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SENATE GRANTS FINAL LEGISLATIVE APPROVAL TO
SMITH/GORDON/BEACH BILL ENHANCING DEVELOPMENT RIGHTS
FOR HIGHLANDS PROPERTY

Legislation Will Also Encourage Smart Development Throughout New
Jersey

TRENTON – The full Senate today approved a bill sponsored by Senators Bob Smith, Bob Gordon and James Beach that would help foster smart development throughout the state while broadening the options for owners of protected property in the Highlands to sell their development rights.

“This bill will help benefit the property owners in the Highlands region who have made sacrifices in order to help us protect the drinking water for more than half of the residents in our state,” said Sen. Smith (D-Middlesex, Somerset).

“Ultimately, we hope this bill will encourage smart growth development throughout the State of New Jersey while providing additional compensation to owners of protected Highlands property,” said Sen. Gordon (D-Bergen).

“Under the watchful eyes of the State Planning Commission, municipalities throughout the state will now be eligible for planning incentives that were previously only available to the Highlands region,” said Sen. Beach (D-Camden).

Under a provision of the Highlands Water Protection and Planning Act enacted by the legislature in 2004, a voluntary Highlands transfer of development rights (TDR) program was established that provided significant incentives to towns within the seven counties of the Highlands region to create receiving zones for the transfer of development rights from the preservation area.

This bill (S-80/A-602), which was approved by a vote of 29 to 7, would allow municipalities anywhere in the state outside of the Highlands region to agree voluntarily to accommodate receiving zones for development and be eligible for the incentives that are available. These incentives include:

- a) enhanced planning grants of up to \$250,000;
- b) grants to reimburse the reasonable cost of amending the municipal development regulations;
- c) authority to impose special Highlands impact fees for new development; and
- d) other assistance, incentives or benefits that are made available to towns and counties that have received plan endorsement from the State Planning Commission or that have incurred costs in implementing a transfer of development rights program or other smart growth project.

The Highlands TDR program is designed to provide benefits to Highlands property owners that have seen the value of their property limited by development restrictions aimed at protecting

the drinking water for roughly 5.4 million people in New Jersey. A municipality located outside of the Highlands Region would be eligible to participate in the Highlands TDR program if:

a) it has received plan endorsement by the State Planning Commission; or

b) the State Planning Commission, in coordination with the Highlands Council, determines that it has designated an appropriate project area as a receiving zone.

The bill was passed by the Assembly on February 25 and now heads to the Governor for his signature.