

[Second Reprint]

SENATE, No. 1150

STATE OF NEW JERSEY
218th LEGISLATURE

INTRODUCED JANUARY 25, 2018

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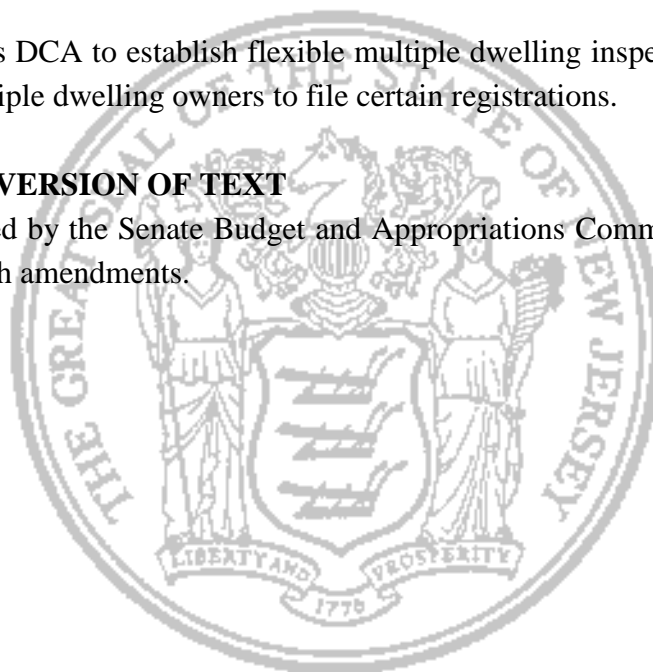
Senators O'Scanlon, Cruz-Perez, Assemblyman Verrelli, Assemblywomen Speight and Jimenez

SYNOPSIS

Authorizes DCA to establish flexible multiple dwelling inspection schedule; requires multiple dwelling owners to file certain registrations.

CURRENT VERSION OF TEXT

As reported by the Senate Budget and Appropriations Committee on March 18, 2019, with amendments.



(Sponsorship Updated As Of: 5/24/2019)

1 AN ACT ¹**[increasing the frequency of]** concerning¹ hotel and
2 multiple dwelling inspections ¹and registrations,¹ and amending
3 P.L.1967, c.76.

4
5 **BE IT ENACTED** by the Senate and General Assembly of the State
6 of New Jersey:

7
8 ¹1. Section 12 of P.L.1967, c.76 (C.55:13A-12) is amended to
9 read as follows:

10 (a) (1) The owner of each hotel, or of each multiple dwelling
11 occupied or intended to be occupied by three or more persons living
12 independently of each other, shall file with the commissioner, upon
13 forms provided by the commissioner, a certificate of registration.
14 Each such certificate of registration shall be accompanied by a
15 reasonable fee [of \$10.00] established by rule by the commissioner
16 to cover the associated administrative costs and shall include such
17 information as the commissioner shall prescribe to enforce the
18 provisions of this law; provided, however, that in the case of a
19 multiple dwelling, the information required shall be at least that
20 required pursuant to section 2 of P.L.1974, c.50 (C.46:8-28). ²The
21 established fee may be increased to the extent permitted under
22 subsection (e) of section 13 of P.L.1967, c.76 (C.55:13A-13).²
23 Upon the receipt of said certificate of registration and fee, the
24 commissioner shall forthwith validate and issue to the owner of
25 such hotel or multiple dwelling a validated copy of the certificate of
26 registration, which validated copy shall be kept posted by the owner
27 of such hotel or multiple dwelling at all times in the lobby or other
28 conspicuous place on the premises. The posted certificate shall be
29 reasonably protected from removal, alteration, defacement or
30 damage by the elements in such manner as the commissioner may
31 prescribe.

32 (2) An owner required to file a certificate of registration
33 pursuant to paragraph (1) of this subsection shall annually file, on
34 or before July 1, ²or as established by rule by the commissioner,² a
35 certification confirming that the information on the certificate of
36 registration is current and accurate. Each annual certification shall
37 be accompanied by a reasonable fee established by rule by the
38 commissioner to cover the associated administrative costs. ²Once
39 established by rule, the fee may be increased to the extent permitted
40 under subsection (e) of section 13 of P.L.1967, c.76 (C.55:13A-
41 13).²

42 (3) An owner required to file a certificate of registration
43 pursuant to paragraph (1) of this subsection shall file an amended

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 underlined thus is new matter.

Matter enclosed in superscript numerals has been adopted as follows:

¹Senate SCU committee amendments adopted January 17, 2019.

²Senate SBA committee amendments adopted March 18, 2019.

1 certificate of registration within 20 days after any change in the
2 information required to be included thereon. Each amended
3 certificate of registration shall be accompanied by a reasonable fee
4 established by rule by the commissioner to cover the associated
5 administrative costs. ²Once established by rule, the fee may be
6 increased to the extent permitted under subsection (e) of section 13
7 of P.L.1967, c.76 (C.55:13A-13).²

8 (b) The owner of each hotel, or of each multiple dwelling
9 occupied or intended to be occupied by three or more persons living
10 independently of each other shall appoint an agent for the purpose
11 of receiving service of process and such orders or notices as may be
12 issued by the commissioner pursuant to this act. Each such agent so
13 appointed shall be a resident of the county in which the hotel or
14 multiple dwelling is located or shall have an office in the county. If
15 the agent is a corporation, it shall be licensed to do business in this
16 State.

17 (c) In the case of any transfer of the ownership in any hotel, or
18 of any multiple dwelling occupied or intended to be occupied by
19 three or more persons living independently of each other, whether
20 by sale, assignment, gift, intestate succession, testate devolution,
21 reorganization, receivership, foreclosure or execution process, it
22 shall be the duty of the new owner thereof to file with the
23 commissioner, within 20 days of said transfer, a certificate of
24 registration pursuant to subsection (a) of this section, and to appoint
25 an agent for the service of process pursuant to subsection (b) of this
26 section.

27 (d) In any case whether the owner of a hotel or multiple
28 dwelling subject to the provisions of this act has not fulfilled the
29 requirements of this section, the commissioner shall notify the
30 owner of the violation of this section and order that registration be
31 accomplished within 30 days. The notice and order shall include an
32 accurate restatement of the subsection with which the owner has
33 not complied. If the owner has not complied with the order of the
34 commissioner within 30 days, he shall be liable for a penalty of
35 \$200.00 for each registration which the commissioner shall have
36 ordered. The commissioner may issue a certificate to the clerk of
37 the superior court that an owner is indebted for the payment of
38 such penalty and thereupon the clerk shall immediately enter upon
39 his record of docketed judgments the name of such owner, and of
40 the State, a designation of the statute under which the penalty is
41 imposed, the amount of the penalty so certified and the date such
42 certification was made. The making of the entry shall have the
43 same force and effect as the entry of the docketed judgment in the
44 office of such clerk, and the commissioner shall have all of the
45 remedies and maintain all of the proceedings for the collection
46 thereof which may be had or taken upon the recovery of a

1 judgment in a civil action, but without prejudice to the owner's right
2 of appeal.¹

3 (cf: P.L.1981, c.442, s.6)

4

5 ¹~~1.~~ 2.¹ Section 13 of P.L.1967, c.76 (C.55:13A-13) is
6 amended to read as follows:

7 13. (a) Each multiple dwelling and each hotel shall be inspected
8 ¹~~at least once in every~~ ¹~~five~~ ¹~~two~~ ¹~~years~~ for the purpose of
9 determining the extent to which each hotel or multiple dwelling
10 complies with the provisions of P.L.1967, c.76 (C.55:13A-1 et seq.)
11 and regulations promulgated hereunder. ¹The commissioner shall
12 establish by regulation the frequency of inspections, which shall be
13 conducted as follows:

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

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

20 (i) a multiple dwelling in which ²no violations are found or ²all
21 violations have been abated by the first reinspection shall be placed
22 in the highest tier and shall next be inspected in seven years, and
23 the inspection fee shall be due at that time;

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

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

32 (3) notwithstanding the provisions of paragraph (2) of this
33 section to the contrary, if the commissioner determines that tiered
34 inspection schedules do not adequately protect the health and safety
35 of residents of multiple dwellings, the commissioner may, by
36 regulation, require that ²cyclical inspections for ²multiple dwellings
37 ²be inspected at least occur ²once every five years.¹

38 (b) Within ¹~~90~~ ¹~~30~~ days of the most recent inspection, the
39 owner of each hotel shall file with the commissioner, upon forms
40 provided by the commissioner, an application for a certificate of
41 inspection. Said application shall include such information as the
42 commissioner shall prescribe to enforce the provisions of this law.
43 Said application shall be accompanied by a fee as follows: \$15 per
44 unit of dwelling space for the first 20 units of dwelling space in any
45 building or project, \$12 per unit of dwelling space for the 21st
46 through 100th unit in any building or project, \$8 per unit of
47 dwelling space for the 101st through 250th unit in any building or

1 project, and \$5 per unit of dwelling space for all units over 250 in
2 any building or project, except that in the case of hotels open and
3 operating less than six months in each year the fee shall be one-half
4 that which would otherwise be required ¹, or, as the case may be,
5 the fees established by rule for each of the foregoing pursuant to
6 subsection ²[e.] (e)² of this section¹. A certificate of inspection
7 and the fees therefor shall not be required more often than once
8 ¹[every]¹ [five] ¹[two years] each inspection cycle¹.

9 Additionally, there shall be reinspection fees for hotels in the
10 amount of \$10 for each dwelling unit reinspected ¹or, as the case
11 may be, the fees established by rule for each of the foregoing
12 pursuant to subsection ²[e.] (e)² of this section¹.

13 Within ¹[90] 30¹ days of the most recent inspection of any
14 multiple dwelling occupied or intended to be occupied by three or
15 more persons living independently of each other, the owner of each
16 such multiple dwelling shall file with the commissioner, upon forms
17 provided by the commissioner, an application for a certificate of
18 inspection. Said application shall include such information as the
19 commissioner shall prescribe to enforce the provisions of this law.
20 Said application shall be accompanied by a fee of \$33 per unit of
21 dwelling space for the first 7 units in any building or project, \$21
22 per unit of dwelling space for the 8th through the 24th unit in any
23 building or project, \$18 per unit for the 25th through the 48th unit
24 in any building or project, and \$12 per unit of dwelling space for all
25 units of dwelling space over 48 in any building or project, provided
26 that the maximum total fee for owner-occupied three-unit multiple
27 dwellings shall be limited to \$65 for owners having a household
28 income that is less than 80 percent of the median income for
29 households of similar size in the county in which the multiple
30 dwelling is located, and the maximum total fee for owner-occupied
31 four-unit multiple dwellings shall be limited to \$80 for owners
32 having a household income that is less than 80 percent of the
33 median income for households of similar size in the county in
34 which the multiple dwelling is located ¹, or, as the case may be, the
35 fees established by rule for each of the foregoing pursuant to
36 subsection ²[e.] (e)² of this section¹. A certificate of inspection
37 and the fees therefor shall not be required more often than once
38 ¹[every]¹ [five] ¹[two years] each inspection cycle¹.

39 Additionally, there shall be reinspection fees for multiple
40 dwellings in the amount of \$40 for each dwelling unit reinspected,
41 ¹or, as the case may be, the fees established by rule pursuant to
42 subsection ²[e.] (e)² of this section,¹ but only after the first
43 reinspection.

44 The commissioner may waive the inspection fee for any unit
45 upon a finding that the unit has been thoroughly inspected within
46 the previous 12-month period under a municipal ordinance

1 requiring inspection upon change of occupancy in accordance with
2 the maintenance standards established by the commissioner under
3 P.L.1967, c.76 (C.55:13A-1 et seq.), and has received a municipal
4 certificate of occupancy as a result of that inspection.

5 If the commissioner finds that (1) a building has been thoroughly
6 inspected prior to resale since the most recent inspection in
7 accordance with this section, (2) the inspection prior to resale was
8 conducted by the municipality in accordance with the maintenance
9 standards established by the commissioner under P.L.1967, c.76
10 (C.55:13A-1 et seq.), and (3) a municipal certificate of occupancy
11 was issued as a result of that inspection, the commissioner may
12 accept the inspection done prior to resale in lieu of a current
13 inspection under this section. If the commissioner accepts an
14 inspection prior to resale in lieu of a current inspection, no fee shall
15 be charged for any inspection done by the commissioner within
16 **[five]** **['two]** the¹ years remaining in the applicable inspection
17 cycle¹ after the date of the inspection so accepted.

18 (c) If the commissioner determines, as a result of the most
19 recent inspection of any hotel or multiple dwelling as required by
20 subsection (a) of this section, that any hotel or multiple dwelling
21 complies with the provisions of P.L.1967, c.76 (C.55:13A-1 et seq.)
22 and regulations promulgated hereunder, then the commissioner shall
23 issue to the owner thereof, upon receipt of the application and fee as
24 required by subsection (b) of this section, a certificate of inspection.
25 Any owner to whom a certificate of inspection is issued shall keep
26 said certificate posted in a conspicuous location in the hotel or
27 multiple dwelling to which the certificate applies. The certificate of
28 inspection shall be in such form as may be prescribed by the
29 commissioner.

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

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

46 (d) If the commissioner determines, as a result of the most
47 recent inspection of any hotel or multiple dwelling as required by

1 subsection (a) of this section, that any hotel or multiple dwelling
2 does not comply with the provisions of P.L.1967, c.76 (C.55:13A-1
3 et seq.) and regulations promulgated thereunder, then the
4 commissioner shall issue to the owner thereof a written notice
5 stating the manner in which any such hotel or multiple dwelling
6 does not comply with P.L.1967, c.76 (C.55:13A-1 et seq.) or
7 regulations promulgated thereunder. Said notice shall fix such date,
8 not less than 60 days nor more than 180 days, on or before which
9 any such hotel or multiple dwelling must comply with the
10 provisions of P.L.1967, c.76 (C.55:13A-1 et seq.) and regulations
11 promulgated thereunder. If any such hotel or multiple dwelling is
12 made to comply with the provisions of P.L.1967, c.76 (C.55:13A-1
13 et seq.) and regulations promulgated thereunder on or before the
14 date fixed in said notice, then the commissioner shall issue to the
15 owner thereof a certificate of inspection as described in subsection
16 (c) of this section. If any such hotel or multiple dwelling is not
17 made to comply with the provisions of P.L.1967, c.76 (C.55:13A-1
18 et seq.) and regulations promulgated thereunder on or before the
19 date fixed in said notice, then the commissioner shall not issue to
20 the owner thereof a certificate of inspection as described in
21 subsection (c) of this section, and shall enforce the provisions of
22 P.L.1967, c.76 (C.55:13A-1 et seq.) against the owner thereof.

23 (e) The commissioner shall annually review the cost of
24 implementing and enforcing P.L.1967, c.76 (C.55:13A-1 et seq.),
25 including the cost to municipalities of carrying out inspections
26 pursuant to section 21 of P.L.1967, c.76 (C.55:13A-21), and shall
27 establish by rule, not more frequently than once every three years,
28 such fees as may be necessary to cover the costs of such
29 implementation and enforcement; provided, however, that any
30 increase or decrease shall be applied as a uniform percentage to
31 each category of fee established herein, and provided, further, that
32 the percentage amount of any increase shall not exceed the
33 percentage increase in salaries paid to State employees since the
34 then current fee schedule was established. The commissioner shall
35 provide by rule to owners the option of paying inspection fees in
36 installments in the form of an annual fee. The commissioner shall
37 annually prepare and file with the presiding officers of the Senate
38 and General Assembly and the legislative committees having
39 jurisdiction in housing matters a report setting forth the amounts of
40 fees and penalties received by the Bureau of Housing Inspection,
41 the cost to the bureau of enforcing ¹**[this act]** P.L.1967, c.76
42 (C.55:13A-1 et seq.)¹, and information concerning the productivity
43 of the bureau. Copies of the report shall also be submitted to the
44 Office of Administrative Law for publication in the New Jersey
45 Register. If in any State fiscal year the fee revenue received by the
46 bureau exceeds the cost of enforcement of P.L.1967, c.76
47 (C.55:13A-1 et seq.), the excess revenue shall be distributed pro

1 rata to persons who paid inspection fees during that fiscal year.
2 Such distribution shall be made within three months after the end of
3 the fiscal year.

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

11 (cf: P.L.2013, c.253, s.56)

12

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

15 20. (a) Notices, rules, decisions, and orders required or
16 permitted to be issued and served pursuant to **【this act】** P.L.1967,
17 c.76 (C.55:13A-1 et seq.) shall be served as follows:

18 (1). On the owner:

19 (i) By mailing same by certified or ordinary mail **【**, return
20 receipt requested,**】** to the person designated as owner or agent on
21 the certificate of registration or in the municipal tax records or in
22 the records of the **【Secretary of State.】** Department of the Treasury;
23 or

24 (ii) **【If the above certified mailing is returned, the original letter**
25 **shall be remailed to the last known address by common mail】** By
26 servicing same on the owner, or upon a person authorized to accept
27 service on behalf of the owner in a civil matter, in accordance with
28 the Rules of Court.

29 (2). On the occupant:

30 (i) By mailing same by certified or ordinary mail **【**, return
31 receipt requested,**】** to said occupant**【, or】** ;

32 (ii) **【If the above certified mailing is returned the original letter**
33 **shall be remailed to the last known address by common mail.**

34 (b) Rules, Decisions and Orders required or permitted to be
35 issued and served pursuant to this act shall be served as follows:

36 (1). On the owner:

37 (i) By mailing same by certified mail, return receipt requested,
38 to the person designated as owner or agent on the certificate or
39 registration or in the municipal tax records or in the records of the
40 Secretary of State.

41 (ii) **【By serving same on the 【Secretary of State】** Department of
42 the Treasury, who shall be deemed the owner's agent for service of
43 process, provided however, that reasonable efforts have first been
44 made to serve the owner or his agent by certified mail and that a
45 copy of such notice is posted in a conspicuous location on the
46 premises. "Conspicuous location" shall include the walls of the

1 front vestibule or in any common foyer or hallway immediately
2 inside the main front entrance~~].~~

3 (2). On the occupant:

4 (i) By mailing same by certified mail, return receipt requested,
5 addressed to the occupant at the premises, or

6 (ii) ~~]~~; or

7 (iii) By leaving same at the dwelling unit of the occupant with a
8 ~~[person]~~ competent member of the household of the age of 14 or
9 over.

10 ~~[(c)]~~ (b) The date of service shall be considered the date of
11 personal service, the date of other method of service authorized
12 under this section, or the date of the third day after mailing,
13 whichever occurs ~~[later]~~ first.¹

14 (cf: P.L.1970, c.138, s.12)

15

16 ¹~~[2.]~~ 4.¹ This act shall take effect immediately and shall be first
17 applicable to the next new inspection cycle for a hotel or multiple
18 dwelling following the date of enactment.