

## **BANKING**

### **Department of Banking and Insurance**

#### **Division of Banking**

#### **Pinelands Development Credit Bank**

#### **Notice of Readoption**

#### **Pinelands Development Credit Bank Rules**

#### **Readoption without change: N.J.A.C. 3:42**

Authorized By: Pinelands Development Credit Bank Board, Susan R. Grogan, Executive Director.

Authority: N.J.S.A. 13:18A-30 et seq.

Effective Date: August 26, 2022

New Expiration Date: August 26, 2029

**Take notice** that, pursuant to N.J.S.A. 52:14B-5.1, the Pinelands Development Credit Bank rules at N.J.A.C. 3:42 are readopted and shall continue in effect for a seven-year period. The rules had been scheduled to expire on September 9, 2022. In accordance with N.J.S.A. 54:14B-5.1(c)1, the Pinelands Development Credit Bank Board readopts these provisions **without amendment.**

The Pinelands Development Credit Bank Act, N.J.S.A. 13:18A-30 et seq., established the Bank for the purpose of regulating and promoting the use of Pinelands Development Credits to further the Pinelands Comprehensive Management Plan, which is set forth at N.J.A.C. 7:50. By facilitating the sale of Pinelands Development Credits, the Bank provides a source of

remuneration for landowners whose property is located within areas of the Pinelands designated by the Comprehensive Management Plan for conservation or agricultural use.

In exchange for placing an encumbrance on the title to the property, Pinelands Development Credits are issued to the landowner who may sell or borrow against the value of the credits. Pinelands Development Credits are most often redeemed in the form of increased density allowances for those wishing to build homes in Pinelands Regional Growth Areas.

The readopted rules establish criteria regarding the sale, transfer, conveyance, encumbrance, redemption, and documentation of Pinelands Development Credits. In addition, the rules specify the conditions under which the Bank may purchase Pinelands Development Credits.

Subchapter 1 establishes the purpose of the rules. It also enumerates the duties and powers of the Bank Board of Directors (the Board) and its Executive Director. This subchapter also sets forth procedures and rules governing the Board.

Subchapter 2 provides interpretations, definitions, and word usage.

Subchapter 3 outlines the procedure for the issuance of Pinelands Development Credits. It includes the eligibility criteria for landowners, as well as application requirements. It also outlines the procedures for the issuance of Pinelands Development Credit Certificates by the Bank and the use of conservation or agricultural easements. In addition, it establishes the required procedures involved with the sale, transfer, conveyance, encumbrance, and redemption of Pinelands Development Credits.

Subchapter 4 sets forth the requirements of the Registry of Pinelands Development Credits, including its contents, availability to the public and requirement of an annual report.

Subchapter 5 enumerates the criteria to be considered by the Board in the purchase of credits by the Bank itself, including the definition of a hardship and the per credit price to be paid by the Bank.

Subchapter 7 establishes procedures and requirements regarding the sale of Pinelands Development Credits owned by the Bank. The rules permit two methods for such sales: open bidding at a duly advertised auction or receipt of written, sealed bids. In addition, this subchapter establishes criteria that govern the Bank's conveyance of Pinelands Development Credits at no cost.

Subchapter 9 addresses amendment of these rules by the Board or by petition of an interested person.

Subchapters 6 and 8 are reserved.

The Pinelands Development Credit Bank Board has reviewed these rules and has determined that the rules are necessary, reasonable, and proper for the purpose for which they were originally promulgated and should be **readopted without amendment**. In accordance with N.J.S.A. 52:14B-5.1c(1), these rules are readopted and shall continue in effect for an additional seven years from the date of filing.