

ASSEMBLY TOURISM, GAMING AND THE ARTS
COMMITTEE

STATEMENT TO
ASSEMBLY, No. 4441

with committee amendments

STATE OF NEW JERSEY

DATED: FEBRUARY 27, 2017

The Assembly Tourism, Gaming and the Arts Committee reports favorably and with committee amendments Assembly Bill No. 4441.

As amended by the committee, this bill would permit municipalities to license the short-term rental by the owner or lessee of a residential unit to a transient guest through a transient space marketplace, such as Airbnb. The bill would also permit the governing body of a municipality, by ordinance, to prohibit the owner of a property, which is the owner's primary residence, from offering it as space for accommodation for a period of 30 days or less through a transient space marketplace.

The provisions of the bill *do not* apply to seasonal rentals.

Under the bill, an owner or tenant shall not offer their residential property as a short-term residential rental through a transient space marketplace until the owner has applied for and received a short-term residential rental registration number from the municipality, thereby becoming a "registered host." A registered host may rent a portion of their residential unit while they are also present in the unit for an unlimited number of days per year, and may rent their entire residential unit while they are not present for a maximum of 30 consecutive days per year.

An ordinance adopted pursuant to the bill would be required to establish conditions in order to conduct a short-term residential rental, including the following:

- The registered host shall be the owner or lessee of the residential unit that the registered host offers for rent on a transient space marketplace. If a registered host owns a multiple dwelling, the host may only register a single residential unit within the building. If a registered host owns or leases more than one residential unit in a building, the registered host may only register a single residential unit within the building;
- The registered host shall maintain property liability insurance in an amount of no less than \$500,000, or

demonstrate that a transient space marketplace maintains liability coverage for the unit in an equal or higher amount;

- The registered host's residential unit shall not have any outstanding planning, building, housing, fire, health, or other applicable municipal code violations;
- A lessee seeking to become a registered host shall have a valid lease for the residential unit at the time the lessee submits an application to become a registered host to the municipality; and
- The registration of a registered host's primary residence shall not supersede any lease agreements, homeowners' association bylaws, covenants, conditions and restrictions, or any other agreement, law, or regulation that prohibits the subletting or use of that residential unit as a space for accommodation.

A person offering a space for accommodation on a transient space marketplace, who has not become a registered host, shall be subject to a penalty for each day that the space for accommodation is offered for rental, payable to the municipal code official for support of code enforcement activities. The amount of the penalty shall be set by municipal ordinance, and cannot exceed \$100 per day of advertised availability.

COMMITTEE AMENDMENTS:

The committee amended the bill to:

make technical changes clarifying terms used in the bill, and making the language of the bill consistent;

lower the permitted duration of a short-term rental under the bill from 90 days to 30 days;

add a definition of "multiple dwelling;" and require that a registered host who owns a multiple dwelling may only register a single residential unit within the building;

require that if a registered host owns or leases more than one residential unit in a building, the registered host may only register a single residential unit within the building; and

remove language requiring that a person offering a space for accommodation on a transient space marketplace, who has not become a registered host, shall be subject to a penalty of \$500 for each day that the space for accommodation is offered for rental. The amendments require the penalty to be set by municipal ordinance, and limit the amount of the penalty to a maximum of \$100 per day.