

**CHAPTER 52**  
(Corrected Copy)

**AN ACT** concerning the leasing of farmland owned by a county or municipality and amending and supplementing P.L.1971, c.199.

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

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

C.40A:12-14 Leasing of county or municipal real property, capital improvements or personal property.

14. Any county or municipality may lease any real property, capital improvement or personal property not needed for public use as set forth in the resolution or ordinance authorizing the lease, other than county or municipal real property otherwise dedicated or restricted pursuant to law, and except as otherwise provided by law, all such leases shall be made in the manner provided by this section.

(a) In the case of a lease to a private person, except for a lease to a private person for a public purpose as provided in subsection (j) of section 15 of P.L.1971, c.199 (C.40A:12-15) or for agricultural or horticultural use as provided in section 2 of P.L.2006, c.52 (C.40A:12-14.1), said lease shall be made to the highest bidder by open public bidding at auction or by submission of sealed bids. Advertisement of the method of bidding shall be published in a newspaper circulating in the municipality or municipalities in which the leasehold is situated by two insertions at least once a week during two consecutive weeks; the lease publication to be not earlier than seven days prior to the letting of the lease. The governing body may, by resolution, fix a minimum rental with the reservation of the right to reject all bids where the highest bid is not accepted. Notice of such reservation shall be included in the advertisement of the letting of the lease and public notice thereof shall be given of the time of the letting of the lease. Such resolution may provide that upon the completion of the bidding, the highest bid may be accepted or all of the bids may be rejected. It shall also set out the conditions, restrictions and limitations upon the tenancy subject to the lease. Acceptance or rejection of the bid or bids shall be made not later than at the second regular meeting of the governing body following the completion of the bidding, and, if the governing body shall not so accept such highest bid, or reject all bids, said bids shall be deemed to have been rejected. Any such award may be adjourned at the time advertised for not more than one week without readvertising.

(b) In the case of a lease to a public body, the lease may be upon such terms and conditions and for nominal or other consideration as the governing body of the county or municipality shall approve by ordinance or resolution.

(c) In the case of a lease to a nonprofit corporation or association for a public purpose, the lease shall be authorized by resolution, in the case of a county, or by ordinance, in the case of a municipality, and may be for nominal or other consideration. Said authorization shall include the nominal or other consideration for the lease; the name of the corporation or corporations who shall be the lessees; the public purpose served by the lessee; the number of persons benefiting from the public purpose served by the lessee, whether within or without the municipality in which the leasehold is located; the term of the lease, and the officer, employee or agency responsible for enforcement of the conditions of the lease. Said ordinance or resolution shall also require any nonprofit corporation holding a lease for a public purpose pursuant to this section, to annually submit a report to the officer, employee or agency designated by the governing body, setting out the use to which the leasehold was

put during each year, the activities of the lessee undertaken in furtherance of the public purpose for which the leasehold was granted; the approximate value or cost, if any, of such activities in furtherance of such purpose; and an affirmation of the continued tax-exempt status of the nonprofit corporation pursuant to both State and federal law.

(d) In the case of a lease to a housing corporation or resident first-time homebuyer for the public purposes, and pursuant to the provisions of P.L.1983, c.335 (C.55:18-1 et seq.), the lease shall be authorized by ordinance by a municipality.

C.40A:12-14.1 Lease of certain farmland to prior lessee.

2. Whenever a county or municipality acquires real property that, immediately prior to acquisition, was leased from the prior owner by a private person for agricultural or horticultural use, and the county or municipality determines that, until such time as the real property is needed for public use, the temporary continuance of the private agricultural or horticultural use would not compromise that public use, it may lease the real property to the prior lessee for agricultural or horticultural use for such period, consideration, and other terms and conditions as shall be mutually agreed upon.

3. This act shall take effect immediately.

Approved July 20, 2006.