ASSEMBLY, No. 826

STATE OF NEW JERSEY

219th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2020 SESSION

Sponsored by:
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SYNOPSIS

Permits municipalities to adopt ordinances to enforce certain landlord code violations as tax liens.

CURRENT VERSION OF TEXT

Introduced Pending Technical Review by Legislative Counsel.

AN ACT authorizing a municipality to enforce certain landlord code violations as liens and supplementing chapter 48 of Title 40 of the Revised Statutes.

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

1. a. A municipality may direct by ordinance of the governing body that any charge issued to a landlord pursuant to a housing code, building code, or health code, concerning residential property leased by the landlord, shall become a lien on the property, enforceable in the manner provided for real property tax liens in chapter 5 of Title 54 of the Revised Statutes, if the charge remains unpaid on the first day of the thirteenth month next following the date when the charge becomes due and owing. At least 90 days prior to filing an unpaid charge as a municipal lien against the property pursuant to this section, the municipality shall serve written notice to the property owner indicating that if the charge remains unpaid it shall be converted into a municipal lien, and shall provide the owner the opportunity to pay the fine or request a hearing before a court of competent jurisdiction. If the landlord is not registered, in violation of section 2 of P.L.1974, c.50 (C.46:8-28), then this additional notice requirement shall not apply prior to conversion into a municipal lien. In a municipality that has adopted an ordinance under this subsection, at the time when the charge becomes a lien, the municipal officer responsible for housing code enforcement shall file a copy of the lien and certification with the municipal tax collector. This lien shall be added to and become and form part of the taxes next to be assessed and levied upon such dwelling or lands, the same to bear interest at the same rate as taxes, and shall be collected and enforced by the same officers and in the same manner as taxes.

b. As used in this section, "charge" means any fee, fine, penalty, or other charge issued to a landlord, concerning residential property leased by the landlord, pursuant to a housing, building, or health code.

2. This act shall take effect immediately.

STATEMENT

This bill would change landlord registration requirements in existing law to require submission of the telephone number and email address of the record owner and managing agent of a residential rental property, in addition to the existing requirement for name and address submission. The bill would also clarify that the existing requirement on a landlord and managing agent to register their "address" refers to

registration of the physical address of the home or business of the landlord and managing agent.

The bill further requires that, if the landlord is a limited liability company ("LLC"), then an LLC member would only have to register if the LLC is member-managed, and the member possesses a business interest of 20 percent or greater. The bill requires an LLC manager to register if the business is a manager-managed LLC. The bill would also restrict a court's ability to enforce housing code charges, building code charges, health code charges, and charges issued under the "Hotel and Multiple Dwelling Law," ("HDML") P.L.1967, c.76 (C.55:13A-1 et seq.), against a member of an LLC unless the LLC is member-managed, and the member possesses at least a 20 percent interest in the business. The bill would also change the timeframe for when the charge becomes enforceable against LLC members and certain other individuals associated with the landlord business, from the first day of the thirteenth month following the due date of the charge to the first day of the sixth month following that date.

Finally, the bill allows a municipality to amend their housing, building, and health codes to direct that any charge issued to a landlord for violating the code may be enforced as a lien if, at least 90 days prior to filing an unpaid charge as a municipal lien, the municipality serves written notice on the property owner, and provides the owner with an opportunity to pay the charge or request a court hearing. If the landlord is not registered, in violation of section 2 of P.L.1974, c.50 (C.46:8-28), then this additional notice requirement would not apply prior to conversion into a municipal lien.