ASSEMBLY, No. 2072

STATE OF NEW JERSEY

219th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2020 SESSION

Sponsored by:
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SYNOPSIS

Establishes program in HMFA to provide loans to replace lead-contaminated water service lines for certain senior and low income homeowners; appropriates $1 million.

CURRENT VERSION OF TEXT

Introduced Pending Technical Review by Legislative Counsel.

AN ACT establishing a loan program to fund the replacement of lead-contaminated water service lines, supplementing P.L.1991, c.456 (C.58:12A-22.2 et al.), and making an appropriation.

BE IT ENACTED *by the Senate and General Assembly of the State of New Jersey:*

1. a. There is established in the New Jersey Housing and Mortgage Finance Agency a program to provide zero interest loans to an eligible property owner, whose source of potable water violates a standard for lead established by the Department of Environmental Protection pursuant to section 4 of P.L.1991, c.456 (C.58:12A-22.4) and whose water service line connecting a water system to the property is constructed with lead, for the replacement of the water service line with a lead-free water service line.

b. A loan issued pursuant to subsection a. of this section shall be for a term of not more than 10 years. The maximum amount for any single loan shall be $10,000. The New Jersey Housing and Mortgage Finance Agency may assess a loan servicing fee on each loan not to exceed one percent per year on the balance of the loan. A loan shall be secured by a lien on the property.

c. An applicant for a loan under subsection a. of this section shall provide with the loan application a certification of the contamination from the Department of Environmental Protection or from a municipal or regional health agency certified pursuant to section 15 of P.L.1977, c.443 (C.26:3A2-33). An application for a loan shall be made on forms prescribed by the New Jersey Housing and Mortgage Finance Agency.

d. On or before the first day of the sixth month next following the effective date of P.L. , c. (C.) (pending before the Legislature as this bill), the executive director of the New Jersey Housing and Mortgage Finance Agency shall, in consultation with the Commissioner of Environmental Protection, adopt rules and regulations, pursuant to the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.), to effectuate the provisions of this section.

e. As used in this section:

"Eligible property owner" means a senior or low income owner of a single-family residential property.

"Low income owner" means an owner of a residential property for which the gross annual household income is equal to 50 percent or less of the median gross annual household income for households of the same size within the relevant housing region, as determined in accordance with the rules and regulations adopted pursuant to subsection d. of this section.

"Senior owner" means an owner of a residential property who is at least 62 years of age.

2. There is appropriated from the General Fund to the Water Supply Remediation sub-account established pursuant to section 2 of P.L.1991, c.456 (C.58:12A-22.2) $1 million to fund the loan program established by section 1 of P.L. , c. (C.) (pending before the Legislature as this bill).

3. This act shall take effect immediately.

STATEMENT

This bill would establish a loan program in the New Jersey Housing and Mortgage Finance Agency to finance the replacement of lead-contaminated water service lines connecting water supply systems to the homes of seniors and low income persons. This bill would provide interest free loans to help these financially limited groups abate lead hazards in their water service lines.

The bill appropriates $1 million to fund the loans under the program. The loans may have a term of no more than 10 years and the maximum amount for a loan would be $10,000. These loans would be available to senior and low income owners of single-family residential properties with a source of potable water that violates lead standards and which has a water service line that is constructed with lead.