

SENATE, No. 1593

STATE OF NEW JERSEY 216th LEGISLATURE

INTRODUCED FEBRUARY 27, 2014

Sponsored by:

Senator SHIRLEY K. TURNER

District 15 (Hunterdon and Mercer)

Senator M. TERESA RUIZ

District 29 (Essex)

Co-Sponsored by:

Senators Stack, Pou, Rice and Whelan

SYNOPSIS

Establishes "Police Officer, Firefighter, Public School Teacher and Sanitation Worker Home-buyer Assistance Act."

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 3/17/2015)

1 AN ACT establishing a home down-payment assistance program for
2 certain public school teachers, police officers, firefighters, and
3 sanitation workers, supplementing chapter 14K of Title 55 of the
4 Revised Statutes and making an appropriation.

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

8
9 1. This act shall be known and may be cited as the "Police
10 Officer, Firefighter, Public School Teacher and Sanitation Worker
11 Home-buyer Assistance Act."

12
13 2. As used in this act:

14 "Agency" means the New Jersey Housing and Mortgage Finance
15 Agency.

16 "Eligible municipality" means any municipality which, on the
17 effective date of P.L. , c. (C.) (pending before the
18 Legislature as this bill), is coextensive with a school district which
19 qualifies as an "SDA district" as defined in section 3 of P.L.2000,
20 c.72 (C.18A:7G-3).

21 "Participating neighborhood" means a portion or portions of an
22 eligible municipality, identified by a governing body, wherein the
23 provisions of the program established under P.L. , c. (C.)
24 (pending before the Legislature as this bill) are applicable.

25 "Program" means the police, firefighter, public school teacher,
26 and sanitation worker home-buyer assistance program established
27 under P.L. , c. (C.) (pending before the Legislature as this
28 bill).

29 "Qualified applicant" means:

30 a full-time law enforcement officer or a full-time paid firefighter
31 who, at the time of application, has at least one year of creditable
32 service as a member of the Police and Firemen's Retirement
33 System,

34 a full-time sanitation worker who, at the time of application, has
35 at least one year of creditable service as a member of the Public
36 Employee's Retirement System, or

37 a full-time public school teacher employed by a school district
38 situate within an eligible municipality, who, at the time of
39 application, has at least one year of creditable service as a member
40 of the Teachers' Pension and Annuity Fund pursuant to the
41 "Teachers' Pension and Annuity Fund Law," N.J.S.18A:66-1 et seq.

42
43 3. There is hereby established the police, firefighter, public
44 school teacher, and sanitation worker home-buyer assistance
45 program. The purpose of the program is to offer down-payment
46 assistance to encourage qualified police officers, firefighters,
47 public school teachers, and sanitation workers to purchase
48 residential property in specially designated neighborhoods of

1 eligible municipalities in which they are employed. The New
2 Jersey Housing and Mortgage Finance Agency shall administer the
3 program. The assistance shall be in the form of zero percent interest
4 rate second mortgage loans of \$10,000. Loan proceeds may be used
5 for down payment and closing costs in conjunction with the
6 purchase of a single or two family home or a unit in a
7 condominium. To ensure that a home purchased by a qualified
8 applicant under this program is used by the applicant as his or her
9 primary residence, the agency shall require that a qualified
10 applicant agree to maintain primary residence at that home for at
11 least five years as a condition to the receipt of program assistance.
12 Down-payment loans shall be forgiven at a rate of 20% per year for
13 five years. The unforgiven balance shall become due and payable if
14 an employee sells the property or ceases to occupy it as a primary
15 residence, except that forgiveness shall continue in the event of the
16 death or divorce of the employee if the surviving or divorced spouse
17 continues to reside in the property as the principal residence.

18

19 4. The governing body of any eligible municipality, by
20 ordinance, may determine to participate in the police, firefighter,
21 public school teacher, and sanitation worker home-buyer assistance
22 program. In addition to such other information as the agency may
23 require, the ordinance shall set forth the participating
24 neighborhoods, identified by their street boundaries. In support of
25 the loan application, the applicant's employer shall provide a
26 certification, in the form required by the agency, of current
27 employment and one year of creditable service in the pension fund.
28 The ordinance may, if the governing body so determines, provide
29 that the program be available only to qualified applicants who have
30 been employed by the eligible municipality or by a school district in
31 the eligible municipality for more than a specified number of years.

32

33 5. The Commissioner of Community Affairs shall, in
34 consultation with the Commissioner of Education and the Executive
35 Director of the New Jersey Housing and Mortgage Finance Agency
36 and in accordance with the "Administrative Procedure Act,"
37 P.L.1968, c.410 (C.52:14B-1 et seq.), promulgate any rules and
38 regulations necessary to accomplish the purposes of P.L. ,
39 c. (C.) (pending before the Legislature as this bill).

40

41 6. There is appropriated from the General Fund to the New
42 Jersey Housing and Mortgage Finance Agency \$5 million to
43 effectuate the purposes of this act.

44

45 7. This act shall take effect on the first day of the third month
46 following enactment.

STATEMENT

This bill would establish the "Police Officer, Firefighter, Public School Teacher, and Sanitation Worker Home-buyer Assistance Act." The purpose of the program is to offer down-payment assistance to encourage qualified police officers, firefighters, public school teachers, and sanitation workers to purchase residential property in specially designated neighborhoods within eligible municipalities in which they are employed. Municipalities that are coextensive with an "SDA" school district would be eligible to participate in the program. The New Jersey Housing and Mortgage Finance Agency would administer the program.

Down-payment assistance would be in the form of zero percent interest rate second mortgage loans of \$10,000. As a condition to the receipt of program assistance an applicant would be required to make a home purchased with program assistance his or her primary residence for at least five years. Down-payment loans would be forgiven at a rate of 20% a year for five years. The unforgiven balance would become due and payable if an employee sells the property or ceases to occupy it as a primary residence.

The governing body of any eligible municipality may opt to participate in the program by adopting an ordinance. The ordinance would set forth municipal neighborhoods within which the program would be applicable. The ordinance could limit eligibility for participation in the program to qualified applicants who have been employed by the eligible municipality or by a school district in the eligible municipality for more than a specified number of years. Otherwise, an employee would be required to have at least one year of creditable service as a member of the applicable pension system.

The Commissioner of Community Affairs, in consultation with the Commissioner of Education and the Executive Director of the New Jersey Housing and Mortgage Finance Agency would be charged with the duty to promulgate rules and regulations necessary to accomplish the purposes the bill.

The bill would appropriate \$5 million from the General Fund to the New Jersey Housing and Mortgage Finance Agency for program purposes.

The bill would add sanitation workers to the types of local employees that would be eligible to apply to participate in the home-buyer down-payment loan program proposed under the bill.