

**ASSEMBLY, No. 1668**

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**STATE OF NEW JERSEY**

**220th LEGISLATURE**

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PRE-FILED FOR INTRODUCTION IN THE 2022 SESSION

**Sponsored by:**

**Assemblywoman ANNETTE QUIJANO**

**District 20 (Union)**

**Assemblywoman ANNETTE CHAPARRO**

**District 33 (Hudson)**

**Assemblyman BENJIE E. WIMBERLY**

**District 35 (Bergen and Passaic)**

**Co-Sponsored by:**

**Assemblyman Mejia, Assemblywoman Speight and Assemblyman Moen**

**SYNOPSIS**

Establishes “Security Deposit Assistance Pilot Program” in Passaic, Union, Essex, Hudson, Gloucester, Atlantic, Camden, and Mercer counties; appropriates \$400,000.

**CURRENT VERSION OF TEXT**

As reported by the Assembly Community Development and Affairs Committee with technical review.



1 AN ACT establishing the “Security Deposit Assistance Pilot  
2 Program,” supplementing P.L.1967, c.265 (C.46:8-19 et seq.),  
3 and making an appropriation.  
4

5 **BE IT ENACTED** *by the Senate and General Assembly of the State*  
6 *of New Jersey:*  
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8 1. a. As used in this section:

9 “Commissioner” means the Commissioner of Community  
10 Affairs.

11 “Fund” means the “security deposit assistance fund,” established  
12 pursuant to subsection e. of this section.

13 “Pilot program” means the “Security Deposit Assistance Pilot  
14 Program,” established under subsection b. of this section.

15 b. The “Security Deposit Assistance Pilot Program” is  
16 established in Passaic, Union, Essex, Hudson, Gloucester, Atlantic,  
17 Camden, and Mercer counties in order to assist low-income  
18 households in addressing the need to pay a security deposit prior to  
19 entering into a residential lease. The commissioner shall operate  
20 the pilot program in Passaic, Union, Essex, Hudson, Gloucester,  
21 Atlantic, Camden, and Mercer counties for a minimum of three  
22 years. The commissioner shall commence operation of the pilot  
23 program by beginning to accept applications on the first day of the  
24 sixth month next following enactment of P.L. , c. (C. )  
25 (pending before the Legislature as this bill). The commissioner  
26 shall notify an applicant of the approval or denial of their  
27 application within two weeks after the commissioner receives the  
28 application. Upon approval of an application, the commissioner  
29 shall issue a letter of security deposit commitment to the approved  
30 household, allowing the household to enter into a lease under the  
31 parameters of the pilot program at any time within six months of the  
32 household’s receipt of the letter. Upon entrance into a lease, the  
33 tenant shall immediately notify the commissioner that a lease  
34 agreement has been executed, and the tenant shall offer the letter of  
35 security deposit commitment to the landlord in lieu of a full security  
36 deposit payment. Any refusal by a landlord to lease a residence to a  
37 household because of the household’s participation in the pilot  
38 program shall constitute a violation of section 11 of the “Law  
39 Against Discrimination,” P.L.1945, c.169 (C.10:5-12).

40 c. In addition to any other reasonable restrictions on eligibility  
41 adopted by the commissioner, the pilot program shall only be open  
42 to a household with an income level low enough to qualify for “very  
43 low income housing,” as defined under subsection m. of section 4  
44 of the “Fair Housing Act,” P.L.1985, c.222 (C.52:27D-304).  
45 Security deposit assistance may only be applied to a lease in which  
46 the monthly rent does not exceed 40 percent of the maximum  
47 eligible monthly income necessary for a household of the same size  
48 within the same housing region to qualify for very low income

1 housing. A household approved for the pilot program shall be  
2 responsible for the payment of one-twelfth of its security deposit as  
3 an added payment due each month, for the initial 12 months of the  
4 lease.

5 d. If the tenant violates the lease any time prior to the  
6 landlord's receipt of the full security deposit payment from the  
7 tenant, then, upon application from the landlord, the commissioner  
8 shall reimburse the landlord through the fund for the amount owed  
9 from the tenant. However, this amount shall not exceed the portion  
10 of the security deposit not yet paid by the tenant, and shall not  
11 exceed the actual amount of damages the landlord is entitled to  
12 collect from the security deposit as a result of the tenant's particular  
13 violation. Following a payment to the landlord from the fund, an  
14 amount equal to the amount paid from the fund shall subsequently  
15 be owed by the tenant to the commissioner, to be reinvested in the  
16 fund upon payment. The commissioner may prohibit a tenant who  
17 has violated a lease while under the pilot program from entering  
18 into another lease under the parameters of the pilot program for the  
19 following three years commencing on the date the commissioner  
20 receives a reimbursement request from the landlord.

21 e. There is established in the General Fund a separate, non-  
22 lapsing, dedicated account to be administered by the commissioner,  
23 and to be known as the "security deposit assistance fund," for the  
24 purpose of providing reimbursements to landlords for tenant lease  
25 violations pursuant to subsection d. of this section. The  
26 commissioner may allocate up to \$10,000 annually from the fund to  
27 pay for administrative expenses.

28 f. Pursuant to section 2 of P.L.1991, c.164 (C.52:14-19.1), the  
29 commissioner shall submit a report evaluating the effectiveness of  
30 the pilot program to the Governor and the Legislature on or before  
31 the first day of the thirty-sixth month next following the beginning  
32 of the pilot program's operation. The report shall recommend  
33 whether the pilot program should be continued in Passaic, Union,  
34 Essex, Hudson, Gloucester, Atlantic, Camden, and Mercer counties,  
35 and if so, whether it should also be expanded to other counties in  
36 this State.

37  
38 2. There is appropriated \$400,000 from the General Fund into  
39 the "security deposit assistance fund" to implement the provisions  
40 of P.L. , c. (C. ) (pending before the Legislature as this  
41 bill).

42  
43 3. This act shall take effect immediately.