ASSEMBLY, No. 1899

STATE OF NEW JERSEY

219th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2020 SESSION

Sponsored by:
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SYNOPSIS
Establishes the "Safe and Sanitary Rental Housing Act."

CURRENT VERSION OF TEXT
Introduced Pending Technical Review by Legislative Counsel.

AN ACT establishing the "Safe and Sanitary Rental Housing Act" and amending and supplementing various parts of the statutory law.

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

1. (New section) This act may be known and may be cited as the "Safe Sanitary Rental Housing Act."

2. (New section) The Legislature finds and declares that:

a. Too many residents of the State of New Jersey are currently residing in substandard rental housing, which fails to meet minimum standards of safety and sanitation;

b. Landlords should be held accountable and should be required to provide safe and sanitary housing accommodations;

c. Existing laws concerning registration of landlords are too lax and allow landlords to skirt responsibilities to their rental housing units and tenants, creating a dangerous environment for tenants, as well as the other members of the communities in which the rental housing units are located; and

d. Therefore, it is in the public interest that the State revise and expand upon current law governing the obligations of landlords to their tenants, in order to reinforce to landlords that the safety and security of their tenants is of paramount importance.

3. (New section) a. In any action before the court in which a resident tenant asserts a warranty of habitability violation by the landlord, the court shall determine whether the landlord receives a rental subsidy. If it is determined by the court that failure to pay rent was due to a violation of the warranty of habitability of the premises, the court shall direct the deposit of the tenant portion of the rental payments with a court-appointed administrator for use in remedying defective conditions, in accordance with the provisions of P.L.1971, c.224 (C.2A:42-85 et seq.). The Department of Community Affairs, or housing authority, as the case may be, shall have discretion to withhold any portion of the rental subsidy until a reinspection determines every violation has been remedied.

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

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

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 <u>thus</u> is new matter.

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

a. The name and address of the record owner or owners of the premises and the record owner or owners of the rental business if not the same persons. In the case of a partnership the names of all general partners shall be provided.

b. If the record owner is a corporation, the name and address of the registered agent and corporate officers of said corporation.

c. If the address of any record owner is not located in the county in which the premises are located, the name and address of a person who resides in the county in which the premises are located and is authorized to accept notices from a tenant and to issue receipts therefor and to accept service of process on behalf of the record owner.

d. The name and address of the managing agent of the premises, if any.

e. The name and address, including the dwelling unit, apartment or room number of the superintendent, janitor, custodian or other individual employed by the record owner or managing agent to provide regular maintenance service, if any.

f. The name, address and telephone number of an individual representative of the record owner or managing agent who may be reached or contacted at any time in the event of an emergency affecting the premises or any unit of dwelling space therein, including such emergencies as the failure of any essential service or system, and who has the authority to make emergency decisions concerning the building and any repair thereto or expenditure in connection therewith and shall, at all times, have access to a current list of building tenants that shall be made available to emergency personnel as required in the event of an emergency.

g. The name and address of every holder of a recorded mortgage on the premises.

h. If fuel oil is used to heat the building and the landlord furnishes the heat in the building, the name and address of the fuel oil dealer servicing the building and the grade of fuel oil used.

<u>i. In addition to the requirements set forth in subsections a. through h. of this section, the registration also shall include:</u>

(1) in the case of a record owner that is a corporation, limited liability company, or other legal or commercial entity, the names and Social Security numbers of the members, directors, officers, and registered agents, as applicable; and

(2) for each person required to be named in the registration:

(a) a telephone number where someone can be reached at all times;

(b) a street address that shall not be a post office box; and

(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. This section shall not apply when a new landlord takes possession of a building, although such a landlord shall be required to register the property immediately upon taking possession.

k. For the purposes of this section, "rental subsidy" means funds paid to a landlord pursuant to federal project-based or tenant-based federal Housing Choice Voucher (section 8 Program 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. a. 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:

(1) 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.**]**; and

(2) annually certify, by July 1, that the certificate of registration is accurate and contains current information.

b. Fees associated with amending certificates of registration and annual certifications shall be set by the Commissioner of Community Affairs pursuant to rules or regulations adopted pursuant to the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.).

(cf: PL.1981, c.442, s.4.)

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

12. (a) The owner of each hotel, or of each multiple dwelling occupied or intended to be occupied by three or more persons living independently of each other, shall file with the commissioner, upon forms provided by the commissioner, a certificate of registration. Each such certificate of registration shall be accompanied by a fee of **[**$10.00**]** $10 or such other amount as the commissioner may set

by rule or regulation pursuant to the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.) to cover the department's administrative costs, and shall include such information as the commissioner shall prescribe to enforce the provisions of ⟦this law⟧ P.L.1967, c.76 (C.55:13A-1 et seq.); provided, however, that in the case of a multiple dwelling, the information required shall be at least that required pursuant to section 2 of P.L.1974, c. 50 (C. 46:8-28). Upon the receipt of said certificate of registration and fee, the commissioner shall forthwith validate and issue to the owner of such hotel or multiple dwelling a validated copy of the certificate of registration, which validated copy shall be kept posted by the owner of such hotel or multiple dwelling at all times in the lobby or other conspicuous place on the premises. The posted certificate shall be reasonably protected from removal, alteration, defacement or damage by the elements in such manner as the commissioner may prescribe.

The owner of each hotel, or of each multiple dwelling occupied or intended to be occupied by three or more persons living independently of each other, shall be responsible for filing an annual certification by July 1 confirming or amending all existing registration information. All annual certifications shall be accompanied by a fee set by the commissioner in rule to cover the department's administrative costs.

The owner of each hotel, or of each multiple dwelling occupied or intended to be occupied by three or more persons living independently of each other, shall file an amended certificate of registration within 20 days after any change in the information required to be included thereon. Any such amendment shall be accompanied by a fee set by the commissioner in rule to cover the department's administrative costs.

(b) The owner of each hotel, or of each multiple dwelling occupied or intended to be occupied by three or more persons living independently of each other shall appoint an agent for the purpose of receiving service of process and such orders or notices as may be issued by the commissioner pursuant to ⟦this act⟧ P.L.1967, c.76 (C.55:13A-1 et seq.). Each such agent so appointed shall be a resident of the county in which the hotel or multiple dwelling is located or shall have an office in the county. If the agent is a corporation, it shall be licensed to do business in this State.

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

an agent for the service of process pursuant to subsection (b) of this section.

(d) In any case whether the owner of a hotel or multiple dwelling subject to the provisions of **[**this act**]** P.L.1967, c.76 (C.55:13A-1 et seq.) has not fulfilled the requirements of this section, the commissioner shall notify the owner of the violation of this section and order that registration be accomplished within 30 days. The notice and order shall include an accurate restatement of the subsection with which the owner has not complied. If the owner has not complied with the order of the commissioner within 30 days, he shall be liable for a penalty of **[**$200.00**]** $500 for each registration which the commissioner shall have ordered. The commissioner may issue a certificate to the clerk of the superior court that an owner is indebted for the payment of such penalty and thereupon the clerk shall immediately enter upon his record of docketed judgments the name of such owner, and of the State, a designation of the statute under which the penalty is imposed, the amount of the penalty so certified and the date such certification was made. The making of the entry shall have the same force and effect as the entry of the docketed judgment in the office of such clerk, and the commissioner shall have all of the remedies and maintain all of the proceedings for the collection thereof which may be had or taken upon the recovery of a judgment in a civil action, but without prejudice to the owner's right of appeal.

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

8. (New section) Notwithstanding the provisions set forth in section 13 of P.L.1967, c.76 (C.55:13A-13), the Commissioner of Community Affairs may establish by rule or regulation, pursuant to the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.). a classification of multiple dwellings. The properties shall be divided into tiers delineating the frequency of inspections, which shall be based on criteria set forth in the rule or regulation by the commissioner.

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

13. (a) **[**Each**]** Except as provided in section 8 of P.L. , c. (C.) (pending before the Legislature as this bill), each multiple dwelling and each hotel shall be inspected at least once in every five years for the purpose of determining the extent to which each hotel or multiple dwelling complies with the provisions of P.L.1967, c.76 (C.55:13A-1 et seq.) and regulations promulgated hereunder.

(b) Within **[**90**]** 30 days of the most recent inspection, the owner of each hotel shall file with the commissioner, upon forms provided by the commissioner, an application for a certificate of inspection. Said application shall include such information as the

commissioner shall prescribe to enforce the provisions of ⟦this law⟧ P.L.1967, c.76 (C.55:13A-1 et seq.), and shall be accompanied by a fee set by the commissioner by rule or regulation pursuant to the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.). ⟦Said application shall be accompanied by a fee as follows: $15 per unit of dwelling space for the first 20 units of dwelling space in any building or project, $12 per unit of dwelling space for the 21st through 100th unit in any building or project, $8 per unit of dwelling space for the 101st through 250th unit in any building or project, and $5 per unit of dwelling space for all units over 250 in any building or project, except that in the case of hotels open and operating less than six months in each year the fee shall be one-half that which would otherwise be required.⟧ A certificate of inspection and the fees therefor shall not be required more often than ⟦once every five years⟧ the schedule of inspections set by the commissioner by rule or regulation pursuant to section 8 of P.L. , c. (C.) (pending before the Legislature as this bill).

Additionally, there shall be reinspection fees for hotels in the amount of $10 or such other amount as the commissioner may set by rule or regulation to cover the department's administrative costs for each dwelling unit reinspected.

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

commissioner by rule or regulation pursuant to section 8 of P.L. , c. (C.) (pending before the Legislature as this bill).

Additionally, there shall be reinspection fees for multiple dwellings in the amount of $40 or such other amount as the commissioner may set by rule or regulation to cover the department's administrative costs for each dwelling unit reinspected, but only after the first reinspection.

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

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

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

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

The commissioner may by rule or regulation pursuant to the provisions of the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.) establish standards for self-inspection by

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

(d) If the commissioner determines, as a result of the most recent inspection of any hotel or multiple dwelling as required by subsection (a) of this section, that any hotel or multiple dwelling does not comply with the provisions of P.L.1967, c.76 (C.55:13A-1 et seq.) and rules or regulations promulgated thereunder, then the commissioner shall issue to the owner thereof a written notice stating the manner in which any such hotel or multiple dwelling does not comply with P.L.1967, c.76 (C.55:13A-1 et seq.) or rules or regulations promulgated thereunder. Said notice shall fix such date, not less than 60 days nor more than 180 days, on or before which any such hotel or multiple dwelling must comply with the provisions of P.L.1967, c.76 (C.55:13A-1 et seq.) and rules or regulations promulgated thereunder. If any such hotel or multiple dwelling is made to comply with the provisions of P.L.1967, c.76 (C.55:13A-1 et seq.) and rules or regulations promulgated thereunder on or before the date fixed in said notice, then the commissioner shall issue to the owner thereof a certificate of inspection as described in subsection (c) of this section. If any such hotel or multiple dwelling is not made to comply with the provisions of P.L.1967, c.76 (C.55:13A-1 et seq.) and rules or regulations promulgated thereunder on or before the date fixed in said notice, then the commissioner shall not issue to the owner thereof a certificate of inspection as described in subsection (c) of this section, and shall enforce the provisions of P.L.1967, c.76 (C.55:13A-1 et seq.) against the owner thereof.

(e) The commissioner shall annually review the cost of implementing and enforcing P.L.1967, c.76 (C.55:13A-1 et seq.), including the cost to municipalities of carrying out inspections pursuant to section 21 of P.L.1967, c.76 (C.55:13A-21), and shall establish by rule or regulation, not more frequently than once every three years, such fees as may be necessary to cover the costs of such implementation and enforcement; provided, however, that any increase or decrease shall be applied as a uniform percentage to each category of fee established herein, and provided, further, that the percentage amount of any increase shall not exceed the percentage increase in salaries paid to State employees since the then current fee schedule was established. The commissioner shall provide by rule or regulation to owners the option of paying inspection fees in installments in the form of an annual fee. The

commissioner shall annually prepare and file with the presiding officers of the Senate and General Assembly and the legislative committees having jurisdiction in housing matters a report setting forth the amounts of fees and penalties received by the Bureau of Housing Inspection, the cost to the bureau of enforcing this act, and information concerning the productivity of the bureau. Copies of the report shall also be submitted to the Office of Administrative Law for publication in the New Jersey Register. If in any State fiscal year the fee revenue received by the bureau exceeds the cost of enforcement of P.L.1967, c.76 (C.55:13A-1 et seq.), the excess revenue shall be distributed pro rata to persons who paid inspection fees during that fiscal year. Such distribution shall be made within 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)

10. Section 16 of P.L.1967, c.76 (C.55:13A-16) is amended to read as follows:

16. (a) If the commissioner shall discover any violation of the provisions of ⟦this act⟧ P.L.1967, c.76 (C.55:13A-1 et seq.), or any rules and regulations promulgated thereunder upon any inspection of any hotel or multiple dwelling, then the commissioner shall issue and cause to be served on the owner thereof a written order requiring said owner to terminate, or cause to be terminated, any such violation. Such written order shall state the nature of any such violation and a reasonable specified time within which any such violation must be terminated. Such written order shall also require and direct the owner to whom it is issued to take, or cause to be taken, such affirmative action as may be necessary to correct any such violation.

(b) The commissioner may petition the Superior Court of this State for mandatory injunctive relief enforcing any order issued by the commissioner pursuant to subsection (a) of this section. In any such proceeding the Superior Court may proceed in a summary manner or otherwise, and shall have power to grant such temporary relief or restraining order as it may deem just and proper, and to make and enter a decree enforcing, modifying, and enforcing as so modified, or setting aside in whole or in part any order issued by the commissioner pursuant to subsection (a) of this section.

(c) If a significant violation is found following an inspection or reinspection, the commissioner shall:

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

(2) in the case of a multiple dwelling that participates in federal section 8 housing, notify the United States Department of Housing and Urban Development New Jersey field officer of the complaint and violation.

(d.) The commissioner shall urge the United States Department of Housing and Urban Development to provide notification to the bureau of the results of any inspection conducted in accordance with federal regulations if significant violations were found.

(e.) When the commissioner determines as the result of an inspection of a hotel or multiple dwelling that one or more significant violations exist, the written order served on the owner shall identify each violation. If an application for a hearing is filed pursuant to section 18 of P.L.1967, c.76 (C.55:13A-18), the hearing shall be held within 30 days of the notice of violation and a final decision shall be rendered by the commissioner within 60 days of the date of the hearing.

(f.) For the purposes of this section, "significant violation" shall mean a lack of running water, or adequate sewage disposal facilities; infestations, excluding infestations without associated health impacts; structural deficiency; or any other condition that the commissioner may, by rule, identify as a significant violation, where such violations do not constitute an imminent hazard, pursuant to section 17 of P.L.1967, c.76 (C.55:13A-17**)**. For purposes of this section, a significant violation shall not include any violation or condition caused by or within the control of the tenant.

(cf: P.L.1967, c.76, s.16)

11. (New section) The Commissioner of Community Affairs shall establish, in consultation with the New Jersey State League of Municipalities, a program to assist municipalities in making records of inspections conducted pursuant to section 8 of P.L. , c. (C.) (pending before the legislation as this bill) and section 13 of P.L.1967, c.76 (C.55:13A-13), and landlord information records for any landlord, available to the public on the Internet, funded by fees paid by landlords.

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

8. (a) **[**Prior to the adoption, amendment, or repeal of any regulations pursuant to this act, the**]** The commissioner shall **[**:**]** adopt, amend, or repeal any regulations necessary to effectuate the provisions of P.L.1967, c. 76 (C.55:13A-1 et seq.), as may be amended and supplemented, pursuant to the provisions of the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.).

(1) [Transmit copies of the proposed regulations to the board for its review and recommendations. Within 30 days of the receipt of copies of said proposed regulations, the board shall provide the commissioner with such written recommendations thereon as it may have;] (Deleted by amendment, P.L. , c. (pending before the Legislature as this bill)

(2) [Publish in the New Jersey Register a general notice of intention to promulgate regulations, which notice shall include (1) a reference to the authority under which the regulations are proposed; (2) a statement of the purpose of the proposed regulations; (3) either the terms or substance of the proposed regulations or a description of the subjects and issues involved; (4) a statement that a copy of the proposed regulations may be obtained by any person upon written request to the bureau; and (5) a statement of the date, time and place for a public hearing on the proposed regulations, which date shall not be less than 20 days nor more than 30 days after the publication of the notice of intention to promulgate proposed regulations, and not less than 50 days after transmittal by the commissioner of copies of said proposed regulations to the board.] (Deleted by amendment, P.L. , c. (pending before the Legislature as this bill)

(b) (Deleted by amendment.)

(c) [Any person appearing at said public hearing shall be afforded an opportunity to be heard, either through the submission of written data, views, or arguments or the oral presentation of the same. Upon the expiration of the 30 days next succeeding the date of said public hearing, the commissioner shall issue and promulgate the regulations required to be issued and promulgated by section 7 of this act, either as originally proposed or as amended or revised by the commissioner subsequent to said public hearings, which regulations shall be effective on such date as may be provided therein.] (Deleted by amendment, P.L. , c. (pending before the Legislature as this bill)

(cf: P.L.1970, c.138, s.4)

13. (New section) a. If a landlord enters any information into a shared database concerning eviction proceedings brought against a residential tenant for non-payment of rent, the landlord shall include the following information, which shall be permanently attached to the tenant's record in the database:

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

(2) the disposition of the proceedings.

b. A landlord or an owner of the shared database who violates the provisions of section a. of this section shall be liable to a penalty of $500 for each offense, which 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.).

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

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

(1). On the owner:

(i) By mailing same by certified mail, with return receipt requested, or regular mail, to the person designated as owner or agent on the certificate of registration or in the municipal tax records or in the records of the ⟦Secretary of State⟧ Department of the Treasury; or

(ii) ⟦If the above certified mailing is returned, the original letter shall be remailed to the last known address by common mail⟧ By service upon the owner, or upon a person authorized to accept service on behalf of the owner in a civil matter, in accordance with the New Jersey Rules of Court; or

(iii) By serving same on the State Treasurer, who shall be deemed the owner's agent for the service of process, provided however that reasonable efforts have first been made to serve the owner or his agent by certified mail with return receipt requested or regular mail, andf that a copy of such notice is posted in a conspicuous location on the premises. "Conspicuous location" shall include the walls if the front vestibule or in any common foyer or hallway immediately inside the main front entrance.

(2). On the occupant:

(i) By mailing same by certified mail, return receipt requested, or regular mail, to said occupant, or

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

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

(1). On the owner:

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

(ii) By serving same on the Secretary of State, who shall be deemed the owner's agent for service of process, provided however, that reasonable efforts have first been made to serve the owner or his agent by certified mail with return receipt requested, or regular mail, and that a copy of such notice is posted in a conspicuous

location on the premises. "Conspicuous location" shall include the walls of the front vestibule or in any common foyer or hallway immediately inside the main front entrance.

(2). On the occupant:

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

(ii)**]** By leaving same at the dwelling unit of the occupant with a **[**person**]** competent member of the household of the age of 14 or older.

(c) The date of service shall be considered the date of personal service or other evidenced date of delivery, or the date of the third day after mailing, whichever occurs **[**later**]** first.

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

15. (New section) The following information shall be posted in every common area of a multiple dwelling, and shall be contained in a printed notice, conspicuously set forth in prominent boldface type on a form to be provided by the Department of Community Affairs, in every lease offered to a tenant in a multiple dwelling:

a. instructions on how to file a tenant complaint with the Bureau of Housing Inspection in the Department of Community Affairs; and

b. instructions on how to access and use the comprehensive social services information toll-free telephone hotline service, established pursuant to the provisions of P.L.1991, c.524 (C.30:1-1.1).

16. This act shall take effect on the first day of the seventh month next following enactment, except that the Commissioner of Community Affairs may take any anticipatory action in advance as shall be necessary for the implementation of this act.

STATEMENT

Too many residents of the State of New Jersey are currently residing in rental housing units that fail to meet minimum standards of safety and sanitation. Landlords should be held accountable for the health and safety of their tenants with respect to their housing, and should be required to provide safe and sanitary housing accommodations.

Accordingly, this bill implements various changes to State rental housing laws in the areas of landlord registration requirements, inspection of multiple dwellings, warranty of habitability, and distribution of certain information.

Warranty of Habitability

Section 3 of the bill provides that in any action before the court in which a tenant asserts a warrant of habitability violation by a landlord who accepts a rental subsidy, the court is required to notify The Department of Community Affairs (DCA) within two business days. Upon notice to DCA, the Bureau of Housing Inspection (BHI) is required to inspect the property within 10 days. A hearing to determine violation of the warranty of habitability may not be set by the court prior to the completion of the inspection by the BHI.

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

Landlord Registration

Sections 4, 5, 6, and 7 address issues related to registration of landlords. Current law requires landlords to register with the municipality in which the rental premises is located, or with DCA, depending on circumstances.

Section 4 of the bill prohibits the entering of a judgment of possession by any court for a premises covered by section 2 of P.L.1974, c.49 (C.2A:18-61.1) unless the landlord has been registered for at least 90 days.

Under section 5 of the bill, landlords are required to include the following additional information in a landlord registration:

(1) in the case of a record owner that is a corporation, limited liability company, or other legal or commercial entity, the names and Social Security numbers of residence of the members, directors, officers, and registered agents, as applicable; and

(2) for each person required to be named in the registration – a telephone number where someone can be reached at all times; a street address of residence; and an active email address.

Section 5 also requires that 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 for at least 90 days. "Rental subsidy" is defined as funds paid to a landlord pursuant to federal project-based or tenant-based federal Housing Choice Voucher (section 8) Program rental assistance or paid as a rental assistance grant pursuant to section 1 of P.L.2004, c.140 (C.52:27D-287.1).

Section 6 of the bill requires landlords to annually certify, by July 1, that the certificate of registration is accurate, and contains current information.

Under section 7 of the bill, a landlord who fails to register as required by law shall be liable for a penalty of not more than $500 for each offense.

Inspections

Sections 8, 9, 10, 11 and 15 of the bill pertain to the inspection, and reinspection, of multiple dwellings.

Section 8 of the bill permits the Commissioner of Community Affairs, by rule or regulation, to establish a classification of multiple dwellings in which properties are divided into tiers delineating the frequency of inspections based on criteria set forth in the regulation.

Under the provisions of section 9 of the bill, within 30 days of the most recent inspection of a hotel or multiple dwelling, the owner must file with the commissioner an application for a certification of inspection, together with the required fee. A certificate of inspection and the fees would not be required more often than the schedule of inspections set by the commissioner pursuant to section 8 of the bill.

Section 10 of the bill pertains to significant violations found following an inspection or reinspection. (A significant violation is defined as a lack of running water, or adequate sewage disposal facilities; infestations, excluding infestations without associated health impacts; structural deficiency; or any other condition that the commissioner may, by rule, identify as a significant violation, that does not constitute an imminent hazard, and which is not caused by, or within the control of, the tenant.) If a significant violation is found following an inspection or reinspection, the commissioner must notify, if applicable, the public housing authority that operates the multiple dwelling within 48 hours of the inspection or reinspection. In the case of a multiple dwelling that participates in federal section 8 housing, the commissioner must notify the Department of Housing and Urban Development New Jersey field officer of the complaint and violation. If the commissioner determines as the result of an inspection of a hotel or multiple dwelling that one or more significant violations exist, the written order served on the owner must identify each violation. If an application for a hearing is filed pursuant to section 18 of P.L.1967, c.76 (C.55:13A-18), the hearing shall be held within 30 days of the receipt of the application, and the commissioner must render a final decision within 60 days of the date of the hearing.

Section 11 of the bill requires the commissioner to establish a program to assist municipalities in making inspection records and landlord information records available to the public on the Internet.

Section 12 of the bill requires that the commissioner must promulgate regulations to effectuate the provisions of the "Hotel and Multiple Dwelling Law," P.L.1967, c.76 (C.55:13A-1 et seq.)

pursuant to the provisions of the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.).

Section 15 of the bill requires that every landlord post in every common area of a tenant-occupied multiple dwelling, and include in a printed notice in the lease, instructions on how to file a tenant complaint with the BHI, and instructions on how to access and use the instructions on how to access and use the comprehensive social services information toll-free telephone hotline service, established pursuant to the provisions of P.L.1991, c.524 (C.30:1-1.1)

Eviction Proceedings

Section 13 of the bill requires that if a landlord enters any information into a shared database concerning eviction proceedings brought against a residential tenant for non-payment of rent, the landlord must include the following information, which shall be permanently attached to the tenant's record in the database: (1) whether a finding was made on the record that the non-payment of rent was due to a violation of the warranty of habitability of the premises; and (2) the disposition of the proceedings. A landlord or an owner of the shared database who violates this requirement will be liable to a penalty of $500 for each offense.

Mail Delivery

Section 14 of the bill would permit DCA to mail notices, orders, rules, and decisions, by certified mail, with return receipt requested, and regular mail, and makes other procedural changes to the process of serving those documents.