

# ASSEMBLY, No. 3859

## STATE OF NEW JERSEY 214th LEGISLATURE

INTRODUCED FEBRUARY 22, 2011

**Sponsored by:**

**Assemblyman ALBERT COUTINHO**  
**District 29 (Essex and Union)**

**SYNOPSIS**

Requires approval of extending special improvement districts every 10 years by majority of affected property owners.

**CURRENT VERSION OF TEXT**

As introduced.



1 AN ACT concerning special improvement districts and  
2 supplementing P.L.1972, c.134 (C.40:56-65 et seq.).

3

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

6

7 1. Notwithstanding the provisions to the contrary of any law or  
8 any rule or regulation adopted pursuant thereto, the governing body  
9 of a municipality that establishes a special improvement district  
10 pursuant to P.L.1972, c.134 (C.40:56-65 et seq.) shall, at intervals  
11 of every ten years from the date of the creation of the special  
12 improvement district, or by December 31, 2012 and every ten years  
13 thereafter where a special improvement district has been established  
14 for a period of more than ten years as of the effective date of this  
15 act, send by certified mail, return receipt requested, a ballot in the  
16 form of a question to each owner of real property situated within the  
17 boundaries of the special improvement district. The form of the  
18 question on the ballot shall be as follows:

19

20 "Shall the.....(Name of municipality).....continue the special  
21 improvement district known as the.....(Name of Special  
22 Improvement District).....as provided by.....(Statutory Reference  
23 of Ordinance Establishing Special Improvement District).....?"

24

25 If you favor the proposition printed above make a cross (X) or  
26 check (✓) on the line opposite the word "Yes." If you are opposed  
27 thereto make a cross (X) or check (✓) on the line opposite the word  
28 "No."

29

30 Yes \_\_\_\_\_ NO \_\_\_\_\_

31

32 Date..\_\_\_\_\_ Signature \_\_\_\_\_

33

34 Sworn before me, ..... (name), on this ..... (date) day of  
35 ..... (month), ..... (year),

36

37 STATE OF NEW JERSEY) ss. ....  
38 ..... (Name) County) Attorney or Notary Public

39

40 2. An owner of real property situated within the boundaries of  
41 the special improvement district shall indicate the owner's decision  
42 and return the signed, dated, and notarized ballot to the clerk of the  
43 municipality within 30 days after receiving the ballot. Where an  
44 owner of such real property is a corporation, the chief executive  
45 officer of the corporation shall be the person to make the decision.  
46 It shall be the duty of the municipal clerk to perform all the duties  
47 with regard to the distribution and collection of the ballots, and  
48 reporting the results of the question as would be required of a

1 municipal clerk for any applicable duties pertaining to a referendum  
2 conducted by the municipality.

3  
4 3. If a majority of those property owners voting on the question  
5 vote in the negative, the governing body of the municipality shall,  
6 by ordinance, not less than 90 days following the referendum,  
7 dissolve the special improvement district and the district  
8 management corporation upon making adequate provision, in  
9 accordance with a bond resolution or otherwise, for the payment of  
10 all creditors or obligees of the special improvement district or  
11 district management corporation, and that adequate provision is  
12 made for the assumption of those services provided by the special  
13 improvement district or district management corporation which are  
14 necessary for the health, safety, and welfare of the recipients of  
15 those services. In the event that the special improvement district or  
16 district management corporation have obligations outstanding at the  
17 time of the taking effect of the ordinance to dissolve the special  
18 improvement district or district management corporation, the  
19 municipality is authorized to either issue obligations in furtherance  
20 of the dissolution or assume the responsibility for and payment of  
21 the obligations of the special improvement district or district  
22 management corporation being dissolved. If a majority of those  
23 property owners voting on the question vote in the negative, the  
24 governing body of any such municipality shall be prohibited from  
25 establishing another special improvement district within the  
26 municipality for a period of ten years after the dissolution of the  
27 special improvement district that is the subject of the ballot  
28 question submitted as prescribed under section 1 of this act.

29  
30 4. This act shall take effect immediately.

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33 STATEMENT

34

35 This bill would require a municipality that establishes a special  
36 improvement district (“district”) to hold a referendum on a ballot  
37 question in which the property owners within the district would be  
38 allowed to decide whether the district should continue or be  
39 dissolved. Under the referendum, owners of real property situated  
40 within the boundaries of the district shall indicate their decision and  
41 return a signed, dated, and notarized ballot to the clerk of the  
42 municipality within 30 days after receiving the ballot.

43 The bill provides that if a majority of the property owners voted  
44 in the negative, the municipality shall, by ordinance, not less than  
45 90 days following the referendum, dissolve the district and the  
46 district management corporation (“corporation”) upon making  
47 adequate provision, in accordance with a bond resolution or  
48 otherwise, for the payment of all creditors or obligees of the district

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1 or corporation, and that adequate provision is made for the  
2 assumption of those services provided by the district or corporation  
3 which are necessary for the health, safety, and welfare of the  
4 recipients of those services. In the event that the district or  
5 corporation have obligations outstanding at the time of the taking  
6 effect of the ordinance to dissolve the district or corporation, the  
7 municipality is authorized to either issue obligations in furtherance  
8 of the dissolution or assume the responsibility for and payment of  
9 the obligations of the district or corporation being dissolved.  
10 Further, if a majority of property owners voted in the negative, the  
11 governing body of any such municipality shall be prohibited from  
12 establishing another district within the municipality for a period of  
13 ten years after the district is dissolved.