ASSEMBLY, No. 3617

STATE OF NEW JERSEY

219th LEGISLATURE

INTRODUCED MARCH 5, 2020

Sponsored by:
Assemblywoman ANNETTE QUIJANO
District 20 (Union)

SYNOPSIS

Requires actions to recover certain residential tenancy security deposits be heard in county in which subject rental property is located.

CURRENT VERSION OF TEXT

As introduced.

AN ACT concerning the venue of actions to recover certain residential tenancy security deposits and amending P.L.2003, c.188.

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

1. Section 6 of P.L.2003, c.188 (C.46:8-21.4) is amended to read as follows:

6. Notwithstanding any law or rule to the contrary, the **[**Division of**]** Small Claims Section of the Superior Court, Law Division, Special Civil Part , of the county in which the rental premises is located, shall have jurisdiction of actions between an owner or lessee and tenant for the return of all or a part of a security deposit in which the amount in dispute, including any applicable penalties, does not exceed the sum of $5,000, exclusive of costs.

A contract, lease, or license agreement for the use or rental of real property shall not contain a forum-selection clause contrary to the provisions of this section, and any such clause shall be deemed against public policy and unenforceable.

(cf: P.L.2003, c.188, s.6)

2. This act shall take effect immediately.

STATEMENT

This bill would require that an action to recover a residential tenancy security deposit of $5,000 or less is heard in the county in which the subject rental property is located. Statutory law currently provides that such actions be heard by the Special Civil Part of the Superior Court, Law Division, but does not address venue. While court rules permit these actions to be brought in the county in which the rental property is located, tenants may be unaware of this option and feel compelled to travel to another county pursuant to a forum-selection clause in the lease. This bill would eliminate the potential for such confusion and complications for tenants by only allowing these actions in the county in which the rental property is located, and by prohibiting such forum-selection clauses in covered residential leases.

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.