

SENATE BUDGET AND APPROPRIATIONS COMMITTEE

STATEMENT TO

[First Reprint]

SENATE, No. 2354

with committee amendments

STATE OF NEW JERSEY

DATED: MAY 14, 2009

The Senate Budget and Appropriations Committee reports favorably Senate Bill No. 2354 (1R), with committee amendments.

This bill, as amended, permits county governments to create county homelessness prevention trust funds and establish programs to address homelessness.

The bill permits the county to impose a surcharge of \$3 on each document recorded with a county, for deposit into a county homelessness trust fund, five per cent of which may be used annually for administrative costs related to the administration of the fund, and the remainder of the monies in the fund may be used solely for the operation of a homelessness housing grant program established in order to provide:

- for the acquisition, construction, or rehabilitation of housing projects, or units within housing projects, that supply permanent affordable housing for homeless persons or families, including those at risk of homelessness;
- rental assistance vouchers, including tenant and project based subsidies, for affordable housing projects or units within housing projects that provide permanent affordable housing for homeless persons or families, including those at risk of homelessness;
- supportive services as may be required by homeless individuals or families in order to obtain or maintain, or both, permanent affordable housing; and
- prevention services for at risk homeless individuals or families so that they can obtain and maintain permanent affordable housing.

Grants awarded by the governing body of the county shall be used to support projects that:

- measurably reduce homelessness;
- demonstrate government cost savings over time;
- employ evidence-based models;
- can be replicated in other counties;

- include an outcome measurement component;
- are consistent with the local homelessness housing plan; or fund the acquisition, construction, or rehabilitation of projects that will serve homeless individuals or families for a period of at least 30 years or equal to the longest term of affordability required by other funding sources.

The bill requires a county to obtain the advice of the County Homelessness Trust Fund Task Force when utilizing monies from the County Homelessness Trust Fund.

As reported, this bill is identical to Assembly Bill No. 3101 (2R), as also amended by the committee.

COMMITTEE AMENDMENTS:

The committee amendments make technical corrections and:

- 1) Clarify that as defined in the bill “local government” means county government; and
- 2) Provide that any monies in a “County Homelessness Trust Fund” which are not expended after four years be transferred to the Department of Community Affairs (rather than the New Jersey Interagency Council on Homeless) to contract with a community based organization in the same county where the fund exists for the purposes of the bill.

FISCAL IMPACT:

This bill has no direct fiscal impact due to its permissive nature. For county governments that opt to utilize the bill’s permissive grant of authority to establish a homeless housing trust fund and raise revenue for deposit therein, the bill provides the opportunity for increased revenue and establishes the legal requirement to expend that increased revenue only for the implementation of homeless housing grant programs. The bill, as amended, provides that if trust fund revenues are not expended after four years they must be transferred to the Department of Community Affairs, for use by community based organizations within the county from which the unused funds were transferred.

The \$3 surcharge on county recording fees pursuant to N.J.S.22A:4-4.1 which each county creating a homeless housing trust fund is authorized (but not required) to impose pertains to the same group of fees that were previously increased, generally by \$5.00, through enactment of P.L.2003, c.117. Pursuant to section 39 of that law, the revenues from the \$5.00 fee increases are forwarded to the State for deposit in the New Jersey Public Records Preservation Account (NJPRPA). Accordingly, the revenue that might be raised by counties in the aggregate if all were to adopt the provisions of the bill can be roughly estimated as 60% of the revenues raised for the NJPPRA. These revenues have fluctuated significantly in recent fiscal years, totaling \$65.6 million in FY 2006, \$57.3 million in FY 2007,

and \$42.5 million in FY 2008. FY 2009 collections are likely to be lower than FY 2008, based on collections to date. Using the period FY 2006-FY 2009 to date as a basis for estimation, aggregate annual county revenues that might result from the bill could thus range from about \$20 million to \$39 million. The Office of Legislative Services does not possess relevant county-by-county revenue data.