

SENATE, No. 2850

STATE OF NEW JERSEY 219th LEGISLATURE

INTRODUCED AUGUST 25, 2020

Sponsored by:

Senator BRIAN P. STACK

District 33 (Hudson)

SYNOPSIS

Authorizes early termination of residential leases by certain tenants economically impacted during time of coronavirus disease 2019 pandemic.

CURRENT VERSION OF TEXT

As introduced.



1 **AN ACT** authorizing the early termination of residential leases by
2 certain tenants economically impacted during time of the
3 coronavirus disease 2019 pandemic.

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

7
8 1. a. A lease for a term of one or more years, entered into
9 agreement prior to May 1, 2020, of a property that has been leased
10 and used by the lessee solely for the purpose of providing a
11 dwelling place for the lessee, or the lessee and the lessee's family,
12 may be terminated prior to the expiration date thereof, and without
13 financial penalty, if:

14 (1) The lessee or the lessee's spouse, or both, suffered a
15 substantial reduction of income resulting from the COVID-19
16 pandemic or the Public Health Emergency, established pursuant to
17 Executive Order No. 103 of 2020, or State of Emergency declared
18 in response thereto, including from a reduction in hours or loss of
19 employment, or increased costs incurred in necessary child care
20 resulting from the closure of schools or caring for family members
21 who are ill due to COVID-19 or quarantined due to a suspected
22 exposure to COVID-19, or for funeral costs due to COVID-19; and

23 (2) Written notice is provided from the lessee to the lessor
24 providing documentation of the substantial reduction of income
25 from the COVID-19 pandemic and alerting the lessor of the intent
26 to terminate the lease.

27 b. (1) Unless the lessor and lessee arrange for an earlier
28 termination, terminations pursuant to this section shall take effect
29 on the 40th day following the receipt by the lessor of the written
30 notice, and the rent shall be paid up to the time of termination, at
31 which time the lease shall cease and come to an end. If a lessee's
32 rent is due on a monthly basis, and this timeframe causes the
33 termination to occur when a month is only partially complete, then
34 the lessee shall be responsible for only the percentage of the last
35 month's rent that corresponds to the percentage of the month that is
36 complete upon termination. The property shall be vacated and
37 possession shall be turned over to the lessor at least five working
38 days prior to the 40th day following receipt by the lessor of written
39 notice.

40 (2) Notwithstanding any other law, ordinance, rule or regulation
41 to the contrary that may provide for an extended repayment period
42 for unpaid rent, all rent owed by the lessee to the lessor shall be
43 paid up to the time of the termination of the lease.

44 c. (1) Pursuant to Executive Order No. 128 of 2020 and
45 established under this section, the lessee may direct the lessor to use
46 security deposit monies, and any accrued interest, to offset rent
47 owed up to the time of termination established in paragraphs (1) and
48 (2) of subsection b. of this section.

1 (2) The use of security deposit monies, and any accrued interest,
2 to offset rent owed by the lessee shall not prohibit the lessor from
3 collecting charges expended in accordance with the terms of the
4 lease and owed at the time of the lease termination, including
5 damages to the property that are not ordinary wear and tear.

6 d. In response to a complaint to the Attorney General from a
7 lessee, or on the Attorney General's independent initiative, the
8 Attorney General may bring an action alleging a lessor has violated
9 the provisions of this section. The Attorney General shall establish
10 penalties for violations of the provisions of this section.

11 e. The Commissioner of Community Affairs shall establish a
12 public awareness campaign to inform the public about the
13 provisions of this section.
14

15 2. This act shall take effect immediately and shall expire 60
16 days following the expiration of the Public Health Emergency,
17 established pursuant to Executive Order No. 103 of 2020.
18
19

20 STATEMENT

21

22 The bill authorizes the early termination of residential leases by
23 certain tenants economically impacted during time of the
24 coronavirus disease 2019 (COVID-19) pandemic.

25 Specifically, a lease for a term of one or more years, entered into
26 agreement prior to May 1, 2020, of a property that has been leased
27 and used by the lessee solely for the purpose of providing a
28 dwelling place for the lessee, or the lessee and the lessee's family,
29 may be terminated prior to the expiration date thereof, and without
30 financial penalty, if:

31 (1) The lessee or the lessee's spouse, or both, suffered a
32 substantial reduction of income resulting from the COVID-19
33 pandemic or the Public Health Emergency, established pursuant to
34 Executive Order No. 103 of 2020, or State of Emergency declared
35 in response thereto, including from a reduction in hours or loss of
36 employment, or increased costs incurred in necessary child care
37 resulting from the closure of schools or caring for family members
38 who are ill due to COVID-19 or quarantined due to a suspected
39 exposure to COVID-19, or for funeral costs due to COVID-19; and

40 (2) Written notice is provided from the lessee to the lessor
41 providing documentation of the substantial reduction of income
42 from the COVID-19 pandemic and alerting the lessor of the intent
43 to terminate the lease.

44 Under the bill, unless the lessor and lessee arrange for an earlier
45 termination, terminations would take effect on the 40th day
46 following the receipt by the lessor of the written notice, and the rent
47 would be paid up to the time of termination, at which time the lease
48 would cease and come to an end. If a lessee's rent is due on a

1 monthly basis, and this timeframe causes the termination to occur
2 when a month is only partially complete, then the lessee would be
3 responsible for only the percentage of the last month's rent that
4 corresponds to the percentage of the month that is complete upon
5 termination. The property would be vacated and possession would
6 be turned over to the lessor at least five working days prior to the
7 40th day following receipt by the lessor of written notice.

8 Notwithstanding any other law, ordinance, rule or regulation to
9 the contrary that may provide for an extended repayment period for
10 unpaid rent, all rent owed by the lessee to the lessor would be paid
11 up to the time of the termination of the lease.

12 Pursuant to Executive Order No. 128 of 2020 and established
13 under this bill, the lessee may direct the lessor to use security
14 deposit monies, and any accrued interest, to offset rent owed up to
15 the time of termination. The use of security deposit monies, and
16 any accrued interest, to offset rent owed by the lessee would not
17 prohibit the lessor from collecting charges expended in accordance
18 with the terms of the lease and owed at the time of the lease
19 termination, including damages to the property that are not ordinary
20 wear and tear.

21 In response to a complaint to the Attorney General from a lessee,
22 or on the Attorney General's independent initiative, the Attorney
23 General may bring an action alleging a lessor has violated the
24 provisions of the bill. The Attorney General would also establish
25 penalties for a lessor in violation of the provisions of the bill.

26 The Commissioner of Community Affairs would establish a
27 public awareness campaign to inform the public about the
28 provisions of the bill.

29 The bill would take effect immediately and would expire 60 days
30 following the expiration of the Public Health Emergency,
31 established pursuant to Executive Order No. 103 of 2020.