ASSEMBLY, No. 1914

STATE OF NEW JERSEY

219th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2020 SESSION

Sponsored by:
Assemblyman BENJIE E. WIMBERLY
District 35 (Bergen and Passaic)
Assemblywoman VERLINA REYNOLDS-JACKSON
District 15 (Hunterdon and Mercer)
Assemblywoman VALERIE VAINIERI HUTTLE
District 37 (Bergen)

Co-Sponsored by:
Assemblyman Holley, Assemblywoman Murphy and Assemblyman Johnson

SYNOPSIS

Allows certain senior citizens to apply for rent increase limit.

CURRENT VERSION OF TEXT

Introduced Pending Technical Review by Legislative Counsel.

AN ACT concerning rent increase limits for certain senior citizens and supplementing chapter 18 of Title 2A of the New Jersey Statutes.

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

1. This act shall be known and may be cited as the "Senior Citizen Tenant Protection Act."

2. The Legislature finds and declares that many senior citizens age 55 or older are on fixed incomes comprised principally of small pensions and Social Security income. Senior citizens who live in rental housing are often faced with rent payments that increase faster than their Social Security cost of living adjustments. In addition, senior citizens who have lived in a dwelling for many years are less able than younger tenants to perform the physical exertions necessary for a move and to adapt to a new location involving different stores, doctors, and support groups. Therefore, to protect the health and well-being of senior citizens who have resided as tenants at a location for many years, it is in the public interest, and the public policy of this State, to guarantee those senior citizens affordable rental housing in order to avoid displacement due to rent that increases faster than their income.

3. As used in this act:

"Annual index rate factor" means 1 plus the product of .75 multiplied by the difference between the current index minus the index determined for the previous year, for the appropriate Consumer Price Index.

"Commissioner" means the Commissioner of Community Affairs.

"Consumer Price Index" means the annual average over a 12-month period beginning September 1 and ending August 31 of the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W), All Items Series A, of the United States Department of Labor (1957-1959 = 100), for either the New York, NY-Northeastern New Jersey region or the Philadelphia, PA-New Jersey region, accordingly as either shall have been determined by the commissioner to be applicable in each county within the State.

"Protected senior citizen tenant" means a tenant who qualifies and applies for protected senior citizen tenant status pursuant to section 4 of P.L. , c. (C.) (pending before the Legislature as this bill).

4. A resident of this State shall be eligible to apply for protected senior citizen tenant status with the Department of Community Affairs, so long as the applicant:

a. is 55 years old or older;

b. is not a holder of federal section 8 vouchers, a participant in the State rental assistance program established pursuant to section 1 of P.L.2004, c.140 (C.52:27D-287.1 et seq.), or a participant in another rental assistance program that disqualifies the resident pursuant to rules and regulations adopted by the commissioner;

c. has continuously occupied a dwelling unit in the same building or structure, that is not public housing, as his or her principal residence for at least 10 years; and

d. has an annual household income of $80,000 or less during the calendar year prior to the year this act takes effect, or the adjusted income limit set by the commissioner in subsequent years.

5. a. The commissioner shall notify a landlord, in writing, that a tenant has been approved as a protected senior citizen tenant within 10 days of such approval.

b. (1) Following notice as provided in subsection a. of this section, and except as provided in subsection c. of this section, a landlord shall not require a person who has been granted protected senior citizen tenant status to pay any rent increase that exceeds the protected senior citizen tenant's current rent multiplied by the annual index rate factor promulgated by the commissioner that is applicable to the region of residence.

(2) If a person who has been granted protected senior citizen tenant status resides in a municipality that has adopted a rent control or rent leveling ordinance, then the landlord may only raise the rent charged on the dwelling unit occupied by that senior citizen by the amount permitted under the ordinance, or by the amount permitted under paragraph (1) of this subsection, whichever amount is less.

c. A landlord may file with the commissioner an application for a waiver of the annual index rate factor determined and published under section 6 of P.L. , c. (C.) (pending before the Legislature as this bill). In reviewing a landlord's application for a waiver, the commissioner shall specifically consider whether the rent increase limit provided to a protected senior citizen tenant pursuant to subsection b. of this section would cause an undue hardship to the landlord because of the landlord's financial condition or any other factor relating to the landlord's ownership of the premises. The commissioner shall grant a waiver only if the landlord demonstrates that without the waiver, the landlord would be unable to generate a reasonable investment return, when considering equity, mortgage interest, insurance costs, and the most recent five-year history of maintenance and upkeep expenses for the property. When the commissioner grants a landlord's application for a waiver, the commissioner shall set the rent of the protected senior citizen tenant at an amount that will not cause the landlord undue hardship. A waiver granted by the commissioner shall have no effect with respect to a municipal rent control or rent leveling ordinance.

6. a. The commissioner shall annually, on or before October 1, determine and publish an annual index rate factor applicable to each of the regions within the State.

b. The commissioner shall approve any application for protected senior citizen tenant status of any person who meets the qualifications established pursuant to section 4 of P.L. , c. (C.) (pending before the Legislature as this bill).

c. On or before the first day of the seventh month next following enactment, the commissioner shall, pursuant to the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.), promulgate such rules and regulations, and design such forms, as are necessary to effectuate the purposes of this act. The rules and regulations shall establish income limitations for eligibility for protected senior citizen tenant status that are consistent with the income limitations for eligibility under the homestead property tax reimbursement program, P.L.1997, c.348 (C.54:4-8.67 et al.). The rules and regulations shall also establish what rental assistance programs, if any in addition to those listed under subsection b. of section 4 of P.L. , c. (C.) (pending before the Legislature as this bill), shall disqualify a senior from eligibility for protected senior citizen tenant status.

d. The commissioner shall annually adjust the income limitations for eligibility for protected senior citizen tenant status to reflect any annual adjustment to the criteria for eligibility under the homestead property tax reimbursement program, P.L.1997, c.348 (C.54:4-8.67 et al.).

e. The commissioner shall annually adjust the income limitations for eligibility for protected senior citizen tenant status to reflect the maximum Social Security benefit cost of living increase for that year.

7. A landlord who increases a protected senior citizen tenant's rent in excess of the amount permitted under section 5 of P.L. , c. (C.) (pending before the Legislature as this bill) shall be liable in a summary proceeding before the Superior Court of New Jersey, Special Civil Part, to pay damages to the protected tenant in an amount equal to the greater of $500 or three times the difference between the rental increase and the allowable rental increase, plus reasonable attorney fees.

8. This act shall take effect immediately, but shall remain inoperative until the first day of the seventh month next following enactment.

STATEMENT

This bill is intended to assure affordable rental housing for a significant portion of New Jersey's senior citizen population. The

bill would permit a tenant to apply to the Commissioner of Community Affairs for protected senior citizen tenant status so long as the tenant:

- is 55 or more years old;
- is not in the federal section 8 voucher program or the State rental assistance program, or a participant in another rental assistance program that disqualifies the resident pursuant to rules and regulations adopted by the commissioner;
- has lived in a dwelling unit in a particular building or structure that is not public housing for at least the previous 10 years as their principal residence; and
- has an annual household income of $80,000 or less during the calendar year prior to the year the bill takes effect, to be adjusted annually.

The bill provides that the annual income limitation for eligibility for protected senior citizen tenant status will be the same as the income limitation for eligibility under the homestead property tax reimbursement program, P.L.1997, c.348 (C.54:4-8.67 et al.).

A person meeting those requirements would be granted protected senior citizen status and their landlord would be so notified. A landlord would be required to limit any rent increase to the annual index rate factor promulgated by the commissioner for that particular county. The annual index rate factor would be 75% of the increase in the average consumer price index, determined on an annual basis. For each county the commissioner would use the consumer price index applicable either to the New York metropolitan area or the Philadelphia metropolitan area, as appropriate to the location and economic conditions of the county, as determined by the commissioner.

A landlord who increases the rent of a protected senior citizen tenant above the allowable amount would be liable for damages in an amount equal to the greater of $500 or three times the rent difference, plus reasonable attorney fees in a summary proceeding. A landlord facing undue hardship as a result of a tenant with protected senior citizen tenant status would be entitled to apply to the commissioner for a hardship waiver of the annual index rate factor. The commissioner could then set the rent at a level to ensure that the landlord does not suffer undue hardship. However, a waiver would have no effect on restrictions established by a municipal rent control or rent leveling ordinance.

If a person who has been granted protected senior citizen tenant status resides in a municipality with a rent control or rent leveling ordinance, then this bill only allows the landlord to raise rent on that tenant by the amount permitted under the ordinance, or by the amount permitted by this bill, whichever amount is less.