

## Governor Christie Signs Important Redevelopment Bill Into Law

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A bill amending provisions of New Jersey's Local Redevelopment and Housing Law (LRHL) relating to the use of eminent domain, due process, and notice issues was signed into law on September 9, 2013 by Governor Christie.

The legislation (A3615/S2447) seeks to boost economic growth and jumpstart building initiatives by addressing issues brought to light by recent case law. It passed with overwhelming support from both houses of the Legislature (78-0 by the Assembly and 36-1 by the Senate), under the advocacy of the New Jersey Builders Association (NJBA).

The amended law will permit many redevelopment projects to be undertaken or to proceed that may otherwise have become mired in controversy surrounding the potential use of eminent domain. It preserves the ability to utilize the power of eminent domain while assuring that property owners' due process rights are fully protected.

The legislation codifies certain case law clarifying the standards that must be met to designate an "area in need of redevelopment," addressing due process concerns regarding the statutory notice required in connection with the process of designating properties in need of redevelopment. Specifically, the new law revises one of the statutory criteria for designating a redevelopment area to be consistent with the Supreme Court decision in Gallenthin v. Paulsboro, 191 N.J. 344 (2007), which held that the use of eminent domain cannot be justified to acquire property solely upon the basis that it is underutilized, unless the property otherwise meets the criteria for blight.

The legislation also amends the LRHL to address the due process concerns raised in the Appellate Division decision in Harrison Redevelopment Agency v. DeRose, 398 N.J. Super. 361 (App. Div. 2008) by enhancing the notice requirements to assure that property owners are fully apprised of all steps toward redevelopment being taken, and the potential implications of the redevelopment designation.

Additionally, the legislation creates two different tracks for implementing redevelopment - one which reserves the power of eminent domain and one which permits a municipality to essentially relinquish the power of eminent domain. This significant change to the LRHL will allow a municipality that believes it can pursue a redevelopment initiative without the use of eminent domain to do so, while still preserving the power of eminent domain when it is deemed necessary for property assemblage or to otherwise gain control of distressed properties or deal with recalcitrant owners.

## Published Articles (Cont.)

To learn more about the impact of this new law, contact partner **Robert Beckelman**, who played a key role in the drafting of the legislation as a member of the NJBA's Redevelopment Committee.