

ASSEMBLY, No. 894

STATE OF NEW JERSEY 221st LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2024 SESSION

Sponsored by:

Assemblywoman VERLINA REYNOLDS-JACKSON

District 15 (Hunterdon and Mercer)

Assemblyman BENJIE E. WIMBERLY

District 35 (Bergen and Passaic)

SYNOPSIS

Enhances transparency in exercise of municipal redevelopment powers.

CURRENT VERSION OF TEXT

Introduced Pending Technical Review by Legislative Counsel.



1 AN ACT concerning certain procedural requirements associated with
2 the exercise of municipal redevelopment powers, amending and
3 supplementing P.L.1992, c.79 (C.40A:12A-1 et seq.), and
4 amending P.L.1971, c.199.

5

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

8

9 1. Section 6 of P.L.1992, c.79 (C.40A:12A-6) is amended to
10 read as follows:

11 6. a. No area of a municipality shall be determined a
12 redevelopment area unless the governing body of the municipality
13 shall, by **[resolution]** ordinance, authorize the planning board to
14 undertake a preliminary investigation to determine whether the
15 proposed area is a redevelopment area according to the criteria set
16 forth in section 5 of P.L.1992, c.79 (C.40A:12A-5). Such
17 determination by the planning board shall be made after public
18 notice and public hearing as provided in subsection b. of this
19 section. The governing body of a municipality shall assign the
20 conduct of the investigation and hearing to the planning board of
21 the municipality. The **[resolution]** ordinance authorizing the
22 planning board to undertake a preliminary investigation shall state
23 whether the redevelopment area determination shall authorize the
24 municipality to use all those powers provided by the Legislature for
25 use in a redevelopment area other than the use of eminent domain
26 (hereinafter referred to as a "Non-Condensation Redevelopment
27 Area") or whether the redevelopment area determination shall
28 authorize the municipality to use all those powers provided by the
29 Legislature for use in a redevelopment area, including the power of
30 eminent domain (hereinafter referred to as a "Condensation
31 Redevelopment Area").

32 b. (1) Before proceeding to a public hearing on the matter, the
33 planning board shall prepare a map showing the boundaries of the
34 proposed redevelopment area and the location of the various parcels
35 of property included therein. There shall be appended to the map a
36 statement setting forth the basis for the investigation.

37 (2) The planning board shall specify a date for and give notice
38 of a hearing for the purpose of hearing persons who are interested in
39 or would be affected by a determination that the delineated area is a
40 redevelopment area.

41 (3) (a) The hearing notice shall set forth the general boundaries
42 of the area to be investigated and **[state that]** a map **[has been
43 prepared and can be inspected at the office of the municipal clerk]
44 which clearly delineates the properties which are included in the
45 redevelopment area. In addition, the hearing notice shall include a
46 Public Advisory Statement which shall be substantially in the form**

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 set forth in section 2 of P.L. c. (C.) (pending before the
2 Legislature as this bill).

3 (b) If the governing body **[resolution]** ordinance assigning the
4 investigation to the planning board, pursuant to subsection a. of this
5 section, stated that the redevelopment determination shall establish
6 a Non-Condensation Redevelopment Area, the notice of the
7 hearing shall specifically state that a redevelopment area
8 determination shall not authorize the municipality to exercise the
9 power of eminent domain to acquire any property in the delineated
10 area.

11 (c) If the **[resolution]** ordinance assigning the investigation to
12 the planning board, pursuant to subsection a. of this section, stated
13 that the redevelopment determination shall establish a
14 Condensation Redevelopment Area, the notice of the hearing shall
15 specifically state that a redevelopment area determination shall
16 authorize the municipality to exercise the power of eminent domain
17 to acquire property in the delineated area.

18 (d) A copy of the notice shall be published in a newspaper of
19 general circulation in the municipality once each week for two
20 consecutive weeks, and the last publication shall be not less than ten
21 days prior to the date set for the hearing. A copy of the notice shall
22 be **[mailed]** sent by certified mail, at least **[ten]** 14 days prior to
23 the date set for the hearing to the last owner **[, if any,]** of each
24 parcel of property within the area according to the assessment
25 records of the municipality. A notice shall also be sent by certified
26 mail to all persons at their last known address, **[if any,]** whose
27 names are noted on the assessment records as claimants of an
28 interest in any such parcel. The assessor of the municipality shall
29 make a notation upon the records when requested to do so by any
30 person claiming to have an interest in any parcel of property in the
31 municipality. The notice shall be published and mailed by certified
32 mail by the municipal clerk, or by such clerk or official as the
33 planning board shall otherwise designate. Failure to mail any such
34 notice shall **[not]** invalidate the investigation or determination
35 thereon.

36 (4) At the hearing, which may be adjourned from time to time,
37 the planning board shall hear all persons who are interested in or
38 would be affected by a determination that the delineated area is a
39 redevelopment area. All objections to such a determination and
40 evidence in support of those objections, given orally or in writing,
41 shall be received and considered and made part of the public record.

42 (5) (a) After completing its hearing on this matter, the planning
43 board shall recommend that the delineated area, or any part thereof,
44 be determined, or not be determined, by the municipal governing
45 body to be a redevelopment area. In the event that the planning
46 board does not recommend that the entire delineated area be
47 designated as a redevelopment area, the planning board shall state
48 its reasons, in writing, for not designating any property or

1 properties, as proposed by the governing body.

2 (b) After receiving the recommendation of the planning board,
3 the municipal governing body may adopt **【a resolution】** an
4 ordinance determining that the delineated area, or any part thereof,
5 is a redevelopment area.

6 (c) Upon the adoption of **【a resolution】** an ordinance, the clerk
7 of the municipality shall, forthwith, transmit a copy of the
8 **【resolution】** ordinance to the Commissioner of Community Affairs
9 for review, along with the recommendations of the planning board.
10 If the area in need of redevelopment is not situated in an area in
11 which development or redevelopment is to be encouraged pursuant
12 to any State law or regulation promulgated pursuant thereto, the
13 determination shall not take effect without first receiving the review
14 and the approval of the commissioner. If the commissioner does
15 not issue an approval or disapproval within 30 calendar days of
16 transmittal by the clerk, the determination shall be deemed to be
17 approved. If the area in need of redevelopment is situated in an
18 area in which development or redevelopment is to be encouraged
19 pursuant to any State law or regulation promulgated pursuant
20 thereto, then the determination shall take effect after the clerk has
21 transmitted a copy of the **【resolution】** ordinance to the
22 commissioner. The determination, if supported by substantial
23 evidence and, if required, approved by the commissioner, shall be
24 binding and conclusive upon all persons affected by the
25 determination.

26 (d) Notice of the determination shall be served, within 10 days
27 after the determination, upon all record owners of property located
28 within the delineated area, those whose names are listed on the tax
29 assessor's records, and upon each person who filed a written
30 objection thereto and stated, in or upon the written submission, an
31 address to which notice of determination may be sent.

32 (e) If the governing body **【resolution】** ordinance assigning the
33 investigation to the planning board, pursuant to subsection a. of this
34 section, stated that the redevelopment determination shall establish
35 a Condemnation Redevelopment Area, the notice of the
36 determination required pursuant to subparagraph (d) of this
37 paragraph shall indicate that:

38 (i) the determination operates as a finding of public purpose and
39 authorizes the municipality to exercise the power of eminent
40 domain to acquire property in the redevelopment area, and

41 (ii) legal action to challenge the determination must be
42 commenced within 45 days of receipt of notice and that failure to
43 do so shall preclude an owner from later raising such challenge.

44 (f) No municipality or redevelopment entity shall exercise the
45 power of eminent domain to acquire property for redevelopment
46 purposes within a Non-Condemnation Redevelopment Area.

47 (g) If a municipal governing body has determined an area to be
48 a Non-Condemnation Redevelopment Area and is unable to acquire

1 property that is necessary for the redevelopment project, the
2 municipality may initiate and follow the process set forth in this
3 section to determine whether the area or property is a
4 Condemnation Redevelopment Area. Such determination shall be
5 based upon the then-existing conditions and not based upon the
6 condition of the area or property at the time of the prior Non-
7 Condemnation Redevelopment Area determination.

8 (h) A property owner who has received notice pursuant to this
9 section who does not file a legal challenge to the redevelopment
10 determination affecting his or her property within 45 days of receipt
11 of such notice shall thereafter be barred from filing such a challenge
12 and, in the case of a Condemnation Redevelopment Area and upon
13 compliance with the notice provisions of subparagraph (e) of this
14 paragraph, shall further be barred from asserting a challenge to the
15 redevelopment determination as a defense in any condemnation
16 proceeding to acquire the property unless the municipality and the
17 property owner agree otherwise.

18 (6) **【The municipality shall, for 45 days next following its**
19 **determination, take no further action to acquire any property by**
20 **condemnation within the redevelopment area.】** (Deleted by
21 amendment, P.L. , c.) (pending before the Legislature as this
22 bill)

23 (7) If any person shall, within 45 days after the adoption by the
24 municipality of the determination, apply to the Superior Court, the
25 court may grant further review of the determination by procedure in
26 lieu of prerogative writ; and in any such action the court may make
27 any incidental order that it deems proper.

28 c. An area determined to be in need of redevelopment pursuant
29 to this section shall be deemed to be a "blighted area" for the
30 purposes of Article VIII, Section III, paragraph 1 of the
31 Constitution. If an area is determined to be a redevelopment area
32 and a redevelopment plan is adopted for that area in accordance
33 with the provisions of this act, the municipality is authorized to
34 utilize all those powers provided in section 8 of P.L.1992, c.79
35 (C.40A:12A-8), except that a municipality may not acquire any land
36 or building by condemnation pursuant to subsection c. of that
37 section unless the land or building is located within (1) an area that
38 was determined to be in need of redevelopment prior to the
39 effective date of P.L.2013, c.159, or (2) a Condemnation
40 Redevelopment Area for which the municipality has complied with
41 the provisions of subparagraph (e) of paragraph (5) of subsection b.
42 of this section.

43 (cf: P.L.2013, c.159, s.2)

44
45 2. (New section) Each hearing notice circulated as required
46 pursuant to paragraph (3) of subsection b. of section 6 of P.L.1992,
47 c.79 (C.40A:12A-6) shall include notice which shall be in
48 substantially the following form:

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"PUBLIC ADVISORY STATEMENT

The governing body of (insert name of municipality) in which you reside has authorized the planning board to undertake a study to determine whether your neighborhood fulfills the definition of a redevelopment area under New Jersey State law. Your property has been included by your governing body in the proposed redevelopment area.

State law requires those property owners whose properties are included within the redevelopment area to receive notice prior to the holding of a hearing by your municipal planning board. The first hearing by the planning board will be held at (insert time) on (insert date) at (insert place).

Municipalities are granted broad powers to facilitate economic development in a redevelopment area, including the acquisition of properties using eminent domain. In other words, by being located in the redevelopment area, your property could be subject to condemnation.

All interested persons are entitled to testify before the planning board under State law, either verbally or through written objection. All objections shall be made part of the public record. Any determination by the governing body that an area is a redevelopment area is considered binding on all property owners included within the redevelopment area. Any person who files a written objection to this determination is entitled to a copy of the determination within 10 days of municipal action.

A property owner who filed a written objection to municipal declaration of a redevelopment area and who remains opposed to the declaration has 45 days following the declaration by the municipality to apply to the Superior Court for review of the municipal action.

Any person seeking further clarification of your rights under the redevelopment law may contact the municipal clerk at (insert telephone number) or the Commissioner of Community Affairs in Trenton at (609) 292-6420."

3. Section 7 of P.L.1992, c.79 (C.40A:12A-7) is amended to read as follows:

7. a. No redevelopment project shall be undertaken or carried out except in accordance with a redevelopment plan adopted by **【ordinance of】** the municipal governing body, **【upon its finding】** as provided in this section and section 4 of P.L. , c. (C.) (pending before the Legislature as this bill). The redevelopment plan shall be adopted by ordinance only after the municipal governing body has conducted at least one public hearing thereon following the receipt of the report of the planning board as required pursuant to section 4 of P.L. , c. (C.) (pending before the Legislature as this bill). In addition, the municipal governing body

1 shall include within the ordinance detailed findings that the
2 specifically delineated project area is located in an area in need of
3 redevelopment or in an area in need of rehabilitation, or in both,
4 according to criteria set forth in section 5 or section 14 of P.L.1992,
5 c.79 (C.40A:12A-5 or 40A:12A-14), as appropriate and that the
6 plan fulfills all of the criteria set forth in this section.

7 The redevelopment plan shall include an outline for the planning,
8 development, redevelopment, or rehabilitation of the project area
9 sufficient to indicate:

10 (1) Its relationship to definite local objectives as to appropriate
11 land uses, density of population, and improved traffic and public
12 transportation, public utilities, recreational and community facilities
13 and other public improvements.

14 (2) Proposed land uses and building requirements in the project
15 area.

16 (3) Adequate provision for the temporary and permanent
17 relocation, as necessary, of residents in the project area, including
18 an estimate of the extent to which decent, safe and sanitary dwelling
19 units affordable to displaced residents will be available to them in
20 the existing local housing market.

21 (4) An identification of any property within the redevelopment
22 area which is proposed to be acquired in accordance with the
23 redevelopment plan.

24 (5) Any significant relationship of the redevelopment plan to (a)
25 the master plans of contiguous municipalities, (b) the master plan of
26 the county in which the municipality is located, and (c) the State
27 Development and Redevelopment Plan adopted pursuant to the
28 "State Planning Act," P.L.1985, c.398 (C.52:18A-196 et al.).

29 (6) As of the date of the adoption of the resolution finding the
30 area to be in need of redevelopment, an inventory of all housing
31 units affordable to low and moderate income households, as defined
32 pursuant to section 4 of P.L.1985, c.222 (C.52:27D-304), that are to
33 be removed as a result of implementation of the redevelopment
34 plan, whether as a result of subsidies or market conditions, listed by
35 affordability level, number of bedrooms, and tenure.

36 (7) A plan for the provision, through new construction or
37 substantial rehabilitation of one comparable, affordable replacement
38 housing unit for each affordable housing unit that has been
39 occupied at any time within the last 18 months, that is subject to
40 affordability controls and that is identified as to be removed as a
41 result of implementation of the redevelopment plan. Displaced
42 residents of housing units provided under any State or federal
43 housing subsidy program, or pursuant to the "Fair Housing Act,"
44 P.L.1985, c.222 (C.52:27D-301 et al.), provided they are deemed to
45 be eligible, shall have first priority for those replacement units
46 provided under the plan; provided that any such replacement unit
47 shall not be credited against a prospective municipal obligation

1 under the "Fair Housing Act," P.L.1985, c.222 (C.52:27D-301 et
2 al.), if the housing unit which is removed had previously been
3 credited toward satisfying the municipal fair share obligation. To
4 the extent reasonably feasible, replacement housing shall be
5 provided within or in close proximity to the redevelopment area. A
6 municipality shall report annually to the Department of Community
7 Affairs on its progress in implementing the plan for provision of
8 comparable, affordable replacement housing required pursuant to
9 this section.

10 (8) Proposed locations for public electric vehicle charging
11 infrastructure within the project area in a manner that appropriately
12 connects with an essential public charging network.

13 b. A redevelopment plan may include the provision of
14 affordable housing in accordance with the "Fair Housing Act,"
15 P.L.1985, c.222 (C.52:27D-301 et al.) and the housing element of
16 the municipal master plan.

17 c. The redevelopment plan shall describe its relationship to
18 pertinent municipal development regulations as defined in the
19 "Municipal Land Use Law," P.L.1975, c.291 (C.40:55D-1 et seq.).
20 The redevelopment plan shall supersede applicable provisions of the
21 development regulations of the municipality or constitute an
22 overlay zoning district within the redevelopment area. When the
23 redevelopment plan supersedes any provision of the development
24 regulations, the ordinance adopting the redevelopment plan shall
25 contain an explicit amendment to the zoning district map included
26 in the zoning ordinance. The zoning district map as amended shall
27 indicate the redevelopment area to which the redevelopment plan
28 applies. **【Notwithstanding the provisions of the "Municipal Land
29 Use Law," P.L.1975, c.291 (C.40:55D-1 et seq.) or of other law, no
30 notice beyond that required for adoption of ordinances by the
31 municipality shall be required for the hearing on or adoption of the
32 redevelopment plan or subsequent amendments thereof.】**

33 d. All provisions of the redevelopment plan shall be either
34 substantially consistent with the municipal master plan or designed
35 to effectuate the master plan; but the municipal governing body may
36 adopt a redevelopment plan which is inconsistent with or not
37 designed to effectuate the master plan by affirmative vote of a
38 majority of its full authorized membership with the reasons for so
39 acting set forth in the redevelopment plan.

40 e. Prior to the adoption of a redevelopment plan, or revision or
41 amendment thereto, the governing body shall refer the plan,
42 revision, or amendment, as appropriate, to the planning board **【shall**
43 **transmit to the governing body, within 45 days after referral, a**
44 **report containing its recommendation concerning the redevelopment**
45 **plan】**, which shall report back to the governing body within 90 days
46 of referral, following a public hearing held by the planning board
47 according to the procedure followed by the municipality in adopting
48 the master plan, as required pursuant to subsection a. of section 19

1 of P.L.1975, c.291 (C.40:55D-28). **【This】** The planning board
2 report shall include an identification of any provisions in the
3 proposed redevelopment plan which are inconsistent with the
4 master plan and recommendations concerning these inconsistencies
5 and any other matters as the board deems appropriate. The
6 governing body, when considering the adoption of a redevelopment
7 plan or revision or amendment thereof, shall review the report of
8 the planning board and may approve or disapprove or change any
9 recommendation by a vote of a majority of its full authorized
10 membership and shall record in its minutes the reasons for not
11 following the recommendations. Failure of the planning board to
12 transmit its report within the required **【45】** 90 days shall relieve the
13 governing body from the requirements of this subsection with
14 regard to the pertinent proposed redevelopment plan or revision or
15 amendment thereof. Nothing in this subsection shall diminish the
16 applicability of the provisions of subsection d. of this section with
17 respect to any redevelopment plan or revision or amendment
18 thereof.

19 f. The governing body of a municipality may direct the
20 planning board to prepare a redevelopment plan or an amendment
21 or revision to a redevelopment plan for a designated redevelopment
22 area. After completing the redevelopment plan, the planning board
23 shall transmit the proposed plan to the governing body for its
24 adoption. The governing body, when considering the proposed
25 plan, may amend or revise any portion of the proposed
26 redevelopment plan by an affirmative vote of the majority of its full
27 authorized membership and shall record in its minutes the reasons
28 for each amendment or revision. When a redevelopment plan or
29 amendment to a redevelopment plan is referred to the governing
30 body by the planning board under this subsection, the governing
31 body shall be relieved of the referral requirements of subsection e.
32 of this section.

33 Regardless of whether the redevelopment plan is prepared by the
34 governing body or the planning board as provided in this
35 subsection, the governing body shall not consider the proposed
36 redemption plan or any amendment or revision thereto for a vote
37 until it has complied with the notification and public hearing
38 requirements set forth in section 4 of P.L. , c. (C.) (pending
39 before the Legislature as this bill).

40 (cf: P.L.2021, c.168, s.2)

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42 4. (New section) a. Prior to adopting the redevelopment plan,
43 the governing body shall hold at least one public hearing on the
44 redevelopment plan. If the boundaries of the redevelopment area
45 have been amended since the designation by the governing body of
46 that area pursuant to paragraph (5) of subsection b. of section 6 of
47 P.L.1992, c.79 (C.40A:12A-6), the governing body shall prepare
48 and include within the notice to be provided a revised map showing

1 the boundaries of the redevelopment area and the location of the
2 various parcels of property included therein.

3 b. Not less than 10 days prior to the public hearing, the
4 governing body shall provide notice, specifying a date for and
5 giving notice of a hearing for the purpose of hearing persons who
6 are interested in or would be affected by the implementation of the
7 redevelopment plan. The hearing notice shall set forth the
8 boundaries of the redevelopment area, including a map of the
9 redevelopment area if the boundaries have changed, as required in
10 subsection a. of this section, and state how interested members of
11 the public can gain access to the proposed redevelopment plan,
12 including the specific hours and location at which the plan may be
13 inspected.

14 c. A copy of the notice shall be published in a newspaper of
15 general circulation in the municipality once each week for two
16 consecutive weeks, and the last publication shall be not less than 10
17 days prior to the date set for the hearing. A copy of the notice shall
18 be sent by certified mail, at least 14 days prior to the date set for the
19 hearing to the last owner of each parcel of property within the area
20 according to the assessment records of the municipality. In the
21 event that the boundaries of the redevelopment area have changed
22 since the previous notice, notice also shall be provided to those
23 owners previously situated within the redevelopment area. A notice
24 shall also be sent by certified mail to all persons at their last known
25 address, whose names are noted on the assessment records as
26 claimants of an interest in any such parcel. The assessor of the
27 municipality shall make a notation upon the records when requested
28 to do so by any person claiming to have an interest in any parcel of
29 property in the municipality. The notice shall be published and
30 mailed by the municipal clerk by certified mail, or by such clerk or
31 official as the governing body shall otherwise designate.

32 d. At the hearing, which may be adjourned from time to time,
33 the governing body shall hear all persons who are interested in or
34 would be affected by the implementation of the redevelopment plan.
35 All objections to the plan and evidence in support of those
36 objections, given orally or in writing, shall be received and
37 considered and made part of the public record.

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39 5. Section 8 of P.L.1992, c.79 (C.40A:12A-8) is amended to
40 read as follows:

41 8. Upon the adoption of a redevelopment plan pursuant to
42 section 7 of P.L.1992, c.79 (C.40A:12A-7), the municipality or
43 redevelopment entity designated by the governing body may
44 proceed with the clearance, replanning, development and
45 redevelopment of the area designated in that plan. In order to carry
46 out and effectuate the purposes of this act and the terms of the
47 redevelopment plan, the municipality or designated redevelopment
48 entity may:

- 1 a. Undertake redevelopment projects, and for this purpose issue
2 bonds in accordance with the provisions of section 29 of P.L.1992,
3 c.79 (C.40A:12A-29).
- 4 b. Acquire property pursuant to subsection i. of section 22 of
5 P.L.1992, c.79 (C.40A:12A-22).
- 6 c. Acquire, by condemnation, any land or building which is
7 necessary for the redevelopment project, pursuant to the provisions
8 of the "Eminent Domain Act of 1971," P.L.1971, c.361
9 (C.20:3-1 et seq.), provided that the land or building is located
10 within (1) an area that was determined to be in need of
11 redevelopment prior to the effective date of P.L.2013, c.159, or (2)
12 a Condemnation Redevelopment Area.
- 13 d. Clear any area owned or acquired and install, construct or
14 reconstruct streets, facilities, utilities, and site improvements
15 essential to the preparation of sites for use in accordance with the
16 redevelopment plan.
- 17 e. Prepare or arrange by contract for the provision of
18 professional services and the preparation of plans by registered
19 architects, licensed professional engineers or planners, or other
20 consultants for the carrying out of redevelopment projects.
- 21 f. Arrange or contract with public agencies or redevelopers for
22 the planning, replanning, construction, or undertaking of any
23 project or redevelopment work, or any part thereof; negotiate and
24 collect revenue from a redeveloper to defray the costs of the
25 redevelopment entity, including where applicable the costs incurred
26 in conjunction with bonds, notes or other obligations issued by the
27 redevelopment entity, and to secure payment of such revenue; as
28 part of any such arrangement or contract, provide for extension of
29 credit, or making of loans, to redevelopers to finance any project or
30 redevelopment work, or upon a finding that the project or
31 redevelopment work would not be undertaken but for the provision
32 of financial assistance, or would not be undertaken in its intended
33 scope without the provision of financial assistance, provide as part
34 of an arrangement or contract for capital grants to redevelopers; and
35 arrange or contract with public agencies or redevelopers for the
36 opening, grading or closing of streets, roads, roadways, alleys, or
37 other places or for the furnishing of facilities or for the acquisition
38 by such agency of property options or property rights or for the
39 furnishing of property or services in connection with a
40 redevelopment area.
- 41 g. Except with regard to property subject to the requirements of
42 P.L.2008, c.65 (C.40A:5-14.2 et al.), lease or convey property or
43 improvements to any other party pursuant to this section **[**, without
44 public bidding and at such prices and upon such terms as it deems
45 reasonable**]**, provided that the lease or conveyance is made in
46 conjunction with a redevelopment plan **[**, notwithstanding the
47 provisions of any law, rule, or regulation to the contrary**]**.
- 48 h. Enter upon any building or property in any redevelopment

- 1 area in order to conduct investigations or make surveys, sounding or
2 test borings necessary to carry out the purposes of this act.
- 3 i. Arrange or contract with a public agency for the relocation,
4 pursuant to the "Relocation Assistance Law of 1967," P.L.1967,
5 c.79 (C.52:31B-1 et seq.) and the "Relocation Assistance Act,"
6 P.L.1971, c.362 (C.20:4-1 et seq.), of residents, industry or
7 commerce displaced from a redevelopment area.
- 8 j. Make, consistent with the redevelopment plan: (1) plans for
9 carrying out a program of voluntary repair and rehabilitation of
10 buildings and improvements; and (2) plans for the enforcement of
11 laws, codes, and regulations relating to the use and occupancy of
12 buildings and improvements, and to the compulsory repair,
13 rehabilitation, demolition, or removal of buildings and
14 improvements.
- 15 k. Request that the planning board recommend and governing
16 body designate particular areas as being in need of redevelopment
17 or rehabilitation in accordance with the provisions of this act and
18 make recommendations for the redevelopment or rehabilitation of
19 such areas.
- 20 l. Study the recommendations of the planning board or
21 governing body for redevelopment of the area.
- 22 m. Publish and disseminate information concerning any
23 redevelopment area, plan or project.
- 24 n. Do all things necessary or convenient to carry out its powers.
25 (cf: P.L.2013, c.159, s.3)
- 26
- 27 6. Section 14 of P.L.1992, c.79 (C.40A:12A-14) is amended to
28 read as follows:
- 29 14. a. A delineated area may be determined to be in need of
30 rehabilitation if the governing body of the municipality determines
31 by **[resolution]** ordinance that a program of rehabilitation, as
32 defined in section 3 of P.L.1992, c.79 (C.40A:12A-3), may be
33 expected to prevent further deterioration and promote the overall
34 development of the community; and that there exist in that area any
35 of the following conditions such that (1) a significant portion of
36 structures therein are in a deteriorated or substandard condition; (2)
37 more than half of the housing stock in the delineated area is at least
38 50 years old; (3) there is a pattern of vacancy, abandonment or
39 underutilization of properties in the area; (4) there is a persistent
40 arrearage of property tax payments on properties in the area; (5)
41 environmental contamination is discouraging improvements and
42 investment in properties in the area; or (6) a majority of the water
43 and sewer infrastructure in the delineated area is at least 50 years
44 old and is in need of repair or substantial maintenance. Where
45 warranted by consideration of the overall conditions and
46 requirements of the community, a finding of need for rehabilitation
47 may extend to the entire area of a municipality. Prior to adoption of
48 the **[resolution]** ordinance, the governing body shall submit it to

1 the municipal planning board for its review. Within **[45]** 90 days
2 of its receipt of the proposed **[resolution]** ordinance, the municipal
3 planning board shall submit its recommendations regarding the
4 proposed **[resolution]** ordinance, including any modifications
5 which it may recommend, to the governing body for its
6 consideration. Thereafter, or after the expiration of the **[45]** 90
7 days if the municipal planning board does not submit
8 recommendations, the governing body may adopt the **[resolution]**
9 ordinance, with or without modification. The **[resolution]**
10 ordinance shall not become effective without the approval of the
11 commissioner pursuant to section 6 of P.L.1992, c.79
12 (C.40A:12A-6), if otherwise required pursuant to that section.

13 b. A delineated area shall be deemed to have been determined
14 to be an area in need of rehabilitation in accordance with the
15 provisions of this act if it has heretofore been determined to be an
16 area in need of rehabilitation pursuant to P.L.1975, c.104
17 (C.54:4-3.72 et seq.), P.L.1977, c.12 (C.54:4-3.95 et seq.) or
18 P.L.1979, c.233 (C.54:4-3.121 et al.).

19 c. (1) A municipality may adopt an ordinance declaring a
20 renovation housing project to be an area in need of rehabilitation for
21 the purposes of Article VIII, Section I, paragraph 6 of the New
22 Jersey Constitution if the need for renovation resulted from
23 conflagration.

24 (2) For the purposes of this subsection, "renovation housing
25 project" means any work or undertaking to provide a decent, safe,
26 and sanitary dwelling, to exclusively benefit a specific household,
27 by the renovation, reconstruction, or replacement of the household's
28 home on the same lot by either a charitable entity organized to
29 perform home renovations or by a for-profit builder using **[75%]**
30 75 percent or more volunteer labor-hours to accomplish the
31 construction for the project. The undertaking may include any
32 buildings; demolition, clearance, or removal of buildings from land;
33 equipment; facilities; or other personal properties or interests
34 therein which are necessary, convenient, or desirable appurtenances
35 of the undertaking.

36 d. (1) A municipality may adopt an ordinance declaring a
37 renovation housing project to be an area in need of rehabilitation for
38 the purposes of Article VIII, Section I, paragraph 6 of the New
39 Jersey Constitution if at least half of the number of people
40 occupying the dwelling as their primary residence qualify for a
41 federal income tax credit pursuant to 26 U.S.C. s.22 as a result of
42 being permanently and totally disabled and the improvements to be
43 made to the dwelling are made substantially to accommodate those
44 disabilities.

45 (2) For the purposes of this subsection, "renovation housing
46 project" means any work or undertaking to provide a decent, safe,
47 and sanitary single-family dwelling, to exclusively benefit at least

1 half of the number of people occupying a dwelling as their primary
2 residence, by the renovation, reconstruction, or replacement of that
3 dwelling on the same lot by either a charitable entity organized to
4 perform home renovations or by a for-profit builder using **[75%]**
5 75 percent or more volunteer labor-hours to accomplish the
6 construction for the project. The undertaking may include any
7 buildings; demolition, clearance, or removal of buildings from land;
8 equipment; facilities; or other personal properties or interests
9 therein which are necessary, convenient, or desirable appurtenances
10 of the undertaking.

11 (cf: P.L.2013, c.159, s.4)

12

13 7. Section 13 of P.L.1971, c.199 (C.40A:12-13) is amended to
14 read as follows:

15 13. **[Sales of real property, capital improvements or personal**
16 **property; exceptions; procedure.]** Any county or municipality may
17 sell any real property, capital improvement or personal property, or
18 interests therein, not needed for public use, as set forth in the
19 resolution or ordinance authorizing the sale, other than county or
20 municipal lands, real property otherwise dedicated or restricted
21 pursuant to law, and, except as otherwise provided by law, all such
22 sales shall be made by one of the following methods:

23 (a) By open public sale at auction to the highest bidder after
24 advertisement thereof in a newspaper circulating in the municipality
25 or municipalities in which the lands are situated, by two insertions
26 at least once a week during two consecutive weeks, the last
27 publication to be not earlier than seven days prior to such sale. In
28 the case of public sales, the governing body may by resolution fix a
29 minimum price or prices, with or without the reservation of the
30 right to reject all bids where the highest bid is not accepted. Notice
31 of such reservation shall be included in the advertisement of the
32 sale and public notice thereof shall be given at the time of sale.
33 Such resolution may provide, without fixing a minimum price, that
34 upon the completion of the bidding, the highest bid may be accepted
35 or all the bids may be rejected. The invitation to bid may also
36 impose restrictions on the use to be made of such real property,
37 capital improvement or personal property, and any conditions of
38 sale as to buildings or structures, or as to the type, size, or other
39 specifications of buildings or structures to be constructed thereon,
40 or as to demolition, repair, or reconstruction of buildings or
41 structures, and the time within which such conditions shall be
42 operative, or any other conditions of sale, in like manner and to the
43 same extent as by any other vendor. Such conditions shall be
44 included in the advertisement, as well as the nature of the interest
45 retained by the county or municipality. Such restrictions or
46 conditions shall be related to a lawful public purpose and encourage
47 and promote fair and competitive bidding of the county or
48 municipality and shall not, in the case of a municipality, be

1 inconsistent with or impose a special or higher standard than any
2 zoning ordinance or building, plumbing, electrical, or similar code
3 or ordinance then in effect in the municipality.

4 In any case in which a county or municipality intends to retain an
5 estate or interest in any real property, capital improvement or
6 personal property, in the nature of an easement, contingent or
7 reversionary, the invitation to bid and the advertisement required
8 herein shall require each bidder to submit one bid under each
9 Option A and Option B below.

10 (1) Option A shall be for the real property, capital improvement
11 or personal property subject to the conditions or restrictions
12 imposed, or interest or estate retained, which the county or
13 municipality proposes to retain or impose.

14 (2) Option B shall be for the real property, capital improvement
15 or personal property to be sold free of all such restrictions,
16 conditions, interests or estates on the part of the county or
17 municipality.

18 The county or the municipality may elect or reject either or both
19 options and the highest bid for each. Such acceptance or rejection
20 shall be made not later than at the second regular meeting of the
21 governing body following the sale, and, if the governing body shall
22 not so accept such highest bid, or reject all bids, said bids shall be
23 deemed to have been rejected. Any such sale may be adjourned at
24 the time advertised for not more than one week without
25 readvertising.

26 (b) At private sale, when authorized by resolution, in the case of
27 a county, or by ordinance, in the case of a municipality, in the
28 following cases:

29 (1) A sale to any political subdivision, agency, department,
30 commission, board or body corporate and politic of the State of
31 New Jersey or to an interstate agency or body of which the State of
32 New Jersey is a member or to the United States of America or any
33 department or agency thereof.

34 (2) A sale to a person submitting a bid pursuant to subsection
35 (a) of this section, where all bids have been rejected, provided that
36 the terms and price agreed to shall in no event be less than the
37 highest bid rejected, and provided further that the terms and
38 conditions of sale shall remain identical.

39 (3) A sale by any county or municipality, when it has or shall
40 have conveyed its right, title and interest in any real property,
41 capital improvement or personal property not needed for public use,
42 and it was assumed and intended that there should be conveyed a
43 good and sufficient title in fee simple to said real property, capital
44 improvement or personal property, free of all encumbrances and the
45 full consideration has been paid therefor, and it shall thereafter
46 appear that the title conveyed was insufficient or that said county or
47 municipality at the time of said conveyance was not the owner of
48 some estate or interest in said real property, capital improvement or

1 personal property or of some encumbrances thereon, and the county
2 or municipality shall thereafter acquire a good and sufficient title in
3 fee simple, free of all encumbrances of said real property, capital
4 improvement or personal property or shall acquire such outstanding
5 estate or interest therein or outstanding encumbrance thereon and
6 said county or municipality, by resolution of the governing body
7 and without the payment of any additional consideration, has
8 deemed to convey or otherwise transfer to said purchaser, his heirs
9 or assigns, such after-acquired title, or estate or interest in, or
10 encumbrance upon, such real property, capital improvement or
11 personal property to perfect the title or interest previously
12 conveyed.

13 (4) A sale of an easement upon any real property previously
14 conveyed by any county or municipality may be made when the
15 governing body of any county, by resolution, or any municipality,
16 by ordinance, has elected to release the public rights in the nature of
17 easements, in, on, over or under any real property within the county
18 or the municipality, as the case may be, upon such terms as shall be
19 agreed upon with the owner of such lands, if the use of such rights
20 is no longer desirable, necessary or required for public purposes.

21 (5) A sale to the owner of the real property contiguous to the
22 real property being sold; provided that the property being sold is
23 less than the minimum size required for development under the
24 municipal zoning ordinance and is without any capital improvement
25 thereon; except that when there is more than one owner with real
26 property contiguous thereto, said property shall be sold to the
27 highest bidder from among all such owners. Any such sale shall be
28 for not less than the fair market value of said real property. When
29 there is only one owner with real property contiguous to the
30 property being sold, and the property is less than an eighth of the
31 minimum size required for development under the municipal zoning
32 ordinance and is without any capital improvement thereon, the fair
33 market value of that property may be determined by negotiation
34 between the local unit and the owner of the contiguous real
35 property. The negotiated sum shall be subject to approval by
36 resolution of the governing body, but in no case shall that sum be
37 less than one dollar.

38 In the case of any sale of real property hereafter made pursuant
39 to subsection (b) of this section, in no event shall the price agreed
40 upon with the owner be less than the difference between the highest
41 bid accepted for the real property subject to easements (Option A)
42 and the highest bid rejected for the real property not subject to
43 easements (Option B). After the adoption of the resolution or
44 ordinance, and compliance by the owner of said real property with
45 the terms thereof, said real property shall be free, and entirely
46 discharged of and from such rights of the public and of the county
47 or municipality, as the case may be, but no such release shall affect
48 the right of lawful occupancy or use of any such real property by

1 any municipal or private utility to occupy or use any such real
2 property lawfully occupied or used by it. A list of the property so
3 authorized to be sold, pursuant to subsection (b) of this section,
4 together with the minimum prices, respectively, as determined by
5 the governing body, shall be included in the resolution or ordinance
6 authorizing the sale, and said list shall be posted on the bulletin
7 board or other conspicuous space in the building which the
8 governing body usually holds its regular meetings, and
9 advertisement thereof made in a newspaper circulating in the
10 municipality or municipalities in which the real property, capital
11 improvement or personal property is situated, within five days
12 following enactment of said resolution or ordinance. Offers for any
13 or all properties so listed may thereafter be made to the governing
14 body or its designee for a period of 20 days following the
15 advertisement herein required, at not less than said minimum prices,
16 by any prospective purchaser, real estate broker, or other authorized
17 representative. In any such case, the governing body may
18 reconsider its resolution or ordinance, not later than 30 days after its
19 enactment, and advertise the real property, capital improvement, or
20 personal property in question for public sale pursuant to subsection
21 (a) of this section.

22 Any county or municipality selling any real property, capital
23 improvement or personal property pursuant to subsection (b) of this
24 section shall file with the Director of the Division of Local
25 Government Services in the Department of Community Affairs,
26 sworn affidavits verifying the publication of advertisements as
27 required by this subsection.

28 (c) **【By private sale of a municipality in the following case: A**
29 **sale to a private developer by a municipality, when acting in**
30 **accordance with the "Local Redevelopment and Housing Law,"**
31 **P.L.1992, c.79 (C.40A:12A-1 et al.).】 (Deleted by amendment,**

32 P.L. , c.) (pending before the Legislature as this bill)
33 (d) A county or municipality is also authorized to use electronic
34 procurement practices in accordance with the provisions of
35 P.L.2018, c.156 (C.40A:11-4.7 et al.) for the sale or lease of real
36 property pursuant to the "Local Lands and Buildings Law,"
37 P.L.1971, c.199 (C.40A:12-1 et seq.).

38 All sales, either public or private, may be made for cash or upon
39 credit. A deposit not exceeding **【10%】** 10 percent of the minimum
40 price or value of the property to be sold may be required of all
41 bidders. When made upon credit, the county or municipality may
42 accept a purchase-money mortgage, upon terms and conditions
43 which shall be fixed by the resolution of the governing body;
44 provided, however, that such mortgage shall be fully payable within
45 five years from the date of the sale and shall bear interest at a rate
46 equal to that authorized under Title 31 of the Revised Statutes, as
47 amended and supplemented, and the regulations issued pursuant
48 thereto, or the rate last paid by the county or municipality upon any

1 issue of notes pursuant to the "Local Bond Law"
2 (N.J.S.40A:2-1 et seq.), whichever is higher. The governing body
3 may, by resolution, fix the time for closing of title and payment of
4 the consideration.

5 In all sales made pursuant to this section, the governing body of
6 any county or municipality may provide for the payment of a
7 commission to any real estate broker, or authorized representative
8 other than the purchaser actually consummating such sale;
9 provided, however, that no commission shall be paid unless notice
10 of the governing body's intention to pay such a commission shall
11 have been included in the advertisement of sale and the recipient
12 thereof shall have filed an affidavit with the governing body stating
13 that said recipient is not the purchaser. Said commissions shall not
14 exceed, in the aggregate, **[5%]** 5 percent of the sale price, and be
15 paid, where there has been a public sale, only in the event that the
16 sum of the commission and the highest bid price does not exceed
17 the next highest bid price (exclusive of any real estate broker's
18 commission). As used in this section, "purchaser" shall mean and
19 include any person, corporation, company, association, society,
20 firm, partnership, or other business entity owning or controlling,
21 directly or indirectly, more than **[10%]** 10 percent of the
22 purchasing entity.

23 (cf: P.L.2018, c.156, s.7)

24

25 8. This act shall take effect immediately.

26

27

28

STATEMENT

29

30 This bill would make procedural modifications to the process
31 through which municipalities exercise redevelopment power.

32 First, the bill would require that municipalities act by ordinance
33 rather than resolution in acting under the "Local Redevelopment
34 and Housing Law," P.L.1992, c.79 (C.40A:12A-1 et seq.). This
35 would require a more elaborate publication and hearing process
36 than that which is required when a municipality acts by resolution.

37 The bill enhances notification requirements under this law.
38 Under current law, when a municipal governing body designates
39 properties within a redevelopment area, it is required to authorize
40 the planning board to undertake a preliminary investigation to
41 determine whether the proposed area fulfills those criteria which the
42 law establishes in order to be so designated.

43 Although the current law does provide for notification when an
44 area is to be designated, the hearing notice is only required to set
45 forth the general boundaries of the area to be investigated and
46 notice that the map shall be made available at the office of the
47 municipal clerk. Property owners in the proposed redevelopment
48 area are to be notified by regular mail, under the current law, with

1 no information to be provided as to what a redevelopment
2 designation means.

3 This bill would require that the hearing notice clearly delineate
4 the properties which are to be included in the redevelopment area
5 and that notice to property owners be provided by certified mail. In
6 addition, the bill requires that a Public Advisory Statement be sent
7 to every property owner within the redevelopment area as part of
8 the required notification and prescribes the content of this
9 statement. The purpose of this Public Advisory Statement is to
10 explain to property owners within the redevelopment area that
11 municipalities are granted broad powers to facilitate economic
12 development within redevelopment areas, which includes the power
13 to exercise eminent domain. Additionally, the notification is
14 designed to inform property owners of their recourse in this
15 situation and who to contact for further information.

16 The bill requires both the planning board and municipal
17 governing body to hold public hearings on the redevelopment plan,
18 which is required to be prepared before a municipality is authorized
19 to undertake a redevelopment project under existing law. In
20 addition, the bill requires that property owners within the
21 designated redevelopment area be provided with certified mail
22 notice in advance of the public hearing held by the municipal
23 governing body. Under current law, the redevelopment plan is to be
24 adopted by ordinance and the municipality is only required to
25 provide that notice associated with the adoption of an ordinance
26 under general law.

27 Under current law, when the governing body originates the
28 redevelopment plan, it is required to transmit a copy of the
29 proposed redevelopment plan to the planning board for
30 recommendations and an analysis of the consistency of that plan
31 with the municipal master plan. The law gives the planning board
32 45 days within which to report back to the governing body. Given
33 the addition of a mandatory public hearing process by this bill, this
34 45 day review period is extended to 90 days.

35 Current law authorizes municipalities to lease or convey property
36 or improvements "without public bidding and at such prices and
37 upon such terms as it deems reasonable." By removing this
38 exception from public bidding and vague language deferring to the
39 municipality as to the establishment of a price for such property or
40 improvements, this bill would require open public bidding and,
41 thereby, the establishment of a market price through a transparent
42 transaction process.