

**CHAPTER 42****PINELANDS DEVELOPMENT CREDIT BANK****Authority**

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

**Source and Effective Date**

R.2008 d.348, effective October 17, 2008.  
See: 40 N.J.R. 2622(a), 40 N.J.R. 6539(b).

**Chapter Expiration Date**

In accordance with N.J.S.A. 52:14B-5.1b, Chapter 42, Pinelands Development Credit Bank, expires on October 17, 2015. See: 43 N.J.R. 1203(a).

**Chapter Historical Note**

Chapter 42, Pinelands Development Credit Bank, was adopted as R.1988 d.157, effective April 4, 1988. See: 20 N.J.R. 128(a), 20 N.J.R. 777(b).

Subchapter 7, Sale, Transfer, Exchange, Conveyance or Retirement of Pinelands Development Credits Owned by the Board, was adopted as R.1990 d.119, effective February 20, 1990. See: 21 N.J.R. 3691(a), 22 N.J.R. 628(b).

Pursuant to Executive Order No. 66(1978), Chapter 42 was readopted as R.1993 d.151, effective March 10, 1993. See: 25 N.J.R. 223(b), 25 N.J.R. 1511(a).

Pursuant to Executive Order No. 66(1978), Chapter 42, Pinelands Development Credit Bank, was readopted as R.1998 d.169, effective March 10, 1998. See: 30 N.J.R. 262(a), 30 N.J.R. 1284(a).

Chapter 42, Pinelands Development Credit Bank, was readopted as R.2003 d.289, effective June 25, 2003. See: 35 N.J.R. 912(a), 35 N.J.R. 3296(c).

Chapter 42, Pinelands Development Credit Bank, was readopted as R.2008 d.348, effective October 17, 2008. As a part of R.2008 d.348, Subchapter 7, Sale, Transfer, Exchange, Conveyance or Retirement of Pinelands Development Credits Owned By the Board, was renamed Sale, Transfer, Exchange, Conveyance or Retirement of Pinelands Development Credits Owned By the Bank, effective November 17, 2008. See: Source and Effective Date. See, also, section annotations.

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**SUBCHAPTER 1. GENERAL PROVISIONS****3:42-1.1 Scope**

Unless otherwise provided by rule or statute, this chapter shall constitute the rules of the Pinelands Development Credit Bank governing the procedures and standards for carrying out

the duties and responsibilities of the Bank pursuant to "The Pinelands Development Credit Bank Act", N.J.S.A. 13:18A-30 et seq.

### 3:42-1.2 Purpose

(a) The purpose of this chapter is to:

1. Establish an efficient and effective method for documenting the sale, transfer, conveyance, encumbrance, and use of Pinelands Development Credits which are authorized and allocated pursuant to the Pinelands Comprehensive Management Plan, N.J.A.C. 7:50-1.1 et seq.; and

2. Facilitate the effective operation of the Pinelands Development Credit program through the Bank's participation in the purchase and use of Pinelands Development Credits.

### 3:42-1.3 Applicability

The rules contained in this chapter shall apply to all sales, transfers, conveyances, encumbrances and redemptions of Pinelands Development Credits and shall be supplemental to the provisions of the Pinelands Comprehensive Management Plan, N.J.A.C. 7:50-1.1 et seq.

### 3:42-1.4 Construction

These rules shall be liberally construed to permit the Bank to effectuate the purposes of the law.

### 3:42-1.5 Severability

If any section, part, phrase, or provision of these rules or the application thereof to any person be adjudged invalid by any court of competent jurisdiction, such judgment shall be confined in its operation to the section, part, phrase, provision or application directly involved in the controversy in which such judgment shall have been rendered and it shall not affect or impair the validity of the remainder of these rules or the application thereof to other persons.

### 3:42-1.6 Duties and powers of the Board of Directors

The Board of Directors is the governing body of the Pinelands Development Credit Bank and bears the ultimate responsibility for implementing and enforcing the provisions of the Pinelands Development Credit Bank Act and these rules. The Board shall exercise the powers necessary to implement the objectives of the Act and these rules.

### 3:42-1.7 Meetings, hearings, procedures and rules of the Board of Directors

(a) The Board of Directors shall adopt its own bylaws and procedures for the conduct of its business, meetings and hearings not inconsistent with the Pinelands Development Credit Bank Act, these rules and the Administrative Procedure Act, N.J.S.A. 52:14B-1 et seq. Copies of those bylaws and procedures shall be available to any person upon request.

(b) The Board shall adopt and revise, as appropriate, the form and content of the Pinelands Development Credit Certificate as provided in N.J.A.C. 3:42-3.3.

(c) The Board shall adopt and revise, as appropriate, rules pursuant to the Administrative Procedure Act to implement the legislative mandates of the Pinelands Development Credit Bank Act.

### 3:42-1.8 Duties and powers of the Executive Director

(a) The Executive Director shall be the chief administrative officer of the Board and, subject to the approval of his actions by the Board as provided herein, shall be responsible for the administration and enforcement of these rules. In order to effectively implement these rules, the Executive Director shall exercise the following duties and powers:

1. Administrative Procedures: The Executive Director shall, consistent with the express standards, purposes and intent of these rules, establish administrative procedures and forms as are necessary to the effective administration and enforcement of these rules and the procedures of the Board.

2. Pinelands Development Credit Certificates: The Executive Director shall, consistent with the express standards, purposes, and intent of these rules, issue Pinelands Development Credit Certificates.

3. Records: The Executive Director shall maintain:

i. Current and permanent records of the Bank including a registry of all Pinelands Development Credit Certificates issued, sold, conveyed, transferred, encumbered, retired and redeemed; and

ii. A current and permanent record of the Bank pertaining to Pinelands Development Credits the Bank purchases, credit guarantees extended by the Bank and authorities delegated and grants provided to counties.

## SUBCHAPTER 2. INTERPRETATIONS AND DEFINITIONS

### 3:42-2.1 Word usage

(a) In the interpretation of these rules, the provisions of this section shall be observed and applied, except when the context clearly requires otherwise:

1. Words used or defined in one tense or form shall include other tenses and derivative forms.

2. Words in the singular shall include plural and words in the plural shall include the singular.

3. The masculine gender shall include the feminine and the feminine gender shall include the masculine.

4. The word "shall" is mandatory.

5. The word "may" is permissive.

**3:42-3.4 Sale, transfer, conveyance or encumbrance of Pinelands Development Credits after issuance of the Certificate**

(a) Within 10 business days of the sale, transfer, conveyance or encumbrance of a Pinelands Development Credit or interest therein, the grantee shall deliver to the Executive Director the Certificate properly documented as to the specifics of the transaction as set forth in (c) below.

(b) Upon receipt of the Certificate, the Executive Director shall re-issue a Certificate, or Certificates as the case may be, in the name of the person or persons who have secured an interest in the Pinelands Development Credits.

(c) Notification to the Executive Director shall include, but is not necessarily limited to, the following:

1. The name(s) of the grantee(s);
2. The name(s) of the grantor(s);
3. The number of Pinelands Development Credits sold, conveyed, transferred, or encumbered;
4. The date of the transaction;
5. The interest in the Pinelands Development Credits acquired by the grantee and written evidence of the transaction; and
6. The consideration involved in the transaction.
7. In the case of a Pinelands Development Credit pledged as collateral, the name and address of any person who has pledged a Pinelands Development Credit as security on any loan or other obligation, the name and address of the lender, and the date, amount and term of the loan or obligation.

**3:42-3.5 Purchases of Pinelands Development Credits in association with conservation or agricultural easements**

(a) In the event that any county or agency thereof proposes to acquire a conservation or agricultural easement which restricts the use of property in a manner consistent with N.J.A.C. 7:50-5.47 and the Pinelands Development Credits which are allocated to the property so restricted, the Executive Director shall be authorized to issue the Pinelands Development Credit Certificate when settlement on the easement occurs.

(b) In the event the Board determines to purchase Pinelands Development Credits pursuant to N.J.A.C. 3:42-5.1 et seq., it may authorize the Executive Director to complete the purchase, including the issuance of the Pinelands Development Credit Certificate, in association with the placement of the requisite restriction on the deed to the property.

**3:42-3.6 Redemption of Pinelands Development Credits**

(a) When Pinelands Development Credits are redeemed in association with a development project approved by a municipal approval agency, the person redeeming the Pinelands Development Credits shall, within 10 business days thereafter, deliver to the Executive Director the Certificate properly documented as to the specifics of the redemption as set forth in (b) below.

(b) Notification to the Executive Director shall include, but is not necessarily limited to, the following:

1. The name of the person redeeming;
2. The municipality in which the Pinelands Development Credits were redeemed;
3. The municipal tax block and lot number of the property for which the Pinelands Development Credits were redeemed;
4. The number of Pinelands Development Credits redeemed; and
5. The date on which the municipal development approval was issued and endorsement by the responsible municipal official.

(c) The Executive Director shall notify the person redeeming and the appropriate municipal official that the Pinelands Development Credits have been redeemed and shall so indicate in the Pinelands Development Credit Registry upon his determination that:

1. The Pinelands Development Credits have not been previously redeemed;
2. The Pinelands Commission has concurred with the municipal approval; and
3. The number of Pinelands Development Credits redeemed were adequate to secure the increased number of residential units permitted pursuant to the Pinelands Comprehensive Management Plan, N.J.A.C. 7:50-1.1 et seq., and the applicable municipal zoning ordinance.

(d) In the event that only a portion of the Pinelands Development Credits specified in the Certificate are redeemed, the Executive Director shall re-issue a Certificate for the Pinelands Development Credits not so redeemed.

(e) A Pinelands Development Credit shall be redeemed at the time of final subdivision or site plan or, if no such approval is required, when construction permits are issued. In the event that Pinelands Development Credits are being required for a Pinelands Commission waiver pursuant to N.J.A.C. 7:50-4.61 through 4.70, they shall be redeemed at the same time the waiver is granted.

Amended by R.1993 d.151, effective April 5, 1993.

See: 25 N.J.R. 223(b), 25 N.J.R. 1511(a).

Revised (a) and (e).

## SUBCHAPTER 4. REGISTRY OF PINELANDS DEVELOPMENT CREDITS

### 3:42-4.1 Registry

(a) The Executive Director shall maintain a registry of Pinelands Development Credits, the purpose of which shall be to organize information on the following:

1. The issuance of Pinelands Development Credit Certificates;
2. The sale, transfer, conveyance, or encumbrance of Pinelands Development Credits;
3. The use of Pinelands Development Credits as security on loans and other obligations; and
4. The redemption and retirement of Pinelands Development Credits.

### 3:42-4.2 Content of registry

(a) The registry shall at a minimum include the following information:

1. The name and address of every owner to whom a Pinelands Development Credit Certificate is issued pursuant to N.J.A.C. 3:42-3.3; the date of its issuance; the municipal tax lot and block identification of the parcels of land to which the Pinelands Development Credit has been allocated; the number of Pinelands Development Credits or fraction thereof allocated to each parcel; the total number of Pinelands Development Credits allocated; and the total acreage to which Pinelands Development Credits have been allocated;
2. The name and address of every person to whom a Pinelands Development Credit is sold, transferred, conveyed, or encumbered; the date of the conveyance; and the consideration, if any, received therefor;
3. The name and address of any person who has pledged a Pinelands Development Credit as security on any loan or other obligation; the name and address of the lender; and the date, amount and term of the loan or obligation;
4. The name and address of any person who has redeemed a Pinelands Development Credit; the location of the land to which the credit was transferred; and the date this redemption was made; and
5. An annual enumeration of the total number of Pinelands Development Credits purchased and transferred, listing the municipality in which the land for which each Pinelands Development Credit was issued is located, and the municipality to which the Pinelands Development Credit was transferred and redeemed.

### 3:42-4.3 Availability of registry

(a) The Executive Director shall, upon reasonable notice, make the registry available for public inspection at the principal offices of the Bank. It is also available on the Bank's website at [www.state.nj.us/dobi/pinelands/pinelandsbank.htm](http://www.state.nj.us/dobi/pinelands/pinelandsbank.htm).

(b) The Executive Director shall, upon request from any person, provide copies of the registry or any portion thereof. A fee for this service shall be charged in accordance with the copy fee schedule set forth in N.J.S.A. 47:1A-2.

Amended by R.2008 d.348, effective November 17, 2008.  
See: 40 N.J.R. 2622(a), 40 N.J.R. 6539(b).  
In (a), inserted the last sentence.

### 3:42-4.4 Annual report

(a) On August 28 of each calendar year, the Board shall issue an annual report to the Governor, the Legislature and each county and municipality located in whole or in part within the Pinelands Area. Such report shall incorporate and summarize the information contained in the registry.

(b) The annual report shall also be made available to any person upon request. It is also available on the Bank's website at [www.state.nj.us/dobi/pinelands/pinelandsbank.htm](http://www.state.nj.us/dobi/pinelands/pinelandsbank.htm).

Amended by R.2008 d.348, effective November 17, 2008.  
See: 40 N.J.R. 2622(a), 40 N.J.R. 6539(b).  
In (b), inserted the last sentence.

## SUBCHAPTER 5. BOARD PURCHASE OF PINELANDS DEVELOPMENT CREDITS

### 3:42-5.1 Applicability

(a) The Board may purchase Pinelands Development Credits from any person to:

1. Further the objectives of the Pinelands Protection Act, N.J.S.A. 13:18A-1 et seq., and the Pinelands Comprehensive Management Plan, N.J.A.C. 7:50-1.1 et seq.; or
2. Alleviate a hardship.

### 3:42-5.2 Application to the Board

(a) An application for the Board's purchase of Pinelands Development Credits shall be made to the Executive Director in such form and number as he shall from time to time specify.

(b) The Executive Director may waive or modify any of the application requirements set forth in (c) below if he determines that any required information is not relevant or necessary for purposes of evaluating and acting on the application.