

ASSEMBLY, No. 4527

STATE OF NEW JERSEY

220th LEGISLATURE

INTRODUCED SEPTEMBER 22, 2022

Sponsored by:

Assemblyman ALEX SAUICKIE

District 12 (Burlington, Middlesex, Monmouth and Ocean)

Assemblyman ROBERT D. CLIFTON

District 12 (Burlington, Middlesex, Monmouth and Ocean)

Co-Sponsored by:

Assemblywomen McCarthy Patrick, Eulner and Piperno

SYNOPSIS

"Warehouse Development Control Bond Act," authorizes bonds for \$150 million, and appropriates \$5,000.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 5/18/2023)

1 **AN ACT** authorizing the creation of a debt of the State of New
2 Jersey by the issuance of bonds of the State in the aggregate
3 principal amount of \$150 million for the purpose of providing
4 financing for the purchase of development rights for proposed
5 warehouse sites; providing the ways and means to pay and
6 discharge the principal of and interest on the bonds; providing
7 for the submission of this act to the people at a general election;
8 and making an appropriation therefor.

9
10 **BE IT ENACTED** *by the Senate and General Assembly of the State*
11 *of New Jersey:*

12
13 1. This act shall be known and may be cited as the "Warehouse
14 Development Control Bond Act."

15
16 2. The Legislature finds and declares that:

17 a. The development of warehouses within a host municipality
18 often results in land use, traffic, environmental, economic, fiscal,
19 and social equity effects in the host municipality, and may
20 adversely impact the overall region in which the warehouse is being
21 proposed for development;

22 b. Municipalities are often faced with a choice between the
23 development of housing, which results in a higher demand for
24 schools and other government services without an equivalent
25 increase in property taxes, and warehouse development, which may
26 negatively impact the character of the municipality, as well as
27 affecting the farming areas, open space, recreation areas, and areas
28 of historic and cultural significance in the municipality;

29 c. Frequently, this choice represents a Hobson's choice, with
30 warehouse development representing the only option that is fiscally
31 viable for the municipality; and

32 d. Therefore, it is in the interest of the State to offer
33 municipalities a program through which the municipality can
34 purchase the development rights of a proposed warehouse site,
35 preserving the positive fiscal benefit of the real property to the
36 municipality, providing compensation to the landowner, and
37 avoiding the negative consequences associated with warehouse
38 development.

39

40 3. As used in this act:

41 "Bonds" mean the bonds authorized to be issued, or issued, under
42 this act.

43 "Commission" means the New Jersey Commission on Capital
44 Budgeting and Planning.

45 "Commissioner" means the Commissioner of Environmental
46 Protection.

47 "Cost" means the expenses incurred in connection with: a
48 purchase of development rights of a proposed warehouse site; the

1 execution of any agreements and franchises deemed by the
2 department to be necessary or useful and convenient in connection
3 with any purchase of development rights authorized by this act; the
4 procurement or provision of engineering, inspection, planning,
5 legal, financial, or other professional services, estimates, studies,
6 reports, or advice, including the services of a bond registrar or an
7 authenticating agent; feasibility studies; the issuance of bonds, or
8 any interest or discount thereon; the administrative, organizational,
9 operating, or other expenses incident to the financing and
10 completing of any project authorized by this act; the establishment
11 of a reserve fund or funds for working capital, operating,
12 maintenance, or replacement expenses and for the payment or
13 security of principal or interest on bonds, as the Director of the
14 Division of Budget and Accounting in the Department of the
15 Treasury may determine; and reimbursement to any fund of the
16 State of moneys which may have been transferred or advanced
17 therefrom to any fund created by this act, or of any moneys which
18 may have been expended therefrom for, or in connection with, any
19 project authorized by this act.

20 "Department" means the Department of Environmental
21 Protection.

22 "Government securities" means any bonds or other obligations
23 which as to principal and interest constitute direct obligations of, or
24 are unconditionally guaranteed by, the United States of America,
25 including obligations of any federal agency, to the extent those
26 obligations are unconditionally guaranteed by the United States of
27 America, and any certificates or any other evidences of an
28 ownership interest in those obligations of, or unconditionally
29 guaranteed by, the United States of America or in specified portions
30 which may consist of the principal of, or the interest on, those
31 obligations.

32 "Green Acres program" means the same as the term is defined in
33 section 3 of P.L.1983, c.324 (C.13:1L-3).

34 "Warehouse" means a building that stores cargo, goods, or
35 products on a short- or long-term basis for later distribution to
36 businesses or retail customers.

37

38 4. The commissioner shall adopt, pursuant to the
39 "Administrative Procedure Act," P.L.1968 c.410 (C.52:14B-1 et
40 seq.), rules and regulations necessary to implement the provisions
41 of this act. The commissioner shall review and consider the
42 findings and recommendations of the commission in the
43 administration of the provisions of this act.

44

45 5. a. Bonds of the State of New Jersey are authorized to be
46 issued in the aggregate principal amount of \$150 million for the
47 purpose of financing the purchase, by municipalities, of the
48 development rights of proposed warehouse sites in the State. Of

1 this aggregate principal amount, \$150 million shall be used to
2 provide grants to municipalities to fund the purchase of
3 development rights of proposed warehouse sites.

4 b. In order to be eligible for a grant pursuant to this act, a
5 municipality shall:

6 (1) acquire the development rights of a real property in the form
7 of an easement that:

8 (a) is recorded on the title of that property;

9 (b) permanently restricts the development of the property, and
10 provides that any subdivision of a property in agricultural use
11 ensures that the resulting parcels are not lesser in size than the
12 minimum size required for qualification for farmland assessment
13 pursuant to the "Farmland Assessment Act of 1964," P.L.1964, c.48
14 (C.54:4-23.1 et seq.) plus one acre, and that the resulting parcels
15 remain in agricultural use; and

16 (c) authorizes the landowner to retain all other rights and
17 responsibilities associated with the property, including the ability to
18 sell the property, provided that the terms of the sale are consistent
19 with the easement, and, if the property is a farm, to farm the land
20 without restriction and in the same manner as a farm that retains its
21 development rights and to construct or maintain one single-family
22 home on the farm or any subdivision thereof;

23 (2) demonstrate to the department's satisfaction that the property
24 of which the development rights are to be purchased is a proposed
25 warehouse site, provided that only a real property that is subject to
26 local property taxation shall be considered to be a proposed
27 warehouse site;

28 (3) provide matching funds of a least 50 percent of the sale price
29 of the development rights; and

30 (4) not condemn or threaten to condemn the site in order to
31 incentivize the sale of development rights by the landowner.

32 c. When making a valuation of the development rights of a
33 proposed warehouse site, a municipality may:

34 (1) use the difference between the value of the undeveloped
35 property and the value of the property, if developed, or use the
36 municipal average of the value of the development rights of
37 properties in the municipality, in order to calculate the value of the
38 development rights of the property, provided that the higher
39 valuation from these two methods of calculation is offered to the
40 landowner; and

41 (2) include the value of avoided carbon dioxide emissions
42 caused by the purchase of development rights in the sale price.

43 d. The department shall develop an application process for
44 grants issued pursuant to this act, and may develop other eligibility
45 criteria. The grant program shall be voluntary and open to every
46 municipality in the State. A municipality may contract with a
47 nonprofit organization or county to carry out the application process
48 on the municipality's behalf. The department shall develop priority

1 ranking criteria for the award of grants. The priority ranking
2 criteria shall provide additional priority to a municipality:

3 (1) that has a significant watershed or other ecologically
4 sensitive area within its borders;

5 (2) that has an above average number of residents who rely on
6 wells for drinking water or septic systems for wastewater
7 management; or

8 (3) in which the construction of a warehouse may otherwise
9 adversely affect the environment or ecology of the municipality or
10 an adjoining municipality.

11 e. In order to secure the matching funds for a grant issued
12 pursuant to this section, a municipality may use:

13 (1) donations from private donors, including nonprofit
14 organizations; or

15 (2) any municipal or county funds, including, but not limited to,
16 moneys from a County Open Space, Recreation, Floodplain
17 Protection, and Farmland and Historic Preservation Trust Fund or a
18 Municipal Open Space, Recreation, Floodplain Protection, and
19 Farmland and Historic Preservation Trust Fund established pursuant
20 to P.L.1997, c.24 (C.40:12-15.1 et seq.), moneys provided to the
21 municipality or county through the Green Acres program, or
22 moneys that result from the State's participation in the Regional
23 Greenhouse Gas Initiative, provided that such use is consistent with
24 existing State and federal law.

25

26 6. The bonds authorized under this act shall be serial bonds,
27 term bonds, or a combination thereof, and shall be known as
28 "Warehouse Development Control Bonds." They shall be issued
29 from time to time as the issuing officials herein named shall
30 determine and may be issued in coupon form, fully-registered form
31 or book-entry form. The bonds may be subject to redemption prior
32 to maturity and shall mature and be paid not later than 35 years
33 from the respective dates of their issuance.

34

35 7. The Governor, the State Treasurer and the Director of the
36 Division of Budget and Accounting in the Department of the
37 Treasury, or any two of these officials, herein referred to as "the
38 issuing officials," are authorized to carry out the provisions of this
39 act relating to the issuance of bonds, and shall determine all matters
40 in connection therewith, subject to the provisions of this act. If an
41 issuing official is absent from the State or incapable of acting for
42 any reason, the powers and duties of that issuing official shall be
43 exercised and performed by the person authorized by law to act in
44 an official capacity in the place of that issuing official.

45

46 8. Bonds issued in accordance with the provisions of this act
47 shall be a direct obligation of the State of New Jersey, and the faith
48 and credit of the State are pledged for the payment of the interest

1 and redemption premium thereon, if any, when due, and for the
2 payment of the principal thereof at maturity or earlier redemption
3 date. The principal of and interest on the bonds shall be exempt
4 from taxation by the State or by any county, municipality or other
5 taxing district of the State.

6
7 9. The bonds shall be signed in the name of the State by means
8 of the manual or facsimile signature of the Governor under the
9 Great Seal of the State, which seal may be by facsimile or by way
10 of any other form of reproduction on the bonds, and attested by the
11 manual or facsimile signature of the Secretary of State, or an
12 Assistant Secretary of State, and shall be countersigned by the
13 facsimile signature of the Director of the Division of Budget and
14 Accounting in the Department of the Treasury and may be manually
15 authenticated by an authenticating agent or bond registrar, as the
16 issuing official shall determine. Interest coupons, if any, attached
17 to the bonds shall be signed by the facsimile signature of the
18 Director of the Division of Budget and Accounting in the
19 Department of the Treasury. The bonds may be issued
20 notwithstanding that an official signing them or whose manual or
21 facsimile signature appears on the bonds or coupons has ceased to
22 hold office at the time of issuance, or at the time of the delivery of
23 the bonds to the purchaser thereof.

24
25 10. a. The bonds shall recite that they are issued for the
26 purposes set forth in section 5 of this act, that they are issued
27 pursuant to this act, that this act was submitted to the people of the
28 State at the general election next occurring at least 70 days after
29 enactment as specified in section 23 of this act, and that this act was
30 approved by a majority of the legally qualified voters of the State
31 voting thereon at the election. This recital shall be conclusive
32 evidence of the authority of the State to issue the bonds and their
33 validity. Any bonds containing this recital shall, in any suit, action
34 or proceeding involving their validity, be conclusively deemed to be
35 fully authorized by this act and to have been issued, sold, executed
36 and delivered in conformity herewith and with all other provisions
37 of laws applicable hereto, and shall be incontestable for any cause.

38 b. The bonds shall be issued in those denominations and in the
39 form or forms, whether coupon, fully-registered or book-entry, and
40 with or without provisions for interchangeability thereof, as may be
41 determined by the issuing officials.

42
43 11. When the bonds are issued from time to time, the bonds of
44 each issue shall constitute a separate series to be designated by the
45 issuing officials. Each series of bonds shall bear such rate or rates
46 of interest as may be determined by the issuing officials, which
47 interest shall be payable semiannually; except that the first and last

1 interest periods may be longer or shorter, in order that intervening
2 semiannual payments may be at convenient dates.

3
4 12. The bonds shall be issued and sold at the price or prices and
5 under the terms, conditions and regulations as the issuing officials
6 may prescribe, after notice of the sale, published at least once in at
7 least three newspapers published in this State, and at least once in a
8 publication carrying municipal bond notices and devoted primarily
9 to financial news, published in this State or in the city of New York,
10 the first notice to appear at least five days prior to the day of
11 bidding. The notice of sale may contain a provision to the effect
12 that any bid in pursuance thereof may be rejected. In the event of
13 rejection or failure to receive any acceptable bid, the issuing
14 officials, at any time within 60 days from the date of the advertised
15 sale, may sell the bonds at a private sale at such price or prices
16 under the terms and conditions as the issuing officials may
17 prescribe. The issuing officials may sell all or part of the bonds of
18 any series as issued to any State fund or to the federal government
19 or any agency thereof, at a private sale, without advertisement.

20
21 13. Until permanent bonds are prepared, the issuing officials
22 may issue temporary bonds in the form and with those privileges as
23 to their registration and exchange for permanent bonds as may be
24 determined by the issuing officials.

25
26 14. The proceeds from the sale of bonds used to provide grants
27 to municipalities to purchase the development rights of proposed
28 warehouse sites, as set forth in section 5 shall be paid to the State
29 Treasurer, shall be held by the State Treasurer in a separate fund,
30 and shall be deposited in such depositories as may be selected by
31 the State Treasurer to the credit of the fund, which fund shall be
32 known as the "Warehouse Development Control Bond Fund."

33
34 15. a. The moneys in the "Warehouse Development Control
35 Bond Fund" are specifically dedicated and shall be applied to the
36 cost of grants to municipalities to purchase the development rights
37 of proposed warehouse sites, as set forth in section 5 of this act.
38 However, no moneys in the fund shall be expended for those
39 purposes, except as otherwise authorized by this act, without the
40 specific appropriation thereof by the Legislature, but bonds may be
41 issued as herein provided, notwithstanding that the Legislature shall
42 not have then adopted an act making a specific appropriation of any
43 of the moneys. Any act appropriating moneys from the "Warehouse
44 Development Control Bond Fund" shall identify the project to be
45 funded by the moneys.

46 b. At any time prior to the issuance and sale of bonds under this
47 act, the State Treasurer is authorized to transfer from any available
48 moneys in any fund of the treasury of the State to the credit of the

1 "Warehouse Development Control Bond Fund" those sums as the
2 State Treasurer may deem necessary. The sums so transferred shall
3 be returned to the same fund of the treasury of the State by the State
4 Treasurer from the proceeds of the sale of the first issue of bonds.

5 c. Pending their application to the purposes provided in this act,
6 the moneys in the "Warehouse Development Control Bond Fund"
7 may be invested and reinvested as are other trust funds in the
8 custody of the State Treasurer, in the manner provided by law. Net
9 earnings received from the investment, reinvestment, or deposit of
10 moneys in the "Warehouse Development Control Bond Fund" shall
11 be paid into the General Fund.

12
13 16. If any coupon bond, coupon or registered bond is lost,
14 mutilated or destroyed, a new bond or coupon shall be executed and
15 delivered of like tenor, in substitution for the lost, mutilated or
16 destroyed bond or coupon, upon the owner furnishing to the issuing
17 officials evidence satisfactory to them of the loss, mutilation or
18 destruction of the bond or coupon, the ownership thereof, and
19 security, indemnity and reimbursement for expenses connected
20 therewith, as the issuing officials may require.

21
22 17. The accrued interest, if any, received upon the sale of the
23 bonds shall be applied to the discharge of a like amount of interest
24 upon the bonds when due. Any expense incurred by the issuing
25 officials for advertising, engraving, printing, clerical,
26 authenticating, registering, legal or other services necessary to carry
27 out the duties imposed upon them by the provisions of this act shall
28 be paid from the proceeds of the sale of the bonds by the State
29 Treasurer, upon the warrant of the Director of the Division of
30 Budget and Accounting in the Department of the Treasury, in the
31 same manner as other obligations of the State are paid.

32
33 18. Bonds of each series issued hereunder shall mature,
34 including any sinking fund redemptions, not later than the 35th year
35 from the date of issue of that series, and in amounts as shall be
36 determined by the issuing officials. The issuing officials may
37 reserve to the State by appropriate provision in the bonds of any
38 series the power to redeem any of the bonds prior to maturity at the
39 price or prices and upon the terms and conditions as may be
40 provided in the bonds.

41
42 19. Any bond or bonds issued hereunder which are subject to
43 refinancing pursuant to the "Refunding Bond Act of 1985,"
44 P.L.1985, c.74 as amended by P.L.1992, c.182 (C.49:2B-1 et seq.),
45 shall no longer be deemed to be outstanding, shall no longer
46 constitute a direct obligation of the State of New Jersey, and the
47 faith and credit of the State shall no longer be pledged to the
48 payment of the principal of, redemption premium, if any, and

1 interest on the bonds, and the bonds shall be secured solely by and
2 payable solely from moneys and government securities deposited in
3 trust with one or more trustees or escrow agents, which trustees and
4 escrow agents shall be trust companies or national or state banks
5 having powers of a trust company, located either within or without
6 the State, as provided herein, whenever there shall be deposited in
7 trust with the trustees or escrow agents, as provided herein, either
8 moneys or government securities, including government securities
9 issued or held in book-entry form on the books of the Department of
10 Treasury of the United States, the principal of and interest on which
11 when due will provide money which, together with the moneys, if
12 any, deposited with the trustees or escrow agents at the same time,
13 shall be sufficient to pay when due the principal of, redemption
14 premium, if any, and interest due and to become due on the bonds
15 on or prior to the redemption date or maturity date thereof, as the
16 case may be; provided the government securities shall not be
17 subject to redemption prior to their maturity other than at the option
18 of the holder thereof. The State of New Jersey hereby covenants
19 with the holders of any bonds for which government securities or
20 moneys shall have been deposited in trust with the trustees or
21 escrow agents as provided in this section that, except as otherwise
22 provided in this section, neither the government securities nor
23 moneys so deposited with the trustees or escrow agents shall be
24 withdrawn or used by the State for any purpose other than, and shall
25 be held in trust for, the payment of the principal of, redemption
26 premium, if any, and interest to become due on the bonds; provided
27 that any cash received from the principal or interest payments on
28 the government securities deposited with the trustees or escrow
29 agents, to the extent the cash will not be required at any time for
30 that purpose, shall be paid over to the State, as received by the
31 trustees or escrow agents, free and clear of any trust, lien, pledge or
32 assignment securing the bonds; and to the extent the cash will be
33 required for that purpose at a later date, shall, to the extent
34 practicable and legally permissible, be reinvested in government
35 securities maturing at times and in amounts sufficient to pay when
36 due the principal of, redemption premium, if any, and interest to
37 become due on the bonds on and prior to the redemption date or
38 maturity date thereof, as the case may be, and interest earned from
39 the reinvestments shall be paid over to the State, as received by the
40 trustees or escrow agents, free and clear of any trust, lien or pledge
41 securing the bonds. Notwithstanding anything to the contrary
42 contained herein: a. the trustees or escrow agents shall, if so
43 directed by the issuing officials, apply moneys on deposit with the
44 trustees or escrow agents pursuant to the provisions of this section,
45 and redeem or sell government securities so deposited with the
46 trustees or escrow agents, and apply the proceeds thereof to (1) the
47 purchase of the bonds which were refinanced by the deposit with
48 the trustees or escrow agents of the moneys and government

1 securities and immediately thereafter cancel all bonds so purchased,
2 or (2) the purchase of different government securities; provided
3 however, that the moneys and government securities on deposit
4 with the trustees or escrow agents after the purchase and
5 cancellation of the bonds or the purchase of different government
6 securities shall be sufficient to pay when due the principal of,
7 redemption premium, if any, and interest on all other bonds in
8 respect of which the moneys and government securities were
9 deposited with the trustees or escrow agents on or prior to the
10 redemption date or maturity date thereof, as the case may be; and b.
11 in the event that on any date, as a result of any purchases and
12 cancellations of bonds or any purchases of different government
13 securities, as provided in this sentence, the total amount of moneys
14 and government securities remaining on deposit with the trustees or
15 escrow agents is in excess of the total amount which would have
16 been required to be deposited with the trustees or escrow agents on
17 that date in respect of the remaining bonds for which the deposit
18 was made in order to pay when due the principal of, redemption
19 premium, if any, and interest on the remaining bonds, the trustees or
20 escrow agents shall, if so directed by the issuing officials, pay the
21 amount of the excess to the State, free and clear of any trust, lien,
22 pledge or assignment securing the refunding bonds.

23
24 20. Refunding bonds issued pursuant to P.L.1985, c.74 as
25 amended by P.L.1992, c.182 (C.49:2B-1 et seq.) may be
26 consolidated with bonds issued pursuant to section 5 of this act or
27 with bonds issued pursuant to any other act for purposes of sale.

28
29 21. To provide funds to meet the interest and principal payment
30 requirements for the bonds and refunding bonds issued under this
31 act and outstanding, there is appropriated in the order following:

32 a. Revenue derived from the collection of taxes under the "Sales
33 and Use Tax Act," P.L.1966, c.30 (C.54:32B-1 et seq.), or so much
34 thereof as may be required; and

35 b. If, at any time, funds necessary to meet the interest,
36 redemption premium, if any, and principal payments on outstanding
37 bonds issued under this act are insufficient or not available, there
38 shall be assessed, levied and collected annually in each of the
39 municipalities of the counties of this State, a tax on the real and
40 personal property upon which municipal taxes are or shall be
41 assessed, levied and collected, sufficient to meet the interest on all
42 outstanding bonds issued hereunder and on the bonds proposed to
43 be issued under this act in the calendar year in which the tax is to be
44 raised and for the payment of bonds falling due in the year
45 following the year for which the tax is levied. The tax shall be
46 assessed, levied and collected in the same manner and at the same
47 time as are other taxes upon real and personal property. The
48 governing body of each municipality shall cause to be paid to the

1 county treasurer of the county in which the municipality is located,
2 on or before December 15 in each year, the amount of tax herein
3 directed to be assessed and levied, and the county treasurer shall
4 pay the amount of the tax to the State Treasurer on or before
5 December 20 in each year.

6 If on or before December 31 in any year, the issuing officials, by
7 resolution, determine that there are moneys in the General Fund
8 beyond the needs of the State, sufficient to pay the principal of
9 bonds falling due and all interest and redemption premium, if any,
10 payable in the ensuing calendar year, the issuing officials shall file
11 the resolution in the office of the State Treasurer, whereupon the
12 State Treasurer shall transfer the moneys to a separate fund to be
13 designated by the State Treasurer, and shall pay the principal,
14 redemption premium, if any, and interest out of that fund as the
15 same shall become due and payable, and the other sources of
16 payment of the principal, redemption premium, if any, and interest
17 provided for in this section shall not then be available, and the
18 receipts for the year from the tax specified in subsection a. of this
19 section shall be considered and treated as part of the General Fund,
20 available for general purposes.

21
22 22. Should the State Treasurer, by December 31 of any year,
23 deem it necessary, because of the insufficiency of funds collected
24 from the sources of revenues as provided in this act, to meet the
25 interest and principal payments for the year after the ensuing year,
26 then the State Treasurer shall certify to the Director of the Division
27 of Budget and Accounting in the Department of the Treasury the
28 amount necessary to be raised by taxation for those purposes, the
29 same to be assessed, levied and collected for and in the ensuing
30 calendar year. The director shall, on or before March 1 following,
31 calculate the amount in dollars to be assessed, levied and collected
32 in each county as herein set forth. This calculation shall be based
33 upon the corrected assessed valuation of each county for the year
34 preceding the year in which the tax is to be assessed, but the tax
35 shall be assessed, levied and collected upon the assessed valuation
36 of the year in which the tax is assessed and levied. The director
37 shall certify the amount to the county board of taxation and the
38 treasurer of each county. The county board of taxation shall include
39 the proper amount in the current tax levy of the several taxing
40 districts of the county in proportion to the ratables as ascertained for
41 the current year.

42
43 23. For the purpose of complying with the provisions of the
44 State Constitution, this act shall be submitted to the people at the
45 general election next occurring at least 70 days after enactment. To
46 inform the people of the contents of this act, it shall be the duty of
47 the Secretary of State, after this section takes effect, and at least 60
48 days prior to the election, to cause this act to be published at least

1 once in one or more newspapers of each county, if any newspapers
2 be published therein and to notify the clerk of each county of this
3 State of the passage of this act; and the clerks respectively, in
4 accordance with the instructions of the Secretary of State, shall
5 have printed on each of the ballots the following:
6 If you approve of the act entitled below, make a cross (x), plus
7 (+), or check (✓) mark in the square opposite the word "Yes."
8 If you disapprove of the act entitled below, make a cross (x),
9 plus (+), or check (✓) mark in the square opposite the word "No."
10 If voting machines are used, a vote of "Yes" or "No" shall be
11 equivalent to these markings respectively.
12

YES	<p>WAREHOUSE DEVELOPMENT CONTROL BOND ACT</p> <p>Do you approve the "Warehouse Development Control Bond Act"? This bond act authorizes the State to issue bonds in the amount of \$150 million. The money from the sale of the bonds would be used to provide grants to municipalities to purchase the development rights of proposed warehouse sites.</p>
NO	<p>INTERPRETIVE STATEMENT</p> <p>This bond act would allow the State to borrow a total principal amount of \$150 million. The Department of Environmental Protection would distribute the money to municipalities as matching grants. A municipality would use the grant money to purchase the development rights of a proposed warehouse site.</p> <p>The landowner of the site would be paid a one-time fee in exchange for adding an easement to the title of the property. The easement would permanently restrict the development of the property, preventing the construction of the warehouse. The landowner would retain all other rights and responsibilities associated with the property, including the ability to sell the property. The grant program would be voluntary and open to every municipality in the State.</p>

13
14 The fact and date of the approval or passage of this act, as the
15 case may be, may be inserted in the appropriate place after the title
16 in the ballot. No other requirements of law of any kind or character

1 as to notice or procedure, except as herein provided, need be
2 adhered to.

3 The votes so cast for and against the approval of this act, by
4 ballot or voting machine, shall be counted and the result thereof
5 returned by the election officer, and a canvass of the election had in
6 the same manner as is provided for by law in the case of the
7 election of a Governor, and the approval or disapproval of this act
8 so determined shall be declared in the same manner as the result of
9 an election for a Governor, and if there is a majority of all the votes
10 cast for and against it at the election in favor of the approval of this
11 act, then all the provisions of this act not made effective theretofore
12 shall take effect forthwith.

13

14 24. There is appropriated the sum of \$5,000 to the Department
15 of State for expenses in connection with the publication of notice
16 pursuant to section 23 of this act.

17

18 25. The commissioner shall submit to the State Treasurer and
19 the commission with the department's annual budget request a plan
20 for the expenditure of funds from the "Warehouse Development
21 Control Bond Fund" for the upcoming fiscal year. This plan shall
22 include the following information: a performance evaluation of the
23 expenditures made from the funds to date; a description of programs
24 planned during the upcoming fiscal year; a copy of the regulations
25 in force governing the operation of programs that are financed, in
26 part or in whole, by funds from the "Warehouse Development
27 Control Bond Fund"; and an estimate of expenditures for the
28 upcoming fiscal year.

29

30 26. Immediately following the submission to the Legislature of
31 the Governor's annual budget message, the commissioner shall
32 submit to the Legislature pursuant to section 2 of P.L.1991, c.164
33 (C.52:14-19.1), and to the Joint Budget Oversight Committee, or its
34 successor, copies of the plan called for under section 25 of this act,
35 together with such changes therein as may have been required by
36 the Governor's budget message.

37

38 27. All appropriations from the "Warehouse Development
39 Control Bond Fund" shall be by specific allocation for each project,
40 on a municipal area-by-area basis and any transfer of any funds so
41 appropriated shall require the approval of the Joint Budget
42 Oversight Committee, or its successor.

43

44 28. This section and sections 23, 24, and 28 of this act shall take
45 effect immediately and the remainder of this act shall take effect as
46 and when provided in section 23 of this act.

STATEMENT

This bill, entitled the "Warehouse Development Control Bond Act," authorizes the issuance of \$150 million in State general obligation bonds to be used to provide matching grants to municipalities to pay for the cost of purchasing the development rights of proposed warehouse sites. The Department of Environmental Protection (DEP) would establish procedures for the review and approval of, and eligibility criteria for, the grants, pursuant to section 5 of the bill. Grants would be issued according to a priority system to be developed by the DEP.

The bill would establish certain conditions on the purchase of development rights, as enumerated in section 5 of the bill. For example, a municipality would be required to acquire the development rights of the property in the form of an easement that: (a) is recorded on the title of that property; (b) permanently restricts the development of the property, and provides that any subdivision of a property in agricultural use ensures that the resulting parcels are not lesser in size than the minimum size required for qualification for farmland assessment pursuant to the "Farmland Assessment Act of 1964," P.L.1964, c.48 (C.54:4-23.1 et seq.) plus one acre, and that the resulting parcels remain in agricultural use; and (c) authorizes the landowner to retain all other rights and responsibilities associated with the property, including the ability to sell the property, provided that the terms of the sale are consistent with the easement, and, if the property is a farm, to farm the land without restriction and in the same manner as a farm that retains its development rights and to construct or maintain one single-family home on the farm or any subdivision thereof. The intent of allowing the subdivision of farmland for which an easement against future development has been sold is to allow smaller farms to be created with single-family housing to promote new or young farmers purchasing land that otherwise would require too much capital.

The bill provides that the bond act is to be submitted to the people for approval at the general election to be held at least 70 days after enactment and appropriates \$5,000 to the Department of State for expenses in connection with the publication of the public question.

The development of warehouses within a host municipality often results in land use, traffic, environmental, economic, fiscal, and social equity effects in the host municipality, and may adversely impact the overall region in which the warehouse is being proposed for development. Municipalities are often faced with a choice between the development of housing, which results in a higher demand for schools and other government services without an equivalent increase in property taxes, and warehouse development, which may negatively impact the character of the municipality, as

1 well as affecting the farming areas, open space, recreation areas,
2 and areas of historic and cultural significance in the municipality.
3 Frequently, this choice represents a Hobson's choice, with
4 warehouse development representing the only option that is fiscally
5 viable for the municipality. Thus, it is the intent of this bill to offer
6 municipalities a program through which the municipality can
7 purchase the development rights of a proposed warehouse site,
8 preserving the positive fiscal benefit of the real property to the
9 municipality, providing compensation to the landowner, and
10 avoiding the negative consequences associated with warehouse
11 development.