

ASSEMBLY, No. 2187

STATE OF NEW JERSEY 219th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2020 SESSION

Sponsored by:

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SYNOPSIS

Establishes five-year moratorium on conversions of certain residential rental premises in qualified counties.

CURRENT VERSION OF TEXT

Introduced Pending Technical Review by Legislative Counsel.



1 **AN ACT** concerning the conversion of certain residential rental
2 premises and amending and supplementing P.L.1991, c.509.

3

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

6

7 1. Section 2 of P.L.1991, c.509 (C.2A:18-61.41) is amended to
8 read as follows:

9 2. a. The Legislature finds that the provision and maintenance
10 of an adequate supply of housing affordable to persons of low and
11 moderate income in this State has been and is becoming
12 increasingly difficult as a result of economic and market forces
13 which require special public actions or subsidies to counteract.

14 b. One particularly acute result of **【this】** these forces has been
15 the continual increase in the number of displaced or homeless
16 persons who, lacking permanent shelter, require special assistance
17 from public services in this State and in surrounding states in order
18 to remain alive.

19 c. The Legislature has **【in the past】** taken various actions **【,**
20 and is currently considering several measures,**】** to increase the
21 supply of affordable housing in the State. **【At the same time, it】**
22 However, it also is necessary to protect residential tenants,
23 particularly those of advanced age or disability, or lower economic
24 status, from the effects of eviction from affordable housing in
25 recognition of the high costs, both financial and social, to the public
26 of displacement from affordable housing and of homelessness.

27 d. The Legislature **【has in the past through various enactments**
28 **recognized】** recognizes that the eviction of residential tenants
29 pursuant to the process of conversion of residential premises to
30 condominiums or cooperatives exacerbates homelessness and makes
31 more difficult the maintenance of an adequate supply of low and
32 moderate income housing.

33 e. The Legislature, therefore, declares that it is in the public
34 interest to establish a tenant protection program specifically
35 designed to provide protection to residential tenants, particularly the
36 aged and disabled and those of low and moderate income, from
37 eviction resulting from condominium or cooperative conversion.

38 f. Despite its laudable objectives, the Legislature finds that the
39 “Tenant Protection Act of 1992,” P.L.1991, c.509 (C.2A:18-61.40
40 et al.) has yet to adequately preserve the supply of affordable
41 housing in certain areas of the State in which condominium and
42 cooperative conversions are especially common.

43 g. In the public interest of preserving affordable housing, the
44 Legislature therefore declares a five-year moratorium on
45 condominium and cooperative conversions in qualified counties

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 immediately following the enactment of P.L. , c. (C.)
2 (pending before the Legislature as this bill).
3 (cf: P.L.1991, c.509, s.2)

4
5 2. Section 9 of P.L.1991, c.509 (C.2A:18-61.48) is amended to
6 read as follows:

7 9. **【No】** In addition to the limitations set forth in section 3 of
8 P.L. , c. (C.) (pending before the Legislature as this bill),
9 no registration of conversion for a building or structure located in a
10 qualified county shall be approved until the department receives
11 proof that the provisions of section 8 of **【this act】** P.L.1991, c.509
12 (C.2A:18-61.47) have been complied with, and that notification as
13 required in **【that】** section 8 of P.L.1991, c.509 (C.2A:18A-61.47)
14 has been made to all tenants who filed application for protected
15 tenancy status on or before the application deadline prescribed in
16 the notice given pursuant to section 7 of **【this act】** P.L.1991, c.509
17 (C.2A:18-61.46). The proof shall be by affidavit or in such form as
18 the department may require.
19 (cf: P.L.1991, c.509, s.9)

20
21 3. (New section) a. Notwithstanding any other provision of
22 law, rule, or regulation to the contrary, the department shall not
23 approve an application for registration for the conversion of
24 residential rental property located in a qualified county during the
25 five-year period immediately following the enactment of P.L. , c.
26 (C.) (pending before the Legislature as this bill).

27 b. Notwithstanding any other provision of law, rule, or
28 regulation to the contrary, any application for registration of
29 conversion, notice of intention to convert, full plan of conversion,
30 public offering statement, or other required documentation
31 submitted pursuant to any law or regulation, including but not
32 limited to, P.L.1991, c.509 (C.2A:18-61.40 et al.), P.L.1981, c.226
33 (C.2A:18-61.22 et al.), P.L.1974, c.49 (C.2A:18-61.1 et al.), or
34 P.L.1977, c.419 (C.45:22A-21 et seq.), and that is associated with
35 the conversion of residential rental property located in a qualified
36 county, shall be deemed null and void if submitted to the
37 department, designated administrative agency, or tenant during the
38 five-year period immediately following the enactment of P.L. , c.
39 (C.) (pending before the Legislature as this bill).

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41 4. This act shall take effect immediately.
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44 STATEMENT

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46 This bill establishes a five-year moratorium on the conversion of
47 residential premises into condominium or cooperative housing

1 developments (“condominium conversions”) in certain qualified
2 counties.

3 Pursuant to the “Tenant Protection Act of 1992,” P.L.1991, c.509
4 (C.2A:18-61.40 et al.), the State currently provides certain poor,
5 elderly, and disabled tenants residing in qualified counties with
6 tenancy protection status in the event of a condominium conversion.
7 The provisions of this law were intended to mitigate the deleterious
8 effects of condominium conversions on the supply of affordable
9 housing in certain areas of the State.

10 As defined in the “Tenant Protection Act of 1992,” a qualified
11 county includes any county with a population in excess of 500,000
12 persons and a population density in excess of 8,500 persons per
13 square mile, according to the most recent federal decennial census.
14 Hudson County is currently the only county in the State that meets
15 the definition of a qualified county under this law.

16 The bill amends the “Tenant Protection Act of 1992” to prohibit,
17 during the five-year period immediately following the enactment of
18 the bill, the Department of Community Affairs from approving any
19 condominium conversion that would be located in a qualified
20 county. The bill also provides that any required documentation
21 concerning the conversion of residential rental property in a
22 qualified county, including, but not limited to, an application for
23 registration of conversion, notice of intention to convert, full plan
24 of conversion, and public offering statement, would be considered
25 null and void if submitted during the five-year period immediately
26 following the enactment of the bill. Given that only Hudson
27 County meets the definition of a qualified county, the five-year
28 moratorium on condominium conversions would only be
29 established in that county.

30 Under the bill, a condominium conversion is defined as any
31 change to an apartment complex or other residential housing
32 development which would cause the complex or development to
33 constitute a planned real estate development (e.g., condominium),
34 as defined by “The Planned Real Estate Development Full
35 Disclosure Act,” P.L.1977, c.419 (C.45:22A-21 et seq.).