

**SENATE, No. 1379**

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**STATE OF NEW JERSEY**

**221st LEGISLATURE**

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PRE-FILED FOR INTRODUCTION IN THE 2024 SESSION

**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**

Introduced Pending Technical Review by Legislative Counsel.



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:*

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

27        (2)    the selection and appointment of an economic and  
28        community development monitor to oversee an applicable  
29        municipal 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  
35        authority may appoint an economic and community development  
36        monitor to oversee that municipality's and authorities or related  
37        agencies municipal development programs for a period of three  
38        years from the date of the last conviction, indictment, or charge. If  
39        the authority is notified of three or more applicable convictions,  
40        indictments, or charges pertaining to a municipality and its  
41        authorities or related agencies within a three-year period, the  
42        authority shall immediately appoint an economic and community  
43        development monitor to oversee that municipality's, and its  
44        authorities' or related agencies', municipal development programs  
45        for a period of three years from the date of the last conviction,  
46        indictment, or charge.

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

1 and authority necessary and appropriate to oversee and control an  
2 applicable municipal development program, which powers shall  
3 include but not limited to:

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

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

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

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

15 d. As used in this section:

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

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

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

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

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

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

1 “Public corruption” means a crime charged against a municipal  
2 officer or program official which involves or touches the municipal  
3 officer or program official’s office or employment, including but  
4 not limited to: a crime involving theft under N.J.S.2C:20-1 et seq., a  
5 crime involving false claims relating to government contacts under  
6 section 97 of P.L.1999, c.440 (C.2C:21-34); a crime involving  
7 bribery and corrupt influence under N.J.S. 2C:27-1 et seq.; and a  
8 crime involving official misconduct under N.J.S. 2C:30-2.

9 “Related agency” means a nonprofit corporation if the  
10 municipality has appointed, or has the authority to appoint, one or  
11 more members to the nonprofit corporation’s board of trustees.

12  
13 2. This act shall take effect immediately and shall be applicable  
14 to criminal convictions, indictments and charges occurring three  
15 years prior to, or on or after the date of enactment.

## 16 17 18 STATEMENT

19  
20 This bill is being introduced in response to recent charges,  
21 indictments, and convictions of local public officials, including a  
22 Newark City councilman and deputy mayor, in which local officials  
23 were involved with important development, redevelopment, and  
24 housing projects. Despite a pattern of corruption in that city and  
25 elsewhere, the State has failed to exercise meaningful development  
26 oversight of local government officials whose development offices  
27 are in desperate need of improvement.

28 This bill provides for State oversight and control of municipal  
29 development programs that experience incidents of corruption by  
30 certain public officials. The bill defines the term municipal  
31 development program to mean a municipal economic development,  
32 housing, or community development program, including but not  
33 limited to a program operated by a municipality, or by an authority  
34 or a nonprofit corporation, including programs operated by a  
35 housing authority, redeveloper, redevelopment agency, or  
36 redevelopment entity under the “Local Redevelopment and Housing  
37 Law,” P.L.1992, c.79 (C.40A:12A-1 et al.).

38 The bill would empower the New Jersey Economic Development  
39 Authority (EDA) to subject a municipal development program to  
40 EDA review and supervision if a municipal officer or program  
41 official is convicted of, or indicted or charged for, a crime or  
42 offense involving public corruption under federal or State law.

43 The bill requires EDA to develop and promulgate rules and  
44 regulations to implement the provisions of the bill. Under the bill,  
45 the rules and regulations are required to:

46 establish a reporting system through which the United States  
47 Attorney for the District of New Jersey, the Division of Criminal  
48 Justice in the Department of Law and Public Safety, and each

1 county 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.  
8 The 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,  
13 indictment, or charge; and if EDA is notified of three or more  
14 applicable convictions, indictments, or charges pertaining to a  
15 municipality within a three-year period, EDA is required to  
16 immediately appoint an economic and community development  
17 monitor to oversee that municipality's municipal development  
18 programs for a period of three years from the date of the last  
19 conviction, indictment, or charge.  
20 The bill authorizes the chief executive officer of the EDA to  
21 implement the requirements of the bill without securing approval of  
22 the authority.