

SENATE, No. 2363

STATE OF NEW JERSEY 219th LEGISLATURE

INTRODUCED APRIL 9, 2020

Sponsored by:

Senator LINDA R. GREENSTEIN

District 14 (Mercer and Middlesex)

Assemblyman DANIEL R. BENSON

District 14 (Mercer and Middlesex)

Assemblyman VINCENT MAZZEO

District 2 (Atlantic)

Assemblywoman SHANIQUE SPEIGHT

District 29 (Essex)

Assemblyman WAYNE P. DEANGELO

District 14 (Mercer and Middlesex)

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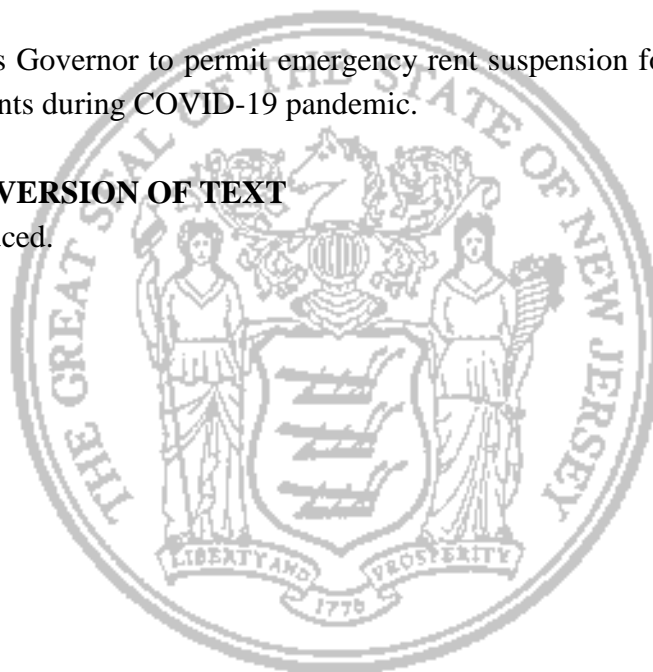
Senator Turner, Assemblywomen Jasey, Carter, Assemblymen Zwicker, Moen, Assemblywoman Swain, Assemblymen Tully and Johnson

SYNOPSIS

Authorizes Governor to permit emergency rent suspension for certain small business tenants during COVID-19 pandemic.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 4/13/2020)

1 AN ACT establishing protections for certain small business tenants
2 during COVID-19 pandemic.

3

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

6

7 1. a. Notwithstanding any other law, ordinance, rule or
8 regulation to the contrary, while a public health emergency,
9 pursuant to the “Emergency Health Powers Act,” P.L.2005, c.222
10 (C.26:13-1 et seq.), or a state of emergency, pursuant to P.L.1942,
11 c.251 (C.App.A.9-33 et seq.), or both, has been declared by the
12 Governor in response to the COVID-19 pandemic, and is in effect,
13 the Governor may issue an executive order to declare that a
14 distressed small business tenant may assert an emergency rent
15 suspension.

16 b. (1) A rent suspension executive order shall indicate the
17 length of time, not to exceed three months, that an emergency rent
18 suspension may remain in effect, which period shall commence
19 upon notification from the distressed small business tenant to the
20 landlord, or to an agent of the landlord, that the tenant is asserting
21 an emergency rent suspension. A rent suspension executive order
22 shall indicate the acceptable methods of delivery of the notification.
23 This act shall not prohibit a distressed small business tenant from
24 requesting, or prevent a landlord from providing, rent relief of
25 longer than three months.

26 (2) A rent suspension executive order shall include a schedule of
27 repayment that shall apply to an emergency rent suspension. The
28 schedule of repayment shall authorize a distressed small business
29 tenant to repay the amount left unpaid, due to the emergency rent
30 suspension, over the course of six to nine months, beginning on the
31 first day of the second month next following the end of both the
32 state of emergency and public health emergency declared pursuant
33 to subsection a. of this section.

34 c. The rent suspension executive order shall direct:

35 (1) the appropriate executive branch departments and agencies
36 to notify the State’s small business and commercial rental
37 communities of the emergency rent suspension provisions of this
38 act; and

39 (2) the generation of any materials, on the most appropriate
40 State Internet websites, necessary for the implementation of the rent
41 suspension executive order.

42 d. A landlord shall not file an eviction action against a
43 distressed small business tenant for rent that the tenant does not pay
44 in accordance with the tenant’s assertion of an emergency rent
45 suspension.

46 e. A rent suspension executive order may designate as an
47 unlawful practice, pursuant to the New Jersey consumer fraud act,

1 P.L.1960, c.39 (C.56:8-1 et seq.), either or both of the following
2 actions:

3 (1) an eviction action filed by a landlord for rent that a
4 distressed small business tenant leaves unpaid in accordance with
5 the tenant’s assertion of an emergency rent suspension; and

6 (2) an intentional misrepresentation by a tenant of the tenant’s
7 economic circumstance, made in an attempt to obtain an emergency
8 rent suspension.

9 f. As used in this section:

10 “COVID-19” means the coronavirus disease 2019, as announced
11 by the World Health Organization on February 11, 2020, and first
12 identified in Wuhan, China.

13 “Distressed small business tenant” means, unless adjusted by the
14 rent suspension executive order, a business that:

15 (1) employed 50 persons or fewer on February 10, 2020;

16 (2) leases real property for non-residential purposes; and

17 (3) as a result of the COVID-19 pandemic, does not have
18 monthly revenue that exceeds 80 percent of the tenant’s reasonable
19 expectations of monthly revenue during the same season prior to the
20 COVID-19 pandemic.

21 “Emergency rent suspension” means a temporary recess on rent
22 payments by a distressed small business tenant.

23 “Rent suspension executive order” means an executive order
24 issued pursuant to subsection a. of this section.

25

26 2. This act shall take effect immediately.

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STATEMENT

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31 This bill would authorize the Governor to permit emergency rent
32 suspensions for small business tenants who are economically
33 distressed due to the COVID-19 pandemic.

34 This bill would provide that, while a public health emergency or
35 a state of emergency is declared by the Governor and is in effect, in
36 response to the COVID-19 emergency, the Governor may issue a
37 rent suspension executive order to provide that a distressed small
38 business tenant, as defined by the bill, may assert an emergency
39 rent suspension, meaning a period of time during which rent
40 payment obligations would not be paid.

41 An emergency rent suspension would commence upon
42 notification from the distressed small business tenant to the
43 landlord, or the landlord’s agent, that the tenant is asserting an
44 emergency rent suspension. The rent suspension executive order
45 would indicate the length of time, not to exceed three months, that
46 an emergency rent suspension may remain in effect.

47 A rent suspension executive order would include a schedule of
48 repayment that would apply to an emergency rent suspension. The

1 schedule of repayment would authorize a distressed small business
2 tenant to repay the amount left unpaid, due to the emergency rent
3 suspension, over the course of six to nine months, beginning on the
4 first day of the second month following the end of both the state of
5 emergency and public health emergency.

6 The rent suspension executive order would direct the appropriate
7 executive branch departments and agencies to notify the State's
8 small business and commercial rental communities of the
9 emergency rent suspension provisions of this bill. The executive
10 order would also direct the generation of any materials, on the most
11 appropriate State Internet websites, necessary for the
12 implementation of the rent suspension executive order.

13 The bill would prohibit a landlord from filing an eviction action
14 against a distressed small business tenant for rent that the tenant
15 does not pay in association with an emergency rent suspension.

16 The bill provides that a rent suspension executive order may
17 designate either or both of the following actions as an unlawful
18 practice under the New Jersey consumer fraud act:

- 19 • an eviction action filed by a landlord for rent that a
20 distressed small business tenant leaves unpaid in accordance
21 with an emergency rent suspension; and
- 22 • an intentional misrepresentation by a tenant of the tenant's
23 economic circumstance, made in an attempt to obtain an
24 emergency rent suspension.