

CHAPTER 338

AN ACT enhancing certain requirements related to hotel and multiple dwelling violations, including notice requirements and occupancy restrictions, and amending P.L.1967, c.76.

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

1. Section 3 of P.L.1967, c.76 (C.55:13A-3) is amended to read as follows:

C.55:13A-3 Definitions.

3. The following terms whenever used or referred to in P.L.1967, c.76 (C.55:13A-1 et seq.) shall have the following respective meanings for the purposes thereof, except in those instances where the context clearly indicates otherwise:

(a) The term "act" shall mean P.L.1967, c.76 (C.55:13A-1 et seq.), any amendments or supplements thereto, and any rules and regulations promulgated thereunder.

(b) The term "accessory building" shall mean any building which is used in conjunction with the main building of a hotel, whether separate therefrom or adjoining thereto.

(c) (Deleted by amendment, P.L.2013, c.253.)

(d) The term "bureau" shall mean the Bureau of Housing Inspection in the Department of Community Affairs.

(e) (Deleted by amendment.)

(f) The term "commissioner" shall mean the Commissioner of Community Affairs.

(g) The term "department" shall mean the Department of Community Affairs.

(h) The term "unit of dwelling space" or the term "dwelling unit" shall mean any room or rooms, or suite or apartment thereof, whether furnished or unfurnished, which is occupied, or intended, arranged or designed to be occupied, for sleeping or dwelling purposes by one or more persons, including but not limited to the owner thereof, or any of the person's or persons' servants, agents or employees, and shall include all privileges, services, furnishings, furniture, equipment, facilities and improvements connected with the use or occupancy thereof.

(i) The term "protective equipment" shall mean any equipment, device, system or apparatus, whether manual, mechanical, electrical or otherwise, permitted or required by the commissioner to be constructed or installed in any hotel or multiple dwelling for the protection of the occupants or intended occupants thereof, or of the public generally.

(j) The term "hotel" shall mean any building, including but not limited to any related structure, accessory building, and land appurtenant thereto, and any part thereof, which contains 10 or more units of dwelling space or has sleeping facilities for 25 or more persons and is kept, used, maintained, advertised as, or held out to be, a place where sleeping or dwelling accommodations are available to transient or permanent guests.

This definition shall also mean and include any hotel, motor hotel, motel, or established guesthouse, which is commonly regarded as a hotel, motor hotel, motel, or established guesthouse, as the case may be, in the community in which it is located; provided, that this definition shall not be construed to include any building or structure defined as a multiple dwelling in P.L.1967, c.76 (C.55:13A-1 et seq.), registered as a multiple dwelling with the Commissioner of Community Affairs as hereinafter provided, and occupied or intended to be occupied as such nor shall this definition be construed to include a rooming house or a boarding house as defined in the "Rooming and Boarding House Act of 1979," P.L.1979, c.496 (C.55:13B-1 et al.) or, except as otherwise set forth in P.L.1987, c.270 (C.55:13A-7.5, 55:13A-7.6, 55:13A-12.1, 55:13A-13.2), any retreat lodging facility, as defined in this section.

(k) The term "multiple dwelling" shall mean any building or structure of one or more stories and any land appurtenant thereto, and any portion thereof, in which three or more units

of dwelling space are occupied, or are intended to be occupied by three or more persons who live independently of each other. This definition shall also mean any group of ten or more buildings on a single parcel of land or on contiguous parcels under common ownership, in each of which two units of dwelling space are occupied or intended to be occupied by two persons or households living independently of each other, and any land appurtenant thereto, and any portion thereof. This definition shall not include:

(1) any building or structure defined as a hotel in P.L.1967, c.76 (C.55:13A-1 et seq.), or registered as a hotel with the Commissioner of Community Affairs as hereinafter provided, or occupied or intended to be occupied exclusively as such;

(2) a building section containing not more than four dwelling units, provided the building has at least two exterior walls unattached to any adjoining building section and the dwelling units are separated exclusively by walls of such fire-resistant rating as comports with the "State Uniform Construction Code Act," P.L.1975, c.217 (C.52:27D-119 et seq.) at the time of their construction or with a rating as shall be established by the bureau in conformity with recognized standards and the building is held under a condominium or cooperative form of ownership, or by a mutual housing corporation, provided that if any units within such a building section are not occupied by an owner of the unit, then that unit and the common areas within that building section shall not be exempted from the definition of a multiple dwelling for the purposes of P.L.1967, c.76 (C.55:13A-1 et seq.). A condominium association, or a cooperative or mutual housing corporation shall provide the bureau with any information necessary to justify an exemption for a dwelling unit pursuant to this paragraph; or

(3) any building of three stories or less, owned or controlled by a nonprofit corporation organized under any law of this State for the primary purpose to provide for its shareholders or members housing in a retirement community as same is defined under the provisions of the "Retirement Community Full Disclosure Act," P.L.1969, c.215 (C.45:22A-1 et seq.), provided that the corporation meets the requirements of section 2 of P.L.1983, c.154 (C.55:13A-13.1).

(l) The term "owner" shall mean the person who owns, purports to own, or exercises control of any hotel or multiple dwelling. The term "owner" shall also mean and include any person who owns, purports to own, or exercises control over three or more dwelling units within a multiple dwelling.

(m) The term "person" shall mean any individual, corporation, association, or other entity, as defined in R.S.1:1-2.

(n) The term "continuing violation" shall mean any violation of P.L.1967, c.76 (C.55:13A-1 et seq.) or any regulation promulgated thereunder, where notice is served within two years of the date of service of a previous notice and where violation, premise and person cited in both notices are substantially identical.

(o) The term "project" shall mean a group of buildings subject to the provisions of P.L.1967, c.76 (C.55:13A-1 et seq.), which are or are represented to be under common or substantially common ownership and which stand on a single parcel of land or parcels of land which are contiguous and which group of buildings is named, designated or advertised as a common entity. The contiguity of such parcels shall not be adversely affected by public rights-of-way incidental to such buildings.

(p) The term "mutual housing corporation" means a corporation not-for-profit incorporated under the laws of New Jersey on a mutual or cooperative basis within the scope of Title VI, s.607 of the "Lanham Public War Housing Act," 54 Stat. 1125, 42 U.S.C. s.1501 et seq., as amended, which acquired a National Defense Housing Project pursuant to said act.

(q) "Condominium" means the form of ownership so defined in the "Condominium Act," P.L.1969, c.257 (C.46:8B-1 et seq.).

(r) "Cooperative" means a housing corporation or association which entitles the holder of a share or membership interest thereof to possess and occupy for dwelling purposes a house, apartment or other structure owned or leased by said corporation or association, or to lease or purchase a dwelling constructed or to be constructed by said corporation or association.

(s) "Retreat lodging facility" means a building or structure, including but not limited to any related structure, accessory building, and land appurtenant thereto, and any part thereof, owned by a nonprofit corporation or association which has tax-exempt charitable status under the federal Internal Revenue Code and which has sleeping facilities used exclusively on a transient basis by persons participating in programs of a religious, cultural or educational nature, conducted under the sole auspices of one or more corporations or associations having tax-exempt charitable status under the federal Internal Revenue Code, which are made available without any mandatory charge to such participants.

(t) "Potentially hazardous violation" means an imminent hazard to the health, safety, or welfare of the occupants or intended occupants thereof, or of the public generally, or a deteriorating structural, sanitary, or other condition that, if unaddressed, may result in an imminent hazard prior to the next scheduled inspection conducted pursuant to P.L.1967, c.76 (C.55:13A-1 et seq.).

2. Section 13 of P.L.1967, c.76 (C.55:13A-13) is amended to read as follows:

C.55:13A-13 Inspection; fees.

13. (a) Each multiple dwelling and each hotel shall be inspected for the purpose of determining the extent to which each hotel or multiple dwelling complies with the provisions of P.L.1967, c.76 (C.55:13A-1 et seq.) and regulations promulgated hereunder. The commissioner shall establish by regulation the frequency of inspections, which shall be conducted as follows:

(1) each hotel shall be inspected at least once every five years; and

(2) each multiple dwelling shall be categorized into the following tiers based upon the number of reinspections required to abate the violations that were served upon the owner following an initial inspection:

(i) a multiple dwelling in which no violations are found or all violations have been abated by the first reinspection shall be placed in the highest tier and shall next be inspected in seven years, and the inspection fee shall be due at that time;

(ii) a multiple dwelling in which all violations have been abated by the second or third reinspection shall be placed in the middle tier and shall next be inspected in five years, and the inspection fee shall be due at that time;

(iii) a multiple dwelling in which all violations have not been abated by the third reinspection shall be placed in the lowest tier and shall next be inspected in two years, and the inspection fee shall be due at that time.

(3) notwithstanding the provisions of paragraph (2) of this section to the contrary, if the commissioner determines that tiered inspection schedules do not adequately protect the health and safety of residents of multiple dwellings, the commissioner may, by regulation, require that cyclical inspections for multiple dwellings occur once every five years.

(b) Within 30 days of the most recent inspection, the owner of each hotel shall file with the commissioner, upon forms provided by the commissioner, an application for a certificate of inspection. Said application shall include such information as the commissioner shall prescribe to enforce the provisions of this law. Said application shall be accompanied by a fee as follows: \$15 per unit of dwelling space for the first 20 units of dwelling space in any building or project,

\$12 per unit of dwelling space for the 21st through 100th unit in any building or project, \$8 per unit of dwelling space for the 101st through 250th unit in any building or project, and \$5 per unit of dwelling space for all units over 250 in any building or project, except that in the case of hotels open and operating less than six months in each year the fee shall be one-half that which would otherwise be required, or, as the case may be, the fees established by rule for each of the foregoing pursuant to subsection (e) of this section. A certificate of inspection and the fees therefor shall not be required more often than once each inspection cycle.

Additionally, there shall be reinspection fees for hotels in the amount of \$10 for each dwelling unit reinspected or, as the case may be, the fees established by rule for each of the foregoing pursuant to subsection (e) of this section.

Within 30 days of the most recent inspection of any multiple dwelling occupied or intended to be occupied by three or more persons living independently of each other, the owner of each such multiple dwelling shall file with the commissioner, upon forms provided by the commissioner, an application for a certificate of inspection. Said application shall include such information as the commissioner shall prescribe to enforce the provisions of this law. Said application shall be accompanied by a fee of \$33 per unit of dwelling space for the first 7 units in any building or project, \$21 per unit of dwelling space for the 8th through the 24th unit in any building or project, \$18 per unit for the 25th through the 48th unit in any building or project, and \$12 per unit of dwelling space for all units of dwelling space over 48 in any building or project, provided that the maximum total fee for owner-occupied three-unit multiple dwellings shall be limited to \$65 for owners having a household income that is less than 80 percent of the median income for households of similar size in the county in which the multiple dwelling is located, and the maximum total fee for owner-occupied four-unit multiple dwellings shall be limited to \$80 for owners having a household income that is less than 80 percent of the median income for households of similar size in the county in which the multiple dwelling is located, or, as the case may be, the fees established by rule for each of the foregoing pursuant to subsection (e) of this section. A certificate of inspection and the fees therefor shall not be required more often than once each inspection cycle.

Additionally, there shall be reinspection fees for multiple dwellings in the amount of \$40 for each dwelling unit reinspected, or, as the case may be, the fees established by rule pursuant to subsection (e) of this section, but only after the first reinspection.

The commissioner may waive the inspection fee for any unit upon a finding that the unit has been thoroughly inspected within the previous 12-month period under a municipal ordinance requiring inspection upon change of occupancy in accordance with the maintenance standards established by the commissioner under P.L.1967, c.76 (C.55:13A-1 et seq.), and has received a municipal certificate of occupancy as a result of that inspection.

If the commissioner finds that (1) a building has been thoroughly inspected prior to resale since the most recent inspection in accordance with this section, (2) the inspection prior to resale was conducted by the municipality in accordance with the maintenance standards established by the commissioner under P.L.1967, c.76 (C.55:13A-1 et seq.), and (3) a municipal certificate of occupancy was issued as a result of that inspection, the commissioner may accept the inspection done prior to resale in lieu of a current inspection under this section. If the commissioner accepts an inspection prior to resale in lieu of a current inspection, no fee shall be charged for any inspection done by the commissioner within the years remaining in the applicable inspection cycle after the date of the inspection so accepted.

(c) If the commissioner determines, as a result of the most recent inspection of any hotel or multiple dwelling as required by subsection (a) of this section, that any hotel or multiple dwelling complies with the provisions of P.L.1967, c.76 (C.55:13A-1 et seq.) and regulations

promulgated hereunder, then the commissioner shall issue to the owner thereof, upon receipt of the application and fee as required by subsection (b) of this section, a certificate of inspection. Any owner to whom a certificate of inspection is issued shall keep said certificate posted in a conspicuous location in the hotel or multiple dwelling to which the certificate applies. The certificate of inspection shall be in such form as may be prescribed by the commissioner.

The commissioner may, upon finding a consistent pattern of compliance with the maintenance standards established under P.L.1967, c.76 (C.55:13A-1 et seq.) in at least 20 percent of the units in a building or project, issue a certificate of inspection for the building or project, in which case the inspection fee shall be charged on the basis of the number of units inspected.

The commissioner may by rule establish standards for self-inspection by condominium associations exercising control over buildings of not more than three stories, constructed after 1976, and certified by the local enforcing agency having jurisdiction as being in compliance with the Uniform Fire Code promulgated pursuant to P.L.1983, c.383 (C.52:27D-192 et seq.), in which at least 80 percent of the dwelling units are occupied by the unit owners. The commissioner shall issue a certificate of acceptance, which shall be in lieu of a certificate of inspection, upon acceptance of any such self-inspection and upon payment of a fee of \$25.

(d) (1) If the commissioner determines, as a result of the most recent inspection of any hotel or multiple dwelling as required by subsection (a) of this section, that any hotel or multiple dwelling does not comply with the provisions of P.L.1967, c.76 (C.55:13A-1 et seq.) and regulations promulgated thereunder, then the commissioner shall issue to the owner thereof a written notice stating the manner in which any such hotel or multiple dwelling does not comply with P.L.1967, c.76 (C.55:13A-1 et seq.) or regulations promulgated thereunder. Said notice shall fix such date, not less than 60 days nor more than 180 days, on or before which any such hotel or multiple dwelling must comply with the provisions of P.L.1967, c.76 (C.55:13A-1 et seq.) and regulations promulgated thereunder. If any such hotel or multiple dwelling is made to comply with the provisions of P.L.1967, c.76 (C.55:13A-1 et seq.) and regulations promulgated thereunder on or before the date fixed in said notice, then the commissioner shall issue to the owner thereof a certificate of inspection as described in subsection (c) of this section. If any such hotel or multiple dwelling is not made to comply with the provisions of P.L.1967, c.76 (C.55:13A-1 et seq.) and regulations promulgated thereunder on or before the date fixed in said notice, then the commissioner shall not issue to the owner thereof a certificate of inspection as described in subsection (c) of this section, and shall enforce the provisions of P.L.1967, c.76 (C.55:13A-1 et seq.) against the owner thereof.

(2) In addition to complying with the requirements of paragraph (1) of this subsection, if the commissioner determines that a violation of P.L.1967, c.76 (C.55:13A-1 et seq.) is a potentially hazardous violation, then the commissioner shall comply with this paragraph, and shall immediately send, by certified or ordinary mail, and by electronic mail, a written notice, stating the manner in which the hotel or multiple dwelling does not comply with P.L.1967, c.76 (C.55:13A-1 et seq.) or regulations promulgated thereunder and setting a date upon which the owner shall be required to address the potentially hazardous violation. Such notice shall be sent to:

- (i) The mayor of the municipality in which the hotel or multiple dwelling is located;
- (ii) The administrator, business administrator, city manager, township manager, municipal manager, or other municipal official with executive authority not vested in the mayor of the municipality in which the hotel or multiple dwelling is located, as is applicable to the municipality;

(iii) All members of the governing body of the municipality in which the hotel or multiple dwelling is located;

(iv) The clerk, public information officer, or other municipal official responsible for the distribution of communications to the residents of the municipality, as applicable to the municipality; and

(v) The owner and operator of the hotel or multiple dwelling, including, if applicable, to the property owner's last known address, as determined through a review of local property tax and other available records.

(3) If a notice issued by the commissioner pursuant to this subsection concerns a potentially hazardous violation, then, in addition to complying with paragraphs (1) and (2) of this subsection, the commissioner and the owner and operator of a hotel or multiple dwelling shall comply with this paragraph, and the commissioner shall include as a part of the notice, a mailing notification, which shall contain large, easily readable text, clearly include the date by which the owner shall be required to address the potentially hazardous violation, and be presented on distinctly colored paper or other paper that is easily distinguishable from other notices or communications otherwise sent by the commissioner.

(4) The owner or operator of the hotel or multiple dwelling shall address the potentially hazardous violation prior to the date required by the commissioner in the notice issued pursuant to paragraphs (2) and (3) of this subsection, and shall notify the municipality and the department who may conduct an inspection, in the case of the municipality, or a reinspection, in the case of the department, of the hotel or multiple dwelling to determine whether the potentially hazardous violation has been abated.

(5) If the owner or operator of the multiple dwelling fails to abate the potentially hazardous violation by the date ordered by the commissioner, then the owner or operator of the multiple dwelling shall provide a hard copy of said mailing notification to each existing resident of the multiple dwelling. The owner or operator of the multiple dwelling shall additionally post a copy of the notification in a conspicuous location in the lobby or common area of the multiple dwelling, in which the information is most likely to be viewed by residents or guests; and within 10 feet of the elevator on each floor of the multiple dwelling, or, if the multiple dwelling does not have an elevator, within 10 feet of, or in, the main stairwell of each floor. A notification posted in a common area of the multiple dwelling, pursuant to this subsection, may be removed only after the commissioner issues to the owner and operator a certificate of inspection as described in subsection (c) of this section. For a hotel room or dwelling unit impacted by a potentially hazardous violation, the owner or operator of any hotel or multiple dwelling shall not enter a new lease for non-owner occupancy, or make available for the same, such unit for such time as the hotel or multiple dwelling is made to comply with the provisions of P.L.1967, c.76 (C.55:13A-1 et seq.) and regulations promulgated thereunder and the commissioner has issued to the owner and operator thereof a certificate of inspection as described in subsection (c) of this section. An administrator, business administrator, city manager, township manager, municipal manager, or other appropriate municipal official of the municipality in which the hotel or multiple dwelling is located may, in their discretion, verify that the owner or operator of the multiple dwelling has posted the notification in compliance with this subsection.

(6) Once the owner or operator of the multiple dwelling abates the potentially hazardous violation, then the owner or operator of the multiple dwelling shall provide a notification to each existing resident of the multiple dwelling describing the violation and the steps taken to address it. The owner or operator of the multiple dwelling shall additionally post a copy of the notification in a conspicuous location in the lobby or common area of the multiple dwelling,

in which the information is most likely to be viewed by residents or guests; and within 10 feet of the elevator on each floor of the multiple dwelling, or, if the multiple dwelling does not have an elevator, within 10 feet of, or in, the main stairwell of each floor. An administrator, business administrator, city manager, township manager, municipal manager, or other appropriate municipal official of the municipality in which the multiple dwelling is located may, in their discretion, verify that the owner or operator of the multiple dwelling has posted the notification in compliance with this subsection.

(e) The commissioner shall annually review the cost of implementing and enforcing P.L.1967, c.76 (C.55:13A-1 et seq.), including the cost to municipalities of carrying out inspections pursuant to section 21 of P.L.1967, c.76 (C.55:13A-21), and shall establish by rule, not more frequently than once every three years, such fees as may be necessary to cover the costs of such implementation and enforcement; provided, however, that any increase or decrease shall be applied as a uniform percentage to each category of fee established herein, and provided, further, that the percentage amount of any increase shall not exceed the percentage increase in salaries paid to State employees since the then current fee schedule was established. The commissioner shall provide by rule to owners the option of paying inspection fees in installments in the form of an annual fee. The commissioner shall annually prepare and file with the presiding officers of the Senate and General Assembly and the legislative committees having jurisdiction in housing matters a report setting forth the amounts of fees and penalties received by the Bureau of Housing Inspection, the cost to the bureau of enforcing P.L.1967, c.76 (C.55:13A-1 et seq.), and information concerning the productivity of the bureau. Copies of the report shall also be submitted to the Office of Administrative Law for publication in the New Jersey Register. If in any State fiscal year the fee revenue received by the bureau exceeds the cost of enforcement of P.L.1967, c.76 (C.55:13A-1 et seq.), the excess revenue shall be distributed pro rata to persons who paid inspection fees during that fiscal year. Such distribution shall be made within three months after the end of the fiscal year.

(f) Except as otherwise provided in section 2 of P.L.1991, c.179 (C.55:13A-26.1), the fees established by or pursuant to the provisions of this section are dedicated to meeting the costs of implementing and enforcing P.L.1967, c.76 (C.55:13A-1 et seq.) and shall not be used for any other purpose. All receipts in excess of \$2,200,000 are hereby appropriated for the purposes of P.L.1967, c.76 (C.55:13A-1 et seq.).

3. Section 20 of P.L.1967, c.76 (C.55:13A-20) is amended to read as follows:

C.55:13A-20 Service of notices, rules, decisions, orders.

20. (a) Notices, rules, decisions, and orders required or permitted to be issued and served pursuant to P.L.1967, c.76 (C.55:13A-1 et seq.), except as otherwise provided for a notice of noncompliance issued for a potentially hazardous violation pursuant to paragraph (2) or (3) of subsection (d) of section 13 of P.L.1967, c.76 (C.55:13A-13), shall be served as follows:

(1) On the owner:

(i) By mailing same by certified or ordinary mail to the person designated as owner or agent on the certificate of registration or in the municipal tax records or in the records of the Department of the Treasury; or

(ii) By serving same on the owner, or upon a person authorized to accept service on behalf of the owner in a civil matter, in accordance with the Rules of Court.

(2) On the occupant:

(i) By mailing same by certified or ordinary mail to said occupant;

(ii) By serving same on the Department of the Treasury, who shall be deemed the owner's agent for service of process, provided however, that reasonable efforts have first been made to serve the owner or his agent by certified mail and that a copy of such notice is posted in a conspicuous location on the premises. "Conspicuous location" shall include the walls of the front vestibule or in any common foyer or hallway immediately inside the main front entrance; or

(iii) By leaving same at the dwelling unit of the occupant with a competent member of the household of the age of 14 or over.

(b) The date of service shall be considered the date of personal service, the date of other method of service authorized under this section, or the date of the third day after mailing, whichever occurs first.

4. On or before the first day of the third month next following the enactment of P.L.2023, c.338 (C.55:13A-3 et al.), the Commissioner of Community Affairs shall adopt, pursuant to the "Administrative Procedures Act," P.L.1968, c.410 (C.52:14B-1 et seq.), rules and regulations as necessary for the implementation of P.L.2023, c.338 (C.55:13A-3 et al.).

5. This act shall take effect on the first day of the third month next following enactment, except that the Commissioner of Community Affairs may take such anticipatory action as may be necessary to effectuate the provisions of P.L.2023, c.338 (C.55:13A-3 et al.).

Approved January 16, 2024.