ASSEMBLY HOUSING COMMITTEE

STATEMENT TO

ASSEMBLY, No. 1742

with committee amendments

STATE OF NEW JERSEY

DATED: MAY 5, 2021

The Assembly Housing Committee reports favorably Assembly Bill No. 1742, with committee amendments.

As amended, this bill, designated as the "Landlord Registration and Tenant Protection Act," would create a streamlined and expanded landlord registration process and make certain changes concerning multiple dwelling inspections. The bill would also establish certain protections for tenants and permit municipalities to satisfy up to ten percent of their affordable housing obligations by establishing a program encouraging the rehabilitation of substandard dwelling units and the dedication of rehabilitated units for rental as low income housing.

Landlord Registration

Current law provides that all landlords of rental premises are required to be registered either with the Department of Community Affairs (DCA), the municipality in which the rental premises is located, or both, depending on circumstances. The bill makes several changes to current registration procedures, including:

- Requiring landlords to: (1) provide tenants with a copy of the landlord registration; and (2) display the registration certificate in a common area of the rental premises.
- Expanding and clarifying the information landlords have to provide for purposes of registration. The expansion includes, but is not limited to the provision of: (1) email addresses; (2) mailing addresses that include a street address, not just a post office box; (3) in the case of business entities, such as a limited liability company, the personal information of certain people with authority over the property; (4) for out-of-county owners, the name and contact information for a person who resides in the county and is authorized to issue receipts and accept notices and service of process; and (5) the names and contact information of any party who regularly provides maintenance to the rental.

- Requiring that certificates of registration be filed within seven days of the creation of a tenancy, and that amended certificates of registration be filed within 10 days of a change in information.
- Changing the penalty for landlords who do not comply with registration requirements. Under current law, the penalty is $500 for each offense. Under the bill, the penalty for a first offense would be $100; a second offense would be $500; and a third or subsequent offense would be $1,000.

Inspections

Under the bill, if a significant violation is found following an inspection or reinspection of a multiple dwelling, the Commissioner of Community Affairs is required to serve written notice upon the owner within 48 hours of completing an inspection that identifies a significant violation. The notice is required to identify every violation and provide a period of time in which the owner is afforded to correct the violations.

The bill defines "significant violation" to mean conditions that are a threat to the health or safety of the tenants, which remain unaddressed, including but not limited to: failure to provide heat, running water, or adequate sewage disposal facilities; structural deficiency; or an infestation of rats, mice, roaches, termites, or other vermin.

The bill further provides that if an application for a hearing is filed pursuant to section 18 of P.L.1967, c.76 (C.55:13A-18) for a significant violation, the hearing has to be held within no more than 30 days and a final decision has to be rendered by the commissioner within 60 days from the date of the hearing.

Miscellaneous Provisions

Under the bill, if a tenant successfully defends against eviction by asserting a breach of the implied warranty of habitability, the court would make such a finding on the record and mark the case as "Dismissed for Reasons Concerning Habitability" in any record disclosed to the public.

Additionally, the bill permits a municipality to satisfy up to ten percent of its affordable housing obligation by establishing a program encouraging the rehabilitation of substandard dwelling units and the dedication of rehabilitated units for rental as low income housing for periods of at least 30 years. Under the bill, a municipality could accept funds from any source, including a municipal affordable housing trust fund, the "New Jersey Affordable Housing Trust Fund," established pursuant to section 20 of P.L.1985, c.222 (C.52:27D-320), any other State entity, and the federal government, for the purpose of awarding or granting payments to property owners as incentives for the rehabilitation of substandard dwelling units.

Finally, the bill repeals sections of law which would become obviated by enactment of the bill, as the requirements contained in those sections would be consolidated into other sections of law as provided in the bill.

This bill was pre-filed for introduction in the 2020-2021 legislation session pending technical review. As reported, the bill includes the changes required by technical review, which has been performed.

COMMITTEE AMENDMENTS:

The committee amendments removed the definition of "common ownership association" from the bill. Additionally, the committee amendments removed certain inspection provisions of the bill that have been obviated by a previous update to New Jersey law. Furthermore, the committee amendments remove certain maintenance provisions that were previously detailed in the bill. The committee amendments also make certain technical changes.