

SENATE COMMUNITY AND URBAN AFFAIRS COMMITTEE

STATEMENT TO

SENATE, No. 1786

with committee amendments

STATE OF NEW JERSEY

DATED: JUNE 1, 2026

The Senate Community and Urban Affairs Committee reports favorably and with committee amendments Senate Bill No. 1786.

As amended and reported, this bill establishes certain criteria for, and prohibits municipal actions restricting, the development of an accessory dwelling unit (ADU) under certain circumstances.

Specifically, the bill: requires that a municipal ordinance or resolution not prohibit or restrict the development of an ADU that complies with the bill; requires a municipality to adopt a municipal ordinance incorporating the provisions of the bill; and requires a municipality to follow the requirements of the ordinance in approving or denying an application for development of an ADU application (application). The bill specifies that the proposed or actual use of an ADU is to be a permitted use. The bill sets forth requirements for the contents of the municipal ordinance concerning location, square footage, height, setback distance, exterior access, parking, fire sprinklers, and rental duration. A municipal land use ordinance may provide for certain other requirements pursuant to the bill.

The bill provides that if a lot is located within a planned real estate development, a municipality or common interest community may impose and enforce certain reasonable regulations enumerated in the bill except that those regulations are not to prohibit or restrict the development of ADUs otherwise permitted in the bill.

The bill permits a homeowner to file an application with a municipal agency to develop an ADU on a lot zoned for residential single-family or two-family dwellings, and authorizes a municipality to deny an application under limited circumstances described in the bill.

The bill requires a municipality to consider and approve an application as a ministerial action. The bill permits a municipality to charge a reasonable application fee and certain application surcharges to cover the anticipated costs of the municipality's compliance with the bill. The bill provides that a municipal agency is to provide a written decision on an application for development of an ADU within 60 days of the date of application and that the municipal agency is to provide a written decision if the application is denied. If a municipality does not approve an application to develop an ADU, or

imposes conditions on the approval of an application to develop an ADU, the applicant may appeal the decision to the Commissioner of Community Affairs (commissioner). If the commissioner determines that the municipality's reasons for withholding approval or imposing conditions on the approval of an application are inconsistent with the provisions of the bill, the commissioner is to approve the application, and is to levy the cost of the proceedings, including the applicant's legal expenses, if any, against the municipality. In the event of a subsequent judicial appeal of the commissioner's decision, the court is to consider the standard of review for the commissioner's decision on an appeal.

An application for an ADU submitted together with an application for development of a new single-family or two-family dwelling on the same lot, upon the applicant's request, is to be considered and acted upon as a single application within the timeframe that governs single-family or two-family dwellings respectively, in which case a municipality is prohibited from imposing any conditions or requirements on the development of the ADU beyond those set forth in the bill. The bill prohibits a municipality from interpreting or applying a provision of any other municipal ordinance, policy, or regulation so as to delay or deny approval of an application. A municipality is prohibited from conditioning approval of an application upon the correction of a nonconforming zoning condition.

The bill prescribes certain requirements for utility connections and related fees; provides that certain sections of the bill are not to supersede specified provisions of the State Uniform Construction Code that relate to the construction of an ADU; and prohibits a municipality from issuing a certificate of occupancy (certificate) for an ADU prior to issuing a certificate for the primary dwelling. The bill also requires a municipality to certify its compliance with the provisions of the bill to the Department of Community Affairs (DCA) within 60 days of adoption of the municipal ordinance incorporating the provisions of the bill, and specifies that a noncompliant municipality may be subject to penalties or other action as deemed appropriate by the DCA.

The bill also amends the definition of an "accessory dwelling unit" provided in the "Fair Housing Act," P.L.1985, c.222 (C.52:27D-301 et al.) to conform to the definition provided in the bill.

This bill was prefiled for introduction in the 2026-2027 session pending technical review. As reported, the bill includes the changes required by technical review, which has been performed.

COMMITTEE AMENDMENTS:

The committee amended the bill to:

- change the definition for "buildable area" to mean an area defined by the front setback and a five-foot setback line from the side and rear of the property;

- change "or" to "and" in the definition of "complete independent living facilities" to make the list concerning habitation all inclusive;
- remove the term "personal purpose" from the bill;
- remove the limitation in the definition of "primary dwelling" that required the dwelling to be in an area in which single-family and two-family dwellings are permitted uses;
- redefine "single-family dwelling" to mean any structure that contains a single-family dwelling unit on an individual lot, including structures that are attached to other single-family dwellings;
- remove the limitation in the definition of "two-family dwelling" that required the dwelling to be in an area in which two-family dwellings are permitted uses;
- remove the 300 square foot minimum for ADUs and add that the minimum amount of square footage for complete independent living facilities per unit is to meet the requirements of State Uniform Construction Code;
- require a municipal ordinance permitting an ADU to provide that an ADU developed on or after the effective date of the bill is not to be rented for a period of less than 30 days and may set forth penalties;
- remove the permissive provision that a municipal ordinance may prohibit an ADU from being rented for a period of less than 30 days;
- add a permissive provision that a municipal land use ordinance may permit a primary dwelling with an ADU to be subject to the same dimensional controls and other controls, except for residential density controls, as required for the same primary dwelling without the ADU, under certain circumstances;
- provide that if a lot is located within a planned real estate development, a municipality or common interest community may impose and enforce certain reasonable regulations that do not prohibit or restrict the development of ADUs otherwise permitted by the bill; and
- provide that, if a municipality does not approve an application to develop an ADU, or imposes conditions on the approval of an application to develop an ADU, the applicant may appeal the decision to the commissioner, who may take certain action under certain circumstances.