ASSEMBLY, No. 441

STATE OF NEW JERSEY
216th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2014 SESSION

Sponsored by:
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SYNOPSIS
Allows municipalities to designate redevelopment entities and certain non-profits to act as land banks.

CURRENT VERSION OF TEXT
Introduced Pending Technical Review by Legislative Counsel
AN ACT authorizing municipalities to designate redevelopment entities and specified non-profit entities to act as land bank entities on their behalf, amending P.L.1960, c.183, P.L.1971, c.199 and P.L.1992, c.79 and supplementing Title 40A of the New Jersey Statutes.

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

1. (New section) The Legislature finds and declares that:
   a. Difficult economic conditions coupled with the continued high rate of foreclosures have significantly increased the number of vacant, abandoned and other problem properties in the State’s municipalities, particularly its older cities.
   b. The continued presence and proliferation of these vacant, abandoned and other problem properties in the communities of this State has a negative effect on the public health and welfare, reduces property values and municipal revenues, and impedes the economic development and revitalization of the State’s municipalities, particularly its older cities.
   c. At present, many vacant, abandoned and other problem properties, rather than being productively reused, remain vacant despite frequent changes in ownership, and continue to have a blighting effect on their surroundings.
   d. The State’s cities can benefit from stronger, more effective tools to control the inventory of vacant, abandoned and other problem properties, in order to both minimize the harm that they do in their present condition and to facilitate their restoration to productive use.
   e. To that end, municipalities can benefit greatly from the ability to designate single entities to act on their behalf to acquire, maintain and dispose of vacant, abandoned and problem properties, in order to carry out strategies to ensure that the reuse of these properties provides the greatest long-term benefit to the physical, social and economic condition of the municipality.
   f. Through previous enactments, the Legislature has already authorized the creation of legal entities by municipalities, whose powers and capabilities can be harnessed to carry out these responsibilities, so that there is no need for the Legislature to create or authorize the creation of new legal entities for these purposes.

2. (New section) a. (1) Any municipality may enter into a land banking agreement with any entity which the municipality has designated as a redevelopment entity pursuant to section 4 of the
“Local Redevelopment and Housing Law,” P.L.1992, c.79 (C.40A:12A-4), to act on behalf of the municipality to hold, maintain and dispose of property owned by the municipality and not needed for any public purpose. The terms of a land banking agreement entered into pursuant to this section are subject to the approval of the Department of Community Affairs, and subject to rules and regulations promulgated by the Commissioner of Community Affairs. No land banking agreement between a municipality and a designated redevelopment entity or other land bank entity shall take effect until it is approved by the Commissioner of Community Affairs.

(2) A municipality may designate a county improvement authority to act as a redevelopment entity pursuant to the “county improvement authorities law,” P.L.1960, c.183 (C.40:37A-44 et seq.) for the purpose of entering into a land banking agreement with said entity, without regard to whether the county improvement authority is otherwise acting as a redevelopment entity in the municipality.

(3) Subject to rules and regulations promulgated by the Commissioner of Community Affairs, a municipality may designate itself, or one of its departments or agencies, to act as a redevelopment entity pursuant to section 3 of P.L.1992, c.79 (C.40A:12A-3) for the purpose of entering into a land banking agreement. In such cases, the designated redevelopment entity shall not need to adopt separate ordinances or resolutions, as appropriate, for the purpose of adopting an agreement or amendments pursuant to paragraphs (4) and (5) of subsection b. of this section. Termination notice requirements, prescribed by subsection l. of this section, also shall not be necessary.

b. (1) The agreement shall set forth the responsibilities of the redevelopment entity acting as a land bank entity on behalf of the municipality, shall specify the terms and conditions under which the land bank entity may acquire property on behalf of the municipality, demolish or otherwise clear buildings and other site improvements located on the property, maintain and secure the property, and dispose of property held on behalf of the municipality, shall provide for such municipal oversight of the land bank entity as the municipality deems necessary and appropriate, and shall set forth the manner in which any costs and revenues, including proceeds of sale of property, resulting from the activities of the land bank entity shall be distributed.

(2) Prior to submission of the agreement for approval by the municipal governing body, the municipality shall hold a public meeting to solicit public comment on the substance and intent of the agreement.

(3) The ordinance comprising the land bank agreement shall include findings establishing the need for land bank activity in the
municipality, and the qualifications of the redevelopment entity to
carry out the responsibilities of a land bank entity as set forth in
P.L. , c. (C. ) (pending before the Legislature as this bill).

(4) The agreement shall be adopted by an ordinance of the
governing body of the municipality and by resolution of the
governing body of the redevelopment entity, and shall be filed by
the municipal clerk along with the enabling ordinance and
resolution with the Commissioner of Community Affairs. The
Commissioner of Community Affairs shall have 30 days from the
receipt of the ordinance, agreement, and resolution to approve,
conditionally approve, or deny the agreement. If the Commissioner
does not act within 30 days, then the agreement shall be considered
approved.

(5) The agreement may be amended at any time by ordinance of
the governing body of the municipality and by resolution of the
governing body of the redevelopment entity. Before any
amendments created pursuant to this paragraph may take effect, the
municipal clerk must file the amended agreement along with the
enabling ordinance and resolution with the Commissioner of
Community Affairs. The Commissioner of Community Affairs
shall have 30 days from the receipt of the ordinance, amended
agreement, and resolution to approve, conditionally approve, or
deny the amended agreement. If the Commissioner does not act
within 30 days, then the amended agreement shall be considered
approved.

c. Pursuant to the agreement between the municipality and the
redevelopment entity or any subsequent amendment thereto, the
redevelopment entity acting as a land bank entity may be designated
by the municipality to acquire properties on its behalf through
contribution, gift, grant, bequest, purchase or otherwise, whether or
not the property is located in an area designated as a redevelopment
area or an area in need of rehabilitation, and may be designated by
the municipality to act as its agent with respect to acquisition of
property, including but not limited to purchase of tax and other
liens, foreclosure of tax and other liens, and individual abandoned
property takings pursuant to paragraph (2) of subsection c. of
section 37 of the “New Jersey Urban Redevelopment Act,”
P.L.1996, c.62 (C.55:19-56) on behalf of the municipality and to
take title to such properties on behalf of the municipality; provided,
however, that nothing in this section shall authorize the use of
eminent domain beyond that already permitted by law or the
adoption of any procedure for conduct of any municipal action other
than that already set forth in law.

d. For purposes of this section, a municipality may, through
resolution of the governing body, convey to the redevelopment
entity, and said redevelopment entity may take title to, any
property, held by the municipality and not needed for any public
purpose, whether or not the property is located in an area designated
as a redevelopment area or an area in need of rehabilitation, without
public bidding and at such prices and upon such terms as it deems
reasonable, but under no circumstances shall the price be less than
80 percent of the current appraised value of the subject property or
properties.

e. A municipality may assign any tax liens or other liens to the
redevelopment entity with or without consideration and at such
prices and upon such terms as it deems reasonable, so long as that
consideration is not less than the principal due on any tax liens so
assigned.

f. (1) To the extent that the statute under which the
redevelopment entity was established confers on that entity the
power to borrow funds and incur debt, an entity designated as a land
bank entity under P.L. , c. (C. ) (pending before the
Legislature as this bill) may exercise those powers in furtherance of
its obligations as a land bank entity subject to the conditions and
limitations set forth in that statute, any other conditions and
limitations set forth by ordinance of the governing body, and
subject to the terms of the land banking agreement approved by the
Department of Community Affairs. This statute shall not be
construed to eliminate other bonding, financing or debt approvals
that the redevelopment entity may be subject to under other statutes,
rules or regulations.

(2) To the extent that the statute under which the redevelopment
entity was established, section 4 of P.L.1992, c.79 (C.40A:12A-4)
or P.L.1960, c.183 (C.40:37A-44 et seq.) in the case of a county
improvement authority, provides that the municipality may
guarantee the debt or other borrowing of that entity, the
municipality may guarantee the debt or other borrowing of an entity
designated as a land bank entity under P.L. , c. (C. )
(pending before the Legislature as this bill) under the same terms
and conditions, in furtherance of the entity’s obligations as a land
bank entity.

g. In disposing of property it holds as a land bank entity, the
redevelopment entity shall not be subject to the provisions of
section 9 of P.L.1992, c.79 (C.40A:12A-9), but shall be subject to
any terms and conditions set forth in the agreement establishing the
land bank entity, by the regulations of the entity adopted pursuant to
subsection h. of this section, and subject to rules and regulations
promulgated by the Commissioner of Community Affairs.

h. The redevelopment entity shall adopt written regulations,
which shall be incorporated into the land banking agreement with
the municipality, governing the disposition of properties it holds as
a land bank entity consistent with any provisions of the agreement
establishing the land bank entity and with respect to any other
matters that may be required by said agreement, which regulations shall be published on the web site of the redevelopment entity.

i. (1) Within six months after designation by the municipality the redevelopment entity shall create a community advisory board, which shall consist of representatives of recognized community associations and non-profit organizations in the municipality, in particular those associations and organizations active in areas where the land bank anticipates holding properties. The advisory board shall have a minimum of five members, one of whom shall be a member or designee of the governing body.

(2) The redevelopment entity shall adopt policies and procedures to ensure that the community advisory board is provided with adequate information and opportunity to provide valued input into the decisions of the redevelopment entity in its capacity as a land bank entity.

j. The redevelopment entity shall maintain, make available for public view, and file annually with the Department of Community Affairs and the Department of the Treasury, a registry of all properties that it holds as a land bank entity on behalf of the municipality, which shall distinguish those properties from any other properties held by the redevelopment entity for any other purpose.

k. The redevelopment entity shall provide an annual report to the municipal governing body, the Department of Community Affairs, and the public describing the properties being held as a land bank entity and the activities that it carried out during the year as a land bank entity.

l. (1) The municipality may terminate the agreement at any time by providing the land bank entity with one year’s notice of termination.

(2) Termination of the agreement shall not affect the status of any transaction properly entered into by the land bank entity prior to termination.

(3) Within 90 days following the date of termination, the entity shall convey to the municipality any and all properties held by the entity on behalf of the municipality without consideration; provided, however, that the municipality and the entity may agree to allow the entity to retain title to any or all properties that are the subject of a pending transaction by the entity until completion of the transaction. A municipality receiving property through this type of conveyance shall also assume any current debt on the property which had received prior approval by the municipal governing body.

3. (New section) a. Any municipality may enter into a land banking agreement with a non-profit entity which the municipality has designated for the purpose of furthering the economic
development or redevelopment of the municipality, and where the 
by-laws of said entity provide that the chief financial officer or the 
municipality serves on the board of said entity, ex officio. The 
terms of a land banking agreement entered into pursuant to this 
section are subject to the approval of the Department of Community 
Affairs, and subject to rules and regulations promulgated by the 
Commissioner of Community Affairs. No land banking agreement 
between a municipality and a designated non-profit entity or other 
land bank entity shall take effect until it is approved by the 
Commissioner of Community Affairs.

b. (1) The agreement shall set forth the responsibilities of the 
non-profit entity as a land bank entity on behalf of the municipality, 
shall specify the terms and conditions under which the land bank 
entity may acquire property on behalf of the municipality, demolish 
otherwise clear buildings and other site improvements located on 
the property, maintain and secure the property, and dispose of 
property held on behalf of the municipality, shall provide for such 
municipal oversight of the land bank entity as the municipality 
deems necessary and appropriate, and shall set forth the manner in 
which any costs and revenues, including proceeds of sale of 
property, resulting from the activities of the land bank entity shall 
be distributed.

(2) Prior to submission of the agreement for approval by the 
municipal governing body, the municipality shall hold one or more 
public meetings to solicit public comment on the substance and 
intent of the agreement.

(3) The ordinance comprising the land bank agreement shall 
include findings establishing the need for land bank activity in the 
municipality, and the qualifications of the non-profit entity to carry 
out the responsibilities of a land bank entity as set forth in P.L. 
, c. (C. ) (pending before the Legislature as this bill).

(4) The agreement shall be adopted by an ordinance of the 
governing body of the municipality and a resolution of the 
governing body of the non-profit entity, and shall be filed by the 
municipal clerk along with the enabling ordinance and resolution 
with the Commissioner of Community Affairs. The Commissioner 
of Community Affairs shall have 30 days from the receipt of the 
ordinance, agreement, and resolution to approve, conditionally 
approve, or deny the agreement. If the commissioner does not act 
within 30 days, then the agreement shall be considered approved.

(5) The agreement can be amended at any time by ordinance of 
the governing body of the municipality and by resolution of the 
governing body of the non-profit entity. Before any amendments 
created pursuant to this paragraph may take effect, the municipal 
clerk shall file the amended agreement along with the enabling 
ordinance and resolution with the Commissioner of Community 
Affairs. The Commissioner of Community Affairs shall have 30
days from the receipt of the ordinance, amended agreement, andesolver to approve, conditionally approve, or deny the amended
agreement. If the commissioner does not act within 30 days, then
the amended agreement shall be considered approved.

c. Pursuant to the agreement between the municipality and the
non-profit entity or any subsequent amendment thereto, the non-
profit entity acting as a land bank entity may be designated by the
municipality to acquire properties on its behalf through
contribution, gift, grant, bequest, purchase or otherwise, and may be
designated by the municipality to act as its agent with respect to
acquisition of property, including but not limited to purchase of tax
and other liens, foreclosures of tax and other liens, and individual
abandoned property takings pursuant to paragraph (2) of subsection
c. of section 37 of the “New Jersey Urban Redevelopment Act,”
P.L.1996, c.62 (C.55:19-56) on behalf of the municipality and to
take title to such properties on behalf of the municipality; provided,
however, that nothing in this section shall authorize the use of
eminent domain beyond that already permitted by law or the
adoption of any procedure for conduct of any municipal action other
than that already set forth in law.

d. For purposes of this section, a municipality may, through
resolution of the governing body, convey to a non-profit entity
which it has designated as a land bank entity, and said entity may
take title to, any property, held by the municipality and not needed
for any public purpose, without public bidding and at such prices
and upon such terms as it deems reasonable, but under no
circumstances shall the price be less than 80 percent of the current
appraised value of the subject property or properties.

e. A municipality may assign any tax liens or other liens to the
non-profit entity with or without consideration and at such prices
and upon such terms as it deems reasonable, so long as that
consideration is not less than the principal due on any tax liens so
assigned.

f. The agreement between the municipality and the non-profit
entity may provide, subject to rules and regulations promulgated by
the Commissioner of Community Affairs, that properties conveyed
by the municipality to the entity pursuant to subsection d. of this
section, or acquired by the entity pursuant to subsection c. of this
section, are held by the entity on behalf of the municipality for a
public purpose and shall be exempt from property taxation until or
unless conveyed by the entity or used by the entity for a purpose
that is not eligible for exemption from taxation.

g. The non-profit entity shall adopt written regulations, which
shall be incorporated into the land banking agreement with the
municipality, governing the disposition of properties it holds as a
land bank entity consistent with any provisions of the agreement
establishing the land bank entity and with respect to any other
matters that may be required by said agreement, which regulations
shall be published on the web site of the nonprofit entity.

h. (1) Within six months after designation by the municipality
the non-profit entity shall create a community advisory board,
which shall consist of representatives of recognized community
associations and non-profit organizations within the municipality, in
particular those associations and organizations active in areas where
the land bank anticipates holding properties. The advisory board
shall have a minimum of five members, one of whom shall be a
member or designee of the governing body.

   (2) The non-profit entity shall adopt policies and procedures to
ensure that the community advisory board is provided with
adequate information and opportunity to provide valued input into
the decisions of the non-profit entity in its capacity as land bank
entity.

i. The non-profit entity shall maintain, make available for
public view, and file annually with the Department of Community
Affairs and the Department of the Treasury, a registry of all
properties that it holds as a land bank entity on behalf of the
municipality under this section, which shall distinguish those
properties from any other properties held by the entity for any other
purpose.

j. The non-profit entity shall provide an annual report to the
municipal governing body, the Department of Community Affairs,
and the public describing the properties being held as a land bank
entity and the activities that it carried out during the year as a land
bank entity.

k. (1) The municipality may terminate the agreement at any
time by providing the land bank entity with one year’s notice of
termination.

   (2) Termination of the agreement shall not affect the status of
any transaction properly entered into by the land bank entity prior
to termination.

   (3) Within 90 days following the date of termination, the entity
shall convey to the municipality any and all properties held by the
entity on behalf of the municipality without consideration;
provided, however, that the municipality and the entity may agree
to allow the entity to retain title to any and all properties that are the
subject of a pending transaction by the entity until completion of
the transaction. A municipality receiving property through this type
of conveyance shall also assume any current debt on the property
which had received prior approval by the municipal governing
body.

4. (New section) Any entity that has been designated a land
bank entity under section 2 or section 3 of P.L. , c. (C. )
pending before the Legislature as this bill) may act as a land bank
entity for any other municipality pursuant to an agreement entered
into between that municipality and the municipality designating the
land bank entity and approved by the governing body of the
redevelopment entity or non-profit entity, which agreement shall be
subject to the approval of the Department of Community Affairs
and governed by the provisions of the “Uniform Shared Services

5. (New section)  a. With respect to any or all sales of real
property held by the land bank entity and conveyed to a private
owner, on which no property taxes have been paid for a period of at
least two years prior to the conveyance of each property, a
municipal governing body may provide by resolution that property
taxes or payments in lieu of taxes collected from that property for a
period of up to 10 years from the first taxable year after conveyance
of the property shall be remitted to the land bank entity to carry out
its responsibilities under P.L. , c. (C. (pending before the
Legislature as this bill), but under no circumstances shall such
remittances amount to greater than 50 percent of the subject
property’s property tax for the land, and 30 percent of the subject
property’s property tax for the site improvements.

b. The municipality shall submit to the Department of
Community Affairs and the Department of the Treasury an annual
report listing all the properties subject to the treatment detailed in
subsection a. of this section.

6. Section 12 of P.L.1960, c.183 (C.40:37A-55) is amended to
read as follows:

12. Every authority shall be a public body politic and corporate
constituting a political subdivision of the State established as an
instrumentality exercising public and essential governmental
functions to provide for the public convenience, benefit and welfare
and shall have perpetual succession and, for the effectuation of its
purposes, have the following additional powers:

(a) To adopt and have a common seal and to alter the same at
pleasure;

(b) To sue and be sued;

(c) To acquire, hold, use and dispose of its facility charges and
other revenues and other moneys;

(d) To acquire, rent, hold, use and dispose of other personal
property for the purposes of the authority;

(e) Subject to the provisions of section 26 of this act, to acquire
by purchase, gift, condemnation or otherwise, or lease as lessee,
real property and easements or interests therein necessary or useful
and convenient for the purposes of the authority, whether subject to
mortgages, deeds of trust or other liens or otherwise, and to hold
and to use the same, and to dispose of property so acquired no
longer necessary for the purposes of the authority; provided that the
authority may dispose of such property at any time to any
governmental unit or person if the authority shall receive a
leasehold interest in the property for such term as the authority
dems appropriate to fulfill its purposes;

(f) Subject to the provisions of section 13 of this act, to lease to
any governmental unit or person, all or any part of any public
facility for such consideration and for such period or periods of
time and upon such other terms and conditions as it may fix and
agree upon;

(g) To enter into agreements to lease, as lessee, public facilities
for such term and under such conditions as the authority may deem
necessary and desirable to fulfill its purposes, and to agree,
pursuant thereto, to be unconditionally obligated to make payments
for the term of the lease, without set-off or counterclaim, whether or
not the public facility is completed, operating or operable, and
notwithstanding the destruction of, damage to, or suspension,
interruption, interference, reduction or curtailment of the
availability or output of the public facility to which the agreement
applies;

(h) To extend credit or make loans to any governmental unit or
person for the planning, design, acquisition, construction, equipping
and furnishing of a public facility, upon the terms and conditions
that the loans be secured by loan and security agreements,
mortgages, leases and other instruments, the payments on which
shall be sufficient to pay the principal of and interest on any bonds
issued for the purpose by the authority, and upon such other terms
and conditions as the authority shall deem reasonable;

(i) Subject to the provisions of section 13 of this act, to make
agreements of any kind with any governmental unit or person for
the use or operation of all or any part of any public facility for such
consideration and for such period or periods of time and upon such
other terms and conditions as it may fix and agree upon;

(j) (1) To borrow money and issue negotiable bonds or notes or
other obligations and provide for and secure the payment of any
bonds and the rights of the holders thereof, and to purchase, hold
and dispose of any bonds;

(2) To issue bonds, notes or other obligations to provide funding
to a municipality that finances the purchase and installation of
renewable energy systems and energy efficiency improvements by
property owners as provided in section 2 of P.L.2011, c.187
(C.40:56-13.1);

(k) To apply for and to accept gifts or grants of real or personal
property, money, material, labor or supplies for the purposes of the
authority from any governmental unit or person, and to make and
perform agreements and contracts and to do any and all things
necessary or useful and convenient in connection with the
procuring, acceptance or disposition of such gifts or grants;

(l) To determine the location, type and character of any public
facility and all other matters in connection with all or any part of
any public facility which it is authorized to own, construct,
establish, effectuate or control;

(m) To make and enforce bylaws or rules and regulations for the
management and regulation of its business and affairs and for the
use, maintenance and operation of any public facility, and to amend
the same;

(n) To do and perform any acts and things authorized by this act
under, through or by means of its own officers, agents and
employees, or by contract with any governmental unit or person;

(o) To acquire, purchase, construct, lease, operate, maintain and
undertake any project and to fix and collect facility charges for the
use thereof;

(p) To mortgage, pledge or assign or otherwise encumber all or
any portion of its revenues and other income, real and personal
property, projects and facilities for the purpose of securing its
bonds, notes and other obligations or otherwise in furtherance of the
purpose of this act;

(q) To extend credit or make loans to redevelopers for the
planning, designing, acquiring, constructing, reconstructing,
improving, equipping and furnishing any redevelopment project or
redevelopment work;

(r) To conduct examinations and investigations, hear testimony
and take proof, under oath at public or private hearings of any
material matter, require the attendance of witnesses and the
production of books and papers and issue commissions for the
examination of witnesses who are out of the State, unable to attend,
or excused from attendance;

(s) To authorize a committee designated by it consisting of one
or more members, or counsel, or any officer or employee to conduct
any such investigation or examination, in which case such
committee, counsel, officer or employee shall have power to
administer oaths, take affidavits and issue subpoenas or
commissions;

(t) To enter into any and all agreements or contracts, execute
any and all instruments, and do and perform any and all acts or
things necessary, convenient or desirable for the purposes of the
authority or to carry out any power expressly given in this act
subject to the "Local Public Contracts Law," P.L.1971, c.198
(C.40A:11-1 et seq.); [and]

(u) To pool loans for any local governmental units within the
county or any beneficiary county that are refunding bonds and do
and perform any and all acts or things necessary, convenient or
desirable for the purpose of the authority to achieve more favorable interest rates and terms for those local governmental units [ ] ; and

(v) To act as and exercise the powers of a land bank entity pursuant to P.L. , c. (C. ) (pending before the Legislature as this bill) for any municipality situated within the county pursuant to a land banking agreement approved by an ordinance adopted by the municipal governing body.

(cf: P.L.2002, c.42, s.9)

7. Section 21 of P.L.1971, c.199 (C.40A:12-21) is amended to read as follows:

21. Private sales to certain organizations upon nominal consideration. When the governing body of any county or municipality shall determine that all or any part of a tract of land, with or without improvements, owned by the county or municipality, is not then needed for county or municipal purposes, as the case may be, said governing body, by resolution or ordinance, may authorize a private sale and conveyance of the same, or any part thereof without compliance with any other law governing disposal of lands by counties and municipalities, for a consideration, which may be nominal, and containing a limitation that such lands or buildings shall be used only for the purposes of such organization or association, and to render such services or to provide such facilities as may be agreed upon, and except as provided in subsection (n) of this section not for commercial business, trade or manufacture, and that, unless waived, released, modified, or subordinated pursuant to P.L.1943, c.33 (C.40:60-51.2), if said lands or buildings are not used in accordance with said limitation, title thereto shall revert to the county or municipality without any entry or reentry made thereon on behalf of such county or municipality, to

(a) A duly incorporated volunteer fire company or board of fire commissioners or first aid and emergency or volunteer ambulance or rescue squad association of a municipality within the county, in the case of a county, or of the municipality, in the case of a municipality, for the construction thereon of a firehouse or fire school or a first aid and emergency or volunteer ambulance or rescue squad building or for the use of any existing building for any or all of said purposes and any such land or building sold to any duly incorporated volunteer fire company may be leased by such fire company to any volunteer firemen's association for the use thereof for fire school purposes for the benefit of the members of such association, or

(b) Any nationally chartered organization or association of veterans of any war, in which the United States has or shall have been engaged, by a conveyance for consideration, a part of which may be an agreement by the organization or association to render
service or to provide facilities for the general public of the county
or municipality, of a kind which the county or municipality may
furnish to its citizens and to the general public, or
(c) A duly incorporated nonprofit hospital association for the
construction or maintenance thereon of a general hospital, or
d) Any paraplegic veteran, that is to say, any officer, soldier,
sailor, marine, nurse or other person, regularly enlisted or inducted,
who was or shall have been in the active military or naval forces of
the United States in any war in which the United States was
engaged, including any member of the American Merchant Marine
during World War II who is declared by the United States
Department of Defense to be eligible for federal veterans' benefits,
and who, at the time he was commissioned, enlisted, inducted,
appointed or mustered into such military or naval service, was a
resident of and who continues to reside in this State, who is
suffering from paraplegia and has permanent paralysis of both legs
or the lower parts of the body resulting from injuries sustained
through enemy action or accident while in such active military or
naval service, for the construction of a home to domicile him, or to
any organization or association of veterans, for the construction of a
home or homes to domicile paraplegic veterans, with powers to
convey said lands and premises to the paraplegic veteran or
veterans on whose behalf said organization or association shall
acquire title to said land, or
e) Any duly incorporated nonprofit association or any regional
commission or authority composed of one or more municipalities or
one or more counties for the construction or maintenance thereon of
an animal shelter, or
(f) Any duly incorporated nonprofit historical society for the
acquisition of publicly owned historic sites for their restoration,
preservation, improvement and utilization for the benefit of the
general public, or
g) Any duly incorporated nonprofit cemetery organization or
association serving the residents of the municipality or county, or
(h) Any duly incorporated nonprofit organization for the
principal purpose of the education or treatment of persons afflicted
with developmental disabilities including cerebral palsy, or
(i) Any county or municipal sewerage authority serving the
residents of the county or municipality, for the use thereof for
sewerage authority purposes, or
(j) Any duly incorporated nonprofit organization for the
purpose of building or rehabilitating residential property for resale.
Any profits from the resale of the property shall be applied by the
nonprofit organization to the costs of acquiring and rehabilitating
other residential property in need of rehabilitation owned by the
county or municipality, or
(k) Any duly incorporated nonprofit organization or association, other than a political, partisan, sectarian, denominational or religious organization or association, which includes among its principal purposes the provision of educational, gardening, recreational, medical or social services to the general public, including residents of the county or municipality, or

(l) Any duly incorporated nonprofit housing corporation or any limited-dividend housing corporation or housing association organized pursuant to P.L.1949, c.184 (C.55:16-1 et seq.) for the purpose of constructing housing for low or moderate income persons or families or handicapped persons, or

(m) Any duly incorporated nonprofit hospice organization whose principal purpose is to provide hospice services to the terminally ill, or

(n) Any duly incorporated nonprofit organization or association for the cultivation and sale of fresh fruits and vegetables on a tract of land of less than five acres within a [city of the first, second, third or fourth class] municipality, provided that the nonprofit organization or association is not controlled, directly or indirectly, by any agricultural, commercial, or other business. The nonprofit organization or association shall be authorized to sell fresh fruits and vegetables either on the land that was conveyed, off that land, or both, provided, that the sales are related and incidental to the non-profit purposes of the organization or association and the net proceeds received by the nonprofit organization or association are used to further the non-profit purposes of the organization or association.

Whenever a sale of property is proposed pursuant to subsection (k), for gardening, or subsection (n) of this section, the county or municipality shall comply with all notice requirements for an application for development under section 7.1 of P.L.1975, c.291 (C.40:55D-12).

(o) The provisions of this section shall not be deemed to restrict land banking agreements undertaken pursuant to P.L. , c. (C. )

(pending before the Legislature as this bill).

(cf: P.L.2011, c.35, s.3)

8. Section 22 of P.L.1992, c.79 (C.40A:12A-22) is amended to read as follows:

22. A municipality, county, redevelopment agency, or housing authority is authorized to exercise all those public and essential governmental functions necessary or convenient to effectuate the purposes of this act, including the following powers which shall be in addition to those otherwise granted by this act or by other law:

a. To sue and be sued; to have a seal and to alter the same at pleasure; to have perpetual succession; to make and execute contracts and other instruments necessary and convenient to the
exercise of the powers of the agency or authority; and to make and
from time to time amend and repeal bylaws, rules and regulations,
not inconsistent with this act, to carry into effect its powers and
purposes.

b. Pursuant to an adopted cash management plan, invest any
funds held in reserve or sinking funds, or any funds not required for
immediate disbursement, in property or securities in which
governmental units may legally invest funds subject to their control;
to purchase its bonds at a price not more than the principal amount
thereof and accrued interest, all bonds so purchased to be cancelled.

c. Borrow money and receive grants and loans from any source
for the financing of a redevelopment project or housing project.
d. Invest in an obligee the right in the event of a default by the
agency to foreclose and take possession of the project covered by
the mortgage or apply for the appointment of a receiver.
e. Invest in a trustee or trustees or holders of bonds the right to
enforce the payment of the bonds or any covenant securing or
relating to the bonds, which may include the right, in the event of
the default, to take possession and use, operate and manage any
project or part thereof, and to collect the rents and revenues arising
therefrom and to dispose of the moneys in accordance with the
agreement of the authority with the trustee.
f. Provide for the refunding of any of its bonds, by the issuance
of such obligations, in such manner and form, and upon such terms
and conditions, as it shall deem in the best interests of the public.
g. Consent to the modification of any contract, bond indenture,
mortgage or other instrument entered into by it.
h. Pay or compromise any claim arising on, or because of any
agreement, bond indenture, mortgage or instrument.
i. Acquire or contract to acquire from any person, firm, or
corporation, public or private, by contribution, gift, grant, bequest,
devise, purchase, or otherwise, real or personal property or any
interest therein, including such property as it may deem necessary
or proper, although temporarily not required for such purposes, in a
redevelopment area or in any area designated by the governing body
as necessary for carrying out the relocation of the residents,
industry and commerce displaced from a redevelopment area.
j. Subordinate, waive, sell, assign or release any right, title,
claim, lien or demand however acquired, including any equity or
right of redemption, foreclosure, sell or assign any mortgage held
by it, or any interest in real or personal property; and purchase at
any sale, upon such terms and at such prices as it determines to be
reasonable, and to take title to the property, real, personal, or
mixed, so acquired and similarly to sell, exchange, assign, convey
or otherwise dispose of any property.
k. Complete, administer, operate, obtain and pay for insurance on, and maintain, renovate, repair, modernize, lease or otherwise deal with any property.

l. Employ or retain consulting and other attorneys, planners, engineers, architects, managers and financial experts and other employees and agents of a permanent or temporary nature as may be necessary, determine their qualifications, duties and compensation, and delegate to one or more of its agents or employees such powers and duties as it deems proper. For such legal services as may be required, a redevelopment agency or housing authority may call upon the chief law officers of the municipality or county, as the case may be, or may employ its own counsel and legal staff.

m. Arrange or contract with a public agency, to the extent that it is within the scope of that agency's functions, to cause the services customarily provided by such other agency to be rendered for the benefit of the occupants of any redevelopment area or housing project, and have such other agency provide and maintain parks, recreation centers, schools, sewerage, transportation, water and other municipal facilities adjacent to or in connection with a redevelopment area or project.

n. Conduct examinations and investigations, hear testimony and take proof, under oath at public or private hearings of any material matter, compel witnesses and the production of books and papers and issue commissions for the examination of witnesses who are out of State, unable to attend, or excused from attendance; authorize a committee designated by it consisting of one or more members, or counsel, or any officer or employee to conduct the examination or investigation, in which case it may authorize in its name the committee, counsel, officer or employee to administer oaths, take affidavits and issue subpoenas or commissions.

o. Make and enter into all contracts and agreements necessary or incidental to the performance of the duties authorized in this act.

p. After thorough evaluation and investigation, bring an action on behalf of a tenant to collect or enforce any violation of subsection g. or h. of section 11 of the "Law Against Discrimination," P.L.1945, c.169 (C.10:5-12).

q. Designate members or employees, who shall be knowledgeable of federal and State discrimination laws, and who shall be available during all normal business hours, to evaluate a complaint made by a tenant pursuant to the "Law Against Discrimination," P.L.1945, c.169 (C.10:5-12).

r. Act as and exercise the powers of a land bank entity pursuant to P.L. , c. (C. ) (pending before the Legislature as this bill) under a land banking agreement approved by an ordinance adopted by the municipal governing body.

(cf: P.L.2002, c.82, s.5)
9. (New section) The Commissioner of Community Affairs shall promulgate rules and regulations necessary to effectuate the provisions of P.L. , c. (C. ) (pending before the Legislature as this bill) not later than the first day of the seventh month next following enactment.

10. This act shall take effect immediately, but its provisions shall remain inoperative until the first day of the seventh month next following enactment.

STATEMENT

This bill allows municipalities to designate redevelopment entities, as well as certain non-profit entities, to act as land bank entities on their behalf. Eligible non-profit entities are limited to those designated by the municipality for the purpose of redevelopment or economic development, where the chief financial officer of the municipality serves on the board of the entity as an ex officio member.

The bill requires a municipality to file any land banking agreement with DCA and obtain DCA approval of any land banking agreement, or subsequent amendments to the agreement, before the agreement, or subsequent amendments, may become effective. Specifically, DCA will have 30 days from receipt of the agreement, along with the associated municipal ordinance and resolution of the land bank entity, to approve, conditionally approve, or deny the agreement or amended agreement. If DCA does not act within the 30 days, then the agreement or amended agreement will be considered approved.

The municipality may also convey municipal-owned properties and assign municipal-owned liens to that entity. The municipality’s governing body must approve of any property conveyance to a land bank entity. The land bank entity may also acquire properties for the land bank through gift or purchase, and act as the municipality’s agent to purchase liens at tax sale, and carry out lien foreclosures and individual abandoned property takings. The bill ensures that no property will be conveyed from a municipality to a land bank entity for a price of less than 80 percent of the current appraised value. The bill also requires that when a municipality assigns a tax lien to a land bank entity, the consideration must not be less than the principal due on the tax lien.

Land bank entity designation is accomplished through a formal agreement adopted by the municipality and the entity after community input. The agreement establishes the terms and conditions by which the entity could acquire and dispose of property, requires a land banking agreement to specify the terms...
and conditions under which the designated land banking entity may maintain and secure the property, and demolish or otherwise clear buildings and other site improvements, a mechanism for sharing costs and revenues between the municipality and the entity, and the level of municipal oversight. The agreement can be amended at any time by mutual consent, and terminated by the municipality by giving one year’s notice to the entity. The bill requires that a municipality receiving property pursuant to the termination of a land banking agreement must also assume any current debt on the property which had received prior approval by the municipal governing body.

Where the land bank entity is a non-profit rather than governmental entity, the municipality may exempt the properties it holds as a land bank entity from property taxes.

The entity is required to keep a registry of properties held as a land bank entity, separate from other properties it might own, and make the registry publically available and file the registry annually with DCA and with the Department of the Treasury. The entity must submit an annual report on its land banking activities to the municipal governing body DCA, and the public. The entity also must create a community advisory board, and adopt procedures to ensure the advisory board has access to information and opportunity to provide input into the entity’s decisions.

Once designated by a municipality, land bank entities may serve the same function for other municipalities subject to a shared services agreement between two or more municipalities. A municipality may also remit to the land bank up to 50 percent of the property taxes or payments in lieu of taxes, in an amount no greater than 30 percent of the property’s property tax for site improvements, collected for up to 10 years on parcels conveyed by the land bank to private entities, when the parcel had not paid taxes for two years preceding conveyance. The municipality is required to submit an annual report listing all properties subject to this type of tax remittance to both DCA and the Department of the Treasury.