser, transferee, successor,
5 grantee, or assignee of such interest, whether at tax sale or
6 otherwise, shall take title to such interest subject to the obligations
7 imposed by the financial agreement. Payments in lieu of taxes and
8 special assessments assigned as provided hereunder shall not be
9 included in the general funds of the municipality, nor shall they be
10 subject to any laws regarding the receipt, deposit, investment^{2,2} or
11 appropriation of public funds and shall retain such status
12 notwithstanding enforcement of the payment or assessment by the
13 municipality or assignee as provided herein. The municipality shall
14 be a "person" within the meaning of that term as defined in section
15 3 of P.L.1974, c.80 (C.34:1B-3); and the purpose described in this
16 section shall be a "project" within the meaning of that term as
17 defined in section 3 of P.L.1974, c.80 (C.34:1B-3).

18 d. Notwithstanding the provisions of subsection g. of section
19 37 of P.L.1992, c.79 (C.40A:12A-37), the bonds issued pursuant to
20 this section may be issued as non-recourse obligations, and unless
21 otherwise provided for by a separate action of the municipality to
22 guarantee such bonds or otherwise provide for a pledge of the
23 municipality's full faith and credit shall not, except for such action,
24 be considered to be direct and general obligations of the
25 municipality, and, absent such action, the municipality shall not be
26 obligated to levy and collect a tax sufficient in an amount to pay the
27 principal and interest on the bonds when the same become due and
28 payable. The provisions of the "Local Government Supervision Act
29 (1947)," P.L.1947, c.151 (C.52:27BB-1 et seq.) shall not apply to
30 any bonds issued or authorized pursuant to this section and those
31 bonds shall not be considered gross debt of the municipality on any
32 debt statement filed in accordance with the "Local Bond Law,"
33 N.J.S.40A:2-1 et seq., ²unless those bonds were guaranteed by the
34 municipality,² and the provisions of chapter 27 of Title 52 of the
35 Revised Statutes shall not apply to such bonds.

36 e. The proceeds from the sale of bonds and any funds provided
37 by any department of the State, authority created by the State, or bi-
38 state authority, for the purposes described in the "Redevelopment
39 Area Bond Financing Law," sections 1 through 10 of P.L.2001,
40 c.310 (C.40A:12A-64 et seq.) or for the purpose of financing or
41 refinancing a redevelopment project pursuant to a State entity
42 redevelopment agreement, shall not require compliance with public
43 bidding laws, including the "Local Public Contracts Law,"
44 P.L.1971, c.198 (C.40A:11-1 et seq.), or any other statute where the
45 redeveloper or State entity redeveloper, as the case may be, shall
46 undertake the redevelopment project. The use of these funds shall
47 be subject to public accountability and oversight by the issuer of

1 those bonds, regardless of whether the municipality, agency^{2,2} or
2 authority provides the funds.

3 f. In order to provide additional security for any loan to a
4 redeveloper or a State entity redeveloper, as the case may be, or to
5 bonds issued to finance a redevelopment project, regardless of
6 whether that redevelopment project is undertaken under municipal
7 authority pursuant to P.L.1991, c.431 (C.40A:20-1 et seq.) or by a
8 State entity redeveloper pursuant to a State entity redevelopment
9 agreement, the municipality may utilize powers otherwise provided
10 by law, including the "Local Redevelopment and Housing Law,"
11 P.L.1992, c.79 (C.40A:12A-1 et seq.), to provide for any extension
12 of the municipality's credit to any redeveloper or State entity
13 redeveloper, as the case may be, or its full faith and credit which
14 may include a full faith and credit lease as security for the bonds or
15 any loan to a redeveloper or State entity redeveloper, as the case
16 may be. To the extent that the municipality provides for a full faith
17 and credit guarantee of any loan to a redeveloper or State entity
18 redeveloper, as the case may be, or any bonds, but determines not to
19 authorize the issuance of bonds or notes to provide for the funding
20 source thereof, or otherwise determines to enter into a full faith and
21 credit lease, it may do so by an ordinance introduced, adopted, and
22 published in accordance with the provisions of N.J.S.40A:2-17 and
23 N.J.S.40A:2-19. Such ordinance shall take effect 20 days after the
24 first publication of the ordinance or of a summary thereof after final
25 adoption. To the extent that bonds or notes are authorized as
26 provided above, such bonds or notes shall be authorized pursuant to
27 the provisions of the "Local Bond Law," N.J.S.40A:2-1 et seq., and
28 shall be deductible from the gross debt of the municipality until
29 such time as such bonds or notes are actually issued, and only up to
30 the amount actually issued, to fund such guarantee.

31 g. **[A financial instrument]** A bond, issued in accordance with
32 the "Redevelopment Area Bond Financing Law," sections 1 through
33 10 of P.L.2001, c.310 (C.40A:12A-64 et seq.), whether issued by a
34 municipality or an authority, that is secured in whole or in part by
35 payments in lieu of taxes or by special assessments, or both, as
36 provided herein shall be subject to the review and approval of the
37 board. That review and approval shall be made prior to approval of
38 ²**[, in the case of a]** ²**[municipality]** ²**[municipal governing body,**
39 an introduced ordinance or, in the case of an authority or
40 redevelopment entity that is not a municipal governing body,
41 **] an ordinance or a resolution, as may be required by the**
42 law pursuant to which the bonds are issued². The board shall be
43 entitled to receive from the applicant an amount sufficient to
44 provide for all reasonable professional and other fees and expenses
45 incurred by it for the review, analysis^{2,2} and determination with
46 respect thereto. As part of its review, the board shall specifically
47 solicit comments from the Office of State Planning and the New

1 Jersey Economic Development Authority in addition to comments
2 from the public. The ²**[Office of State Planning]** Department of
3 Community Affairs, Office of Local Planning Services,² shall provide
4 comments on whether the redevelopment project or plan promotes
5 congestion reduction, enhanced mobility, further redevelopment,
6 and otherwise improves the quality of life of residents. As part of
7 the board's review and approval, it shall consider the comments
8 submitted and whether the issuance of the redevelopment area bond
9 will adversely impact the financial stability of the municipality or
10 service area of the authority.

11 h. A municipality that has assigned any portion of the
12 payments in lieu of taxes it receives pursuant to a financial
13 agreement, as payment or security for bonds, may also pledge a
14 portion of those payments in lieu of taxes as payment or security for
15 bonds in order to finance or refinance any cost or expense of the
16 municipality, State entity or authority.

17 i. In the case of a municipality which is otherwise subject to
18 tax or revenue sharing pursuant to law and which assigns a portion
19 of the payments in lieu of taxes or special assessments pursuant to a
20 financial agreement to secure bonds issued by the municipality or
21 the authority, the assigned portion of those payments in lieu of taxes
22 or special assessments shall not be considered part of the tax or
23 revenue sharing formula or calculation of municipal revenues for
24 the purpose of determining whether that municipality is obligated to
25 make payment to, or receive a credit from, any tax sharing or
26 revenue sharing pool.

27 j. Notwithstanding any law to the contrary, including
28 subsection a. of section 3 of P.L.2001, c.310 (C.40A:12A-66),
29 payments in lieu of taxes pursuant to a financial agreement to
30 secure bonds may be established in such amounts as shall be
31 sufficient to pay the principal of, redemption premium, if any, and
32 interest on the bonds.

33 k. Notwithstanding any law to the contrary, in the event that
34 bonds shall be issued that are secured by payments in lieu of taxes
35 pursuant to a financial agreement, the financial agreement shall not
36 be terminated for any reason during the period that the bonds are
37 outstanding ², except that this provision shall not be construed to
38 prejudice the rights and remedies afforded a municipality or
39 authority under the terms of the financial agreement where other
40 parties are in violation of the terms of the agreement².

41 (cf: P.L.2015, c.95, s.26)

42
43 15. Section 5 of P.L.2001, c.310 (C.40A:12A-68) is amended to
44 read as follows:

45 5. a. Payments required to be made in accordance with an
46 agreement for payments in lieu of taxes entered into under section 3
47 of P.L.2001, c.310 (C.40A:12A-66) shall be a continuous lien on
48 the land or improvements thereon, or both, or a continuous lien on

1 any leasehold interests in the land or improvements thereon, or
2 both, against which the ordinance is recorded on and after the date
3 of recordation of both the ordinance and the agreement, whether
4 simultaneously or not, or the date of confirmation of the special
5 assessments, whichever is earlier. All subsequent payments in lieu
6 of taxes thereunder, interest, penalties^{2,2} and costs of collection
7 which thereafter fall due or accrue shall be added and relate back to
8 and be a part of the initial lien. Upon recordation of the ordinance
9 and agreement, payments in lieu of taxes shall constitute [a] an
10 automatic, enforceable, and perfected statutory municipal lien
11 [within the meaning, and] for all purposes, [of law] including the
12 federal bankruptcy code, regardless of whether ²[or not]² the
13 amount of the payments to be made in lieu of taxes has been
14 determined at the time the lien attaches to any interest in the land,
15 leasehold estate, or improvements, as applicable. A confirmation
16 hearing process to determine the amount due shall not affect the
17 commencement or validity of the lien. Notwithstanding any other
18 applicable law, for the purposes of the "Redevelopment Area Bond
19 Financing Law," sections 1 through 10 of P.L.2001, c.310
20 (C.40A:12A-64 et seq.), a municipal lien on a leasehold estate shall
21 constitute a lien against such leasehold estate only, unless the
22 financial agreement specifically provides for a lien on the
23 underlying fee interest in the land. In any case, enforcement of a
24 municipal lien on a leasehold estate shall be limited to an in rem
25 proceeding only. No municipal lien shall attach to any interest of a
26 State entity unless such State entity shall have expressly consented
27 to such lien in the financial agreement.

28 b. If bonds are issued, the municipality, the redeveloper or the
29 State entity redeveloper, as the case may be, may record, either
30 simultaneously or at different times, any ordinance enacted by the
31 municipality relating to the payment in lieu of taxes agreement or
32 special assessments and, either simultaneously with the ordinance
33 or at different times, a copy of the agreement or agreements. The
34 ordinance, when recorded, shall contain a legend at the top of the
35 front page substantially as follows:

36
37 "THIS ORDINANCE SECURES BONDS OR OTHER
38 OBLIGATIONS ISSUED IN ACCORDANCE WITH THE
39 PROVISIONS OF THE 'REDEVELOPMENT AREA BOND
40 FINANCING LAW' AND THE LIEN HEREOF IN FAVOR OF
41 THE OWNERS OF SUCH BONDS OR OTHER OBLIGATIONS
42 IS A MUNICIPAL LIEN SUPERIOR TO ALL OTHER NON-
43 MUNICIPAL LIENS HEREAFTER RECORDED."
44

45 c. Notwithstanding any law to the contrary, upon recordation
46 of both the ordinance and any accompanying agreement, the lien
47 thereof shall be perfected for all purposes in accordance with law

1 and the lien shall thereafter be superior to (1) all ²[municipal and]²
2 non-municipal liens thereafter recorded or otherwise arising, and
3 (2) all prior liens where lienholder consents, without any additional
4 notice, recording, filing, continuation filing^{2,2} or action, until the
5 payment in full of the bonds. The lien thereby established shall
6 apply not only to the bonds initially issued, but also to any
7 refinancing or refunding thereof, as well as to any additional bonds
8 thereafter issued on a parity therewith in accordance with the
9 provisions of the original documents securing the initial bonds;
10 provided, however, that in the event any ordinance or agreement is
11 amended or supplemented in a way which increases the amount of
12 payment in lieu of taxes or special assessments, the lien as to that
13 increase shall be perfected and apply upon the recordation of the
14 amended or supplemented ordinance and agreement (including the
15 above-recited legend). Except as set forth in this section, no
16 amendment or supplement to the ordinance or agreement thereafter
17 recorded shall affect the perfection or priority of the lien established
18 upon original recordation thereof.

19 d. Upon the final payment in full of any bonds secured as
20 provided in this section and section 4 of P.L.2001, c.310
21 (C.40A:12A-67), the lien established hereby shall terminate, and the
22 ²[municipality] trustee² shall record a notice to that effect.
23 (cf: P.L.2004, c.112, s.4)
24

25 16. Section 10 of P.L.2001, c.310 (C.40A:12A-73) is amended
26 to read as follows:

27 10. **【After issuance, pursuant to the "Redevelopment Area Bond**
28 **Financing Law," P.L.2001, c.310 (C.40A:12A-64 et seq.) all bonds**
29 **shall be conclusively presumed to be fully authorized and issued by**
30 **all courts and officers of this State, and any person shall be**
31 **estopped from questioning their sale, execution or delivery.】 An**
32 **authority or municipality, as applicable, shall cause a copy of any**
33 **bond resolution or bond ordinance, as applicable, adopted by it to**
34 **be filed for public inspection in the office of the municipal clerk of**
35 **the municipality wherein the project financed by the bonds is**
36 **located. In the case of an authority, the resolution also shall be**
37 **filed for public inspection in its office. The authority or**
38 **municipality may cause to be published, at least once in a**
39 **newspaper published or circulating in the municipality, if there be**
40 **one, and if not, in a newspaper published and circulating in the**
41 **county, a notice stating the fact and date of the adoption and the**
42 **places where the bond resolution or bond ordinance, as applicable,**
43 **has been so filed for public inspection along with the date of the**
44 **first publication of the notice and also stating that any action or**
45 **proceeding of any kind or nature in any court questioning the**
46 **validity or proper authorization of bonds provided for by the bond**
47 **resolution or bond ordinance, as applicable, or the validity of any**

1 covenants, agreements or contracts provided for by the bond
2 resolution or bond ordinance, as applicable, shall be commenced
3 within 20 days after the first publication of that notice. If any such
4 notice shall at any time be published and if no action or proceeding
5 questioning the validity or proper authorization of bonds provided
6 for by the bond resolution or bond ordinance, as applicable, referred
7 to in said notice, or the validity of any covenants, agreements, or
8 contracts provided for by said bond resolution or bond ordinance, as
9 applicable, shall be commenced or instituted within 20 days after
10 the first publication of the notice, then all persons shall be forever
11 barred and foreclosed from instituting or commencing any action or
12 proceeding in any court, or from pleading any defense to any action
13 or proceeding, questioning the validity or proper authorization of
14 such bonds, or the validity of such covenants, agreements, or
15 contracts, and said bonds, covenants, agreements, and contracts
16 shall be conclusively deemed to be valid and binding obligations in
17 accordance with their terms and tenor.

18 (cf: P.L.2001, c.310, s.10)

19

20 17. Section 12 of P.L.1991, c.431 (C.40A:20-12) is amended to
21 read as follows:

22 12. The rehabilitation or improvements made in the development
23 or redevelopment of a redevelopment area or area appurtenant
24 thereto or for a redevelopment relocation housing project, pursuant
25 to P.L.1991, c.431 (C.40A:20-1 et seq.), shall be exempt from
26 taxation for a limited period as hereinafter provided. When housing
27 is to be constructed, acquired or rehabilitated by an urban renewal
28 entity, the land upon which that housing is situated shall be exempt
29 from taxation for a limited period as hereinafter provided. The
30 exemption shall be allowed when the clerk of the municipality
31 wherein the property is situated shall certify to the municipal tax
32 assessor that a financial agreement with an urban renewal entity for
33 the development or the redevelopment of the property, or the
34 provision of a redevelopment relocation housing project, or the
35 provision of a low and moderate income housing project has been
36 entered into and is in effect as required by P.L.1991, c.431
37 (C.40A:20-1 et seq.).

38 Delivery by the municipal clerk to the municipal tax assessor of
39 a certified copy of the ordinance of the governing body approving
40 the tax exemption and financial agreement with the urban renewal
41 entity shall constitute the required certification. For each
42 exemption granted pursuant to P.L.2003, c.125 (C.40A:12A-4.1 et
43 al.), upon certification as required hereunder, the tax assessor shall
44 implement the exemption and continue to enforce that exemption
45 without further certification by the clerk until the expiration of the
46 entitlement to exemption by the terms of the financial agreement or
47 until the tax assessor has been duly notified by the clerk that the
48 exemption has been terminated.

1 Within 10 calendar days following the later of the effective date
2 of an ordinance following its final adoption by the governing body
3 approving the tax exemption or the execution of the financial
4 agreement by the urban renewal entity, the municipal clerk shall
5 transmit a certified copy of the ordinance and financial agreement
6 to the chief financial officer of the county and to the county counsel
7 for informational purposes.

8 Whenever an exemption status changes during a tax year, the
9 procedure for the apportionment of the taxes for the year shall be
10 the same as in the case of other changes in tax exemption status
11 during the tax year. Tax exemptions granted pursuant to P.L.2003,
12 c.125 (C.40A:12A-4.1 et al.) represent long term financial
13 agreements between the municipality and the urban renewal entity
14 and as such constitute a single continuing exemption from local
15 property taxation for the duration of the financial agreement. The
16 validity of a financial agreement or any exemption granted pursuant
17 thereto may be challenged only by filing an action in lieu of
18 prerogative writ within 20 days from the publication of a notice of
19 the adoption of an ordinance by the governing body granting the
20 exemption and approving the financial agreement. Such notice
21 shall be published in a newspaper of general circulation in the
22 municipality and in a newspaper of general circulation in the county
23 if different from the municipal newspaper.

24 a. The ¹financial agreement shall specify the¹ duration of the
25 exemption for urban renewal entities ¹【shall be as follows】 in
26 accordance with the parameters of either paragraph (1) or paragraph
27 (2) of this subsection¹:

28 (1) ¹【for】¹ 【all projects, a term of】 ¹【a project other than a
29 project that qualifies under paragraph (2) of this subsection,】 the
30 financial agreement may specify a duration of¹ not more than 30
31 years from the completion of the entire project, or unit of the
32 project if the project is undertaken in units, or not more than 35
33 years from the execution of the financial agreement between the
34 municipality and the urban renewal entity; ¹or¹

35 (2) for each project undertaken pursuant to a redevelopment
36 agreement which allows the redeveloper to undertake two or more
37 projects sequentially, ¹the financial agreement may specify a
38 duration of¹ not more than 30 years from the completion of a
39 project, or unit of the project if the project is undertaken in units, or
40 not more than 50 years from the execution of the first financial
41 agreement implementing a project under the redevelopment
42 agreement. As used in this subsection, “redevelopment agreement”
43 means an agreement entered into pursuant to subsection f. of section
44 8 of P.L.1992, c.79 (C.40A:12A-8) between a municipality or
45 redevelopment entity and a redeveloper .

46 ¹A financial agreement may provide for an exemption period of
47 less than 30 years from the completion of the entire project, less

1 than 35 years from the execution of the financial agreement, or less
2 than 50 years from the execution of the first financial agreement
3 implementing a project under the redevelopment agreement.
4 Nothing in this subsection shall be construed as requiring a
5 financial agreement for a project undertaken pursuant to a
6 redevelopment agreement which allows the redeveloper to
7 undertake two or more projects sequentially to specify a duration
8 within the parameters of paragraph (2) of this subsection.¹

9 b. During the term of any exemption, in lieu of any taxes to be
10 paid on the buildings and improvements of the project and, to the
11 extent authorized pursuant to this section, on the land, the urban
12 renewal entity shall make payment to the municipality of an annual
13 service charge, which shall remit a portion of that revenue to the
14 county as provided hereinafter. In addition, the municipality may
15 assess an administrative fee, not to exceed two percent of the annual
16 service charge, for the processing of the application. The annual
17 service charge for municipal services supplied to the project to be
18 paid by the urban renewal entity for any period of exemption, shall
19 be determined as follows:

20 (1) An annual amount equal to a percentage determined
21 pursuant to this subsection and section 11 of P.L.1991, c.431
22 (C.40A:20-11), of the annual gross revenue from each unit of the
23 project, if the project is undertaken in units, or from the total
24 project, if the project is not undertaken in units. The percentage of
25 the annual gross revenue shall not be more than 15% in the case of
26 a low and moderate income housing project, nor less than 10% in
27 the case of all other projects.

28 At the option of the municipality, or where because of the nature
29 of the development, ownership, use or occupancy of the project or
30 any unit thereof, if the project is to be undertaken in units, the total
31 annual gross rental or gross shelter rent or annual gross revenue
32 cannot be reasonably ascertained, the governing body shall provide
33 in the financial agreement that the annual service charge shall be a
34 sum equal to a percentage determined pursuant to this subsection
35 and section 11 of P.L.1991, c.431 (C.40A:20-11), of the total
36 project cost or total project unit cost determined pursuant to
37 P.L.1991, c.431 (C.40A:20-1 et seq.) calculated from the first day
38 of the month following the substantial completion of the project or
39 any unit thereof, if the project is undertaken in units. The
40 percentage of the total project cost or total project unit cost shall not
41 be more than 2% in the case of a low and moderate income housing
42 project, and shall not be less than 2% in the case of all other
43 projects.

44 (2) In either case, the financial agreement shall establish a
45 schedule of annual service charges to be paid over the term of the
46 exemption period, which shall be in stages as follows:

47 (a) For the first stage of the exemption period, which shall
48 commence with the date of completion of the unit or of the project,

1 as the case may be, and continue for a time of not less than six years
2 nor more than 15 years, as specified in the financial agreement, the
3 urban renewal entity shall pay the municipality an annual service
4 charge for municipal services supplied to the project in an annual
5 amount equal to the amount determined pursuant to paragraph (1) of
6 this subsection and section 11 of P.L.1991, c.431 (C.40A:20-11).
7 For the remainder of the period of the exemption, if any, the annual
8 service charge shall be determined as follows:

9 (b) For the second stage of the exemption period, which shall
10 not be less than one year nor more than six years, as specified in the
11 financial agreement, an amount equal to either the amount
12 determined pursuant to paragraph (1) of this subsection and section
13 11 of P.L.1991, c.431 (C.40A:20-11), or 20% of the amount of
14 taxes otherwise due on the value of the land and improvements,
15 whichever shall be greater;

16 (c) For the third stage of the exemption period, which shall not
17 be less than one year nor more than six years, as specified in the
18 financial agreement, an amount equal to either the amount
19 determined pursuant to paragraph (1) of this subsection and section
20 11 of P.L.1991, c.431 (C.40A:20-11), or 40% of the amount of
21 taxes otherwise due on the value of the land and improvements,
22 whichever shall be greater;

23 (d) For the fourth stage of the exemption period, which shall not
24 be less than one year nor more than six years, as specified in the
25 financial agreement, an amount equal to either the amount
26 determined pursuant to paragraph (1) of this subsection and section
27 11 of P.L.1991, c.431 (C.40A:20-11), or 60% of the amount of
28 taxes otherwise due on the value of the land and improvements,
29 whichever shall be greater; and

30 (e) For the final stage of the exemption period, the duration of
31 which shall not be less than one year and shall be specified in the
32 financial agreement, an amount equal to either the amount
33 determined pursuant to paragraph (1) of this subsection and section
34 11 of P.L.1991, c.431 (C.40A:20-11), or 80% of the amount of
35 taxes otherwise due on the value of the land and improvements,
36 whichever shall be greater.

37 If the financial agreement provides for an exemption period of
38 less than 30 years from the completion of the entire project, ¹~~or~~¹
39 less than 35 years from the execution of the financial agreement, ¹~~or~~
40 less than 50 years from the execution of the first financial
41 agreement implementing a project under the redevelopment
42 agreement.¹ the financial agreement shall set forth a schedule of
43 annual service charges for the exemption period which shall be
44 based upon the minimum service charges and staged adjustments set
45 forth in this section.

46 The annual service charge shall be paid to the municipality on a
47 quarterly basis in a manner consistent with the municipality's tax
48 collection schedule.

1 Each municipality which enters into a financial agreement on or
2 after the effective date of P.L.2003, c.125 (C.40A:12A-4.1 et al.)
3 shall remit 5 percent of the annual service charge collected by the
4 municipality to the county in accordance with the provisions of
5 R.S.54:4-74.

6 Against the annual service charge the urban renewal entity shall
7 be entitled to credit for the amount, without interest, of the real
8 estate taxes on land paid by it in the last four preceding quarterly
9 installments.

10 Notwithstanding the provisions of this section or of the financial
11 agreement, the minimum annual service charge shall be the amount
12 of the total taxes levied against all real property in the area covered
13 by the project in the last full tax year in which the area was subject
14 to taxation, and the minimum annual service charge shall be paid in
15 each year in which the annual service charge calculated pursuant to
16 this section or the financial agreement would be less than the
17 minimum annual service charge.

18 c. All exemptions granted pursuant to the provisions of
19 P.L.1991, c.431 (C.40A:20-1 et seq.) shall terminate at the time
20 prescribed in the financial agreement.

21 Upon the termination of the exemption granted pursuant to the
22 provisions of P.L.1991, c.431 (C.40A:20-1 et seq.), the project, all
23 affected parcels, land and all improvements made thereto shall be
24 assessed and subject to taxation as are other taxable properties in
25 the municipality. After the date of termination, all restrictions and
26 limitations upon the urban renewal entity shall terminate and be at
27 an end upon the entity's rendering its final accounting to and with
28 the municipality.

29 (cf: P.L.2015, c.247, s.1)

30

31 18. Section 13 of P.L.1991, c.431 (C.40A:20-13) is amended
32 to read as follows:

33 13. The tax exemption provided in **[this act]** P.L.1991, c.431
34 (C.40A:20-1 et seq.) shall apply only so long as the urban renewal
35 entity and its project remain subject to the provisions of **[this act]**
36 P.L.1991, c.431 (C.40A:20-1 et seq.), but in no event more than: 35
37 years from the date of the execution of the financial agreement; or,
38 if authorized pursuant to paragraph (2) of subsection a. of section
39 12 of P.L.1991, c.431 (C.40A:20-12), 50 years from the date of the
40 execution of the ²financial agreement, in the case of a phased
41 project, or from the² first financial agreement implementing a
42 project under the redevelopment agreement ², in the case of two or
43 more projects². A tax exemption authorized in connection with a
44 nonprofit limited dividend cooperative housing project under a
45 financial agreement entered into pursuant to the "Limited-Dividend
46 Nonprofit Housing Corporations or Associations Law," P.L.1949,
47 c.184 (C.55:16-1 et seq.) may be extended to coincide with existing

1 first mortgage financing. The terms of any such extension shall be
2 set forth in an amended financial agreement between the urban
3 renewal entity and the municipality. An urban renewal entity may
4 at any time after the expiration of one year from the completion
5 date of the project, notify the governing body of the municipality
6 that, as of a certain date designated in the notice, it relinquishes its
7 status under ²【this act】 P.L.1991, c.431 (C.40A:20-1 et seq.)², and if
8 the project includes housing units, that the urban renewal entity has
9 obtained the consent of the Commissioner of Community Affairs to
10 such a relinquishment. As of that date, the tax exemption, the
11 service charges, and the profit and dividend restrictions shall
12 terminate. The date of termination of tax exemption, whether by
13 relinquishment by the entity or by terms of the financial agreement,
14 shall be deemed the close of the fiscal year of the entity. Within 90
15 days of that date, the urban renewal entity shall pay to the
16 municipality the amount of reserve, if any maintained pursuant to
17 section 15 or 16 of 【this act】 P.L.1991, c.431 (C.40A:20-15 or
18 40A:20-16), as well as the excess net profits, if any, payable as of
19 that date.

20 (cf: P.L.1999, c.220, s.1)

21

22 19. This act shall take effect immediately.

23

24

25

26

27 _____
28 Establishes “Economic Redevelopment and Growth Grant Bond
29 Financing Act,” authorizing issuance of bonds secured by pledge of
30 Economic Redevelopment and Growth Grant proceeds, municipal
31 liens, and special assessment; expands “Redevelopment Area Bond
32 Financing Law;” extends time to complete certain projects under
“Long Term Tax Exemption Law.”