# ASSEMBLY, No. 2711

# STATE OF NEW JERSEY

## 219th LEGISLATURE

INTRODUCED FEBRUARY 13, 2020

**Sponsored by:**
**Assemblywoman VALERIE VAINIERI HUTTLE**
**District 37 (Bergen)**
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**District 29 (Essex)**

**SYNOPSIS**

Clarifies intent of Legislature to protect certain senior tenants; aligns housing age restrictions with federal law.

**CURRENT VERSION OF TEXT**

As introduced.

**AN ACT** clarifying the application of the statutory exemption from local rent control ordinances and amending P.L.1987, c.153.

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

1. Section 1 of P.L.1987, c.153 (C.2A:42-84.1) is amended to read as follows:

1. As used in this act:

a. "Completion of construction" means issuance of a certificate of occupancy pursuant to section 15 of the "State Uniform Construction Code Act," P.L.1975, c. 217 (C.52:27D-133);

b. "Constructed" means constructed, erected or converted but excludes rehabilitation of premises rented previously for residential purposes without an intervening use for other purposes for a period of at least two years prior to conversion. Mere vacancy shall not be considered an intervening use for the purposes of this subsection;

c. "Constructed after the effective date of this act" means constructed pursuant to a construction permit issued on or after the effective date of **[**this act**]** P.L.1987, c.153 (C.2A:42-84.1 et seq.);

d. **[**"Constructed for senior citizens" means constructed under a governmental program restricting occupancy of at least 90% of the dwelling units to senior citizens and any members of their immediate households or their occupant surviving spouses, or constructed as a retirement subdivision or retirement community as defined in the "Retirement Community Full Disclosure Act," P.L.1969, c.215 (C.45:22A-1 et seq.)**]** (Deleted by amendment, P.L. , c. ) (pending before the Legislature as this bill);

e. "Multiple dwelling" means any building or structure and land appurtenant thereto containing four or more dwelling units which are rented or offered for rent, other than a building containing dwelling units **[**constructed**]** reserved for occupation by senior citizens **[**, rented or offered for rent to four or more tenants or family units**]**;

f. "Period of amortization" means the time during which the principal amount of the mortgage loan and interest thereon would be paid entirely through periodic payments, whether or not the term of the mortgage loan is for a shorter period concluding with a balloon payment; and

g. "Senior citizens" means persons **[**62**]** 55 years of age or older.

(cf: P.L.1987, c.153, s.1)

2. Section 2 of P.L.1987, c.153 (C.2A:42-84.2) 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 thus is new matter.**

2. a. In any municipality which has enacted or which hereafter enacts a rent control or rent leveling ordinance, other than under the authority of P.L.1966, c.168 (C.2A:42-74 et seq.), those provisions of the ordinance which limit the periodic or regular increases in base rentals of dwelling units shall not apply to multiple dwellings constructed after the effective date of **[**this act**]** P.L.1987, c.153 (C.2A:42-84.1 et seq.), for a period of time not to exceed the period of amortization of any initial mortgage loan obtained for the multiple dwelling, or for 30 years following completion of construction, whichever is less.

b. In the event that there is no initial mortgage financing, the period of exemption from a rent control or rent leveling ordinance shall be 30 years from the completion of construction.

c. Provisions of rent control and rent leveling ordinances limiting the periodic or regular increases in base rentals of dwelling units shall apply to buildings constructed after the effective date of P.L.1987, c.153 (C.2A:42-84.1 et seq.), which contain four or more dwelling units, which are rented or offered for rent, and which reserve dwelling units for occupation by senior citizens.

(cf: P.L.1999, c.291, s.1)

3. This act shall take effect immediately.

STATEMENT

This bill clarifies that local rent control provisions apply to multiple dwellings that reserve dwelling units for senior citizens and revises the definition of the term “senior citizen” to reduce the minimum age requirement from 62 to 55 years of age. The bill recalls the original intent of the Legislature to exclude senior citizen housing from a law enacted in 1987 which exempted newly constructed rental multiple dwellings from local rent control ordinances, for a limited period of time, in order to encourage the production of new rental housing, and applies that intent to the current time when 55 and older communities are prevalent and explicitly permitted under federal law.

While the federal “fair housing act” prohibits discrimination in the sale or rental of housing based on age, the federal law allows an exemption for “housing for older persons” including housing for persons 62 years of age and older and housing intended for persons 55 years of age or older.

Consistent with the original intent of the Legislature to allow seniors to benefit from local rent control ordinances, the bill aligns the statute with permissible federal age restrictions and clarifies the intent of the statute to provide an exemption from rent control ordinances only for buildings which do not reserve occupancy for seniors.