

**SENATE, No. 4075**

**STATE OF NEW JERSEY**  
**220th LEGISLATURE**

INTRODUCED NOVEMBER 27, 2023

**Sponsored by:**  
**Senator MICHAEL L. TESTA, JR.**  
**District 1 (Atlantic, Cape May and Cumberland)**

**SYNOPSIS**

Provides for EDA oversight and control over certain local economic development, community development, and housing programs if corruption is suspected following criminal charge or conviction of local official.

**CURRENT VERSION OF TEXT**

As introduced.



1 AN ACT providing for oversight and control over certain local  
2 economic development, community development, and housing  
3 programs in certain circumstances and supplementing P.L.1974,  
4 c.80 (C.34:1B-1 et seq.).  
5

6 **BE IT ENACTED** *by the Senate and General Assembly of the State*  
7 *of New Jersey:*  
8

9 1. a. Notwithstanding any provision of law to the contrary, a  
10 municipal development program shall be subject to New Jersey  
11 Economic Development Authority review, supervision, and control  
12 under this section if a municipal officer or program official is  
13 convicted of, or indicted or charged for, a crime or offense involving  
14 public corruption under federal or State law.

15 b. The authority shall develop and promulgate rules and  
16 regulations to effectuate this section, which shall include but not be  
17 limited to:

18 (1) the establishment of a reporting system, whereby the authority  
19 shall annually notify the United States Attorney for the District of  
20 New Jersey, the Division of Criminal Justice in the Department of  
21 Law and Public Safety, and each county prosecutor of the enactment  
22 of P.L. , c. (C. ) (pending before the Legislature as this bill),  
23 and shall request each office to notify the authority of all applicable  
24 charges, indictments, or convictions which occurred within three  
25 years prior to the date of enactment, and at any time after the date of  
26 enactment;

27 (2) the selection and appointment of an economic and community  
28 development monitor to oversee an applicable municipal  
29 development program;

30 (3) the establishment of criteria governing the length and terms  
31 of authority review, supervision, and control over a municipal  
32 development program. If the authority is notified of a single  
33 applicable conviction, indictment, or charge pertaining to a  
34 municipality or one of its authorities or related agencies, the authority  
35 may appoint an economic and community development monitor to  
36 oversee that municipality's and authorities or related agencies  
37 municipal development programs for a period of three years from the  
38 date of the last conviction, indictment, or charge. If the authority is  
39 notified of three or more applicable convictions, indictments, or  
40 charges pertaining to a municipality and its authorities or related  
41 agencies within a three-year period, the authority shall immediately  
42 appoint an economic and community development monitor to  
43 oversee that municipality's, and its authorities' or related agencies',  
44 municipal development programs for a period of three years from the  
45 date of the last conviction, indictment, or charge.

46 c. (1) The chief executive officer of the authority shall provide  
47 an economic and community development monitor with the powers  
48 and authority necessary and appropriate to oversee and control an

1 applicable municipal development program, which powers shall  
2 include but not limited to:

3 (a) the power to approve, prohibit, or condition the sale or  
4 conveyance of real property;

5 (b) the power to approve, prohibit, or condition the execution of  
6 a redeveloper agreement, a financial agreement, or any other  
7 agreement involving an exemption from property taxation;

8 (c) such other powers as the chief executive officer deems  
9 necessary or appropriate to oversee an applicable municipal  
10 development program.

11 (2) The chief executive officer of the authority may implement  
12 the requirements of this section without securing approval of the  
13 authority.

14 d. As used in this section:

15 “Authority” means the New Jersey Economic Development  
16 Authority established pursuant to section 4 of P.L.1974, c.80  
17 (C.34:1B-4).

18 “Chief executive officer” means the chief executive officer of the  
19 New Jersey Economic Development Authority.

20 “Economic and community development monitor” means an  
21 employee or agent of the authority who is empowered to oversee and  
22 control a municipal development program after a municipal officer  
23 or program official is convicted of, or indicted or charged for, a crime  
24 or offense involving public corruption.

25 “Involves or touches the officer or official’s office or  
26 employment” means a crime or offense related directly to a person’s  
27 performance in, or circumstances flowing from, a specific public  
28 office, position or employment held by the person.

29 “Municipal development program” means a municipal economic  
30 development, housing, or community development program,  
31 including but not limited to a program operated by a municipality, or  
32 by an authority or a nonprofit corporation which has entered into a  
33 contract, lease, or other type of agreement with a municipality to  
34 fulfill or further a municipal public purpose related, in whole or in  
35 part, to economic development, housing, or community development.  
36 “Municipal development program” shall include but not be limited to  
37 a program operated by a housing authority, redeveloper,  
38 redevelopment agency, or redevelopment entity under the “Local  
39 Redevelopment and Housing Law,” P.L.1992, c.79 (C.40A:12A-1 et  
40 al.).

41 “Municipal officer or program official” means an elected officer  
42 of a municipality or an appointed officer or employee with  
43 responsibilities related to a municipal development program,  
44 including but not limited to an officer or employee of a nonprofit  
45 corporation if the municipality has appointed, or has the authority to  
46 appoint, one or more members to the nonprofit corporation’s board  
47 of trustees.



1 prosecutor would annually be requested to notify EDA of an  
2 applicable charge, indictment, or conviction;  
3 provide for the selection and appointment of economic and  
4 community development monitors to oversee applicable municipal  
5 development programs;  
6 establish criteria governing the length and terms of EDA review,  
7 supervision, and control over a municipal development program. The  
8 bill specifies that: if EDA is notified of a single applicable  
9 conviction, indictment, or charge pertaining to a municipality, EDA  
10 may appoint an economic and community development monitor to  
11 oversee that municipality's municipal development programs for a  
12 period of three years from the date of the last conviction, indictment,  
13 or charge; and if EDA is notified of three or more applicable  
14 convictions, indictments, or charges pertaining to a municipality  
15 within a three-year period, EDA is required to immediately appoint  
16 an economic and community development monitor to oversee that  
17 municipality's municipal development programs for a period of three  
18 years from the date of the last conviction, indictment, or charge.  
19 The bill authorizes the chief executive officer of the EDA to  
20 implement the requirements of the bill without securing approval of  
21 the authority.