

September 9, 2013

**ASSEMBLY BILL NO. 2737
(Third Reprint)**

To the General Assembly:

Pursuant to Article V, Section I, Paragraph 14 of the New Jersey Constitution, I am returning Assembly Bill No. 2737 (Third Reprint) with my recommendations for reconsideration.

This bill seeks to "clarify" that a 1987 law exempting newly constructed multiple dwelling housing units from rent control ordinances for a period of time does not apply to senior citizen housing.

While I am mindful that many senior citizens live on fixed incomes and cannot easily afford rent increases, many believe that rent control distorts the market for rental housing and depresses the housing supply, thus leading to an overall rise in rent. In fact, the legislative findings accompanying existing law state that rent control may hinder the construction of new rental housing.

Therefore, while I support the sponsors' intent to protect the economic circumstances of senior citizens, it is not clear that this bill will have the desired impact. Accordingly, I recommend that the Director of the Division of Local Government Services in the Department of Community Affairs undertakes a review of the application of rent control ordinances to housing constructed for senior citizens and develop findings and recommendations regarding the impact of rent control ordinances on the supply and cost of housing constructed for senior citizens.

Therefore, I herewith return Assembly Bill No. 2737 (Third Reprint) and recommend that it be amended as follows:

Page 2, Title, Line 1:

Delete "clarifying the application of the statutory exemption from" and insert "concerning"

Page 2, Title, Lines 2-3:

Delete ", amending P.L. 1987, c.153"

Page 2, Section 1, Lines 8-42:

Delete in their entirety

Page 3, Section 1, Lines 1-8:

Delete in their entirety

Page 4, Section 2, Lines 1-31:

Delete in their entirety

Page 4, Section 2, Line 32:

Insert new section 1:
"1. The Director of Local Government Services in the Department of Community Affairs shall undertake a review of the impact of local rent control ordinances on the supply and cost of housing constructed for senior citizens, and shall report any findings and recommendations directly to the Governor no later than six months from the date of enactment of this act."

Page 4, Section 3, Line 33:

Delete "3." and insert "2."

Page 4, Section 3, Line 33:

After "immediately" insert "."

Page 4, Section 3, Lines 36-39:

Delete in their entirety.

Respectfully,

/s/ Chris Christie

Governor

[seal]

Attest:

/s/ Charles B. McKenna

Chief Counsel to the Governor