

SENATE, No. 2218

STATE OF NEW JERSEY

219th LEGISLATURE

INTRODUCED MARCH 16, 2020

Sponsored by:

Senator NILSA I. CRUZ-PEREZ

District 5 (Camden and Gloucester)

SYNOPSIS

Provides for increase in relocation assistance amounts based on increase of CPI.

CURRENT VERSION OF TEXT

As introduced.



1 AN ACT concerning relocation assistance, and amending and
2 supplementing P.L.1971, c.362.

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

6
7 1. Section 4 of P.L.1971, c.362 (C.20:4-4) is amended to read
8 as follows.

9 4. a. If a taking agency acquires real property for public use, it
10 shall make fair and reasonable relocation payments to displaced
11 persons and businesses as required by this act, for:

12 (1) actual reasonable expenses in moving himself, his family,
13 business, farm operation, or other personal property;

14 (2) actual direct losses of tangible personal property as a result
15 of moving or discontinuing a business or farm operation, but not to
16 exceed an amount equal to the reasonable expenses that would have
17 been required to relocate such property, as determined by the taking
18 agency; and

19 (3) actual reasonable expenses in searching for a replacement
20 business or farm.

21 b. Any displaced person eligible for payments under subsection
22 a. of this section who is displaced from a dwelling and who elects to
23 accept the payments authorized by this subsection in lieu of the
24 payments authorized by subsection a. of this section may receive a
25 moving expense allowance, determined according to a schedule
26 established by the taking agency, not to exceed **[\$300.00]** \$450,
27 provided that on the first day of the 12th month next following
28 enactment of P.L. , c. (C.) (pending before the Legislature
29 as this bill), the moving expense allowance shall be increased not to
30 exceed \$900, and further increased on the first day of the 24th
31 month next following enactment of P.L. , c. (C.) (pending
32 before the Legislature as this bill), not to exceed \$1,350, and a
33 dislocation allowance of **[\$200.00]** \$300, provided that on the first
34 day of the 12th month next following enactment of P.L. ,
35 c. (C.) (pending before the Legislature as this bill), the
36 dislocation allowance shall be \$600, and on the first day of the 24th
37 month next following enactment of P.L. , c. (C.) (pending
38 before the Legislature as this bill), that allowance shall be \$900
39 provided, however, such amounts shall be adjusted annually in
40 accordance with section 4 of P.L. , c. (C.) (pending before
41 the Legislature as this bill).

42 c. Any displaced person eligible for payments under subsection
43 a. of this section who is displaced from his place of business or
44 from his farm operation and who elects to accept the payment
45 authorized by this subsection in lieu of the payment authorized by

EXPLANATION – Matter enclosed in bold-faced brackets **[thus]** in the above bill is
not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

1 subsection a. of this section, may receive a fixed payment in an
2 amount equal to the average annual net earnings of the business or
3 farm operation, except that such payment shall not be less than
4 **【\$2,500.00】** \$3,750, provided that on the first day of the 12th
5 month next following enactment of P.L. , c. (C.) (pending
6 before the Legislature as this bill), the payment shall not be less
7 than \$7,500, and on the first day of the 24th month next following
8 enactment of P.L. , c. (C.) (pending before the Legislature
9 as this bill), the payment shall not be less than \$11,250 nor more
10 than **【\$10,000.00】** \$15,000, provided on the first day of the 12th
11 month next following enactment of P.L. , c. (C.) (pending
12 before the Legislature as this bill), the payment shall not be more
13 than \$22,500, and on the first day of the 24th month next following
14 enactment of P.L. , c. (C.) (pending before the Legislature
15 as this bill) the payment shall not be more than \$45,000 provided,
16 however, such amounts shall be adjusted annually in accordance
17 with section 4 of P.L. , c. (C.) (pending before the
18 Legislature as this bill). In the case of a business no payment shall
19 be made under this subsection unless the taking agency is satisfied
20 that the business (1) cannot be relocated without a substantial loss
21 of its existing patronage, and (2) is not a part of a commercial
22 enterprise having at least one other establishment not being
23 acquired by the taking agency, which is engaged in the same or
24 similar business. For purposes of this subsection, the term "average
25 annual net earnings," means 1/2 of any net earnings of the business
26 or farm operation, before Federal, State, and local income taxes,
27 during the 2 taxable years immediately preceding the taxable year
28 in which such business or farm operation moves from the real
29 property acquired for such project, or during such other period as
30 such agency determines to be more equitable for establishing such
31 earnings, and includes any compensation paid by the business or
32 farm operation to the owner, his spouse, or his dependents during
33 such period.

34 (cf: P.L.1971, c.362, s.4)

35
36 2. Section 5 of P.L.1971, c.362 (C.20:4-5) is amended to read
37 as follows:

38 5. a. In addition to payments otherwise authorized by this act,
39 the taking agency shall make an additional payment not in excess of
40 **【\$15,000.00】** \$22,500, provided that on the first day of the 12th
41 month next following enactment of P.L. , c. (C.) (pending
42 before the Legislature as this bill), the additional payment shall not
43 be in excess of \$45,000, and on the first day of the 24th month next
44 following enactment of P.L. , c. (C.) (pending before the
45 Legislature as this bill) the additional payment shall not be in
46 excess of \$67,500 to any displaced person who is displaced from a
47 dwelling actually owned and occupied by such displaced person for

1 not less than 180 days prior to the initiation of negotiations for the
2 acquisition of the property provided, however, such amounts shall
3 be adjusted annually in accordance with section 4 of P.L. _____,
4 c. (C. _____) (pending before the Legislature as this bill). Such
5 additional payment shall include the following elements:

6 (1) The amount, if any, which when added to the acquisition
7 cost of the dwelling acquired, equals the reasonable cost of a
8 comparable replacement dwelling which is a decent, safe, and
9 sanitary dwelling adequate to accommodate such displaced person,
10 reasonably accessible to public services and places of employment
11 and available on the private market. All determinations required to
12 carry out this subparagraph shall be determined by regulations
13 issued pursuant to section 10 of **【this act】** P.L.1971, c.362 (C.20:4-
14 10).

15 (2) The amount, if any, which will compensate such displaced
16 person for any increased interest costs which such person is
17 required to pay for financing the acquisition of any such
18 comparable replacement dwelling. Such amount shall be paid only
19 if the dwelling acquired was encumbered by a bona fide mortgage
20 which was a valid lien on such dwelling for not less than 180 days
21 prior to the initiation of negotiations for the acquisition of such
22 dwelling. Such amount shall be equal to the excess in the
23 aggregate interest and other debt service costs of that amount of the
24 principal of the mortgage on the replacement dwelling which is
25 equal to the unpaid balance of the mortgage on the acquired
26 dwelling, over the remainder term of the mortgage on the acquired
27 dwelling, reduced to discounted present value. The discount rate
28 shall be determined by regulations issued pursuant to section 10 of
29 **【this act】** P.L.1971, c.362 (C.20:4-10).

30 (3) Reasonable expenses incurred by such displaced person for
31 evidence of title, recording fees, and other closing costs incident to
32 the purchase of the replacement dwelling, but not including prepaid
33 expenses.

34 (4) Penalty costs for prepayment of any mortgage entered into in
35 good faith encumbering such real property if such mortgage is on
36 record or has been filed for record as provided by law on the date of
37 approval by taking agency of the location of such project.

38 (5) The pro rata portion of real property taxes payable during
39 the calendar year in which the property was acquired which are
40 allocable to the period of the year subsequent to the date of vesting
41 of title in the taking agency, or the effective date of the possession
42 of such real property by the taking agency, whichever is earlier.

43 b. The additional payment authorized by this section shall be
44 made only to such a displaced person who purchases and occupies a
45 replacement dwelling which is decent, safe, and sanitary not later
46 than the end of the one year period beginning on the date on which
47 he receives final payment of all costs of the acquired dwelling, or

1 on the date on which he moves from the acquired dwelling,
2 whichever is the later date.

3 (cf: P.L.1971, c.362, s.5)

4

5 3. Section 6 of P.L.1971, c.362 (C.20:4-6) is amended to read
6 as follows:

7 6. In addition to amounts otherwise authorized by this act, a
8 taking agency shall make a payment to or for any displaced person
9 displaced from any dwelling not eligible to receive a payment under
10 section 5 which dwelling was actually and lawfully occupied by
11 such displaced person for not less than 90 days prior to the
12 initiation of negotiations for acquisition of such dwelling. Such
13 payment shall be either:

14 a. the amount necessary to enable such displaced person to
15 lease or rent for a period not to exceed 4 years, a decent, safe, and
16 sanitary dwelling of standards adequate to accommodate such
17 person in areas not generally less desirable in regard to public
18 utilities and public and commercial facilities, and reasonably
19 accessible to his place of employment, but not to exceed
20 ["\$4,000.00"] \$6,000, provided that on the first day of the 12th
21 month next following enactment of P.L. , c. (C.) (pending
22 before the Legislature as this bill), the amount shall be increased
23 not to exceed \$12,000, and further increased on the first day of the
24 24th month next following enactment of P.L. , c. (C.)
25 (pending before the Legislature as this bill), not to exceed \$18,000;
26 or

27 b. the amount necessary to enable such person to make a down
28 payment (including incidental expenses described in section 5 a.
29 (3)) on the purchase of a decent, safe, and sanitary dwelling of
30 standards adequate to accommodate such persons in areas not
31 generally less desirable in regard to public utilities and public and
32 commercial facilities, but not to exceed ["\$4,000.00"] \$6,000,
33 provided that on the first day of the 12th month next following
34 enactment of P.L. , c. (C.) (pending before the Legislature
35 as this bill), the amount shall be increased not to exceed \$12,000,
36 and further increased on the first day of the 24th month next
37 following enactment of P.L. , c. (C.) (pending before the
38 Legislature as this bill), not to exceed \$18,000.of that amount the
39 first ["\$2,000.00"] \$3,000, provided that on the first day of the 12th
40 month next following enactment of P.L. , c. (C.) (pending
41 before the Legislature as this bill), the first \$6,000, and on the first
42 day of the 24th month next following enactment of P.L. ,
43 c. (C.) (pending before the Legislature as this bill), the first
44 \$9,000 [of which is to] shall be paid without contribution from the
45 displaced person, but thereafter such payments will only be made
46 on a matching dollar-for-dollar basis with the displaced person
47 provided, however, all such amounts in this section shall be
48 adjusted annually in accordance with section 4 of P.L. ,

1 c. (C.) (pending before the Legislature as this bill).
2 (cf: P.L.1971, c.362, s.6)

3
4 4. (New section) Beginning on the first day of the 36th month
5 next following enactment of P.L. , c. (pending before the
6 Legislature as this bill) all payment amounts set forth in sections 4
7 through 6 of P.L.1971, c.362 (C.20:4-4 through 20:4-6), as
8 amended by P.L. , c. (C.) (pending before the Legislature
9 as this bill), shall be annually automatically adjusted on the basis of
10 the Consumer Price Index for All Urban Consumers (CPI-U), U. S.
11 City Average, published by the United States Department of Labor,
12 Bureau of Labor Statistics, using the last published index figure as
13 of the date of displacement as the numerator and the index figure
14 for the month in which P.L. , c. (C.) (pending before the
15 Legislature as this bill) becomes effective as the denominator.

16
17 5. This act shall take effective immediately.

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19
20 STATEMENT

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22 In January 1972, when the "Relocation Assistance Act,"
23 P.L.1971, c.362, (C.20:4-1 et seq.) became effective, the Consumer
24 Price Index for All Urban Consumers (CPI-U), published by the
25 Bureau of Labor Statistics of the United States Department of
26 Labor, was 41.1. In January 2014, the CPI-U was 233.9, more than
27 5.6 times as great. As a result, the real dollar value of the
28 relocation assistance authorized by the "Relocation Assistance Act"
29 was, in January 2014, 17.6% of what it was in January 1972.

30 The bill provides for a 4.5-fold increase in all of the statutory
31 assistance amounts over two years and for the indexing of the
32 amounts to changes in the CPI-U beginning 36 months after the
33 effective date of the bill.

34 The two-year phase-in of the higher relocation assistance
35 amounts is necessary in order to give entities engaged in the
36 planning process for redevelopment projects the time necessary to
37 plan for the larger increases. The phase-in will require an
38 immediate increase of up to 150 percent, an additional increase of
39 up to 150 percent in 12 months, and a final increase of another 150
40 percent in 24 months over the current allowable and base amounts.
41 However, N.J.S.A.20:4-4.1 through N.J.S.A.20:4-4.3 permit public
42 entities to recover funds they are required to expend for relocation
43 assistance if the owner of the property has been held liable for civil
44 or criminal penalties.