

CHAPTER 85

AN ACT concerning rent increases for certain dwelling sites for modular or industrialized buildings or manufactured homes and supplementing chapter 27D of Title 52 of the Revised Statutes.

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

C.52:27D-287.12 Definitions.

1. As used in P.L.2025, c.85 (C.52:27D-287.12 et seq.):

"Commissioner" means Commissioner of Community Affairs.

"Covered dwelling site" means a parcel of land within a manufactured home park that is leased to the owner of a modular or industrialized building or a manufactured home for living and dwelling purposes for tenancy on the site.

"Industrialized or modular building" means any building of closed construction, including, but not limited to, modular housing that is factory-built, single-family, and multi-family housing, including closed-wall, panelized housing, as well as other modular, nonresidential buildings. "Industrialized or modular building" shall not include any structure subject to the requirements of the National Manufactured Home Construction and Safety Standards Act of 1974 (42. U.S.C. s.5401 et seq.).

"Landlord" means a person or entity who owns or manages a manufactured home park and who rents, leases, or charges a lot fee, or offers to rent, lease, or charge a lot fee, for a term of at least one month, a covered dwelling site.

"Manufactured home" means a structure for which the manufacturer has filed a certification required by the Secretary of the United States Department of Housing and Urban Development pursuant to 42 U.S.C. s.5415 and which complies with the federal standards established pursuant to the National Manufactured Home Construction and Safety Standards Act of 1974 (42. U.S.C. s.5401 et seq.).

"Manufactured home park" means a parcel of land, or two or more contiguous parcels of land, designed and improved such that the land contains two or more sites, each of which is equipped for the placement of modular or industrialized buildings or manufactured homes and which sites are under common ownership and control, other than as a cooperative, for the purpose of leasing each site to the owner of a modular or industrialized building or a manufactured home for installation thereon and where the owner provides services, which may include, but shall not be limited to:

Construction and maintenance of streets;

Lighting of streets and other common areas;

Garbage removal;

Snow removal; and

Provision for the drainage of surface water from home sites and common areas.

"Rent" means the amount currently payable by the tenant to the landlord pursuant to a lease or other agreement, without regard to any modification thereof by any authorized board or agency or any court. "Rent" shall include lot fees, including license fees, charged by a landlord to a tenant, in addition to tax surcharge costs passed on to the tenant, and any other special expenses.

"Tenancy" means the lawful occupation of a covered dwelling site and which includes a lease or sublease, oral or written.

"Tenant" means a person who leases, rents, or pays a lot fee for a covered dwelling site.

C.52:27D-287.13 Rent increases limited, covered dwelling sites.

2. a. Except as provided in subsections c. and g. of this section, a landlord shall not, over the course of a 12-month period, increase the rent on a covered dwelling site by more than three and one half percent over the rent charged during the prior 12-month period.

b. A tenant of a covered dwelling site shall not enter into a sublease that results in a rental rate for the covered dwelling site that exceeds the allowable rate authorized by subsection a. of this section. Nothing in this subsection shall be construed to authorize a tenant to sublet or assign the tenant's interest where otherwise prohibited.

c. A landlord may, notwithstanding subsection a. of this section, establish the initial rate for a new tenancy in which no tenant from the prior tenancy remains in lawful possession of the covered dwelling site. Subsection a. of this section shall only apply to subsequent increases after that initial rate has been established with respect to the new tenancy.

d. (1) Except as allowed following a petition to the commissioner pursuant to subsection g. of this section, if the landlord of a covered dwelling site requests or accepts an increase in rent exceeding the amount permitted pursuant to subsection a. of this section:

(a) the applicable rent for the duration of the present lease or agreement term, or subsequent lease or agreement term if the present term is month-to-month, shall be the rent for the rental term preceding the rent increase in violation of this section; and

(b) the landlord shall be liable for a penalty of \$1,000 per violation per unit. The penalty shall be collected and enforced by summary proceedings pursuant to the "Penalty Enforcement Law of 1999," P.L.1999, c.274 (C.2A:58-10 et seq.). The Superior Court, Law Division, Special Civil Part in the county in which the residential rental property is located shall have jurisdiction over the proceedings described pursuant to this paragraph. Process shall be in the nature of a summons or warrant and shall issue upon the complaint of the Commissioner of Community Affairs or the Attorney General.

(2) In municipalities where preemption does not apply pursuant to section 3 of this act, P.L.2025, c.85 (C.52:27D-287.14), enforcement of such penalty in subparagraph (b) of paragraph (1) of this subsection shall be pursuant to applicable law, including any ordinances or regulations adopted thereto.

e. This section shall function in addition to, and not in place of, the existing prohibition on unconscionable rent increases pursuant to subsection f. of section 2 of P.L.1974, c.49 (C.2A:18-61.1). A tenant may assert a violation of this section as a defense to an eviction action as an unconscionable rent increase.

f. (1) A tenant shall have the right to petition a court of competent jurisdiction to terminate a lease or agreement containing a provision in violation of P.L.2025, c.85 (C.52:27D-287.12 et seq.), and shall be permitted to recover reasonable attorney's fees or expenses.

(2) A landlord who violates P.L.2025, c.85 (C.52:27D-287.12 et seq.) shall also, at the discretion of the tenant, be subject to a separate cause of action by the tenant in the Superior Court, Law Division, Special Civil Part in the county in which the covered dwelling site is located. A tenant may recover \$500 from the landlord for a first offense, and \$1,000 from the landlord for a second and any subsequent offense, in addition to reasonable attorney's fees or expenses.

(3) A landlord shall be subject to the penalties set forth in this subsection for each violation against each tenant, which may be brought pursuant to paragraph (2) of this subsection at the tenant's discretion.

g. (1) (a) A landlord may petition the commissioner to request approval to increase the rent, in an amount specified by the landlord, on a covered dwelling site in excess of three and one half percent:

(i) by demonstrating through proof or documentation that the present rental income and additional charges from the manufactured home park on which the landlord seeks relief are insufficient to cover unanticipated increases in the costs of: the abatement of hazardous conditions, taxes, assessments, maintenance to the manufactured home park, utilities, insurance, and management of the manufactured home park; or

(ii) by submitting proof or documentation of capital improvements to the property, which require the increase in rent.

(b) In determining whether to grant a landlord's petition pursuant to this subsection, there shall be a rebuttable presumption that the rent increase is reasonable and not unconscionable so long as the landlord first provides the proof or documentation required in subparagraph (a) of this paragraph to the tenant. The commissioner may, after a hearing, grant the landlord a rent increase sufficient to meet the landlord's requirements or needs after consideration of either the proofs or documentation presented, for approval of a petition submitted pursuant to sub-subparagraph (ii) of subparagraph (a) of this paragraph, or the proofs presented, the physical condition of the manufactured home park, the landlord's profitability with and without the proposed rent increase, the arguments presented by affected tenants, and the relative bargaining position of the parties, for approval of a petition seeking relief pursuant to sub-subparagraph (i) of subparagraph (a) of this paragraph. The commissioner shall schedule a hearing and make a final determination on a petition pursuant to this paragraph within 90 days after the landlord submits the petition to the commissioner. If the commissioner fails to act within 90 days after the landlord submits the petition, the rent increase on a covered dwelling site shall be deemed approved, provided the rent increase otherwise complies with the provisions of this subsection.

(2) A landlord that seeks to file, or files, a petition pursuant to paragraph (1) of this subsection, shall:

(a) prior to filing the petition, post notice of the petition setting forth the basis for the petition in a conspicuous place in and about the manufactured home park;

(b) prior to filing the petition, serve each affected tenant personally, or by certified mail, with the petition to be filed with the commissioner, along with the proof or documentation required by subparagraph (a) of paragraph (1) of this subsection;

(c) notify each affected tenant personally, or by certified mail, of the hearing date set by the commissioner, along with the proof or other documentation required by subparagraph (a) of paragraph (1) of this subsection; and

(d) post notice of the hearing in a conspicuous place in the manufactured home park for at least 10 days prior to the date set for the hearing.

C.52:27D-287.14 Effect on other measures regarding rent control, leveling, stabilization.

3. a. (1) The provisions of P.L.2025, c.85 (C.52:27D-287.12 et seq.) shall not preempt an ordinance, rule, regulation, or other law regarding rent control, rent leveling, or rent stabilization adopted by the governing body of a municipality that governs covered dwelling sites and that:

(a) provides a fixed, numerical municipal rent increase limit that is not based upon, in whole or in part, the Consumer Price Index, or other variable criteria; and

(b) provides a rent increase limit on a covered dwelling site that is less than or equal to three and one half percent over the course of a 12-month period, regardless of whether:

(i) a determination, made by a rent leveling board or similar municipal agency charged with regulating rents, authorizes an exemption from the municipal rent increase limit, resulting in a

rent increase on a covered dwelling site that is greater than three and one half percent over the course of a 12-month period; or

(ii) the municipal rent increase limit permits one or more exceptions, which are not based upon, in whole or in part, the Consumer Price Index or other variable criteria.

(2) Nothing in this act, P.L.2025, c.85 (C.52:27D-287.12 et seq.), shall be construed to prohibit a municipality from adopting or enforcing an ordinance reflecting, or otherwise consistent with, the provisions of this act. In such cases, the municipality shall maintain jurisdiction for effectuation, implementation, and enforcement, and matters governed pursuant thereto shall not come before the commissioner.

b. Except as provided in subsection a. of this section, the provisions of P.L.2025, c.85 (C.52:27D-287.12 et seq.) shall preempt an ordinance, rule, regulation, or other law regarding rent control, rent leveling, or rent stabilization adopted by the governing body of a municipality that:

(1) provides a rent increase limit on a covered dwelling site that is greater than three and one half percent over the course of a 12-month period; or

(2) does not provide a fixed, numerical municipal rent increase limit and instead is based upon, in whole or in part, the Consumer Price Index, or other variable criteria.

c. A landlord seeking to exceed the allowable rate authorized by subsection a. of section 2 of this act, P.L.2025, c.85 (C.52:27D-287.13), in any municipality with a rent leveling board or similar municipal agency charged with regulating rents whose ordinance, rule, regulation, or other law has been preempted pursuant to this section shall seek approval from the board or agency consistent with any requirements and procedures prescribed thereby or by the governing body.

4. There is appropriated from the General Fund to the Department of Community Affairs the amount of \$2,000,000 to effectuate the purposes of this act, subject to the approval of the Director of the Division of Budget and Accounting.

5. The commissioner shall, in accordance with the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.), adopt rules and regulations as necessary to implement the provisions of P.L.2025, c.85 (C.52:27D-287.12 et seq.).

6. This act shall take effect immediately, but sections 1 through 3 shall remain inoperative until the first day of the eighth month next following the date of enactment, except that the commissioner may take any anticipatory action necessary to implement the provisions of P.L.2025, c.85 (C.52:27D-287.12 et seq.). This act shall apply to tenancies commencing on or after the effective date of P.L.2025, c.85 (C.52:27D-287.12 et seq.).

Approved July 1, 2025.