ASSEMBLY CONCURRENT RESOLUTION No. 172

STATE OF NEW JERSEY

219th LEGISLATURE

INTRODUCED MAY 4, 2020

Sponsored by:
Assemblyman GREGORY P. MCGUCKIN
District 10 (Ocean)
Assemblyman JOHN CATALANO
District 10 (Ocean)

Co-Sponsored by:
Assemblywoman Gove and Assemblyman Rumpf

SYNOPSIS

Urges President and Congress to enact legislation forgiving community disaster loans issued after Superstorm Sandy.

CURRENT VERSION OF TEXT

As introduced.

(Sponsorship Updated As Of: 6/15/2020)

A CONCURRENT RESOLUTION urging the United States President and Congress to enact legislation forgiving certain community disaster loans.

WHEREAS, New Jersey has faced several natural disasters resulting in severe economic upheaval in recent years, principally Superstorm Sandy in 2012 and the current COVID-19 pandemic; and

WHEREAS, Many New Jersey residents continue to struggle financially to remedy the damage inflicted by Superstorm Sandy; and

WHEREAS, The COVID-19 pandemic is causing increasing uncertainty and economic disruption throughout the State, which has the second highest incidence of novel coronavirus in the United States; and

WHEREAS, In the wake of Superstorm Sandy, New Jersey received federal aid in the form of both community disaster loans issued under the "Disaster Relief Appropriations Act of 2013"and small business loans issued under the "Small Business Act"; and

WHEREAS, The Federal Emergency Management Agency (FEMA) has recently pressed New Jersey municipalities to start repaying the community disaster loans issued post-Superstorm Sandy despite the clear and original expectation that the loans could be repaid slowly and over time, with the possibility of complete forgiveness; and

WHEREAS, Mandatory repayment of the community disaster loans creates increased financial pressure on New Jersey communities and comes at a time that is difficult for all throughout the State; and

WHEREAS, The "Small Business Act" was passed to aid, counsel, assist and protect the interests of small businesses through the creation of small business administration loans; and

WHEREAS, New Jersey residents, who requested and were granted small business loans post-Superstorm Sandy, now face the possibility that they may be precluded from receiving further disaster relief aid during the COVID-19 pandemic since any new grant issuances could be counted as a duplicate benefit; and

WHEREAS, The duplication of benefit policy was partially abolished by the Department of Housing and Urban Development in February 2018 under the "Bipartisan Budget Act of 2018"; and

WHEREAS, The abolition of the duplication of benefit policy should be extended to funds received following disasters dating to 2011, including Superstorm Sandy; and

WHEREAS, Rep. Chris Smith reintroduced H.R. 6454 on April 3, 2020, a bill which mandates forgiveness of certain community disaster loans secured by New Jersey from FEMA to help with Superstorm Sandy recovery and which also addresses the duplication of benefit problem by removing small business administration loans as a disqualifier for people who sought or received federal money to help them recover in the wake of Superstorm Sandy; and

WHEREAS, The forgiveness of the community disaster loans and the changes to eligibility for small business loans would have a

profound impact throughout the State in helping stabilize the economy and would provide much needed support to State residents in the fight against COVID-19; now, therefore,

BE IT RESOLVED *by the General Assembly of the State of New Jersey (the Senate concurring):*

1. The Legislature urges the United States President and Congress to enact legislation forgiving community disaster loans issued after Superstorm Sandy to help stabilize the New Jersey economy and provide much needed support to the citizens of the State in the fight against COVID-19.

2. Copies of this resolution, as filed with the Secretary of State, shall be transmitted by the Clerk of the General Assembly or the Secretary of the Senate to the Office of the President of the United States, the Majority and Minority Leaders of the United State Senate, the Speaker and Minority Leader of the United States House of Representatives, and every member of Congress from this State.

STATEMENT

This resolution urges the United States President and Congress to enact legislation forgiving community disaster loans issued after Superstorm Sandy.

New Jersey has faced several economic upheavals in recent years, from Superstorm Sandy in 2012 to the current COVID-19 pandemic. These natural disasters have had a profound and devastating impact on the economy of the State and its residents, with many still struggling financially as a result of Superstorm Sandy to this day. The COVID-19 pandemic has caused, and will continue to cause, increasing uncertainty and economic disruptions throughout the State, which is the second highest impact area in the United States for the novel coronavirus.

Recently, the Federal Emergency Management Agency (FEMA) has begun to press New Jersey municipalities to start repaying the loans passed out to help the State recover post-Superstorm Sandy. This mandatory repayment would have a devastating effect throughout the State, as these demands come at a time when the State, like many across the United States, is struggling to fight COVID-19. The payments on the community disaster loans were originally assured to be allowed to be paid back over time and slowly, with the possibility of forgiveness. Furthermore, New Jersey residents who were granted loans under the "Small Business Act," which was passed to aid, counsel, assist and protect the interests of small businesses through the creation of small business loans, now face the possibility that they may be precluded from receiving further disaster relief aid during the

COVID-19 pandemic since any new grant issuances may be counted as a duplicate benefit. The duplication of benefit policy was partially abolished by the Department of Housing and Urban Development in February 2018 under the "Bipartisan Budget Act of 2018" and should be extended to funds received following disasters dating to 2011, including Superstorm Sandy.

Rep. Chris Smith reintroduced H.R. 6454 on April 3, 2020, which mandates forgiveness of certain community disaster loans secured by New Jersey municipalities from FEMA to help with Superstorm Sandy recovery. The bill also addresses the lingering duplication of benefit problem by removing the receipt of small business loans as a disqualifier for people who sought or received federal money to help them recover in the wake of Superstorm Sandy. The passage of H.R. 6454 would have a profound impact throughout the State in helping stabilize the economy and would provide much needed support to the citizens of the State in the fight against COVID-19.