

ASSEMBLY, No. 1738

STATE OF NEW JERSEY

219th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2020 SESSION

Sponsored by:

Assemblywoman ANGELA V. MCKNIGHT

District 31 (Hudson)

Assemblywoman NANCY F. MUNOZ

District 21 (Morris, Somerset and Union)

Assemblyman RALPH R. CAPUTO

District 28 (Essex)

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District 33 (Hudson)

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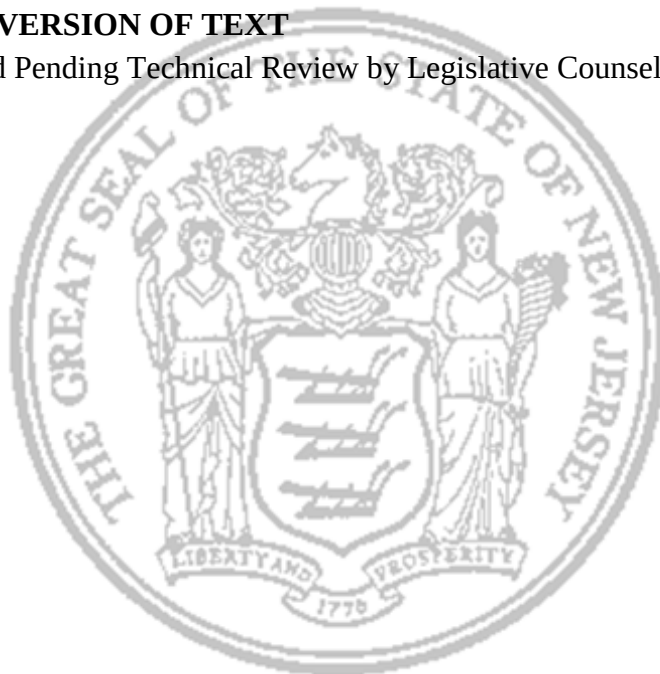
Assemblyman McKeon, Assemblywomen Timberlake and Speight

SYNOPSIS

Establishes the “Safe Sanitary Subsidized Rental Housing Bill of Rights.”

CURRENT VERSION OF TEXT

Introduced Pending Technical Review by Legislative Counsel.



1 **AN ACT** establishing the “Safe Sanitary Subsidized Rental Housing
2 Bill of Rights” and amending and supplementing various parts of
3 the statutory law.

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

7
8 1. (New section) This act may be known and may be cited as
9 the “Safe Sanitary Subsidized Rental Housing Bill of Rights.”

10
11 2. (New section) a. Too many residents of the State of New
12 Jersey are currently residing in publicly subsidized, substandard
13 rental housing, which fails to meet minimum standards of safety
14 and sanitation;

15 b. Landlords who receive taxpayer money by way of rental
16 subsidies should be held accountable and should be required to
17 provide safe and sanitary housing accommodations;

18 c. Existing laws concerning registration of landlords who
19 receive rental subsidies are too lax and allow absentee landlords to
20 skirt responsibilities to their rental housing units and tenants,
21 creating a dangerous environment for tenants, as well as the other
22 members of the communities in which the rental housing units are
23 located; and

24 d. In order to ensure that landlords who maintain deficient and
25 dangerous rental housing do not benefit from taxpayer funds, it is
26 appropriate for New Jersey to place additional requirements on
27 landlords who receive rental subsidies to ensure compliance with
28 State housing code regulations.

29
30 3. (New section) a. As used in this section:

31 “Rental subsidy” means funds paid to a landlord pursuant to
32 federal project-based or tenant-based Section 8 rental assistance or
33 paid as a rental assistance grant pursuant to section 1 of P.L.2004,
34 c.140 (C.52:27D-287.1).

35 “Significant violation” means lack of heat, running water, or
36 adequate sewage disposal facilities; infestation of rats, mice,
37 roaches, termites, and other vermin; structural deficiency; and any
38 other conditions that an inspector deems a threat to the health or
39 safety of the tenants.

40 b. In any action before the court in which a residential tenant
41 asserts a warranty of habitability violation by the landlord, the court
42 shall determine whether the landlord receives a rental subsidy. If
43 the landlord receives a rental subsidy, the court shall notify the
44 Department of Community Affairs of the assertion within two
45 business days.

**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.

1 c. Upon notice to the department pursuant to subsection b. of
2 this section, the Bureau of Housing Inspection shall inspect the
3 property within 10 days. A hearing to determine violation of the
4 warranty of habitability shall not be set by the court prior to the
5 completion of the inspection by the bureau. The fee for an
6 inspection conducted pursuant to this section shall be established by
7 the Commissioner of Community Affairs. If a significant violation
8 of the State housing code, established by the commissioner under
9 P.L.1967, c.76 (C.55:13A-1 et seq.) is found, the landlord shall pay
10 the fee. If a significant violation is not found, the tenant shall pay
11 the fee.

12 d. If, based upon the results of the inspection conducted
13 pursuant to subsection c. of this section, it is determined by the
14 court that failure to pay rent was due to a violation of the warranty
15 of habitability of the premises, the court shall direct the deposit of
16 the tenant portion of the rental payments with a court-appointed
17 administrator for use in remedying defective conditions, in
18 accordance with the provisions of P.L.1971, c.221 (C.2A:42-85 et
19 seq.). The State or housing authority, as the case may be, shall have
20 discretion to withhold any portion of the rental subsidy until a
21 reinspection by the bureau determines every significant violation
22 has been remedied. The State or housing authority shall be
23 authorized to use any withheld rental subsidy to remedy significant
24 violations of the premises.

25
26 4. (New section) No judgment of possession shall be entered
27 for any premises covered by section 2 of P.L.1974, c.49, (C.2A:18-
28 61.1), for which a landlord receives a rental subsidy, unless the
29 landlord has been registered, pursuant to section 2 of P.L.1974, c.50
30 (C.46:8-28), for at least 90 days.

31 For the purposes of this section, "rental subsidy" means funds
32 paid to a landlord pursuant to federal project-based or tenant-based
33 Section 8 rental assistance or paid as a rental assistance grant
34 pursuant to section 1 of P.L.2004, c.140 (C.52:27D-287.1).

35
36 5. Section 2 of P.L.1974, c.50 (C.46:8-28) is amended to read
37 as follows:

38 2. Every landlord shall, within 30 days following the effective
39 date of this act, or at the time of the creation of the first tenancy in
40 any newly constructed or reconstructed building, file with the clerk
41 of the municipality, or with such other municipal official as is
42 designated by the clerk, in which the residential property is situated,
43 in the case of a one-dwelling unit rental or a two-dwelling unit non-
44 owner occupied premises, or with the Bureau of Housing Inspection
45 in the Department of Community Affairs in the case of a multiple
46 dwelling as defined in section 3 of the "Hotel and Multiple
47 Dwelling Law" (C.55:13A-3), a certificate of registration on forms

- 1 prescribed by the Commissioner of Community Affairs, which
2 shall contain the following information:
- 3 a. The name and address of the record owner or owners of the
4 premises and the record owner or owners of the rental business if
5 not the same persons. In the case of a partnership the names of all
6 general partners shall be provided;
- 7 b. If the record owner is a corporation, the name and address of
8 the registered agent and corporate officers of said corporation;
- 9 c. If the address of any record owner is not located in the
10 county in which the premises are located, the name and address of
11 a person who resides in the county in which the premises are
12 located and is authorized to accept notices from a tenant and to
13 issue receipts therefor and to accept service of process on behalf of
14 the record owner;
- 15 d. The name and address of the managing agent of the
16 premises, if any;
- 17 e. The name and address, including the dwelling unit,
18 apartment or room number of the superintendent, janitor, custodian
19 or other individual employed by the record owner or managing
20 agent to provide regular maintenance service, if any;
- 21 f. The name, address and telephone number of an individual
22 representative of the record owner or managing agent who may be
23 reached or contacted at any time in the event of an emergency
24 affecting the premises or any unit of dwelling space therein,
25 including such emergencies as the failure of any essential service or
26 system, and who has the authority to make emergency decisions
27 concerning the building and any repair thereto or expenditure in
28 connection therewith and shall, at all times, have access to a current
29 list of building tenants that shall be made available to emergency
30 personnel as required in the event of an emergency;
- 31 g. The name and address of every holder of a recorded
32 mortgage on the premises;
- 33 h. If fuel oil is used to heat the building and the landlord
34 furnishes the heat in the building, the name and address of the fuel
35 oil dealer servicing the building and the grade of fuel oil used.
- 36 i. In addition to the requirements set forth in subsections a.
37 through h. of this section, if the landlord receives a rental subsidy,
38 the registration also shall include:
- 39 (1) in the case of a record owner that is a corporation, limited
40 liability company, or other legal or commercial entity, the names
41 and street addresses of residence of the members, directors, officers,
42 and registered agents, as applicable; and
- 43 (2) for each person required to be named in the registration:
- 44 (a) two telephone numbers, including at least one cell phone
45 number;
- 46 (b) a street address of residence; and
- 47 (c) an active email address;

j. A landlord who accepts rental subsidies may not be granted State funding, or a tax abatement or exemption, for rehabilitation of a premises unless the landlord has been registered pursuant to this section for at least 90 days;

k. For the purposes of this section, "rental subsidy" means funds paid to a landlord pursuant to federal project-based or tenant-based Section 8 rental assistance or paid as a rental assistance grant pursuant to section 1 of P.L.2004, c.140 (C.52:27D-287.1).
(cf: P.L.2003, c.56, s.2)

6. Section 4 of P.L.1981, c.442 (C.46:8-28.2) is amended to read as follows:

4. Every landlord required to file a certificate of registration as described in section 2 of P.L.1974, c.50 (C.46:8-28) shall :

a. file an amended certificate of registration within 20 days after any change in the information required to be included thereon. No fee shall be required for the filing of an amendment except where the ownership of the premises is changed.

b. in the case of a landlord who receives a rental subsidy, annually certify, by November 1, that the certificate of registration is accurate and contains current information. For the purposes of this subsection, "rental subsidy" means funds paid to a landlord pursuant to federal project-based or tenant-based Section 8 rental assistance or paid as a rental assistance grant pursuant to section 1 of P.L.2004, c.140 (C.52:27D-287.1).
(cf: PL.1981, c.442, s. 4.)

7. Section 9 of P.L.1974, c.50 (C.46:8-35) is amended to read as follows:

9. **【Any】** a. A landlord who **【shall violate】** violates any provision of this act shall be liable to a penalty of not more than **【\$500.00】** \$500 for each offense **【, recoverable by a summary proceeding under "the penalty enforcement law" (N.J.S.2A:58-1 et seq.)】** , except that a landlord who receives a rental subsidy shall be liable to a penalty of not less than \$100 or more than \$2,500, for a violation of section 4 of P.L.1981, c.442 (C.46:8-28.2).

b. The penalties set forth in subsection a. of this section shall be collected in a civil action by a summary proceeding under 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 or the municipal court of the municipality in which the premises are located shall have jurisdiction to enforce **【said】** the penalty.

The Attorney General, the municipality in which the premises are located, or any other person may institute the proceeding; where the municipality or any other person other than the Attorney General institutes the proceeding, a recovered penalty should be

1 remitted by the court to the municipality in which the premises
2 subject to the proceeding are located.

3 c. For the purposes of this section, “rental subsidy” means
4 funds paid to a landlord pursuant to federal project-based or tenant-
5 based Section 8 rental assistance or paid as a rental assistance grant
6 pursuant to section 1 of P.L.2004, c.140 (C.52:27D-287.1).
7 (cf: P.L.1991, c.91, s.458)

8
9 8. (New section) The following information shall be posted in
10 every common area of any multiple dwelling that contains units for
11 which a landlord receives rental subsidies and shall be contained in
12 a printed notice, conspicuously set forth in prominent boldface type,
13 in every lease offered to a tenant in a multiple dwelling:

14 a. Instructions on how to file a tenant complaint with the
15 Department of Community Affairs, Bureau of Housing Inspection;
16 and

17 b. Instructions on how to access and use the 2-1-1 telephone
18 system, which provides information and referrals to health, human,
19 and social service organizations, including information concerning
20 housing resources.

21
22 9. (New section) a. If a landlord who receives a rental subsidy
23 enters any information into a shared database concerning eviction
24 proceedings brought against a residential tenant for non-payment of
25 rent, the landlord shall include the following information, which
26 shall be permanently attached to the tenant’s record in the database:

27 (1) whether a finding was made on the record, in accordance
28 with the provisions of section 3 of P.L. , c. (C.) (pending
29 before the Legislature as this bill), that the non-payment of rent was
30 due to a significant violation of the warranty of habitability of the
31 premises; and

32 (2) the disposition of the proceedings.

33 b. A landlord or an owner of the shared database who violates
34 the provisions of section a. of this section shall be liable to a
35 penalty of \$500 for each offense, which shall be collected in a civil
36 action by a summary proceeding under the "Penalty Enforcement
37 Law of 1999," P.L.1999, c.274 (C.2A:58-10 et seq.).

38 c. For the purposes of this section, “rental subsidy” means
39 funds paid to a landlord pursuant to federal project-based or tenant-
40 based Section 8 rental assistance or paid as a rental assistance grant
41 pursuant to section 1 of P.L.2004, c.140 (C.52:27D-287.1).

42
43 10. (New section) a. As used in this section:

44 “Significant violation” means lack of heat, running water, or
45 adequate sewage disposal facilities; infestation of rats, mice,
46 roaches, termites, and other vermin; structural deficiency; and any
47 other conditions that an inspector deems a threat to the health or
48 safety of the tenant; and

1 “Rental subsidy means funds paid to a landlord pursuant to
2 federal project-based or tenant-based Section 8 rental assistance or
3 paid as a rental assistance grant pursuant to section 1 of P.L.2004,
4 c.140 (C.52:27D-287.1).

5 b. If it is determined that a significant violation of the State
6 housing code is found during an inspection conducted by a
7 municipality or by the Bureau of Housing Inspection, in accordance
8 with subsection a. of section 14 of P.L. , c. (C.) (pending
9 before the Legislature as this bill), of a unit for which the landlord
10 receives a rental subsidy, and the violation is not repaired within the
11 timeframe specified by the municipal inspecting authority or
12 pursuant to subsection c. of section 14 of P.L. , c. (C.)
13 (pending before the Legislature as this bill), the State or the housing
14 authority, as the case may be, shall have the discretion to withhold
15 any portion of the rental subsidy until a reinspection conducted by
16 the municipal inspecting authority or by the bureau determines
17 every significant violation has been remedied. The State shall be
18 authorized to use any withheld rental subsidy to remedy significant
19 violations of the State housing code located on the premises.
20

21 11. Section 20 of P.L.1985, c.222 (C.52:27D-320) is amended to
22 read as follows:

23 20. There is established in the Department of Community
24 Affairs a separate trust fund, to be used for the exclusive purposes
25 as provided in this section, and which shall be known as the "New
26 Jersey Affordable Housing Trust Fund." The fund shall be a non-
27 lapsing, revolving trust fund, and all monies deposited or received
28 for purposes of the fund shall be accounted for separately, by source
29 and amount, and remain in the fund until appropriated for such
30 purposes. The fund shall be the repository of all State funds
31 appropriated for affordable housing purposes, including, but not
32 limited to, the proceeds from the receipts of the additional fee
33 collected pursuant to paragraph (2) of subsection a. of section 3 of
34 P.L.1968, c.49 (C.46:15-7), proceeds from available receipts of the
35 Statewide non-residential development fees collected pursuant to
36 section 35 of P.L.2008, c.46 (C.40:55D-8.4), monies lapsing or
37 reverting from municipal development trust funds, or other monies
38 as may be dedicated, earmarked, or appropriated by the Legislature
39 for the purposes of the fund. All references in any law, order, rule,
40 regulation, contract, loan, document, or otherwise, to the
41 "Neighborhood Preservation Nonlapsing Revolving Fund" shall
42 mean the "New Jersey Affordable Housing Trust Fund." The
43 department shall be permitted to utilize annually up to 7.5 percent
44 of the monies available in the fund for the payment of any
45 necessary administrative costs related to the administration of the
46 "Fair Housing Act," P.L.1985, c.222 (C.52:27D-301 et al.), or any
47 costs related to administration of P.L.2008, c.46 (C.52:27D-329.1 et
48 al.).

1 a. Except as permitted pursuant to subsection g. of this section,
2 and by section 41 of P.L.2009, c.90 (C.52:27D-320.1), the
3 commissioner shall award grants or loans from this fund for
4 housing projects and programs in municipalities whose housing
5 elements have received substantive certification from the council, in
6 municipalities receiving State aid pursuant to P.L.1978, c.14
7 (C.52:27D-178 et seq.), in municipalities subject to a builder's
8 remedy as defined in section 28 of P.L.1985, c.222 (C.52:27D-328)
9 or in receiving municipalities in cases where the council has
10 approved a regional contribution agreement and a project plan
11 developed by the receiving municipality.

12 Of those monies deposited into the "New Jersey Affordable
13 Housing Trust Fund" that are derived from municipal development
14 fee trust funds, or from available collections of Statewide non-
15 residential development fees, a priority for funding shall be
16 established for projects in municipalities that have petitioned the
17 council for substantive certification.

18 Programs and projects in any municipality shall be funded only
19 after receipt by the commissioner of a written statement in support
20 of the program or project from the municipal governing body.

21 b. The commissioner shall establish rules and regulations
22 governing the qualifications of applicants, the application
23 procedures, and the criteria for awarding grants and loans and the
24 standards for establishing the amount, terms and conditions of each
25 grant or loan.

26 c. For any period which the council may approve, the
27 commissioner may assist affordable housing programs which are
28 not located in municipalities whose housing elements have been
29 granted substantive certification or which are not in furtherance of a
30 regional contribution agreement; provided that the affordable
31 housing program will meet all or part of a municipal low and
32 moderate income housing obligation.

33 d. Amounts deposited in the "New Jersey Affordable Housing
34 Trust Fund" shall be targeted to regions based on the region's
35 percentage of the State's low and moderate income housing need as
36 determined by the council. Amounts in the fund shall be applied for
37 the following purposes in designated neighborhoods:

38 (1) Rehabilitation of substandard housing units occupied or to
39 be occupied by low and moderate income households;

40 (2) Creation of accessory apartments to be occupied by low and
41 moderate income households;

42 (3) Conversion of non-residential space to residential purposes;
43 provided a substantial percentage of the resulting housing units are
44 to be occupied by low and moderate income households;

45 (4) Acquisition of real property, demolition and removal of
46 buildings, or construction of new housing that will be occupied by
47 low and moderate income households, or any combination thereof;

- 1 (5) Grants of assistance to eligible municipalities for costs of
2 necessary studies, surveys, plans and permits; engineering,
3 architectural and other technical services; costs of land acquisition
4 and any buildings thereon; and costs of site preparation, demolition
5 and infrastructure development for projects undertaken pursuant to
6 an approved regional contribution agreement;
- 7 (6) Assistance to a local housing authority, nonprofit or limited
8 dividend housing corporation or association or a qualified entity
9 acting as a receiver under P.L.2003, c.295 (C.2A:42-114 et al.) for
10 rehabilitation or restoration of housing units which it administers
11 which: (a) are unusable or in a serious state of disrepair; (b) can be
12 restored in an economically feasible and sound manner; and (c) can
13 be retained in a safe, decent and sanitary manner, upon completion
14 of rehabilitation or restoration; and
- 15 (7) Other housing programs for low and moderate income
16 housing, including, without limitation,
- 17 (a) infrastructure projects directly facilitating the construction of
18 low and moderate income housing not to exceed a reasonable
19 percentage of the construction costs of the low and moderate
20 income housing to be provided and
- 21 (b) alteration of dwelling units occupied or to be occupied by
22 households of low or moderate income and the common areas of the
23 premises in which they are located in order to make them accessible
24 to handicapped persons.
- 25 e. Any grant or loan agreement entered into pursuant to this
26 section shall incorporate contractual guarantees and procedures by
27 which the division will ensure that any unit of housing provided for
28 low and moderate income households shall continue to be occupied
29 by low and moderate income households for at least 20 years
30 following the award of the loan or grant, except that the division
31 may approve a guarantee for a period of less than 20 years where
32 necessary to ensure project feasibility.
- 33 f. Notwithstanding the provisions of any other law, rule or
34 regulation to the contrary, in making grants or loans under this
35 section, the department shall not require that tenants be certified as
36 low or moderate income or that contractual guarantees or deed
37 restrictions be in place to ensure continued low and moderate
38 income occupancy as a condition of providing housing assistance
39 from any program administered by the department, when that
40 assistance is provided for a project of moderate rehabilitation if the
41 project (1) contains 30 or fewer rental units and (2) is located in a
42 census tract in which the median household income is 60 percent or
43 less of the median income for the housing region in which the
44 census tract is located, as determined for a three person household
45 by the council in accordance with the latest federal decennial
46 census. A list of eligible census tracts shall be maintained by the
47 department and shall be adjusted upon publication of median
48 income figures by census tract after each federal decennial census.

1 g. In addition to other grants or loans awarded pursuant to this
2 section, and without regard to any limitations on such grants or
3 loans for any other purposes herein imposed, the commissioner
4 shall annually allocate such amounts as may be necessary in the
5 commissioner's discretion, and in accordance with section 3 of
6 P.L.2004, c.140 (C.52:27D-287.3), to fund rental assistance grants
7 under the program created pursuant to P.L.2004, c.140 (C.52:27D-
8 287.1 et al.). Such rental assistance grants shall be deemed
9 necessary and authorized pursuant to P.L.1985, c.222 (C.52:27D-
10 301 et al.), in order to meet the housing needs of certain low income
11 households who may not be eligible to occupy other housing
12 produced pursuant to P.L.1985, c.222 (C.52:27D-301 et al.).

13 h. The department and the State Treasurer shall submit the
14 "New Jersey Affordable Housing Trust Fund" for an audit annually
15 by the State Auditor or State Comptroller, at the discretion of the
16 Treasurer. In addition, the department shall prepare an annual
17 report for each fiscal year, and submit it by November 30th of each
18 year to the Governor and the Legislature, and the Joint Committee
19 on Housing Affordability, or its successor, and post the information
20 to its web site, of all activity of the fund, including details of the
21 grants and loans by number of units, number and income ranges of
22 recipients of grants or loans, location of the housing renovated or
23 constructed using monies from the fund, the number of units upon
24 which affordability controls were placed, and the length of those
25 controls. The report also shall include details pertaining to those
26 monies allocated from the fund for use by the State rental assistance
27 program pursuant to section 3 of P.L.2004, c.140 (C.52:27D-287.3)
28 and subsection g. of this section.

29 i. The commissioner may award or grant the amount of any
30 appropriation deposited in the "New Jersey Affordable Housing
31 Trust Fund" pursuant to section 41 of P.L.2009, c.90 (C.52:27D-
32 320.1) to municipalities pursuant to the provisions of section 39 of
33 P.L.2009, c.90 (C.40:55D-8.8).

34 j. Notwithstanding any provision of law or any other provision
35 of this section to the contrary, the commissioner shall prioritize the
36 award or grant of amounts available from the "New Jersey
37 Affordable Housing Trust Fund" to each municipality that has been
38 granted substantive certification or the equivalent by a court of
39 competent jurisdiction, and has included in the housing element of
40 the municipality's master plan a provision encouraging the
41 rehabilitation of substandard dwelling units and the dedication of
42 those dwelling units for rental as low income housing by deed
43 restriction for a period of at least 20 years. The commissioner shall
44 award or grant amounts of up to \$15,000 per unit for each unit so
45 dedicated representing no more than ten percent of a municipality's
46 overall fair share obligation. In the event applications in any year
47 exceed the amount of funds allocated to and available for this

1 purpose, the commissioner shall prioritize the award or grant funds
2 as follows:

3 (1) target the award or grant of funds to housing regions based
4 on the percentage of the State's low and moderate income housing
5 need in each region; and

6 (2) target the award or grant of funds to property owners that
7 have a demonstrated history of, or pledge to accept in the future,
8 amounts paid under the federal Housing Choice Voucher (Section
9 8) Program, amounts paid as rental assistance grants under section 1
10 of P.L.2004, c.140 (C.52:27D-287.1), or both.

11 (cf: P.L.2013, c.253, s.49)

12
13 12. (New section) Notwithstanding any provision of law, rule,
14 or regulation to the contrary, a municipality may satisfy up to ten
15 percent of its obligation to provide a fair share of the region's
16 present and prospective need for affordable housing by establishing
17 a program encouraging the rehabilitation of substandard dwelling
18 units and the dedication of rehabilitated units for rental as low
19 income housing for periods of at least 20 years. A municipality
20 may accept funds from any source, including a municipal affordable
21 housing trust fund, the "New Jersey Affordable Housing Trust
22 Fund," established pursuant to section 20 of P.L.1985, c.222
23 (C.52:27D-320), any other State entity, and the federal government,
24 for the purpose of awarding or granting payments to property
25 owners as incentives for the rehabilitation of substandard dwelling
26 units and the dedication of those units for rental as low income
27 housing for periods of up to 20 years.

28
29 13. Section 13 of P.L.1967, c.76 (C.55:13A-13) is amended to
30 read as follows:

31 13. (a) **【Each】** Except as provided in section 14 of P.L. ,
32 c. (C.) (pending before the Legislature as this bill), multiple
33 dwelling and each hotel shall be inspected at least once in every
34 five years for the purpose of determining the extent to which each
35 hotel or multiple dwelling complies with the provisions of
36 P.L.1967, c.76 (C.55:13A-1 et seq.) and regulations promulgated
37 hereunder.

38 (b) Within 90 days of the most recent inspection, the owner of
39 each hotel shall file with the commissioner, upon forms provided by
40 the commissioner, an application for a certificate of inspection.
41 Said application shall include such information as the commissioner
42 shall prescribe to enforce the provisions of this law. Said
43 application shall be accompanied by a fee as follows: \$15 per unit
44 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
48 project, and \$5 per unit of dwelling space for all units over 250 in

1 any building or project, except that in the case of hotels open and
2 operating less than six months in each year the fee shall be one-half
3 that which would otherwise be required. A certificate of inspection
4 and the fees therefor shall not be required more often than once
5 every five years.

6 Additionally, there shall be reinspection fees for hotels in the
7 amount of \$10 for each dwelling unit reinspected.

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

32 Additionally, there shall be reinspection fees for multiple
33 dwellings in the amount of \$40 for each dwelling unit reinspected,
34 but only after the first reinspection.

35 The commissioner may waive the inspection fee for any unit
36 upon a finding that the unit has been thoroughly inspected within
37 the previous 12-month period under a municipal ordinance
38 requiring inspection upon change of occupancy in accordance with
39 the maintenance standards established by the commissioner under
40 P.L.1967, c.76 (C.55:13A-1 et seq.), and has received a municipal
41 certificate of occupancy as a result of that inspection.

42 A multiple dwelling subject to the provisions of section 14 of
43 P.L. , c. (C.) (pending before the Legislature as this bill) and
44 which is located in a municipality that does not have a municipal
45 ordinance requiring inspection upon change of occupancy shall be
46 inspected by the Bureau of Housing Inspection upon change of
47 occupancy. A landlord of a multiple dwelling subject to such
48 inspection by the bureau shall provide the bureau with notice of the

1 pending change of occupancy of a unit as soon as is practicable, so
2 that the bureau may inspect the premises prior to a new tenant
3 occupying the unit. The fee for an inspection upon change of
4 occupancy shall be established by the commissioner.

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 five
16 years after the date of the inspection so accepted.

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

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

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

45 (d) If the commissioner determines, as a result of the most
46 recent inspection of any hotel or multiple dwelling as required by
47 subsection (a) of this section, that any hotel or multiple dwelling
48 does not comply with the provisions of P.L.1967, c.76 (C.55:13A-1

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

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

(f) Except as otherwise provided in section 2 of P.L.1991, c.179 (C.55:13A-26.1), the fees established by or pursuant to the provisions of this section are dedicated to meeting the costs of implementing and enforcing P.L.1967, c.76 (C.55:13A-1 et seq.) and shall not be used for any other purpose. All receipts in excess of \$2,200,000 are hereby appropriated for the purposes of P.L.1967, c.76 (C.55:13A-1 et seq.).
(cf: P.L.2013, c.253, s.56)

14. (New section) a. As used in this act:

“Rental subsidy” means funds paid to a landlord pursuant to federal project-based or tenant-based Section 8 rental assistance or paid as a rental assistance grant pursuant to section 1 of P.L.2004, c.140 (C.52:27D-287.1).

“Significant violation” means lack of heat, running water, or adequate sewage disposal facilities; infestation of rats, mice, roaches, termites, and other vermin; structural deficiency; and any other conditions that an inspector deems a threat to the health or safety of the tenants.

b. Notwithstanding the provisions set forth in section 13 of P.L.1967, c.76 (C.55:13A-13), the Commissioner of Community Affairs shall establish a rental inspection and reinspection program for multiple dwelling units for which a landlord receives a rental subsidy. Pursuant to this section, a multiple dwelling unit shall be inspected:

(1) at least once every five years, except as set forth in subsection d. and g. of this section;

(2) within 10 days of complaint filed by a tenant, alleging one or more significant violations upon the premises, unless the complaint alleges a violation that is life threatening to tenants, in which case the Bureau of Housing Inspection shall inspect within 24 hours of the complaint being filed; and

(3) within 10 days of receipt of notice of a change of occupancy, pursuant to section 13 of P.L.1967, c.76 (C.55:13A-13).

c. A multiple dwelling unit found to have any significant violations during an inspection conducted pursuant to subsection b. of this section shall be reinspected by the bureau in accordance with the following schedule, until every significant violation has been remedied:

(1) within 24 hours, if the significant violation is deemed to be life threatening to tenants;

(2) within 30 days, for a significant violation of the State housing code, established by the commissioner under P.L.1967, c.76 (C.55:13A-1 et seq.); and

(3) not less than 180 days or more than 365 days following the last reinspection conducted pursuant to paragraphs (1) and (2) of this subsection, during which no significant violations were found.

- 1 d. If a significant violation is found following an inspection
2 conducted pursuant to paragraphs (1) and (2) of subsection b. of this
3 section or following a reinspection conducted pursuant to
4 subsection c. of this section, the commissioner shall:
- 5 (1) notify, if applicable, the public housing authority that
6 operates the multiple dwelling within 48 hours of the inspection or
7 reinspection;
- 8 (2) notify the mayor and the council of the municipality in which
9 the multiple dwelling is located, which notification shall take the
10 form of an electronic report that includes a summary of the
11 significant violations found at each multiple dwelling, with detailed
12 information available upon request. In the case of a significant
13 violation determined to be life threatening to tenants, the mayor and
14 council shall be notified within 48 hours. For all other significant
15 violations, the notification shall take place within five business
16 days; and
- 17 (3) in the case of a multiple dwelling that participates in federal
18 section 8 housing, notify the Department of Housing and Urban
19 Development New Jersey field officer of the complaint and
20 violation.
- 21 e. The commissioner shall urge the United States Department
22 of Housing and Urban Development to provide notification to the
23 bureau of the results of any inspection conducted in accordance
24 with federal regulations if significant violations were found.
- 25 f. The commissioner shall establish a scoring method to be
26 conducted annually of multiple dwellings that have units inspected
27 pursuant to subsection b. of this section, which shall include, but
28 not be limited to the following criteria:
- 29 (1) the number of significant violations found during any
30 inspection conducted by the bureau;
- 31 (2) the number of reinspections conducted pursuant subsection
32 b. of this section;
- 33 (3) the number of administrative citations and special
34 assessments issued by the municipality in which the multiple
35 dwelling is located;
- 36 (4) the number of letters of intent to condemn a property for lack
37 of maintenance;
- 38 (5) the results of any inspection conducted by the United States
39 Department of Housing and Urban Development, if that information
40 has been provided to the commissioner; and
- 41 (6) in the case of a multiple dwelling that has been scored in the
42 lowest performing 20 percent of multiple dwellings Statewide, in
43 accordance with subsection g. of this section, whether the multiple
44 dwelling has passed the four most recent consecutive inspections
45 conducted on the schedule set forth in paragraph (2) of subsection
46 g. of this section.
- 47 g. Utilizing the scoring method developed pursuant to
48 subsection f. of this section and any other criteria set forth in

1 regulations promulgated by the commissioner, the commissioner
2 shall annually determine the highest performing 20 percent and
3 lowest performing 20 percent of multiple dwellings Statewide.
4 There shall be a presumption that a multiple dwelling that has
5 passed inspections, in the manner set forth in paragraph (6) of
6 subsection f. of this section, shall not be scored by the
7 commissioner in the lowest performing 20 percent.

8 (1) A multiple dwelling scored in the highest performing 20
9 percent, and which has not received a significant violation in either
10 of the prior two five-year inspection cycles, may be inspected once
11 every eight years, and the inspection fee may be paid at that time.
12 The bureau may conduct random spot checks, or inspections based
13 upon tenant complaints in accordance with subsection b. of this
14 section, at any time during the eight years between full inspections,
15 and if any significant violations are found, or if any significant
16 violations are found during an inspection conducted by a
17 municipality, the multiple dwelling will lose its designation and will
18 be subject to the inspection schedule set forth in subsection a. and
19 the reinspection schedule set forth in subsection b. of this section;
20 and

21 (2) A multiple dwelling scored in the lowest performing 20
22 percent shall be inspected at least once every six months. If the
23 multiple dwelling passes two consecutive biannual inspections
24 without any significant violations found, the multiple dwelling shall
25 be inspected once every two years. A multiple dwelling so
26 designated shall remain on this inspection schedule until such time
27 as the commissioner determines that the multiple dwelling is no
28 longer in the lowest performing 20 percent. Following designation
29 outside of the lowest performing 20 percent, a multiple dwelling
30 shall be inspected in accordance with paragraph (1) of subsection b.
31 of this section.

32 h. A landlord subject to paying a reinspection fee pursuant to
33 subsection c. of this section shall undergo at least 10 hours of
34 training in municipal code requirements, and any cost associated
35 with this training shall be paid by the landlord.
36

37 15. (New section) a. Notwithstanding any law or regulation to
38 the contrary, if an applicant for an award, grant, or other
39 disbursement of public funding opportunities related to
40 development of real property or other economic development is a
41 current or former owner of a multiple dwelling determined by the
42 Commissioner of Community Affairs, pursuant to subsection g. of
43 section 14 of P.L. , c. (C.) (pending before the Legislature as
44 this bill), to be in the lowest performing 20 percent of multiple
45 dwellings Statewide, the applicant shall disclose this information to
46 the awarding authority, and the awarding authority shall take such
47 disclosure into consideration during the application process.

1 Landlord Registration

2 Current law requires landlords to register with the municipality
3 in which the rental premises is located, or with the Department of
4 Community Affairs (DCA), depending on circumstances. Under the
5 bill, a landlord who receives rental subsidies is required to include
6 the following additional information in a landlord registration:

7 (1) in the case of a record owner that is a corporation, limited
8 liability company, or other legal or commercial entity, the names
9 and street addresses of residence of the members, directors, officers,
10 and registered agents, as applicable; and

11 (2) for each person required to be named in the registration –
12 two telephone numbers, including at least one cell phone number; a
13 street address of residence; and an active email address.

14 The bill also specifies that in order to be granted a judgment of
15 possession of a rental premises, or to receive any public funds for
16 rehabilitation of a rental premises, a landlord is required to have
17 been registered for at least 90 days.

18 Landlords are currently required to file an amended registration
19 within 20 days of any change of information included in the
20 registration. Violation of this provision results in a civil penalty of
21 up to \$500. Under the bill, a landlord who receives a rental subsidy
22 and who fails to comply with the amended registration requirements
23 will be liable to a civil penalty of not less than \$100 or more than
24 \$2,500. Additionally, the bill requires every landlord who receives a
25 rental subsidy to certify annually by November 1 that the
26 registration is accurate and contains current information. Failure to
27 annually certify will also result in a civil penalty of \$100 to \$2,500.

28

29 Rehabilitation for affordable housing units

30 The bill provides that a municipality may satisfy up to 10 percent
31 of its obligation to provide a fair share of the region's present and
32 prospective need for affordable housing by establishing a program
33 encouraging the rehabilitation of substandard dwelling units and the
34 dedication of rehabilitated units for rental as low income housing
35 for periods of up to twenty years.

36 Under the bill, the Commissioner of DCA will award or grant
37 funds available from the "New Jersey Affordable Housing Trust
38 Fund" in amounts of up to \$15,000 per unit for this purpose. The
39 commissioner is required to: (1) target the award or grant of funds
40 to housing regions based on the percentage of the State's low and
41 moderate income housing need in each region; and (2) target the
42 award or grant of funds to property owners that have a
43 demonstrated history of, or pledge to accept in the future, rental
44 subsidies.

45

46 Inspection and Scoring of Multiple Dwellings

47 The bill requires the Commissioner of Community Affairs to
48 establish a rental inspection and reinspection program for multiple

1 dwellings that contain units for which a rental subsidy is received.
2 Under the provisions of the bill, a multiple dwelling will be
3 inspected:

- 4 (1) at least once every five years;
5 (2) within 10 days of receipt of notice of a change of occupancy
6 for a multiple dwelling located in a municipality that does not
7 provide for a change of occupancy inspection through ordinance.
8 (3) within 10 days of complaint filed by a tenant, alleging one or
9 more significant violations upon the premises, unless the complaint
10 alleges a violation that is life threatening to tenants, in which case
11 the bureau is required to inspect within 24 hours of the complaint
12 being filed.

13 The bill further provides that a multiple dwelling found to have
14 any significant violations will be reinspected according to the
15 following schedule, until every significant violation has been
16 remedied:

- 17 (1) within 24 hours, if the significant violation is deemed to be
18 life threatening to tenants;
19 (2) within 30 days;
20 (3) for any other significant violation, within 60 days; and
21 (4) though a follow up inspection, six months to one year after
22 the reinspection producing a satisfactory result.

23 Pursuant to the bill, the commissioner will establish a scoring
24 method to be conducted annually, which will include, but not be
25 limited to the following criteria:

- 26 (1) the number of violations found during any inspection
27 conducted by the Bureau of Housing Inspection (BHI);
28 (2) the number of significant violations;
29 (3) the number of administrative citations and special
30 assessments issued by the municipality in which the multiple
31 dwelling is located;
32 (4) the number of letters of intent to condemn a property for lack
33 of maintenance;
34 (5) the results of any inspection conducted in the prior year by
35 the United States Department of Housing and Urban Development,
36 if that information has been provided to the commissioner; and
37 (6) whether the multiple dwelling has been scored in the lowest
38 performing 20 percent in the past, and whether it has successfully
39 passed four consecutive inspections since the designation.

40 The fees associated with inspections and reinspections will be
41 paid by the landlord according to a fee schedule established by the
42 commissioner. Additionally, a landlord whose premises was found
43 to have a significant violation will be required to attend 10 hours of
44 training and will bear any expense incurred by the training.

45 If a significant violation is found following an inspection, the
46 commissioner is required to:

1 (1) notify, if applicable, the public housing authority that
2 operates the multiple dwelling within 48 hours of the inspection or
3 reinspection;

4 (2) notify the mayor and the council of the municipality in which
5 the multiple dwelling is located, within 48 hours if a significant
6 violation is life threatening, or within five business days for all
7 other significant violations; and

8 (3) in the case of a multiple dwelling that participates in federal
9 section 8 housing, notify the Department of Housing and Urban
10 Development (HUD) New Jersey field officer of the complaint and
11 violation. The bill also requires the commissioner to urge HUD to
12 report inspection violations discovered pursuant to federal
13 regulation to DCA.

14 Utilizing the scoring method set forth in the bill, the
15 commissioner is required to annually determine:

16 (1) the highest performing 20 percent of multiple dwellings
17 Statewide. If a multiple dwelling achieves this designation, and has
18 not received a significant violation in either of the prior two five-
19 year inspection cycles, the multiple dwelling may be inspected once
20 every eight years. BHI may conduct random spot checks or
21 inspections based upon tenant complaints at any time during the
22 eight years between full inspections. If any significant violations
23 are found by BHI, or if any significant violations are found during
24 an inspection conducted by a municipality, the multiple dwelling
25 will lose its designation and will be subject to the inspection
26 schedule set forth in this bill for significant violations; and

27 (2) the lowest performing 20 percent of multiple dwellings
28 Statewide. If a multiple dwelling achieves this designation, it will
29 be inspected at least once every six months. If the multiple dwelling
30 passes two consecutive biannual inspections, it will be inspected
31 once every two years. A multiple dwelling so designated shall
32 remain on a biannual inspection schedule until such time as the
33 commissioner determines that the multiple dwelling is no longer in
34 the lowest performing 20 percent. The dwelling will also be subject
35 to inspections in response to a tenant complaint and change of
36 occupancy inspections.

37 The bill provides that if a tenant of a multiple dwelling files a
38 complaint with BHI, alleging one or more significant violations
39 upon the premises, BHI is required to inspect the property within 10
40 days of the complaint being filed, unless the complaint alleges a
41 violation life threatening to tenants, in which case BHI is required
42 to inspect within 24 hours of the complaint being filed.

43 The bill also provides that if a multiple dwelling is located in a
44 municipality that does not require change of occupancy inspections
45 by ordinance, BHI will conduct change of occupancy inspections.

46 The bill defines a “significant violation” as a lack of heat,
47 running water, or adequate sewage disposal facilities, infestation of
48 rats, mice, roaches, termites, and other vermin, structural

1 deficiency, and any other conditions that an inspector deems a
2 threat to the health or safety of the tenants.

3

4 Warranty of Habitability

5 The bill provides that any in action before the court in which a
6 tenant asserts a warrant of habitability violation by a landlord who
7 accepts a rental subsidy, the court is required to notify DCA within
8 two business days. Upon notice to DCA, BHI is required to inspect
9 the property within 10 days. A hearing to determine violation of the
10 warranty of habitability may not be set by the court prior to the
11 completion of the inspection by the bureau.

12 If it is determined by the court that failure to pay rent was due to
13 a significant violation of the warranty of habitability of the
14 premises, the court will direct the deposit of the tenant portion of
15 rental payments with a court-appointed administrator for use in
16 remedying the defective condition. The State or public housing
17 authority, as the case may be, will retain the discretion to withhold
18 any portion of the rental subsidy until a reinspection by BHI
19 determines every significant violation has been remedied.

20

21 Information made available to tenants

22 The bill provides that every landlord is required to post in every
23 common area of a tenant-occupied multiple dwelling and include in
24 a printed notice in the lease:

- 25 (1) instructions on how to file a tenant complaint with BHI; and
26 (2) instructions on how to access and use the 2-1-1 telephone
27 system, which provides information and referrals to health, human,
28 and social service organizations, including information concerning
29 housing resources.

30

31 Restrictions on State and local funding

32 The bill further provides that prior to the award of public funding
33 opportunities, including tax credit financing, related to development
34 of real property or other economic development, the awarding
35 authority is to consider whether the applicant is an owner of a
36 multiple dwelling determined to be in the lowest performing 20
37 percent of multiple dwellings Statewide. If the public funding is
38 awarded to such an owner, the awarding authority is required to
39 notify DCA and the commissioner is required to submit an annual
40 report to the Legislature of these awards and with recommendations
41 about any suggested limitations or prohibitions related to public
42 funding.