

CHAPTER 97

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

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

C.52:27D-489k1 Short title.

1. Sections 1 through 11 of this act shall be known and may be cited as the “Economic Redevelopment and Growth Grant Bond Financing Act.”

C.52:27D-489k2 Definitions.

2. As used in sections 1 through 11 of P.L.2018, c.97 (C.52:27D-489k1 et seq.):

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

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

“Bonds” mean bonds, notes, or other obligations issued by an authority or a municipality to finance or refinance economic redevelopment and growth grant projects, and in connection therewith, to finance or refinance any other cost or expense of an authority or a municipality pursuant to sections 1 through 11 of P.L.2018, c.97 (C.52:27D-489k1 et seq.), the “Local Redevelopment and Housing Law,” P.L.1992, c.79 (C.40A:12A-1 et al.), or other applicable law.

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

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

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

“Incentive grant pledge” means an agreement that pledges a developer's right to collect incremental revenues from an incentive grant as repayment for bonds, which pledge may be part of a bond indenture or other agreement related to the issuance of the bonds. The pledge

of a State incentive grant shall be made only upon notice to and consent of the New Jersey Economic Development Authority and the State Treasurer in accordance with section 9 of P.L.2009, c.90 (C.52:27D-489i).

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

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

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

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

“Redevelopment incentive grant agreement” means an agreement between:

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

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

“Special assessment” means an assessment upon the lands or improvements on such lands, or both, on the real property benefitted by improvements undertaken pursuant to sections 1 through 11 of P.L.2018, c.97 (C.52:27D-489k1 et seq.) and assessed pursuant to chapter 56 of Title 40 of the Revised Statutes, R.S.40:56-1 et seq., except as otherwise provided in subsection b. of section 3 of P.L.2018, c.97 (C.52:27D-489k3).

“State entity” means the New Jersey Sports and Exposition Authority established pursuant to P.L.1971, c.137 (C.5:10-1 et seq.) or any other entity created by State law which undertakes an economic redevelopment and growth grant project and which has the power to determine the location, type, and character of projects on land owned or controlled by it.

C.52:27D-489k3 Issuance of bonds by municipality.

3. a. In connection with any economic redevelopment and growth grant project, the municipality in which the project is located may issue bonds itself in the manner provided for herein or pursuant to the “Local Redevelopment and Housing Law,” P.L.1992, c.79 (C.40A:12A-1 et al.) or may apply to an authority to issue bonds, regardless of whether the economic redevelopment and growth grant project is undertaken pursuant to section 4 or section 5 of P.L.2009, c.90 (C.52:27D-489d or C.52:27D-489e), which, in any case, may be secured by an incentive grant pledge, and may be further secured by a municipal lien, by special assessments, or both a municipal lien and special assessments, by the adoption of a resolution or ordinance, as applicable, of the governing body of the municipality or the authority to that effect. The term of any bond secured in whole or in part by an incentive grant pledge shall not exceed the eligibility period of the redevelopment incentive grant agreement that provides for the incentive grant that is pledged.

Nothing contained in sections 1 through 11 of P.L.2018, c.97 (C.52:27D-489k1 et seq.) shall be construed as preventing the pledge, assignment, transfer, or sale of any or all of a developer's right, title, and interest in and to a redevelopment incentive grant agreement and in the incentive grants payable thereunder, and the right to receive same, along with the rights and remedies provided to a developer under a redevelopment incentive grant agreement in accordance with subsection g. of section 9 of P.L.2009, c.90 (C.52:27D-489i.) or subsection g of section 11 of P.L.2009, c.90 (C.52:27D-489k.), as applicable, or shall purport to limit the use of such pledge, assignment, transfer, or sale with respect to the issuance of bonds hereunder or under other applicable law. Furthermore, nothing contained in sections 1 through 11 of P.L.2018, c.97 (C.52:27D-489k1 et seq.) shall prevent a State entity from financing an economic redevelopment and growth grant project in accordance with the State entity's enabling legislation and section 9 of P.L.2009, c.90 (C.52:27D-489i), which financing shall not be subject to the provisions of sections 1 through 11 of P.L.2018, c.97 (C.52:27D-489k1 et seq.).

b. A municipality may provide by ordinance for one or more special assessments on the economic redevelopment and growth grant project in accordance with chapter 56 of Title 40 of the Revised Statutes, R.S.40:56-1 et seq.; provided, however, the local improvements for which such special assessments may be made may include any improvement in the economic redevelopment and growth grant project whether or not listed at R.S.40:56-1 and, provided further, that the provisions of R.S.40:56-35 shall be applied so that if any installment of a special assessment shall remain unpaid for 30 days after the time at which it shall become due, the municipality may provide, by ordinance, either that: (1) the whole assessment or balance due thereon shall become and be immediately due; or, (2) any subsequent installments which would not yet have become due except for the default shall be considered as not in default and that the lien for the installments not yet due shall continue; and provided, further, that the ordinance may require that the assessments be payable in quarterly, semi-annual, or yearly installments, with legal interest thereon, over a period of years up to but in no event exceeding the period of years for which the bonds were issued. In levying a special assessment on the lands or improvements, or both, on which the economic redevelopment and growth grant project is located, the municipality may provide that the amount of the special assessment shall be a specific amount, not to exceed the cost of the improvements, plus any out-of-pocket costs or expenses incurred in connection with such improvements, including, but not limited to, architectural, engineering, financing, legal, and other professional fees, paid with respect to property benefitted by the improvements. That specific amount shall, to the extent accepted by the owner of the property benefitted, be deemed the conferred benefit, in lieu of the amount being determined by the procedures otherwise applicable to determining the actual benefit conferred on the property. Special assessments levied pursuant to an ordinance adopted under this subsection shall constitute a municipal lien under R.S.40:56-33.

c. Upon adoption, a copy of the ordinance shall be filed for public inspection in the office of the municipal clerk, and there shall be published in a newspaper, published or circulating in the municipality, a notice stating the fact and the date of adoption and the place where the ordinance is filed and a summary of the contents of the ordinance. The notice shall state that any action or proceeding of any kind or nature in any court questioning the validity or proper authorization of the ordinance or the actions authorized to be taken as set forth in the ordinance shall be commenced within 20 days after the publication of the notice. If no action or proceeding questioning the validity of the ordinance providing for special assessments or other actions authorized by the ordinance shall be commenced or instituted

within 20 days after the publication of the notice, the county and the school district and all other municipalities within the county and all residents and taxpayers and owners of property therein shall be forever barred and foreclosed from instituting or commencing any action or proceeding in any court questioning the validity or enforceability of the ordinance or the validity or enforceability of acts authorized under the ordinance, and the ordinance and acts authorized by the ordinance shall be conclusively deemed to be valid and enforceable in accordance with their terms and tenor.

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

e. The incentive grant pledge or special assessments, or both, may be assigned directly by the municipality or the authority to the trustee for the bonds as payment or security for the bonds, provided that the assignment of the pledge of a State incentive grant shall be made only upon notice to and consent of the New Jersey Economic Development Authority and the State Treasurer. Notwithstanding any law to the contrary, the assignment shall be an absolute assignment of all the municipality's right, title, and interest in the incentive grant pledge or special assessments, or both, or portion thereof, along with the rights and remedies provided to the municipality under the agreement including, but not limited to, the right of collection of payments due. Any interest that is subject to a lien established under this section shall not be transferred, conveyed, assigned, disposed of, or sold, whether by tax sale or otherwise, free and clear of the redevelopment incentive grant agreement and any incentive grant pledges due thereunder while bonds are secured thereby, regardless of the consent of the parties or order of any court, whether in law or in equity, unless any such transfer or conveyance is provided for under the terms and conditions set forth in the bond resolution or bond ordinance, as applicable. Any purchaser, transferee, successor, grantee, or assignee of such interest, whether at a tax sale or otherwise, shall take title to such interest subject to the obligations imposed by the redevelopment incentive grant agreement. Notwithstanding any provision in this section or in any other law to the contrary, no purchaser, transferee, successor, grantee, or assignee shall be assigned a State redevelopment incentive grant agreement or have any of the rights, duties, or obligations of a State redevelopment incentive grant agreement without notice to and consent of the New Jersey Economic Development Authority and the State Treasurer. Incentive grant pledges and special assessments assigned as provided hereunder shall not be included in the general funds of the municipality, nor shall they be subject to any laws regarding the receipt, deposit, investment, or appropriation of public funds and shall retain such status notwithstanding enforcement of the payment or assessment by the municipality or assignee as provided herein. The municipality shall be a "person" within the meaning of that term as defined in section 3 of P.L.1974, c.80 (C.34:1B-3); and the purpose described in this section shall be a "project" within the meaning of that term as defined in section 3 of P.L.1974, c.80 (C.34:1B-3).

f. Notwithstanding the provisions of subsection g. of section 37 of P.L.1992, c.79 (C.40A:12A-37), the bonds issued pursuant to this section shall be issued as non-recourse obligations, and shall not be considered to be direct and general obligations of the municipality, and the municipality shall not be obligated to levy and collect a tax sufficient in an amount to pay the principal and interest on the bonds when the same become due and payable. The provisions of the "Local Government Supervision Act (1947)," P.L.1947, c.151 (C.52:27BB-1 et seq.) shall not apply to any bonds issued or authorized pursuant to this section and those bonds shall not be considered gross debt of the municipality on any

debt statement filed in accordance with the “Local Bond Law,” N.J.S.40A:2-1 et seq., and the provisions of chapter 27 of Title 52 of the Revised Statutes shall not apply to such bonds.

g. The proceeds from the sale of bonds and any funds provided by any department of the State, authority created by the State, or bi-state authority, for the purposes described in sections 1 through 11 of P.L.2018, c.97 (C.52:27D-489k1 et seq.), or for the purpose of financing or refinancing an economic redevelopment and growth grant project pursuant to section 5 of P.L.2009, c.90 (C.52:27D-489e), shall not require compliance with public bidding laws, including the “Local Public Contracts Law,” P.L.1971, c.198 (C.40A:11-1 et seq.), or any other statute where the developer shall undertake the economic redevelopment and growth grant project. The use of these funds shall be subject to public accountability and oversight by the issuer of those bonds, regardless of whether the municipality, agency, or authority provides the funds.

h. A bond, whether issued by a municipality or an authority, shall be subject to the review and approval of the Local Finance Board. That review and approval shall be made prior to approval of an ordinance or a resolution, as may be required by the law pursuant to which the bonds are issued. The board shall be entitled to receive from the applicant an amount sufficient to provide for all reasonable professional and other fees and expenses incurred by it for the review, analysis, and determination with respect thereto. As part of its review, the board shall specifically solicit comments from the New Jersey Economic Development Authority in addition to comments from the public. As part of the board's review and approval, it shall consider comments submitted, and whether the issuance of the bond will adversely impact the financial stability of the municipality or the service area of the authority.

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

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

k. Notwithstanding any law to the contrary, in the event that bonds shall be issued that are secured by incentive grant pledges pursuant to a redevelopment incentive grant agreement, the redevelopment incentive grant agreement shall not be terminated for any reason after such bonds are issued and during the period that the bonds are outstanding, except solely in the instances where the economic redevelopment and growth grant project has not been completed within the period of time required by the redevelopment incentive grant agreement, or the economic redevelopment and growth grant project has materially changed without prior approval of the New Jersey Economic Development Authority and the State Treasurer, in which cases the New Jersey Economic Development Authority and the State Treasurer may terminate the redevelopment incentive grant agreement in accordance with its terms. Nothing herein shall preclude the New Jersey Economic Development Authority or State Treasurer from exercising its rights under the redevelopment incentive

grant agreement to compel specific performance or terminating the redevelopment incentive grant agreement prior to the issuance of bonds for any reason in accordance with its terms.

C.52:27D-489k4 Payments continuous lien.

4. a. If authorized by ordinance of a municipality adopted pursuant to subsection a. of section 3 of P.L.2018, c.97 (C.52:27D-489k3), payments required to be made in accordance with an incentive grant pledge entered into pursuant to sections 1 through 11 of P.L.2018, c.97 (C.52:27D-489k1 et seq.) shall be a continuous lien on the land or improvements thereon, or both, or a continuous lien on any leasehold interests in the land or improvements thereon, or both, against which the ordinance is recorded on and after the date of recordation of both the ordinance and the agreement, whether simultaneously or not, or the date of confirmation of the special assessments, whichever is earlier. All subsequent payments of the incentive grant pledge thereunder, interest, penalties, and costs of collection which thereafter fall due or accrue shall be added and relate back to and be a part of the initial lien. Upon recordation of the ordinance and agreement, the incentive grant pledge shall constitute an automatic, enforceable, and perfected statutory municipal lien for all purposes, including the federal bankruptcy code, regardless of whether the amount of the incentive grant pledge has been determined at the time the lien attaches to any interest in the land, leasehold estate, or improvements, as applicable. A confirmation hearing process to determine the amount due shall not affect the commencement or validity of a lien established pursuant to subsection a. of section 3 of P.L.2018, c.97 (C.52:27D-489k3). Notwithstanding any other applicable law, for the purposes of subsection a. of section 3 of P.L.2018, c.97 (C.52:27D-489k3), a municipal lien on a leasehold estate shall constitute a lien against such leasehold estate only, unless the redevelopment incentive grant agreement specifically provides for a lien on the underlying fee interest in the land. In any case, enforcement of a municipal lien on a leasehold estate shall be limited to an in rem proceeding only. No municipal lien shall attach to any interest of an authority or any entity created by the State unless the authority or entity shall have expressly consented to such lien in the redevelopment incentive grant agreement.

b. If bonds are issued, the municipality or the developer, as the case may be, may record, either simultaneously or at different times, any ordinance adopted by the municipality relating to the incentive grant pledge or special assessments and, either simultaneously with the ordinance or at different times, a copy of the agreement or agreements. The ordinance, when recorded, shall contain a legend at the top of the front page substantially as follows:

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

c. Notwithstanding any law to the contrary, upon recordation of both the ordinance and any accompanying agreement, the lien thereof shall be perfected for all purposes in accordance with law and the lien shall thereafter be superior to (1) all non-municipal liens thereafter recorded or otherwise arising, and, (2) each prior lien where the lienholder consents, without any additional notice, recording, filing, continuation filing, or action, until the payment in full of the bonds. The lien thereby established shall apply not only to the bonds initially issued, but also to any refinancing or refunding thereof, as well as to any

additional bonds thereafter issued on a parity therewith in accordance with the provisions of the original documents securing the initial bonds; provided, however, that in the event any ordinance or agreement is amended or supplemented in a way which increases the amount of an incentive grant pledge or special assessments, the lien as to that increase shall be perfected and apply upon the recordation of the amended or supplemented ordinance and agreement (including the above-recited legend). Except as set forth in this section, no amendment or supplement to the ordinance or agreement thereafter recorded shall affect the perfection or priority of the lien established upon original recordation thereof.

d. Upon the final payment in full of any bonds secured as provided in sections 1 through 11 of P.L.2018, c.97 (C.52:27D-489k1 et seq.), the lien established hereby shall terminate, and the trustee shall record a notice to that effect.

C.52:27D-489k5 Incentive grant pledge may be secured by a mortgage.

5. a. In lieu of, or in addition to, the provisions of section 4 of P.L.2018, c.97 (C.52:27D-489k4), the municipality may provide in the agreement that the incentive grant pledge, if any, is to be secured by a mortgage. In that event the mortgage may also be assigned and pledged to the repayment of the bonds authorized herein.

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

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

C.52:27D-489k6 Bonds exempt from taxation.

6. All bonds issued pursuant to sections 1 through 11 of P.L.2018, c.97 (C.52:27D-489k1 et seq.), are hereby declared to be issued by a political subdivision of this State and for an essential public and governmental purpose and the bonds, and the interest thereon and the income therefrom, and all facility charges, funds, revenues, and other moneys pledged or available to pay or secure the payment of the bonds, or interest thereon, shall at all times be exempt from taxation except for transfer inheritance and estate taxes.

C.52:27D-489k7 Pledge, covenant, agreement by State with bondholders.

7. The State of New Jersey does hereby pledge to and covenant and agree with the holders of any bonds issued pursuant to sections 1 through 11 of P.L.2018, c.97 (C.52:27D-489k1 et seq.) that the State will not limit or alter the terms of any agreement, ordinance, or resolution made in connection with the security for and the issuance and sale of any bonds, so as to in any way impair the rights or remedies of such holders, and will not modify in any way the exemption from taxation provided for in sections 1 through 11 of P.L.2018, c.97 (C.52:27D-489k1 et seq.) until the bonds, together with interest thereon, with interest on any unpaid installments of interest, and all costs and expenses in connection with any action or proceeding by or on behalf of such holders, are fully met and discharged or provided for.

C.52:27D-489k8 Severability.

8. If any section, subsection, clause or provision of the "Economic Redevelopment and Growth Grant Bond Financing Act," sections 1 through 11 of P.L.2018, c.97 (C.52:27D-489k1 et seq.), shall be adjudged to be unconstitutional or ineffective in whole or in part, to the extent that it is not adjudged unconstitutional or is not ineffective, it shall be valid and

effective and no other section, subsection, clause or provision of the “Economic Redevelopment and Growth Grant Bond Financing Act,” sections 1 through 11 of P.L.2018, c.97 (C.52:27D-489k1 et seq.), shall on account thereof be deemed invalid or ineffective, and the inapplicability or invalidity of any section, subsection, clause or provision of the “Economic Redevelopment and Growth Grant Bond Financing Act,” sections 1 through 11 of P.L.2018, c.97 (C.52:27D-489k1 et seq.), in any one or more instances or under any one or more circumstances shall not be taken to affect or prejudice in any way its applicability or validity in any other instance or under any other circumstance.

C.52:27D-489k9 Filing of bond resolution, ordinance for public inspection.

9. An authority or municipality, as applicable, shall cause a copy of any bond resolution or bond ordinance, as applicable, adopted by it to be filed for public inspection in the office of the municipal clerk of the municipality wherein the project financed by the bonds is located. In the case of an authority, the resolution also shall be filed for public inspection in its office. The authority or municipality may cause to be published, at least once in a newspaper published or circulating in the municipality, if there be one, and if not, in a newspaper published and circulating in the county, a notice stating the fact and date of the adoption and the places where the bond resolution or bond ordinance, as applicable, has been so filed for public inspection along with the date of the first publication of the notice and also stating that any action or proceeding of any kind or nature in any court questioning the validity or proper authorization of bonds provided for by the bond resolution or bond ordinance, as applicable, or the validity of any covenants, agreements or contracts provided for by the bond resolution or bond ordinance, as applicable, shall be commenced within 20 days after the first publication of that notice. If any such notice shall at any time be published and if no action or proceeding questioning the validity or proper authorization of bonds provided for by the bond resolution or bond ordinance, as applicable, referred to in said notice, or the validity of any covenants, agreements, or contracts provided for by said bond resolution or bond ordinance, as applicable, shall be commenced or instituted within 20 days after the first publication of the notice, then all persons shall be forever barred and foreclosed from instituting or commencing any action or proceeding in any court, or from pleading any defense to any action or proceeding, questioning the validity or proper authorization of such bonds, or the validity of such covenants, agreements, or contracts, and said bonds, covenants, agreements, and contracts shall be conclusively deemed to be valid and binding obligations in accordance with their terms and tenor.

C.52:27D-489k10 Powers of municipality relative to local improvements.

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

The governing body of a municipality undertaking a local improvement under this section may make, amend, repeal, and enforce ordinances for carrying into effect the powers granted in this section. Whenever convenient, one or more of the works provided for in R.S.40:56-1

may be undertaken together with the local improvement authorized under this section as one improvement.

C.52:27D-489k11 Municipality may undertake local improvements on behalf of a redeveloper.

11. Whenever a municipality issues bonds in accordance with sections 1 through 11 of P.L.2018, c.97 (C.52:27D-489k1 et seq.), or a municipality applies to an authority to issue bonds pursuant to sections 1 through 11 of P.L.2018, c.97 (C.52:27D-489k1 et seq.), the municipality by ordinance may cause local improvements to be undertaken, or otherwise agree to acknowledge the undertaking of local improvements, by or on behalf of a redeveloper, for the powers granted under R.S.40:56-1 et seq., including section 10 of P.L.2018, c.97 (C.52:27D-489k10).

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

C.40A:12A-65 Definitions relative to "Redevelopment Area Bond Financing Law."

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

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

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

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

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

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

"Municipality" means the municipal governing body or an entity acting on behalf of the municipality if permitted by the federal Internal Revenue Code of 1986, or, if a

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

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

"Redevelopment" means clearance, replanning, development, and redevelopment; the conservation and rehabilitation of any structure or improvement, the construction and provision for construction of residential, commercial, industrial, public, or other structures, the grant or dedication of spaces as may be appropriate or necessary in the interest of the general welfare for streets, parks, playgrounds, or other public purposes, including recreational and other facilities incidental or appurtenant thereto, environmental remediation, the construction, enhancement, or mitigation of wetlands impacted by a redevelopment project, and any other related costs and expenses including preliminary planning and development costs and any financing costs and expenses in accordance with a redevelopment plan.

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

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

"Redevelopment plan" means a plan for the redevelopment or rehabilitation of all or any part of a redevelopment area as described in the redevelopment plan adopted pursuant to section 7 of P.L.1992, c.79 (C.40A:12A-7) or as described in the resolution adopted by a State entity determining the location, type, and character of a redevelopment project.

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

"Special assessment" means an assessment upon the lands or improvements on such lands, or both, in the redevelopment area benefitted by improvements undertaken pursuant to the "Redevelopment Area Bond Financing Law," sections 1 through 10 of P.L.2001, c.310

(C.40A:12A-64 et seq.), or the "Local Redevelopment and Housing Law," P.L.1992, c.79 (C.40A:12A-1 et seq.), and assessed pursuant to chapter 56 of Title 40 of the Revised Statutes, R.S. 40:56-1 et seq., except as otherwise provided in subsection c. of section 3 of P.L.2001, c.310 (C.40A:12A-66).

"State entity" means the New Jersey Sports and Exposition Authority established pursuant to P.L.1971, c.137 (C.5:10-1 et seq.) or any other entity created by State law which undertakes a redevelopment project directly or through a State entity redeveloper and which has the power to determine the location, type, and character of projects on land owned or controlled by it.

"State entity redeveloper" means any person, firm, or corporation that shall enter into or propose to enter into a State entity redevelopment agreement with a State entity for the redevelopment or rehabilitation of a redevelopment area under the enabling legislation governing the actions of the State entity or for any construction or other work forming a part of a redevelopment project.

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

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

C.40A:12A-66 Tax abatement, payment in lieu of taxes within redevelopment area; special assessments.

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

b. A municipality in which a redevelopment project is undertaken by a State entity redeveloper pursuant to a State entity redevelopment agreement regarding real property that is not otherwise subject to real property tax may provide for payments in lieu of taxes pursuant to a financial agreement among, as applicable, the State entity or the municipality or both, and the State entity redeveloper receiving the benefits of sections 1 through 10 of P.L.2001, c.310 (C.40A:12A-64 et seq.) without regard to the provisions of P.L.1991, c.431 (C.40A:20-1 et seq.).

c. In addition to, or in lieu of, the payments in lieu of taxes provided for in subsection a. or b. of this section, the municipality may provide by ordinance for one or more special assessments within the redevelopment area in accordance with chapter 56 of Title 40 of the Revised Statutes, R.S.40:56-1 et seq., provided, however, the local improvements for which special assessments may be made may include any improvement in the redevelopment area whether or not listed at R.S.40:56-1 and environmental remediation and, provided further, that the provisions of R.S.40:56-35 shall be applied so that if any installment of a special assessment shall remain unpaid for 30 days after the time at which it shall become due, the municipality may provide, by ordinance, either that: (1) the whole assessment or balance due thereon shall become and be immediately due; or, (2) any subsequent installments which

would not yet have become due except for the default shall be considered as not in default and that the lien for the installments not yet due shall continue; and provided, further, that the ordinance may require that the assessments be payable in quarterly, semi-annual, or yearly installments, with legal interest thereon, over a period of years up to but in no event exceeding the period of years for which the bonds were issued. In levying a special assessment on the lands or improvements, or both, located in the redevelopment area, the municipality may provide that the amount of the special assessment shall be a specific amount, not to exceed the cost of the improvements, plus any out-of-pocket costs or expenses incurred in connection with such improvements, including, but not limited to, architectural, engineering, financing, legal, and other professional fees, paid with respect to property located in the redevelopment area. That specific amount shall, to the extent accepted by the owner of the property benefitted, be deemed the conferred benefit, in lieu of the amount being determined by the procedures otherwise applicable to determining the actual benefit conferred on the property. Special assessments levied pursuant to an ordinance adopted under this subsection shall constitute a municipal lien under R.S.40:56-33.

d. Upon adoption, a copy of the ordinance shall be filed for public inspection in the office of the municipal clerk, and there shall be published in a newspaper, published or circulating in the municipality, a notice stating the fact and the date of adoption and the place where the ordinance is filed and a summary of the contents of the ordinance. The notice shall state that any action or proceeding of any kind or nature in any court questioning the validity or proper authorization of the ordinance or the actions authorized to be taken as set forth in the ordinance shall be commenced within 20 days after the publication of the notice. If no action or proceeding questioning the validity of the ordinance providing for tax abatement, special assessments, payments in lieu of taxes, or other actions authorized by the ordinance shall be commenced or instituted within 20 days after the publication of the notice, the county and the school district and all other municipalities within the county and all residents and taxpayers and owners of property therein shall be forever barred and foreclosed from instituting or commencing any action or proceeding in any court questioning the validity or enforceability of the ordinance or the validity or enforceability of acts authorized under the ordinance, and the ordinance and acts authorized by the ordinance shall be conclusively deemed to be valid and enforceable in accordance with their terms and tenor.

e. Notwithstanding any provision of the "Redevelopment Area Bond Financing Law," sections 1 through 10 of P.L.2001, c.310 (C.40A:12A-64 et seq.), or the "Long Term Tax Exemption Law," P.L.1991, c.431 (C.40A:20-1 et seq.), to the contrary, whenever proceeds of a bond are used to conduct environmental remediation, the term of any agreement securing that bond, whether a financial agreement providing a payment in lieu of taxes or a special assessment agreement providing for the payment of a special assessment, or both, may, subject to the board's review and approval pursuant to subsection g. of section 4 of P.L.2001, c.310 (C.40A:12A-67), be 35 years plus the anticipated duration of conducting environmental remediation; provided, however, that the term of any such agreement securing the bonds shall not exceed 30 years from substantial completion of the redevelopment project associated with the environmental remediation.

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

C.40A:12A-67 Issuance of bonds by municipality.

4. a. The municipality may issue bonds itself in the manner provided for herein or pursuant to the "Local Redevelopment and Housing Law," P.L.1992, c.79 (C.40A:12A-1 et

seq.) or may apply to an authority to issue bonds, regardless of whether the redevelopment project is undertaken under municipal authority pursuant to P.L.1991, c.431 (C.40A:20-1 et seq.) or by a State entity redeveloper pursuant to a State entity redevelopment agreement, which in any case may be secured by payments in lieu of taxes or special assessments or both or a portion thereof, by the adoption of a resolution or ordinance, as applicable, of the governing body of the municipality, authority, or State entity to that effect.

b. A municipality that has designated a redevelopment area or in which a redevelopment project is undertaken by a State entity redeveloper pursuant to a State entity redevelopment agreement may, by resolution of its governing body, if it determines to issue bonds through an authority, enter into contracts with the authority relating to that redevelopment project, or to act as a redeveloper or to finance or refinance a redevelopment project undertaken by a State entity redeveloper pursuant to a State entity redevelopment agreement within a redevelopment area. A resolution so adopted shall contain findings and determinations of the governing body: (1) that all or a portion of the redevelopment project undertaken within the municipality will result in the redevelopment of the municipality; and, (2) that the contract with the authority or, to the extent applicable, the financial agreement with the State entity redeveloper, is a necessary or important inducement to the undertaking of the project or the redevelopment project undertaken by the State entity redeveloper in that it makes the financing thereof feasible. The contract or contracts, or the terms of any bonds issued directly by a municipality may provide for the assignment, for the benefit of bondholders, of all or any portion of payments in lieu of taxes, or special assessments, or both, and may further provide that the State entity redeveloper may use, access, or draw upon bond proceeds to pay costs of the redevelopment project. These contracts may be made and entered into for a term beginning currently or at some future or contingent date, and with or without consideration, and for a specified or unlimited time, and on any terms and conditions which may be requested by the municipality and, to the extent applicable, the State entity redeveloper, and, if applicable, as may be agreed to by the authority and, to the extent applicable, the State entity redeveloper, in conformity with its contracts with the holders of bonds, and shall be valid and binding on the municipality. The municipality is hereby authorized and directed to do and perform any contract so entered into by it and to provide for the discharge of any obligation thereunder in the same manner as other obligations of the municipality.

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

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

c. The payments in lieu of taxes or special assessments, or both, may be assigned directly by the municipality or the authority to the trustee for the bonds as payment or security for the bonds. Notwithstanding any law to the contrary, the assignment shall be an absolute assignment of all the municipality's right, title, and interest in the payment in lieu of taxes or special assessments, or both, or portion thereof, along with the rights and remedies provided to the municipality under the agreement including, but not limited to, the right of collection of payments due. Any interest that is subject to the lien established under the "Redevelopment Area Bond Financing Law" shall not be transferred, conveyed, assigned,

disposed of, or sold, whether by tax sale or otherwise, free and clear of the financial agreement and any payments in lieu of taxes due thereunder while bonds are secured thereby, regardless of the consent of the parties or order of any court, whether in law or in equity, unless any such transfer or conveyance is provided for under the terms and conditions set forth in the bond resolution or bond ordinance, as applicable. Any purchaser, transferee, successor, grantee, or assignee of such interest, whether at tax sale or otherwise, shall take title to such interest subject to the obligations imposed by the financial agreement. Payments in lieu of taxes and special assessments assigned as provided hereunder shall not be included in the general funds of the municipality, nor shall they be subject to any laws regarding the receipt, deposit, investment, or appropriation of public funds and shall retain such status notwithstanding enforcement of the payment or assessment by the municipality or assignee as provided herein. The municipality shall be a "person" within the meaning of that term as defined in section 3 of P.L.1974, c.80 (C.34:1B-3); and the purpose described in this section shall be a "project" within the meaning of that term as defined in section 3 of P.L.1974, c.80 (C.34:1B-3).

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

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

f. In order to provide additional security for any loan to a redeveloper or a State entity redeveloper, as the case may be, or to bonds issued to finance a redevelopment project, regardless of whether that redevelopment project is undertaken under municipal authority pursuant to P.L.1991, c.431 (C.40A:20-1 et seq.) or by a State entity redeveloper pursuant to a State entity redevelopment agreement, the municipality may utilize powers otherwise provided by law, including the "Local Redevelopment and Housing Law," P.L.1992, c.79 (C.40A:12A-1 et seq.), to provide for any extension of the municipality's credit to any redeveloper or State entity redeveloper, as the case may be, or its full faith and credit which may include a full faith and credit lease as security for the bonds or any loan to a redeveloper or State entity redeveloper, as the case may be. To the extent that the municipality provides

for a full faith and credit guarantee of any loan to a redeveloper or State entity redeveloper, as the case may be, or any bonds, but determines not to authorize the issuance of bonds or notes to provide for the funding source thereof, or otherwise determines to enter into a full faith and credit lease, it may do so by an ordinance introduced, adopted, and published in accordance with the provisions of N.J.S.40A:2-17 and N.J.S.40A:2-19. Such ordinance shall take effect 20 days after the first publication of the ordinance or of a summary thereof after final adoption. To the extent that bonds or notes are authorized as provided above, such bonds or notes shall be authorized pursuant to the provisions of the "Local Bond Law," N.J.S.40A:2-1 et seq., and shall be deductible from the gross debt of the municipality until such time as such bonds or notes are actually issued, and only up to the amount actually issued, to fund such guarantee.

g. A bond, issued in accordance with the "Redevelopment Area Bond Financing Law," sections 1 through 10 of P.L.2001, c.310 (C.40A:12A-64 et seq.), whether issued by a municipality or an authority, that is secured in whole or in part by payments in lieu of taxes or by special assessments, or both, as provided herein shall be subject to the review and approval of the board. That review and approval shall be made prior to approval of an ordinance or a resolution, as may be required by the law pursuant to which the bonds are issued. The board shall be entitled to receive from the applicant an amount sufficient to provide for all reasonable professional and other fees and expenses incurred by it for the review, analysis, and determination with respect thereto. As part of its review, the board shall specifically solicit comments from the Office of State Planning and the New Jersey Economic Development Authority in addition to comments from the public. The Department of Community Affairs, Office of Local Planning Services, shall provide comments on whether the redevelopment project or plan promotes congestion reduction, enhanced mobility, further redevelopment, and otherwise improves the quality of life of residents. As part of the board's review and approval, it shall consider the comments submitted and whether the issuance of the redevelopment area bond will adversely impact the financial stability of the municipality or service area of the authority.

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

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

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

k. Notwithstanding any law to the contrary, in the event that bonds shall be issued that are secured by payments in lieu of taxes pursuant to a financial agreement, the financial agreement shall not be terminated for any reason during the period that the bonds are outstanding, except that this provision shall not be construed to prejudice the rights and

remedies afforded a municipality or authority under the terms of the financial agreement where other parties are in violation of the terms of the agreement.

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

C.40A:12A-68 Payments in lieu of taxes constitute lien.

5. a. Payments required to be made in accordance with an agreement for payments in lieu of taxes entered into under section 3 of P.L.2001, c.310 (C.40A:12A-66) shall be a continuous lien on the land or improvements thereon, or both, or a continuous lien on any leasehold interests in the land or improvements thereon, or both, against which the ordinance is recorded on and after the date of recordation of both the ordinance and the agreement, whether simultaneously or not, or the date of confirmation of the special assessments, whichever is earlier. All subsequent payments in lieu of taxes thereunder, interest, penalties, and costs of collection which thereafter fall due or accrue shall be added and relate back to and be a part of the initial lien. Upon recordation of the ordinance and agreement, payments in lieu of taxes shall constitute an automatic, enforceable, and perfected statutory municipal lien for all purposes, including the federal bankruptcy code, regardless of whether the amount of the payments to be made in lieu of taxes has been determined at the time the lien attaches to any interest in the land, leasehold estate, or improvements, as applicable. A confirmation hearing process to determine the amount due shall not affect the commencement or validity of the lien. Notwithstanding any other applicable law, for the purposes of the "Redevelopment Area Bond Financing Law," sections 1 through 10 of P.L.2001, c.310 (C.40A:12A-64 et seq.), a municipal lien on a leasehold estate shall constitute a lien against such leasehold estate only, unless the financial agreement specifically provides for a lien on the underlying fee interest in the land. In any case, enforcement of a municipal lien on a leasehold estate shall be limited to an in rem proceeding only. No municipal lien shall attach to any interest of a State entity unless such State entity shall have expressly consented to such lien in the financial agreement.

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

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

c. Notwithstanding any law to the contrary, upon recordation of both the ordinance and any accompanying agreement, the lien thereof shall be perfected for all purposes in accordance with law and the lien shall thereafter be superior to (1) all non-municipal liens thereafter recorded or otherwise arising, and (2) all prior liens where lienholder consents, without any additional notice, recording, filing, continuation filing, or action, until the payment in full of the bonds. The lien thereby established shall apply not only to the bonds initially issued, but also to any refinancing or refunding thereof, as well as to any additional

bonds thereafter issued on a parity therewith in accordance with the provisions of the original documents securing the initial bonds; provided, however, that in the event any ordinance or agreement is amended or supplemented in a way which increases the amount of payment in lieu of taxes or special assessments, the lien as to that increase shall be perfected and apply upon the recordation of the amended or supplemented ordinance and agreement (including the above-recited legend). Except as set forth in this section, no amendment or supplement to the ordinance or agreement thereafter recorded shall affect the perfection or priority of the lien established upon original recordation thereof.

d. Upon the final payment in full of any bonds secured as provided in this section and section 4 of P.L.2001, c.310 (C.40A:12A-67), the lien established hereby shall terminate, and the trustee shall record a notice to that effect.

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

C.40A:12A-73 Bond resolution, ordinance, filing for public inspection.

10. An authority or municipality, as applicable, shall cause a copy of any bond resolution or bond ordinance, as applicable, adopted by it to be filed for public inspection in the office of the municipal clerk of the municipality wherein the project financed by the bonds is located. In the case of an authority, the resolution also shall be filed for public inspection in its office. The authority or municipality may cause to be published, at least once in a newspaper published or circulating in the municipality, if there be one, and if not, in a newspaper published and circulating in the county, a notice stating the fact and date of the adoption and the places where the bond resolution or bond ordinance, as applicable, has been so filed for public inspection along with the date of the first publication of the notice and also stating that any action or proceeding of any kind or nature in any court questioning the validity or proper authorization of bonds provided for by the bond resolution or bond ordinance, as applicable, or the validity of any covenants, agreements or contracts provided for by the bond resolution or bond ordinance, as applicable, shall be commenced within 20 days after the first publication of that notice. If any such notice shall at any time be published and if no action or proceeding questioning the validity or proper authorization of bonds provided for by the bond resolution or bond ordinance, as applicable, referred to in said notice, or the validity of any covenants, agreements, or contracts provided for by said bond resolution or bond ordinance, as applicable, shall be commenced or instituted within 20 days after the first publication of the notice, then all persons shall be forever barred and foreclosed from instituting or commencing any action or proceeding in any court, or from pleading any defense to any action or proceeding, questioning the validity or proper authorization of such bonds, or the validity of such covenants, agreements, or contracts, and said bonds, covenants, agreements, and contracts shall be conclusively deemed to be valid and binding obligations in accordance with their terms and tenor.

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

C.40A:20-12 Tax exemption, duration.

12. The rehabilitation or improvements made in the development or redevelopment of a redevelopment area or area appurtenant thereto or for a redevelopment relocation housing project, pursuant to P.L.1991, c.431 (C.40A:20-1 et seq.), shall be exempt from taxation for a limited period as hereinafter provided. When housing is to be constructed, acquired or rehabilitated by an urban renewal entity, the land upon which that housing is situated shall be

exempt from taxation for a limited period as hereinafter provided. The exemption shall be allowed when the clerk of the municipality wherein the property is situated shall certify to the municipal tax assessor that a financial agreement with an urban renewal entity for the development or the redevelopment of the property, or the provision of a redevelopment relocation housing project, or the provision of a low and moderate income housing project has been entered into and is in effect as required by P.L.1991, c.431 (C.40A:20-1 et seq.).

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

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

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

a. The financial agreement shall specify the duration of the exemption for urban renewal entities in accordance with the parameters of either paragraph (1) or paragraph (2) of this subsection:

(1) the financial agreement may specify a duration of not more than 30 years from the completion of the entire project, or unit of the project if the project is undertaken in units, or not more than 35 years from the execution of the financial agreement between the municipality and the urban renewal entity; or

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

A financial agreement may provide for an exemption period of less than 30 years from the completion of the entire project, less than 35 years from the execution of the financial

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

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

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

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

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

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

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

(c) For the third stage of the exemption period, which shall not be less than one year nor more than six years, as specified in the financial agreement, an amount equal to either the

amount determined pursuant to paragraph (1) of this subsection and section 11 of P.L.1991, c.431 (C.40A:20-11), or 40% of the amount of taxes otherwise due on the value of the land and improvements, whichever shall be greater;

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

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

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

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

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

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

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

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

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

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

C.40A:20-13 Termination of tax exemption.

13. The tax exemption provided in P.L.1991, c.431 (C.40A:20-1 et seq.) shall apply only so long as the urban renewal entity and its project remain subject to the provisions of P.L.1991, c.431 (C.40A:20-1 et seq.), but in no event more than: 35 years from the date of

the execution of the financial agreement; or, if authorized pursuant to paragraph (2) of subsection a. of section 12 of P.L.1991, c.431 (C.40A:20-12), 50 years from the date of the execution of the financial agreement, in the case of a phased project, or from the first financial agreement implementing a project under the redevelopment agreement, in the case of two or more projects. A tax exemption authorized in connection with a nonprofit limited dividend cooperative housing project under a financial agreement entered into pursuant to the "Limited-Dividend Nonprofit Housing Corporations or Associations Law," P.L.1949, c.184 (C.55:16-1 et seq.) may be extended to coincide with existing first mortgage financing. The terms of any such extension shall be set forth in an amended financial agreement between the urban renewal entity and the municipality. An urban renewal entity may at any time after the expiration of one year from the completion date of the project, notify the governing body of the municipality that, as of a certain date designated in the notice, it relinquishes its status under P.L.1991, c.431 (C.40A:20-1 et seq.), and if the project includes housing units, that the urban renewal entity has obtained the consent of the Commissioner of Community Affairs to such a relinquishment. As of that date, the tax exemption, the service charges, and the profit and dividend restrictions shall terminate. The date of termination of tax exemption, whether by relinquishment by the entity or by terms of the financial agreement, shall be deemed the close of the fiscal year of the entity. Within 90 days of that date, the urban renewal entity shall pay to the municipality the amount of reserve, if any maintained pursuant to section 15 or 16 of P.L.1991, c.431 (C.40A:20-15 or 40A:20-16), as well as the excess net profits, if any, payable as of that date.

19. This act shall take effect immediately.

Approved August 17, 2018.