



MEMORANDUM

To: Members of the New Jersey Senate
From: David Brogan, Executive Director, NJAA
Date: June 29, 2020
Re: NJAA Opposition S-2485 (Stack, Cryan)

On behalf of the New Jersey Apartment Association (NJAA), and our members who own, develop, and manage both market-rate and affordable housing for over a million New Jersey residents, we **respectfully oppose S-2485**, and ask you to vote “**NO**” when it comes before you for a vote on Monday, June 29, 2020.

S-2485 attempts to help tenants, but as drafted, would encourage ALL tenants to stop paying rent, not just those impacted by COVID-19. Also, this statute would remain in effect for an undetermined period of time, extending two months beyond the end of the declared State of Emergency, which may not be lifted for years. Finally, the bill negates already agreed upon repayment plans that do not comport with the stipulated repayment options outlined in the bill. Unless these issues are corrected, we believe that this bill will be devastating for any owner of rental properties in New Jersey.

It should also be noted that placing significant burdens on landlords by restricting the only income stream they have (rent revenue) will not help the situation for tenants. Rather, it will create a negative domino effect whereby apartment staff will lose their jobs, repairs and reinvestment will cease, and financial obligations of the landlord will not be met. This will then have an impact on both State income tax revenue and local property tax revenues. **Specifically, the bill will lead to numerous property tax appeals by landlords because their taxes are based on rental income, and the reduction in property tax revenue from the multifamily industry will lead to a massive property tax shift onto homeowners.**

In short, while apartment owners would see their sole source of revenue being restricted, without any commensurate assistance or relief from government, state and municipal governments still require timely income tax payments and property tax payments with no relief for landlords. This is inherently unfair.

As such, we **respectfully oppose S-2485** and ask you to vote “**NO**” when it comes before you for a vote. If you have further questions, please do not hesitate to contact me at 732-992-0600.

The New Jersey Apartment Association represents over 220,000 multifamily apartment units throughout the State of New Jersey. We are a statewide organization dedicated to maintaining, improving, and building both market-rate and affordable rental housing that serves over one million New Jersey residents.