

11:8-4

LEGISLATIVE HISTORY CHECKLIST

NJSA: 11:8-4 (Residential Housing Management Board — to manage all State-owned housing)

LAWS OF: 1983

CHAPTER: 468

Bill No: A1531

Sponsor(s): Flynn and others

Date Introduced: June 3, 1982

Committee: Assembly: State Government, Federal & Interstate Relations & Veterans Affairs

Senate: State Government, Federal & Interstate Relations & Veterans Affairs

Amended during passage: Yes Amendments denoted by asterisks

Date of Passage: Assembly: Sept. 30, 1983 Re-enacted 12-12-83

Senate: Sept. 15, 1983 Re-enacted 1-9-84

Date of Approval: January 12, 1984

Following statements are attached if available:

Sponsor statement: Yes

Committee statement: Assembly Yes

Senate Yes

Fiscal Note: No

Veto Message: Yes

Message on Signing: No

Following were printed:

Reports: Yes

Hearings: No

Study, referred to in Assembly committee statement:  
974.90 New Jersey. Legislature. Genral Assembly. Legislative Oversight  
E54 Committee.

1982a State employee housing: a house in need of order. June, 1982.  
Trenton, 1982.

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ASSEMBLY, No. 1531

STATE OF NEW JERSEY

INTRODUCED JUNE 3, 1982

By Assemblymen FLYNN, McENROE, MARSELLA, MAZUR,  
CHARLES, ZIMMER, GILL, KAVANAUGH, HENDRICKSON  
and VAN WAGNER

AN ACT concerning State-owned residential housing and amending  
R. S. 11:8-4.

1 BE IT ENACTED *by the Senate and General Assembly of the State*  
2 *of New Jersey:*

1 1. There is established in the Department of the Treasury the  
2 Residential Housing Management Board. The board shall consist  
3 of the State Treasurer, as chairman, the President of the Civil  
4 Service Commission **\*\*\***, *the Commissioner of Corrections, the*  
4A *Commissioner of Environmental Protection, the Chancellor of*  
4B *Higher Education, the Commissioner of Education, the Commis-*  
4C *sioner of Human Services\*\*\** and the Commissioner of Community  
5 Affairs, or such designee as each member may appoint. The State  
6 Treasurer shall assign such employees of the Department of the  
7 Treasury to assist the board as he shall deem necessary.

1 2. The board shall be responsible for the management of all  
2 State-owned residential housing and shall establish policies and  
3 procedures for an equitable, coordinated and uniform housing pro-  
4 gram. The board shall have jurisdiction over residential housing  
5 located in every State agency**\*\*\*** **[, whether]****\*\*\*** available for State  
6 employees **\*\*\*** **[or rental to the private sector and including housing**  
7 **acquired by eminent domain, bond issue purchase, donation, fore-**  
8 **closure or escheat]****\*\*\***; *except that the board shall have no juris-*  
9 *isdiction with respect to and this act shall not apply to armories or*  
10 *military housing in the Department of Defense, State college*

**EXPLANATION—Matter enclosed in bold-faced brackets [thus] in the above bill  
is not enacted and is intended to be omitted in the law.**

**Matter printed in italics thus is new matter.**

**Matter enclosed in asterisks or stars has been adopted as follows:**

**\*—Assembly amendments adopted September 20, 1982.**

**\*\*—Senate committee amendment adopted August 29, 1983.**

**\*\*\*—Assembly committee amendments adopted in accordance with Governor's  
recommendations December 8, 1983.**

11 *student housing, \*\*housing for State college presidents,\*\* \*\*\*hous-*  
 11A *ing for the Chancellor of Higher Education, the Commissioner of*  
 11B *Education, the Commissioner of Corrections and the superintend-*  
 11C *ents of State correctional facilities\*\*\* and residential housing*  
 12 *acquired by the Department of Transportation in the course of*  
 13 *acquiring land for highway rights-of-way or for use by any other*  
 14 *transportation facilities pursuant to Title 27 of the Revised*  
 15 *Statutes and which may be rented temporarily to comply with the*  
 16 *requirements of the "Relocation Assistance Act," P. L. 1971, c. 362*  
 17 *(C. 20:4-1 et seq.)\*.*

1 3. The board shall establish policies concerning the following:

2 a. The necessity and desirability for maintaining State-owned  
 3 residential housing units and the conditions and purposes under  
 4 which State agencies shall construct, acquire, continue in use, con-  
 5 vert to other use, sell or dispose of the units;

6 b. The rental rates, utility charges, and maintenance fees;

7 c. Eligibility standards for occupancy;

8 d. Procedures for the application and selection of occupants;

9 e. The necessity and desirability for requiring mandatory occu-  
 10 pancy as a condition of employment and the criteria for placing a  
 11 job title in this category;

12 f. The respective landlord-tenant rights and responsibilities of  
 13 an occupant and the State;

14 g. An appeals procedure by which an aggrieved person may  
 15 contest any administrative decision regarding housing occupancy,  
 16 rents, evictions or other matters.

17 *\*\*\*In establishing its policies, the board shall assure that State*  
 18 *employees are treated fairly and uniformly where appropriate with*  
 19 *recognition that differences in their responsibilities, the nature of*  
 20 *their work and the type of housing may on occasion generate rules*  
 21 *and procedures unique to those situations.\*\*\**

1 4. The board shall conduct an annual survey of all housing units  
 2 and shall maintain an inventory of each unit, including such in-  
 3 formation as its agency, purpose or reason for acquisition, location,  
 4 environmental setting, type of unit, size, facilities, physical condi-  
 5 tion, fair market value, rental rate, utility charges, maintenance fee,  
 6 name of occupant and, if a State employee, job title, salary and  
 7 whether occupancy is a mandatory condition of employment. Each  
 8 agency shall notify the board within 15 days of any change in the  
 9 status of a unit or occupant.

1 5. The board shall establish and review annually a schedule of  
 2 housing rental rates, utility charges and maintenance fees. \*\*\*[The  
 3 schedule shall be based on such factors as a unit's size, setting,

4 facilities, design, living suitability, location, physical condition,  
 5 fair market value\*, *proportion of use devoted to official State*  
 6 *business\** and cost of maintenance to the State, including any  
 7 in-lieu-of-tax payments.】\*\*\*

8 \*\*\*a. *The rental rates shall be based on the fair market rental*  
 9 *value of the premises and shall take into account the fact that the*  
 10 *housing is located on institutional grounds.*

11 b. *All utility charges directly attributable to a State owned*  
 12 *housing unit shall be charged to the occupant, either separately*  
 13 *if it is feasible or practicable to do so, or by reflecting these charges*  
 14 *in a fair market rental.*

15 c. *All maintenance charges customarily paid by tenants shall be*  
 16 *paid by tenants occupying State owned housing.\*\*\**

1 6. \*\*\*【The】\*\*\* \*\*\**With the approval of the cabinet officer in*  
 2 *whose department the housing unit is situated and the State House*  
 3 *Commission, the\*\*\* board shall order the sale of any employee*  
 4 *housing unit located off the grounds of a State institution or*  
 5 *facility \*\*\*【unless it finds clear and convincing evidence that use*  
 6 *of the unit for employee housing serves an essential State pur-*  
 7 *pose.】\*\*\* \*\*\*which it finds unneeded for State use. The terms and*  
 8 *conditions of the sale shall be fixed by the State House Com-*  
 9 *mission.\*\*\**

1 7. \*\*\*【No State employee shall be granted a reduction or waiver  
 2 of a rental rate, utility charge or maintenance fee, whether as a  
 3 form of compensation, a condition of mandatory occupancy or a  
 4 perquisite of a job title. \*Any employee receiving a reduction or  
 5 waiver as a provision of an employment contract in effect on the  
 6 effective date of this act shall continue to receive the reduction or  
 7 waiver until the expiration of the contract.】\*\*\* \*\*\*Upon applica-  
 8 tion of an interested cabinet officer, the board may authorize a  
 9 reasonable reduction or waiver of a rental rate, utility charge or  
 10 maintenance fee for any of the following reasons: (a) that resi-  
 11 dency in the State housing unit is a condition of employment; (b)  
 12 that the housing unit is located on institutional grounds; and (c)  
 13 that the fair market rental value of the housing is substantially  
 14 disproportionate to the salary of the employee.\*\*\*

1 8. No tenant of a State-owned housing unit shall sublet the unit  
 2 or shall permit additional persons, other than members of the  
 3 tenant's immediate family, to occupy the unit without the approval  
 4 of the board. A tenant who becomes ineligible to occupy a unit shall  
 5 vacate the unit within 30 days, unless granted an extension by the  
 6 board for reasons of hardship.

1 9. No person shall be denied occupancy of a State-owned resi-  
 2 dential housing unit on account of race, religion, creed, sex, age,  
 3 political affiliation or marital status.

1 10. The board may create a housing advisory committee, to con-  
 2 sist equally of management representatives of State agencies with  
 3 housing responsibilities, tenants who reside in State-owned housing  
 4 and representatives of municipalities in which State housing is  
 5 located.

1 11. There is created a Residential Property Management Fund  
 2 to which the receipts derived from rent, charges and fees for  
 3 residential housing shall be transferred or credited by the Director  
 4 of Budget and Accounting. The receipts shall be annually appro-  
 5 priated to the General State Fund, except that an amount not to  
 6 exceed 5% of the total receipts shall be appropriated annually to  
 7 the board for the administration of this act. \*\*\*[The board shall  
 8 submit an annual report to the Legislature through the Governor's  
 9 Budget Message under the Department of the Treasury on the  
 10 administration of this act and shall identify the funds which may  
 11 be anticipated or otherwise made available. The form and manner  
 12 of such reporting shall be determined by the Director of Budget  
 13 and Accounting.]\*\*\*

1 12. R. S. 11:8-4 is amended to read as follows:

2 11:8-4. The \*\*\*[chief examiner and secretary,]\*\*\* \*\*\**President*  
 3 *of the Civil Service Commission,*\*\*\* with the approval of the com-  
 4 mission, shall, after consultation with the appointing authorities  
 5 and their principal assistants, establish for the classified service  
 5A the method:

6 a. Of computing the pay of employees employed less than full  
 7 time or serving for only a part of a pay-roll period;

8 b. For regulating travel, living and sustenance allowance when  
 9 an employee is on duty away from his regular place of duty or  
 10 when a new assignment is made;

11 c. For allowances of employees in attendance upon courts and  
 12 administrative investigations;

13 d. For regulating overtime and additional pay therefor and for  
 14 determining the cash value of meals, [quarters,] uniforms and  
 15 other allowances to employees.

1 13. This act shall take effect immediately, but no policy or  
 2 schedule of rates adopted by the board shall be effective prior to  
 3 180 days after enactment.

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6 a. Of computing the pay of employees employed less than full  
7 time or serving for only a part of a pay-roll period;

8 b. For regulating travel, living and sustenance allowance when  
9 an employee is on duty away from his regular place of duty or  
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12 administrative investigations;

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14 determining the cash value of meals, [quarters,] uniforms and  
15 other allowances to employees.

1 13. This act shall take effect immediately, but no policy or  
2 schedule of rates adopted by the board shall be effective prior to  
3 180 days after enactment.

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#### STATEMENT

This bill is a product of a study conducted by the Assembly Legislative Oversight Committee regarding the provision of housing to State employees. Six departments provide housing to about 1,700 employees (400 houses, 200 apartments, 110 single rooms), with rental rates set by the Department of Civil Service. The committee found this dispersion of jurisdiction to be adverse to the

interests of a sound system of residential property management. It prevents the development of uniform policies, creates confusion as to the rationale for employee housing, leaves no ultimate accountable authority, and inhibits the maintenance of centralized record-keeping. Of particular concern to the committee—and to the public—is the disclosure that rental rates are set well below real market values and that no charges are levied for utilities or maintenance. The committee has also heard charges that housing awards are subject to favoritism and persons ineligible for housing may be living in some units.

The bill establishes a Residential Housing Management Board in the Department of Treasury. This department already has considerable experience and expertise in the management of property. The Board consists of the State Treasurer, the President of the Civil Service Commission and the Commissioner of Community Affairs. Since none of the departments represented by these officials provides housing to its employees, a potential source of management conflict is avoided. The bill does provide, however, that the board may establish an advisory committee from the concerned departments from employees who reside in State housing, and from municipalities in which housing is located.

The board is responsible for managing all State-owned residential property, whether rented to employees or to private persons, and regardless of the manner of acquisition—eminent domain, bond issue purchase, donation, foreclosure or escheat. The board is empowered to set uniform policies for such matters as eligibility standards for occupancy, procedures for the selection of occupants, criteria for requiring an employee to occupy a unit, and the conditions under which housing should be acquired or disposed. A major duty of the board is to set rental rates, utility charges and maintenance fees, giving consideration to real market values, the condition of a unit, its location and living suitability.

The committee believes that issues of job compensation or perquisites should be kept separate from the responsibility of an employee to pay for the occupancy of a State-owned housing unit. Hence, the bill prohibits any reduction or waiver of the rent as fixed by the board.

The bill establishes a revolving fund, consisting of 5% of the receipts from rents, utility and maintenance charges, to cover the cost of the operations of the board.

The bill also directs the board to order the sale of any housing unit located off the premises of an institution unless it finds that the unit is essential for State purposes.

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ASSEMBLY STATE GOVERNMENT, CIVIL SERVICE,  
ELECTIONS, PENSIONS AND VETERANS AFFAIRS  
COMMITTEE

STATEMENT TO

ASSEMBLY, No. 1531

**STATE OF NEW JERSEY**

DATED: JUNE 24, 1982

This bill is a product of a study conducted by the Assembly Legislative Oversight Committee regarding the provision of housing to State employees. Six departments provide housing to about 1,700 employees (400 houses, 200 apartments, 1,100 single rooms), with rental rates set by the Department of Civil Service. The committee found this dispersion of jurisdiction to be adverse to the interests of a sound system of residential property management. Such dispersion prevents the development of uniform policies, creates confusion as to the rationale for employee housing, leaves no ultimate accountable authority, and inhibits centralized recording-keeping. Of particular concern to the committee—and to the public—was the disclosure that rental rates are set well below real market values and that no charges are levied for utilities or maintenance. The committee has also heard charges that housing awards are subject to favoritism and that persons ineligible for housing may be living in some units.

The bill would establish a Residential Housing Management Board in the Department of the Treasury. The board would consist of the State Treasurer, the President of the Civil Service Commission and the Commissioner of Community Affairs, or such designee as each may appoint. The bill provides that the board may establish an advisory committee, including representatives from the concerned departments, from employees who reside in State housing, and from municipalities in which housing is located.

The board would be responsible for managing all State-owned residential property, whether rented to employees or to private persons, and regardless of the manner of acquisition—eminent domain, bond issue purchase, donation, foreclosure or escheat. The board would be empowered to set uniform policies for such matters as eligibility standards for occupancy, procedures for the selection of occupants, criteria for requiring an employee to occupy a unit, and the conditions under which housing should be acquired or disposed. A major duty of the board would be to set rental rates, utility charges and maintenance fees, giving consideration to real market values, the condition



of a unit, its location and living suitability. The bill would prohibit any reduction or waiver of the rent as fixed by the board.

The bill would establish a revolving fund, consisting of 5% of the receipts from rents, utility and maintenance charges, to cover the cost of the operations of the board.

The bill also directs the board to order the sale of any housing unit located off the premises of an institution unless it finds that the unit is essential for State purposes.

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SENATE STATE GOVERNMENT, FEDERAL AND  
INTERSTATE RELATIONS AND VETERANS AFFAIRS  
COMMITTEE

STATEMENT TO  
**ASSEMBLY, No. 1531**

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with Senate committee amendments

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**STATE OF NEW JERSEY**

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DATED: AUGUST 29, 1983

This bill establishes a Residential Housing Management Board in the Department of the Treasury. The board shall consist of the State Treasurer, the President of the Civil Service Commission and the Commissioner of Community Affairs and shall be responsible for the management of all State-owned residential housing and shall establish policies for housing programs including rental rates, utility charges, maintenance fees and eligibility standards for occupancy. The board shall not have jurisdiction over armories, military housing, State college student housing, housing for State college presidents, or residential housing acquired by the Department of Transportation for highway right-of-way. The board shall annually survey all housing units and establish a rental schedule.

This bill also creates a Residential Property Management Fund comprised of receipts derived from rents, charges and fees for residential housing. Up to 5% of these receipts shall be appropriated annually to the board for the administration of this act.

COMMITTEE ACTION

The committee amended the bill to exempt housing for State college presidents from the provisions of the act.

ASSEMBLY BILL NO. 1531 (2nd OCR)

To the General Assembly:

Pursuant to Article V, Section I, paragraph 14 of the Constitution, I herewith return Assembly Bill No. 1531 (2nd OCR) with my recommendations for reconsideration.

Assembly Bill No. 1531 provides for the regulation of State owned residential housing whether occupied by State employees or rented to the private sector. The bill would create in the Department of Treasury a Residential Housing Management Board to establish equitable, coordinated and uniform policies on State owned residential housing. Membership on the Board would consist of the State Treasurer, the President of the Civil Service Commission and the Commissioner of Community Affairs.

The Board would be responsible for the management of all State owned residential housing with the exception of armories or military housing in the Department of Defense, State college student housing, housing for State college presidents and certain housing acquired by the Department of Transportation.

The Board would establish policies with respect to the need and acquisition of State owned housing; the rental rates, utility charges and maintenance fees charged to the occupants; eligibility standards for occupancy; procedures for application and selection of occupants; landlord/tenant rights; and policies on mandatory occupancy as a condition of employment. The Board is required to direct the sale of any employee housing located off State grounds unless there is a "clear and convincing evidence" that it serves "an essential State purpose."

Reduction or waiver of rental rates, utility charges or maintenance fees would be prohibited. However, any employee receiving a reduction or waiver pursuant to an employment contract would continue to receive the reduction or waiver until the expiration of that contract.

The bill contains additional provisions prohibiting subletting, discrimination and creating a Housing Advisory Committee for the Board. In addition, a Residential Property Management Fund would be created. The Board would be required to submit an annual report to the Legislature through the Governor's budget message on administration of the act and identification of funds. The Board would be required to conduct an annual survey of housing units and to

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establish and review annually a schedule of housing rental rates, utility charges and maintenance fees.

Since the drafting and introduction of this bill I issued Executive Order No. 15 effective January 1, 1983 which regulates the issues covered by this bill. I am advised by my departments that the provisions in the Executive Order have proved effective in regulating State employment housing. Accordingly, I am recommending a conditional veto to incorporate in this bill some of the provisions of my Executive Order and to assure appropriate cabinet involvement in policies governing State owned housing. My recommendations are as follows:

1) The membership on the Residential Housing Board should be expanded to include the Commissioner of Corrections, the Commissioner of Environmental Protection, the Chancellor of Higher Education, the Commissioner of Education, the Commissioner of Human Services in addition to the State Treasurer, the President of the Civil Service Commission and the Commissioner of Community Affairs as provided in the bill.

2) I suggest that the scope of the bill be limited to State owned employee housing.

3) The Department of Corrections advises that it is essential to the efficient and safe operations of the State's correctional facilities that superintendents in State correctional facilities be within immediate access of the facility on a seven day a week, 24 hour a day basis. It therefore recommends that its current policies with respect to these officials be retained. In order to assure that the bill will not impinge on this arrangement, I recommend that we include in section 2 of the bill an exception for officers in State correctional facilities similar to the one the bill provides for State college presidents.

4) The list of exceptions from the bill set forth in section 2 should also be expanded to include Commissioners of Corrections and Education and the Chancellor of Higher Education in order that the provision of State housing may continue to be used as part of the employment arrangement for these officials.

5) I suggest that section 3 be amended to clarify that in establishing its policies the Board may take into account the special needs and responsibilities of the various departments. Clearly, housing policies for employees of the

Department of Corrections may be very different from those for the Department of Education.

6) I am recommending that sections 5 and 7 of the bill be amended to more closely reflect the provisions of the Executive Order. The Executive Order makes it clear that State employees will be required to pay the fair market value of the State owned housing units which they occupy and that they must pay the utility charges and maintenance charges attributable to their units. However, the Executive Order permits reasonable exemptions or modifications from this rule for reasons which include the fact that residency in the State owned housing is a condition of employment, that the unit is located on institutional grounds and that the charge may be substantially disproportionate to the salary of the employee. I am advised that this mechanism is working well and, accordingly, I see no reason to change it.

7) The executive branch should have a reasonable amount of flexibility in determining whether employee housing units should be maintained. In addition, the concurrence of the interested cabinet officer should be obtained before State housing for his employees is sold. Accordingly, I am recommending that section 6 of the bill be modified to enable the board to sell state employee housing which it finds unneeded for state use, provided the interested cabinet officer concurs. In addition, I recommend that in accordance with current practice, the State House Commission approve and fix the terms and conditions of the sale.

8) I suggest the deletion of language in section 11 which directs that the board provide a report to the Legislature through the Governor's Budget Message. I would not like to have the Governor's Budget Message burdened with various ancillary reports and find no need to have this report made through the Governor's Budget Message.

9) I am recommending a technical amendment to Section 12 of the bill which refers to the "chief examiner and secretary" in the Department of Civil Service. This title was abolished by P.L. 1982, c. 181 and the function is now performed by the President of the Civil Service Commission. As a result, the language should be changed.

Accordingly, I herewith return Assembly Bill No. 1531 (2nd OCR) and recommend it be amended as follows:

Page 1, Section 1, line 4: After "Commission" insert ", the Commissioner of Corrections, the Commissioner of Environmental Protection, the Chancellor of Higher Education, the Commissioner of Education, the Commissioner of Human Services"

Page 1, Section 2, line 5: Delete ", whether"

Page 1, Section 2, lines 6 through 8: On line 6 delete "or rental to the private sector and including housing"; delete line 7 in entirety; on line 8 delete "closure or escheat"

Page 1, Section 2, line 11: After "presidents," insert "housing for the Chancellor of Higher Education, the Commissioner of Education, the Commissioner of Corrections and the superintendents of State correctional facilities"

Page 2, Section 3, after line 16: Insert "In establishing its policies, the Board shall assure that State employees are treated fairly and uniformly where appropriate with recognition that differences in their responsibilities, the nature of their work and the type of housing may on occasion generate rules and procedures unique to those situations."

Page 2, Section 5, lines 2 through 7: On line 2 delete "The"; delete lines 3 through 7 in entirety and insert after line 7:

"a. The rental rates shall be based on the fair market rental value of the premises and shall take into account the fact that the housing is located on institutional grounds.

b. All utility charges directly attributable to a State owned housing unit shall be charged to the occupant, either separately if it is feasible or practicable to do so, or by reflecting these charges in a fair market rental.

c. All maintenance charges customarily paid by tenants shall be paid by tenants occupying State owned housing."

Page 2, Section 6, line 1: Delete "The" and insert "With the approval of the cabinet officer in whose department the housing unit is situated and the State House Commission, the"

Page 2, Section 6, Lines 2 through 4: On line 2 delete "unless it" delete lines 3 and 4 in entirety and insert "which it finds unneeded for State use. The terms and conditions of the sale shall be fixed by the State House Commission."

Pages 2 and 3, Section 7, lines 1 through 7: After "7." delete remainder of line 1 and lines 2-7 in entirety and insert:

"Upon application of an interested Cabinet officer, the Board may authorize a reasonable reduction or waiver of a rental rate, utility charge or maintenance

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EXECUTIVE DEPARTMENT

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fee for any of the following reasons: (a) that residency in the State housing unit is a condition of employment; (b) that the housing unit is located on institutional grounds; and (c) that the fair market rental value of the housing is substantially disproportionate to the salary of the employee."

Page 3, Section 11, lines 7 through 12: On line 7 delete "The board shall submit" and delete lines 8 through 12 in entirety.

Page 3, Section 12, Line 2: Delete "chief examiner and secretary," and insert "President of the Civil Service Commission,"

Respectfully,

/s/ Thomas H. Kean

GOVERNOR

(seal)

Attest:

/s/ W. Cary Edwards  
Chief Counsel