

**SENATE CONCURRENT
RESOLUTION No. 111**

**STATE OF NEW JERSEY
219th LEGISLATURE**

INTRODUCED MAY 7, 2020

Sponsored by:

Senator JAMES W. HOLZAPFEL

District 10 (Ocean)

Senator VIN GOPAL

District 11 (Monmouth)

Co-Sponsored by:

Senators O'Scanlon and Brown

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: 6/11/2020)

SCR111 HOLZAPFEL, GOPAL

2

1 **A CONCURRENT RESOLUTION** urging the United States President
2 and Congress to enact legislation forgiving certain community
3 disaster loans.
4
5 **WHEREAS**, New Jersey has faced several natural disasters resulting in
6 severe economic upheaval in recent years, principally Superstorm
7 Sandy in 2012 and the current COVID-19 pandemic; and
8 **WHEREAS**, Many New Jersey residents continue to struggle financially
9 to remedy the damage inflicted by Superstorm Sandy; and
10 **WHEREAS**, The COVID-19 pandemic is causing increasing
11 uncertainty and economic disruption throughout the State, which
12 has the second highest incidence of novel coronavirus in the United
13 States; and
14 **WHEREAS**, In the wake of Superstorm Sandy, New Jersey received
15 federal aid in the form of both community disaster loans issued
16 under the “Disaster Relief Appropriations Act of 2013” and small
17 business loans issued under the “Small Business Act”; and
18 **WHEREAS**, The Federal Emergency Management Agency (FEMA) has
19 recently pressed New Jersey municipalities to start repaying the
20 community disaster loans issued post-Superstorm Sandy despite the
21 clear and original expectation that the loans could be repaid slowly
22 and over time, with the possibility of complete forgiveness; and
23 **WHEREAS**, Mandatory repayment of the community disaster loans
24 creates increased financial pressure on New Jersey communities
25 and comes at a time that is difficult for all throughout the State; and
26 **WHEREAS**, The “Small Business Act” was passed to aid, counsel,
27 assist and protect the interests of small businesses through the
28 creation of small business administration loans; and
29 **WHEREAS**, New Jersey residents, who requested and were granted
30 small business loans post-Superstorm Sandy, now face the
31 possibility that they may be precluded from receiving further
32 disaster relief aid during the COVID-19 pandemic since any new
33 grant issuances could be counted as a duplicate benefit; and
34 **WHEREAS**, The duplication of benefit policy was partially abolished
35 by the Department of Housing and Urban Development in February
36 2018 under the “Bipartisan Budget Act of 2018”; and
37 **WHEREAS**, The abolition of the duplication of benefit policy should be
38 extended to funds received following disasters dating to 2011,
39 including Superstorm Sandy; and
40 **WHEREAS**, Rep. Chris Smith reintroduced H.R. 6454 on April 3, 2020,
41 a bill which mandates forgiveness of certain community disaster
42 loans secured by New Jersey from FEMA to help with Superstorm
43 Sandy recovery and which also addresses the duplication of benefit
44 problem by removing small business administration loans as a
45 disqualifier for people who sought or received federal money to
46 help them recover in the wake of Superstorm Sandy; and
47 **WHEREAS**, The forgiveness of the community disaster loans and the
48 changes to eligibility for small business loans would have a

SCR111 HOLZAPFEL, GOPAL

3

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

4
5 **BE IT RESOLVED** by the Senate of the State of New Jersey (the
6 General Assembly concurring):

7
8 1. The Legislature urges the United States President and
9 Congress to enact legislation forgiving community disaster loans
10 issued after Superstorm Sandy to help stabilize the New Jersey
11 economy and provide much needed support to the citizens of the
12 State in the fight against COVID-19.

13
14 2. Copies of this resolution, as filed with the Secretary of State,
15 shall be transmitted by the Clerk of the General Assembly or the
16 Secretary of the Senate to the Office of the President of the United
17 States, the Majority and Minority Leaders of the United State
18 Senate, the Speaker and Minority Leader of the United States House
19 of Representatives, and every member of Congress from this State.

20

21

22

STATEMENT

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

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

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

SCR111 HOLZAPFEL, GOPAL

4

1 since any new grant issuances may be counted as a duplicate
2 benefit. The duplication of benefit policy was partially abolished
3 by the Department of Housing and Urban Development in February
4 2018 under the “Bipartisan Budget Act of 2018” and should be
5 extended to funds received following disasters dating to 2011,
6 including Superstorm Sandy.

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