

TECHNICAL REVIEW:	No
COMMITTEE STATEMENT:	ASSEMBLY: Yes Budget
	SENATE: No

(Audio archived recordings of the committee meetings, corresponding to the date of the committee statement, **may possibly** be found at www.njleg.state.nj.us)

FLOOR AMENDMENT STATEMENT:	No
LEGISLATIVE FISCAL ESTIMATE:	Yes
VETO MESSAGE:	No
GOVERNOR'S PRESS RELEASE ON SIGNING:	Yes

FOLLOWING WERE PRINTED:

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CL/MM

P.L. 2024, CHAPTER 74, *approved September 12, 2024*
Senate, No. 3368 (*First Reprint*)

1 AN ACT concerning lead-based paint hazards in residential rental
2 property, including establishing lead-based paint hazard
3 programs, amending P.L.2021, c.182, and repealing section 1 of
4 P.L.2007, c.251.

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

8
9 1. Section 1 of P.L.2021, c.182 (C.52:27D-437.16) is amended
10 to read as follows:

11 1. a. As used in this section:

12 "Common area" means the interior portions of a building used
13 for residential rental purposes that are generally accessible to
14 residential tenants, but not including the interior of individual
15 dwelling units. Common areas shall include, but not be limited to
16 hallways, stairs, foyers, basements, laundry rooms, and the interior
17 of attached or detached garages, if the areas are generally accessible
18 to residential tenants, and the areas are not located within the
19 interior of an individual dwelling unit.

20 "Dust wipe sampling" means a sample collected by wiping a
21 representative surface and tested in accordance with a method
22 approved by the United States Department of Housing and Urban
23 Development.

24 "Dwelling unit" means a single-family living space, including a
25 single family home, or an apartment, room, or rooms within a two-
26 family or multiple-family building, that is occupied or intended to
27 be occupied for sleeping or dwelling purposes by one or more
28 persons living independently of persons in similar dwelling units.

29 "Planned real estate development" means a planned real estate
30 development, as defined by section 3 of P.L.1977, c.419 (C.45:22A-
31 23).

32 "Tenant turnover" means the time at which all existing occupants
33 vacate a dwelling unit and all new tenants move into the dwelling
34 unit.

35 "Visual assessment" means a visual examination for deteriorated
36 paint or visible surface dust, debris, or residue.

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.

Matter enclosed in superscript numerals has been adopted as follows:

¹Senate SBA committee amendments adopted June 24, 2024.

1 b. (1) Subject to subsection c. of this section, in a municipality
2 that maintains a permanent local agency for the purpose of
3 conducting inspections and enforcing laws, ordinances, and
4 regulations concerning buildings and structures within the
5 municipality, either:

6 (a) the permanent local agency shall inspect **【every single-**
7 **family, two-family, and multiple rental dwelling】** each rental
8 dwelling unit, and ¹, in a building consisting of two or three
9 dwelling units,¹ the common area within each building that contains
10 a rental dwelling unit, and that is located within the municipality
11 **【at tenant turnover】** for lead-based paint hazards; or

12 (b) to provide for the inspection of each rental dwelling unit and
13 ¹, in a building consisting of two or three dwelling units,¹ the
14 common area within each building that contains a rental dwelling
15 unit located within the municipality, the governing body shall enter
16 into a contract with a lead evaluation contractor, certified to provide
17 lead paint inspection services by the Department of Community
18 Affairs, or enter into a shared service agreement with a local unit, to
19 inspect those rental dwelling units and the common areas for lead-
20 based paint hazards.

21 A municipality shall cause the inspection of rental dwelling units
22 and ¹, in a building consisting of two or three dwelling units,¹
23 common areas for lead-based paint hazards at tenant turnover or
24 within **【two】** three years of the effective date of P.L.2021, c.182
25 (C.52:27D-437.16 et al.), whichever is earlier. Thereafter, all such
26 units shall be inspected for lead-based paint hazards the earlier of
27 every three years or upon tenant turnover, except that an inspection
28 upon tenant turnover shall not be required if the owner has a valid
29 lead-safe certification pursuant to this section. The municipality
30 shall charge the dwelling owner or landlord a fee sufficient to cover
31 the cost of the inspection.

32 (2) Subject to subsection c. of this section, in a municipality that
33 does not maintain a permanent local agency for the purpose of
34 conducting inspections and enforcing laws, ordinances, and
35 regulations concerning buildings and structures within the
36 municipality, the **【municipality shall hire】** governing body shall
37 either enter into: a contract with a lead evaluation contractor,
38 certified to provide lead paint inspection services by the
39 Department of Community Affairs, or a shared service agreement
40 with a local unit, to inspect **【every single-family, two-family, and**
41 **multiple】** each rental dwelling unit and ¹, in a building consisting of
42 two or three dwelling units,¹ the common areas within each
43 building that contains a rental dwelling unit, and that is located
44 within the municipality for lead-based paint hazards.

45 A municipality shall cause the inspection of rental dwelling units
46 for lead-based paint hazards at tenant turnover **【for lead-based paint**
47 **hazards】** or within **【two】** three years of the effective date of

1 P.L.2021, c.182 (C.52:27D-437.16 et al.), whichever is earlier.
2 Thereafter, all such units shall be inspected for lead-based paint
3 hazards the earlier of every three years or upon tenant turnover,
4 except that an inspection upon tenant turnover shall not be required
5 if the owner has a valid lead-safe certification pursuant to this
6 section. The municipality shall charge the dwelling owner or
7 landlord a fee sufficient to cover the cost of the inspection,
8 including the cost of hiring the lead evaluation contractor.

9 (3) A municipality shall permit the dwelling owner or landlord
10 to directly hire a lead evaluation contractor who is certified to
11 provide lead paint inspection services by the Department of
12 Community Affairs to satisfy the requirements of paragraph (1) or
13 (2) of this subsection.

14 (4) A permanent local agency or lead evaluation contractor with
15 the duty to inspect single-family, two-family, and multiple rental
16 dwellings pursuant to this section may consult with the local health
17 board, the Department of Health, or the Department of Community
18 Affairs concerning the criteria for the inspection and identification
19 of areas and conditions involving a high risk of lead poisoning in
20 dwellings, methods of detection of lead in dwellings, and standards
21 for the repair of dwellings containing lead paint.

22 (5) Fees established pursuant to this subsection shall be
23 dedicated to meeting the costs of implementing and enforcing this
24 subsection and shall not be used for any other purpose.

25 c. Notwithstanding subsection b. of this section to the contrary,
26 a dwelling unit **【in a single-family, two-family, or multiple rental**
27 **dwelling】** shall not be subject to inspection and evaluation for the
28 presence of lead-based paint hazards if the unit:

29 (1) has been certified to be free of lead-based paint;

30 (2) was constructed during or after 1978;

31 (3) is in a multiple **【dwelling】** family building that **【has been**
32 **registered with the Department of Community Affairs as a multiple**
33 **dwelling for at least 10 years, either under the current or a previous**
34 **owner, and】** ¹has been registered with the Department of
35 Community Affairs as a multiple family building for at least 10
36 years, either under the current or a previous owner, and¹ has no
37 outstanding lead-based paint violations from the two most recent
38 cyclical 【inspection】 inspections performed 【on the multiple
39 dwelling】 under the "Hotel and Multiple Dwelling Law," P.L.1967,
40 c.76 (C.55:13A-1 et seq.);

41 (4) is a single-family or two-family seasonal rental dwelling
42 which is rented for less than six months duration each year by
43 tenants that do not have consecutive lease renewals; or

44 (5) has a valid lead-safe certification issued in accordance with
45 this section.

46 d. (1) If a lead evaluation contractor or permanent local agency
47 finds that a lead-based paint hazard exists in a dwelling unit upon

1 conducting an inspection pursuant to this section, then the owner of
2 the dwelling unit shall remediate the lead-based paint hazard by
3 using abatement or lead-based paint hazard control methods,
4 approved in accordance with the provisions of the "Lead Hazard
5 Control Assistance Act," P.L.2003, c.311 (C.52:27D-437.1 et al.).
6 Upon the remediation of the lead-based paint hazard, the lead
7 evaluation contractor or permanent local agency shall conduct an
8 additional inspection of the unit to certify that the hazard no longer
9 exists.

10 (2) If a lead evaluation contractor or permanent local agency
11 finds that no lead-based paint hazards exist in a dwelling unit upon
12 conducting an inspection pursuant to this section or following
13 remediation of a lead-based paint hazard pursuant to paragraph (1)
14 of this subsection, then the lead evaluation contractor or permanent
15 local agency shall certify the dwelling unit as lead-safe on a form
16 prescribed by the Department of Community Affairs as provided for
17 in regulations or guidance promulgated pursuant to section 8 of
18 P.L.2021, c.182 (C.52:27D-437.20). The lead-safe certification
19 provided to the property owner by the lead evaluation contractor or
20 permanent local agency pursuant to this paragraph shall be valid for
21 **two** three years.

22 e. Beginning on the effective date of P.L.2021, c.182
23 (C.52:27D-437.16 et al.), property owners shall:

24 (1) **provide** evidence of a valid lead-safe certification obtained
25 pursuant to this section as well as evidence of the most recent tenant
26 turnover at the time of the cyclical inspection carried out under the
27 "Hotel and Multiple Dwelling Law," P.L.1967, c.76 (C.55:13A-1 et
28 seq.), unless not required to have had an inspection by a lead
29 evaluation contractor or permanent local agency pursuant to
30 paragraph (1), (2), or (3) of subsection c. of this section; **(Deleted**
31 by amendment, P.L. , c.) (pending before the Legislature as this
32 bill)

33 (2) provide evidence of a valid lead-safe certification obtained
34 pursuant to this section to new tenants of the property at the time of
35 tenant turnover unless not required to have had an inspection by a
36 lead evaluation contractor or permanent local agency pursuant to
37 paragraphs (1), (2), (3), **and** or (4) of subsection c. of this section,
38 and shall affix a copy of such certification as an exhibit to the
39 tenant's or tenants' lease; and

40 (3) maintain a record of the lead-safe certification which shall
41 include the name or names of the unit's tenant or tenants, if the
42 inspection was conducted during a period of tenancy, unless not
43 required to have had an inspection by a lead evaluation contractor
44 or permanent local agency pursuant to paragraphs (1), (2), (3),
45 **and** or (4) of subsection c. of this section.

46 f. **If** a lead evaluation contractor or permanent local agency
47 finds that a lead-based paint hazard exists in a dwelling unit upon

1 conducting an inspection pursuant to this section, then the lead
2 evaluation contractor or permanent local agency shall notify the
3 Commissioner of Community Affairs, who shall review the findings
4 in accordance with section 8 of the "Lead Hazard Control
5 Assistance Act," P.L.2003, c.311 (C.52:27D-437.8) **Each**
6 municipality shall deliver to the Department of Community Affairs
7 a list identifying each dwelling unit inspected pursuant to this
8 section, and each dwelling unit determined to contain a lead-based
9 paint hazard. The department shall, pursuant to section 2 of
10 P.L.1991, c.164 (C.52:14-19.1), submit an annual report to the
11 Legislature indicating the number of inspected dwelling units
12 identified to have lead-based paint hazards. The report shall list the
13 number of inspected dwellings and dwelling units identified to have
14 lead-based paint hazards within each county.

15 g. (1) If a dwelling is located in a municipality in which less
16 than three percent of children tested, six years of age or younger,
17 have a blood lead **[level]** reference value greater than or equal to
18 five ug/dL, or any other blood lead level adopted by the Department
19 of Health, according to the central lead screening database
20 maintained by the Department of Health pursuant to section 5 of
21 P.L.1995, c.328 (C.26:2-137.6), or according to other data deemed
22 appropriate by the **[commissioner]** Commissioner of Community
23 Affairs, then a lead evaluation contractor or permanent local agency
24 may inspect for lead-based paint hazards through visual assessment.
25 The Commissioner of Community Affairs may determine an
26 appropriate blood lead reference value on the basis of multiple
27 years of data.

28 (2) If a dwelling unit is located in a municipality in which at
29 least three percent of children tested, six years of age or younger,
30 have a blood lead **[level]** reference value greater than or equal to
31 five ug/dL, or any other blood lead level adopted by the Department
32 of Health, according to the central lead screening database
33 maintained by the Department of Health pursuant to section 5 of
34 P.L.1995, c.328 (C.26:2-137.6), or according to other data deemed
35 appropriate by the **[commissioner]** Commissioner of Community
36 Affairs, then a lead evaluation contractor or permanent local agency
37 shall inspect for lead-based paint hazards through dust wipe
38 sampling. The Commissioner of Community Affairs may
39 determine an appropriate blood lead reference value on the basis of
40 multiple years of data. The disclosure of this data for the purposes
41 of this section shall not constitute the disclosure of the identity of a
42 child pursuant to section 5 of P.L.1995, c.328 (C.26:2-137.6).

43 (3) If a lead hazard is identified in an inspection of one of the
44 dwelling units in a building consisting of two- or three- dwelling
45 units, then the lead evaluation contractor or permanent local agency
46 shall inspect the remainder of the building's dwelling units for lead
47 hazards, with the exception of dwelling units that have been

1 certified to be **【free of lead-based paint】** lead-safe. The lead
2 evaluation contractor or permanent local agency may charge fees in
3 accordance with this section for such additional inspections.

4 ¹(4) If a dwelling owner or landlord directly hires a lead
5 evaluation contractor who is certified to provide lead paint
6 inspection services by the Department of Community Affairs to
7 complete the inspection required under paragraph (1) of this
8 subsection, then the owner may elect to have the inspection
9 performed through dust wipes in lieu of visual examination.¹

10 h. In addition to the fees permitted to be charged for inspection
11 of rental housing pursuant to this section, each municipality shall
12 assess an additional fee of \$20 per unit inspected by a certified lead
13 evaluation contractor or permanent local agency for the purposes of
14 the "Lead Hazard Control Assistance Act," P.L.2003, c.311
15 (C.52:27D-437.1 et al.) concerning lead hazard control work, unless
16 the unit owner demonstrates that the Department of Community
17 Affairs has already assessed an additional inspection fee of \$20
18 pursuant to the provisions of section 10 of P.L. 2003, c. 311
19 (C.52:27D-437.10). In a **【common interest community】** planned
20 real estate development, any inspection fee charged pursuant to this
21 subsection shall be the responsibility of the unit owner and not the
22 homeowners' association, unless the association is the owner of the
23 unit. The fees collected pursuant to this subsection shall be
24 deposited into the "Lead Hazard Control Assistance Fund"
25 established pursuant to section 4 of P.L.2003, c.311 (C.52:27D-
26 437.4).

27 (cf: P.L.2021, c.182, s.1)

28

29 2. Section 2 of P.L.2021, c.182 (C.52:27D-437.17) is amended
30 to read as follows:

31 2. a. The Department of Community Affairs, in consultation
32 with the Department of Health, shall establish a Statewide **【,**
33 **multifaceted, ongoing】** educational program designed to meet the
34 needs of tenants, property owners, realtors and real estate agents,
35 insurers and insurance agents, and local building officials about the
36 nature of lead-based paint hazards, the importance of lead-based
37 paint hazard control and mitigation, and the responsibilities set
38 forth in P.L.2021, c.182 (C.52:27D-437.16 et al.). In developing
39 **【and coordinating】** this **【educational】** program, the department
40 shall **【seek the participation and involvement of private industry**
41 **organizations, including those involved in real estate, insurance,**
42 **mortgage banking, and pediatrics】** ;

43 (1) create an electronic version of the program which shall be
44 available on the Internet. The program shall not exceed three hours;

45 (2) promulgate, pursuant to the "Administrative Procedure Act,"
46 P.L.1968, c.410 (C.52:14B-1 et seq.), rules for the dissemination of
47 information about the requirements of P.L.2021, c.182 (C.52:27D-

- 1 437.16 et al.) to all prospective owners of pre-1978 dwellings
2 during the real estate transaction, settlement, or closing;
3 (3) provide updated educational materials regarding amendments
4 to P.L.2021, c.182 or changes to the regulations adopted pursuant
5 thereto; and
6 (4) solicit requests to enter into ongoing, funded partnerships to
7 provide specific counseling information services to tenants and
8 affected parties on their rights and responsibilities with regard to
9 lead-based paint hazards and lead poisoning.
- 10 b. **【**Prior to the effective date of P.L.2021, c.182 (C.52:27D-
11 437.16 et al.), the department shall:
- 12 (1) Create educational materials outlining the rights and
13 responsibilities of parties subject to the provisions of P.L.2021,
14 c.182 (C.52:27D-437.16 et al.).
- 15 (2) Establish guidelines and a trainer's manual for a lead-based
16 paint hazard seminar for rental property owners or designated
17 persons, which the department shall forward to all public and
18 private colleges and universities in New Jersey, to other
19 professional training facilities, and to professional associations and
20 community organizations with a training capacity. The department
21 shall approve proposals to offer the seminar from institutions;
22 provided that the proposals are consistent with the guidelines. The
23 department shall create an electronic version of the lead-based paint
24 hazard seminar accessible on the Internet. The seminar shall be
25 available to tenants, property owners, and other interested parties.
- 26 (3) Promulgate rules for the dissemination of information about
27 the requirements of P.L.2021, c.182 (C.52:27D-437.16 et al.) to all
28 prospective owners of pre-1978 dwellings during the real estate
29 transaction, settlement, or closing.
- 30 (4) Solicit requests to enter into ongoing, funded partnerships to
31 provide specific counseling information services to tenants and
32 affected parties on their rights and responsibilities with regard to
33 lead-based paint hazards and lead poisoning.】 (Deleted by
34 amendment, P.L. , c.) (pending before the Legislature as this
35 bill)
- 36 c. **【**The lead-based paint hazard seminar established pursuant
37 to of this section shall not exceed three hours in length. The
38 department shall offer the seminar for a maximum fee of \$50 per
39 participant.】 (Deleted by amendment, P.L. , c.) (pending before
40 the Legislature as this bill)
41 (cf: P.L.2021, c.182, s.2)
42
- 43 3. Section 1 of P.L.2007, c.251 (C.55:13A-12.2) is repealed.
44
- 45 4. This act shall take effect immediately, however, the
46 provisions of subsection b. of section 1 of P.L.2021, c.182
47 (C.52:27D-437.16) which authorize a municipal governing body to
48 provide lead-based paint inspection services by contract or shared

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1 service agreement shall apply retroactively to authorize an
2 agreement entered into on or after July 22, 2022.
3 ered into on or after July 22, 2022.

4

5

6

7

8 _____
9 Concerns law protecting residential tenants from lead-based
paint hazards.

CHAPTER 74

AN ACT concerning lead-based paint hazards in residential rental property, including establishing lead-based paint hazard programs, amending P.L.2021, c.182, and repealing section 1 of P.L.2007, c.251.

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

1. Section 1 of P.L.2021, c.182 (C.52:27D-437.16) is amended to read as follows:

C.52:27D-437.16 Definitions relative to lead-based paint hazards.

1. a. As used in this section:

"Common area" means the interior portions of a building used for residential rental purposes that are generally accessible to residential tenants, but not including the interior of individual dwelling units. Common areas shall include, but not be limited to, hallways, stairs, foyers, basements, laundry rooms, and the interior of attached or detached garages, if the areas are generally accessible to residential tenants and the areas are not located within the interior of an individual dwelling unit.

"Dust wipe sampling" means a sample collected by wiping a representative surface and tested in accordance with a method approved by the United States Department of Housing and Urban Development.

"Dwelling unit" means a single-family living space, including a single family home, or an apartment, room, or rooms within a two-family or multiple-family building, that is occupied or intended to be occupied for sleeping or dwelling purposes by one or more persons living independently of persons in similar dwelling units.

"Planned real estate development" means a planned real estate development, as defined by section 3 of P.L.1977, c.419 (C.45:22A-23).

"Tenant turnover" means the time at which all existing occupants vacate a dwelling unit and all new tenants move into the dwelling unit.

"Visual assessment" means a visual examination for deteriorated paint or visible surface dust, debris, or residue.

b. (1) Subject to subsection c. of this section, in a municipality that maintains a permanent local agency for the purpose of conducting inspections and enforcing laws, ordinances, and regulations concerning buildings and structures within the municipality, either:

(a) the permanent local agency shall inspect each rental dwelling unit, and, in a building consisting of two or three dwelling units, the common area within each building that contains a rental dwelling unit and that is located within the municipality for lead-based paint hazards; or

(b) to provide for the inspection of each rental dwelling unit and, in a building consisting of two or three dwelling units, the common area within each building that contains a rental dwelling unit located within the municipality, the governing body shall enter into a contract with a lead evaluation contractor, certified to provide lead paint inspection services by the Department of Community Affairs, or enter into a shared service agreement with a local unit to inspect those rental dwelling units and the common areas for lead-based paint hazards.

A municipality shall cause the inspection of rental dwelling units and, in a building consisting of two or three dwelling units, common areas for lead-based paint hazards at tenant turnover or within three years of the effective date of P.L.2021, c.182 (C.52:27D-437.16 et al.), whichever is earlier. Thereafter, all such units shall be inspected for lead-based paint hazards the earlier of every three years or upon tenant turnover, except that an inspection upon tenant turnover shall not be required if the owner has a valid lead-safe certification pursuant

to this section. The municipality shall charge the dwelling owner or landlord a fee sufficient to cover the cost of the inspection.

(2) Subject to subsection c. of this section, in a municipality that does not maintain a permanent local agency for the purpose of conducting inspections and enforcing laws, ordinances, and regulations concerning buildings and structures within the municipality, the governing body shall either enter into: a contract with a lead evaluation contractor, certified to provide lead paint inspection services by the Department of Community Affairs, or a shared service agreement with a local unit to inspect each rental dwelling unit and, in a building consisting of two or three dwelling units, the common areas within each building that contains a rental dwelling unit and that is located within the municipality for lead-based paint hazards.

A municipality shall cause the inspection of rental dwelling units for lead-based paint hazards at tenant turnover or within three years of the effective date of P.L.2021, c.182 (C.52:27D-437.16 et al.), whichever is earlier. Thereafter, all such units shall be inspected for lead-based paint hazards the earlier of every three years or upon tenant turnover, except that an inspection upon tenant turnover shall not be required if the owner has a valid lead-safe certification pursuant to this section. The municipality shall charge the dwelling owner or landlord a fee sufficient to cover the cost of the inspection, including the cost of hiring the lead evaluation contractor.

(3) A municipality shall permit the dwelling owner or landlord to directly hire a lead evaluation contractor who is certified to provide lead paint inspection services by the Department of Community Affairs to satisfy the requirements of paragraph (1) or (2) of this subsection.

(4) A permanent local agency or lead evaluation contractor with the duty to inspect single-family, two-family, and multiple rental dwellings pursuant to this section may consult with the local health board, the Department of Health, or the Department of Community Affairs concerning the criteria for the inspection and identification of areas and conditions involving a high risk of lead poisoning in dwellings, methods of detection of lead in dwellings, and standards for the repair of dwellings containing lead paint.

(5) Fees established pursuant to this subsection shall be dedicated to meeting the costs of implementing and enforcing this subsection and shall not be used for any other purpose.

c. Notwithstanding subsection b. of this section to the contrary, a dwelling unit shall not be subject to inspection and evaluation for the presence of lead-based paint hazards if the unit:

(1) has been certified to be free of lead-based paint;

(2) was constructed during or after 1978;

(3) is in a multiple-family building that has been registered with the Department of Community Affairs as a multiple family building for at least 10 years, either under the current or a previous owner, and has no outstanding lead-based paint violations from the two most recent cyclical inspections performed under the "Hotel and Multiple Dwelling Law," P.L.1967, c.76 (C.55:13A-1 et seq.);

(4) is a single-family or two-family seasonal rental dwelling which is rented for less than six months duration each year by tenants that do not have consecutive lease renewals; or

(5) has a valid lead-safe certification issued in accordance with this section.

d. (1) If a lead evaluation contractor or permanent local agency finds that a lead-based paint hazard exists in a dwelling unit upon conducting an inspection pursuant to this section, then the owner of the dwelling unit shall remediate the lead-based paint hazard by using abatement or lead-based paint hazard control methods, approved in accordance with the provisions of the "Lead Hazard Control Assistance Act," P.L.2003, c.311 (C.52:27D-437.1 et al.). Upon the remediation of the lead-based paint hazard, the lead evaluation contractor or permanent local agency shall conduct an additional inspection of the unit to certify that the hazard no longer exists.

(2) If a lead evaluation contractor or permanent local agency finds that no lead-based paint hazards exist in a dwelling unit upon conducting an inspection pursuant to this section or following remediation of a lead-based paint hazard pursuant to paragraph (1) of this subsection, then the lead evaluation contractor or permanent local agency shall certify the dwelling unit as lead-safe on a form prescribed by the Department of Community Affairs as provided for in regulations or guidance promulgated pursuant to section 8 of P.L.2021, c.182 (C.52:27D-437.20). The lead-safe certification provided to the property owner by the lead evaluation contractor or permanent local agency pursuant to this paragraph shall be valid for three years.

e. Beginning on the effective date of P.L.2021, c.182 (C.52:27D-437.16 et al.), property owners shall:

(1) (Deleted by amendment, P.L.2024, c.74)

(2) provide evidence of a valid lead-safe certification obtained pursuant to this section to new tenants of the property at the time of tenant turnover unless not required to have had an inspection by a lead evaluation contractor or permanent local agency pursuant to paragraphs (1), (2), (3), or (4) of subsection c. of this section and shall affix a copy of such certification as an exhibit to the tenant's or tenants' lease; and

(3) maintain a record of the lead-safe certification which shall include the name or names of the unit's tenant or tenants, if the inspection was conducted during a period of tenancy, unless not required to have had an inspection by a lead evaluation contractor or permanent local agency pursuant to paragraphs (1), (2), (3), or (4) of subsection c. of this section.

f. Each municipality shall deliver to the Department of Community Affairs a list identifying each dwelling unit inspected pursuant to this section and each dwelling unit determined to contain a lead-based paint hazard. The department shall, pursuant to section 2 of P.L.1991, c.164 (C.52:14-19.1), submit an annual report to the Legislature indicating the number of inspected dwelling units identified to have lead-based paint hazards. The report shall list the number of inspected dwellings and dwelling units identified to have lead-based paint hazards within each county.

g. (1) If a dwelling is located in a municipality in which less than three percent of children tested, six years of age or younger, have a blood lead reference value greater than or equal to five ug/dL or any other blood lead level adopted by the Department of Health, according to the central lead screening database maintained by the Department of Health pursuant to section 5 of P.L.1995, c.328 (C.26:2-137.6), or according to other data deemed appropriate by the Commissioner of Community Affairs, then a lead evaluation contractor or permanent local agency may inspect for lead-based paint hazards through visual assessment. The Commissioner of Community Affairs may determine an appropriate blood lead reference value on the basis of multiple years of data.

(2) If a dwelling unit is located in a municipality in which at least three percent of children tested, six years of age or younger, have a blood lead reference value greater than or equal to five ug/dL or any other blood lead level adopted by the Department of Health, according to the central lead screening database maintained by the Department of Health pursuant to section 5 of P.L.1995, c.328 (C.26:2-137.6), or according to other data deemed appropriate by the Commissioner of Community Affairs, then a lead evaluation contractor or permanent local agency shall inspect for lead-based paint hazards through dust wipe sampling. The Commissioner of Community Affairs may determine an appropriate blood lead reference value on the basis of multiple years of data. The disclosure of this data for the purposes of this section shall not constitute the disclosure of the identity of a child pursuant to section 5 of P.L.1995, c.328 (C.26:2-137.6).

(3) If a lead hazard is identified in an inspection of one of the dwelling units in a building consisting of two- or three-dwelling units, then the lead evaluation contractor or permanent local agency shall inspect the remainder of the building's dwelling units for lead hazards, with the exception of dwelling units that have been certified to be lead-safe. The lead evaluation contractor or permanent local agency may charge fees in accordance with this section for such additional inspections.

(4) If a dwelling owner or landlord directly hires a lead evaluation contractor who is certified to provide lead paint inspection services by the Department of Community Affairs to complete the inspection required under paragraph (1) of this subsection, then the owner may elect to have the inspection performed through dust wipes in lieu of visual examination.

h. In addition to the fees permitted to be charged for inspection of rental housing pursuant to this section, each municipality shall assess an additional fee of \$20 per unit inspected by a certified lead evaluation contractor or permanent local agency for the purposes of the "Lead Hazard Control Assistance Act," P.L.2003, c.311 (C.52:27D-437.1 et al.) concerning lead hazard control work, unless the unit owner demonstrates that the Department of Community Affairs has already assessed an additional inspection fee of \$20 pursuant to the provisions of section 10 of P.L. 2003, c. 311 (C.52:27D-437.10). In a planned real estate development, any inspection fee charged pursuant to this subsection shall be the responsibility of the unit owner and not the homeowners' association, unless the association is the owner of the unit. The fees collected pursuant to this subsection shall be deposited into the "Lead Hazard Control Assistance Fund" established pursuant to section 4 of P.L.2003, c.311 (C.52:27D-437.4).

2. Section 2 of P.L.2021, c.182 (C.52:27D-437.17) is amended to read as follows:

C.52:27D-437.17 Statewide multifaceted, ongoing educational program relative to lead-based paint hazards.

2. a. The Department of Community Affairs, in consultation with the Department of Health, shall establish a Statewide educational program designed to meet the needs of tenants, property owners, realtors and real estate agents, insurers and insurance agents, and local building officials about the nature of lead-based paint hazards, the importance of lead-based paint hazard control and mitigation, and the responsibilities set forth in P.L.2021, c.182 (C.52:27D-437.16 et al.). In developing this program, the department shall:

(1) create an electronic version of the program which shall be available on the Internet. The program shall not exceed three hours;

(2) promulgate, pursuant to the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.), rules for the dissemination of information about the requirements of P.L.2021, c.182 (C.52:27D-437.16 et al.) to all prospective owners of pre-1978 dwellings during the real estate transaction, settlement, or closing;

(3) provide updated educational materials regarding amendments to P.L.2021, c.182 or changes to the regulations adopted pursuant thereto; and

(4) solicit requests to enter into ongoing, funded partnerships to provide specific counseling information services to tenants and affected parties on their rights and responsibilities with regard to lead-based paint hazards and lead poisoning.

b. (Deleted by amendment, P.L.2024, c.74)

c. (Deleted by amendment, P.L.2024, c.74)

Repealer.

3. Section 1 of P.L.2007, c.251 (C.55:13A-12.2) is repealed.

4. This act shall take effect immediately, however, the provisions of subsection b. of section 1 of P.L.2021, c.182 (C.52:27D-437.16), which authorize a municipal governing body to provide lead-based paint inspection services by contract or shared service agreement, shall apply retroactively to authorize an agreement entered into on or after July 22, 2022.

Approved September 12, 2024.

SENATE, No. 3368

STATE OF NEW JERSEY

221st LEGISLATURE

INTRODUCED JUNE 3, 2024

Sponsored by:

Senator M. TERESA RUIZ

District 29 (Essex and Hudson)

Senator ANGELA V. MCKNIGHT

District 31 (Hudson)

SYNOPSIS

Concerns law protecting residential tenants from lead-based paint hazards.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 6/3/2024)

1 AN ACT concerning lead-based paint hazards in residential rental
2 property, including establishing lead-based paint hazard
3 programs, amending P.L.2021, c.182, and repealing section 1 of
4 P.L.2007, c.251.

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

8
9 1. Section 1 of P.L.2021, c.182 (C.52:27D-437.16) is amended
10 to read as follows:

11 1. a. As used in this section:

12 "Common area" means the interior portions of a building used
13 for residential rental purposes that are generally accessible to
14 residential tenants, but not including the interior of individual
15 dwelling units. Common areas shall include, but not be limited to
16 hallways, stairs, foyers, basements, laundry rooms, and the interior
17 of attached or detached garages, if the areas are generally accessible
18 to residential tenants, and the areas are not located within the
19 interior of an individual dwelling unit.

20 "Dust wipe sampling" means a sample collected by wiping a
21 representative surface and tested in accordance with a method
22 approved by the United States Department of Housing and Urban
23 Development.

24 "Dwelling unit" means a single-family living space, including a
25 single family home, or an apartment, room, or rooms within a two-
26 family or multiple-family building, that is occupied or intended to
27 be occupied for sleeping or dwelling purposes by one or more
28 persons living independently of persons in similar dwelling units.

29 "Planned real estate development" means a planned real estate
30 development, as defined by section 3 of P.L.1977, c.419 (C.45:22A-
31 23).

32 "Tenant turnover" means the time at which all existing occupants
33 vacate a dwelling unit and all new tenants move into the dwelling
34 unit.

35 "Visual assessment" means a visual examination for deteriorated
36 paint or visible surface dust, debris, or residue.

37 b. (1) Subject to subsection c. of this section, in a municipality
38 that maintains a permanent local agency for the purpose of
39 conducting inspections and enforcing laws, ordinances, and
40 regulations concerning buildings and structures within the
41 municipality, either:

42 (a) the permanent local agency shall inspect [every single-
43 family, two-family, and multiple rental dwelling] each rental
44 dwelling unit, and the common area within each building that

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 contains a rental dwelling unit, and that is located within the
2 municipality [at tenant turnover] for lead-based paint hazards; or
3 (b) to provide for the inspection of each rental dwelling unit and
4 the common area within each building that contains a rental
5 dwelling unit located within the municipality, the governing body
6 shall enter into a contract with a lead evaluation contractor, certified
7 to provide lead paint inspection services by the Department of
8 Community Affairs, or enter into a shared service agreement with a
9 local unit, to inspect those rental dwelling units and the common
10 areas for lead-based paint hazards.

11 A municipality shall cause the inspection of rental dwelling units
12 and common areas for lead-based paint hazards at tenant turnover or
13 within [two] three years of the effective date of P.L.2021, c.182
14 (C.52:27D-437.16 et al.), whichever is earlier. Thereafter, all such
15 units shall be inspected for lead-based paint hazards the earlier of
16 every three years or upon tenant turnover, except that an inspection
17 upon tenant turnover shall not be required if the owner has a valid
18 lead-safe certification pursuant to this section. The municipality
19 shall charge the dwelling owner or landlord a fee sufficient to cover
20 the cost of the inspection.

21 (2) Subject to subsection c. of this section, in a municipality that
22 does not maintain a permanent local agency for the purpose of
23 conducting inspections and enforcing laws, ordinances, and
24 regulations concerning buildings and structures within the
25 municipality, the [municipality shall hire] governing body shall
26 either enter into: a contract with a lead evaluation contractor,
27 certified to provide lead paint inspection services by the
28 Department of Community Affairs, or a shared service agreement
29 with a local unit, to inspect [every single-family, two-family, and
30 multiple] each rental dwelling unit and the common areas within
31 each building that contains a rental dwelling unit, and that is located
32 within the municipality for lead-based paint hazards.

33 A municipality shall cause the inspection of rental dwelling units
34 for lead-based paint hazards at tenant turnover [for lead-based paint
35 hazards] or within [two] three years of the effective date of
36 P.L.2021, c.182 (C.52:27D-437.16 et al.), whichever is earlier.
37 Thereafter, all such units shall be inspected for lead-based paint
38 hazards the earlier of every three years or upon tenant turnover,
39 except that an inspection upon tenant turnover shall not be required
40 if the owner has a valid lead-safe certification pursuant to this
41 section. The municipality shall charge the dwelling owner or
42 landlord a fee sufficient to cover the cost of the inspection,
43 including the cost of hiring the lead evaluation contractor.

44 (3) A municipality shall permit the dwelling owner or landlord
45 to directly hire a lead evaluation contractor who is certified to
46 provide lead paint inspection services by the Department of

1 Community Affairs to satisfy the requirements of paragraph (1) or
2 (2) of this subsection.

3 (4) A permanent local agency or lead evaluation contractor with
4 the duty to inspect single-family, two-family, and multiple rental
5 dwellings pursuant to this section may consult with the local health
6 board, the Department of Health, or the Department of Community
7 Affairs concerning the criteria for the inspection and identification
8 of areas and conditions involving a high risk of lead poisoning in
9 dwellings, methods of detection of lead in dwellings, and standards
10 for the repair of dwellings containing lead paint.

11 (5) Fees established pursuant to this subsection shall be
12 dedicated to meeting the costs of implementing and enforcing this
13 subsection and shall not be used for any other purpose.

14 c. Notwithstanding subsection b. of this section to the contrary,
15 a dwelling unit **【in a single-family, two-family, or multiple rental
16 dwelling】** shall not be subject to inspection and evaluation for the
17 presence of lead-based paint hazards if the unit:

18 (1) has been certified to be free of lead-based paint;

19 (2) was constructed during or after 1978;

20 (3) is in a multiple **【dwelling】** family building that **【has been
21 registered with the Department of Community Affairs as a multiple
22 dwelling for at least 10 years, either under the current or a previous
23 owner, and】** has no outstanding lead-based paint violations from the
24 two most recent cyclical 【inspection】 inspections performed **【on
25 the multiple dwelling】** under the "Hotel and Multiple Dwelling
26 Law," P.L.1967, c.76 (C.55:13A-1 et seq.);

27 (4) is a single-family or two-family seasonal rental dwelling
28 which is rented for less than six months duration each year by
29 tenants that do not have consecutive lease renewals; or

30 (5) has a valid lead-safe certification issued in accordance with
31 this section.

32 d. (1) If a lead evaluation contractor or permanent local agency
33 finds that a lead-based paint hazard exists in a dwelling unit upon
34 conducting an inspection pursuant to this section, then the owner of
35 the dwelling unit shall remediate the lead-based paint hazard by
36 using abatement or lead-based paint hazard control methods,
37 approved in accordance with the provisions of the "Lead Hazard
38 Control Assistance Act," P.L.2003, c.311 (C.52:27D-437.1 et al.).
39 Upon the remediation of the lead-based paint hazard, the lead
40 evaluation contractor or permanent local agency shall conduct an
41 additional inspection of the unit to certify that the hazard no longer
42 exists.

43 (2) If a lead evaluation contractor or permanent local agency
44 finds that no lead-based paint hazards exist in a dwelling unit upon
45 conducting an inspection pursuant to this section or following
46 remediation of a lead-based paint hazard pursuant to paragraph (1)
47 of this subsection, then the lead evaluation contractor or permanent

1 local agency shall certify the dwelling unit as lead-safe on a form
2 prescribed by the Department of Community Affairs as provided for
3 in regulations or guidance promulgated pursuant to section 8 of
4 P.L.2021, c.182 (C.52:27D-437.20). The lead-safe certification
5 provided to the property owner by the lead evaluation contractor or
6 permanent local agency pursuant to this paragraph shall be valid for
7 **【two】** three years.

8 e. Beginning on the effective date of P.L.2021, c.182
9 (C.52:27D-437.16 et al.), property owners shall:

10 (1) **【provide evidence of a valid lead-safe certification obtained**
11 **pursuant to this section as well as evidence of the most recent tenant**
12 **turnover at the time of the cyclical inspection carried out under the**
13 **"Hotel and Multiple Dwelling Law," P.L.1967, c.76 (C.55:13A-1 et**
14 **seq.), unless not required to have had an inspection by a lead**
15 **evaluation contractor or permanent local agency pursuant to**
16 **paragraph (1), (2), or (3) of subsection c. of this section;】** (Deleted
17 by amendment, P.L. , c.) (pending before the Legislature as this
18 bill)

19 (2) provide evidence of a valid lead-safe certification obtained
20 pursuant to this section to new tenants of the property at the time of
21 tenant turnover unless not required to have had an inspection by a
22 lead evaluation contractor or permanent local agency pursuant to
23 paragraphs (1), (2), (3), **【and】** or (4) of subsection c. of this section,
24 and shall affix a copy of such certification as an exhibit to the
25 tenant's or tenants' lease; and

26 (3) maintain a record of the lead-safe certification which shall
27 include the name or names of the unit's tenant or tenants, if the
28 inspection was conducted during a period of tenancy, unless not
29 required to have had an inspection by a lead evaluation contractor
30 or permanent local agency pursuant to paragraphs (1), (2), (3),
31 **【and】** or (4) of subsection c. of this section.

32 f. **【If a lead evaluation contractor or permanent local agency**
33 **finds that a lead-based paint hazard exists in a dwelling unit upon**
34 **conducting an inspection pursuant to this section, then the lead**
35 **evaluation contractor or permanent local agency shall notify the**
36 **Commissioner of Community Affairs, who shall review the findings**
37 **in accordance with section 8 of the "Lead Hazard Control**
38 **Assistance Act," P.L.2003, c.311 (C.52:27D-437.8)】** Each
39 municipality shall deliver to the Department of Community Affairs
40 a list identifying each dwelling unit inspected pursuant to this
41 section, and each dwelling unit determined to contain a lead-based
42 paint hazard. The department shall, pursuant to section 2 of
43 P.L.1991, c.164 (C.52:14-19.1), submit an annual report to the
44 Legislature indicating the number of inspected dwelling units
45 identified to have lead-based paint hazards. The report shall list the
46 number of inspected dwellings and dwelling units identified to have
47 lead-based paint hazards within each county.

1 g. (1) If a dwelling is located in a municipality in which less
2 than three percent of children tested, six years of age or younger,
3 have a blood lead **[level]** reference value greater than or equal to
4 five ug/dL, or any other blood lead level adopted by the Department
5 of Health, according to the central lead screening database
6 maintained by the Department of Health pursuant to section 5 of
7 P.L.1995, c.328 (C.26:2-137.6), or according to other data deemed
8 appropriate by the **[commissioner]** Commissioner of Community
9 Affairs, then a lead evaluation contractor or permanent local agency
10 may inspect for lead-based paint hazards through visual assessment.
11 The Commissioner of Community Affairs may determine an
12 appropriate blood lead reference value on the basis of multiple
13 years of data.

14 (2) If a dwelling unit is located in a municipality in which at
15 least three percent of children tested, six years of age or younger,
16 have a blood lead **[level]** reference value greater than or equal to
17 five ug/dL, or any other blood lead level adopted by the Department
18 of Health, according to the central lead screening database
19 maintained by the Department of Health pursuant to section 5 of
20 P.L.1995, c.328 (C.26:2-137.6), or according to other data deemed
21 appropriate by the **[commissioner]** Commissioner of Community
22 Affairs, then a lead evaluation contractor or permanent local agency
23 shall inspect for lead-based paint hazards through dust wipe
24 sampling. The Commissioner of Community Affairs may
25 determine an appropriate blood lead reference value on the basis of
26 multiple years of data. The disclosure of this data for the purposes
27 of this section shall not constitute the disclosure of the identity of a
28 child pursuant to section 5 of P.L.1995, c.328 (C.26:2-137.6).

29 (3) If a lead hazard is identified in an inspection of one of the
30 dwelling units in a building consisting of two- or three- dwelling
31 units, then the lead evaluation contractor or permanent local agency
32 shall inspect the remainder of the building's dwelling units for lead
33 hazards, with the exception of dwelling units that have been
34 certified to be **[free of lead-based paint]** lead-safe. The lead
35 evaluation contractor or permanent local agency may charge fees in
36 accordance with this section for such additional inspections.

37 h. In addition to the fees permitted to be charged for inspection
38 of rental housing pursuant to this section, each municipality shall
39 assess an additional fee of \$20 per unit inspected by a certified lead
40 evaluation contractor or permanent local agency for the purposes of
41 the "Lead Hazard Control Assistance Act," P.L.2003, c.311
42 (C.52:27D-437.1 et al.) concerning lead hazard control work, unless
43 the unit owner demonstrates that the Department of Community
44 Affairs has already assessed an additional inspection fee of \$20
45 pursuant to the provisions of section 10 of P.L. 2003, c. 311
46 (C.52:27D-437.10). In a **[common interest community]** planned
47 real estate development, any inspection fee charged pursuant to this

1 subsection shall be the responsibility of the unit owner and not the
2 homeowners' association, unless the association is the owner of the
3 unit. The fees collected pursuant to this subsection shall be
4 deposited into the "Lead Hazard Control Assistance Fund"
5 established pursuant to section 4 of P.L.2003, c.311 (C.52:27D-
6 437.4).
7 (cf: P.L.2021, c.182, s.1)

8
9 2. Section 2 of P.L.2021, c.182 (C.52:27D-437.17) is amended
10 to read as follows:

11 2. a. The Department of Community Affairs, in consultation
12 with the Department of Health, shall establish a Statewide **【**
13 **multifaceted, ongoing】** educational program designed to meet the
14 needs of tenants, property owners, realtors and real estate agents,
15 insurers and insurance agents, and local building officials about the
16 nature of lead-based paint hazards, the importance of lead-based
17 paint hazard control and mitigation, and the responsibilities set
18 forth in P.L.2021, c.182 (C.52:27D-437.16 et al.). In developing
19 **【and coordinating】** this **【educational】** program, the department
20 shall **【seek the participation and involvement of private industry**
21 **organizations, including those involved in real estate, insurance,**
22 **mortgage banking, and pediatrics】** ;

23 (1) create an electronic version of the program which shall be
24 available on the Internet. The program shall not exceed three hours;

25 (2) promulgate, pursuant to the "Administrative Procedure Act,"
26 P.L.1968, c.410 (C.52:14B-1 et seq.), rules for the dissemination of
27 information about the requirements of P.L.2021, c.182 (C.52:27D-
28 437.16 et al.) to all prospective owners of pre-1978 dwellings
29 during the real estate transaction, settlement, or closing;

30 (3) provide updated educational materials regarding
31 amendments to P.L.2021, c.182 or changes to the regulations
32 adopted pursuant thereto; and

33 (4) solicit requests to enter into ongoing, funded partnerships to
34 provide specific counseling information services to tenants and
35 affected parties on their rights and responsibilities with regard to
36 lead-based paint hazards and lead poisoning.

37 b. **【**Prior to the effective date of P.L.2021, c.182 (C.52:27D-
38 437.16 et al.), the department shall:

39 (1) Create educational materials outlining the rights and
40 responsibilities of parties subject to the provisions of P.L.2021,
41 c.182 (C.52:27D-437.16 et al.).

42 (2) Establish guidelines and a trainer's manual for a lead-based
43 paint hazard seminar for rental property owners or designated
44 persons, which the department shall forward to all public and
45 private colleges and universities in New Jersey, to other
46 professional training facilities, and to professional associations and
47 community organizations with a training capacity. The department

1 shall approve proposals to offer the seminar from institutions;
2 provided that the proposals are consistent with the guidelines. The
3 department shall create an electronic version of the lead-based paint
4 hazard seminar accessible on the Internet. The seminar shall be
5 available to tenants, property owners, and other interested parties.

6 (3) Promulgate rules for the dissemination of information about
7 the requirements of P.L.2021, c.182 (C.52:27D-437.16 et al.) to all
8 prospective owners of pre-1978 dwellings during the real estate
9 transaction, settlement, or closing.

10 (4) Solicit requests to enter into ongoing, funded partnerships to
11 provide specific counseling information services to tenants and
12 affected parties on their rights and responsibilities with regard to
13 lead-based paint hazards and lead poisoning. ~~】 (Deleted by
14 amendment, P.L. , c.) (pending before the Legislature as this
15 bill)~~

16 c. ~~【The lead-based paint hazard seminar established pursuant
17 to of this section shall not exceed three hours in length. The
18 department shall offer the seminar for a maximum fee of \$50 per
19 participant.】 (Deleted by amendment, P.L. , c.) (pending before
20 the Legislature as this bill)~~

21 (cf: P.L.2021, c.182, s.2)

22

23 3. Section 1 of P.L.2007, c.251 (C.55:13A-12.2) is repealed.

24

25 4. This act shall take effect immediately, however, the
26 provisions of subsection b. of section 1 of P.L.2021, c.182
27 (C.52:27D-437.16) which authorize a municipal governing body to
28 provide lead-based paint inspection services by contract or shared
29 service agreement shall apply retroactively to authorize an
30 agreement entered into on or after July 22, 2022.

31

32

33

STATEMENT

34

35 This bill amends provisions of P.L.2021, c.192 (C.52:27D-
36 437.16 et. al) to clarify the laws that require inspections of certain
37 residential rental properties for lead-based paint hazards.
38 Additionally, the bill would repeal a section of the "Hotel and
39 Multiple Dwelling Law" (HMDL), P.L.2007, c.251, s.1 (C.55:13A-
40 12.2), which requires the Department of Community Affairs (DCA)
41 to inspect single-family and two-family rental dwellings for lead-
42 based paint hazards.

43 Under current law, if a municipality maintains a permanent local
44 construction code enforcement agency, the local agency is required
45 to inspect certain residential rental dwellings for lead-based paint
46 hazards, however, if a municipality does not maintain a permanent
47 local agency, the municipality is required to hire a lead evaluation
48 contractor to conduct inspections. This bill provides municipalities

1 that maintain a local code enforcement agency the option of either
2 conducting inspections in-house or hiring a certified lead evaluation
3 contractor to perform the inspections. Alternatively, the bill
4 proposes allowing any municipality to satisfy the lead-based paint
5 inspection requirements through entry into a shared service
6 agreement with another local unit.

7 Current law exempts units within a multiple dwelling that have
8 been registered with DCA for at least 10 years, and which have no
9 outstanding lead violations from the most recent HMDL cyclical
10 inspection. This bill replaces reference to a dwelling's registration
11 with an exclusion from lead-based paint inspection requirements for
12 multiple dwellings that have no outstanding lead-based paint
13 violations from the two most recent HMDL cyclical inspections.

14 Current law excepts certain types of dwelling units from lead-
15 based paint inspection requirements. One such exception is for
16 dwelling units within a multiple dwelling, which multiple dwelling
17 has been registered with DCA for at least 10 years, and which has
18 no outstanding lead violations from the most recent HMDL cyclical
19 inspection. DCA has indicated that current law's reference to being
20 "registered" with DCA is problematic and leads to confusion in
21 administering the law. To address this concern, the bill proposes
22 deleting reference to a dwelling's registration with DCA and instead
23 exclude a multiple dwelling from lead-based paint inspection
24 requirements if the multiple dwelling has no outstanding lead-based
25 paint violations from the two most recent HMDL cyclical
26 inspections.

27 Under current law, a "lead-safe certification" provided to a
28 property owner by a lead evaluation contractor or a permanent local
29 construction code enforcement agency is valid for two years. This
30 bill extends validity of a lead-safe certification to three years so the
31 certification period will run together with lead inspection
32 timeframes.

33 Under current law, if an inspection identifies a lead-based paint
34 hazard within a dwelling unit, the inspector is required to notify
35 DCA, and DCA is required to review those findings for the purpose
36 of determining whether the lead-based paint hazard warrants the
37 removal and relocation of residents and provision of assistance.
38 Current law does not specify or establish a funding mechanism for
39 DCA to fund this relocation assistance. Therefore, the bill amends
40 current law to only require a municipality to deliver to DCA a list
41 identifying each dwelling unit inspected, and each dwelling unit
42 determined to contain a lead-based paint hazard. Additionally, the
43 bill requires DCA to submit an annual report to the Legislature
44 indicating the number of inspected dwelling units identified to have
45 lead-based paint hazards within each county.

46 Current law specifies child blood-lead levels which trigger
47 certain lead paint inspection modalities. The bill instead provides
48 the Department of Health with the power to adopt other blood-lead

1 level standards, and empowers DCA to identify other data
2 appropriate for distinguishing between whether an inspection must
3 include a dust-wipe sampling or may be accomplished through a
4 visual inspection.

5 Current law requires DCA to establish an educational program
6 on lead-based paint hazard control and mitigation. One component
7 of this program is establishment of a lead-based paint hazard
8 seminar, designed specifically for rental property owners, but
9 available to tenants, property owners, and other interested parties.
10 The bill proposes amending this requirement to specify that DCA is
11 to create an electronic version of the lead-based paint educational
12 program, that the program not exceed three hours in length and be
13 available on the Internet. Additionally, the bill proposes requiring
14 DCA: to adopt rules for the dissemination of information about the
15 bill's requirements to prospective owners of pre-1978 dwellings
16 during the real estate transaction, settlement, or closing; to provide
17 updated educational materials regarding amendments to the lead-
18 based paint hazard laws or changes to the regulations adopted
19 pursuant thereto; and to solicit requests to enter into funded
20 partnerships to provide information and counseling to tenants and
21 affected parties on their rights and responsibilities with regard to
22 lead-based paint hazards and lead poisoning.

23 Finally, the bill proposes repealing a provision of current law
24 that provides for lead-based paint inspections by DCA as part of the
25 five-year cyclical inspection process under the HMDL. DCA has
26 recommended the repeal of this section, asserting that it is
27 unnecessary in light of provisions of the 2021 enactment, which
28 provided for lead-based paint inspections by local enforcing
29 agencies and private contractors. Additionally, the bill deletes a
30 related provision that currently requires property owners to provide
31 evidence of a valid lead-safe certification at the time of the cyclical
32 HMDL inspection.

33 The bill would take effect immediately upon adoption, however,
34 the bill provisions which authorize a municipal governing body to
35 provide lead-based paint inspection services by contract or shared
36 service agreement would apply retroactively to authorize an
37 agreement entered into on or after July 22, 2022.

[First Reprint]

SENATE, No. 3368

STATE OF NEW JERSEY
221st LEGISLATURE

INTRODUCED JUNE 3, 2024

Sponsored by:

Senator M. TERESA RUIZ

District 29 (Essex and Hudson)

Senator ANGELA V. MCKNIGHT

District 31 (Hudson)

Assemblyman CLINTON CALABRESE

District 36 (Bergen and Passaic)

Assemblyman STERLEY S. STANLEY

District 18 (Middlesex)

Assemblywoman VERLINA REYNOLDS-JACKSON

District 15 (Hunterdon and Mercer)

Co-Sponsored by:

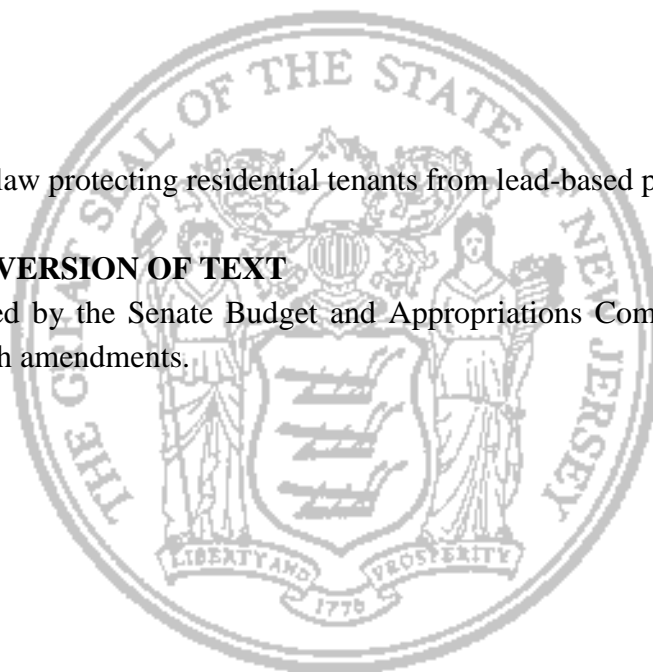
**Senators Turner, Timberlake, Assemblywomen Hall, Donlon, Murphy,
Assemblymen Miller, Atkins, Assemblywoman Speight and Assemblyman
Inganamort**

SYNOPSIS

Concerns law protecting residential tenants from lead-based paint hazards.

CURRENT VERSION OF TEXT

As reported by the Senate Budget and Appropriations Committee on June 24, 2024, with amendments.



(Sponsorship Updated As Of: 6/28/2024)

1 AN ACT concerning lead-based paint hazards in residential rental
2 property, including establishing lead-based paint hazard
3 programs, amending P.L.2021, c.182, and repealing section 1 of
4 P.L.2007, c.251.

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

8
9 1. Section 1 of P.L.2021, c.182 (C.52:27D-437.16) is amended
10 to read as follows:

11 1. a. As used in this section:

12 "Common area" means the interior portions of a building used
13 for residential rental purposes that are generally accessible to
14 residential tenants, but not including the interior of individual
15 dwelling units. Common areas shall include, but not be limited to
16 hallways, stairs, foyers, basements, laundry rooms, and the interior
17 of attached or detached garages, if the areas are generally accessible
18 to residential tenants, and the areas are not located within the
19 interior of an individual dwelling unit.

20 "Dust wipe sampling" means a sample collected by wiping a
21 representative surface and tested in accordance with a method
22 approved by the United States Department of Housing and Urban
23 Development.

24 "Dwelling unit" means a single-family living space, including a
25 single family home, or an apartment, room, or rooms within a two-
26 family or multiple-family building, that is occupied or intended to
27 be occupied for sleeping or dwelling purposes by one or more
28 persons living independently of persons in similar dwelling units.

29 "Planned real estate development" means a planned real estate
30 development, as defined by section 3 of P.L.1977, c.419 (C.45:22A-
31 23).

32 "Tenant turnover" means the time at which all existing occupants
33 vacate a dwelling unit and all new tenants move into the dwelling
34 unit.

35 "Visual assessment" means a visual examination for deteriorated
36 paint or visible surface dust, debris, or residue.

37 b. (1) Subject to subsection c. of this section, in a municipality
38 that maintains a permanent local agency for the purpose of
39 conducting inspections and enforcing laws, ordinances, and
40 regulations concerning buildings and structures within the
41 municipality, either:

42 (a) the permanent local agency shall inspect [every single-
43 family, two-family, and multiple rental dwelling] each rental
44 dwelling unit, and ¹, in a building consisting of two or three

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.

Matter enclosed in superscript numerals has been adopted as follows:

¹Senate SBA committee amendments adopted June 24, 2024.

1 dwelling units,¹ the common area within each building that contains
2 a rental dwelling unit, and that is located within the municipality
3 **【at tenant turnover】** for lead-based paint hazards; or

4 (b) to provide for the inspection of each rental dwelling unit and
5 ¹, in a building consisting of two or three dwelling units,¹ the
6 common area within each building that contains a rental dwelling
7 unit located within the municipality, the governing body shall enter
8 into a contract with a lead evaluation contractor, certified to provide
9 lead paint inspection services by the Department of Community
10 Affairs, or enter into a shared service agreement with a local unit, to
11 inspect those rental dwelling units and the common areas for lead-
12 based paint hazards.

13 A municipality shall cause the inspection of rental dwelling units
14 and ¹, in a building consisting of two or three dwelling units,¹
15 common areas for lead-based paint hazards at tenant turnover or
16 within **【two】** three years of the effective date of P.L.2021, c.182
17 (C.52:27D-437.16 et al.), whichever is earlier. Thereafter, all such
18 units shall be inspected for lead-based paint hazards the earlier of
19 every three years or upon tenant turnover, except that an inspection
20 upon tenant turnover shall not be required if the owner has a valid
21 lead-safe certification pursuant to this section. The municipality
22 shall charge the dwelling owner or landlord a fee sufficient to cover
23 the cost of the inspection.

24 (2) Subject to subsection c. of this section, in a municipality that
25 does not maintain a permanent local agency for the purpose of
26 conducting inspections and enforcing laws, ordinances, and
27 regulations concerning buildings and structures within the
28 municipality, the **【municipality shall hire】** governing body shall
29 either enter into: a contract with a lead evaluation contractor,
30 certified to provide lead paint inspection services by the
31 Department of Community Affairs, or a shared service agreement
32 with a local unit, to inspect **【every single-family, two-family, and**
33 multiple**】** each rental dwelling unit and ¹, in a building consisting of
34 two or three dwelling units,¹ the common areas within each
35 building that contains a rental dwelling unit, and that is located
36 within the municipality for lead-based paint hazards.

37 A municipality shall cause the inspection of rental dwelling units
38 for lead-based paint hazards at tenant turnover **【for lead-based paint**
39 hazards**】** or within **【two】** three years of the effective date of
40 P.L.2021, c.182 (C.52:27D-437.16 et al.), whichever is earlier.
41 Thereafter, all such units shall be inspected for lead-based paint
42 hazards the earlier of every three years or upon tenant turnover,
43 except that an inspection upon tenant turnover shall not be required
44 if the owner has a valid lead-safe certification pursuant to this
45 section. The municipality shall charge the dwelling owner or
46 landlord a fee sufficient to cover the cost of the inspection,
47 including the cost of hiring the lead evaluation contractor.

1 (3) A municipality shall permit the dwelling owner or landlord
2 to directly hire a lead evaluation contractor who is certified to
3 provide lead paint inspection services by the Department of
4 Community Affairs to satisfy the requirements of paragraph (1) or
5 (2) of this subsection.

6 (4) A permanent local agency or lead evaluation contractor with
7 the duty to inspect single-family, two-family, and multiple rental
8 dwellings pursuant to this section may consult with the local health
9 board, the Department of Health, or the Department of Community
10 Affairs concerning the criteria for the inspection and identification
11 of areas and conditions involving a high risk of lead poisoning in
12 dwellings, methods of detection of lead in dwellings, and standards
13 for the repair of dwellings containing lead paint.

14 (5) Fees established pursuant to this subsection shall be
15 dedicated to meeting the costs of implementing and enforcing this
16 subsection and shall not be used for any other purpose.

17 c. Notwithstanding subsection b. of this section to the contrary,
18 a dwelling unit **【in a single-family, two-family, or multiple rental**
19 **dwelling】** shall not be subject to inspection and evaluation for the
20 presence of lead-based paint hazards if the unit:

21 (1) has been certified to be free of lead-based paint;

22 (2) was constructed during or after 1978;

23 (3) is in a multiple **【dwelling】** family building that **【has been**
24 **registered with the Department of Community Affairs as a multiple**
25 **dwelling for at least 10 years, either under the current or a previous**
26 **owner, and】** ¹has been registered with the Department of
27 Community Affairs as a multiple family building for at least 10
28 years, either under the current or a previous owner, and¹ has no
29 outstanding lead-based paint violations from the two most recent
30 cyclical **【inspection】** inspections performed **【on the multiple**
31 dwelling】 under the "Hotel and Multiple Dwelling Law," P.L.1967,
32 c.76 (C.55:13A-1 et seq.);

33 (4) is a single-family or two-family seasonal rental dwelling
34 which is rented for less than six months duration each year by
35 tenants that do not have consecutive lease renewals; or

36 (5) has a valid lead-safe certification issued in accordance with
37 this section.

38 d. (1) If a lead evaluation contractor or permanent local agency
39 finds that a lead-based paint hazard exists in a dwelling unit upon
40 conducting an inspection pursuant to this section, then the owner of
41 the dwelling unit shall remediate the lead-based paint hazard by
42 using abatement or lead-based paint hazard control methods,
43 approved in accordance with the provisions of the "Lead Hazard
44 Control Assistance Act," P.L.2003, c.311 (C.52:27D-437.1 et al.).
45 Upon the remediation of the lead-based paint hazard, the lead
46 evaluation contractor or permanent local agency shall conduct an

1 additional inspection of the unit to certify that the hazard no longer
2 exists.

3 (2) If a lead evaluation contractor or permanent local agency
4 finds that no lead-based paint hazards exist in a dwelling unit upon
5 conducting an inspection pursuant to this section or following
6 remediation of a lead-based paint hazard pursuant to paragraph (1)
7 of this subsection, then the lead evaluation contractor or permanent
8 local agency shall certify the dwelling unit as lead-safe on a form
9 prescribed by the Department of Community Affairs as provided for
10 in regulations or guidance promulgated pursuant to section 8 of
11 P.L.2021, c.182 (C.52:27D-437.20). The lead-safe certification
12 provided to the property owner by the lead evaluation contractor or
13 permanent local agency pursuant to this paragraph shall be valid for
14 **【two】** three years.

15 e. Beginning on the effective date of P.L.2021, c.182
16 (C.52:27D-437.16 et al.), property owners shall:

17 (1) **【provide** evidence of a valid lead-safe certification obtained
18 pursuant to this section as well as evidence of the most recent tenant
19 turnover at the time of the cyclical inspection carried out under the
20 "Hotel and Multiple Dwelling Law," P.L.1967, c.76 (C.55:13A-1 et
21 seq.), unless not required to have had an inspection by a lead
22 evaluation contractor or permanent local agency pursuant to
23 paragraph (1), (2), or (3) of subsection c. of this section; **】** (Deleted
24 by amendment, P.L. , c.) (pending before the Legislature as this
25 bill)

26 (2) provide evidence of a valid lead-safe certification obtained
27 pursuant to this section to new tenants of the property at the time of
28 tenant turnover unless not required to have had an inspection by a
29 lead evaluation contractor or permanent local agency pursuant to
30 paragraphs (1), (2), (3), **【and】** or (4) of subsection c. of this section,
31 and shall affix a copy of such certification as an exhibit to the
32 tenant's or tenants' lease; and

33 (3) maintain a record of the lead-safe certification which shall
34 include the name or names of the unit's tenant or tenants, if the
35 inspection was conducted during a period of tenancy, unless not
36 required to have had an inspection by a lead evaluation contractor
37 or permanent local agency pursuant to paragraphs (1), (2), (3),
38 **【and】** or (4) of subsection c. of this section.

39 f. **【If** a lead evaluation contractor or permanent local agency
40 finds that a lead-based paint hazard exists in a dwelling unit upon
41 conducting an inspection pursuant to this section, then the lead
42 evaluation contractor or permanent local agency shall notify the
43 Commissioner of Community Affairs, who shall review the findings
44 in accordance with section 8 of the "Lead Hazard Control
45 Assistance Act," P.L.2003, c.311 (C.52:27D-437.8) **】** Each
46 municipality shall deliver to the Department of Community Affairs
47 a list identifying each dwelling unit inspected pursuant to this

1 section, and each dwelling unit determined to contain a lead-based
2 paint hazard. The department shall, pursuant to section 2 of
3 P.L.1991, c.164 (C.52:14-19.1), submit an annual report to the
4 Legislature indicating the number of inspected dwelling units
5 identified to have lead-based paint hazards. The report shall list the
6 number of inspected dwellings and dwelling units identified to have
7 lead-based paint hazards within each county.

8 g. (1) If a dwelling is located in a municipality in which less
9 than three percent of children tested, six years of age or younger,
10 have a blood lead **【level】** reference value greater than or equal to
11 five ug/dL, or any other blood lead level adopted by the Department
12 of Health, according to the central lead screening database
13 maintained by the Department of Health pursuant to section 5 of
14 P.L.1995, c.328 (C.26:2-137.6), or according to other data deemed
15 appropriate by the **【commissioner】** Commissioner of Community
16 Affairs, then a lead evaluation contractor or permanent local agency
17 may inspect for lead-based paint hazards through visual assessment.
18 The Commissioner of Community Affairs may determine an
19 appropriate blood lead reference value on the basis of multiple
20 years of data.

21 (2) If a dwelling unit is located in a municipality in which at
22 least three percent of children tested, six years of age or younger,
23 have a blood lead **【level】** reference value greater than or equal to
24 five ug/dL, or any other blood lead level adopted by the Department
25 of Health, according to the central lead screening database
26 maintained by the Department of Health pursuant to section 5 of
27 P.L.1995, c.328 (C.26:2-137.6), or according to other data deemed
28 appropriate by the **【commissioner】** Commissioner of Community
29 Affairs, then a lead evaluation contractor or permanent local agency
30 shall inspect for lead-based paint hazards through dust wipe
31 sampling. The Commissioner of Community Affairs may
32 determine an appropriate blood lead reference value on the basis of
33 multiple years of data. The disclosure of this data for the purposes
34 of this section shall not constitute the disclosure of the identity of a
35 child pursuant to section 5 of P.L.1995, c.328 (C.26:2-137.6).

36 (3) If a lead hazard is identified in an inspection of one of the
37 dwelling units in a building consisting of two- or three- dwelling
38 units, then the lead evaluation contractor or permanent local agency
39 shall inspect the remainder of the building's dwelling units for lead
40 hazards, with the exception of dwelling units that have been
41 certified to be **【free of lead-based paint】** lead-safe. The lead
42 evaluation contractor or permanent local agency may charge fees in
43 accordance with this section for such additional inspections.

44 ¹(4) If a dwelling owner or landlord directly hires a lead
45 evaluation contractor who is certified to provide lead paint
46 inspection services by the Department of Community Affairs to
47 complete the inspection required under paragraph (1) of this

1 subsection, then the owner may elect to have the inspection
2 performed through dust wipes in lieu of visual examination.¹

3 h. In addition to the fees permitted to be charged for inspection
4 of rental housing pursuant to this section, each municipality shall
5 assess an additional fee of \$20 per unit inspected by a certified lead
6 evaluation contractor or permanent local agency for the purposes of
7 the "Lead Hazard Control Assistance Act," P.L.2003, c.311
8 (C.52:27D-437.1 et al.) concerning lead hazard control work, unless
9 the unit owner demonstrates that the Department of Community
10 Affairs has already assessed an additional inspection fee of \$20
11 pursuant to the provisions of section 10 of P.L. 2003, c. 311
12 (C.52:27D-437.10). In a **【common interest community】** planned
13 real estate development, any inspection fee charged pursuant to this
14 subsection shall be the responsibility of the unit owner and not the
15 homeowners' association, unless the association is the owner of the
16 unit. The fees collected pursuant to this subsection shall be
17 deposited into the "Lead Hazard Control Assistance Fund"
18 established pursuant to section 4 of P.L.2003, c.311 (C.52:27D-
19 437.4).
20 (cf: P.L.2021, c.182, s.1)

21
22 2. Section 2 of P.L.2021, c.182 (C.52:27D-437.17) is amended
23 to read as follows:

24 2. a. The Department of Community Affairs, in consultation
25 with the Department of Health, shall establish a Statewide **【,**
26 **multifaceted, ongoing】** educational program designed to meet the
27 needs of tenants, property owners, realtors and real estate agents,
28 insurers and insurance agents, and local building officials about the
29 nature of lead-based paint hazards, the importance of lead-based
30 paint hazard control and mitigation, and the responsibilities set
31 forth in P.L.2021, c.182 (C.52:27D-437.16 et al.). In developing
32 **【and coordinating】** this **【educational】** program, the department
33 shall **【seek the participation and involvement of private industry**
34 **organizations, including those involved in real estate, insurance,**
35 **mortgage banking, and pediatrics】** ;

36 (1) create an electronic version of the program which shall be
37 available on the Internet. The program shall not exceed three hours;

38 (2) promulgate, pursuant to the "Administrative Procedure Act,"
39 P.L.1968, c.410 (C.52:14B-1 et seq.), rules for the dissemination of
40 information about the requirements of P.L.2021, c.182 (C.52:27D-
41 437.16 et al.) to all prospective owners of pre-1978 dwellings
42 during the real estate transaction, settlement, or closing;

43 (3) provide updated educational materials regarding amendments
44 to P.L.2021, c.182 or changes to the regulations adopted pursuant
45 thereto; and

46 (4) solicit requests to enter into ongoing, funded partnerships to
47 provide specific counseling information services to tenants and

1 affected parties on their rights and responsibilities with regard to
2 lead-based paint hazards and lead poisoning.

3 b. **【**Prior to the effective date of P.L.2021, c.182 (C.52:27D-
4 437.16 et al.), the department shall:

5 (1) Create educational materials outlining the rights and
6 responsibilities of parties subject to the provisions of P.L.2021,
7 c.182 (C.52:27D-437.16 et al.).

8 (2) Establish guidelines and a trainer's manual for a lead-based
9 paint hazard seminar for rental property owners or designated
10 persons, which the department shall forward to all public and
11 private colleges and universities in New Jersey, to other
12 professional training facilities, and to professional associations and
13 community organizations with a training capacity. The department
14 shall approve proposals to offer the seminar from institutions;
15 provided that the proposals are consistent with the guidelines. The
16 department shall create an electronic version of the lead-based paint
17 hazard seminar accessible on the Internet. The seminar shall be
18 available to tenants, property owners, and other interested parties.

19 (3) Promulgate rules for the dissemination of information about
20 the requirements of P.L.2021, c.182 (C.52:27D-437.16 et al.) to all
21 prospective owners of pre-1978 dwellings during the real estate
22 transaction, settlement, or closing.

23 (4) Solicit requests to enter into ongoing, funded partnerships to
24 provide specific counseling information services to tenants and
25 affected parties on their rights and responsibilities with regard to
26 lead-based paint hazards and lead poisoning. **】** (Deleted by
27 amendment, P.L. , c.) (pending before the Legislature as this
28 bill)

29 c. **【**The lead-based paint hazard seminar established pursuant
30 to of this section shall not exceed three hours in length. The
31 department shall offer the seminar for a maximum fee of \$50 per
32 participant. **】** (Deleted by amendment, P.L. , c.) (pending before
33 the Legislature as this bill)
34 (cf: P.L.2021, c.182, s.2)

35

36 3. Section 1 of P.L.2007, c.251 (C.55:13A-12.2) is repealed.

37

38 4. This act shall take effect immediately, however, the
39 provisions of subsection b. of section 1 of P.L.2021, c.182
40 (C.52:27D-437.16) which authorize a municipal governing body to
41 provide lead-based paint inspection services by contract or shared
42 service agreement shall apply retroactively to authorize an
43 agreement entered into on or after July 22, 2022.

44 ered into on or after July 22, 2022.

SENATE COMMUNITY AND URBAN AFFAIRS COMMITTEE

STATEMENT TO

SENATE, No. 3368

STATE OF NEW JERSEY

DATED: JUNE 17, 2024

The Senate Community and Urban Affairs Committee reports favorably Senate Bill No. 3368.

This bill amends provisions of P.L.2021, c.182 (C.52:27D-437.16 et al.) to clarify the laws that require inspections of certain residential rental properties for lead-based paint hazards. Additionally, the bill repeals a section of the "Hotel and Multiple Dwelling Law" (HMDL), P.L.2007, c.251, s.1 (C.55:13A-12.2), which requires the Department of Community Affairs (DCA) to inspect single-family and two-family rental dwellings for lead-based paint hazards.

Under current law, if a municipality maintains a permanent local construction code enforcement agency, the local agency is required to inspect certain residential rental dwellings for lead-based paint hazards and, if a municipality does not maintain a permanent local agency, the municipality is required to hire a lead evaluation contractor to conduct inspections. This bill provides municipalities that maintain a local code enforcement agency the option of either conducting inspections in-house or hiring a certified lead evaluation contractor to perform the inspections. The bill would also allow any municipality to satisfy the lead-based paint inspection requirements through entry into a shared service agreement with another local unit.

Current law exempts units within a multiple dwelling that have been registered with DCA for at least 10 years and which have no outstanding lead violations from the most recent HMDL cyclical inspection. This bill removes reference to a dwelling's registration and provides an exemption from lead-based paint inspection requirements for multiple dwellings that have no outstanding lead-based paint violations from the two most recent HMDL cyclical inspections.

Under current law, a "lead-safe certification" provided to a property owner by a lead evaluation contractor or a permanent local construction code enforcement agency is valid for two years. This bill extends the validity of a lead-safe certification to three years so the certification period will run together with lead inspection timeframes.

Under current law, if an inspection identifies a lead-based paint hazard within a dwelling unit, the inspector is required to notify DCA, and DCA is required to review those findings for the purpose of determining whether the lead-based paint hazard warrants the removal and relocation of residents and provision of assistance. Current law

does not specify or establish a funding mechanism for DCA to provide this relocation assistance. Therefore, the bill amends current law to only require a municipality to deliver to DCA a list identifying each dwelling unit inspected, and each dwelling unit determined to contain a lead-based paint hazard. Additionally, the bill requires DCA to submit an annual report to the Legislature indicating the number of inspected dwelling units identified to have lead-based paint hazards within each county.

Current law also specifies child blood-lead levels which trigger certain lead paint inspection modalities. This bill provides the Department of Health with the power to adopt other blood-lead level standards, and empowers DCA to identify other data appropriate for distinguishing whether an inspection must include a dust-wipe sampling or may be accomplished through a visual inspection.

Current law requires DCA to establish an educational program on lead-based paint hazard control and mitigation. One component of this program is establishment of a lead-based paint hazard seminar, designed specifically for rental property owners, but available to tenants, property owners, and other interested parties. This bill specifies that DCA is to create an electronic version of the lead-based paint educational program which is not to exceed three hours in length and make the program available on the Internet. Additionally, the bill would require DCA to: adopt rules for the dissemination of information about the bill's requirements to prospective owners of pre-1978 dwellings during the real estate transaction, settlement, or closing; provide updated educational materials regarding changes to the lead-based paint hazard laws or regulations; and solicit requests to enter into funded partnerships to provide information and counseling to tenants and affected parties on their rights and responsibilities regarding lead-based paint hazards and lead poisoning.

Finally, the bill would repeal a provision of current law that provides for lead-based paint inspections by DCA as part of the five-year cyclical inspection process under the HMDL. The bill also removes a related provision that currently requires property owners to provide evidence of a valid lead-safe certification at the time of the cyclical HMDL inspection.

The bill would take effect immediately upon adoption, however, the bill provisions which authorize a municipal governing body to provide lead-based paint inspection services by contract or shared service agreement would apply retroactively to authorize an agreement entered into on or after July 22, 2022.

SENATE BUDGET AND APPROPRIATIONS COMMITTEE

STATEMENT TO

SENATE, No. 3368

with committee amendments

STATE OF NEW JERSEY

DATED: JUNE 24, 2024

The Senate Budget and Appropriations Committee reports favorably and with committee amendments Senate Bill No. 3368.

This bill, as amended by the committee, proposes to amend provisions of P.L.2021, c.182 (C.52:27D-437.16 et al.) to clarify the laws requiring inspections of certain residential rental properties for lead-based paint hazards. Additionally, the bill repeals a section of the "Hotel and Multiple Dwelling Law" (HMDL), P.L.2007, c.251, s.1 (C.55:13A-12.2), which requires the Department of Community Affairs (DCA) to inspect single-family and two-family rental dwellings for lead-based paint hazards.

Under current law, if a municipality maintains a permanent local construction code enforcement agency, the local agency is required to inspect certain residential rental dwellings for lead-based paint hazards and, if a municipality does not maintain a permanent local agency, the municipality is required to hire a lead evaluation contractor to conduct inspections. This bill provides municipalities that maintain a local code enforcement agency the option of either conducting inspections in-house or hiring a certified lead evaluation contractor to perform the inspections. The bill would also allow any municipality to satisfy the lead-based paint inspection requirements through entry into a shared service agreement with another local unit.

Current law exempts units within a multiple dwelling that have been registered with DCA for at least 10 years and which have no outstanding lead violations from the most recent HMDL cyclical inspection. This bill provides an exemption from lead-based paint inspection requirements for dwelling units in multiple-family buildings that have been registered as such with DCA for 10 or more years and have no outstanding lead-based paint violations from the two most recent HMDL cyclical inspections.

Under current law, a "lead-safe certification" provided to a property owner by a lead evaluation contractor or a permanent local construction code enforcement agency is valid for two years. This bill extends the validity of a lead-safe certification to three years so the certification period will run together with lead inspection timeframes.

Under current law, if an inspection identifies a lead-based paint hazard within a dwelling unit, the inspector is required to notify DCA,

and DCA is required to review those findings for the purpose of determining whether the lead-based paint hazard warrants the removal and relocation of residents and provision of assistance. Current law does not specify or establish a funding mechanism for DCA to provide this relocation assistance. Therefore, the bill amends current law to only require a municipality to deliver to DCA a list identifying each dwelling unit inspected, and each dwelling unit determined to contain a lead-based paint hazard. Additionally, the bill requires DCA to submit an annual report to the Legislature indicating the number of inspected dwelling units identified to have lead-based paint hazards within each county.

Current law also specifies child blood-lead levels which trigger certain lead paint inspection modalities. This bill provides the Department of Health with the power to adopt other blood-lead level standards, and empowers DCA to identify other data appropriate for distinguishing whether an inspection must include a dust-wipe sampling or may be accomplished through a visual inspection.

The bill also provides that a dwelling owner or landlord, who directly hires a DCA-certified lead evaluation contractor to provide lead paint inspection services within a municipality in which less than three percent of children tested, six years of age or younger, have a blood lead reference value greater than or equal to five ug/dL, or any other blood lead level adopted by the Department of Health, then the owner or landlord may elect to have the lead evaluation contractor inspect for lead-based paint hazards through dust wipes instead of visual assessment.

Current law requires DCA to establish an educational program on lead-based paint hazard control and mitigation. One component of this program is establishment of a lead-based paint hazard seminar, designed specifically for rental property owners, but available to tenants, property owners, and other interested parties. This bill specifies that DCA is to create an electronic version of the lead-based paint educational program which is not to exceed three hours in length and make the program available on the Internet. Additionally, the bill would require DCA to: adopt rules for the dissemination of information about the bill's requirements to prospective owners of pre-1978 dwellings during the real estate transaction, settlement, or closing; provide updated educational materials regarding changes to the lead-based paint hazard laws or regulations; and solicit requests to enter into funded partnerships to provide information and counseling to tenants and affected parties on their rights and responsibilities regarding lead-based paint hazards and lead poisoning.

Finally, the bill would repeal a provision of current law that provides for lead-based paint inspections by DCA as part of the five-year cyclical inspection process under the HMDL. The bill also removes a related provision that currently requires property owners to provide evidence of

a valid lead-safe certification at the time of the cyclical HMDL inspection.

The bill would take effect immediately upon adoption, however, the bill provisions which authorize a municipal governing body to provide lead-based paint inspection services by contract or shared service agreement would apply retroactively to authorize an agreement entered into on or after July 22, 2022.

COMMITTEE AMENDMENTS:

The committee amendments to this bill propose:

limiting the circumstances under which a lead-based paint hazard inspection will extend to common areas of a building to buildings consisting of two or three dwelling units;

to clarify that there is no lead-based paint hazard inspection required for a dwelling unit located within a multiple-family building, which building has been registered with DCA as a multiple family building for at least 10 years, and has no outstanding lead-based paint violations from the two most recent HMDL cyclical inspections;

that if a dwelling owner or landlord directly hires a DCA-certified lead evaluation contractor to provide lead paint inspection services within a municipality in which less than three percent of children tested, six years of age or younger, have a blood lead reference value greater than or equal to five ug/dL, or any other blood lead level adopted by the Department of Health, then the owner or landlord may elect to have the lead evaluation contractor inspect for lead-based paint hazards through dust wipes instead of visual assessment.

FISCAL IMPACT:

The Office of Legislative Services (OLS) concludes that the bill would result in increased administrative costs to the Department of Community Affairs associated with preparing a report for the Legislature indicating the number of inspected dwelling units identified to have lead-based paint hazards and promulgating certain rules and regulations. Additionally, the department may also experience a reduction in costs to the extent that it currently provides relocation assistance to tenants affected by lead hazards, as the bill removes a requirement for department to review certain findings in accordance with a provision of the Lead Hazard Control Assistance Act.

The bill is also expected to result in a State revenue decrease due to the removal of a provision that allows the department to charge a fee for participation in its educational program concerning lead-based paint hazards.

The bill may also result in cost impacts to municipalities to the extent that municipalities elect to enter into a contract to provide for the inspection of rental units for lead-based paint hazards and due to the requirement that common areas in certain residential rental buildings are inspected. However, the bill reduces the types of rental dwelling units

required to receive a lead-based paint inspection, which may result in a reduction in costs. Additionally, to the extent that owners of dwelling units elect to have lead-based paint inspections performed through dust wipes in lieu of a visual inspection, municipalities could experience cost impacts.

The OLS also notes that the bill extends the deadline for certain rental units to be inspected for lead-based paint hazards from July 2024 to July 2025, which would defer some costs expected to be incurred by municipalities in calendar year 2024 to calendar year 2025.

LEGISLATIVE FISCAL ESTIMATE

[First Reprint]

SENATE, No. 3368 STATE OF NEW JERSEY 221st LEGISLATURE

DATED: JULY 3, 2024

SUMMARY

Synopsis: Concerns law protecting residential tenants from lead-based paint hazards.

Type of Impact: Annual State Expenditure Impact, Potential Annual State Revenue Decrease, Potential Annual Municipal Expenditure Impact.

Agencies Affected: Department of Community Affairs, Municipalities.

Office of Legislative Services Estimate

Fiscal Impact	<u>Annual</u>
State Expenditure Impact	Indeterminate
Potential State Revenue Decrease	Up to \$50 per seminar participant
Municipal Expenditure Impact	Indeterminate

- The Office of Legislative Services (OLS) concludes that the bill would result in increased annual administrative costs to the Department of Community Affairs. However, the department may also experience a reduction in annual costs as the bill removes a requirement for the department to review certain findings in accordance with a provision of the Lead Hazard Control Assistance Act. The net effect of these two countervailing outcomes cannot be ascertained.
- Municipalities may also experience indeterminate annual cost impacts due to the bill's additional requirement to inspect common areas for lead-based paint hazards, and the option for municipalities to perform lead inspections in-house through a local enforcing agency, by entering into a contract with lead evaluation contractor, or via explicitly permitted shared services agreement.
- The bill may also result in an annual State revenue decrease due to the removal of a provision that allows the department to charge a fee for participation in its educational program concerning lead-based paint hazards.

- The OLS also notes that the bill extends the deadline for certain rental units to be inspected for lead-based paint hazards from July 2024 to July 2025, which may defer some costs expected to be incurred by municipalities.

BILL DESCRIPTION

This bill adds clarity to current law requiring inspections of certain residential rental properties for lead-based paint hazards. Additionally, the bill repeals a section of the Hotel and Multiple Dwelling Law that requires the Department of Community Affairs to inspect single-family and two-family rental dwellings for lead-based paint hazards.

This bill provides municipalities that maintain a local code enforcement agency the option of either conducting inspections in-house or hiring a certified lead evaluation contractor to perform the inspections. The bill would also allow any municipality to satisfy the lead-based paint inspection requirements through entry into a shared service agreement with another local unit.

This bill provides an exemption from lead-based paint inspection requirements for dwelling units in multiple-family buildings that have been registered as such with department for 10 or more years and have no outstanding lead-based paint violations from the two most recent Hotel and Multiple Dwelling Law cyclical inspections.

Under current law, if an inspection identifies a lead-based paint hazard within a dwelling unit, the inspector is required to notify the department, and it is required to review those findings for the purpose of determining whether the lead-based paint hazard warrants the removal and relocation of residents and provision of assistance. Current law does not specify or establish a funding mechanism for the department to provide this relocation assistance. The bill amends current law to only require a municipality to deliver to the department a list identifying each dwelling unit inspected, and each dwelling unit determined to contain a lead-based paint hazard. Additionally, the bill requires the department to submit an annual report to the Legislature indicating the number of inspected dwelling units identified to have lead-based paint hazards within each county.

The bill would take effect immediately upon adoption; however, the bill's provisions that authorize a municipal governing body to provide lead-based paint inspection services by contract or shared service agreement would apply retroactively to authorize an agreement entered into on or after July 22, 2022.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

The OLS concludes that the bill would result in increased annual administrative costs to the Department of Community Affairs associated with preparing an annual report for the Legislature, indicating the number of inspected dwelling units identified to have lead-based paint hazards, and promulgating rules and regulations for the dissemination of information about the requirements for inspections of certain residential rental properties for lead-based paint hazards.

Additionally, the department may also experience a reduction in annual costs and revenues to the extent that it currently provides relocation assistance to tenants affected by lead hazards for cases referred to the department pursuant to current law as the bill removes a requirement for the department to review certain findings in accordance with a provision of the Lead Hazard Control Assistance Act. Under current law, when relocation assistance is authorized pursuant to the Lead Hazard Control Assistance Act, the department is required to provide relocation assistance to a tenant and may seek reimbursement from the owner of the rental property from which a tenant is removed. Moreover, the department is required to seek reimbursement from the rental property owner if a tenant has been removed from the property due to the owner's failure to maintain a lead-safe condition. In this circumstance, all relocation costs are required to be repaid by the owner of the rental property. If these costs are not repaid within 10 days of the due date, the law requires interest to accrue on the unpaid balance at a rate of 18 percent per annum until all costs are fully paid. Current law, however, does not specify or establish a funding mechanism for the department to provide this relocation assistance.

The bill may also result in a State revenue decrease due to the removal of a provision that allows the department to charge a fee for participation in its educational program concerning lead-based paint hazards. Current law allows the department to collect a seminar fee of up to \$50 per participant in the educational program. However, it is unclear whether it currently collects this fee as an educational webinar is available at no cost on its website.

The bill may also result in annual indeterminate cost impacts to municipalities to the extent that municipalities elect to enter into a contract or shared services agreement to provide for the inspection of rental units for lead-based paint hazards and to the extent that the bill's requirement to inspect common areas in certain residential rental buildings increases the cost of conducting an inspection. The OLS is unable to predict the extent to which municipalities will conduct inspections in-house through a local enforcing agency, by entering into a contract with a lead evaluation contractor, or via shared services agreement.

The OLS also notes that the bill extends the deadline for certain rental units to be inspected for lead-based paint hazards from July 2024 to July 2025, which would defer some costs expected to be incurred by municipalities.

Section: Local Government

*Analyst: Abigail Stoyer
Associate Fiscal Analyst*

*Approved: Thomas Koenig
Legislative Budget and Finance Officer*

This legislative fiscal estimate has been produced by the Office of Legislative Services due to the failure of the Executive Branch to respond to our request for a fiscal note.

This fiscal estimate has been prepared pursuant to P.L.1980, c.67 (C.52:13B-6 et seq.).

ASSEMBLY, No. 4623

STATE OF NEW JERSEY

221st LEGISLATURE

INTRODUCED JUNE 24, 2024

Sponsored by:

Assemblyman CLINTON CALABRESE

District 36 (Bergen and Passaic)

SYNOPSIS

Concerns law protecting residential tenants from lead-based paint hazards.

CURRENT VERSION OF TEXT

As introduced.



1 AN ACT concerning lead-based paint hazards in residential rental
2 property, including establishing lead-based paint hazard
3 programs, amending P.L.2021, c.182, and repealing section 1 of
4 P.L.2007, c.251.

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

8
9 1. Section 1 of P.L.2021, c.182 (C.52:27D-437.16) is amended
10 to read as follows:

11 1. a. As used in this section:

12 "Common area" means the interior portions of a building used
13 for residential rental purposes that are generally accessible to
14 residential tenants, but not including the interior of individual
15 dwelling units. Common areas shall include, but not be limited to
16 hallways, stairs, foyers, basements, laundry rooms, and the interior
17 of attached or detached garages, if the areas are generally accessible
18 to residential tenants, and the areas are not located within the
19 interior of an individual dwelling unit.

20 "Dust wipe sampling" means a sample collected by wiping a
21 representative surface and tested in accordance with a method
22 approved by the United States Department of Housing and Urban
23 Development.

24 "Dwelling unit" means a single-family living space, including a
25 single family home, or an apartment, room, or rooms within a two-
26 family or multiple-family building, that is occupied or intended to
27 be occupied for sleeping or dwelling purposes by one or more
28 persons living independently of persons in similar dwelling units.

29 "Planned real estate development" means a planned real estate
30 development, as defined by section 3 of P.L.1977, c.419 (C.45:22A-
31 23).

32 "Tenant turnover" means the time at which all existing occupants
33 vacate a dwelling unit and all new tenants move into the dwelling
34 unit.

35 "Visual assessment" means a visual examination for deteriorated
36 paint or visible surface dust, debris, or residue.

37 b. (1) Subject to subsection c. of this section, in a municipality
38 that maintains a permanent local agency for the purpose of
39 conducting inspections and enforcing laws, ordinances, and
40 regulations concerning buildings and structures within the
41 municipality, either:

42 (a) the permanent local agency shall inspect [every single-
43 family, two-family, and multiple rental dwelling] each rental
44 dwelling unit, and the common area within each building that

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 contains a rental dwelling unit, and that is located within the
2 municipality [at tenant turnover] for lead-based paint hazards; or
3 (b) to provide for the inspection of each rental dwelling unit and
4 the common area within each building that contains a rental
5 dwelling unit located within the municipality, the governing body
6 shall enter into a contract with a lead evaluation contractor, certified
7 to provide lead paint inspection services by the Department of
8 Community Affairs, or enter into a shared service agreement with a
9 local unit, to inspect those rental dwelling units and the common
10 areas for lead-based paint hazards.

11 A municipality shall cause the inspection of rental dwelling units
12 and common areas for lead-based paint hazards at tenant turnover or
13 within [two] three years of the effective date of P.L.2021, c.182
14 (C.52:27D-437.16 et al.), whichever is earlier. Thereafter, all such
15 units shall be inspected for lead-based paint hazards the earlier of
16 every three years or upon tenant turnover, except that an inspection
17 upon tenant turnover shall not be required if the owner has a valid
18 lead-safe certification pursuant to this section. The municipality
19 shall charge the dwelling owner or landlord a fee sufficient to cover
20 the cost of the inspection.

21 (2) Subject to subsection c. of this section, in a municipality that
22 does not maintain a permanent local agency for the purpose of
23 conducting inspections and enforcing laws, ordinances, and
24 regulations concerning buildings and structures within the
25 municipality, the **[municipality shall hire]** governing body shall
26 either enter into: a contract with a lead evaluation contractor,
27 certified to provide lead paint inspection services by the
28 Department of Community Affairs, or a shared service agreement
29 with a local unit, to inspect [every single-family, two-family, and
30 multiple] each rental dwelling unit and the common areas within
31 each building that contains a rental dwelling unit, and that is located
32 within the municipality for lead-based paint hazards.

33 A municipality shall cause the inspection of rental dwelling units
34 for lead-based paint hazards at tenant turnover [for lead-based paint
35 hazards] or within [two] three years of the effective date of
36 P.L.2021, c.182 (C.52:27D-437.16 et al.), whichever is earlier.
37 Thereafter, all such units shall be inspected for lead-based paint
38 hazards the earlier of every three years or upon tenant turnover,
39 except that an inspection upon tenant turnover shall not be required
40 if the owner has a valid lead-safe certification pursuant to this
41 section. The municipality shall charge the dwelling owner or
42 landlord a fee sufficient to cover the cost of the inspection,
43 including the cost of hiring the lead evaluation contractor.

44 (3) A municipality shall permit the dwelling owner or landlord
45 to directly hire a lead evaluation contractor who is certified to
46 provide lead paint inspection services by the Department of

1 Community Affairs to satisfy the requirements of paragraph (1) or
2 (2) of this subsection.

3 (4) A permanent local agency or lead evaluation contractor with
4 the duty to inspect single-family, two-family, and multiple rental
5 dwellings pursuant to this section may consult with the local health
6 board, the Department of Health, or the Department of Community
7 Affairs concerning the criteria for the inspection and identification
8 of areas and conditions involving a high risk of lead poisoning in
9 dwellings, methods of detection of lead in dwellings, and standards
10 for the repair of dwellings containing lead paint.

11 (5) Fees established pursuant to this subsection shall be
12 dedicated to meeting the costs of implementing and enforcing this
13 subsection and shall not be used for any other purpose.

14 c. Notwithstanding subsection b. of this section to the contrary,
15 a dwelling unit **【in a single-family, two-family, or multiple rental**
16 **dwelling】** shall not be subject to inspection and evaluation for the
17 presence of lead-based paint hazards if the unit:

18 (1) has been certified to be free of lead-based paint;

19 (2) was constructed during or after 1978;

20 (3) is in a multiple **【dwelling】** family building that **【has been**
21 registered with the Department of Community Affairs as a multiple
22 dwelling for at least 10 years, either under the current or a previous
23 owner, and**】** has no outstanding lead-based paint violations from the
24 two most recent cyclical 【inspection】 inspections performed **【on**
25 **the multiple dwelling】** under the "Hotel and Multiple Dwelling
26 Law," P.L.1967, c.76 (C.55:13A-1 et seq.);

27 (4) is a single-family or two-family seasonal rental dwelling
28 which is rented for less than six months duration each year by
29 tenants that do not have consecutive lease renewals; or

30 (5) has a valid lead-safe certification issued in accordance with
31 this section.

32 d. (1) If a lead evaluation contractor or permanent local agency
33 finds that a lead-based paint hazard exists in a dwelling unit upon
34 conducting an inspection pursuant to this section, then the owner of
35 the dwelling unit shall remediate the lead-based paint hazard by
36 using abatement or lead-based paint hazard control methods,
37 approved in accordance with the provisions of the "Lead Hazard
38 Control Assistance Act," P.L.2003, c.311 (C.52:27D-437.1 et al.).
39 Upon the remediation of the lead-based paint hazard, the lead
40 evaluation contractor or permanent local agency shall conduct an
41 additional inspection of the unit to certify that the hazard no longer
42 exists.

43 (2) If a lead evaluation contractor or permanent local agency
44 finds that no lead-based paint hazards exist in a dwelling unit upon
45 conducting an inspection pursuant to this section or following
46 remediation of a lead-based paint hazard pursuant to paragraph (1)
47 of this subsection, then the lead evaluation contractor or permanent

1 local agency shall certify the dwelling unit as lead-safe on a form
2 prescribed by the Department of Community Affairs as provided for
3 in regulations or guidance promulgated pursuant to section 8 of
4 P.L.2021, c.182 (C.52:27D-437.20). The lead-safe certification
5 provided to the property owner by the lead evaluation contractor or
6 permanent local agency pursuant to this paragraph shall be valid for
7 ~~two~~ three years.

8 e. Beginning on the effective date of P.L.2021, c.182
9 (C.52:27D-437.16 et al.), property owners shall:

10 (1) ~~provide evidence of a valid lead-safe certification obtained~~
11 ~~pursuant to this section as well as evidence of the most recent tenant~~
12 ~~turnover at the time of the cyclical inspection carried out under the~~
13 ~~"Hotel and Multiple Dwelling Law," P.L.1967, c.76 (C.55:13A-1 et~~
14 ~~seq.), unless not required to have had an inspection by a lead~~
15 ~~evaluation contractor or permanent local agency pursuant to~~
16 ~~paragraph (1), (2), or (3) of subsection c. of this section;~~ (Deleted
17 by amendment, P.L. , c.) (pending before the Legislature as this
18 bill)

19 (2) provide evidence of a valid lead-safe certification obtained
20 pursuant to this section to new tenants of the property at the time of
21 tenant turnover unless not required to have had an inspection by a
22 lead evaluation contractor or permanent local agency pursuant to
23 paragraphs (1), (2), (3), ~~and~~ or (4) of subsection c. of this section,
24 and shall affix a copy of such certification as an exhibit to the
25 tenant's or tenants' lease; and

26 (3) maintain a record of the lead-safe certification which shall
27 include the name or names of the unit's tenant or tenants, if the
28 inspection was conducted during a period of tenancy, unless not
29 required to have had an inspection by a lead evaluation contractor
30 or permanent local agency pursuant to paragraphs (1), (2), (3),
31 ~~and~~ or (4) of subsection c. of this section.

32 f. ~~If a lead evaluation contractor or permanent local agency~~
33 ~~finds that a lead-based paint hazard exists in a dwelling unit upon~~
34 ~~conducting an inspection pursuant to this section, then the lead~~
35 ~~evaluation contractor or permanent local agency shall notify the~~
36 ~~Commissioner of Community Affairs, who shall review the findings~~
37 ~~in accordance with section 8 of the "Lead Hazard Control~~
38 ~~Assistance Act," P.L.2003, c.311 (C.52:27D-437.8)] Each
39 municipality shall deliver to the Department of Community Affairs
40 a list identifying each dwelling unit inspected pursuant to this
41 section, and each dwelling unit determined to contain a lead-based
42 paint hazard. The department shall, pursuant to section 2 of
43 P.L.1991, c.164 (C.52:14-19.1), submit an annual report to the
44 Legislature indicating the number of inspected dwelling units
45 identified to have lead-based paint hazards. The report shall list the
46 number of inspected dwellings and dwelling units identified to have
47 lead-based paint hazards within each county.~~

1 g. (1) If a dwelling is located in a municipality in which less
2 than three percent of children tested, six years of age or younger,
3 have a blood lead **[level]** reference value greater than or equal to
4 five ug/dL, or any other blood lead level adopted by the Department
5 of Health, according to the central lead screening database
6 maintained by the Department of Health pursuant to section 5 of
7 P.L.1995, c.328 (C.26:2-137.6), or according to other data deemed
8 appropriate by the **[commissioner]** Commissioner of Community
9 Affairs, then a lead evaluation contractor or permanent local agency
10 may inspect for lead-based paint hazards through visual assessment.
11 The Commissioner of Community Affairs may determine an
12 appropriate blood lead reference value on the basis of multiple
13 years of data.

14 (2) If a dwelling unit is located in a municipality in which at
15 least three percent of children tested, six years of age or younger,
16 have a blood lead **[level]** reference value greater than or equal to
17 five ug/dL, or any other blood lead level adopted by the Department
18 of Health, according to the central lead screening database
19 maintained by the Department of Health pursuant to section 5 of
20 P.L.1995, c.328 (C.26:2-137.6), or according to other data deemed
21 appropriate by the **[commissioner]** Commissioner of Community
22 Affairs, then a lead evaluation contractor or permanent local agency
23 shall inspect for lead-based paint hazards through dust wipe
24 sampling. The Commissioner of Community Affairs may
25 determine an appropriate blood lead reference value on the basis of
26 multiple years of data. The disclosure of this data for the purposes
27 of this section shall not constitute the disclosure of the identity of a
28 child pursuant to section 5 of P.L.1995, c.328 (C.26:2-137.6).

29 (3) If a lead hazard is identified in an inspection of one of the
30 dwelling units in a building consisting of two- or three- dwelling
31 units, then the lead evaluation contractor or permanent local agency
32 shall inspect the remainder of the building's dwelling units for lead
33 hazards, with the exception of dwelling units that have been
34 certified to be **[free of lead-based paint]** lead-safe. The lead
35 evaluation contractor or permanent local agency may charge fees in
36 accordance with this section for such additional inspections.

37 h. In addition to the fees permitted to be charged for inspection
38 of rental housing pursuant to this section, each municipality shall
39 assess an additional fee of \$20 per unit inspected by a certified lead
40 evaluation contractor or permanent local agency for the purposes of
41 the "Lead Hazard Control Assistance Act," P.L.2003, c.311
42 (C.52:27D-437.1 et al.) concerning lead hazard control work, unless
43 the unit owner demonstrates that the Department of Community
44 Affairs has already assessed an additional inspection fee of \$20
45 pursuant to the provisions of section 10 of P.L. 2003, c. 311
46 (C.52:27D-437.10). In a **[common interest community]** planned
47 real estate development, any inspection fee charged pursuant to this

1 subsection shall be the responsibility of the unit owner and not the
2 homeowners' association, unless the association is the owner of the
3 unit. The fees collected pursuant to this subsection shall be
4 deposited into the "Lead Hazard Control Assistance Fund"
5 established pursuant to section 4 of P.L.2003, c.311 (C.52:27D-
6 437.4).
7 (cf: P.L.2021, c.182, s.1)

8
9 2. Section 2 of P.L.2021, c.182 (C.52:27D-437.17) is amended
10 to read as follows:

11 2. a. The Department of Community Affairs, in consultation
12 with the Department of Health, shall establish a Statewide **【**
13 **multifaceted, ongoing】** educational program designed to meet the
14 needs of tenants, property owners, realtors and real estate agents,
15 insurers and insurance agents, and local building officials about the
16 nature of lead-based paint hazards, the importance of lead-based
17 paint hazard control and mitigation, and the responsibilities set
18 forth in P.L.2021, c.182 (C.52:27D-437.16 et al.). In developing
19 **【and coordinating】** this **【educational】** program, the department
20 shall **【seek the participation and involvement of private industry**
21 **organizations, including those involved in real estate, insurance,**
22 **mortgage banking, and pediatrics】** :

23 (1) create an electronic version of the program which shall be
24 available on the Internet. The program shall not exceed three hours;

25 (2) promulgate, pursuant to the "Administrative Procedure Act,"
26 P.L.1968, c.410 (C.52:14B-1 et seq.), rules for the dissemination of
27 information about the requirements of P.L.2021, c.182 (C.52:27D-
28 437.16 et al.) to all prospective owners of pre-1978 dwellings
29 during the real estate transaction, settlement, or closing;

30 (3) provide updated educational materials regarding
31 amendments to P.L.2021, c.182 or changes to the regulations
32 adopted pursuant thereto; and

33 (4) solicit requests to enter into ongoing, funded partnerships to
34 provide specific counseling information services to tenants and
35 affected parties on their rights and responsibilities with regard to
36 lead-based paint hazards and lead poisoning.

37 b. **【**Prior to the effective date of P.L.2021, c.182 (C.52:27D-
38 437.16 et al.), the department shall:

39 (1) Create educational materials outlining the rights and
40 responsibilities of parties subject to the provisions of P.L.2021,
41 c.182 (C.52:27D-437.16 et al.).

42 (2) Establish guidelines and a trainer's manual for a lead-based
43 paint hazard seminar for rental property owners or designated
44 persons, which the department shall forward to all public and
45 private colleges and universities in New Jersey, to other
46 professional training facilities, and to professional associations and
47 community organizations with a training capacity. The department

1 shall approve proposals to offer the seminar from institutions;
2 provided that the proposals are consistent with the guidelines. The
3 department shall create an electronic version of the lead-based paint
4 hazard seminar accessible on the Internet. The seminar shall be
5 available to tenants, property owners, and other interested parties.

6 (3) Promulgate rules for the dissemination of information about
7 the requirements of P.L.2021, c.182 (C.52:27D-437.16 et al.) to all
8 prospective owners of pre-1978 dwellings during the real estate
9 transaction, settlement, or closing.

10 (4) Solicit requests to enter into ongoing, funded partnerships to
11 provide specific counseling information services to tenants and
12 affected parties on their rights and responsibilities with regard to
13 lead-based paint hazards and lead poisoning. ~~](Deleted by
14 amendment, P.L. , c.) (pending before the Legislature as this
15 bill)~~

16 c. ~~][The lead-based paint hazard seminar established pursuant
17 to of this section shall not exceed three hours in length. The
18 department shall offer the seminar for a maximum fee of \$50 per
19 participant.](Deleted by amendment, P.L. , c.) (pending before
20 the Legislature as this bill)~~

21 (cf: P.L.2021, c.182, s.2)

22

23 3. Section 1 of P.L.2007, c.251 (C.55:13A-12.2) is repealed.

24

25 4. This act shall take effect immediately, however, the
26 provisions of subsection b. of section 1 of P.L.2021, c.182
27 (C.52:27D-437.16) which authorize a municipal governing body to
28 provide lead-based paint inspection services by contract or shared
29 service agreement shall apply retroactively to authorize an
30 agreement entered into on or after July 22, 2022.

31

32

33

STATEMENT

34

35 This bill amends provisions of P.L.2021, c.192 (C.52:27D-
36 437.16 et. al) to clarify the laws that require inspections of certain
37 residential rental properties for lead-based paint hazards.
38 Additionally, the bill would repeal a section of the "Hotel and
39 Multiple Dwelling Law" (HMDL), P.L.2007, c.251, s.1 (C.55:13A-
40 12.2), which requires the Department of Community Affairs (DCA)
41 to inspect single-family and two-family rental dwellings for lead-
42 based paint hazards.

43 Under current law, if a municipality maintains a permanent local
44 construction code enforcement agency, the local agency is required
45 to inspect certain residential rental dwellings for lead-based paint
46 hazards, however, if a municipality does not maintain a permanent
47 local agency, the municipality is required to hire a lead evaluation
48 contractor to conduct inspections. This bill provides municipalities

1 that maintain a local code enforcement agency the option of either
2 conducting inspections in-house or hiring a certified lead evaluation
3 contractor to perform the inspections. Alternatively, the bill
4 proposes allowing any municipality to satisfy the lead-based paint
5 inspection requirements through entry into a shared service
6 agreement with another local unit.

7 Current law exempts units within a multiple dwelling that have
8 been registered with DCA for at least 10 years, and which have no
9 outstanding lead violations from the most recent HMDL cyclical
10 inspection. This bill replaces reference to a dwelling's registration
11 with an exclusion from lead-based paint inspection requirements for
12 multiple dwellings that have no outstanding lead-based paint
13 violations from the two most recent HMDL cyclical inspections.

14 Current law excepts certain types of dwelling units from lead-
15 based paint inspection requirements. One such exception is for
16 dwelling units within a multiple dwelling, which multiple dwelling
17 has been registered with DCA for at least 10 years, and which has
18 no outstanding lead violations from the most recent HMDL cyclical
19 inspection. DCA has indicated that current law's reference to being
20 "registered" with DCA is problematic and leads to confusion in
21 administering the law. To address this concern, the bill proposes
22 deleting reference to a dwelling's registration with DCA and instead
23 exclude a multiple dwelling from lead-based paint inspection
24 requirements if the multiple dwelling has no outstanding lead-based
25 paint violations from the two most recent HMDL cyclical
26 inspections.

27 Under current law, a "lead-safe certification" provided to a
28 property owner by a lead evaluation contractor or a permanent local
29 construction code enforcement agency is valid for two years. This
30 bill extends validity of a lead-safe certification to three years so the
31 certification period will run together with lead inspection
32 timeframes.

33 Under current law, if an inspection identifies a lead-based paint
34 hazard within a dwelling unit, the inspector is required to notify
35 DCA, and DCA is required to review those findings for the purpose
36 of determining whether the lead-based paint hazard warrants the
37 removal and relocation of residents and provision of assistance.
38 Current law does not specify or establish a funding mechanism for
39 DCA to fund this relocation assistance. Therefore, the bill amends
40 current law to only require a municipality to deliver to DCA a list
41 identifying each dwelling unit inspected, and each dwelling unit
42 determined to contain a lead-based paint hazard. Additionally, the
43 bill requires DCA to submit an annual report to the Legislature
44 indicating the number of inspected dwelling units identified to have
45 lead-based paint hazards within each county.

46 Current law specifies child blood-lead levels which trigger
47 certain lead paint inspection modalities. The bill instead provides
48 the Department of Health with the power to adopt other blood-lead

1 level standards, and empowers DCA to identify other data
2 appropriate for distinguishing between whether an inspection must
3 include a dust-wipe sampling or may be accomplished through a
4 visual inspection.

5 Current law requires DCA to establish an educational program
6 on lead-based paint hazard control and mitigation. One component
7 of this program is establishment of a lead-based paint hazard
8 seminar, designed specifically for rental property owners, but
9 available to tenants, property owners, and other interested parties.
10 The bill proposes amending this requirement to specify that DCA is
11 to create an electronic version of the lead-based paint educational
12 program, that the program not exceed three hours in length and be
13 available on the Internet. Additionally, the bill proposes requiring
14 DCA: to adopt rules for the dissemination of information about the
15 bill's requirements to prospective owners of pre-1978 dwellings
16 during the real estate transaction, settlement, or closing; to provide
17 updated educational materials regarding amendments to the lead-
18 based paint hazard laws or changes to the regulations adopted
19 pursuant thereto; and to solicit requests to enter into funded
20 partnerships to provide information and counseling to tenants and
21 affected parties on their rights and responsibilities with regard to
22 lead-based paint hazards and lead poisoning.

23 Finally, the bill proposes repealing a provision of current law
24 that provides for lead-based paint inspections by DCA as part of the
25 five-year cyclical inspection process under the HMDL. DCA has
26 recommended the repeal of this section, asserting that it is
27 unnecessary in light of provisions of the 2021 enactment, which
28 provided for lead-based paint inspections by local enforcing
29 agencies and private contractors. Additionally, the bill deletes a
30 related provision that currently requires property owners to provide
31 evidence of a valid lead-safe certification at the time of the cyclical
32 HMDL inspection.

33 The bill would take effect immediately upon adoption, however,
34 the bill provisions which authorize a municipal governing body to
35 provide lead-based paint inspection services by contract or shared
36 service agreement would apply retroactively to authorize an
37 agreement entered into on or after July 22, 2022.

[First Reprint]

ASSEMBLY, No. 4623

STATE OF NEW JERSEY
221st LEGISLATURE

INTRODUCED JUNE 24, 2024

Sponsored by:

Assemblyman CLINTON CALABRESE

District 36 (Bergen and Passaic)

Assemblyman STERLEY S. STANLEY

District 18 (Middlesex)

Assemblywoman VERLINA REYNOLDS-JACKSON

District 15 (Hunterdon and Mercer)

Co-Sponsored by:

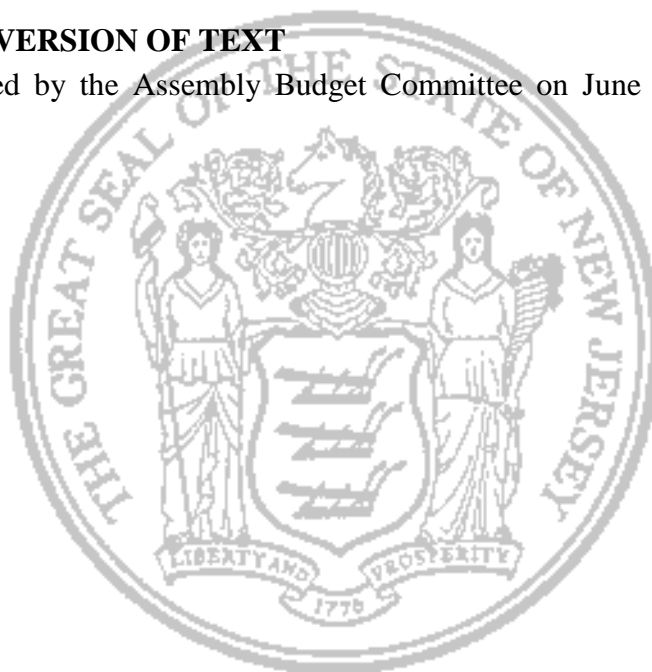
**Assemblywomen Hall, Donlon, Murphy, Assemblymen Miller, Atkins,
Assemblywoman Speight and Assemblyman Inganamort**

SYNOPSIS

Concerns law protecting residential tenants from lead-based paint hazards.

CURRENT VERSION OF TEXT

As reported by the Assembly Budget Committee on June 26, 2024, with amendments.



(Sponsorship Updated As Of: 6/28/2024)

1 AN ACT concerning lead-based paint hazards in residential rental
2 property, including establishing lead-based paint hazard
3 programs, amending P.L.2021, c.182, and repealing section 1 of
4 P.L.2007, c.251.

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

8
9 1. Section 1 of P.L.2021, c.182 (C.52:27D-437.16) is amended
10 to read as follows:

11 1. a. As used in this section:

12 "Common area" means the interior portions of a building used
13 for residential rental purposes that are generally accessible to
14 residential tenants, but not including the interior of individual
15 dwelling units. Common areas shall include, but not be limited to
16 hallways, stairs, foyers, basements, laundry rooms, and the interior
17 of attached or detached garages, if the areas are generally accessible
18 to residential tenants, and the areas are not located within the
19 interior of an individual dwelling unit.

20 "Dust wipe sampling" means a sample collected by wiping a
21 representative surface and tested in accordance with a method
22 approved by the United States Department of Housing and Urban
23 Development.

24 "Dwelling unit" means a single-family living space, including a
25 single family home, or an apartment, room, or rooms within a two-
26 family or multiple-family building, that is occupied or intended to
27 be occupied for sleeping or dwelling purposes by one or more
28 persons living independently of persons in similar dwelling units.

29 "Planned real estate development" means a planned real estate
30 development, as defined by section 3 of P.L.1977, c.419 (C.45:22A-
31 23).

32 "Tenant turnover" means the time at which all existing occupants
33 vacate a dwelling unit and all new tenants move into the dwelling
34 unit.

35 "Visual assessment" means a visual examination for deteriorated
36 paint or visible surface dust, debris, or residue.

37 b. (1) Subject to subsection c. of this section, in a municipality
38 that maintains a permanent local agency for the purpose of
39 conducting inspections and enforcing laws, ordinances, and
40 regulations concerning buildings and structures within the
41 municipality, either:

42 (a) the permanent local agency shall inspect [every single-
43 family, two-family, and multiple rental dwelling] each rental
44 dwelling unit, and ¹, in a building consisting of two or three

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.

Matter enclosed in superscript numerals has been adopted as follows:

¹Assembly ABU committee amendments adopted June 26, 2024.

1 dwelling units,¹ the common area within each building that contains
2 a rental dwelling unit, and that is located within the municipality
3 **【at tenant turnover】** for lead-based paint hazards; or

4 (b) to provide for the inspection of each rental dwelling unit and
5 ¹, in a building consisting of two or three dwelling units,¹ the
6 common area within each building that contains a rental dwelling
7 unit located within the municipality, the governing body shall enter
8 into a contract with a lead evaluation contractor, certified to provide
9 lead paint inspection services by the Department of Community
10 Affairs, or enter into a shared service agreement with a local unit, to
11 inspect those rental dwelling units and the common areas for lead-
12 based paint hazards.

13 A municipality shall cause the inspection of rental dwelling units
14 and ¹, in a building consisting of two or three dwelling units,¹
15 common areas for lead-based paint hazards at tenant turnover or
16 within **【two】** three years of the effective date of P.L.2021, c.182
17 (C.52:27D-437.16 et al.), whichever is earlier. Thereafter, all such
18 units shall be inspected for lead-based paint hazards the earlier of
19 every three years or upon tenant turnover, except that an inspection
20 upon tenant turnover shall not be required if the owner has a valid
21 lead-safe certification pursuant to this section. The municipality
22 shall charge the dwelling owner or landlord a fee sufficient to cover
23 the cost of the inspection.

24 (2) Subject to subsection c. of this section, in a municipality that
25 does not maintain a permanent local agency for the purpose of
26 conducting inspections and enforcing laws, ordinances, and
27 regulations concerning buildings and structures within the
28 municipality, the **【municipality shall hire】** governing body shall
29 either enter into: a contract with a lead evaluation contractor,
30 certified to provide lead paint inspection services by the
31 Department of Community Affairs, or a shared service agreement
32 with a local unit, to inspect **【every single-family, two-family, and**
33 multiple**】** each rental dwelling unit and ¹, in a building consisting of
34 two or three dwelling units,¹ the common areas within each
35 building that contains a rental dwelling unit, and that is located
36 within the municipality for lead-based paint hazards.

37 A municipality shall cause the inspection of rental dwelling units
38 for lead-based paint hazards at tenant turnover **【for lead-based paint**
39 hazards**】** or within **【two】** three years of the effective date of
40 P.L.2021, c.182 (C.52:27D-437.16 et al.), whichever is earlier.
41 Thereafter, all such units shall be inspected for lead-based paint
42 hazards the earlier of every three years or upon tenant turnover,
43 except that an inspection upon tenant turnover shall not be required
44 if the owner has a valid lead-safe certification pursuant to this
45 section. The municipality shall charge the dwelling owner or
46 landlord a fee sufficient to cover the cost of the inspection,
47 including the cost of hiring the lead evaluation contractor.

1 (3) A municipality shall permit the dwelling owner or landlord
2 to directly hire a lead evaluation contractor who is certified to
3 provide lead paint inspection services by the Department of
4 Community Affairs to satisfy the requirements of paragraph (1) or
5 (2) of this subsection.

6 (4) A permanent local agency or lead evaluation contractor with
7 the duty to inspect single-family, two-family, and multiple rental
8 dwellings pursuant to this section may consult with the local health
9 board, the Department of Health, or the Department of Community
10 Affairs concerning the criteria for the inspection and identification
11 of areas and conditions involving a high risk of lead poisoning in
12 dwellings, methods of detection of lead in dwellings, and standards
13 for the repair of dwellings containing lead paint.

14 (5) Fees established pursuant to this subsection shall be
15 dedicated to meeting the costs of implementing and enforcing this
16 subsection and shall not be used for any other purpose.

17 c. Notwithstanding subsection b. of this section to the contrary,
18 a dwelling unit **【in a single-family, two-family, or multiple rental**
19 **dwelling】** shall not be subject to inspection and evaluation for the
20 presence of lead-based paint hazards if the unit:

21 (1) has been certified to be free of lead-based paint;

22 (2) was constructed during or after 1978;

23 (3) is in a multiple **【dwelling】** family building that **【has been**
24 **registered with the Department of Community Affairs as a multiple**
25 **dwelling for at least 10 years, either under the current or a previous**
26 **owner, and】** ¹has been registered with the Department of
27 Community Affairs as a multiple family building for at least 10
28 years, either under the current or a previous owner, and¹ has no
29 outstanding lead-based paint violations from the two most recent
30 cyclical **【inspection】** inspections performed **【on the multiple**
31 **dwelling】** under the "Hotel and Multiple Dwelling Law," P.L.1967,
32 c.76 (C.55:13A-1 et seq.);

33 (4) is a single-family or two-family seasonal rental dwelling
34 which is rented for less than six months duration each year by
35 tenants that do not have consecutive lease renewals; or

36 (5) has a valid lead-safe certification issued in accordance with
37 this section.

38 d. (1) If a lead evaluation contractor or permanent local agency
39 finds that a lead-based paint hazard exists in a dwelling unit upon
40 conducting an inspection pursuant to this section, then the owner of
41 the dwelling unit shall remediate the lead-based paint hazard by
42 using abatement or lead-based paint hazard control methods,
43 approved in accordance with the provisions of the "Lead Hazard
44 Control Assistance Act," P.L.2003, c.311 (C.52:27D-437.1 et al.).
45 Upon the remediation of the lead-based paint hazard, the lead
46 evaluation contractor or permanent local agency shall conduct an

1 additional inspection of the unit to certify that the hazard no longer
2 exists.

3 (2) If a lead evaluation contractor or permanent local agency
4 finds that no lead-based paint hazards exist in a dwelling unit upon
5 conducting an inspection pursuant to this section or following
6 remediation of a lead-based paint hazard pursuant to paragraph (1)
7 of this subsection, then the lead evaluation contractor or permanent
8 local agency shall certify the dwelling unit as lead-safe on a form
9 prescribed by the Department of Community Affairs as provided for
10 in regulations or guidance promulgated pursuant to section 8 of
11 P.L.2021, c.182 (C.52:27D-437.20). The lead-safe certification
12 provided to the property owner by the lead evaluation contractor or
13 permanent local agency pursuant to this paragraph shall be valid for
14 **【two】** three years.

15 e. Beginning on the effective date of P.L.2021, c.182
16 (C.52:27D-437.16 et al.), property owners shall:

17 (1) **【provide** evidence of a valid lead-safe certification obtained
18 pursuant to this section as well as evidence of the most recent tenant
19 turnover at the time of the cyclical inspection carried out under the
20 "Hotel and Multiple Dwelling Law," P.L.1967, c.76 (C.55:13A-1 et
21 seq.), unless not required to have had an inspection by a lead
22 evaluation contractor or permanent local agency pursuant to
23 paragraph (1), (2), or (3) of subsection c. of this section;**】** (Deleted
24 by amendment, P.L. , c.) (pending before the Legislature as this
25 bill)

26 (2) provide evidence of a valid lead-safe certification obtained
27 pursuant to this section to new tenants of the property at the time of
28 tenant turnover unless not required to have had an inspection by a
29 lead evaluation contractor or permanent local agency pursuant to
30 paragraphs (1), (2), (3), **【and】** or (4) of subsection c. of this section,
31 and shall affix a copy of such certification as an exhibit to the
32 tenant's or tenants' lease; and

33 (3) maintain a record of the lead-safe certification which shall
34 include the name or names of the unit's tenant or tenants, if the
35 inspection was conducted during a period of tenancy, unless not
36 required to have had an inspection by a lead evaluation contractor
37 or permanent local agency pursuant to paragraphs (1), (2), (3),
38 **【and】** or (4) of subsection c. of this section.

39 f. **【If** a lead evaluation contractor or permanent local agency
40 finds that a lead-based paint hazard exists in a dwelling unit upon
41 conducting an inspection pursuant to this section, then the lead
42 evaluation contractor or permanent local agency shall notify the
43 Commissioner of Community Affairs, who shall review the findings
44 in accordance with section 8 of the "Lead Hazard Control
45 Assistance Act," P.L.2003, c.311 (C.52:27D-437.8)**】** Each
46 municipality shall deliver to the Department of Community Affairs
47 a list identifying each dwelling unit inspected pursuant to this

1 section, and each dwelling unit determined to contain a lead-based
2 paint hazard. The department shall, pursuant to section 2 of
3 P.L.1991, c.164 (C.52:14-19.1), submit an annual report to the
4 Legislature indicating the number of inspected dwelling units
5 identified to have lead-based paint hazards. The report shall list the
6 number of inspected dwellings and dwelling units identified to have
7 lead-based paint hazards within each county.

8 g. (1) If a dwelling is located in a municipality in which less
9 than three percent of children tested, six years of age or younger,
10 have a blood lead **【level】** reference value greater than or equal to
11 five ug/dL, or any other blood lead level adopted by the Department
12 of Health, according to the central lead screening database
13 maintained by the Department of Health pursuant to section 5 of
14 P.L.1995, c.328 (C.26:2-137.6), or according to other data deemed
15 appropriate by the **【commissioner】** Commissioner of Community
16 Affairs, then a lead evaluation contractor or permanent local agency
17 may inspect for lead-based paint hazards through visual assessment.
18 The Commissioner of Community Affairs may determine an
19 appropriate blood lead reference value on the basis of multiple
20 years of data.

21 (2) If a dwelling unit is located in a municipality in which at
22 least three percent of children tested, six years of age or younger,
23 have a blood lead **【level】** reference value greater than or equal to
24 five ug/dL, or any other blood lead level adopted by the Department
25 of Health, according to the central lead screening database
26 maintained by the Department of Health pursuant to section 5 of
27 P.L.1995, c.328 (C.26:2-137.6), or according to other data deemed
28 appropriate by the **【commissioner】** Commissioner of Community
29 Affairs, then a lead evaluation contractor or permanent local agency
30 shall inspect for lead-based paint hazards through dust wipe
31 sampling. The Commissioner of Community Affairs may
32 determine an appropriate blood lead reference value on the basis of
33 multiple years of data. The disclosure of this data for the purposes
34 of this section shall not constitute the disclosure of the identity of a
35 child pursuant to section 5 of P.L.1995, c.328 (C.26:2-137.6).

36 (3) If a lead hazard is identified in an inspection of one of the
37 dwelling units in a building consisting of two- or three- dwelling
38 units, then the lead evaluation contractor or permanent local agency
39 shall inspect the remainder of the building's dwelling units for lead
40 hazards, with the exception of dwelling units that have been
41 certified to be **【free of lead-based paint】** lead-safe. The lead
42 evaluation contractor or permanent local agency may charge fees in
43 accordance with this section for such additional inspections.

44 ¹(4) If a dwelling owner or landlord directly hires a lead
45 evaluation contractor who is certified to provide lead paint
46 inspection services by the Department of Community Affairs to
47 complete the inspection required under paragraph (1) of this

1 subsection, then the owner may elect to have the inspection
2 performed through dust wipes in lieu of visual examination.¹

3 h. In addition to the fees permitted to be charged for inspection
4 of rental housing pursuant to this section, each municipality shall
5 assess an additional fee of \$20 per unit inspected by a certified lead
6 evaluation contractor or permanent local agency for the purposes of
7 the "Lead Hazard Control Assistance Act," P.L.2003, c.311
8 (C.52:27D-437.1 et al.) concerning lead hazard control work, unless
9 the unit owner demonstrates that the Department of Community
10 Affairs has already assessed an additional inspection fee of \$20
11 pursuant to the provisions of section 10 of P.L. 2003, c. 311
12 (C.52:27D-437.10). In a **【common interest community】** planned
13 real estate development, any inspection fee charged pursuant to this
14 subsection shall be the responsibility of the unit owner and not the
15 homeowners' association, unless the association is the owner of the
16 unit. The fees collected pursuant to this subsection shall be
17 deposited into the "Lead Hazard Control Assistance Fund"
18 established pursuant to section 4 of P.L.2003, c.311 (C.52:27D-
19 437.4).
20 (cf: P.L.2021, c.182, s.1)

21
22 2. Section 2 of P.L.2021, c.182 (C.52:27D-437.17) is amended
23 to read as follows:

24 2. a. The Department of Community Affairs, in consultation
25 with the Department of Health, shall establish a Statewide **【,**
26 **multifaceted, ongoing】** educational program designed to meet the
27 needs of tenants, property owners, realtors and real estate agents,
28 insurers and insurance agents, and local building officials about the
29 nature of lead-based paint hazards, the importance of lead-based
30 paint hazard control and mitigation, and the responsibilities set
31 forth in P.L.2021, c.182 (C.52:27D-437.16 et al.). In developing
32 **【and coordinating】** this **【educational】** program, the department
33 shall **【seek the participation and involvement of private industry**
34 **organizations, including those involved in real estate, insurance,**
35 **mortgage banking, and pediatrics】** ;

36 (1) create an electronic version of the program which shall be
37 available on the Internet. The program shall not exceed three hours;

38 (2) promulgate, pursuant to the "Administrative Procedure Act,"
39 P.L.1968, c.410 (C.52:14B-1 et seq.), rules for the dissemination of
40 information about the requirements of P.L.2021, c.182 (C.52:27D-
41 437.16 et al.) to all prospective owners of pre-1978 dwellings
42 during the real estate transaction, settlement, or closing;

43 (3) provide updated educational materials regarding
44 amendments to P.L.2021, c.182 or changes to the regulations
45 adopted pursuant thereto; and

46 (4) solicit requests to enter into ongoing, funded partnerships to
47 provide specific counseling information services to tenants and

1 affected parties on their rights and responsibilities with regard to
2 lead-based paint hazards and lead poisoning.

3 b. **【**Prior to the effective date of P.L.2021, c.182 (C.52:27D-
4 437.16 et al.), the department shall:

5 (1) Create educational materials outlining the rights and
6 responsibilities of parties subject to the provisions of P.L.2021,
7 c.182 (C.52:27D-437.16 et al.).

8 (2) Establish guidelines and a trainer's manual for a lead-based
9 paint hazard seminar for rental property owners or designated
10 persons, which the department shall forward to all public and
11 private colleges and universities in New Jersey, to other
12 professional training facilities, and to professional associations and
13 community organizations with a training capacity. The department
14 shall approve proposals to offer the seminar from institutions;
15 provided that the proposals are consistent with the guidelines. The
16 department shall create an electronic version of the lead-based paint
17 hazard seminar accessible on the Internet. The seminar shall be
18 available to tenants, property owners, and other interested parties.

19 (3) Promulgate rules for the dissemination of information about
20 the requirements of P.L.2021, c.182 (C.52:27D-437.16 et al.) to all
21 prospective owners of pre-1978 dwellings during the real estate
22 transaction, settlement, or closing.

23 (4) Solicit requests to enter into ongoing, funded partnerships to
24 provide specific counseling information services to tenants and
25 affected parties on their rights and responsibilities with regard to
26 lead-based paint hazards and lead poisoning. **】** (Deleted by
27 amendment, P.L. , c.) (pending before the Legislature as this
28 bill)

29 c. **【**The lead-based paint hazard seminar established pursuant
30 to of this section shall not exceed three hours in length. The
31 department shall offer the seminar for a maximum fee of \$50 per
32 participant. **】** (Deleted by amendment, P.L. , c.) (pending before
33 the Legislature as this bill)
34 (cf: P.L.2021, c.182, s.2)

35

36 3. Section 1 of P.L.2007, c.251 (C.55:13A-12.2) is repealed.

37

38 4. This act shall take effect immediately, however, the
39 provisions of subsection b. of section 1 of P.L.2021, c.182
40 (C.52:27D-437.16) which authorize a municipal governing body to
41 provide lead-based paint inspection services by contract or shared
42 service agreement shall apply retroactively to authorize an
43 agreement entered into on or after July 22, 2022.

ASSEMBLY BUDGET COMMITTEE

STATEMENT TO

ASSEMBLY, No. 4623

with committee amendments

STATE OF NEW JERSEY

DATED: JUNE 26, 2024

The Assembly Budget Committee reports favorably and with committee amendments Assembly Bill No. 4623.

As amended, this bill proposes to amend provisions of P.L.2021, c.182 (C.52:27D-437.16 et al.) to clarify the laws requiring inspections of certain residential rental properties for lead-based paint hazards. Additionally, the bill repeals a section of the "Hotel and Multiple Dwelling Law" (HMDL), P.L.2007, c.251, s.1 (C.55:13A-12.2), which requires the Department of Community Affairs (DCA) to inspect single-family and two-family rental dwellings for lead-based paint hazards.

Under current law, if a municipality maintains a permanent local construction code enforcement agency, the local agency is required to inspect certain residential rental dwellings for lead-based paint hazards and, if a municipality does not maintain a permanent local agency, the municipality is required to hire a lead evaluation contractor to conduct inspections. This bill provides municipalities that maintain a local code enforcement agency the option of either conducting inspections in-house or hiring a certified lead evaluation contractor to perform the inspections. The bill would also allow any municipality to satisfy the lead-based paint inspection requirements through entry into a shared service agreement with another local unit.

Current law exempts units within a multiple dwelling that have been registered with DCA for at least 10 years and which have no outstanding lead violations from the most recent HMDL cyclical inspection. This bill provides an exemption from lead-based paint inspection requirements for dwelling units in multiple-family buildings that have been registered as such with DCA for 10 or more years and have no outstanding lead-based paint violations from the two most recent HMDL cyclical inspections.

Under current law, a "lead-safe certification" provided to a property owner by a lead evaluation contractor or a permanent local construction code enforcement agency is valid for two years. This bill extends the validity of a lead-safe certification to three years so the certification period will run together with lead inspection timeframes.

Under current law, if an inspection identifies a lead-based paint hazard within a dwelling unit, the inspector is required to notify DCA,

and DCA is required to review those findings for the purpose of determining whether the lead-based paint hazard warrants the removal and relocation of residents and provision of assistance. Current law does not specify or establish a funding mechanism for DCA to provide this relocation assistance. Therefore, the bill amends current law to only require a municipality to deliver to DCA a list identifying each dwelling unit inspected, and each dwelling unit determined to contain a lead-based paint hazard. Additionally, the bill requires DCA to submit an annual report to the Legislature indicating the number of inspected dwelling units identified to have lead-based paint hazards within each county.

Current law also specifies child blood-lead levels which trigger certain lead paint inspection modalities. This bill provides the Department of Health with the power to adopt other blood-lead level standards, and empowers DCA to identify other data appropriate for distinguishing whether an inspection must include a dust-wipe sampling or may be accomplished through a visual inspection.

The bill also provides that a dwelling owner or landlord, who directly hires a DCA-certified lead evaluation contractor to provide lead paint inspection services within a municipality in which less than three percent of children tested, six years of age or younger, have a blood lead reference value greater than or equal to five ug/dL, or any other blood lead level adopted by the Department of Health, then the owner or landlord may elect to have the lead evaluation contractor inspect for lead-based paint hazards through dust wipe sampling instead of visual assessment.

Current law requires DCA to establish an educational program on lead-based paint hazard control and mitigation. One component of this program is establishment of a lead-based paint hazard seminar, designed specifically for rental property owners, but available to tenants, property owners, and other interested parties. This bill specifies that DCA is to create an electronic version of the lead-based paint educational program which is not to exceed three hours in length and make the program available on the Internet. Additionally, the bill would require DCA to: adopt rules for the dissemination of information about the bill's requirements to prospective owners of pre-1978 dwellings during the real estate transaction, settlement, or closing; provide updated educational materials regarding changes to the lead-based paint hazard laws or regulations; and solicit requests to enter into funded partnerships to provide information and counseling to tenants and affected parties on their rights and responsibilities regarding lead-based paint hazards and lead poisoning.

Finally, the bill would repeal a provision of current law that provides for lead-based paint inspections by DCA as part of the five-year cyclical inspection process under the HMDL. The bill also removes a related provision that currently requires property owners to

provide evidence of a valid lead-safe certification at the time of the cyclical HMDL inspection.

The bill would take effect immediately upon adoption, however, the bill provisions which authorize a municipal governing body to provide lead-based paint inspection services by contract or shared service agreement would apply retroactively to authorize an agreement entered into on or after July 22, 2022.

COMMITTEE AMENDMENTS:

The committee amendments to this bill propose:

limiting the circumstances under which a lead-based paint hazard inspection will extend to common areas of a building to buildings consisting of two or three dwelling units;

to clarify that there is no lead-based paint hazard inspection required for a dwelling unit located within a multiple-family building, which building has been registered with DCA as a multiple family building for at least 10 years, and has no outstanding lead-based paint violations from the two most recent HMDL cyclical inspections;

that if a dwelling owner or landlord directly hires a DCA-certified lead evaluation contractor to provide lead paint inspection services within a municipality in which less than three percent of children tested, six years of age or younger, have a blood lead reference value greater than or equal to five ug/dL, or any other blood lead level adopted by the Department of Health, then the owner or landlord may elect to have the lead evaluation contractor inspect for lead-based paint hazards through dust wipe sampling instead of visual assessment.

FISCAL IMPACT:

The Office of Legislative Services (OLS) concludes that the bill would result in increased administrative costs to the Department of Community Affairs associated with preparing a report for the Legislature indicating the number of inspected dwelling units identified to have lead-based paint hazards and promulgating certain rules and regulations. Additionally, the department may also experience a reduction in costs to the extent that it currently provides relocation assistance to tenants affected by lead hazards, as the bill removes a requirement for department to review certain findings in accordance with a provision of the Lead Hazard Control Assistance Act.

The bill is also expected to result in a State revenue decrease due to the removal of a provision that allows the department to charge a fee for participation in its educational program concerning lead-based paint hazards.

The bill may also result in cost impacts to municipalities to the extent that municipalities elect to enter into a contract to provide for the inspection of rental units for lead-based paint hazards and due to the requirement that common areas in certain residential rental

buildings are inspected. However, the bill reduces the types of rental dwelling units required to receive a lead-based paint inspection, which may result in a reduction in costs. Additionally, to the extent that owners of dwelling units elect to have lead-based paint inspections performed through dust wipe sampling in lieu of a visual inspection, municipalities could experience cost impacts.

The OLS also notes that the bill extends the deadline for certain rental units to be inspected for lead-based paint hazards from July 2024 to July 2025, which would defer some costs expected to be incurred by municipalities in calendar year 2024 to calendar year 2025.

LEGISLATIVE FISCAL ESTIMATE

[First Reprint]

ASSEMBLY, No. 4623

STATE OF NEW JERSEY 221st LEGISLATURE

DATED: JULY 3, 2024

SUMMARY

Synopsis: Concerns law protecting residential tenants from lead-based paint hazards.

Type of Impact: Annual State Expenditure Impact, Potential Annual State Revenue Decrease, Potential Annual Municipal Expenditure Impact.

Agencies Affected: Department of Community Affairs, Municipalities.

Office of Legislative Services Estimate

Fiscal Impact	<u>Annual</u>
State Expenditure Impact	Indeterminate
Potential State Revenue Decrease	Up to \$50 per seminar participant
Municipal Expenditure Impact	Indeterminate

- The Office of Legislative Services (OLS) concludes that the bill would result in increased annual administrative costs to the Department of Community Affairs. However, the department may also experience a reduction in annual costs as the bill removes a requirement for the department to review certain findings in accordance with a provision of the Lead Hazard Control Assistance Act. The net effect of these two countervailing outcomes cannot be ascertained.
- Municipalities may also experience indeterminate annual cost impacts due to the bill's additional requirement to inspect common areas for lead-based paint hazards, and the option for municipalities to perform lead inspections in-house through a local enforcing agency, by entering into a contract with lead evaluation contractor, or via explicitly permitted shared services agreement.
- The bill may also result in an annual State revenue decrease due to the removal of a provision that allows the department to charge a fee for participation in its educational program concerning lead-based paint hazards.

- The OLS also notes that the bill extends the deadline for certain rental units to be inspected for lead-based paint hazards from July 2024 to July 2025, which may defer some costs expected to be incurred by municipalities.

BILL DESCRIPTION

This bill adds clarity to current law requiring inspections of certain residential rental properties for lead-based paint hazards. Additionally, the bill repeals a section of the Hotel and Multiple Dwelling Law that requires the Department of Community Affairs to inspect single-family and two-family rental dwellings for lead-based paint hazards.

This bill provides municipalities that maintain a local code enforcement agency the option of either conducting inspections in-house or hiring a certified lead evaluation contractor to perform the inspections. The bill would also allow any municipality to satisfy the lead-based paint inspection requirements through entry into a shared service agreement with another local unit.

This bill provides an exemption from lead-based paint inspection requirements for dwelling units in multiple-family buildings that have been registered as such with department for 10 or more years and have no outstanding lead-based paint violations from the two most recent Hotel and Multiple Dwelling Law cyclical inspections.

Under current law, if an inspection identifies a lead-based paint hazard within a dwelling unit, the inspector is required to notify the department, and it is required to review those findings for the purpose of determining whether the lead-based paint hazard warrants the removal and relocation of residents and provision of assistance. Current law does not specify or establish a funding mechanism for the department to provide this relocation assistance. The bill amends current law to only require a municipality to deliver to the department a list identifying each dwelling unit inspected, and each dwelling unit determined to contain a lead-based paint hazard. Additionally, the bill requires the department to submit an annual report to the Legislature indicating the number of inspected dwelling units identified to have lead-based paint hazards within each county.

The bill would take effect immediately upon adoption; however, the bill's provisions that authorize a municipal governing body to provide lead-based paint inspection services by contract or shared service agreement would apply retroactively to authorize an agreement entered into on or after July 22, 2022.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

The OLS concludes that the bill would result in increased annual administrative costs to the Department of Community Affairs associated with preparing an annual report for the Legislature, indicating the number of inspected dwelling units identified to have lead-based paint hazards, and promulgating rules and regulations for the dissemination of information about the requirements for inspections of certain residential rental properties for lead-based paint hazards.

Additionally, the department may also experience a reduction in annual costs and revenues to the extent that it currently provides relocation assistance to tenants affected by lead hazards for cases referred to the department pursuant to current law as the bill removes a requirement for the department to review certain findings in accordance with a provision of the Lead Hazard Control Assistance Act. Under current law, when relocation assistance is authorized pursuant to the Lead Hazard Control Assistance Act, the department is required to provide relocation assistance to a tenant and may seek reimbursement from the owner of the rental property from which a tenant is removed. Moreover, the department is required to seek reimbursement from the rental property owner if a tenant has been removed from the property due to the owner's failure to maintain a lead-safe condition. In this circumstance, all relocation costs are required to be repaid by the owner of the rental property. If these costs are not repaid within 10 days of the due date, the law requires interest to accrue on the unpaid balance at a rate of 18 percent per annum until all costs are fully paid. Current law, however, does not specify or establish a funding mechanism for the department to provide this relocation assistance.

The bill may also result in a State revenue decrease due to the removal of a provision that allows the department to charge a fee for participation in its educational program concerning lead-based paint hazards. Current law allows the department to collect a seminar fee of up to \$50 per participant in the educational program. However, it is unclear whether it currently collects this fee as an educational webinar is available at no cost on its website.

The bill may also result in annual indeterminate cost impacts to municipalities to the extent that municipalities elect to enter into a contract or shared services agreement to provide for the inspection of rental units for lead-based paint hazards and to the extent that the bill's requirement to inspect common areas in certain residential rental buildings increases the cost of conducting an inspection. The OLS is unable to predict the extent to which municipalities will conduct inspections in-house through a local enforcing agency, by entering into a contract with a lead evaluation contractor, or via shared services agreement.

The OLS also notes that the bill extends the deadline for certain rental units to be inspected for lead-based paint hazards from July 2024 to July 2025, which would defer some costs expected to be incurred by municipalities.

Section: Local Government
Analyst: Abigail Stoyer
Associate Fiscal Analyst
Approved: Thomas Koenig
Legislative Budget and Finance Officer

This legislative fiscal estimate has been produced by the Office of Legislative Services due to the failure of the Executive Branch to respond to our request for a fiscal note.

This fiscal estimate has been prepared pursuant to P.L.1980, c.67 (C.52:13B-6 et seq.).

Governor Murphy Takes Action on Legislation

09/12/2024

TRENTON – Today, Governor Murphy signed the following bills into law:

S-721/A-2812 (Steinhardt, Sarlo/Greenwald, Swain, Egan) - Exempts sales of investment metal bullion and investment coins from sales and use tax

S-741/A-2608 (Diegnan/Karabinchak) - Authorizes State Treasurer to sell as surplus certain real property and improvements in City of Jersey City in Hudson County

SCS for S-2188/ACS for A-1970 (Ruiz, Greenstein/Speight, Karabinchak, Verrelli) – Requires DEP, DOH, owners or operators of certain public community water systems, and owners or operators of certain buildings or facilities to take certain actions to prevent and control cases of Legionnaires' disease

S-2311/A-1128 (Singleton, Singer/DiMaio, Matsikoudis) - Requires criminal history background check for individuals seeking licensure issued by boards regulating certain health care professions

S-2435/A-3537 (Greenstein, Mukherji/Stanley, McCoy, Murphy) - Revises certain requirements concerning eligibility for reimbursement from "Emergency Medical Technician Training Fund"

S-2607/A-3872 (Ruiz, McKnight/Pintor Marin, Calabrese, Speight) - Requires private bus operators to provide notice and hold public meetings for certain service changes

S-2810/A-3779 (Diegnan/DeAngelo, Karabinchak, Bagolie) - Changes membership of board of trustees of SPRS to remove requirement that two members be private citizens

S-3097/A-4226 (Pou, Sarlo/Wimberly, Sumter) - Modifies requirements for certain projects under Economic Redevelopment and Growth Grant program

S-3134/A-4192 (Diegnan, Moriarty/Calabrese, Carter) - Requires MVC to take certain action concerning commercial driver licenses and commercial learner's permits

S-3235/A-4461 (Ruiz, Moriarty/Conaway, Miller, Sampson) – Regulates production and sale of certain intoxicating hemp products

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S-3368/A-4623 (Ruiz, McKnight/Calabrese, Stanley, Reynolds-Jackson) - Concerns law protecting residential tenants from lead-based paint hazards

S-3407/A-4540 (Lagana/Verrelli) - Requires payment of prevailing wage for projects financed through commercial property assessed clean energy program

A-2610/S-3203 (Karabinchak, Calabrese, Sauickie/Gopal) - Extends annual horse racing purse subsidies through State fiscal year 2029

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A-2890/S-3231 (Verrelli, Reynolds-Jackson, Quijano/Cryan) - Permits temporary appointment of additional members to the Board of Review in the Division of Employment Security

A-4035/S-2809 (Dunn, Speight/Bucco, Pennacchio) - Requires State to sell as surplus property certain land and improvements in Morris County known as Central Park School

A-4533/S-3421 (Coughlin, Wimberly, Speight/Zwicker, Johnson) - Revises certain sections of law concerning financing mechanisms for school facilities projects of regular operating districts

A-4534/S-3439 (Coughlin, Wimberly, Schnall/Vitale, Mukherji) - Revises definition of qualified assistance fund expenses under UEZ program to include costs of transportation infrastructure projects and related debt service

Governor Murphy conditionally vetoed the following bills:

S-2864/A-4061 (Lagana/Verrelli, Swain, Venezia) – CONDITIONAL - Establishes working hours for certain minors employed as professional athletes

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S-3455/A-4597 (Sarlo, Burzichelli/Calabrese, Moen, Stanley) – CONDITIONAL - Provides for automatic renewal of off-track wagering licenses

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A-2180/S-3000 (Moen, Wimberly, Murphy/Beach, Polistina) – CONDITIONAL - Permits certain persons to operate Type S school buses

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A-2294/S-1443 (Lopez, Freiman, Tully/Singleton, Johnson) – CONDITIONAL - Establishes mortgage payment relief and foreclosure protection for certain homeowners impacted by the remnants of Hurricane Ida

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A-2607/S-360 (Karabinchak, Calabrese, Inganamort/Diegnan, Mukherji) – CONDITIONAL - Authorizes taxicabs, limousines, and transportation network companies to provide paratransit services for two-year period

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